

Alan Rohrbach

From: ROHR Alert <rohralert@gmail.com>
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To: undisclosed-recipients:
Subject: ROHR ALERT!! Sin City Showdown

Dear Subscribers,

Tonight's Democratic Party debate in Las Vegas (21:00 EST) will indeed be a showdown for many reasons. Not the least of those is the debate debut for ex-NYC Mayor Michael Bloomberg. Reviewing the potential there gets back to our Friday 'Politically Passive' ALERT!! summary of the cross currents that have the US equities less than concerned about the current leader being a Socialist.

Prior to diving into this political overview and anticipation (mostly for the benefit of our non-US clients), we encourage anyone who has not yet reviewed it to read Tuesday's 'Powell Put?' ALERT!! It highlights the extended economic impact the COVID-19 virus will likely have, and why anticipated central bank accommodation may not be able to fully address it; along with links to key expert insights.

And we are going to see more central bank psych in this afternoon's FOMC minutes. If they show as much anticipatory accommodation as Powell's press conference, they may give US equities another boost after a slight reaction.

And the right way to wheel around to this evening's debate is to reinforce the degree to which it is indeed a 'showdown' after previous developments. Anyone who did not read it in our Friday post or elsewhere, should closely review the opinion of a Democratic Party master strategist on the pending challenge:

James Carville's Financial Times opinion '*Hey Democrats, it's the winning, stupid*' (<http://bit.ly/2Su0vVz>) is a tour de force of how the shift to cultish Far Left ideas will likely leave many independent voters holding their collective nose and voting for Donald Trump in November. This is true for both Warren as well as Sanders, with the latter also suffering from another grave weakness: Medicare for All.

As also noted previous, in addition to allowing Trump to cast the election in 'Socialism versus Capitalism' terms, even a classically loyal Democratic Party faction will not vote for Sanders: trade unions. They have worked for decades to achieve attractive healthcare plans (even getting a waiver to allow Obamacare to pass), and are not going to throw that away on a vision of providing healthcare to the folks who currently fall through healthcare cracks. We agree with Democratic Party operatives who fear that Sanders (and also Warren) are unelectable. Then there is 'Mayor Pete' Buttigieg of South Bend, Indiana. He is doing a great job of being very articulate and intelligent on policies that are just short of being as statist as Warren and Sanders. It is by comparison with them that he can be cast as a Moderate. And the citizens of South Bend have been warning that his articulate answers mask some real failures from his time as mayor. For various cultural reasons (like 'anti-gay man' bias), he also has problems with older voters.

Moderate Ex-VP Joe Biden has been struggling, and needs a very good debate performance to bolster his results in this Saturday's Nevada Caucuses. If he falls short of a top three showing there, then his ethnically based 'firewall' in South Carolina a week later will look increasingly vulnerable. On the other hand, the other moderate, Minnesota Senator Amy Klobuchar, has been rising after better showings in Iowa and New Hampshire. Whether she has a good debate and can outperform weak expectations in Nevada Caucuses is a key for many reasons.

Not the least of those is Michael Bloomberg's commitment to continue to spend lavishly on his key promise: whether or not he is the candidate, he has vowed to do what's necessary to defeat Donald Trump. That may mean if indeed Moderate Klobuchar continues to rise, he may end up bankrolling major campaign funding. That is because it is almost inconceivable that he will throw major financial support behind Far Left candidates he likely also believes are unelectable.

And the idea Bloomberg will be the Democratic standard bearer is far-fetched for several reasons. The first relative to this evening is that he is a notoriously weak debater in his 'on-the-fly' responses, and a gaffe-prone extemporaneous speaker. There are currently many video clips circulating with his toxic remarks toward farmers, factory workers and others... including many extremely sexist remarks.

And even though Bloomberg was a 'nanny state' mayor of New York City (bans on large soft drinks, smoking bans, gun legislation, etc.) which should appeal to the Socialists, he is abhorred by the Left due to his wealth; literally one of the folks they detest for coming in and attempting to 'buy the election'. Along with his other weaknesses, this means the Democratic Party would love his continued spending (which helped in 2018), but also feels he is unelectable. That situation is likely to be highlighted in tonight's debate, as the others attack him from all sides.

So there you have it... the seemingly unelectable (Sanders, Warren, and we shall see on Bloomberg) fighting the slightly more Moderate (Buttigieg) with a flailing, faltering previous Moderate (Biden) and a rising true Moderate (Klobuchar.)

While it is notoriously difficult to anticipate US general election twists, we fall back on our favorite Sherlock Holmes insight we often apply to the markets. From 'The Sign of the Four' (1890, Sir Arthur Conan Doyle), Holmes says to Watson after discerning a key factor, "*Once you eliminate the impossible, whatever remains, no matter how improbable, must be the truth.*" If Bloomberg ends up as unelectable as we suspect along with Warren and Sanders, and Biden continues to fade, that will leave Bloomberg funding the Buttigieg or Klobuchar efforts...

...which is why tonight's 'showdown' assumes more importance than many of the previous (criticized a 'boring') Democratic primary debates. We shall see.

Courtesy Repeat of Tuesday's 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/39BCipW>) 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 then held on the early November correction. It then pushed above 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 3,335-45 this week.

That meant early February 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 that weekly Close. This was also important as a key 3,325-35 Oscillator threshold last week, with the next upside area not until 3,380-85 moving to 3,390-95 this 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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