



Alan Rohrbach <ar.rohr.intl@gmail.com>

ROHR ALERT!! Medical and Market Breakthrough?

1 message

ROHR Alert <rohralert@gmail.com>
Bcc: ar.rohr.intl@gmail.com

Mon, Aug 24, 2020 at 9:34 AM

Dear Subscribers,

Well, we must consider whether the Trump administration's accelerated FDA approval for blood plasma treatment for early phase COVID-19 patients was indeed an enlightened move... or was this President Trump's 'jump the shark' moment (https://en.wikipedia.org/wiki/Jumping_the_shark) that may deter many folks from taking the ultimate vaccine when one is finally available? This works hand in glove with the news that the Trump administration is also considering early approval of a UK vaccine before full tests are complete.

The issue is whether the President is desperate for a vaccine well ahead of the November 3rd US general election. Trailing in the polls means he is seeking a boost that will allow him to claim that he has 'solved the problem'. That is despite the US being in such a bad situation based on his previous dismissal of the seriousness of the pandemic. This is specious at best, and highly problematic on the vaccine uptake front based on what is already some US vaccine aversion.

As such, rather than a 'medical breakthrough' it seems more of a political ploy. The President and his team undoubtedly know that any classical testing of a new vaccine (heavily subscribed Phase 3 trials) will run well beyond the US election. From Trump's rightful perspective, that negates vaccine development as a benefit for his reelection. Yet the level of political interference is also of concern to not just diehard US 'anti-vaxxers', but also many average US citizens.

Based on Trump's 'deep state delays' claims regarding FDA, there is room for more skepticism. That is also driven by the fact that the UK vaccine developer Astra-Zeneca has come out this morning with news that it has had no contact on this with any individuals in the Trump administration... Curiouser and Curiouser.

All of that said, there has finally been a 'market breakthrough' in the form of the front month S&P 500 future finally trading above its February 3,397.50 previous all-time trading high. That is despite Friday's "Globally It's the Same 'New' Thing" titled ALERT!!, which explored at length the expanding US COVID-19 problem now being a renewed global concern. Everywhere from Europe to the previously successful South Korea, there is now renewed COVID-19 infection concern. Please see Friday's ALERT!! for much, much more on the major details.

Yet this also explains why early approval of first a therapeutic with the promise of a (even if less than fully tested) vaccine can bring such a sharply bullish reaction in US equities. Even with the concerns over how broad vaccine uptake might be, the idea there might be even some degree of a solution is very striking.

It is on the potential to move from the current latest 'new normal' (which based on the extent of COVID-19 suppression protocols we have deemed 'new abnormal') back to mostly

'normal'. Yet that doesn't work if fear over the vaccine approval being politically 'forced' discourages the average person from getting it.

And the 'market breakthrough' is also contingent on September S&P 500 future maintaining its push well above that February 3,397.50 previous all-time high. It is all as we explored last week Tuesday. We repeat that here (with a minor update):

"However, the cautionary word we always attempt to provide is to remember the broader trend context, and always keep an eye on the next technical levels. And not surprisingly, that is only marginally above the old high. This is because the February high was up to a major 'adjusted' weekly Oscillator threshold prior to the ensuing debacle.

"To be clear, this was not just because the market had topped into that February extension above weekly MA-41 (A 340 point premium.) That was a calculation we extracted when the strength into early 2017 forced us to 'adjust' classical Difference Oscillator thresholds that had worked for years.

"Using 1998-2000 Dot.Com Bubble equivalents we were able to extend the old Oscillator readings to compare with early 2017 readings to set up a percentage expansion (1.75 ratio) for the classical Oscillator thresholds. Based on that the February 2020 S&P 500 future trend 'stretch' above weekly MA-41 was into the maximum premium of \$340...

"...which we had already projected based on the 1998-2000 versus 2017 comparison. This is why in addition to the 'macro' context in January, we were able to note that the US EQUITIES were 'priced for perfection'.

"So, what does that mean for any new high in the FRONT MONTH S&P 500 FUTURE? Obviously weekly MA-41 had been dragged down by the massive February-March selloff, and has only recovered recently in the wake of the equally massive rally. First of all, it is unusual to see such significant movement in both directions in anything as long-term as a 41-week Moving Average (see chart below.)

"Yet the other message from technicals (which are the Rosetta Stone that helps us 'listen' to price 'communication') is that weekly MA-41 is back up to only slightly higher than the level it was at into February. As such, even if the FRONT MONTH S&P 500 FUTURE manages to Close above the February 3,397.50 all-time high, the next Oscillator threshold is as nearby as the (wait for it)... the 3,410 area this week (now up to 3,418 this week beginning August 24th.)

"That is most interesting in its own right, and on the degree to which markets sometimes force a push above the 'big penny' (major round number) and then demonstrate some degree of exhaustion. In the first instance, any violation of that 3,410 level (once again, now up to 3,418 this week beginning August 24th) needs to be by a classical minimum Tolerance of at least \$10; and the Oscillator threshold is still rising \$7.0/week on the serial elevation of weekly MA-41."

We will be revisiting more of the 'macro' perspective soon, yet leave you with that key US equities Evolutionary Trend View as a window on the strength of 'risk on' psychology in the near-term. That said, global govies remaining strong are not consistent with a really strong 'risk on' psychology regarding the actual global economic situation. The counterpoint to that is the emerging currencies getting more of a bid now, which does indeed reflect a more upbeat global outlook. It is possible this is in part in anticipation of

what we will hear from central bankers at the virtual KC Fed Jackson Hole Symposium this Thursday and Friday.

This is the critical consideration

COVID-19 virus spread caused US equities intermediate-term bull psychology to 'crack'. Early March already saw front month S&P 500 future 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/34poXh5> updated through Friday.) That was then the key higher resistance subsequently violated on its mid-April push above its 2,675 trading high Tolerance from prior to the DOWN Break (also monthly MA-48.)

The front month S&P 500 future pushing out of the broad higher range top in the 3,030-2,970 area in early June was the key to it surging to the 3,200 area. That was the next meaningful higher resistance with a 3,230 Tolerance at which it failed previously on the current rally. Yet pushing above it in late July opened the door to a retest of the February 24th major gap down from the February 21st 3,339.25 weekly Close it has managed to Close above once again since two weeks ago.

The only nominal resistance above that is February's 3,397.50 front month future all-time high. Along the way is a minor 3,381 DOWN Closing Price Reversal (CPR) from that topping week (Tolerance 3,388.50.) Yet that CPR is so minor in the face of a major rally back from the February-March debacle, it was hard to imagine it could prevent the front month S&P 500 future from at least taking a look above 3,397.50; and that has now transpired.

That is also just above the extended 'adjusted' weekly Oscillator range, with the next (all-time) Oscillator range not until the 3,413-18 area this week, and also still rising \$7 per week on the continued MA-41 rise. That is the same threshold where it stalled in February, which we already knew from the Oscillator 'adjustment' we made after the market strength into early 2017. It's going to be very interesting.

Does classical over-extension take its toll, or do US equities just power higher? For more on those 'contingencies' based on adjustment to the previous classical Oscillator thresholds (and how they evolved), please see last Tuesday's ALERT!!

NOTICE: The Rohr International, Inc. research team or its principals may already have entered positions or have orders working based on this view.

Thanks for your interest.

This Current ROHR TREND ALERT!! will be available soon via the sidebar at www.rohr-blog.com for Gold and Platinum echelon subscribers.

Please reply 'Unsubscribe' if you no longer wish to receive these emails.

Contact: rohralert@gmail.com

This review of market positions and all other information is strictly for educational purposes. This information is provided without consideration of portfolio requirements, suitability for financial risk, or psychological state of any recipient. Any use of this information to implement actual trades or investments is the sole responsibility of the individual or entity authorizing that decision. This waives your right to any claim of explicit or incidental liability for financial loss or forgone profit against Rohr International, Inc. and any informational contributors under all circumstances. Information contained herein may have already been disseminated to others who may have acted upon it. Implicit in the Rohr educational services is the

8/24/2020

Gmail - ROHR ALERT!! Medical and Market Breakthrough?

understanding that principals or employees of Rohr may have already taken positions. By review of the Rohr Alerts and/or Rohr Views and all attendant information you confirm receipt of them as educational content, as well as agreement with all of the stipulations articulated above.

A service of Rohr International, Inc.

© 2020 All international rights reserved. Redistribution strictly prohibited without written consent