**Alan Rohrbach**

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| **From:** | ROHR Alert <rohralert@gmail.com> |
| **Sent:** | Thursday, December 13, 2018 9:05 AM |
| **To:** | undisclosed-recipients: |
| **Subject:** | ROHR ALERT!! ECB As Expected |

**Dear Subscribers,**
**Mario Draghi just wrapped up the ECB post-rate (non-)decision press conference (http://bit.ly/2yMh99Z.) Citing current weakening of the Euro-zone recovery and potential for troubling events, he noted the ECB 'risk assessment' had shifted back to the 'downside'. As such, he was as accommodative as ever in confirming the reinvestment of the ECB balance sheet proceeds, and that there would be no rate hikes at least until summer of 2019. In other words, business as usual.**

**In that accommodative context with a less hawkish Fed as well, it is interesting that US equities are still no stronger than on Tuesday's early rally. Yet recall as we noted Wednesday, there was an Oval Office budget confrontation Tuesday between the President and Democratic Congressional leaders that leaves us certain of only one thing: Republican leadership in both the House and Senate are cringing over implications of GOP responsibility for any government shutdown.**

**In this episode of 'Topsy-Turvy Trump' he said that if his southern border wall funding is not available by the December 21st US budget deadline, he is willing to trigger a shut down… and he would be proud to take credit. 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 an 8-day window to avoid a US government shutdown right into Christmas. This is added to other issues we have explored that create a distinctly negative macro environment for the global economy and US equities.**

**This is 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. 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. As it continued below 2,627 (heavy red line) Tolerance of that UP CPR, the 2,603 low was unlikely to hold, with higher resistances again into 2,675-70 and 2,708.**

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