



The King Report

M. Ramsey King Securities, Inc.

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| Friday | June 29, 2018 – Issue 5788 | “Independent View of the News” |
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For the first ninety minutes of trading on Thursday, the S&P 500 Index waffled between small gains and losses. ESUs jumped a few handles when St. Louis Fed President Bullard issued his latest dovish comment: The Fed should leave interest rates where they are.

A rally into the European close materialized. After the European close, US stocks declined moderately, confirming that the rally was the usual European close rally with some Q2 performance gaming.

The DJTA declined 1.2% by midday due to surging WTI oil, which rallied 1.6% to \$74.03. Big bank stocks rallied robustly on hope that banksters would announce large capital return schemes after the Fed released the results of its Stress Tests, Part Two.

Big bank stocks rallied sharply from December to the release of the Fed Stress Tests on February 1, 2018. Bank stocks have been in decline since then. Ergo, after the traders' rally in big banks, look out below!

When the S&P 500 Index ticked negatively for the session at midday, buyers suddenly appeared and pushed the benchmark index higher. This was the start of the expected manipulation on the penultimate day of Q2 to embellish performance and the seasonal rally that tends to persist into the 4th of July.

The expected Q2 performance gaming rally persisted from the European close rally until 15:15 ET. Then, a nine-handle S&P 500 Index decline occurred. Obviously this was trader liquidation.

Walgreens, CVS and Rite-Aid lose \$12 billion in value after Amazon buys online pharmacy PillPack - PillPack is licensed to ship prescriptions in 49 states and likely booked more than \$100 million in revenue last year.

<https://www.cnbc.com/2018/06/28/walgreens-cvs-shares-tank-after-amazon-buys-online-pharmacy-pillpack.html>

Here are three reasons why Amazon's move into drug delivery could be a game changer

1. *Same-day delivery through Prime*
2. *Amazon's voice assistant Alexa*
3. *The Amazon-Berkshire Hathaway-JPMorgan healthcare venture*

<https://www.cnbc.com/2018/06/28/here-are-three-reasons-amazons-move-into-drugdelivery-could-be-a-gam.html>

Japan's Retail Sales declined 1.7% m/m in May, the biggest decline since August 2016 (also -1.7%). A drop of 0.8% was expected. Department/Supermarket sales tumbled 2%; -1.0% was expected.

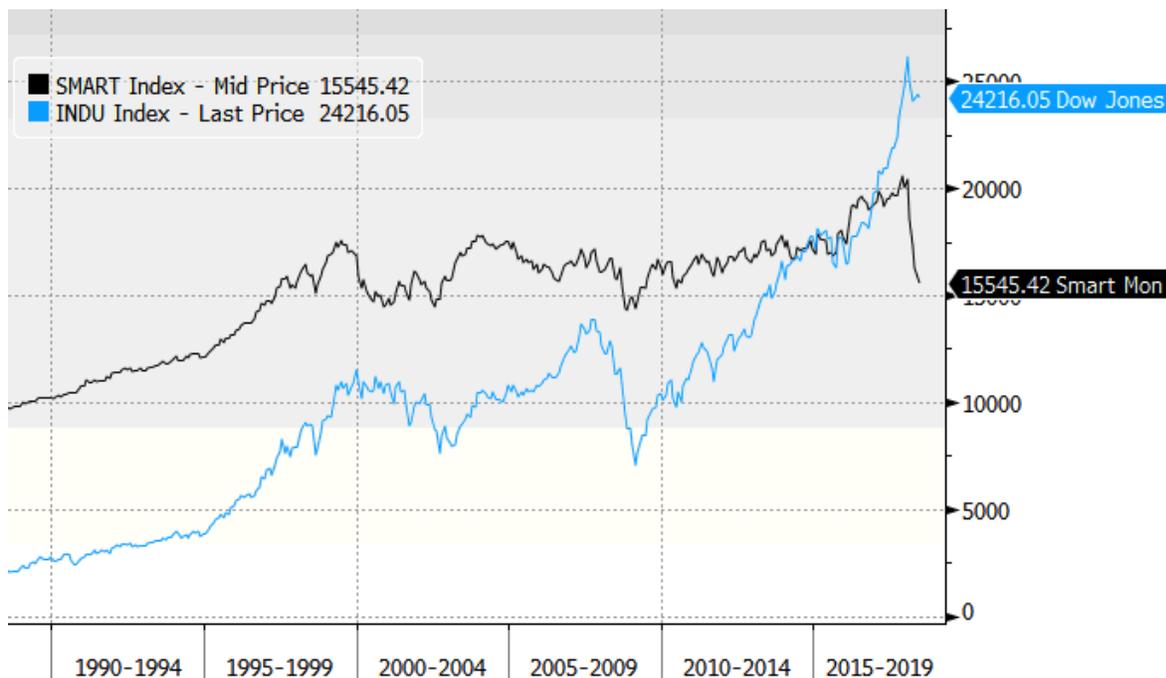
China think tank warns of potential "financial panic" in leaked note

- *Authorities urged to take steps to avert another stock rout*
- *Leveraged share purchases reach levels last seen in 2015*

Bond defaults, liquidity shortages and the recent plunge in financial markets pose particular dangers at a time of rising U.S. interest rates and a trade spat with Washington, according to a study by the National Institution

of rising U.S. interest rates and a trade spat with Washington, according to a study by the National Institution for Finance & Development that was seen by Bloomberg News and confirmed by a NIFD official. The think tank warned that leveraged purchases of shares have reached levels last seen in 2015 -- when a market crash erased \$5 trillion of value... <https://bloom.bg/2yPPYMt>

The Smart Money Flow Index, which has led the stock market for decades, **has crashed**. Be prepared!



Smart Money Flow Index: DJIA first thirty minutes of trading (emotional buying) plus last hour.

<http://www.wallstreetcourier.com/port/po-smart-money-flow-index-overview.htm>

Positive aspects of previous session

The Q2 performance gaming and seasonal rally appeared
Big banks rallied sharply

Negative aspects of previous session

The rally was not as strong as it should have been: Q2 manipulation, 4th of July bias, Fed Stress Tests
The DJTA declined 24 points
Meaningful late decline

Ambiguous aspects of previous session

Will DB, GS and MS dim other big banks' spotlight?

First Hour/Last Hour Action [S&P 500 Index]

First Hour **Down**; Last Hour **Down**

Pivot Point for S&P 500 Index [above/below indicates daily trend to traders]: **2710.88**

Previous session High/Low: 2724.34; 2691.99

Deutsche Bank flunks Fed stress test; 3 other banks get flagged

JPMorgan Chase announced a 43% dividend hike and plans to buy back nearly \$21 billion in stock. Citigroup said it will boost its dividend by 41% and buy back up to \$17.6 billion worth of shares. Wells Fargo raised its dividend modestly and said it plans to buy back \$24.5 billion of stock through mid-2019...

<http://money.cnn.com/2018/06/28/investing/deutsche-bank-fed-stress-test/index.html>

Wells Fargo, JP Morgan, Citi will hike dividends, buy back more stock after passing Fed stress test

<https://www.cnbc.com/2018/06/28/fed-gives-34-banks-approval-for-capital-return-plans.html>

Goldman, Morgan Stanley must keep capital return plans unchanged after Fed stress test blunder

<https://www.cnbc.com/2018/06/28/goldman-sachs-morgan-stanley-keep-dividends-andbuybacks-unchanged-af.html>

Kashkari says the Fed is confused about what's next after neutral rates <https://t.co/R4u1mQh0ZG>

Today is the end of Q2 and a summer Friday. Unless one have been very long FANGs and oil, their performance in Q2 will not be good. Ergo, there is a desperate need to manipulate stocks (and oil) higher.

With the 4th of July looming, vacations commencing and the session being a summer Friday, the markets should be quite thin. Therefore, it will be easier to manipulate the markets. We have no idea how last-hour roulette will unfold.

The DJIA closed below its 200-day MA for a fourth consecutive session. **This has not occurred since March 2016**. The venerable index must jump above this metric soon or the March 29 and 2018 low of 23,344.52 could be challenged.

ESUs are up 1.00 as we write. Apparently traders aren't thrilled with the Fed Bank Stress Tests.

The S&P 500 Index 50-day MA: 2717, 100-day MA: 2702; 150-day MA: 2707; 200-day MA: 2668
The DJIA 50-day MA: 24,628; 100-day MA: 24,621; 150-day MA: 24,758; 200-day MA: 24,313

S&P 500 Index support: 2700, 2692, 2680, 2667 (200 dma); 2650, 2625, 2600
Resistance: 2725, 2735, 2743, 2760, 2770-75, 2783, 2790-94, 2801.90, 2820, 2839, 2851.48

Expected economic data: May Personal Income 0.4%, Spending 0.4%, PCE Deflator 0.2% m/m, PCE Core 0.2%; Chicago PMI 60; UM Sentiment 99

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

Monthly: Trender and MACD are **positive** – a close below 2505.65 triggers a sell signal

Weekly: Trender and MACD are **negative** – a close above 2883.10 triggers a buy signal

Daily: Trender and MACD are **negative** – a close above 2787.22 triggers a buy signal

Hourly: Trender is **negative**; MACD is **positive** – a close above 2725.53 triggers a buy signal

Hourly and Daily charts of Trender plus MACD for the S&P 500 Index can be examined on our free app.
<http://www.thekingreportapp.com/>

You can't make this up! CNN: Rep @MaxinePWaters: *"The next Supreme Court Justice should be an illegal immigrant"* <https://t.co/SzpwPWBL0u>

Hoover Inst's @adamjwhitedc: *When a single judge's retirement turns the entire political world on its ear, we ought to consider that perhaps the Supreme Court has claimed too much power in our republic.*

CBS's Jan Crawford @JanCBS: *Sources confirm three primary front runners for scotus, all federal appeals court judges with sterling academic qualifications: Brett Kavanaugh [front runner who clerked for Justice Kennedy], Raymond Kethledge, Amul Thapar... recently confirmed federal appeals court Judge Amy Coney Barrett is also under consideration to be among the 3-5 the President will interview*

Chairman Goodlatte: "FBI Lawyers instructed Peter Strzok not to answer many, many questions"

<http://theconservativetreehouse.com/2018/06/27/chairman-goodlatte-fbi-lawyers-instructed-peter-strzok-not-to-answer-many-many-questions/>

Gowdy rips Rosenstein on Russia probe: 'Finish it the hell up'

Gowdy's excoriation marked a stunning moment at the already-tense House Judiciary Committee hearing, amid a months-long battle between congressional Republicans and the Department of Justice over its handling of both the Russia probe and Hillary Clinton email investigation... <http://www.foxnews.com/politics/2018/06/28/rosenstein-wray-testify-before-house-judiciary-committee-amid-battle-over-documents-related-to-russia-probe.html>

@tracybeanz: Biggs: *Going into MYE, Horowitz admitted that bias indirectly affected decisions. Wray: Letting report speak for itself. Biggs: Who wrote scope letter for Mueller. RR: I don't know who wrote it but I am responsible.* [Blockbuster news that the MSM will ignore because it invalidates Mueller]

@WiredSources: **Deputy AG Rosenstein refuses to discuss wiretapping and spying into the Trump campaign by the Obama Administration, refuses to confirm if he read FISA application against Trump aide Carter Page**

before signing off on it

@seanmdav: So he personally attested and certified under oath to a federal court that information he never even read was completely true and accurate? No wonder he's so desperate to obstruct congressional investigations into his actions.

@PoliticalShort: Rep. Jim Jordan: "When I asked Peter Strzok if he ever communicated with Glenn Simpson, he responded on the advice of FBI counsel that he couldn't answer that question. Why couldn't he answer that? When I asked him if he talked to Bruce Ohr he said he had 3 times in 2016 & 2017..."

You haven't complied with requests and subpoenas...why did you hide the fact that Peter Strzok and FISA court Judge Contreras were friends and then redact it in the docs you gave to us? This is the same judge that heard Flynn's case."

Arctic Ocean almost totally ice-covered – Map

<https://www.iceagenow.info/arctic-ocean-almost-totally-ice-covered-map/>

Just a few months ago, the usual MSM and greenie suspects published reports that Arctic Ocean ice was melting at a historic rate. Who's zoomin' who?