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From: ROHR Alert <rohralert@gmail.com>
Sent: Friday, December 07, 2018 9:04 AM
To: undisclosed-recipients:
Subject: ROHR ALERT!! 'Bad News Is Good News'?

Dear Subscribers,

After previous massive 'Grinch Trump' US equities selloffs came the major rally into Thursday's Close. Possibly the markets were overdone on the downside due to the compounding factor of the arrest in Canada of a major Chinese technology executive pending extradition to the US on Iran sanctions violation charges.

That only added to the factor noted in Wednesday's ALERT!! Was on 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. Yet this morning he is sounding much more upbeat about the US-China trade negotiation prospects.

Possibly that is part of the US equities rally extension into this morning along with a slightly worse than expected US Employment report. That would work toward mitigating any overly hawkish psychology at the Fed: a classic example of the return to a 'bad news is good news' US equities mentality.

Yet even at that it is hard to imagine a classical upbeat 'Santa Claus' psychology late this year after repeated trips back to lower on the year (more below.) It's still looking more like a lump of coal in the stocking on the erratic Trump influence. For much more on that please see the past couple of days ALERT!!s.

This is (still) the critical consideration

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) 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 was back down temporarily below 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. Even though it recovered late Thursday, it is only back up to the original violated 2,708 channel support at present. It remains hard to imagine many equities portfolio managers who feel compelled to be more heavily invested late this year.

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