



Selected Portfolio Position Review: 02-19-2020

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:

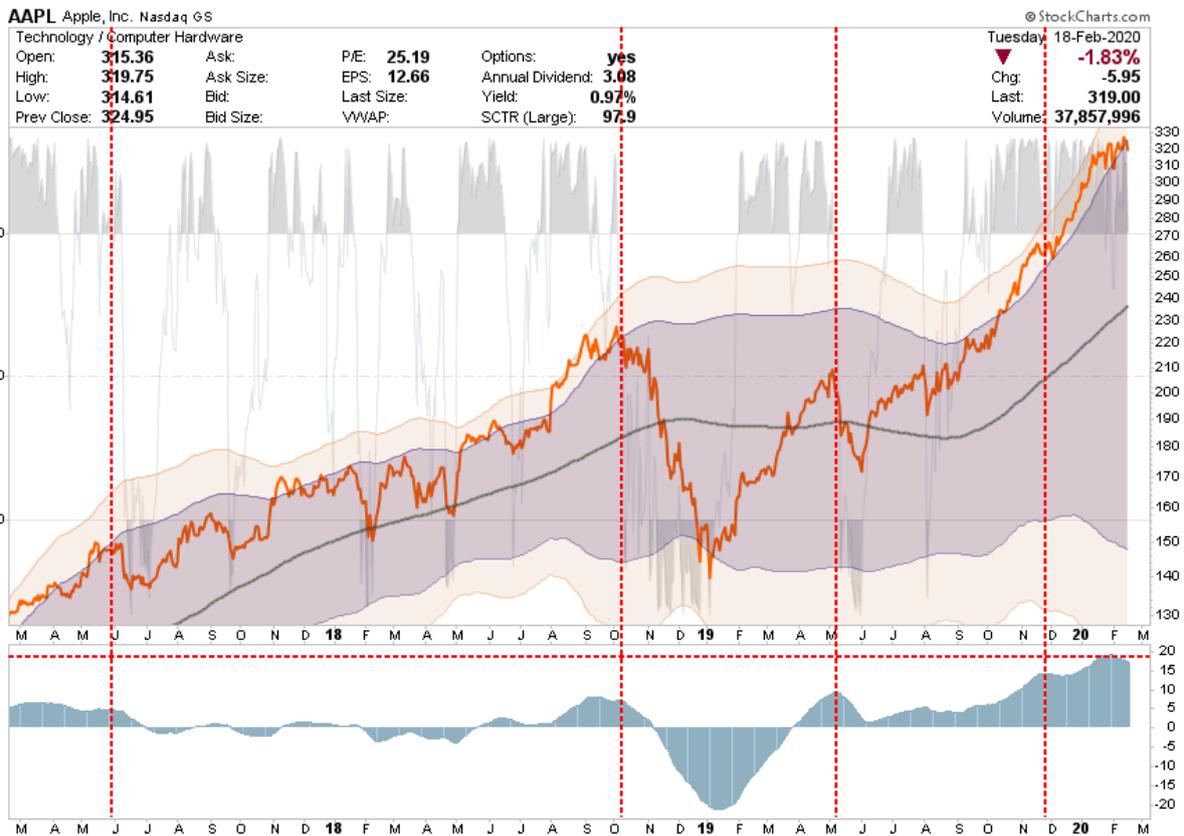
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a 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 positions in our Equity Portfolio which are either a concern, an opportunity, or are doing something interesting.

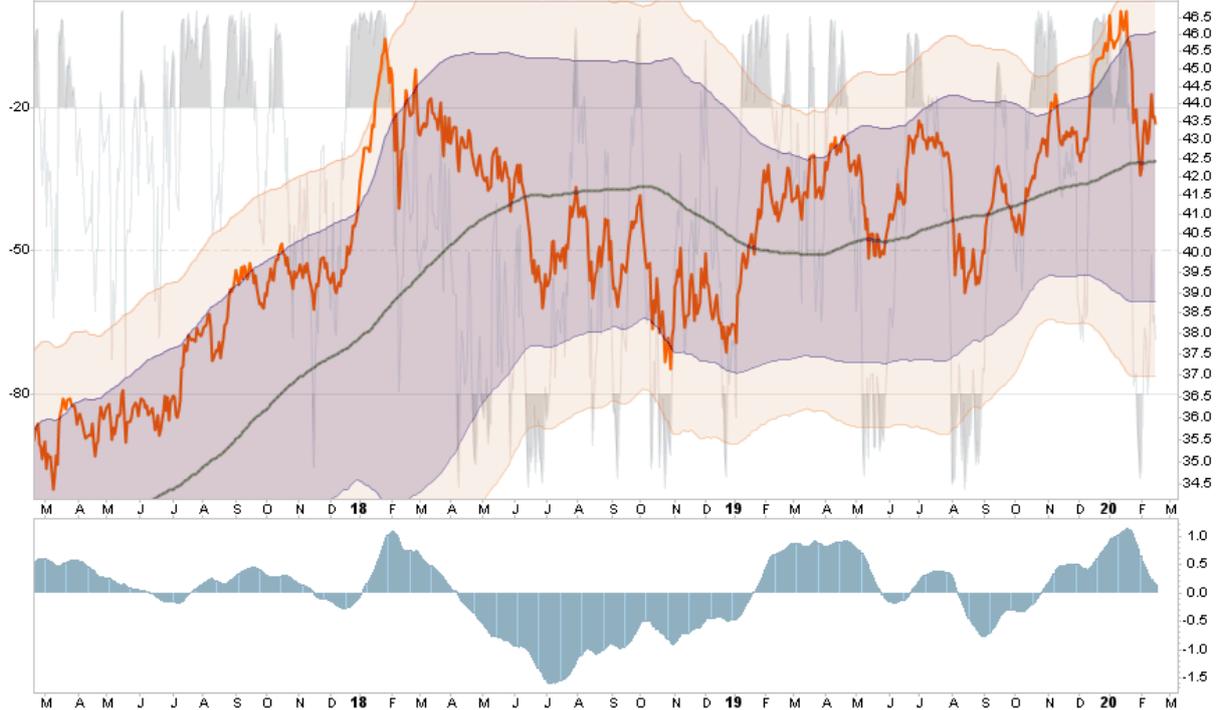
AAPL - Apple, Inc.



- *AAPL has been a strong performer and we trimmed our exposure to the stock in January.*
- *AAPL warned of an impact to their production from the Coronavirus which we think has NOT been priced into the stock as of yet.*
- *We are looking for a correction which will allow us to rebuild our exposure to Apple in the not too distant future.*
- *We are maintaining our current stop level, and will look to add to our holding on a pullback to \$250-260.*
- *Stop is set at \$240*

DEM - Wisdom Tree Emerging Markets

Open: 43.40	Ask:	P/E:	Options: yes	Tuesday 18-Feb-2020
High: 43.56	Ask Size:	EPS:	Annual Dividend: 2.19014	▼ -0.57%
Low: 43.35	Bid:	Last Size:	Yield: 5.04%	Chg: -0.25
Prev Close: 43.67	Bid Size:	VWAP:	SCTR (ETF): 19.5	Last: 43.42
				Volume: 323,731



- There are several positions we are going to discuss selling out of our portfolio in today's analysis. One of our primary rules is to "sell laggards," which tend to perform worse during a market correction.
- DEM has been holding up despite the impact of the virus, however, we think there is more exposure there to come on the risk side of the ledger, particularly with the U.S. dollar strengthening. We are going to sell this position out of the portfolio soon.
- We are moving our stop up to \$42.50

JPM - JP Morgan

JPM J.P. Morgan Chase & Co. NYSE

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Financial / Banks

Open: 137.34	Ask:	P/E: 12.65	Options: yes
High: 137.71	Ask Size:	EPS: 10.72	Annual Dividend: 3.4
Low: 135.05	Bid:	Last Size:	Yield: 2.51%
Prev Close: 137.46	Bid Size:	VWAP:	SCTR (Large): 66.6

Tuesday 18-Feb-2020

▼	-1.32%
Chg:	-1.82
Last:	135.64
Volume:	8,867,600



- We added a position of JPM to the portfolio after the position tested support at the bullish trend line.
- The buy signal is being reduced and we have a tight stop on the position currently.
- Stop is set at \$130.00

KHC - Kraft Heinz, Co.

KHC Kraft Heinz Co. Nasdaq GS

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Consumer Staples / Food Products

Open: 26.77	Ask:	P/E: -3.07	Options: yes
High: 27.45	Ask Size:	EPS: -8.91	Annual Dividend: 1.6
Low: 26.30	Bid:	Last Size:	Yield: 5.85%
Prev Close: 26.88	Bid Size:	VWAP:	SCTR (Large): 8.2

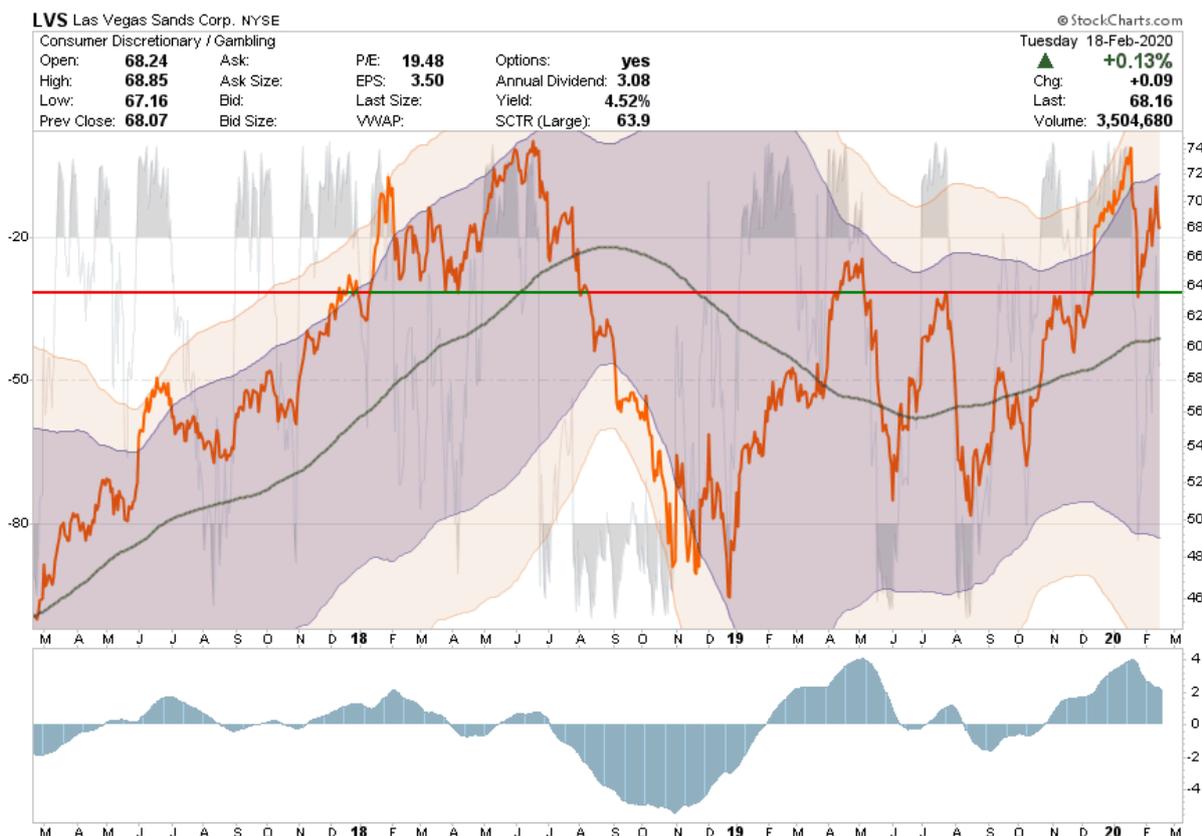
Tuesday 18-Feb-2020

▲	+1.67%
Chg:	+0.45
Last:	27.33
Volume:	16,709,691



- When we initially added KHC to the portfolio we detailed why we were starting to build a long-term position in the holding.
- Despite the recent sell-off due to impatient traders, the recent earnings report overall was good. Importantly, the CFO commented that the turn-around was proceeding ahead of schedule AND they kept the dividend secure.
- KHC is currently holding support and we are looking for a stabilization and consolidation of a base to add to our holdings. With a near 6% yield, we can be patient with this holding.
- Stop is set at \$26

LVS - Las Vegas Sands Corp.



- LVS was a recent add to the portfolio after it successfully tested break support levels with the "buy signal" still intact.
- LVS is overbought, so we are looking for a pullback or consolidation to add to our position if needed. With a 4.5% dividend, it adds to the "income" of the portfolio as well.
- Stop is set at \$60

NSC - Norfolk Southern Corp.

NSC Norfolk Southern Corp. NYSE

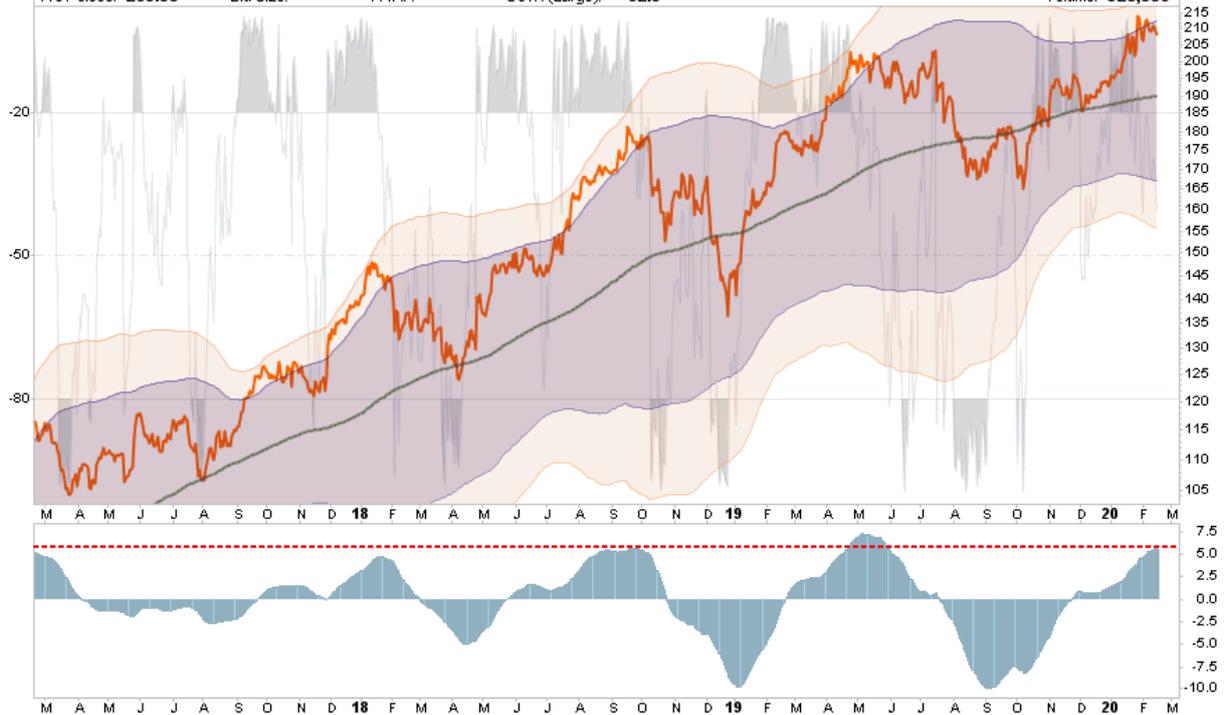
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Industrial / Railroad

Tuesday 18-Feb-2020

Open: 208.61	Ask:	P/E: 20.31	Options: yes
High: 210.39	Ask Size:	EPS: 10.24	Annual Dividend: 3.68
Low: 207.03	Bid:	Last Size:	Yield: 1.77%
Prev Close: 209.35	Bid Size:	VWAP:	SCTR (Large): 62.9

Chg: -1.33
Last: 208.02
Volume: 928,886



- We previously took profits out of NSC before the previous sell-off occurred.
- Fortunately, we did not get stopped out of our position previously, and the stock has since rallied to new highs.
- NSC is very overbought and extended, so pullbacks should be used to add to the position.
- If we get some more consolidation or a bit of correction that holds support, we will look to add back to our position.
- Stop is moved up to \$185.

VMC - Vulcan Materials, Co.

VMC Vulcan Materials Co. NYSE

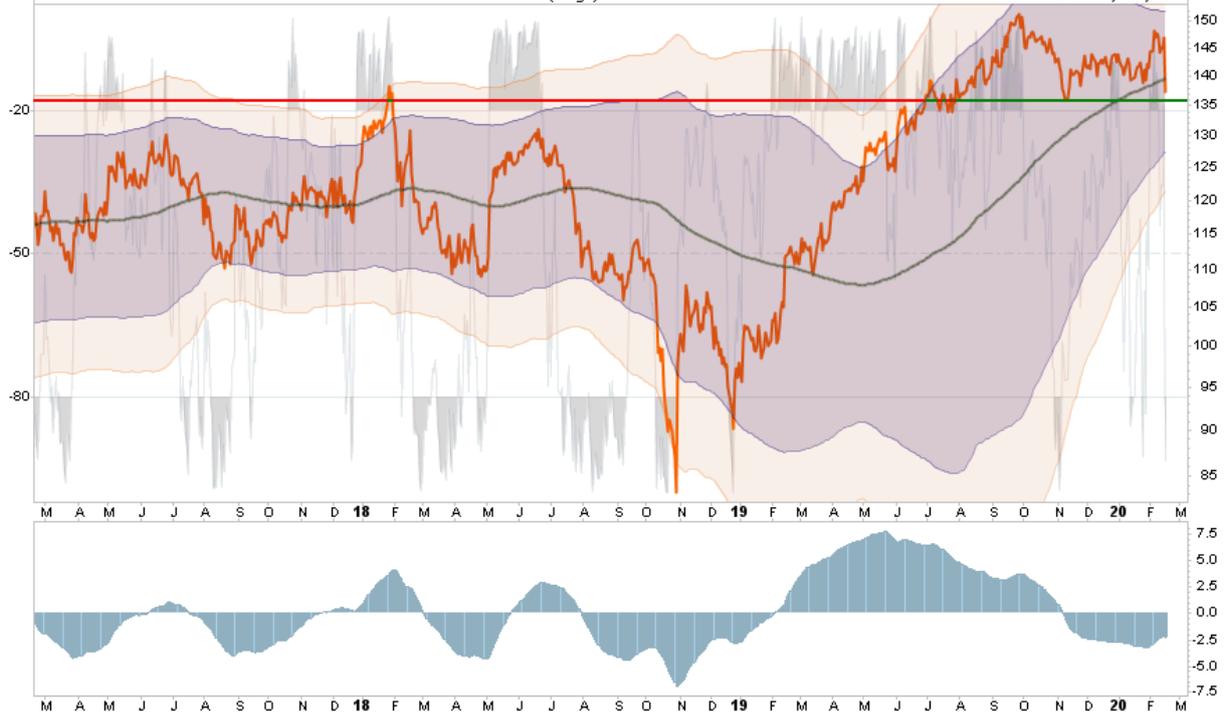
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Industrial / Building Materials

Tuesday 18-Feb-2020

Open: 142.74	Ask:	P/E: 30.45	Options: yes
High: 143.64	Ask Size:	EPS: 4.50	Annual Dividend: 1.24
Low: 136.30	Bid:	Last Size:	Yield: 0.90%
Prev Close: 146.97	Bid Size:	VWAP:	SCTR (Large): 13.3

▼ -6.67%
Chg: -9.80
Last: 137.17
Volume: 2,302,174



- VMC has been a good performer for the portfolio particularly as the "trade war" has gotten resolved. However, VMC has been consolidating gains in recent months and his holding support currently.
- We took profits previously, so we can give VMC to room to consolidate currently, but we aren't going to sacrifice our gains. So, we are moving our stop-levels up.
- Stop loss moved up to \$132.50

PEP - Pepsi, Inc.



- *PEP continues to perform well and recently triggered a buy signal.*
- *We took profits previously out of the position so there isn't much for us to do now except keep trailing our stop levels higher.*
- *A pullback and consolidation that doesn't violate the 200-dma could provide a good entry point.*
- *Stop-loss moved up to \$130*

PFE - Pfizer, Inc.



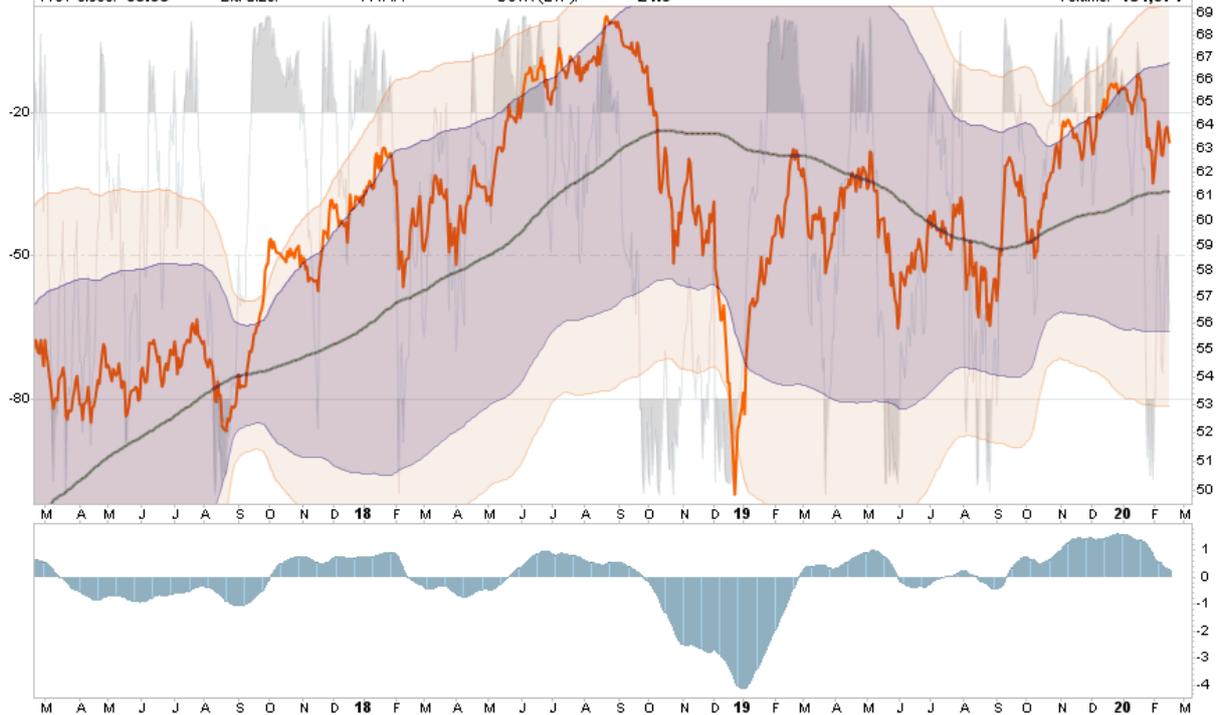
- *As you are aware we love the Healthcare sector and remain weighted to that sector in both models. However, not all of our holdings are performing well.*
- *We recently added a position in PFE, as we like the company and the 4% yield. However, performance has not followed through.*
- *We are very close to being stopped out of the position.*
- *Stop-loss set at \$36*

SLYV - SPDR S&P 600 Small Cap Value

SLYV SPDR S&P 600 Small Cap Value ETF NYSE

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Open: 63.46	Ask:	P/E:	Options: no	Tuesday 18-Feb-2020
High: 63.56	Ask Size:	EPS:	Annual Dividend: 1.0938	▼ -0.61%
Low: 62.79	Bid:	Last Size:	Yield: 1.73%	Chg: -0.39
Prev Close: 63.60	Bid Size:	VWAP:	SCTR (ETF): 21.6	Last: 63.21
				Volume: 184,671



- As with DEM above, we are getting ready to trim out the laggards in our portfolio. This includes not only SLYV but also EFV as well.
- SLYV has held support but is subject to impact from the virus. Therefore, to reduce portfolio risk from a market correction we are likely going to sell the position soon.
- Stop loss is moved up to \$51