An Encore Presentation

On this day (+2) in 1823, a N.Y. publisher issued a poem by a professor of Oriental and Greek literature. Now, if that wasn't enough to scare most people off, the guy was also a clergyman. Several people who knew poetry told the publisher it was a terrible waste of paper and ink. Such a little trifle as Clem's poem wouldn't be remembered days later let alone years later.

But this flimsy verse which began "Twas the Night Before Christmas...." tended to hang on. And, after its author, Clement Clark Moore, died it was illustrated with drawings by Thomas Nast. Now it really took off. Not only did we know the legend of Santa, now we knew what he looked like.

To celebrate the birth of a classic, have an eggnog or two. Tell the red-faced guy, with a beard, on the next stool he can make extra Christmas money betting people they don't know the real name of the poem. (“A visit from St. Nicholas”.)

There were lots of creatures stirring in the stock market Wednesday as the Dow and S&P rallied into resistance several times before easing back into the close.

In Wednesday's Comments, we suggested that the resistance point in the Dow was 28340 and the S&P 3200. The intraday high on the S&P was 3198 and in the Dow 28323 both of which qualify as test tries.

The failure to punch through in the morning led to mild pullback late in the session, which was compounded by indications that there would be nearly half a billion dollars to sell on the closing bell.

Yields rose across the board, which added to the downward pressure on stocks.

Despite the mild negative for the Dow and S&P, the breadth was positive and advances beat declines, taking the breadth index to another new high.

Traders felt the action was more of a pause and consolidation rather than a full pullback.

More Economic Running Room? – My friend, Joe Lavorgna, over at Natixis is a highly respected economist. He recently put out a report citing the
strength in the housing market and why it may mean that a recession may be much further off than many people expect. Here is some of what Joe wrote:

- In December, the National Association of Homebuilders’ (NAHB) reported a five-point jump to 76 in its sentiment index, the highest reading since June 1999. All three subcomponents increased—present sales, expected sales and buyers’ traffic. .......... 

- One, homebuilders’ sentiment has led each of the last three economic downturns by an average of 36 months. This means that a recession is still a long way away. Remember housing always has turned down well in advance of the broader economy. The risk of recession is elevated only if a clear top in housing sentiment has been made and the series has begun trending downward.

- Two, based on the current level of builders’ sentiment, residential investment should expand sharply next year, possibly adding up to 40 basis points (bps) to underlying real GDP growth. However, the full impact could be even larger, given the large spending “multiplier” associated with housing construction—the complementary spending on appliances, electronics, furniture, etc.

- In conclusion, the total impact on the economy could be closer to 60 bps. If so, this would help push 2020 real GDP growth up near 3%, its best showing since 2005.

That’s impressive. More room to run.

**Yearend Interview** – My annual CNBC interview at Bobby Van’s should be posted shortly. The contact should be: https://www.cnbc.com/2019/12/19/art-cashins-predictions-for-2020-including-more-wins-for-stocks.html

**Overnight And Overseas** – Asian equity markets closed rather mixed. Tokyo and Hong Kong saw modest weakness, Shanghai was basically flat and India closed modestly higher.

European markets are seeing only fractional changes. London is up a bit, Paris is flat and Frankfurt is trading slightly lower.

Among other assets, Bitcoin rallied and is trading around $7200. Gold is flat, while crude is a shade higher. The euro is slightly higher against the dollar and yields are a touch higher.

**Consensus** – Impeachment passed the House without any discernible market impact. Speculation is that Pelosi will not hand the impeachment articles over to the Senate for as long as possible. The purpose is to delay the Senate’s likely acquittal and leave President Trump “under impeachment” for a lengthy period of time.

Stick with the drill – stay wary, alert and very, very nimble.

**Trivia Corner**

Answers - Santa Claus’ reindeer are: Dasher, Dancer, Prancer, Vixen, Comet, Cupid, Donner, Blitzen

Bonus Answer - The only actor to win an Oscar for playing Santa was "Edmund Gwenn" for "Miracle on 34th Street"

Today's Question - What were the names of Three Wise Men and what gift did each bring?

Bonus Question - “Twas the Night Before Christmas” was originally published under what name?

**NO COMMENTS FRIDAY**