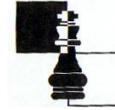


The King Report

M. Ramsey King Securities, Inc.



Thursday

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“Independent View of the News”

Oil Rises on Middle Eastern Turmoil, Libyan Supply Disruption - BBG

West Texas Intermediate rose more than 3% to trade above \$72 on Wednesday amid the slew of bullish developments. Libya's Sharara field, the country's largest, has begun the process of fully shutting down after protests. The field had been pumping about 300,000 barrels a day recently.

Meanwhile, Houthi militants claimed to have attacked another merchant ship in the Red Sea. Iran has dispatched a warship to the waterway, representing its most audacious move to challenge US forces in the key trade route and possibly emboldening the Houthis...

<https://finance.yahoo.com/news/oil-holds-decline-risk-off-000637890.html>

Chick-fil-A has raised its prices more than 20% as inflation rages <https://trib.al/ObDus3f>

@wolfowolfst: *The Incredibly Ballooning **US Government Debt Spikes by \$1 Trillion in 15 Weeks to \$34 Trillion.** Interest payments threatening to eat up half the tax receipts may be the only disciplinary force left to deal with Congress.* <https://t.co/4qD6tEfp9E>

@Geiger_Capital: *When people say that the economy is super strong, please understand... **We are running a HISTORIC deficit. 6.3% of GDP.** Never seen before outside of WW2, the GFC or Covid. If we weren't running this deficit and balanced the budget, or even got close, GDP would be negative. Forgot the Great Depression...*

Last week, some entities decided, or gained non-public info, that there will be NO Fed rate cut in March. As a matter of precedent, the Fed avoids fooling with interest rates within six months of a general election – unless there is a systemic or economic problem.

@TuckerCarlson on January 2: ***Is the Fed lowering rates to get Joe Biden reelected, or is the truth actually much scarier than that?***

Powell and his ilk are keenly aware that after their December tone change many people suspect that the Fed is trying to save Joe Biden. At the least, Powell and Fed leftists now must disguise their intentions.

Bond Traders Show Early Signs of Re-Think on Dovish Fed Pivot – BBG

JPMorgan's latest Treasury client survey showed the **biggest net drop in long positions since May 2020**, according to the latest report covering the week through Jan. 2. It includes Tuesday's price action, which saw Treasury 10-year yields end the day higher by over 5 basis points. The shift in positioning was driven by both a reduction in longs and new short bets...

<https://finance.yahoo.com/news/bond-traders-show-early-signs-161846993.html>

The Atlanta Fed: *The **GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2023 is 2.5 percent on January 3, up from 2.0 percent on January 2.** After this morning's release of the ISM Manufacturing Index from the Institute for Supply Management, the nowcasts of fourth-quarter gross personal consumption expenditures growth and fourth-quarter gross private domestic investment growth increased from 2.4 percent and -0.4 percent, respectively, to 2.9 percent and 0.5 percent...* <https://www.atlantafed.org/cqer/research/gdpnow>

ESHs hit a daily high of 4790.75 when they opened on Tuesday night. They then eased lower and hit a bottom of 4781.75 at 0:11 ET. ESHs then rallied to 4789.00 at 3:20 ET. The dump for the expected

European opening rally then commenced. ESHs tumbled to a daily low of 4746.50 at 10:44 ET. ESHs then rallied robustly to 4767.50 at 13:02 ET on trader buying for the 14:00 ET release of FOMC Minutes from its 12/13 meeting.

Traders expected the FOMC to be dovish and to indicate that rates would be cut in March.

USHs traded similarly to ESHs. USHs hit a high of 124 31/32 after they opened at 123 31/32. They then sank to 122 25/32 at 10:37 ET. USHs then soared to 124 3/32 at 13:54 ET on buying for the release of the FOMC Minutes. Alas, the FOMC Minutes were not dovish; they were a tad hawkish and **did NOT mention a rate debate.**

FOMC Minutes Headlines from Bloomberg

- **Fed Minutes Say Officials Saw Policy Remaining Restrictive for Some Time**
- **Officials Saw Policy Rate Likely at or Near Peak**
- **Officials Acknowledged Projections Show Cuts by End-2024**
- **Several Said Rate Could Stay at Peak Longer Than Anticipated**
- **Many Said Easing Financial Conditions Could Present Challenge**
- FOMC Saw Upside Risks to Inflation as Having Diminished
- Several Officials Said Balance Sheet Plans Indicated Fed Would Slow, Then Stop, Decline Sales
- Participants Noted Outlooks Were Associated with Unusually Elevated Uncertainty

FOMC Minutes from 12/13: “The easing in financial conditions reversed some of the tightening that occurred over the summer and much of the fall.”

“Many participants remarked that an easing in financial conditions beyond what is appropriate could make it more difficult for the Committee to reach its inflation goal.”

<https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20231213.pdf>

ESHs fell to 4748.75 at 14:06 ET and then bounced because the usual suspects proclaimed that the gist of the FOMC Minutes is that Fed rate hikes are over and Quantitative Tightening will end soon.

Fed Minutes Suggest Hikes Are Over, But Offer No Timetable on Cuts - WSJ's @NickTimiraos

ESHs hit 4771.50 at 14:30 ET and then intractably sank to a daily low of 4741.50 at 15:53 ET. The late upward manipulation failed quickly; ESHs retreated modestly into the NYSE close.

USHs retreated to 123 25/32 at 14:04 ET and then jumped to a new daily high of 124 10/32 at 14:34 ET.

Positive aspects of previous session

Bonds were +9/32 at the NYSE close; gold declined sharply

Negative aspects of previous session

Stocks sank; the Nasdaq 100 declined for the 4th day in a row for the first time since late October
Oil and gasoline rallied sharply

Ambiguous aspects of previous session

How much has rate cut psychology changed?

First Hour/Last Hour Action [S&P 500 Index]: 1st Hour from NYSE Open: **Down**; Last Hour: **Down**

Pivot Point for S&P 500 Index [above/below indicates daily trend to traders]: **4711.27**

Previous session S&P 500 Index High/Low: **4729.29; 4699.71**

@TradingThomas3: *March Rate cut probabilities dropping like a rock, >88% last week to 69% today.*

Stocks, Bonds Drop in Tandem for Worst Start to Year in Decades

The Nasdaq 100 tumbled 1.7%, marking the third-worst first-day performance since the 2001 dot-com bust. Global gauges tell a similar story. Tuesday marked the first time the MSCI All Country World Index of equities and the Bloomberg Global Aggregate Index of investment-grade debt slumped by as much together on the first full trading day of a year since at least 1999, when daily data for the bond index began... <https://finance.yahoo.com/news/stocks-bonds-drop-tandem-worst-214011655.html>

Today – We warned over the past 3 or 4 sessions that someone of significance was liquidating equities. The risk now is that momentum selling will appear. The S&P 500 Index low yesterday was 4699.71. Bulls need to get the S&P 500 Index appreciably above 4700 to foster enthusiasm for stocks.

The S&P 500 Index has declined for 3 straight sessions. It rarely declines more than three sessions in a row; and it is even more rare for the string to appear from the final day of a year through the first two sessions of a new year. Ergo, traders will play for a rebound rally.

However, 4694-4700 is significant support for the S&P 500 Index. A triple bottom at this level has developed over the past 13 sessions (Chart at link). A decisive decline below 4700 could induce momentum selling. **A close below 4703.38 will generate a Bloomberg Trender sell signal on the S&P 500 Index for the first time since October 19, 2023.** Today is a very important day for stocks. <https://twitter.com/TradingThomas3/status/1742701379859194188>

@CyclesFan: *The SPX McClellan oscillator turned negative today and closed lower than its December 20 close which is another indicator that the uptrend from the October low likely topped last week and we're now in a correction.* <https://twitter.com/CyclesFan/status/1742660345875878228>

ESHs are +5.50; USHs are -7/32; and Feb AU is +6.00 at 20:07 ET.

Expected economic data: Dec ADP Employment Change 121k; Initial Jobless Claims 216k, Continuing Claims 1.88m; Dec S&P Global US Services PMI 51.3

S&P Index 50-day MA: **4522**; 100-day MA: **4454**; 150-day MA: **4447**; 200-day MA: **4362**
DJIA 50-day MA: **35,464**; 100-day MA: **34,823**; 150-day MA: **34,700**; 200-day MA: **34,354**
(**Green** is positive slope; **Red** is negative slope)

S&P 500 Index - Trender trading model and MACD for key time frames

Monthly: Trender and MACD are **positive** – a close below 4026.83 triggers a sell signal

Weekly: Trender and MACD are **positive** – a close below 4482.88 triggers a sell signal

Daily: Trender is **positive**; MACD is **negative** – a close below 4703.38 triggers a sell signal

Hourly: Trender and MACD are **negative** – a close above 4747.18 triggers a buy signal

@Techno_Fog: *The Jeffrey Epstein files have been unsealed. We have the documents> Here are the most important John Does. We start with Bill Clinton - John Doe #36 - whose deposition was essential to provide info on his relationship with Maxwell and Epstein*

Testimony from one witness: Q: "Did Jeffrey ever talk to you about Bill Clinton?" A: "He said one time that Clinton likes them young, referring to girls."

https://twitter.com/Techno_Fog/status/1742695232540672122

Allegations against Prince Andrew - Maxwell and Epstein put Prince Andrew's hand on a minor's (17 years old) breast. https://twitter.com/Techno_Fog/status/1742708222002090397

@EndWokeness: *The site containing the Epstein client list crashed within seconds of its release.* <https://www.courtlistener.com/docket/4355835/giuffre-v-maxwell/>

@JackPosobiec: Check out page 39 of the Epstein flight logs (1996, 1, Jan) **Does that say Chuck Schumer?** <https://twitter.com/JackPosobiec/status/1742196031465398390/photo/1>

Gwendolyn Beck, who flew with 'Chuck Schume' was the mistress of (Dem Sen.) Bob Menendez

@Heminator: **Schumer being on the logs would explain this story from November: "Jeffrey Epstein flight log subpoena request denied by Democrat-led Senate Judiciary Committee, Blackburn says"** <https://www.foxnews.com/politics/jeffrey-epstein-flight-logs-denied-democrat-led-senate-judiciary-committee-blackburn-says>

@paulsperry_: FBI agents drafted an affidavit citing evidence of probable cause of possible Foreign Agents Registration Act violations involving Hunter Biden, Burisma and ex-Vice President Biden -- "Political Figure 1" -- but prosecutors told them to remove the reference to Joe Biden.

Feds hide anti-white discrimination complaints, names of policy architects from FOIA suits
EEOC won't release its own employees' complaints against the workplace discrimination watchdog, to protect them from "embarrassment, say former Trump Education Department lawyer Hans Bader.
<https://justthenews.com/accountability/watchdogs/feds-hide-anti-white-discrimination-complaints-names-policy-architects>

@Chris_Carapezza: WAPO reporter doubles down: You didn't say that you condemn white supremacy though. She immediately regrets it. @VivekGRamaswamy isn't going to play the game.
https://twitter.com/Chris_Carapezza/status/1742394822579650892

@BillAckman: In light of today's news, I thought I would try to take a step back and provide perspective on what this is really all about... The techniques that DEI has used to squelch the opposition are found in the Red Scares and McCarthyism of decades past. If you challenge DEI, "justice" will be swift, and you may find yourself unemployed, shunned by colleagues, cancelled, and/or you will otherwise put your career and acceptance in society at risk.

The DEI movement has also taken control of speech. Certain speech is no longer permitted. So-called "microaggressions" are treated like hate speech. "Trigger warnings" are required to protect students. "Safe spaces" are necessary to protect students from the trauma inflicted by words that are challenging to the students' newly-acquired world views. Campus speakers and faculty with unapproved views are shouted down, shunned, and cancelled... <https://twitter.com/BillAckman/status/1742441534627184760>

@elonmusk: **DEI is just another word for racism.** Shame on anyone who uses it. DEI, because it discriminates on the basis of race, gender and many other factors, is not merely immoral, it is also illegal

When left of center elites slam DEI, you know the big pendulum has reversed from a leftist extreme.