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To: Alan Rohrbach
Subject: ROHR-BLOG: NOTE: Much the Same, Quick Take, Calendar

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Dear Subscribers,

Despite the wrap up of the one-day extended current round of US-China trade talks and President Trump's Tuesday evening southern border security speech, much remains the same. We are coming to you a bit earlier than usual in the wake of those developments.

That includes the positive US EQUITIES tendencies revisited below, and the pressure on both the GOVVIES and US DOLLAR. And if there was any real progress on the US-China trade front and/or reopening of the closed portions of the US government, we would expect the US dollar to be faring better.

Regarding Trump's speech, it was interesting that instead of leading with "wall, wall, wall", he shifted into making a moral case for why there should be a major expansion of the existing US southern border barrier. (Yes, there are already sections of it in place.) Yet fact-checking quickly refuted more than a few of his assertions, and in any event the Democrats are still unwilling to cooperate on any wall/barrier funding to end the US shutdown.

That may become more problematic for many Republicans once US government employees and contractors start missing paychecks on Friday. For those unfamiliar with the latest US political developments, the Dems have passed a series of bills that would fund all departments outside of

Homeland Security. This puts the GOP in the unenviable position of needing to keep the other sections of the government closed over Trump's demand for wall/barrier funding.

While there are other problems on the dustup with Turkey over US withdrawal from Syria (putting pressure on the TURKISH LIRA versus strength in other EMERGING CURRENCIES) and the lack of any US-China forced technology sharing agreement, the US EQUITIES remain bid as noted in the repeat market comments below. The same goes for the nominal pressure on GOVVIES and US DOLLAR (outside of the LIRA.)

Courtesy Repeat of Tuesday's Market Quick Take

Ever since the FRONT MONTH S&P 500 FUTURE dropped below the early 2018 lows into mid-December, we skipped a lot of our previous higher level activity discussion. Suffice to say that on the early December (post-G20 Trump 'Tariff Man' tweets) sharp slide back below 2,708 it was in the 'failure swing' noted since that time. That quickly led to the violation of the 2,675-70 area (including the 2017 Close.)

The drop below early-2018 2,529-52 lows was critical due to next significant lower support not being until the major 2,400-low 2,300 area, with a Tolerance to the early 2017 2,318 congestion area low. This can still be seen on the monthly chart (http://bit.ly/2VBvb6D) from the end of last year. Note that those areas formed the bounds of a broad range, which the market has pushed above into this morning.

However, it must be noted that while only a failure back below the 2,529 February 2018 low will restore bearish momentum, there is substantial interim congestion (October-November basing attempt and previous) in the 2,600 area. That extends to approximately 2,635, and includes weekly MA-9 and MA-13. As such, it appears that the relevant trading range has ratcheted up, yet would still need to see more proof in the bullish pudding prior to indicating a full positive trend reversal.

[The following is much the same as Monday's assessment.]

Consistently weak data that possibly should have influenced the Fed had also encouraged GOVVIES to predictably push up again as the US

EQUITIES came back under pressure. That recently also exhibited the volatility which seemed to be missing on the previous US EQUITIES selloffs, even if Friday's US EQUITIES surge and strong data weighed on GOVVIES again.

Combining the remaining Brexit concerns and weaker global data had seen strong sister DECEMBER BUND FUTURE 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 Thursday DEC 6 expiration the MARCH BUND FUTURE was trading at a recently unusual 0.85 premium to December contract, and was already above 162.00-.50 area. While it stalled temporarily in more major resistance in the 164.00-.50 area during the holidays, last Thursday's continued weak economic data and EQUITIES slide pushed it through that range, even if marginally back below it at present.

And weak sister DECEMBER T-NOTE FUTURE well back above its 118-10 mid-May trading low also sustained its rally above higher trend resistance in the 119-00/-08 area. That pointed to the heftier 120-00 area congestion (also weekly MA-41) it is also pushed above in early December. That left the 120-24 area highs and previous trading highs into 121-12 area as next resistances it also exceeded on its way to a temporary push above next resistance in the 123-00 area prior to dropping back toward 122-00 on Friday.

The same was true for DECEMBER GILT FUTURE above 122.00-.50, with next heavy congestion into the 124.00-.50 range it stalled into. That said, the MARCH GILT FUTURE was trading at roughly a 0.60 discount into the late-month December contract expiration. And last week's push back up into the 124.00-.50 range has now reversed to some degree.

Similarly in FOREIGN EXCHANGE, a 'haven' bid that had returned to the US DOLLAR INDEX on the previous US EQUITIES drop has not been in evidence of late. As noted above, its typical crisis phase 'haven' bid can be the opposite if the US is the source of market stress.

Even as the US DOLLAR INDEX reacts once again from near its mid-upper 97.00 resistance, it was holding no worse than the mid-96.00 area seen on previous recent dips. Yet the more major support remains into

95.50-.00 area it is nearing again at present.

Along with that EUR/USD that had surged back above 1.1400 to near the 1.1600 resistance in thin New Year's Day trading was back marginally below 1.1400 once again. Next support into 1.1250-00 was been neared on the recent dip, yet with it back above 1.1400 at present.

And the Brexit concerns that had dropped GBP/USD well below 1.28-1.30 toward next major support in the 1.25-1.24 area remain in place. As such, GBP/USD did not even breach 1.28 on its previous recent rally, and remains below it at present.

And despite the US changeability, the previous hint of US-China rapprochement encouraged AUD/USD to squeeze back above its historic .7200-50 area (also weekly MA-9 & MA-13.) However, that same negative early-December Trump 'Tariffs Man' tweet that hit US EQUITIES on the lower chances for US-China trade rapprochement also dropped AUD/USD back from a hopeful test of the .7300-50 area to back below .7200-50. It was recently down into more major .7000 area congestion, with the .6825 nearly 9-year trading low below that. This was not a surprise on the current Chinese economic weakness and fraught US-China relations, even if the current potential rapprochement has it recovering back above .7000.

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 rapprochement that remains a key influence, and the self-inflicted wounds of the US DOLLAR.

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 on multiple tests of the 20.50 area prior to sliding back below 20.00 again. It is also now below lower interim support at 19.70 as well as more major 19.60-.50 congestion. Next lower supports are in a range of congestion from 19.20 (high end) to interim 18.70 and ultimately 18.50-.40 (low end.)

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 in November. Next

lower support in the 13.60-.50 area was probed into the beginning of December prior to pushing temporarily back up into 14.40-.50 area and even 14.60 into the holidays prior to dropping back below 14.00 into the beginning of January. Those areas remain current resistance and support.

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. Even though the previous Fed shift had engendered slippage back below 67.00 there as well the encouragement both it and the OPEC situation has provided the recently suffering Crude Oil market with a boost. However, more recent weakness of Crude Oil had USD/RUB back above 68.00, even if it failed once again at the 70.00 area resistance (just like early September.) It is now back below both 68.00 and 67.00 (including weekly MA-9 & MA-13) with support back into 65.00 (including weekly MA-41.) So basically back into the more sustained 3-month trading range areas.

In the meantime, the still improved TURKISH LIRA had USD/TRY slipping once again from 5.50, even if it experienced an intraday spike above it on January 3rd. And on the previous weakness it refused to drop to next support into the 5.00 area, with weekly MA-41 now up into the recent 5.20 area congestion as well. Outside of that recent temporary spike higher, the last two months have still been mostly a trading range affair between 5.45 and 5.22.

While more so than ever obviously 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.

Yet the market response shows how the economic data can still be influential. And it is going to be another very volatile week based on what we already know is coming outside of the normal economic data releases and central bank influences. We strongly suggest an extensive review for these 'macro' factors, the listings of which begin right away on today.

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