



Blood Moon Markets

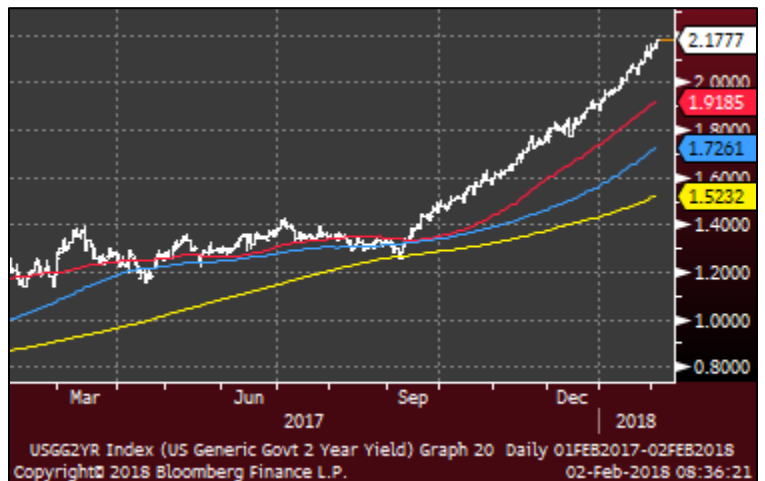
This setup into this Friday's market action has me on the edge of my seat: The State of the Union Address heard round the world, into Blood Moon, into Ground Hog Day, into the FISA abuse memo release, into Super Bowl Sunday between two east coast titans. The market overlay is equally chilling. The Bank of Japan capped exploding yields with an unlimited fixed rate bond purchase, U.S. yields are pinned to the high and climbing, the dollar is dangling from the low and falling, and the Bitcoin bubble is bursting at its technical seams. I told you things get hairy when people start flashing million-dollar 401K's on Facebook. This day should come with a hefty bag of popcorn.

First, the BOJ. They stopped the strengthening yen dead in its path by putting a tourniquet on rising JGB yields. Global yields are roofing, the commodity board has been LIT green, and these guys are taking on the world. The FX market got the message because USD/JPY is rallying toward 110 this morning. Central Bank action during this global bond rout is just a spooky dynamic on this kind of tense Friday. So is Amazon gapping to a new high on another breathtaking quarter.

EUR/USD hasn't found a peak and European stocks are down for the fifth day in a row. The German DAX is buckling under a 2-sigma (-1.4%) slide that leaves it perched on 200-day moving average support. Technicians like me will be sounding the alarm if the DAX closes below the ascending trendline pictured in the chart at right, the 2017 high, and all major moving averages. German 10Y yields have rallied from 30 basis points in December, through resistance at 60 basis points, to 73 basis points last. Their stock market isn't having it, and that might set an equally nasty tone for Europe next week. Remember what happens when you string together moves of large magnitude.

We've got to get through one last session today and the S&P isn't taking this one lightly. After yesterday's 2.5 sigma slide in junk bond ETF's HYG and JNK, everyone has taken a step in from the plank risk curve. They see bitcoin getting beaten, and crude oil pinned to the high even with U.S. crude production crossing 10M barrels per day. The winds of change are clearly whipping through today's macro scenario.

This morning's payroll data beat to the upside once

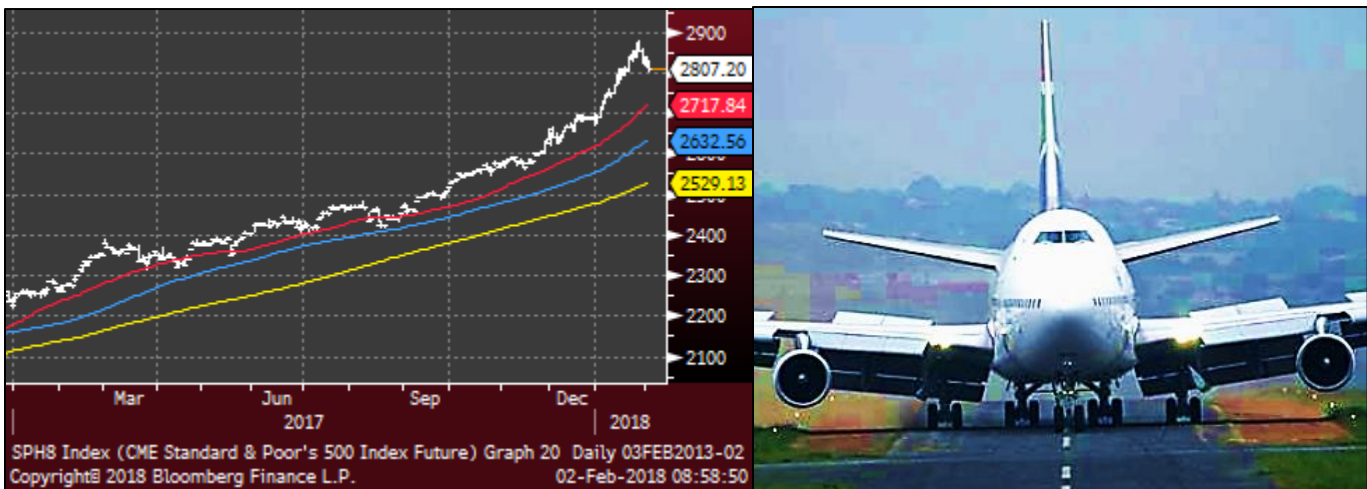




again, with 200K Nonfarm Payrolls outpacing 180K estimates. The Atlanta Fed's #GDPNow model forecast for real GDP growth in the first half of 2018 is 5.4%. The bond market seems to know Michigan Sentiment and Durable Goods orders are out at 10AM today, and that they are likely to be scorching. US2Y yields have NOT. STOPPED. RIPPING. 30Y Treasuries are yielding above 3%. **This is a big f*ckin' deal.**

I can't stress enough that the continuation of this bond route will be an incredibly important dynamic for this secular bull market in equities. If European equities break down below major moving averages, it will be foreshadowing U.S. markets coming back to earth. At that point, we will see if the equity market will tolerate the higher yield regime, or not.

My sense is – if the higher yield regime sets in like a dove on a limb, the equity market will tolerate it, and find a level from which to rally. If the higher yield regime lands like a 747 on our front lawn, and the US10Y Yield spikes above 3%, I may be making major allocation changes to my 401K, keeping that in the privacy of my own office, where it belongs, and planning for damage control in the markets.



Memo Closure

Can you feel the spheres of influence changing in America? The political activists responsible for radically transforming America are being ousted. The globalists have been tempered, the English brilliantly, history will soon show, left the E.U., and Hollywood has been cordoned off as a national disaster area. They've fallen a long way, I'm sad to say, since I was an excited child standing on line for popcorn outside of JAWS or staying up late to watch Belushi. I think the main event today has vindication for me as a student of American political science and journalism. This may be the last political post in the *Morning Navigator's* history. In fact, I'm hoping.

Between these two quotes – the release of the FISA abuse memo is going to incriminate a lot of people the left and main stream media have been worshipping for years, protecting for months. The media playbook is clear this morning – this is another effort by the President to push back on the justice department because of the Mueller investigation.



All 15 cartoonists at Politico found great satire in the memo release being the nations President obstructing justice. Isn't it ironic that not one cartoonists, or American journalist, or news anchor, finds anything wrong with a folder of lies that was created about a guy running for office in their country, that gave the existing Administration an illegal reason to spy on that opposing candidate? Even after we learned essentially nothing about the DNC campaign was on the level; from Debbie Wasserman Shultz's IT staffers to [Donna Brazile](#) passing debate questions? How can that be?

Nobody in the media is discussing anything on the same level as the President of Judicial Watch, Tom Fitton:

“You had Hillary Clinton and the Democratic Party try to hide the fact that they gave money to GPS Fusion to create a Dossier which was used by their allies in the Obama Administration to convince a Court misleadingly, by all accounts, to spy on the Trump Team.” – Tom Fitton, President of Judicial Watch

If the FISA abuse memo proves that to be the case, I'm going to put the political axe I've been grinding away in the shed for a long time to come. I will feel better knowing everything that I perceived, and announced as totally contrived bullshit, during the last administration and the 2016 election, was actually bullshit. I will be certain my eyes and mind did not deceive me, and we were dealing with some criminal operation. It's time to really start dialing in on what's making America so great right now.

Imagine if the memo says, **“The Patriots will win the Super Bowl again – signed, the FBI.”** Boy that would be a bust on the order of Super Bowl 48.



Broadway Joe and the Blowout

Going into every Super Bowl, with the paparazzi and media buzz, you always have that slight fear the game is going to be a bust. February 2, 2014...*Super Bowl 48 (XLVII)*... MetLife Stadium in New Jersey...Seattle Seahawks vs. the Denver Broncos!...the unofficial first ever “Weed Bowl” between the first 2 states to legalize marijuana...Peyton Manning versus Russell Wilson!...(tension mounting)...Broncos favored by a field goal (-3.) There were chants of “This game is going to be sick,” in every bar across the country. Broadway Joe Namath tossed the coin in a dynamite white fur, and that was Super Bowl 48's finest moment.

The first Broncos snap of the game went *toward* Peyton Manning, but into the end-zone, touched back by the Seahawks. Seattle led 2-0 only 00:12 seconds into the game, everyone's Super Bowl Pool numbers were blown to pieces because of the 2-point safety, and it was a mad rush toward the chafing dishes.

To refresh your memory, that game was 22-0 Seahawks at the half. If you thought the Bronco's had a chance, Seahawks Percy Harvin zipped the kickoff right after Bruno Mars half time show into the end zone, clocking Seattle in for another 00:12 second strike and 29-0 lead. Know how I remember that game? I won \$500 on a 3rd quarter box pool with coordinates: SEA 4, DEN 8 if you can believe it. Traders always remember when they hit a box pool.



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STUDY BREAK



"You wanna know which ring is my favorite? The next one." – Tom Brady

"These titans stick together in the way that many titans do, not because they share some special affection or particular philosophy but because each see's in the others' stature an affirmation of his own. They're a cluster strut."

- Frank Bruni on Trump/Brady/Kraft/Belichick relationship

"The truth is the Super bowl long ago became more than just a football game. It's part of our culture like turkey at Thanksgiving and lights at Christmas, and like those holidays beyond

their meaning, a factor in our economy." - Bob Sheffer

"Whether I'm a Super Bowl Champion or a regular guy stocking groceries at the Hy-Vee, sharing my faith and glorifying Jesus is the central focus of my time on this earth." – Kurt Warner < God Bless Him

"It really lifted my spirit to hear the team rally around my songs and that's why I make music – to inspire others and bring people together. The Eagles have also motivated me with the way they've overcome tough situations and injuries to succeed this year." – Meek Mill on the Eagles NFC Victory...from jail for violating his probation

"Are you living a life that others have imposed on you or are you living the life God has for you?" - @erwinmcmamus

"Every day of my life, I'm trying to find a different way to get better." - Ray Lewis

Story Lines [to Follow](#)

T.V. recordings [to set](#)

Let the NCAA Lacrosse Season Begin.

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