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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! SLIGHT DELAY NOTICE: Irresistible vs. Immovable

Dear Subscribers,
In addition to some tech issues on the way back in from the UK and US Monday holidays, significant market shifts call for a more extensive review and update after Friday's 'Churn! Churn! Churn!' ALERT!! As such, the full analysis will take us a bit more time, yet will still be out only somewhat later than usual today.
And of course, after we noted Friday, "*There are times when US equities are very directional, which can be designated as 'trend' volatility (versus trading volatility.) Yet markets spend much of their time more so in established trading ranges*..." ...Murphy's Law dictated this was the moment when US equities were going to return to more 'trend volatility'. While we apologize for this morning's delay, we can communicate the key details which remain consistent with previous analysis.
On US equities the June S&P 500 future is the focal point to our 'Irresistible vs. Immovable' psychology. As also noted Friday, there is more than a bit of the old '*irresistible force versus the immovable object*' feeling at work right now.
The 'irresistible force' is upside momentum based on recovery hopes, especially since the Negation of an attempted June S&P 500 future pattern top in mid-May (much more below.) Yet there is the 'immovable object' of the major higher resistance we have been discussing ever since the June S&P 500 future pushed back above the 2,620 DOWN Break: the prominent congestion and previous support failure and other factors are in the 2,970-3,030 area it had only managed to barely brush up against on the recovery rally from late April until just now. Pushing fully up into that range at present intensifies the trend decision. We have previously stressed the psychological importance of the top of that range from August-October 2019 as a key area, due to it being the formidable resistance from which it escaped in early November (after the accommodative late-October Fed communication) on its way to mid-February's 3,400 area all-time high. This makes it a 'macro-technical' confluence price area of significant proportions.
Therefore, the question remains whether there can be enough bullish economic and market sentiment to sustain the US equities recovery rally above that area? There are many positives yet also more than a few negatives we will be exploring in the full post. Yet for now it can all be crystalized into what the markets think about themselves, especially US equities now into that higher key resistance.
Some of the related indications from other key markets includes pressure on the global govvies. That is rather limited for the US T-note, yet heavier for the German Bund. Yet the latter may be under more pressure due to recent rather surprising German acquiescence to a pan-European COVID-19 relief fund, which they have previously opposed. That might be interpreted as potential for more EU inflation.
Yet it is no surprise that both developed currencies and emerging currencies are pushing up against the US dollar. The better outlook based on relief program fiscal largesse and COVID-19 vaccine hopes are the obvious drivers.
Courtesy Repeat of Previous critical consideration (with updated weekly chart)
COVID-19 virus spread caused US equities intermediate-term bull psychology to 'crack'. Front month S&P 500 future was already back below key congestion around the mid-2019 3,030-00

previous all-time high congestion. That was below support from the push above the multi-year topping line at 3,070 as well, and left a late-February intermediate-term up channel 2,970 DOWN Break.
The subsequent DOWN Break below the front month S&P 500 future 2,600 area major up channel seemed to indicate more of a near-term failure. That was from the early 2016 low (https://bit.ly/36ukbxP updated through Friday's Close.) That was the recent key higher resistance it had violated on its push above its 2,675 trading high Tolerance from prior to the DOWN Break (including monthly MA-48.)
As such, it is reasonable the June S&P 500 future will now treat the low 2,600 area (with a Tolerance to the mid-2,500 area) as support. This leaves front month S&P 500 future up into a broad higher range, with the top back into the 3,000 area. The key levels along the way are previously violated support at 2,850 area and the 2,750 area, both of which had been exceeded. It held below the latter in late-April without ever nearing the 2,675 Negated Tolerance of the 2,600 area DOWN Break.
This left open the potential to retest that more prominent confluence of resistance factors in the 2,970-3,030 range despite the recent slippage. That resistance was further reinforced by the manner in which volatility has returned to the downside over the past two weeks. While recovering from below the 2,850 area previous, it had stalled on recent rallies. This created a more highly focused Evolutionary Trend View (ETV) in the form of a near-term Head & Shoulders Top pattern.
That pattern is apparent on the daily chart (https://bit.ly/3dJ6Wf7 updated through last Wednesday's Close.) Yet last Wednesday's 2,820 DOWN Break was nominal, and it recovered above it later on last week. That put the 'burden of proof' back onto bears to sustain activity back below 2,820-00 to confirm this is a bona fide top. As noted last week, any sustained activity above it signals a false top.
There were some key points to consider. The first is that the 'Neckline' (varied red line across recent lows) was on a steep angle. That is often a warning the pattern is not credible. And in any event, the June S&P 500 future would have needed to Close below the 2,771 interim selloff low to reinforce the top; which obviously did not happen. On the upside, the classical Tolerance of the 2,820 DOWN Break is Monday's 2,947 trading high, with recent activity above it pointing to a new high. Resilience is also apparent in the recent dip not reaching 2,890 interim support.
For more on the overall Evolutionary Trend View on the 'long arc', please see the Wednesday April 29 TrendVIew Video (https://bit.ly/2SkZz5p) on the June S&P 500 future developments prior to the most recent test of the key higher resistance and subsequent downdrafts. However, all of the more major trend dynamics remain the same now as discussed since the middle of the week two weeks ago.

The Rohr-Blog Research Team

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