



RESEARCH NOTE

Thursday, April 16, 2020

We Call 'Em the Way We See 'Em, Quick Take, Calendar

We received some negative feedback from certain readers yesterday on being 'anti-Trump'. That is laughable. We are equal-opportunity critics, and if they took our full analysis in its broader context they would be well aware of that. We have no use for thin-skinned partisans on either side of the divide, and suggest they simply stop reading our reports if they don't like our 'critical' views.

It is also the case of late we have been just as critical of Democrats for misguided attempts to shoehorn Green New Deal and social program spending into rescue programs as we have been of Trump for fudging US COVID-19 testing success.

Why is this important, especially to readers who already know our assessments are balanced? It is because this is what keeps our analysis as prescient and accurate as it needs to be to benefit subscribers and advisory clients. There is much more on this below (including further kudos and criticism for Trump and others.) This is later than usual due to the need to dispatch this misguided view.

But for now it is more important to move onto key market perceptions. As noted in Wednesday's 'Bouncing Around' research note, the old axiom "*The market (equities) is a creature of expectations*" has been important to understand once again on recent continued trading and trend volatility (with daily ranges of \$75-\$100+.) And the JUNE S&P 500 FUTURE bounces between key technical levels has most recently meant a selloff from 2,850 down to a test of the 2,750 area.

As noted then, this was in the context of dismal 'current' economic data (see Wednesday's research note for the full litany) that the market was expecting. And this continued with an equally dismal Fed Beige Book (<https://bit.ly/2K8iTOC>) on Wednesday afternoon, and dire US Initial and Continuing (a major new record high) Weekly Jobless Claims this morning. And yet, JUNE S&P 500 FUTURE held that lower 2,750 support and is rebounding. Much more on price activity below.

A creature of expectations indeed. As we had noted previous, this is a battle between 'anticipation and desperation'. That was our view in the March 11th research note from just prior to the plunge below 2,600, with the difference now being that anticipation of government support is buoying the market... at least for now. The next vestige of that is this morning's Fed PPP Liquidity Facility announcement (<https://bit.ly/2K8KoaX>) supporting that program.

Along with other measures offsetting current dire developments, will this further encourage US EQUITIES well enough to foster a rally extension to their higher resistance (more below)? We shall see. Some of it may require that Democrats get past current hang-ups on adding new dimensions to the PPP that are not consistent with the existing program funding that could be readily replenished.

This review of economic and technical trend factors is strictly for educational purposes. 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 claim of explicit or incidental liability for financial loss or forgone profit against Rohr International, Inc. or any of its informational contributors under all circumstances. Information contained herein may have already been disseminated to others who may have acted upon it, including principals or employees of the advisor. By review of this analysis you agree in whole with these stipulations.

A service of ROHR INTERNATIONAL, Inc.

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

Yet for now US EQUITIES buoyancy would suggest they can indeed head up to higher resistances as long as they hold that lower support, GLOBAL GOVVIES are keeping their bid despite the EQUITIES strength, and EMERGING CURRENCIES remain weaker than not on the still vexed global economic outlook.

Back to equal-opportunity critic positions, this did not start with Trump's 2016 candidacy or his administration or the recent COVID-19 crisis. Touching briefly on ancient history, we were among the most vocal on how overvalued US EQUITIES were in 1987 on US security firms' mindless encouragement of retail customers sales of naked put options to garner modest sums on a misguided "the market will always go higher" suggestion. 'Critical' of the entire industry, and it ended badly.

The 2000 top of the Dot.Com Bubble was another clear example of a lot of money chasing capital gains in a company model that could not show profitability. We had the additional advantage of being friends with a major packaging supplier (like boxes for shipping) who sold their company into the top. They shared with us that orders for packaging had imploded early that year... ergo, hollow companies that were operating at losses in pursuit of market share were finally imploding.

The late great Mark Haynes of CNBC had long noted that the executives from serial Dot.Com startups had all promised they would dominate 60% of the commerce in their 'space', even though five others in that same space were promising the same thing. He pointed out there was only 100% total, so some major percentage of them were headed for trouble... along with their investors and traders who owned their stock.

On the Housing and Credit Bubble, we had offered a forward view at the end of 2006 that there could be a disorderly end. In the extensive Rohr Report Capital Markets Observer II-48 (<http://bit.ly/2xNYLJ9>) we covered a range of major risk factors. That said, the technical view kept us on track with the evolving bull trend along the way ('Learn to Love the Bubble' <http://bit.ly/2c03eOH>) until a failed DJIA UP Break in August 2007 had us become much more bearish for the duration.

And we were 'critical' once again throughout that year, and especially after the trend volatility shifted definitively to the downside in early 2008. That means critical of all the powers-that-be who were so obviously failing to regulate the pernicious housing and credit functions. We were sharply 'critical' of Greenspan on banks, Cox at SEC, the FHLB, Congress (which had started it by mandating looser home loan protocols and allowing for naked short sales CDOs) and others.

Our 'criticism' of the finance industry's packaging of complex instruments was cited by Financial Times' analyst John Authers (now at Bloomberg) on page 2 of 'The party's over when the music stops' (<https://bit.ly/2Kaycq9> September 2007.) Once again, we were not biased against the finance industry in general, only the activity that was misleading and pernicious. That leads to the present.

Yes we were 'critical' first of Trump's Monday assertion of "*absolute power*" to make the call on reopening the US economy, with the Governors needing to obey. Then we were 'critical' of his total volte-face into, "(paraphrased) *That decision rests with the Governors; it's their call*", due to it being so erratic, even if much more consistent with the US constitution.

Then we noted rather than thinking Trump was that dumb, he is actually 'dumb like a fox'. In the first instance, what a great way to 'troll' the press. His quick reversal is also a great way to make their response to his previous outlandish statements leave them appearing overwrought, anxious and stressed.

Yet there is also potentially a more 'cynical' political dynamic behind his recent position shifts: having his cake and eating it. In addition to any joy from trolling the press, he has now been radically on both sides of the 'control' of reopening the US economy after recent extreme social distancing policies and protocols.

If that is a success, Trump can claim he was the leading light on that from early on, and would have asserted federal control if the Governors had not done it. If there is a resurgence of the epidemic, he can say the Governors made the actual call, not him.

Very Clever. Cynical, but clever. And maybe the angst on the part of Trump acolytes is that I called him 'cynical'. But in the realm in which he now operates, cynicism is merely 'realpolitik'; and in fact a form of compliment.

Look at the Democrats current stance on the aforementioned PPP funding. The headline from just recently (09:50 CDT) is that the Small Business Administration says they are not taking any more applications because (as was anticipated for sometime today) the initial \$350 billion of funding has run out. And the Republicans are laying the blame at the feet of the Democrats due to their demands of additional spending protocols assisting state and local governments as well as hospitals and other healthcare organizations.

For any of our non-US readers who cannot fathom this, it gets back to another axiom we have noted of late: President Obama's highly regarded first Chief of Staff (and eventual Mayor of Chicago) Rahm Emanuel was known to quip during the 2009 phase of the Credit and Housing Crisis, "*You never want a serious crisis to go to waste*" ...regarding the ability to use it to further a broad agenda. That's a real thing: <https://www.youtube.com/watch?v=Pb-YuhFWCr4>.

And we are definitively 'critical' of the Democrats for that. They can always begin new legislation to fund those, also important, needs. But to hold up current very important supplemental funding for the Paycheck Protection Program due to wanting to amend the legislation when there are businesses waiting in line for those funds is unconscionable. And if the negative political fallout is as bad as it might be, it will go a long way toward making them as big a pariah as Trump.

Once again for our non-US readers, this is a classic example in American politics of one side having an edge but then striving mightily to 'snatch defeat from the jaws of victory'. Tuesday we cited Senator Rubio's, "(paraphrased) *imagine the impact on the public psyche if they are told a program that was at least partially effective is being shut down because Congress cannot agree on providing more money for something that is already in place.*" While we do not always agree with them, it would seem the Republicans have a legitimate point in this case.

And on another front where we agree with Trump. The temporary suspension of World Health Organization funding at this time is an appropriate measure. Even a current New York Times (a full-blown Trump antagonist) article on the subject of WHO actions (<https://nyti.ms/3beWRpz>) with a WHO friendly title needed to admit, "*...the agency repeatedly praised China for cooperation and transparency that others said were lacking.*"

And in fact, the WHO is beholden to member nations' sensitivities. Yet that makes it a lousy 'guardian at the gate' when it comes to critical international health issues like more pointed warnings of a pandemic.

The WHO, China, Democrats, the NYT and the rest of the Left-leaning press are all blasting Trump for 'cutting' funding. But it is actually a '60-day suspension' pending review. That fact is whether China-influenced or not, the WHO leaders failed, and what's more they failed badly.

Now because we are in a crisis they are demanding 'continuity' as a means to duck 'accountability'. Is this one of the newer 'politically correct' kids sports leagues where everyone gets a 'participation trophy'. If a CEO had seen his company value drop as much as the world economy has dropped since late 2019, he would definitely be fired. If Trump had 'em on The Apprentice, he could just say, "You're Fired!!"

If the WHO leadership had any self-respect, they would resign! So let's get rid of the folks who aided China (by not being more demanding) in blocking US experts from going there to get the more definitive information the whole world needs. While I can be very critical of Trump on some points, he is right on this one as long as funding 'suspension' is indeed temporary. In this case 'suspension' is code language for wanting the existing WHO leadership to resign. We shall see.

Yet on the COVID-19 testing front, we are still troubled by Trump's overly positive assertions. And we do not need to revert to more of the economists' or medical professionals' opinion on this. As Trump (along with the rest of us) is keen to see a constructive re-opening of the US economy, his meetings with business leaders have been very instructive.

As a CNBC review (<https://cnb.cx/2RIMLW3>) notes, "A group of business executives warned President Donald Trump on Wednesday that the federal government 'needed to dramatically increase' the availability of coronavirus testing before Americans would feel comfortable returning to their normal lives."

There you have it. It was not just being 'critical' of Trump in sharply questioning serial statements on the US being the best and running more tests than anyone else ("...the U.S. behind South Korea, Germany, Canada" according to CNBC.) Most informed observers (including Dr. Fauci) are well aware the US is not yet in a position to implement the broader re-opening that Trump would like to see.

Why isn't more effort/funding being applied to this? As we noted in Wednesday's 'Bouncing Around' research note, St. Louis Fed President Bullard's clever take on it (according to Bloomberg) is that the COVID-19 shutdown, "...is costing the U.S. \$25 billion every day in lost household income." So where is the necessary massive distribution of more effective rapid response COVID-19 tests?

Another Courtesy Repeat of Tuesday's Quick Take

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 (see our previous 'Crunch Time' research note.) That was also below support from the push above the multi-year topping line at 3,070 as well and left the late-February 2,970 DOWN Break below the intermediate-term up channel (from the late 2018 low.)

Did this signal reversal into a bear trend? Maybe not, but the subsequent fresh DOWN Break below the FRONT MONTH S&P 500 FUTURE 2,600 area major up channel seemed to indicate it was. That is from early 2016 low (<https://bit.ly/2wxaZv6> updated as of Thursday's Close.) That was the recent key higher resistance it has just exceeded on the violation of its Tolerance: that was the 2,675 trading high of the week ending March 20th (including monthly MA-48)

As such, it is reasonable that 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. It must be allowed that along the way the previously violated supports at 2,850 area along with the more prominent 2,750 area (already above) are nearby key levels.

Evolutionary Trend View

Moving on now to a critical market assessment in the wake of the US EQUITIES recovering back above the 2,600 channel DOWN Break from the early-2016 FRONT MONTH S&P 500 FUTURE 1,800 area lows (projected from (from the 2,313 late 2018 low.) After the past month-and-a-half of seeing GLOBAL GOVVIES strength, that also recently significantly reversed on the prospect of the major global fiscal stimulus likely weighing on those markets as well, Yet the current US EQUITIES strength is not reinstating that previous pressure for the reasons explored at length above.

The MARCH **T-NOTE FUTURE** surging into a new all-time high into mid-March (i.e. shortly prior to its expiration) above the 134-00/-08 summer 2016 previous high was understandable (weekly chart through last Thursday's Close <https://bit.ly/3c47DyW>.)

As we had based our future expectation on its historic weekly Oscillator activity likely extending its rally at least into the 135-16/136-00 area (MA-41 plus 06-00/-16), which was violated in early March. Sustained activity above that zone pointed to the next Oscillator resistance into the 138-00/-16 area (MA-41 plus 08-00/-16) it was already testing back then into its parabolic extension to the weekly Oscillator resistance in the 139-16/140-00 area (MA-41 plus 09-16/10-00) into mid-March prior to its sharp setback.

In fact, that sharp selloff later that week created a DOWN Closing Price Reversal (CPR) back below the 138-00 area (Tolerance the previous week's 138-16 high.) That is now resistance which has been repeatedly tested on the initial push above it and again in recent recoveries. 140-08/-24 area was next Oscillator resistance this side of the mid-March 140-24 all-time high (and trading high of that recent DOWN CPR.) Yet as it has been back under pressure below that 138-00/-16 area of late, lower support remains into the 135-16/136-00 area not as yet retested on the current downside reaction.

Similarly, the previous strong sister **BUND FUTURE** had seen the MARCH CONTRACT rally back to fully test and exceed its 177.00-.50 resistance from last summer (weekly chart through last Thursday's Close <https://bit.ly/3a1yvhl>.)

Much above that next resistance was not until 178.50 congestion from back then it hit prior to a week ago Friday's expiration, with a DOWN CPR at 179.20 (Tolerance at 179.67 all-time high) above. Yet there was a twist here on the typical very early expiration of the MARCH CONTRACT that Friday with the JUNE BUND FUTURE trading almost 3.00 lower.

While there was a chance it would be back into or below the 175.60-.00 area, in the event the strength of the uptrend extension in the MARCH BUND FUTURE to test that mid-179.00 resistance left the JUNE BUND FUTURE trading above 175.60-.00. That implied instead of weakening, it was more likely to trend up into the 177.00-.50 resistance and above.

And while we always expect the second month contract to swing back up to front month values once the BUND maintained its up trend, the JUNE BUND FUTURE had done this in record time: literally between becoming the front month on Friday, March 6th into only early afternoon (Central European Time) the following Monday. Yet even that hypervolatile push up into the low 179.00 area was once again only a retest of the early September DOWN CPR.

And after that it sagged back below the 177.50-.00 area, and had been unable to sustain activity back above it. That even left a fresh DOWN CPR from the previous week's 176.52 Close. As such, despite the strength of the other GLOBAL GOVVIES, that weakness carried it below next lower support in the 175.60-.00 range.

Then it also dropped below the next lower 173.25-.00 support, and even back below the previously staunch 170.50-.00 NEGATED early November DOWN Break support that had been tested extensively over the winter.

It is a clear sign of how concerned the BUND is about the necessary fresh fiscal largesse necessary to counter the heavy European COVID-19 impact. Next lower support was not until back in the major 168.58-.00 area from during the summer 2016 previous all-time high congestion that it held on the sharp selloff into mid-March prior to the bounce back above the 170.50-.00 area. The extended weak economic psychology had recently boosted it back up into the important 173.00-.50 range once again, with 175.00-.60 above and 170.50-.00 below. As the lower bound has held for now, 173.00-.50 is the current near-term resistance.

As far the MARCH **GILT FUTURE** was concerned also at new all-time highs like the T-NOTE saw it overrun the September 2019 135.26 weekly DOWN Closing Price Reversal (Tolerance to 135.87.) That also overran some historic weekly Oscillator resistance at 137.00-.50 (MA-41 plus 4.00-.50.) This left the next weekly Oscillator resistance at 139.00-.50 (MA-41 plus 6.00-.50) it had already tested and overran temporarily in early March. And much like the T-NOTE, its selloff into mid-March left a DOWN CPR from the previous week's 139.00 area Close.

The Tolerance of that DOWN CPR is right there as well due to that Close being at the high of the week. Not only did the MARCH GILT FUTURE fall back down into the 137.00 area, but the full point discount in the JUNE GILT FUTURE left it back below the 135.26 violated weekly DOWN Closing Price Reversal support.

That also saw the JUNE GILT FUTURE below the 130.00-.50 FRONT MONTH GILT FUTURE support into next historic low-128.00 congestion it hit temporarily two weeks ago Thursday prior to the major rebound above the mid-low 135.00 area. 137.00 area congestion remains higher resistance that is has stalled into once again for now, with 139.00 area above and the mid-low 135.00 area below.

In **FOREIGN EXCHANGE** the **DEVELOPED CURRENCIES** have also seen massive shifts over the past two months. As noted previous, even though the **US DOLLAR INDEX** had a 'haven' bid as into mid-February, it then came under extensive pressure against the other **DEVELOPED CURRENCIES** (including the recent atypical depression of the other 'haven' **JAPANESE YEN**.) Yet the recent concerns about how poorly the other countries might fare under the extended COVID-19 impact has seen the bid return to the greenback.

While the volatility in this area is also historically extreme, previous **US DOLLAR INDEX** weakness was not a surprise with COVID-19 is spreading in the previously 'safe' United States. Yet that was reversed on worse impacts elsewhere leading to a wild rally to 103.00 prior to settling back into the 99.00 area.

Firmer US economic data had assisted the US DOLLAR INDEX last summer in finally fully overrunning the mid-upper 97.00 resistance. That inspired the push above the April-May 98.37 area trading highs which occurred in early August prior to lapsing back into near-term weakness. Next levels were the interim 99.00 area, yet with the more prominent area not until the 99.50-100.00 'big penny' historic congestion at which it failed again on the retest in mid-February (just like last October.)

After weakening in the end of February it failed back below 98.37-.00 (also important cluster of weekly MAs in the upper 97.00 area) on its way to also cracking the 96.50-.00 well-established congestion range support held at the end of last year. With the previous COVID-19 flight to US safety reversed, it was retesting the longer-term congestion in the 96.00-95.84 area (12-month trading low.) Much below that is the interim congestion into the recently tested 95.00 area it held into mid-March, with the more major 94.00-93.70 area below.

Yet the recent return of more pointed concerns elsewhere has seen it surge back above the 98.37-.00 area, and even above previously tested (February high) 99.50-100.00 and interim 101.30 into the recent retest of the more significant 102.00-.25 (late-2016/early-2017) congestion prior to recently setting temporarily back below 100.00-99.50 prior to recovering to retest and fail from that range of late after holding a retest of the 98.37-.00 area.

Along with the extreme concerns now affecting the BUND on a fiscal basis, European currencies were under pressure again versus the US DOLLAR. **EUR/USD** was also under pressure previous early this year due to its still weak economy, the initial response to the COVID-19 spread there took it to 33-month lows below last October's 1.0878 trading low prior to the subsequent sharp recovery.

The EURO was strengthening so much against the temporarily weak US DOLLAR due to previous 'greenback avoidance'. The US DOLLAR losing its haven bid had seen EUR/USD surge back above 1.0800 and even the more prominent 1.1000 area as well as the heavy 1.1250-00 area. That was the next lower support, yet with the greenback surging once again it was readily violated.

It has now failed back below it as well as the interim 1.1100 area and even the more prominent 1.1000-1.0950 area. It is now also back below last October's 1.0878 trading low once again. It also weakened below the more prominent historic and recent congestion in the 1.0800 area with a buffer to the weekly chart gap higher from a mid-April 2017 1.0722 weekly Close it weakened below prior to recent recovery into the 1.1000 area.

Yet if it should come back under pressure, that is just part of an entire broader range with interim congestion at 1.0500, a low end into the January 2017 1.0340 more than 17-year trading low (i.e. from the time of the EUR/USD recovery back above 1.0000 after several years of travails following its 1999 inception.)

GBP/USD had already held up much better against the US DOLLAR than other DEVELOPED CURRENCIES in the wake of the Brexit vote finally confirming its exit from the EU. While failing from 1.3500 again in December as well as back below the interim 1.3200 congestion, it only worked its way gradually into the historically important 1.3000-1.2800 range. Even on the late February US DOLLAR surge, GBP/USD only dropped to a Close near the bottom of that range.

However, the BoE leading the emergency rate cut efforts spooked the POUND bulls, leaving it back below 1.2800. Since then it Closed below 1.2500-1.2450 three weeks ago and even the interim 1.2200 area and major 1.2000-1.1960 September 2019 three-and-a-half year low.

It was recently even below the October 2016 post-Brexit political crisis 1.1711 35-year trading low prior to the current rebound above it near the 1.2500-1.2450. While it sounds like a long way down, due to the nature of the aggressive 1984-1985 selloff and recovery, next support is not until the 1.1000 area.

Yet even that is also relatively minor congestion from that 1984-1985 swing down into and recovery from the 1.0345 February 1985 all-time low. Thankfully it has rebounded back above the 1.2200 area for now, even if only stalling back into the 1.2500-1.2450 area.

And despite US-China rapprochement on the Phase I trade and tariffs agreement, **AUD/USD** remains depressed on the heavier East Asian COVID-19 impact. That is only as expected, even as there has finally been a bounce on the lower Asian COVID-19 impact. Yet that is still from well below the .7000 area held in mid-May of last year.

Minor squeezes temporarily back above the .7000 area were only a prelude to slipping more definitively below it last July. Next lower major support was the .6825 area early-2016 10-year trading lows it also slipped below around the same time.

That is important after it slipped below next interim support at .6690-77 in early February on COVID-19 driven weak Chinese economic concerns. The .6500 area was the next support it slipped below along with violating the .6250 area next support. That was the last interim congestion this side of the now also violated .6000 area October 2008 17-year trading low.

The 'good' news here is that there is somewhat substantial 1998-2003 congestions at .5720, even if it washed out below temporarily in mid-March (trading low .5510) prior to the recovery back above the .6000 area it is holding back above at present and even exceeding that .6250 area violated support. Yet it has not been able to sustain activity back above .6500 area. If it should weaken below .6250 and the .6000 area again, lower supports remain at .5325-15 and near .5000 this side of the major April 2001 .4793 all-time trading low.

In light of the recent more radical swings we resurrected our analysis of the **USD/JPY**. This was the prima facie example of the extreme mid-February 'haven' bid in the US DOLLAR, as the typical fellow 'haven' currency YEN came under heavy pressure on the USD/JPY surge above 110.00 for the first time since May 2019, leading to an immediate rally to the prominent 112.00-.50 area into the end of that week.

Yet here as well, once the US DOLLAR came under pressure on its loss of 'haven' status due to the COVID-19 spread in the previously safe US, at the end of February it 'crashed' back below the 110.00 area to Close into 108.00 again. Yet that did not hold since early March began on weakness that carried below the interim 106.00 area and once again below the very prominent 105.00-104.50 range (39-month trading low with major tests in March 2018, January 2018 and August 2019.)

Next lower congestion was not until the interim 102.50 area that USD/JPY traded below recently prior to and recovering back above the low 105.00 area as well as 108.00 and recently even the 110.00 area once again prior to the current weakness. Higher resistances remain in the 112.00-.50 and 114.00-.50 areas even if it has sagged back to below the 108.00 area of late.

And **EMERGING CURRENCIES** that had been under pressure had been recovering to some degree in February prior to coming back under pressure. The SA RAND has seen **USD/ZAR** overrun 15.40-.50 and even the 15.69 September 2018 high prior to pulling back previous.

Even though it sagged all the way to 15.20 in early March, it was back above 15.40-.50 and the 15.69 resistance a week later. Then it surged above the 16.00 and 16.30 next higher congestion resistances all the way into violating the 16.95 resistance in mid-March.

The weak economic outlook has caused it to now exceed the major January 2016 17.94 all-time high it had set back a bit from in the wake of the US rescue package last week. Yet it is important to note the next extreme weekly Oscillator thresholds (from 2008 and 2016) into this week are the 18.40 and 18.60 areas, each moving up by 0.10 per week. The recent improved sentiment on the US EQUITIES surge has it back around that area, which sets up a critical decision into the end of this week... again.

That is because Closing above those levels two weeks ago created a critical failure on the SA RAND potentially being subject to the sort of downside runaway activity the MEXICAN PESO experienced when USD/MXN overran 21.60 in early March. Even as USD/ZAR has weakened somewhat of late, if it strengthens again the next discernable resistances are last week's major 19.00 area weekly DOWN Closing Price Reversal and not again until the 20.70 'return' (i.e. topping) line of the broad up channel from the 6.5274 May 2011 major cycle low, and 20.90 area straight topping line across the 2008 and 2016 highs.

The RUSSIAN RUBLE had seen **USD/RUB** push above 66.50-67.00 on weak Crude Oil as well (economic weakness driven) prior to dropping back on short-term EQUITIES and CRUDE OIL recovery. Back out above it last week left the bigger resistance not until 69.00-70.00 it began this week pushing sharply above. And historically there is not much resistance again until the 75.00 area (early 2016 congestion) which it tested into early March prior to pulling back nearer to the interim 71.00 area.

Yet here as well the return of economic stresses has seen it rally back up above 75.00 of late as well as trading above higher resistances above the 80.00 area in mid-March. While recently also weakening a bit prior to pushing back into the 80.00 area, next higher resistance is not until the 85.00 area last seen on the early 2016 surge.

Current hope for the global economy and a Saudi-Russian pumping truce has seen Crude Oil rally, and that is also weakening USD/RUB from 80.00 back below the 75.00 area for now with next support into the 71.00-70.00 area.

Even the previously more resilient MEXICAN PESO has seen **USD/MXN** surge through 19.50-.60 on its way to testing the interim 19.95 area prior to slipping back temporarily. Yet it recently exceeded that once again along with its surge above the 20.25 resistance in early March leading to an explosive rally. Here as well PESO weakness continued on the COVID-19 North American impact, with next resistances at 20.50 and 20.65 sharply overrun of late on the way to also violating the 20.96 June 2018 high (also congestion) on the way to surging above the 22.03 January 2017 all-time high as well.

And the return of the economic stresses and weak Crude Oil prices had seen it surge to a new 24.62 all-time high into mid-March, which had been exceeded on the US rescue package worries leading to another new 25.44 all-time high in late March prior to setting back around the mid-low 23.00 area. That left a weekly DOWN CPR from 24.40 (Tolerance 24.62) as new near-term resistance, yet which was NEGATED on last week's push higher (and Closing above it.)

Much like USD/RUB, the Saudi-Russian pumping truce has seen a Crude Oil rally, and that fostered another round of USD/MXN weakening from last week's 25.76 new all-time high. That left yet another weekly DOWN CPR from 24.96 (Tolerance 25.04) that is now the elevated near-term topping signal.

ROHR RESEARCH NOTE Thursday, April 16, 2020

Lower support is the recent congestion in the low 23.00 area and overrun weekly Oscillator resistance (MA-41 plus 2.30) that moves up to the 22.15 area this week (also weekly MA-9 this week.) Of note, the recent USD/MXN strength has also been significantly above previous prominent weekly Oscillator resistance that should have kicked in around 21.60 in early March... time to reassess that once the current surge is over.

The TURKISH LIRA had been relatively steady through all of the EMERGING CURRENCY turmoil elsewhere. Yet it has been under pressure since **USD/TRY** held key 5.50-5.45 support and pushed back above 5.65-.60 range along with last July's 5.7871 high from after the central bank governor dismissal. Key resistance at 5.90-5.93 was also exceeded again in January.

USD/TRY has now even strengthened above the 6.00 area that seemed to point to a retest of interim 6.15 area that was also exceeded on the way to a test of the May 2019 crisis 6.25 area 17-month trading high. Compared to the weakness of other EMERGING CURRENCIES this previously left the LIRA a bastion of stability.

Yet recently above the 6.25 area left the door open to a test of the higher September 2018 6.45-6.55 congestion it had exceeded again prior to the temporary subsequent setback into that area. Now that it is rallying once again, the extended higher resistances are 6.72 (now exceeded), 6.83 it is nearing at present, and the 7.10 area all-time high that were all seen during the 2018 LIRA crisis.

While still obviously less relevant (as we have been noting for some time and is most glaringly apparent again at present) on the standard report releases in the midst of more major global trade and political cross currents, the Weekly Report & Event Calendar (accessible for Sterling and higher level subscribers) is available via the www.rohr-blog.com sidebar.

As we have been noting for some time in our research notes, regularly scheduled releases are obviously less relevant in the face of the COVID-19 'macro' factors. That said, there are still some very important economic releases and central bank influences again this week.

After a quiet Easter Monday holiday start (as the Russo-Saudi oil market production reduction tiff was resolved) in Western markets outside the US, there are serial important influences throughout the week. Tuesday brought a somewhat better than expected Chinese Trade Balance yet also that next, very negative IMF World Economic Outlook. That is followed on Wednesday by a prescheduled PBoC 0.50% Required Reserve Requirement (RRR) reduction. It also sees key US data, a BoC rate decision and press conference, and the Fed Beige Book that afternoon.

Thursday brings Australian Employment followed by more key US data and an important Bank of England speech and UK Parliament Treasury Select Committee hearing. Friday sees more influential Chinese data and a National Bureau of Statistics press conference followed by important Japanese and European data. It wraps with whatever missives may flow from the IMF/World Bank Spring Meetings (video conference) from Friday through the weekend.

And due to the vagaries of the COVID-19 volatility, we maintain our recent classic advice: Keep those seat belts firmly fastened.

The Rohr-Blog Research Team

info@rohr-blog.com