



Selected Portfolio Position Review: 01-29-2020

Each week we produce a chart book of 10 of the current positions we have in our equity portfolio. Specifically, we are looking at the positions which warrant attention, or are providing an opportunity, or need to be sold.

While the portfolios are designed to have longer-term holding periods, we understand that things do not always go the way we plan. This monitoring process keeps us focused on capital preservation and long-term returns.

HOW TO READ THE CHARTS

There are four primary components to each chart:

- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a trailing stop in many cases.*
- *The Buy / Sell is triggered when the green line is above the red line (Buy) or vice-versa (Sell).*

When the price of a position is at the top of the deviation range, overbought and on a buy signal it is generally a good time to take profits. When that positioning is reversed it is often a good time to look to add to a winning position or looking for an opportunity to exit a losing position.



With this basic tutorial, we will now review some of positions in our Equity Portfolio which are either a concern, an opportunity, or are doing something interesting.

ABT - Abbott Laboratories

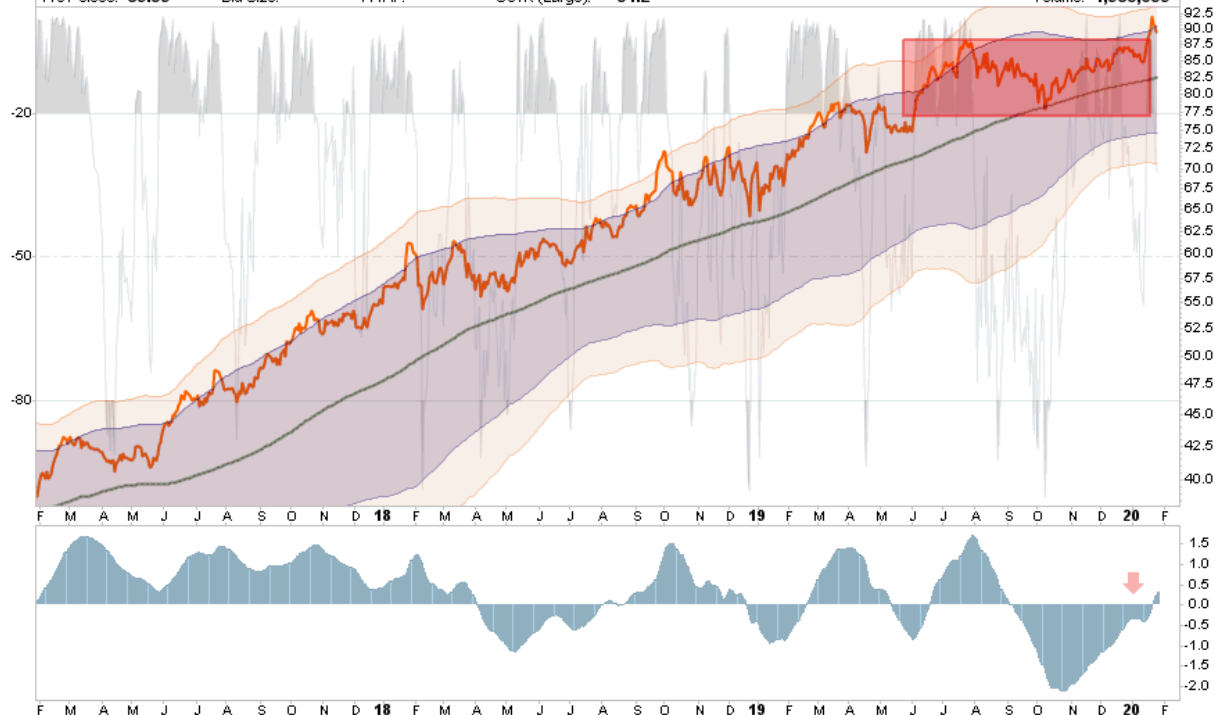
ABT Abbott Laboratories NYSE

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 Health Care / Pharmaceuticals
 Open: **89.70**
 High: **90.03**
 Low: **89.39**
 Prev Close: **89.59**

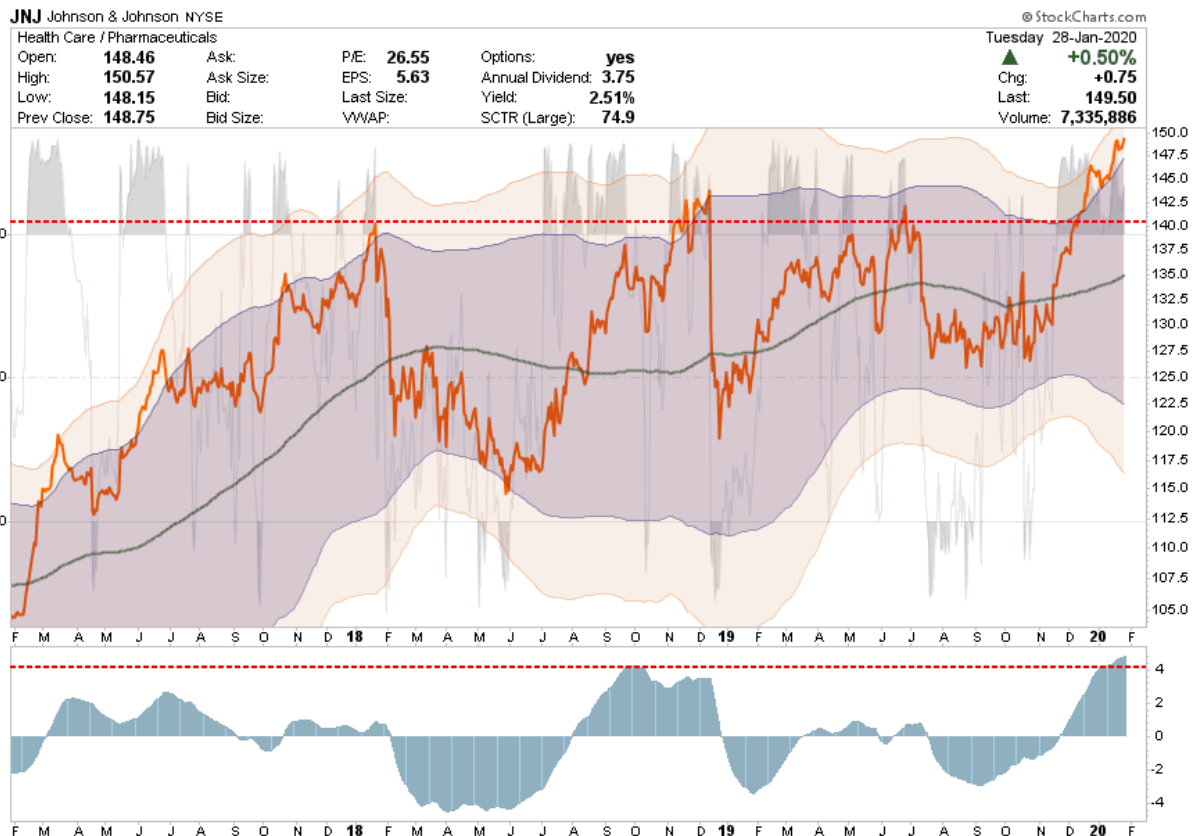
 Ask: **43.39**
 Ask Size: **2.06**
 Bid: **43.39**
 Bid Size: **2.06**
 P/E: **43.39**
 EPS: **2.06**
 Last Size: **2.06**
 VWAP: **43.39**

 Options: **yes**
 Annual Dividend: **1.32**
 Yield: **1.47%**
 SCTR (Large): **51.2**

 Tuesday 28-Jan-2020
 ▼ **-0.06%**
 Chg: **-0.05**
 Last: **89.54**
 Volume: **4,983,639**


- We bought ABT in early 2019, and have taken profits twice along the way.
- ABT has been on a deep "sell signal" for a while and has reversed back to a buy which coincided with a breakout above the consolidation range.
- We are maintaining our current stop level, we are looking to add to our holding on a pullback to 87.50.
- Stop is set at \$77.50

JNJ - Johnson & Johnson



- We bought JNJ when it was out of favor with the market over their "talc" lawsuit issues.
- With the bulk of the those issues behind them, the stock has rebounded sharply. We took profits in the position and it has yet to reverse any of the *EXTREME* overbought, or the 3-standard deviation extension above the 200-dma.
- We will look to add to our position on a pullback that works off some of the extremes but holds support at \$140.
- We are moving our stop up to \$135

AGNC - Agency Mortgage REIT

AGNC AGNC Investment Corp. Nasdaq GM

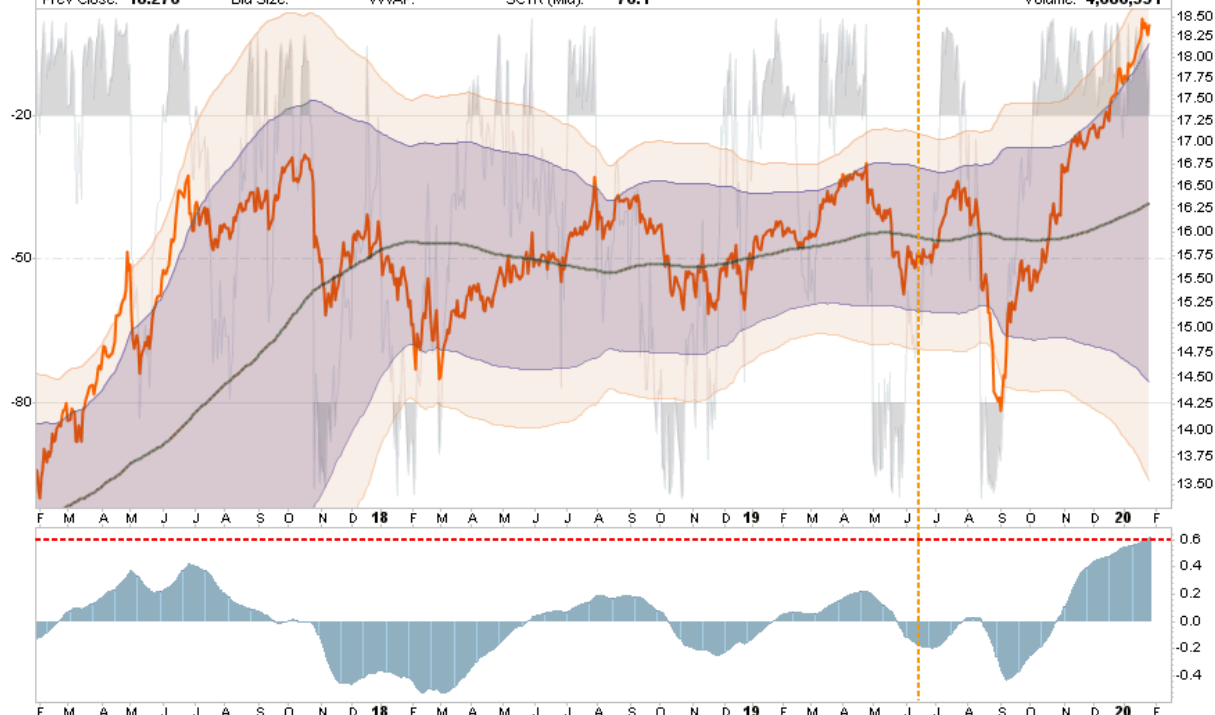
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Real Estate / Mortgage REITs

Open: 18.320	Ask:	P/E: -9.12	Options: yes
High: 18.470	Ask Size:	EPS: -2.02	Annual Dividend: 2.0
Low: 18.300	Bid:	Last Size:	Yield: 10.86%
Prev Close: 18.270	Bid Size:	VWAP:	SCTR (Mid): 76.1

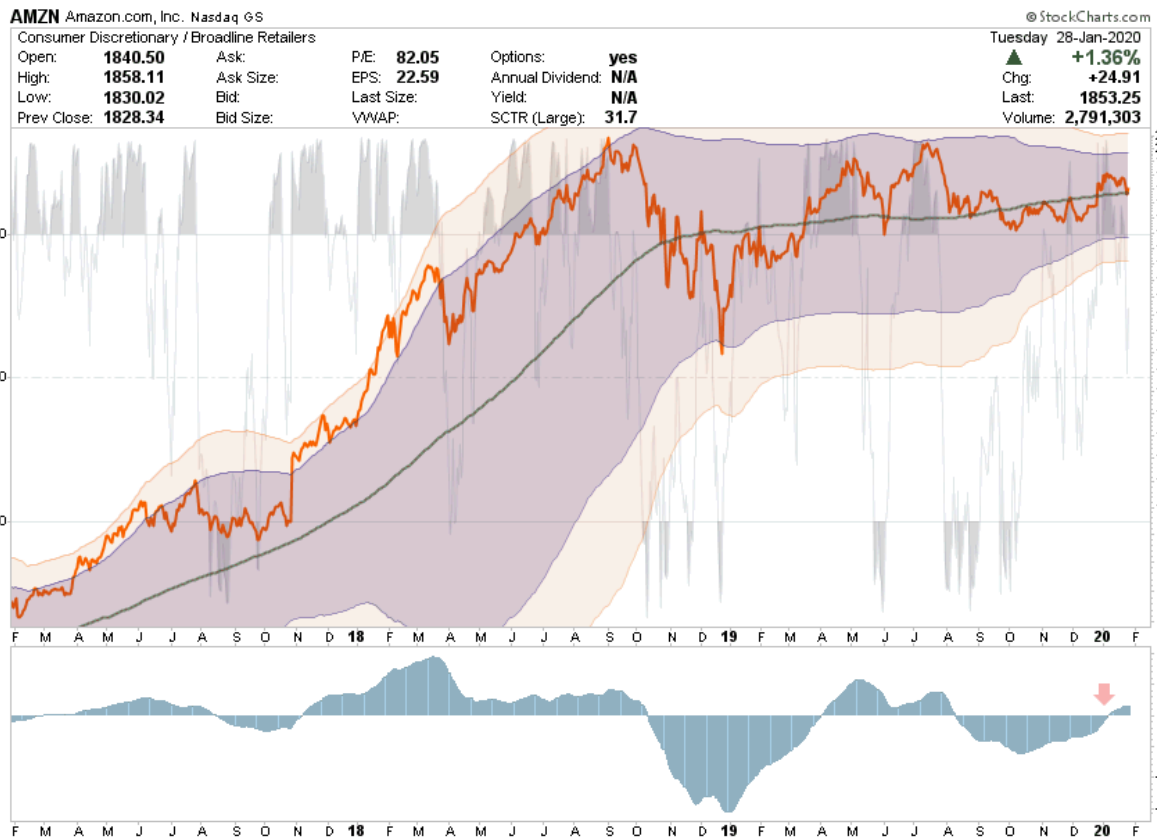
Tuesday 28-Jan-2020

▲ **+0.77%**
Chg: **+0.140**
Last: **18.410**
Volume: **4,686,351**



- We previously bought 2 positions to benefit from a steepening of the 10-2 yield curve. However, with the yield curve now flattening, we reduced AGNC by half for now.
- Since we are now 1/2 weight in AGNC, and NLY, we are going looking for a correction to allow us to rebuild positions at better price levels.
- We are maintaining our stop at \$14 as we will add back to the position following some corrective action that doesn't violate support at \$16.

AMZN - Amazon.com, Inc.



- We bought AMZN in 2019 heading into the winter shopping season with expectations we would see that stock advance and reverse the sell signal.
- That has now happened as the buy signal has been registered. If AMZN can hold support at the 200-dma, we can look to add to our position for a potential push higher.
- AMZN is working off some of its overbought short-term, but the 200-dma needs to hold.
- Stop is moved up to \$1750

AEP - American Electric Power Co.

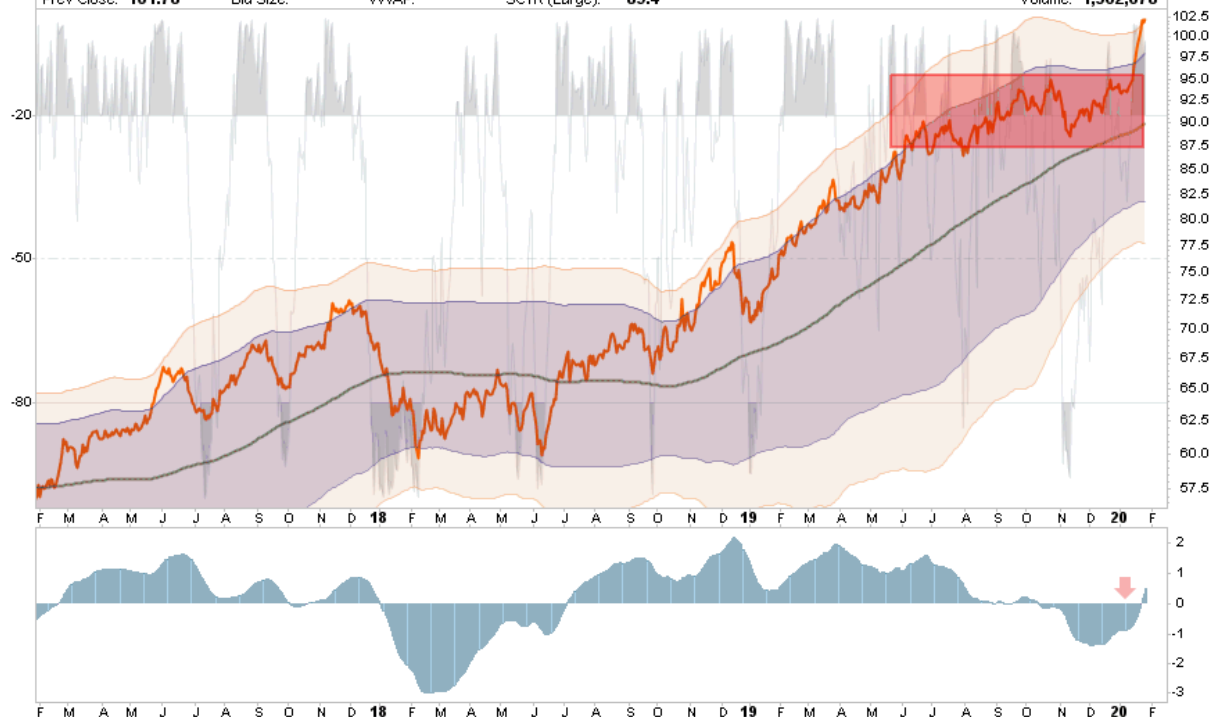
AEP American Elec Pwr Co., Inc. NYSE

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Utilities / Conventional Electricity

Open: 101.83	Ask:	P/E: 23.74	Options: yes
High: 102.55	Ask Size:	EPS: 4.30	Annual Dividend: 2.71
Low: 101.71	Bid:	Last Size:	Yield: 2.65%
Prev Close: 101.78	Bid Size:	VWAP:	SCTR (Large): 89.4

Tuesday 28-Jan-2020
 ▲ **+0.40%**
 Chg: **+0.41**
 Last: **102.19**
 Volume: **1,562,678**



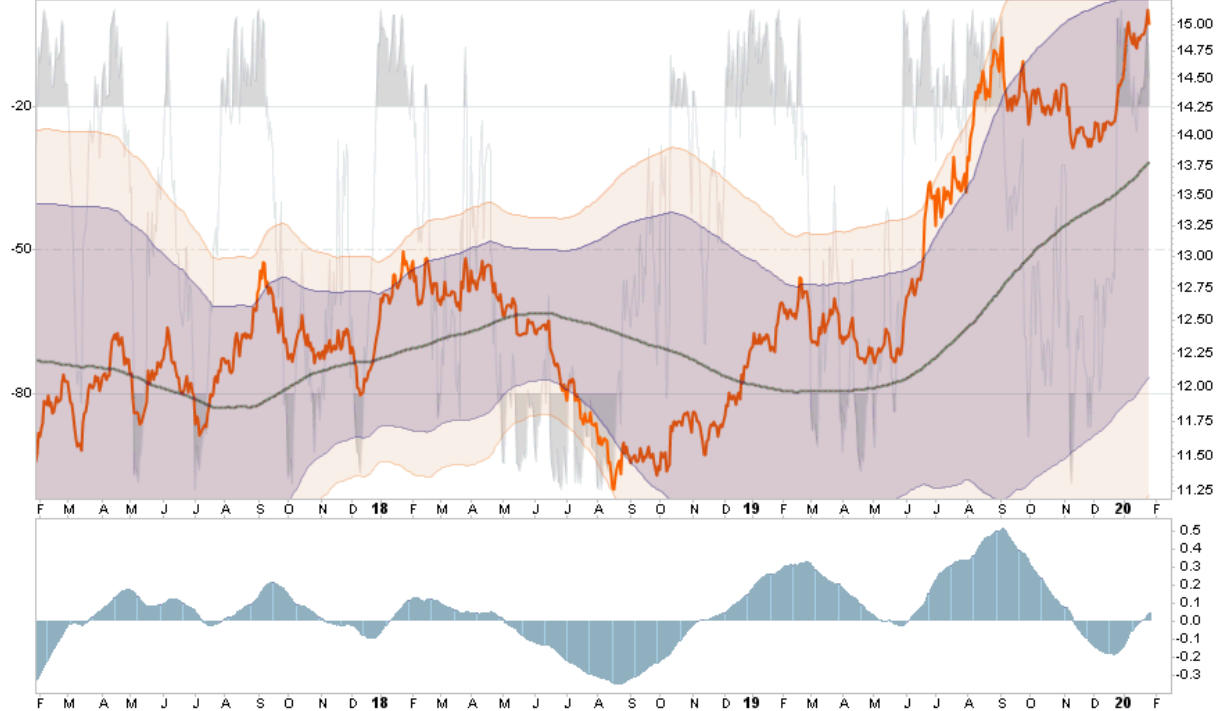
- AEP has remained a strong performer for us, and we like Utilities heading into 2020.
- AEP had been on a sell-signal for quite some time, and finally reversed to a buy. Unfortunately, the stock broke out of consolidation and shot straight up to 4-standard deviations above the 200-dma. We were unable to game that move so we will have to wait for a correction.
- With the buy signal in place we are watching for a price correction that works off the overbought condition to take our holdings back to full weightings.
- Stop is moved up to \$90

IAU - Gold

IAU iShares Gold Trust NYSE

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Open: 15.060	Ask: 15.080	P/E: -13.50	Options: yes	Tuesday 28-Jan-2020
High: 15.080	Ask Size: 14.970	EPS: -1.11	Annual Dividend: N/A	▼ -0.93%
Low: 14.970	Bid: 15.130	Last Size: 14.990	Yield: N/A	Chg: -0.140
Prev Close: 15.130	Bid Size: 15.130	VWAP: 14.990	SCTR (ETF): 90.4	Last: 14.990
				Volume: 15,517,238



- We sold 1/2 of IAU near the August peak in gold prices (as it was 2-standard deviations above the 200-dma) to bring in profits and protect our position. When then added back to IAU in early December.
- IAU has broken out to new highs and while overbought on a short-term basis, it has now registered a buy signal. This suggests higher highs are coming.
- We are looking to overweight our position in Gold given the right setup, and with a buy signal in place, that opportunity is likely approaching. We need to see some fear pick up in the markets.
- Stop is currently set at \$13.6.

DOV - Dover Corp.

DOV Dover Corp. NYSE

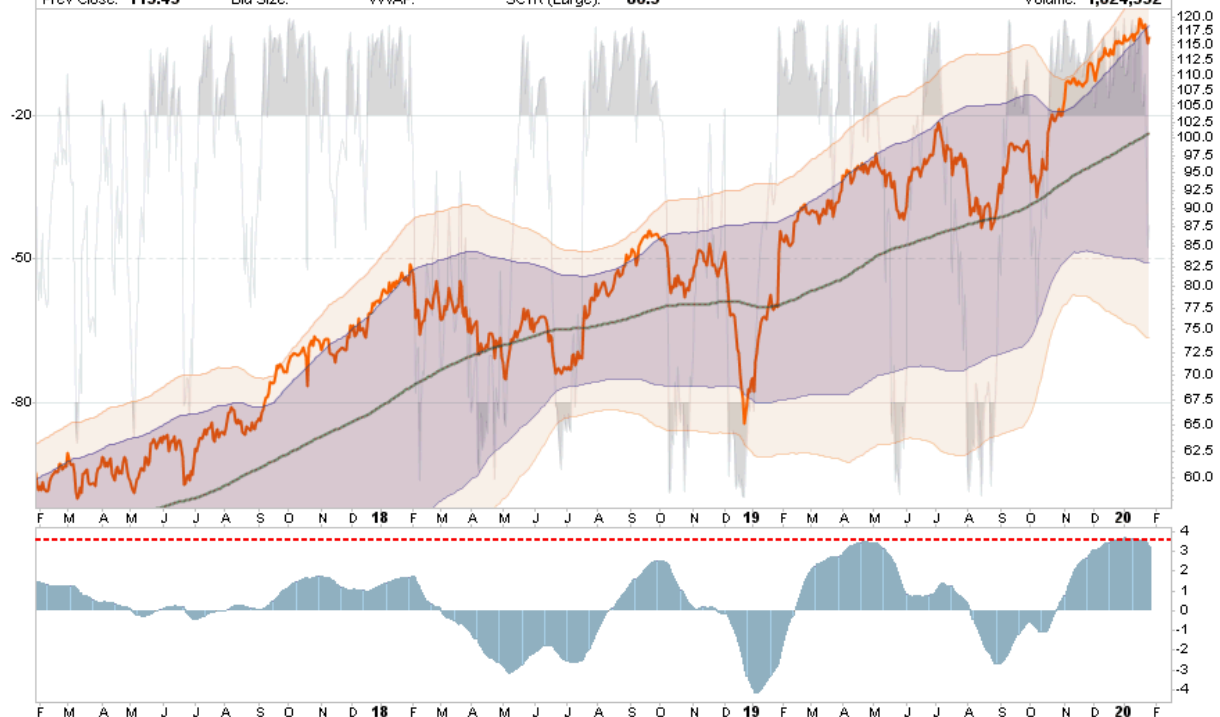
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Industrial / Industrial Machinery

Tuesday 28-Jan-2020

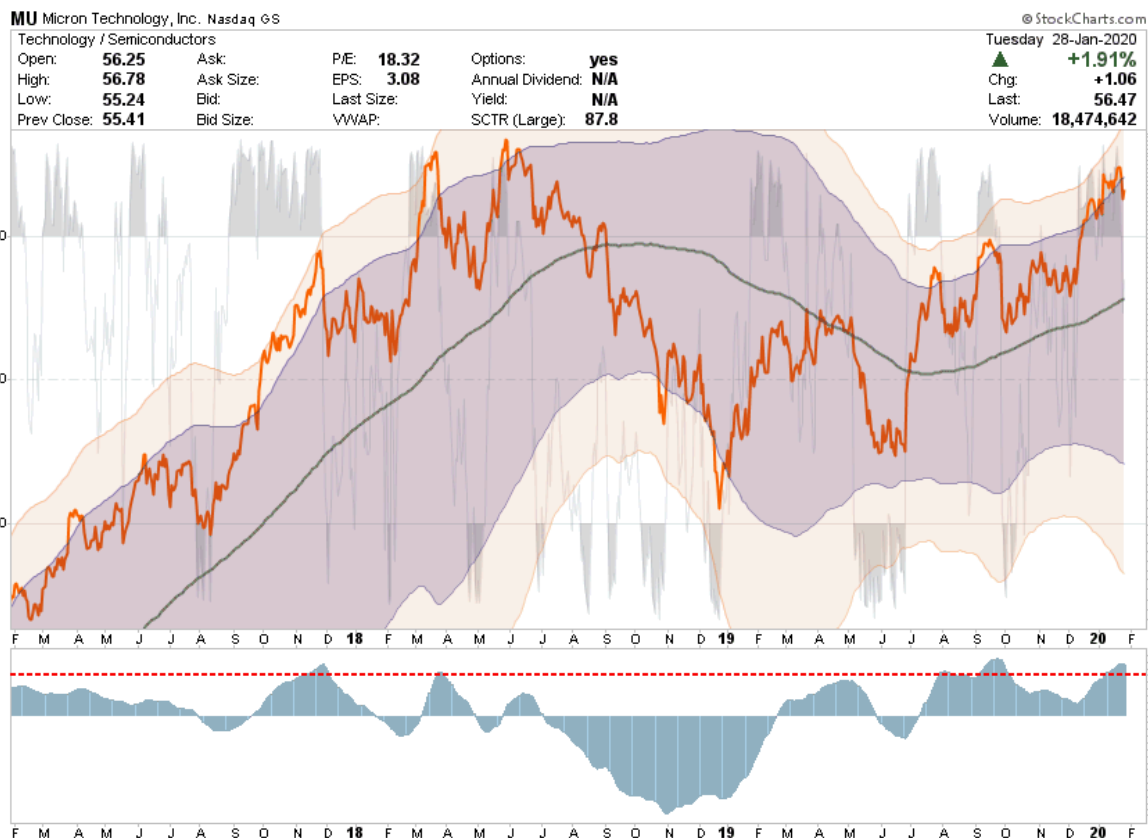
Open: 116.00	Ask:	P/E: 26.31	Options: yes
High: 117.01	Ask Size:	EPS: 4.43	Annual Dividend: 1.94
Low: 115.39	Bid:	Last Size:	Yield: 1.67%
Prev Close: 115.43	Bid Size:	VWAP:	SCTR (Large): 80.3

▲ **+0.88%**
 Chg: **+1.02**
 Last: **116.45**
 Volume: **1,024,332**



- *DOV has been a great performer for the portfolio particularly as the "trade war" has gotten resolved.*
- *DOV remains exceedingly overbought and the buy signal extremely extended. A correction may have started so we will look for an entry point to take the position back to full weight after profit taking previously.*
- *Stop loss moved up to \$100*

MU - Micron Technology



- MU was an add for us in 2019. We had bought it previously but got stopped out, however, our second entry has performed much better.
- MU is exceedingly overbought on a very extended buy signal.
- We took some profits and rebalanced our risk in the position looking for a pullback over the next couple of months. We will use that pullback to reweight the position.
- Stop-loss moved up to \$46

UNH - United Healthcare

UNH UnitedHealth Group, Inc. NYSE

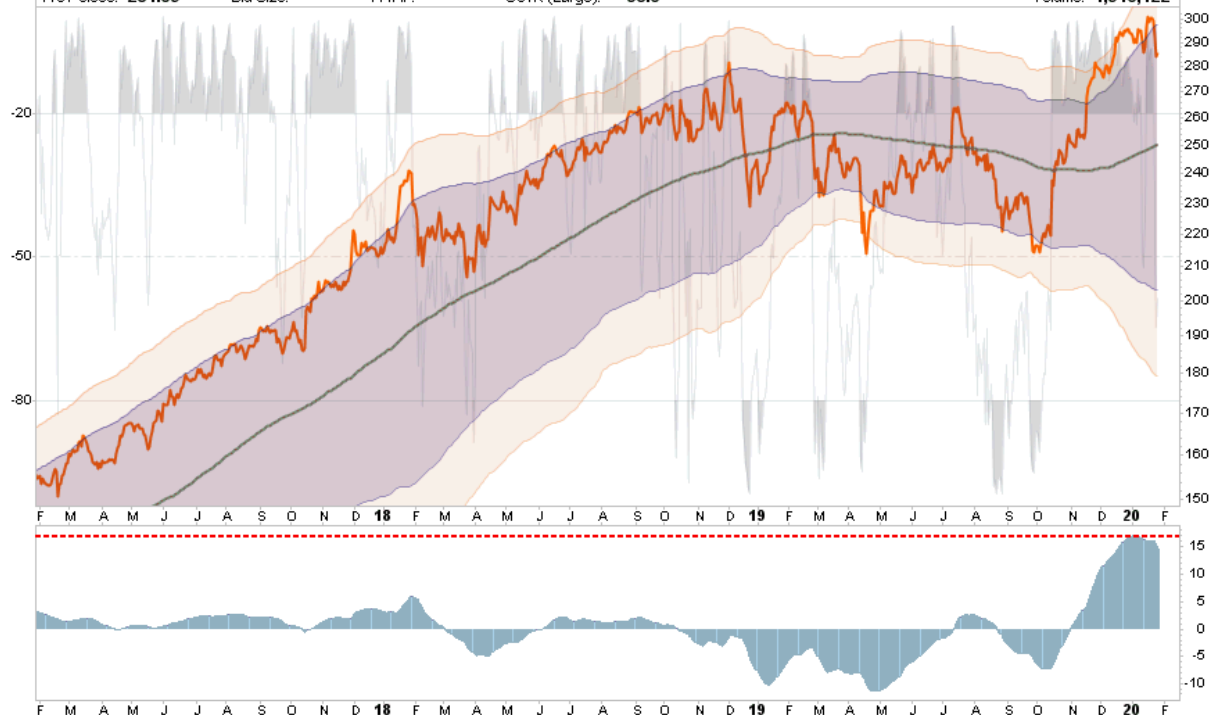
Health Care / Health Care Providers

Open: 283.91	Ask:	P/E: 19.95	Options: yes
High: 288.37	Ask Size:	EPS: 14.33	Annual Dividend: 4.14
Low: 283.30	Bid:	Last Size:	Yield: 1.45%
Prev Close: 284.09	Bid Size:	VWAP:	SCTR (Large): 58.0

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▲ +0.63%
Chg: +1.78
Last: 285.87
Volume: 4,340,422



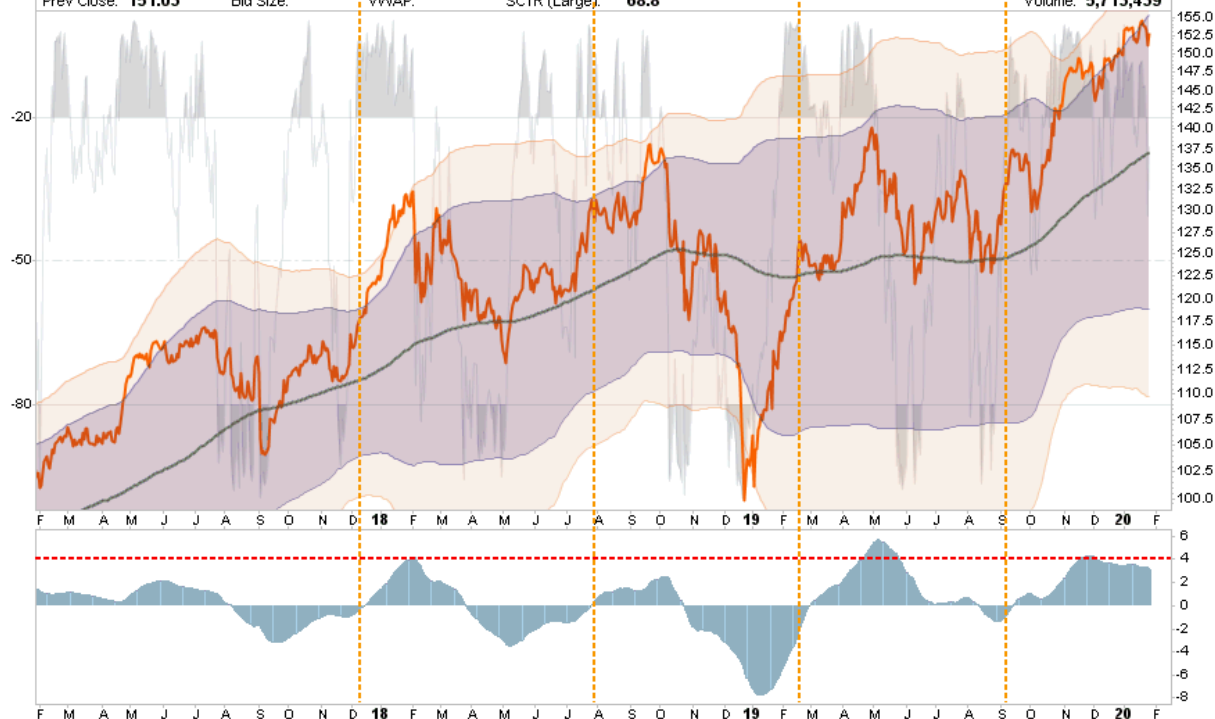
- *UNH has surged higher in recent months after struggling with "Medicare for all" from Democratic candidates last year.*
- *We love this position and will continue to hold it, however, the position is SO extremely extended we did take profits recently.*
- *We will look to use the current pullback to add back to our holdings as long as support holds at the 200-dma or UNH gets back to an oversold condition.*
- *Stop loss moved up to \$250*

UTX - United Technology

UTX United Technologies Corp. NYSE

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Industrial / Aerospace	Open: 150.53	Ask:	P/E: 25.83	Options: yes	Tuesday 28-Jan-2020
	High: 154.41	Ask Size:	EPS: 5.92	Annual Dividend: 2.94	▲ +1.21%
	Low: 148.05	Bid:	Last Size:	Yield: 1.92%	Chg: +1.83
	Prev Close: 151.03	Bid Size:	VWAP:	SCTR (Large): 68.8	Last: 152.86
					Volume: 5,713,439



- UTX has run higher in recent weeks as global conflict risk has risen.
- UTX remains extremely overbought and extended above the 200-dma.
- We took profits recently and rebalanced the position slightly. We are looking for a correction or consolidation to rebuild our holdings.
- Stop loss is moved up to 137.50