**Alan Rohrbach**

**From:** no-reply@vrmailer3.com on behalf of ROHR-BLOG <info@rohr-blog.com>
**Sent:** Thursday, December 06, 2018 9:57 AM
**To:** Alan Rohrbach
**Subject:** ROHR-BLOG: The Trump Who Stole Christmas, Quick Take, Calendar

View this email in your browser

**Dear Subscribers,**

**'Twas three weeks before Christmas and all through the market, instead of buying more, managers say, "Park It" (cash that is.)**

**What could possibly be responsible for such an unseasonably miserly psych? Grinch Trump. Noted in Wednesday's emailed research note was the degree to which @realDonaldTrump's 09:03 Tuesday morning tweet "...I am a Tariff Man" was undoubtedly a factor in the extent of Tuesday's selloff, even if it took a while for this to sink into the market perception.**

**And he was at it again on Wednesday. Tuesday's extended selloff could only have occurred based on some doubts over the key factor of the recently improved G20 tone in the US-China trade rapprochement. While US EQUITIES were significantly encouraged by the potential in the announced 90-day tariffs truce, with other factors (Brexit, the Fed, EU-Italy slow motion budget confrontation, etc.) already troubling, if the US-China truce is in doubt it is a major problem.**

**See Wednesday's emailed research note for more on how the US President doesn't necessarily even get how tariffs work against the US consumer (definitely NOT... "MAKE AMERICA RICH AGAIN.")**

**As much as any doubts on the efficacy of tariffs (and especially the**

**aggressive threat of more to come despite the recent truce), these sorts of POTUS communications reinforce concerns over whether the President actually understands how economics beyond real estate really work.**

**In any event, US EQUITIES are back below key levels that should not have been violated (more below), and back lower on the year. That was a key focal point of previous 'macro' discussions and the potential for any upbeat 'Santa Claus' psychology late this year.**

**It's looking more like a lump of coal in the stocking. And that is obviously encouraging GOVVIES and weighing more heavily than anything seen in some time on the EMERGING CURRENCIES (more below.) While more subdued, it is even weighing on the US DOLLAR INDEX against the DEVELOPED ECONOMY CURRENCIES.**

**Market Quick Take**

**In late October the DECEMBER S&P 500 FUTURE Broke DOWN below 2,708 from its broad weekly up channel since the February-April sharp reaction lows. As noted previous, the rally into early November after a new late-October trading low was an UP Closing Price Reversal (CPR) from the previous week's 2,670 Close.**

**That extended the channel Tolerance to the 2,675-70 range with the UP CPR 'extended' Tolerance to 2,627 (heavy red line) at the low of the preceding week then being the ultimate test of the bull trend. Yet it held Friday November 23rd, depriving bears of what might have been a far more meaningful downward spiral.**

**While the bears inability to extend that selloff led to a sharp recovery into Monday morning on the US-China stressor removal (http://bit.ly/2BOdF7u weekly chart at 09:00 EST Monday morning), the Trump 'Tariff Man' tweets (and others) have put it back below key levels like 2,708 and even 2,675-70 (including the 2017 Close.) As such, DECEMBER S&P 500 FUTURE is back down approaching that critical CPR Tolerance at 2,627 (heavy red line.) If violated, it would imply the late-October 2,603 trading low would likely fail, with 2,552-29 early-2018 lows as next support.**

**Consistently weak data that might influence the Fed has also encouraged**

**GOVVIES to predictably push up again as the US EQUITIES come back under extreme pressure. That now has the volatility which seemed to be missing on the previous US EQUITIES implosion.**

**Combined with remaining Brexit concerns and in spite of some lowered EU-Italy budget face off tension, strong sister DECEMBER BUND FUTURE remained back above the 160.00.-30 area as well as the upper-160.00 area highs on its way to the 162.00-.50 area next resistance. On its expiration today the MARCH BUND FUTURE trading at a recently unusual 0.85 premium to the December contract was already above 162.00-.50 area, with the more major 164.00-.50 next.**

**And weak sister DECEMBER T-NOTE FUTURE well back above its 118-10 mid-May trading low has also sustained its rally above higher trend resistance in the 119-00/-08 area last seen on its late-October rally prior. Back above it after Powell's speech pointed to the heftier 120-00 area congestion (also weekly MA-41) it is now also above. That leaves the 120-24 area highs it is currently testing and precious trading highs into the 121-12 area as next resistance.**

**The same is true for DECEMBER GILT FUTURE above 122.00-.50, with next heavy congestion into the 124.00-.50 range it is currently testing with 125.50-126.50 next major resistance.**

**Similarly in FOREIGN EXCHANGE, a 'haven' bid returning to the US DOLLAR INDEX left all others under some pressure once again. And now the US DOLLAR INDEX is failing once again from near its mid-upper 97.00 resistance. That was true after Powell's more dovish speech and again now on the extended economic concerns. Yet it held previous (early November) back toward its important 95.00-.50 area previously tested in mid-October, and we suspect the same may occur now.**

**Even though it has recovered near it, EUR/USD back below 1.1400 remains the case after the previous weaker-than-expected European Commission Growth Forecast, with next support into 1.1250-00 that has been neared on the recent dip. It is the same for GBP/USD that dropped from the upper end of the 1.28-1.30 area to somewhat back below it on previous negative Brexit psychology, and failed again recently into the low end of that range.**

**Next major support is 1.25-1.24 area not seen on its August selloff.**

**And despite the US changeability, the previous hint of US-China rapprochement abating had encouraged AUD/USD to hold squeeze back above its historic .7200-50 area prior to dropping back into it on recent dips. Even though the Powell speech had it back above that area, with next resistances into the .7400 and .7500 areas, it is back into it now.**

**And while the EMERGING CURRENCIES are still more country-specific trends than previous, they were also enjoying a bounce from support on US-China potential that remained a key influence into the end of last week, yet it now abating on the Grinch Trump tweets.**

**The looming government change-beleaguered MEXICAN PESO that had seen USD/MXN drop back temporarily below its 20.00-20.20 congestion, had been back up testing the 20.50 area previous prior to sliding previous. Yet it is back above it again at present.**

**And that is just part of the EMERGING CURRENCY return from weakness as USD/ZAR had pushed up from below 14.00 to testing and failing from 14.50 again on its way back below 14.00. Next lower support is the 13.60-.50 area not reached earlier last month yet being initially probed into the beginning of this week. However, that is also back above 14.00 at present, with the old 14.40-.50 as next major resistance.**

**USD/RUB that had reacted back down from above 67.00 was back there again in the wake of imploding Crude Oil prices with next resistance as nearby as the 68.00 area tested early last month and not again until the 70.00 last seen in mid-September. Even though the Fed shift had engendered slippage back below 67.00 there as well due to the encouragement both it and the US-China situation has provided the recently suffering Crude Oil market, USD/RUB is back up near 67.00 on the waning of those influences as well as the weakness of Crude Oil into the OPEC meeting.**

**In the meantime, the still improved TURKISH LIRA has USD/TRY was slipping once again from 5.50, even if not reaching next support into the 5.00 area (now including weekly MA-41.)**

**While more obvious than ever 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.**

**It is already a high impact week due to the US-China partial trade rapprochement at the G20 meeting over the weekend and the reversal of that psychology noted above. And all of the early month economic data this week and other influences still culminate in the usual US Employment report on Friday along with residual central bank activity and political influences.**

**The Rohr-Blog Research Team**

**info@rohr-blog.com**

Verticalresponse
A DELUXE COMPANY