

The King Report

M. Ramsey King Securities, Inc.



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“Independent View of the News”

The ADP Employment Change for December is +164,000; 125k was consensus. Leisure & Hospitality +59k, Education & Health Services +42k, Construction +24k, Manufacturing -13k
<https://adpemploymentreport.com/>

Initial Jobless Claims fell to 202k from 220k; 216k was expected. Continuing Claims dropped to 1.855m from 1.886m; 1881m was consensus.

@NFIB: *New NFIB Jobs Report shows that small business owners report **labor quality as their top business operating problem**. Owners remain pessimistic about labor costs, with 40% reporting job vacancies they could not fill.* More from the report:

<https://www.nfib.com/foundations/research-center/monthly-reports/jobs-report/>

Bonds Slide after Jobs Data Curb Rate Cut Bets – BBG

- Apple downgrades are weighing on Nasdaq 100 this week
- Oil prices jump amid escalating tensions in Middle East

“If tomorrow’s numbers show the same kind of strength and the economy keeps rolling along, it’s fair to wonder why the Fed would be in a rush to cut rates,” said Chris Larkin at E*Trade from Morgan Stanley... <https://finance.yahoo.com/news/asia-stocks-drop-fed-minutes-224902991.html>

Apple Hit with Second Downgrade This Week on iPhone Worries – BBG

Piper Sandler & Co.’s Harsh Kumar cut his Apple rating on Thursday, citing a weak macro environment in China that will dampen demand for iPhones... Kumar’s downgrade follows a more bearish move by peers at Barclays Plc, where analysts led by Tim Long cut their rating to underweight on Tuesday...

<https://finance.yahoo.com/news/apple-hit-second-downgrade-week-113039878.html>

@charliebillello: **US National Debt has crossed above \$34 trillion for the first time, increasing by \$2.5 trillion since the "debt ceiling" was suspended just seven months ago...**

<https://twitter.com/charliebillello/status/1742688735110500465>

The US \$2.5 trillion debt surge over the past 7 months is the prime reason that the US economy has not gone into recession. And further efforts to boost Biden in coming months will keep the US economy buoyant while increasing the odds of a rebound in inflation.

@traderpodcaste: *I want to remind people of a comment by former NY Fed Pres Bill Dudley from 2019 about how he thought the Fed could use monetary policy to influence the then 2020 election:*

“There’s even an argument that the election itself falls within the Fed’s purview. After all, Trump’s reelection arguably presents a threat to the U.S. and global economy, to the Fed’s independence, and its ability to achieve its employment and inflation objectives. If the goal of monetary policy is to achieve the best long-term economic outcome, then Fed officials should consider how their decisions will affect the political outcome in 2020.”

Bill Dudley clarifies call for Fed to play politics: 'Central bank should never be motivated by political considerations' Sept. 4, 2019 <https://finance.yahoo.com/news/bill-dudley-clarifies-call-fed-131158927.html>

Though USHs sank as much as 1 13/32 at 9:45 ET, traders aggressively bought stocks because, 4700 on the S&P 500 Index had to be defended and the S&P 500 Index had declined for three straight sessions.

ESHs traded modestly higher but sideways from the Nikkei opening until they broke down after the stronger than expected ADP Employment Change for December and US Initial Jobless Claims.

ESHs hit a daily low of 4747.00 at 9:24 ET. The usual suspects then aggressively bought ESHs, driving them to a daily high of 4766.50 at 11:16 ET. ESHs and stocks then sank on liquidation for the 11:30 ET European opening. ESHs slid to 4743.00 at 12:45 ET.

After plodding up to 4751.00 at 13:36 ET, ESHs went inert until they broke lower at 14:00 ET. ESHs slid to 4738.00 at 14:45 ET. The last-hour manipulation took ESHs to 4747.00 at 15:09 ET. Alas, ESHs then sank to 4737.00 at 15:16 ET, which created a double bottom. ESHs bounced to 4743.25 at 15:32 ET. After a short pause, ESHs tumbled to a new daily low of 4727.00 at 15:54 ET and it 4730.00 at 16:00 ET.

USHs hit a daily low of 122 18/32 (-1 18/32) at 13:10 ET. USHs were 122 26/32 at the NSYE close.

Bloomberg Markets @markets: *The Federal Reserve Bank of St. Louis appointed Alberto G. Musalem, whose career included executive roles at **Tudor Investment** and the New York Fed, as its new president.*

Yes, Virginia, the Fed, like the banks that it supports, has become more like a hedge fund than a traditional deposit and lending institution.

Positive aspects of previous session

The DJIA rallied 10.15 points while all other major equity indexes declined

Negative aspects of previous session

After a robust morning rally, US stocks and ESHs declined sharply.

The S&P 500 Index closed below its triple bottom near 4694 and trigger a BBG Trender sell signal

Nasdaq closed negative for a 5th straight day, its longest losing streak since October 2022.

The S&P 500 Index negative for the 4th straight day.

Bonds declined sharply.

Ambiguous aspects of previous session

Did someone discover that there will be no rate cut in March?

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

Pivot Point for S&P 500 Index [above/below indicates daily trend to traders]: **4701.00**

Previous session S&P 500 Index High/Low: **4726.78; 4687.53**

The US said North Korea recently provided Russia with ballistic missiles and launchers, some of which Russia has fired into Ukraine <https://reut.rs/3S6Y3D9>

@zerohedge: *"Just the third time in its history that the Nasdaq has started the year with back to back 1%+ declines. Other two years were 1980 and 2005."* – Goldman

Fed Balance Sheet: -\$31.757B, Treasuries: -\$37.217B; **Reserves at Fed: -\$183.564B** (No wonder stocks & bonds are falling!) <https://www.federalreserve.gov/releases/h41/current/default.htm>

@Geiger_Capital: BTFP new record high! \$141.2B... **Banks are now making money by borrowing from the Fed's newest bailout facility (BTFP), which charges a lower rate, and then just parking that money into another spot at the Fed, which pays higher interest. Arbitraging the Fed itself. No risk. Absolute clown show.** (Latter post from 12/22/223) https://twitter.com/Geiger_Capital/status/1738213920005865751



S&P 500 Index with 3-day EMA and 10-day EMA

Today – The December Employment Report could impact pre and post NYSE open trading. A soft NFP will provoke a transitory rally. A strong NFP should induce spirited selling. Thereafter is a crapshoot.

Traders will play for the Friday rally, emboldened by the perception that stocks are oversold on a short-term basis. A wicked short-term rally could appear at any instance. However, stocks have experienced significant technical damage. It will take considerable time and movement to repair the technical damage.

Remember: Bulls want a soft NFP; Team Big Guy wants a stronger-than-reality NFP

ESHs are +5.50; USHs are -3/32; and Feb AU is +1.60 at 20:02 ET.

Expected economic data: Dec NFP 171k, Mfg. 5k, Rate 3.8%, Earnings 0.3% m/m & 3.9% y/y, Workweek 34.4, Labor Force Participation Rate 62.8%; Nov Factory Orders 2.3% m/m; Nov Durable Goods Orders 5.4% m/m; Dec ISM Services Index 52.5; Richmond Fed Pres Barkin 13:30 ET

S&P Index 50-day MA: **4531**; 100-day MA: **4456**; 150-day MA: **4450**; 200-day MA: **4365**
DJIA 50-day MA: **35,554**; 100-day MA: **34,844**; 150-day MA: **34,730**; 200-day MA: **34,380**
(**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 and MACD are **negative** – a close above 4793.80 triggers a buy signal

Hourly: Trender and MACD are **negative** – a close above 4729.58 triggers a buy signal

Biden is abandoning Israel

America is distancing itself from the IDF's military action, even as their hostages remain in peril

Barak Ravid reported, "Two US officials told Axios [that] Israel was behind Tuesday's strike but stressed it didn't notify the Biden administration in advance of the attack." Joseph Haboush, Washington Correspondent for the leading Arab news site Al Arabiya reported that "US officials were not given prior notice by Israel about its operation to take out Hamas official Saleh al-Arouri in Beirut, but they cautioned against concluding that the assassination would further escalate tensions between Lebanon and Israel." Richard Goldberg, a senior advisor for the Foundation for the Defense of Democracies (FDD) fumed on X that "Israel just killed one of the major architects of October 7. The White House response is a rush to deny any involvement and leak that it advised against such a strike. What a terrible look. No one suspects the US carried it out, but most shocked to learn of disapproval." ...

<https://www.telegraph.co.uk/us/comment/2024/01/03/joe-biden-israel-netanyahu-gaza-hamas-aid/>

Trump holds private meeting with top union (Teamsters) boss, vexing liberals <https://t.co/sCvDuY7GvQ>

GOP Rep. @Jim_Jordan: *We're on track to see 12,000,000 illegal aliens during President Biden's first term. That's more than the population of Ohio.*

"The System Is Not Going to Let Trump Win" - Dems' Real Puppet Isn't Gavin, It's Nikki: Tucker and Vivek – *Tucker starts by pointing out the dilemma Democratic megadonors face with Joe Biden's declining popularity and Kamala Harris's unpopularity, suggesting that these donors might be attempting to subvert the Republican Party by backing a candidate like Nikki Haley.*

"Strip away all the outward characteristics, and Nikki Haley is identical in her priorities to Joe Biden and the people who back Joe Biden," Carlson said...

Tech entrepreneur Ramaswamy then weighed in on Tucker's claims, concurring... "I think the true puppet masters, the thing about them, is they're fundamentally nonpartisan in nature," the businessman said.

"There are a few things they care about: Keeping the foreign war machine humming is high on the list. Keeping the administrative state's control of the United States is also high on the list. They found a much more convenient puppet within the Republican Party itself." "They have their core objectives, and Nikki makes for a far better Trojan horse to actually accomplish that objective than anybody else." ...

<https://www.zerohedge.com/political/system-not-going-let-trump-win-dems-real-puppet-isnt-gavin-its-nikki-tucker-and-vivek>

@FoxNews: **Pro-Trump group hits Haley over past comments declaring people shouldn't call illegal immigrants 'criminals'**

DeSantis campaign accuses Haley of 'insulting' Iowans by saying NH will 'correct' caucus results

Campaigning in Milford, New Hampshire, on Wednesday, Haley told the large crowd listening to her that "we have an opportunity to get this right. And I know we'll get it right, and I trust you. I trust every single one of you. You know how to do this. You know Iowa starts it. You know that you correct it." ...

But another popular GOP governor, Kim Reynolds of Iowa, didn't seem to care for Haley's remark. Reynolds, who endorsed DeSantis in November, took to social media soon after Haley's comment grabbed attention to write, "I trust Iowans to make their own decisions. No 'corrections' needed!" ...

<https://www.foxnews.com/politics/desantis-campaign-accuses-haley-insulting-iowans-saying-nh-will-correct-caucus-results>

Biden drops campaign ad warning of 'extremist movement' against democracy

The Biden campaign released a one-minute campaign ad on Wednesday warning of an "extremist movement" working against American democracy and featuring images of the Jan. 6, 2021, Capitol Riot ...

<https://justthenews.com/politics-policy/biden-drops-campaign-ad-warning-extremist-movement-against-democracy>

Now that the dolts running The Big Guy have accepted the fact that 'Bidenomics' is a loser, they have pivoted to 'saving democracy,' the Dem default position when running on issues is futile.

@EndWokeness: *Kamala Harris defining equity: "It means everyone ends up in the same place." Equity is identity-based Marxism and is one of the most dangerous political ideologies facing the US today.*

<https://twitter.com/EndWokeness/status/1742807733420577034>

Dallas Maverick owner Mark Cuban chastised Elon Musk over DEI: *"The loss of DEI-Phobic companies is my gain... Having a workforce that is diverse and representative of your stakeholders is good for*

business..." Musk: *"Cool, so when should we expect to see a short white/Asian women on the Mavs?"*
<https://twitter.com/CollinRugg/status/1742996668944118243>

@realchrisrufo: *Mark Cuban needs to think beyond euphemisms. His support of DEI is like hearing about "re-education camps" and thinking: "Great idea. I support education and I love camping." Read your Orwell, @mcuban.*

@TheBabylonBee: **Liberals Warn Harvard President Ouster Could Lead to Terrifying World Where People Are Held Responsible for Their Own Actions** <https://buff.ly/48kBe4I>

@charliekirk11: *Iowa school shooter at Perry High School confirmed by police to be student Dylan Butler, tied to 'genderfluid' and 'transitioning' social media posts. Was this student on Benzos? Cross-sex hormones? We deserve to know. (Another mass shooter with issues! Butler reportedly shot himself.)*

@CBSNews: *Law enforcement responding to the deadly shooting at Perry High School in Iowa uncovered an "improvised explosive device," which officials then rendered safe before securing the school, the sheriff said.*

@Techno_Fog: *More Jeffrey Epstein files have been unsealed... More on Bill Clinton - and his threats to a publisher to protect Epstein (and thus himself). "B. Clinton walked into [Vanity Fair] and threatened them not to write sex-trafficking articles about his good friend" Jeffrey Epstein.*
https://twitter.com/Techno_Fog/status/1743055858605461600

@alx: *"Epstein also trafficked Jane Doe #3 for sexual purposes to many other powerful men, including numerous prominent American politicians, powerful business executives, foreign presidents, a well-known Prime Minister, and other world leaders. Epstein required Jane Doe #3 to describe the events that she had with these men so that he could potentially blackmail them."*
<https://twitter.com/alx/status/1743072303729029531>

Pritzker family under fire as members are key players in Harvard, Epstein scandals
<https://trib.al/bQQrsH6>

@JackPosobiec: *In 2005, Jeffrey Epstein was under an 11-month FBI investigation. 40 underage girls alleged Epstein assaulted them. After Epstein gave information to the FBI, federal charges were dropped. Who was head of the FBI then? Robert Mueller*