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From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! NOTE: Budget Bungle

Dear Subscribers,
With a select number of US-China trade issues looking a bit more constructive, it is interesting that US equities are no stronger than on Tuesday's early rally. And we are coming to you quite a bit later than usual because there was still more to unpack this morning on once again far-flung Trump-generated macro influences.

Tuesday saw an Oval Office budget confrontation between the President and Democratic Congressional leaders that leaves us certain of only one thing: the Republican leadership in both the House and Senate are cringing over the resulting implication of GOP responsibility for any government shutdown.

In this next episode of 'Topsy-Turvy Trump' noted on Tuesday he basically said that if the funding for his southern border wall is not available by the December 21st extended US budget deadline, he is willing to shut down the government… and he would be proud to take credit for that. Don't take our word for it, see the CBS coverage at https://cbsn.ws/2UBzzCd (especially 02:35-03:05.)

So whatever one may believe about the progress on the more major US-China issues (and we remain skeptical), there is now a fresh stressor in the mix. In addition to the UK-EU fumble on Brexit being back on the table as a global issue, there is the prospect of a 9-day window to avoid a US government shutdown right into Christmas that the President welcomes if he does not get his way. That is added to all the other issues we have explored that create a distinctly negative macro environment for the global economy and US equities into year end.

Courtesy Repeat (Again) of Monday's 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. And it held Friday November 23rd.

While the bears inability to extend that selloff led to a sharp rally into last Monday morning on G20 US-China stressor removal, Tuesday Trump 'Tariff Man' tweets (and others) put it below key levels like 2,708 and even 2,675-70 (including the 2017 Close.) See the weekly chart from last Friday's Close: http://bit.ly/2C15pRT.

Note that its recovery rally also failed Friday morning at the 2,708 level it should not have violated again after the last rally; hence it was a 'failure swing'. As such, December S&P 500 future back below the critical CPR UP signal at 2,670 is also below the 2017 Close area, threatening any Santa Claus psychology late this year. If it continues below the 2,627 (heavy red line) Tolerance of that signal, the 2,603 low is unlikely to hold. 2,552-29 early-2018 lows and 2,400 area are next supports.

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