Gmail

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

## ROHR ALERT!! Holiday Coda

1 message

**ROHR Alert** <rohralert@gmail.com> Tue, Dec 22, 2020 at 9:32 AM
Bcc: ar.rohr.intl@gmail.com

**Dear Subscribers,**
**Monday was supposed to be our last day in the office until January 4th, and the last ALERT!! until then. Well, as they say, "*The best laid plans of mice and men often go awry*." (Evolved from Robert Burns' "To a Mouse", 1786.) It was such an important day on the combined influence of the Congressional finalization of the US COVID-19 stimulus/relief package along with the even far more disruptive UK acknowledgement of a more contagious strain of COVID-19, those crowded out the review of our recent research as a guide for anyone interested in key topics.**

**Therefore, along with our second round of Holiday and New Year's Best Wishes to You and Yours, please find that below. It is a specification of the topical content of key issues in our recent macro perspective, while the Evolutionary Trend View remains the same as Monday's assessment with its 'widened lens' price levels.**

**For our review of what we perceive was the less than optimal major US COVID-19 stimulus/relief package, see Monday's 'Relief Rally… Or What?' ALERT!! That has the details on the aspects of the diverse program that repeats some of the critical mistakes made in the original March 'Cares Act' and some other misguided steps. We also mention 'uncertainty' raised by the latest UK COVID-19 news, and that classic financials cliché, "*The market* (which is to say equities) *dislikes nothing quite so much as uncertainty*." Of course, the same goes for 'risk on' psychology.**

**President Trump's next (and likely final) challenges to the November US general election result in the presidential race will turn up very quickly in the New Year. That will be a challenge Team Trump has strongly suggested will be mounted during the final full Congressional electoral vote count on January 6th.**

**This is why we analyzed that so very early in last Wednesday's (December 16th) 'Once More into the Weeds' ALERT!! As it is likely there will be quite a bit more aggressive posturing by Trump and his acolytes over the holiday period, we wanted to ensure our readers (especially our international audience) have a guide to multiple reasons why it will not likely make any difference on January 6th.**

**With all of the ongoing cross currents, it is no longer the 'obvious binary risk appetite' decision we had noted a week ago today. Yet there is a potential return of the 'risk on' psychology if the latest threat from the now international new strain of COVID-19 virus turns out to be less influential than US stimulus/relief.**

**As such, there is still a chance the current US equities recovery from Monday's short sharp selloff can lead to new highs. In that case it may be that Santa is back in town (after a couple of untoward muggings.) For more on the true nature of the 'Santa Claus Rally', see our December 8th 'Santa's Already in Town' ALERT!!**

**That's about it. In general it would seem 'risk on' psychology remains passingly intact, yet more fraught on the COVID-19 news despite vaccination programs hitting their stride. Yet over the next few months vaccination isn't going to be a dominant factor. While US equities are holding up, March S&P 500 future (front month since Friday) needs to sustain strength back above the 3,700 area weekly DOWN Closing Price Reversal from two weeks ago to restore a strong bull trend.**

**Global govvies are of course benefitting from the current chink in the equities 'risk on' armor. Yet after quite a 'bifurcated' psychology (on near-term economic weakness) rally even when the US equities were trending higher, they are not at present remaining above the most important higher resistances breached on their recent rallies. And the US dollar recovery has only partially recouped recent weakness below major trend levels. That leaves both the developed currencies and emerging currencies up trends intact, pending whether the US Dollar Index can sustain activity back above the failed 91.00-90.50 support. We shall see.**

**Courtesy Repeat of Monday's critical consideration**
**Aside from the sheer magnitude of the selloff in the first week of September, it was also a technical pattern top. That is clear on the front month S&P 500 future weekly chart https://bit.ly/3nBUa7L updated through Friday. Such a significant rally above the previous week's 3,504.50 Close and drop well below it established a major DOWN Closing Price Reversal (CPR) with a 3,510 Tolerance.**

**The next significant support after it traded below the February 3,397.50 previous all-time high looked like the 3,230-00 range we had previous highlighted as rally resistance into early June. After that held once again, the recent surge back above the 3,400-30 area left a burden of proof on the bears to get the market to fail back below that area. Yet instead the December S&P 500 future posting weekly Closes above first 3,505-10 and ultimately the 3,550 area looks like it is indeed again 'Risk On' Forever. This is confirmation of our estimation the US election would be a win-win for US equities, with the key accelerated bullish influence from the serial positive vaccine announcements since early November.**

**The near-term question was whether it could hold support at the early-September 3,587 trading high and 3,582 early November Close, with a Tolerance to the 3,575 congestion? Even though it slid below them in early-mid November on US election concerns, those issues clearing up reinstated the 'risk on' psychology.**

**Above that range since late November left minor congestion resistance in the 3,625-35 range. Also above that pointed to the recent 3,668 all-time high that was exceeded into the beginning of December with a 3,700 new all-time high. While it traded slightly above that two weeks ago, the following Wednesday saw a selloff back below that area into the area of that previous 3,668 all-time high.**

**That left a minor (based on only a very nominal 3,714.75 new all-time high) DOWN Closing Price Reversal. The rule of thumb on 'nominal' DOWN signals in a sustained bull trend is that they tend to be violated after only a brief reaction.**

**Whether that would be the case here was the next question. What we know for now is that there has been erratic activity on the obvious 'binary risk appetite' regarding the fortunes of the US COVID-19 pandemic relief package. That previous 3,668 all-time high has a Tolerance of the more recent 3,655 congestion, which it slipped below and then recovered above in recent trading.**

**Yet early last week it held into the additional interim support in the 3,625-35 range congestion that it had slipped below in today's early aggressive selling. As long as those hold, the 'risk on' rally extension psychology above September's major 3,505-10 DOWN CPR (which remains the major lower support) will maintain. If it can once again exceed 3,700 area, 3,750-3,800 area remains the higher resistance before it is 'overextended' and more likely to react again in a more major way.**

**Thanks for your interest.**

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

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