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Sent: Wednesday, December 05, 2018 9:36 AM
To: Alan Rohrbach
Subject: ROHR-BLOG: NOTE: Markets and 'Tariffs Man', S&P 500, Calendar

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Dear Subscribers,

With US EQUITIES and DEBT trading floors closed we are again coming to you with a note on today's US National Day of Mourning for President George H.W. Bush.

Yet the electronic markets are open, even if there is not going to be an official settlement price today: Tuesday's Close will remain the Close into Thursday. And after Tuesday's massive US EQUITIES selloff, it is likely today's bit of a recovery from the lower major support will not create any change in the overall range.

And speaking of Tuesday's selloff, it was not much of a surprise that US EQUITIES would have a bit of a downside reaction after such a major post-Thanksgiving rally from the key support Tolerance (please see Tuesday's emailed research note.) Yet the extended selloff could only have occurred based on some doubts over at least one of the key factors behind the major rally: the US-China trade rapprochement.

In that regard one must wonder about the US President. Is he a.) lacking in any perception of his comments impact on the markets; b.) just playing with the rest of us; c.) dumb enough to be secretly playing the market and was shorting it into Tuesday morning; or d.) aggressive enough toward China that he just wanted to scare them again regardless of any threat to the US

EQUITIES he was recently complaining were not performing as well as he would like (and was seeking to blame Treasury Secretary Mnuchin for that; like he actually controls it)?

On that last point, was he unaware or did not even care that the major final surge of the US EQUITIES rally out of last week into Monday morning was on the G20 US-China trade détente? That was specifically regarding the agreement to hold off on any further tariff increases during a 90-day negotiating period. As such, it seems well more than backward for @realDonaldTrump to have tweeted “...I am a Tariff Man” at 09:03 Tuesday morning.

While it took a while for this to sink into the market perception, it was undoubtedly a factor in the extent of Tuesday’s selloff. Possibly pointing out how much he loves imposing tariffs directly in the wake of US EQUITIES surging on hope there would be less of them was not enlightened.

Further illustration of the degree to which this President is at crossed purposes in some of his actions and expressions came later in that tweet: “We are right now taking in \$billions in Tariffs. MAKE AMERICA RICH AGAIN.”

Of course, any credible economist would disagree. The tariffs are fees paid by US importers to the government. As importers are not charities, they need to commensurately raise prices, with US consumers ultimately bearing the cost of the tariff.

So the only ‘we’ in AMERICA that is getting rich again (to the tune of all those ‘\$billions’) is the government at the expense of the average American consumer.

All Evolutionary Trend View technical price observations remain the same as previous. The only change is that the DECEMBER S&P 500 FUTURE is so quickly right back down to the prominent 2,708-00 support. Please refer to Tuesday’s emailed research note.

While now still obviously a bit less relevant (as we have been noting for some time) on the standard report releases in the midst of more major global trade and political cross currents, this week’s Weekly Report &

Event Calendar (accessible for Sterling and higher level subscribers) is available via the www.rohr-blog.com sidebar as updated to reflect recent schedule changes for the President George H.W. Bush national day of mourning noted above.

It is already a high impact week due to the US-China partial trade rapprochement at the G20 meeting over the weekend. And all of the early month economic data this week that culminates in the usual US Employment report is augmented once again by significant central bank activity, especially the Fed, ECB and BoE along with key political and government influences.

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