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To:	undisclosed-recipients:
Subject:	ROHR ALERT!! Politically Passive

Dear Subscribers,
A couple of clients inquired on why there has been no market response to recent US political developments. There are quite a few reasons those are not a primary driver as yet. Before returning to those we revisit the COVID-19 impact, which the US equities seem to have once again shaken off for now. Please see Thursday's 'Momentus Interruptus' ALERT!! for our latest update on that, and we also still feel the extended impact may be greater than the initial response to date.

This is due to some degree on it taking some time for the companies who source components out of China to feel the impact. CNBC had interesting insights this morning. The first was that the number of Chinese workers locked down (away from jobs) at present comes close to the entire population of the United States.

Then there was the interview of US HHS Secretary Azar (https://cnb.cx/2Sl6Ag8) that highlights the degree to which the US is prepared, but the Chinese are not cooperating with the best health organizations (including the US CDC.) And a bit later Jim Cramer offered a reason why: Chinese statistics are phony!! They are ramping up now because they need to catch up with what had already occurred. That may show up sometime soon in pressures on Chinese component users,

Now onto the US election follies. There has not been a market response to the two Democratic Party primary race leaders being an avowed Socialist and a 'big government takeover' candidate is in the first instance that it is early days. Iowa and New Hampshire are two of the whitest, least representative of the broader Democratic Party states in the country. Being from neighboring Vermont, Senator Sanders also had a natural 'native son' advantage in New Hampshire.

There is the Democratic Party's main goal being 'Defeat Trump', yet somehow leaving Sanders and Buttigieg leading contenders. Each of them will have serious challenges if the US economy remains solid into mid-late 2020; that will allow Trump to cast the November choice as between Socialism and Capitalism.

While there are many independent voters who have real issues with Trump's grating style and seeming lack of understanding of the broader constitutional guidelines within normal government operations (he was even just criticized by AG Barr), they will hold their collective nose and vote their pocketbooks in November if the alternative is a big statist government. As one striking example, bedrock Democratic labor union voters will not vote to end their hard-negotiated health care plans to endorse them being ended as part of a government takeover.

As such, despite enthusiasm on the Left and especially Far Left of the Democratic Party for a Socialism nobody in the US has ever experienced (and ignoring serial failures elsewhere), the markets likely think that Trump will trump (pardon the pun) any of those candidates. The only reasonable alternative is a real moderate, like the now rapidly rising Minnesota Senator Amy Klobuchar (see the extended CBS News Tuesday evening update (https://cbsn.ws/3bFiYpx.)

She might be able to seriously challenge Trump while not bringing in major government control.

For more on the Democratic Party need to move to center to challenge Mr. Trump. see the FT Weekend editorial from one of their best strategists: James Carville's *'Hey Democrats, it's the winning, stupid*' (http://bit.ly/2Su0vVz.) Based on all of that, markets are inferring Trump will either be around through 2024... or he can only be defeated by a Democrat who supports US economic gains. We shall see.

This is the critical consideration
The front month S&P 500 future early November push above the weekly topping line (broken red line on weekly chart through last Friday http://bit.ly/2H7dvdc) set the stage for the extended seasonal rally. This reinforced the importance of the overrun 3,065-70 Oscillator resistance into that weekly topping line, which held on the early November correction. It then pushed above serial higher resistances like ultimately 3,205-10 area. That set the stage for the rally extension above the Oscillator range in the 3,295-3,305 area that increased to 3,325-35 this week.
That meant last week was all about whether March S&P 500 future could overrun the late-January 3,325.00 weekly DOWN Closing Price Reversal (CPR… Tolerance to 3,330.25.) And it did so, even if it slipped back into that area for the weekly Close. This was also important as a key 3,325-35 Oscillator threshold this week, with the next upside area not until 3,380-85 moving to 3,390-95 next week.
This makes the response to the data and especially central bank psychology (a 'Powell Put'?) very important on the recent shift to the 'bad news is good news' psych after some further weak global data. Lower supports if it weakens are back at 3,325-35, in the 3,300-3,290 range and again into the mid-3,200s.
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