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ROHR ALERT!! Tie Goes to the Challenger

1 message

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Dear Subscribers,

That would normally seem a big assumption. Yet under current US Presidential debate interpretation, it is the reasonable inference. That is due to challenger ex-Vice President Joe Biden being relatively well ahead in the opinion polls. Tuesday evening was President Trump's opportunity to upset the current election calculus prior to the November 3rd US general election. And he failed to do so.

This is important in the context of what was by all assessments a very fractious and fragmented debate due to serial interruptions by each candidate; more so Trump, yet also Biden getting drawn into the melee over the strenuous efforts of moderator Chris Wallace, who is considered a strong, neutral 'real newsperson'.

As always, we are also neutral, and this is not a political statement in any way on our part. We are merely attempting to convey the political and electoral landscape for your interest, and especially the *realpolitik* surrounding the US election.

While the Trump and Biden camps had each agreed to a two minute exposition by their opposite number without interruption, nobody really expected Donald Trump to abide by that; and he didn't disappoint. Or maybe he did, as many Republican operatives were hoping Trump would finally be more 'presidential', and were very disappointed. See the Reuters article (<https://reut.rs/33fmXqY>) for much more.

The best assessment we heard was that Trump was thinking of Biden's missteps in the early Democratic primary debates when he was challenged in some cases. His strategy was to 'rattle' the VP with interruptions and attacks. Yet when that didn't work, his becoming more aggressive only left many viewers feeling they disliked the President's style. Which is not news: it has been the case for many folks since voting for him in 2016 despite the economic growth success.

When even major Trump ally ex-New Jersey Governor Chris Christie noted that Trump's approach was "a bit hot", know that many (but certainly not all) on the Republican side felt it was more than a bit over the top. The general impression is that the acrimony from both sides left the viewers turned off. Yet that did not help Trump in his goal of changing an electoral calculus where Biden leads at present.

And now for a BRIEF US ELECTION PRIMER and consideration of why President Trump is spreading seemingly unsubstantiated aspersions on mail-in voting so far ahead of November 3rd. This is because it became apparent shortly after the COVID-19 quarantines and suppression protocols that his Republican base would go along with his dismissive attitude toward the pandemic; and the Democratic Party supporters were far more supportive of masks and social distancing.

This extends to their voting preferences, including the split between in-person and mail-in voting. In a rough almost perfect symmetry, the split is 65% to 35% for in-person on the

Republican side, with almost the exact opposite on the Democratic side. As such, Trump's derision of mail-in voting as subject to very massive fraud works toward GOP attempts to disqualify many Democratic votes.

This is in direct opposition to all the actual data on mail-in voting, with some Republican legislators also asking Trump to stop disparaging it due to it being a major conduit for many rural Republican voters (which still strongly support GOP 'down ballot' candidates.) According to a June Washington Post article, an authoritative voting analysis organization *"...identified just 372 possible cases of double voting or voting on behalf of deceased people out of about 14.6 million votes cast by mail in the 2016 and 2018 general elections, or 0.0025 percent."*

And that is by 'percent', which amounts to only 2.5 votes per 100,000 votes cast. This was reinforced by FBI Director Wray in his official Congressional testimony last Thursday, *"Now, we have not seen, historically, any kind of coordinated national voter fraud effort in a major election, whether it's by mail or otherwise."*

So along with some other misinformation flowing from Trump and his acolytes, why is this so important to his reelection effort? Because they want to create a basis for challenging the votes tallied after the end of the November 3rd election day, where in-person voting is likely to show Trump with a heavy lead in the race.

The master of litigious business actions (both fighting those leveled against him and attacking others) is perfectly willing to throw a US general election he may be losing into the courts. Yet, even there, how does that effectively secure a victory?

One word: DELAY! The idea the lower courts will be willing to back the major GOP legal effort (and they have hired an army of lawyers for this effort) to disqualify local state residents' votes is a reach. Yet, it is not only possible but likely the Trump team will appeal those rulings to higher federal appellate courts. Any loss there will likely be appealed to the US Supreme Court...all of which takes time.

Even if all of the appellate courts and Supreme Court reject all of the many Trump campaign lawyers' motions to disqualify mail-in votes, there are two magic dates for which Trump and his supporters are shooting: the December 14th Electoral College vote, and the January 6th formal Congressional Electoral Vote Count. Please refer to the Congressional Research Service article (<https://bit.ly/3jfHzoA>) on the Electoral College process in the 2020 election for the full details.

Should no winner emerge from either of those dates, the decision goes to the House of Representatives. That may seem a real blessing for the Democrats, who have a majority of members, and are likely to retain that in the general election.

But wait!! Even though they have a majority of members, the House decision on the presidential election is not decided by a majority vote. Each state delegation is provided a single vote, and the Republicans control 26 states in that regard versus 22 for the Democrats. Consider the convoluted analysis in this excellent recent article in SLATE (<https://bit.ly/2GrVbyc>) on the potential machinations.

For those of our readers who consider this far-fetched, and have not necessarily been tuned into the minutiae of the US election campaign, in fact President Trump has already referred to this potential in so many words on the possibility of an election result delay. In a recent press conference he had noted that if it goes to the House then he wins, based

exactly on that calculation the Republican's 26 state delegations will vote to declare him the winner of the contest.

Will Trump and the Republicans be able to stretch out a 'non-decision' that far into the future? It will depend on how quickly the lawyers for the Democrats (and they have also hired an army of them to counteract the likely GOP efforts) can accelerate any court timetables to bring any of the voting challenges to a quick resolution, knowing that any decisions will likely be appealed to the next level.

So, welcome to the not-so-wonderful wacky world of US politics in the 2020 general election. For more on just how crazy a tied Electoral College vote for presidential and even vice-president can get, see this extensive short Tie Breaker video (<https://youtu.be/sHEDXzOfENI> covering even more contingencies than might occur this year from Taegan Goddard's Electoral Vote Map site. He also offers a very good electoral vote map (<https://electoralvotemap.com/>), which illustrates Trump's need to change the election calculus sometime soon.

Yet it is the case that none of this disruptive electoral influence has impacted the markets at all. US equities are maintaining a near-term 'risk on' psychology in the wake of constructive vaccine news (see Tuesday's 'Risk On' Revival into US Presidential Debate(??)' ALERT!! for more on the other key influences.) That is still only partially back up to the more prominent recent failure levels. Yet it now seems a bit more so the case that this is having a negative impact on the global govvies, and assisting the other currencies against the US dollar.

And after that less than 'market critical' exploration of US election contingencies, tomorrow we will be back to assessing more relevant macro-technical aspects that are becoming more critical as we enter the important month of October.

Courtesy Repeat of Tuesday's critical consideration

[To be updated after Thursday morning's US Weekly Claims]

The front month S&P 500 future pushing out of the broad higher range top in the 3,030-2,970 area in early June was the key to it surging to the 3,200 area. That was the next meaningful higher resistance with a 3,230 Tolerance at which it failed previously on the rally (as is clear on the weekly chart <https://bit.ly/2GiNQB1> updated through Friday.) Yet it also pushed above that out of late July.

This opened the door to a retest of the February's 3,397.50 front month future all-time high. And after such a major rally back from the February-March debacle, it was hard to imagine the old February all-time high could prevent the front month S&P 500 future from at least taking a look above 3,397.50; and that then transpired on the late August push above it into the low 3,500 area.

Aside from the sheer magnitude of the selloff in the first week of September, it was important as a technical pattern top. With such a significant rally above the previous week's 3,504.50 Close, the drop well below it established a major DOWN Closing Price Reversal (CPR). Along with the topping line, that is now the key higher resistance on any sizable recovery from lower support.

The next significant support after it traded below the February 3,397.50 previous all-time high looks like the 3,230-00 range we had previous highlighted as rally resistance into early June. On the recent attempt to stabilize at no worse than the 3,300 area, the market exhibited a couple of less than credible pattern bottoms with key failures in the 3,400 area

(see our September 18th ALERT!! for a full discussion and Evolutionary Trend View fully annotated chart analysis.)

The latest of those saw a lackluster 3,400 area UP Break early Tuesday September 15th that failed in the wake of key macro factors. That suggested a previous 3,295 trading low of the selloff would be violated, as occurred late two weeks ago into lower ground. Follow-through after that Friday's temporary trading below 3,295 has seen the downtrend extend all the way to multiple tests of the 3,230-00 range last week, with a Tolerance to 3,185. Near-term resistance in the low-3,300 area has now been exceeded, with the more prominent resistance up in the 3,400 area (February high and recent failures), and support reinforced in the 3,230-00 area.

Thanks for your interest.

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