



Selected Portfolio Position Review: 02-12-2020

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

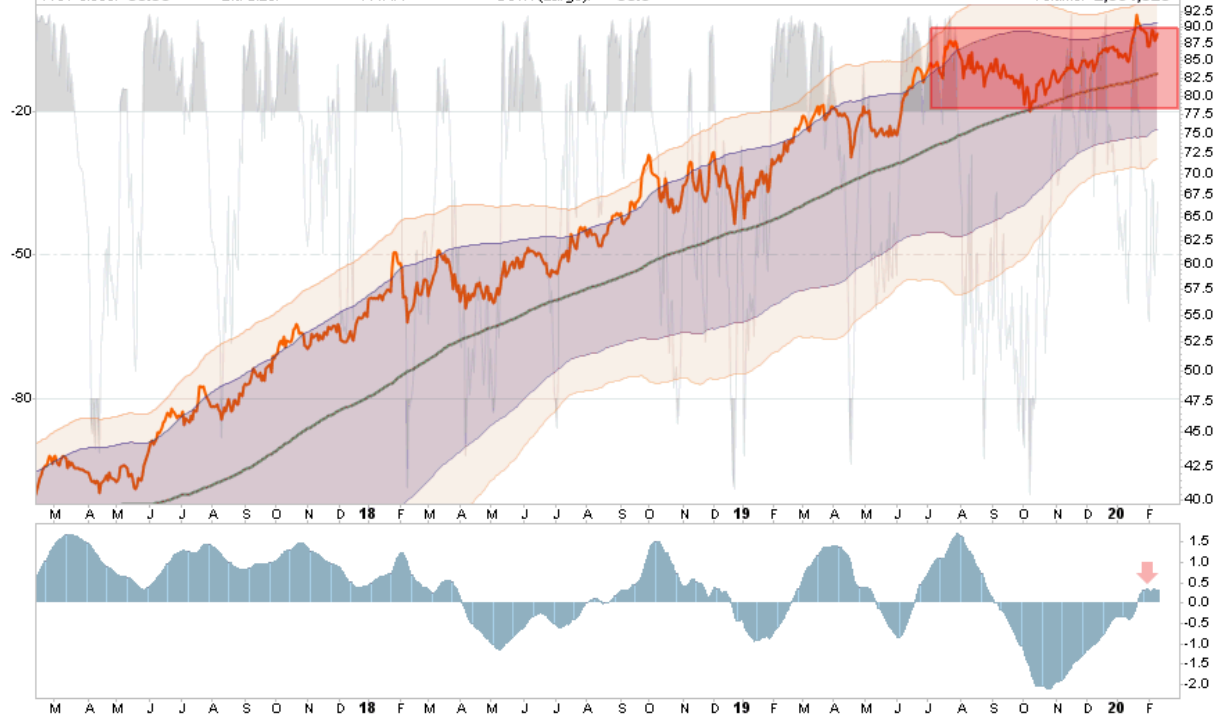
ABT Abbott Laboratories NYSE

Health Care / Pharmaceuticals

Open:	88.64	Ask:		P/E:	43.21	Options:	yes
High:	89.41	Ask Size:		EPS:	2.06	Annual Dividend:	1.32
Low:	88.53	Bid:		Last Size:		Yield:	1.48%
Prev Close:	88.30	Bid Size:		VWAP:		SCTR (Large):	38.0

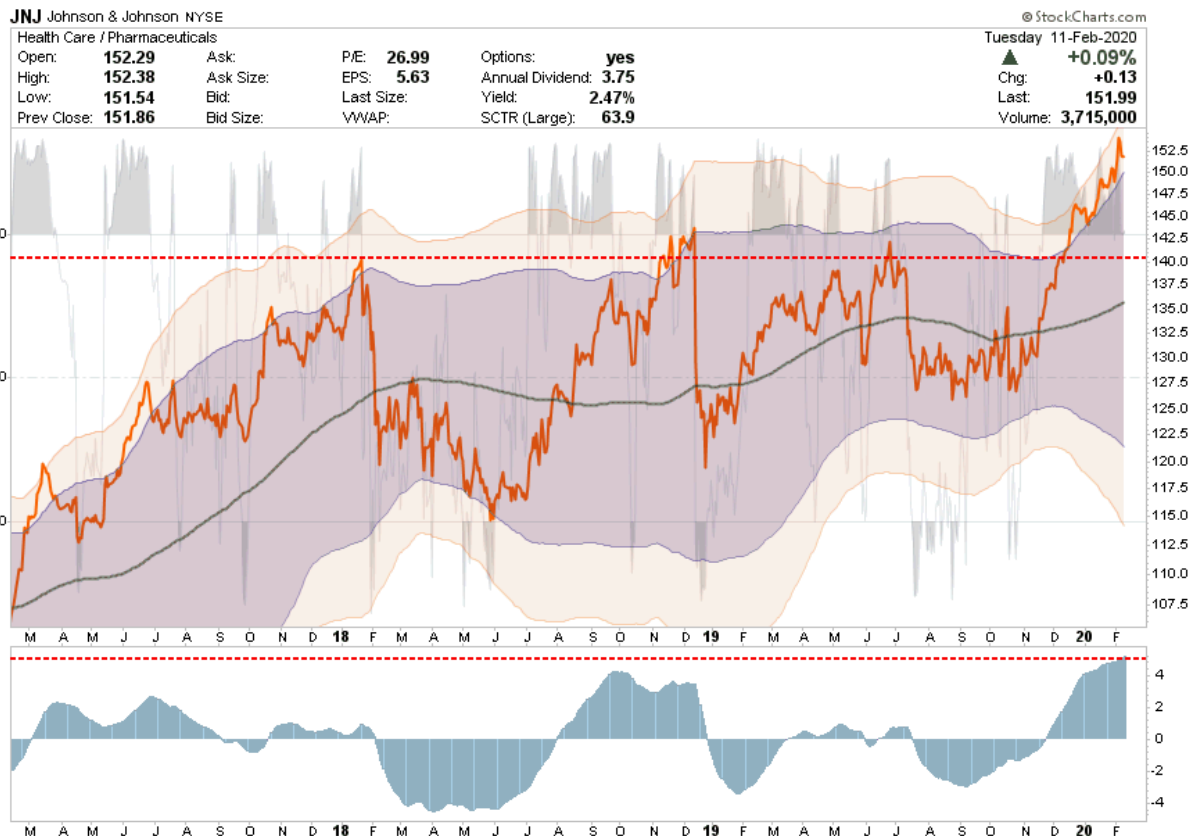
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Tuesday 11-Feb-2020

▲ **+0.99%**Chg: **+0.87**Last: **89.17**Volume: **2,661,828**

- 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 now reversed that signal maintaining a fairly tight consolidation range over the last 7-months.
- We are maintaining our current stop level, and will look to add to our holding on a pullback to 82.50.
- 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 as it is now **EXTREMELY** overbought and more than 2-standard deviations above the 200-dma.
- We are moving our stop up to \$135

AGNC - Agency Mortgage REIT

AGNC AGNC Investment Corp. Nasdaq GM

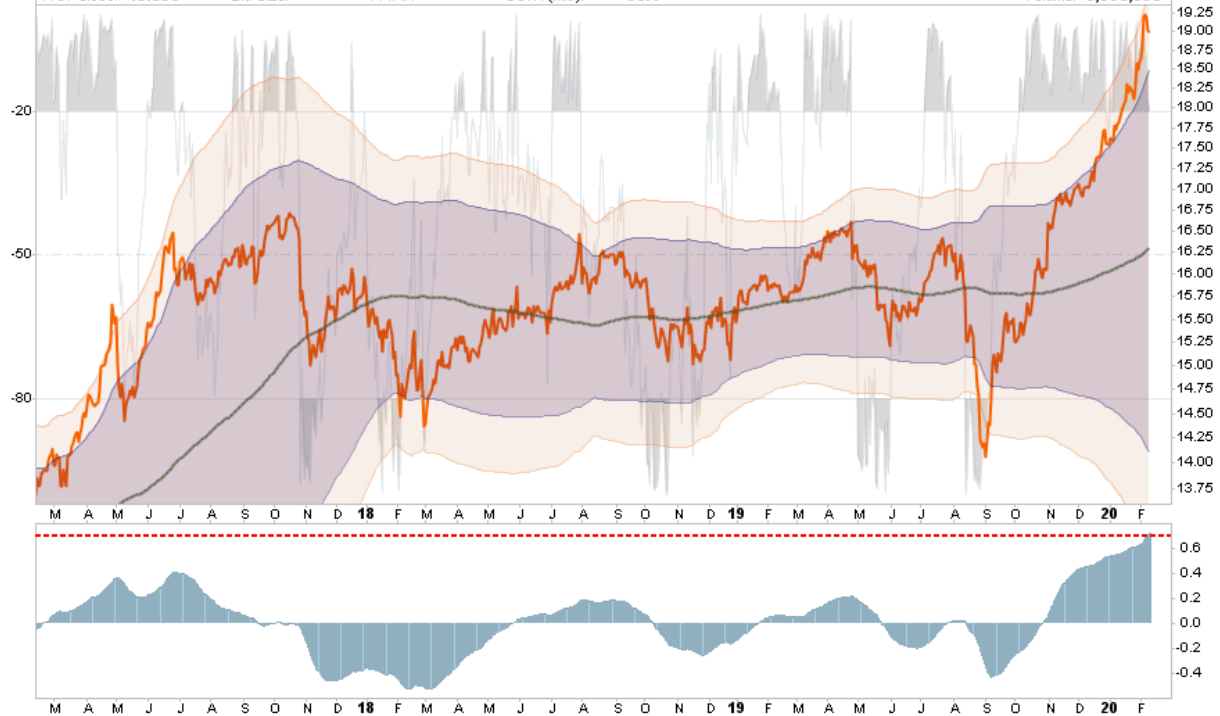
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Real Estate / Mortgage REITs

Tuesday 11-Feb-2020

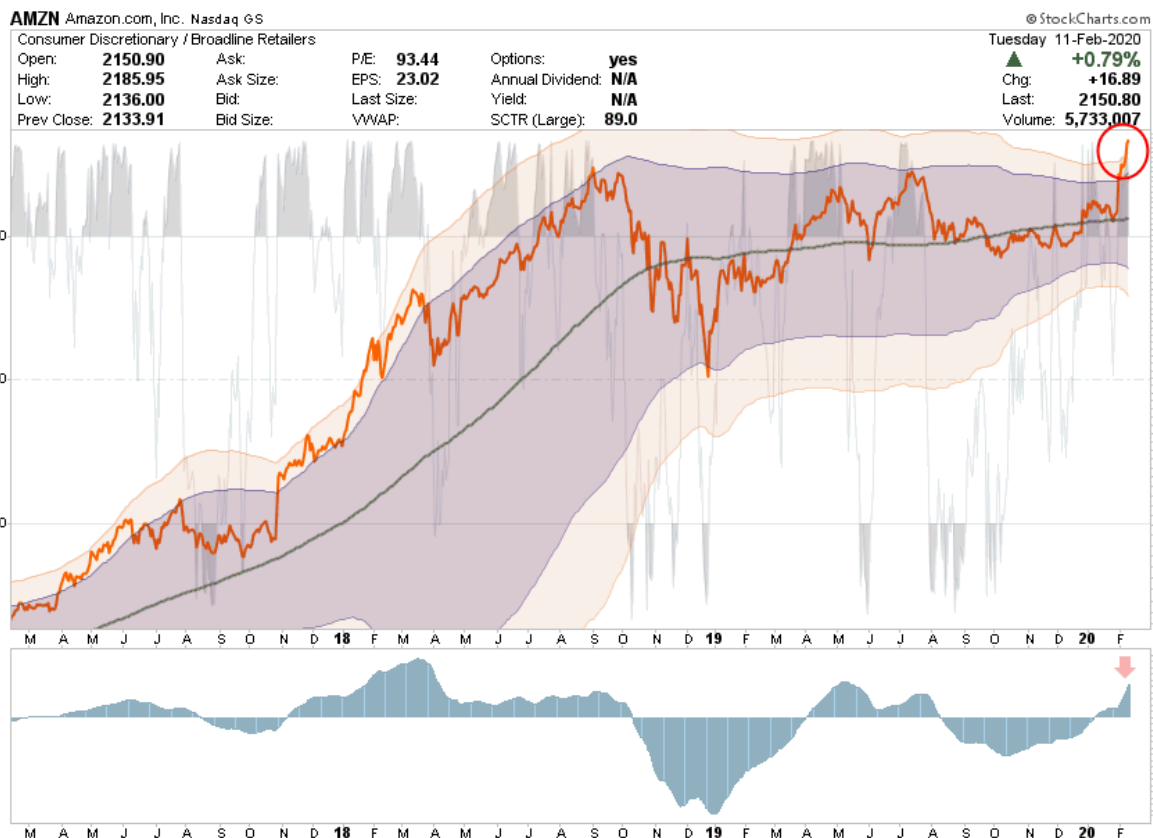
Open: **19.060** Ask: P/E: **16.44** Options: **yes**
 High: **19.090** Ask Size: EPS: **1.15** Annual Dividend: **1.98**
 Low: **18.900** Bid: Last Size: Yield: **10.43%**
 Prev Close: **19.030** Bid Size: VWAP: SCTR (Mid): **80.1**

Chg: **-0.050**
 Last: **18.980**
 Volume: **5,550,590**



- We bought 2 positions to benefit from a steepening of the 10-2 yield curve which came to pass and has now begun to invert again. However, our "steepner play" continues to rise.
- Since we were at full weight in AGNC, and only 1/2 weight in NLY, we took profits in AGNC and reduced the position as it remains grossly extended and deviated from its long-term mean.
- The buy signal is also extremely extended as well.
- We are moving our stop up to \$15.25

AMZN - Amazon.com, Inc.



- We bought AMZN in 2019 heading into the winter shopping season. It did nothing for quite some time but in just the last couple of weeks, it has exploded higher.
- The buy signal is now getting extended and AMZN is now 4-standard deviations above the long-term mean. This is not sustainable. We will likely take profits out of this position if we see weakness in the broader market begin to exert itself.
- Stop is moved up to \$1800.

AEP - American Electric Power Co.

AEP American Elec Pwr Co., Inc. NYSE

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Utilities / Conventional Electricity

Open: 102.00	Ask:	P/E: 23.75	Options: yes
High: 102.42	Ask Size:	EPS: 4.30	Annual Dividend: 2.71
Low: 101.76	Bid:	Last Size:	Yield: 2.65%
Prev Close: 101.92	Bid Size:	VWAP:	SCTR (Large): 72.2

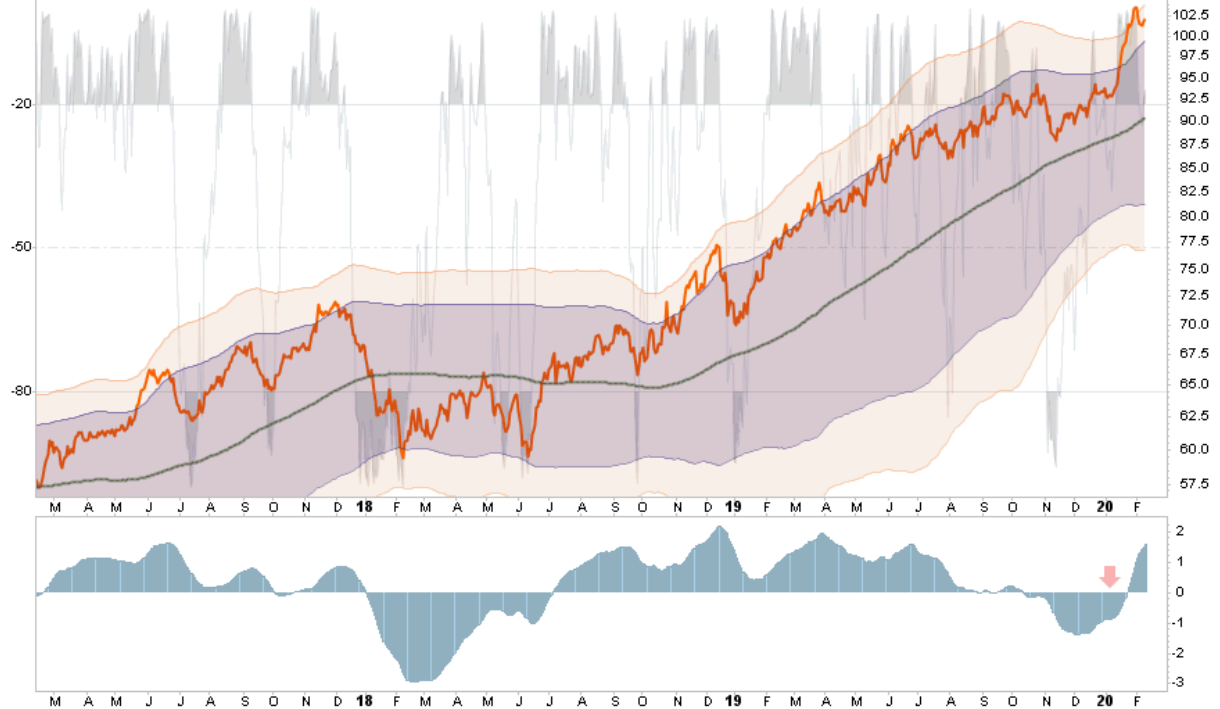
Tuesday 11-Feb-2020

▲ **+0.29%**

Chg: **+0.30**

Last: **102.22**

Volume: **1,497,982**



- AEP has remained a strong performer for us, and we like Utilities into 2020.
- AEP has triggered a buy signal which got extremely extended very quickly with the sharp spurt higher over the last few weeks.
- At 3-standard deviations above the longer-term mean we will have to wait for a correction or consolidation to add further exposure.
- Stop is set at \$90

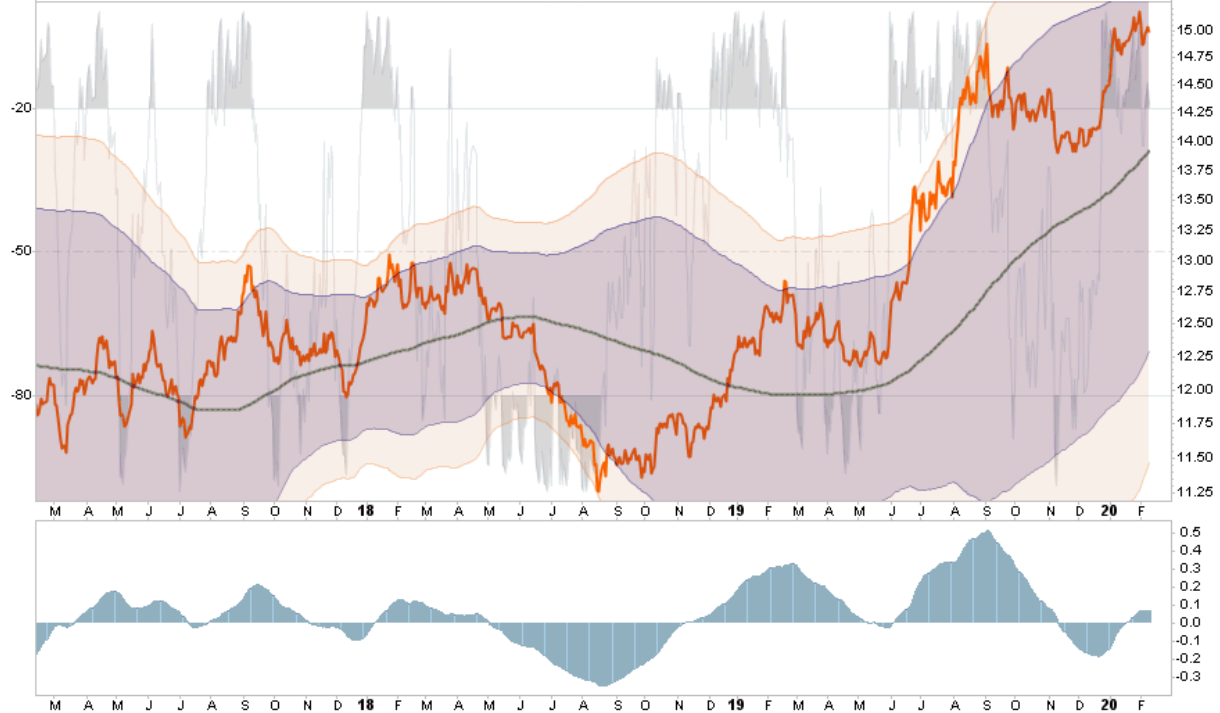
IAU - Gold

IAU iShares Gold Trust NYSE

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Open: **15.030** Ask: P/E: **-13.50** Options: **yes**
 High: **15.040** Ask Size: EPS: **-1.11** Annual Dividend: **N/A**
 Low: **14.930** Bid: Last Size: Yield: **N/A**
 Prev Close: **15.030** Bid Size: VWAP: SCTR (ETF): **40.4**

Tuesday 11-Feb-2020
 ▼ **-0.33%**
 Chg: **-0.050**
 Last: **14.980**
 Volume: **17,923,200**



- We sold 1/2 of IAU near the 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.
- If we get some more consolidation or a bit of correction that holds support, we will look to overweight our position.
- Stop is moved up to \$14.

DOV - Dover Corp.

DOV Dover Corp. NYSE

Industrial / Industrial Machinery

Open: 119.00	Ask:	P/E: 25.78	Options: yes
High: 119.86	Ask Size:	EPS: 4.62	Annual Dividend: 1.94
Low: 118.45	Bid:	Last Size:	Yield: 1.63%
Prev Close: 118.22	Bid Size:	VWAP:	SCTR (Large): 85.6

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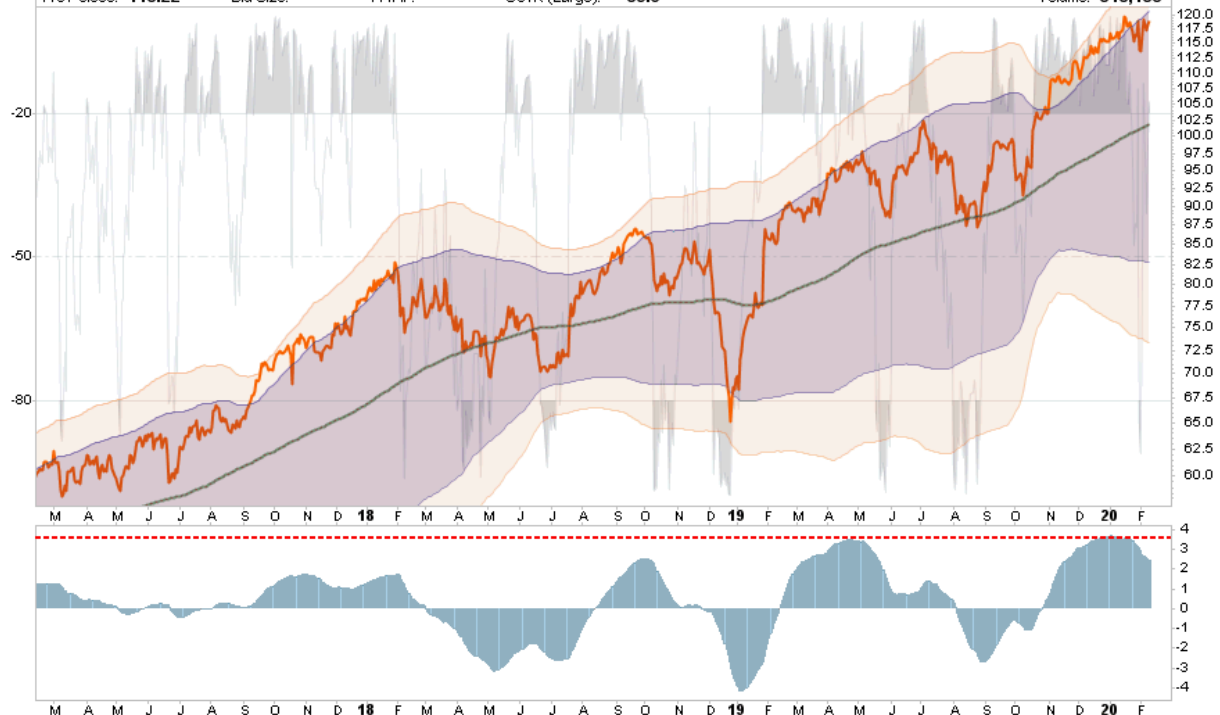
Tuesday 11-Feb-2020

▲ **+0.65%**

Chg: **+0.77**

Last: **118.99**

Volume: **818,488**



- *DOV has been a great performer for the portfolio particularly as the "trade war" has gotten resolved.*
- *DOV is exceedingly overbought and the buy signal extremely extended. A correction is inevitable.*
- *We have taken profits previously, but we are monitoring the position for an opportunity to reweight the position in the portfolio.*
- *Stop loss moved up to \$102.50*
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MU - Micron Technology

MU Micron Technology, Inc. Nasdaq GS

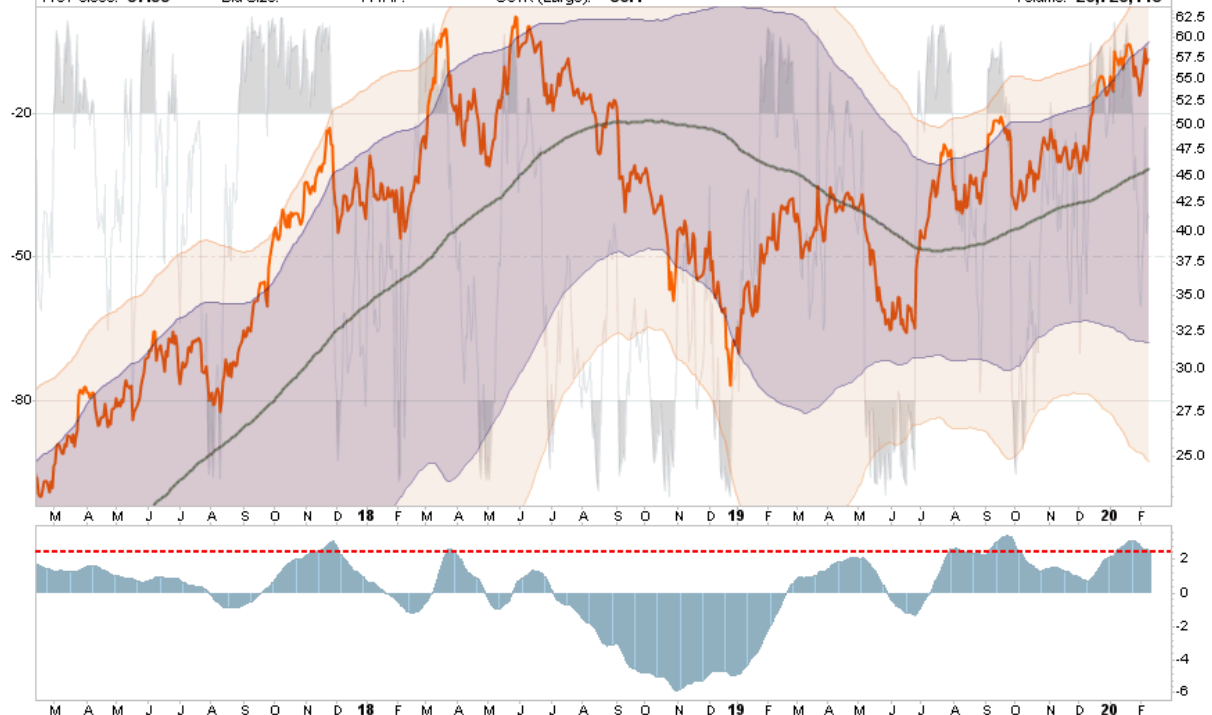
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Technology / Semiconductors

Tuesday 11-Feb-2020

Open: **57.88** Ask: P/E: **18.57** Options: **yes**
 High: **58.84** Ask Size: EPS: **3.08** Annual Dividend: **N/A**
 Low: **56.33** Bid: Last Size: Yield: **N/A**
 Prev Close: **57.33** Bid Size: VWAP: SCTR (Large): **86.4**

Chg: **-0.14%**
 Last: **57.25**
 Volume: **26,720,448**



- *MU was an add for us in 2019. We had owned it previously but got stopped out, however, our second entry has performed much better.*
- *MU is now exceedingly overbought with an extended buy signal*
- *We took some profits and rebalanced our risk in the position. We will look for a pullback in the next month or two to add back to our exposure if needed.*
- *Stop-loss moved up to \$46*

UNH - United Healthcare

UNH UnitedHealth Group, Inc. NYSE

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Health Care / Health Care Providers

Open: **286.85** Ask: P/E: **20.30** Options: **yes**
 High: **291.57** Ask Size: EPS: **14.33** Annual Dividend: **4.14**
 Low: **285.90** Bid: Last Size: Yield: **1.42%**
 Prev Close: **287.03** Bid Size: VWAP: SCTR (Large): **62.5**

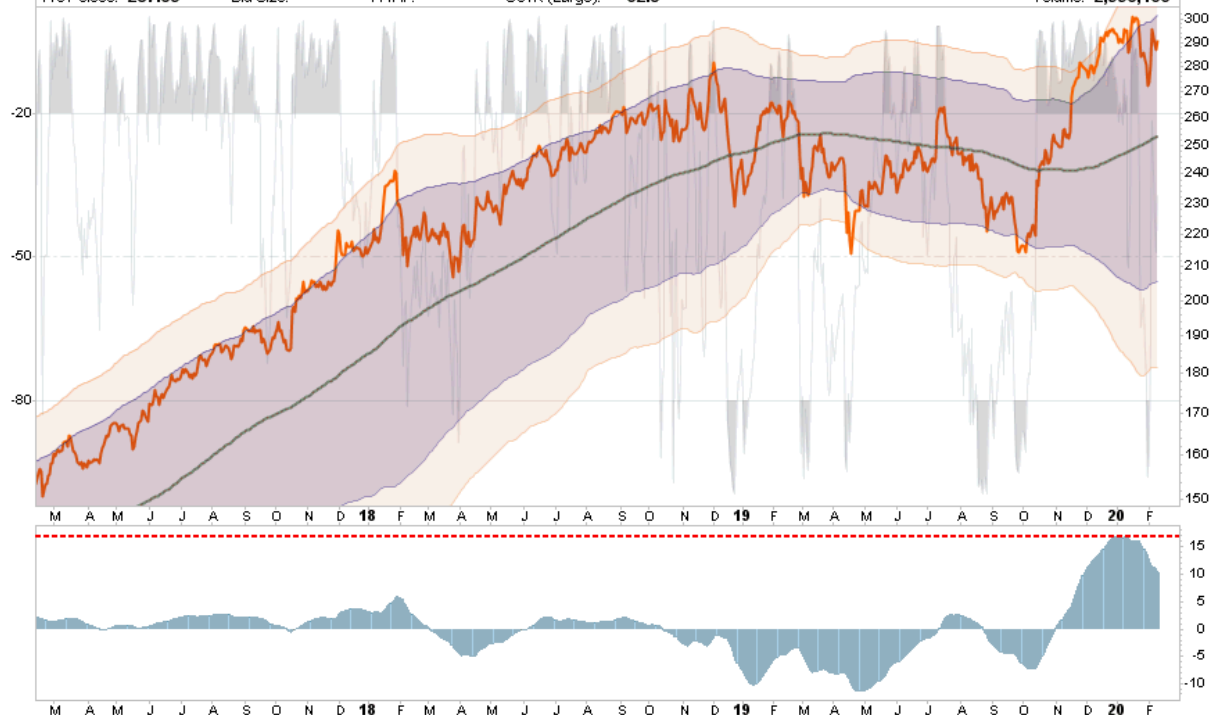
Tuesday 11-Feb-2020

▲ **+1.31%**

Chg: **+3.76**

Last: **290.79**

Volume: **2,990,166**



- 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 reduced our overweight holding to portfolio weight.
- We did add UNH to our Dynamic model and will look to increase our weight in the Equity model on a bit more consolidation.
- Stop loss moved up to \$250

UTX - United Technology

UTX United Technologies Corp. NYSE

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Industrial / Aerospace

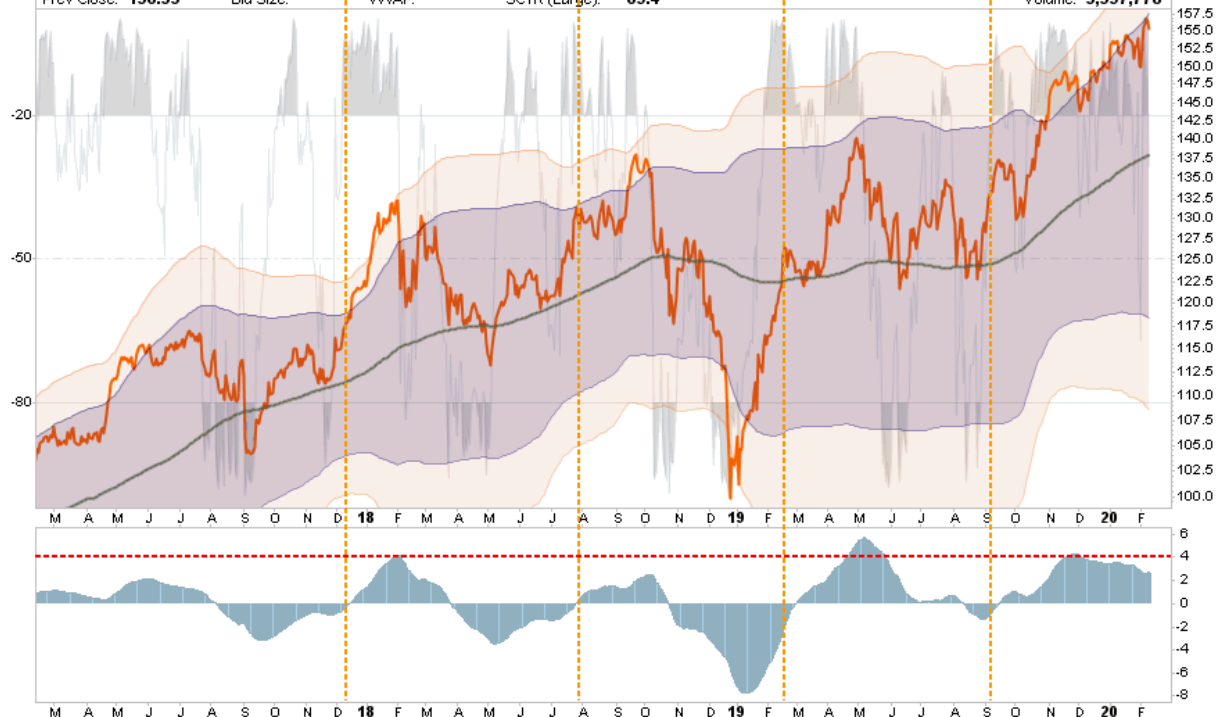
Open: **158.22**
High: **158.44**
Low: **154.87**
Prev Close: **156.55**

Ask:
Ask Size:
Bid:
Bid Size:

P/E: **24.23**
EPS: **6.41**
Last Size:
VWAP:

Options: **yes**
Annual Dividend: **2.94**
Yield: **1.89%**
SCTR (Large): **69.4**

Tuesday 11-Feb-2020
▼ **-0.83%**
Chg: **-1.30**
Last: **155.25**
Volume: **5,397,778**



- UTX shot higher as conflict rose with Iran.
- UTX, like many other of our positions, is now extremely overbought and extended above the 200-dma.
- We reduced our position slightly and took in some profits but are looking to add back to UTX at a lower price.
- Stop loss is moved up to 137.50