

Selected Portfolio Position Review: 03-04-20

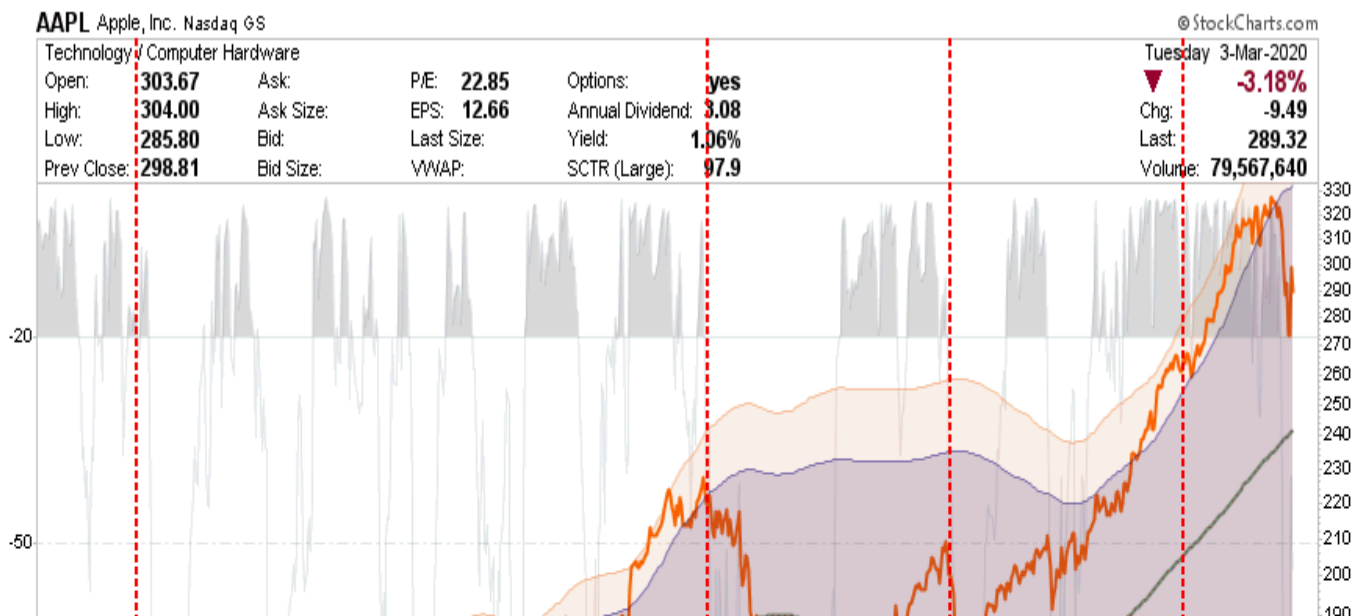
Each week we produce a chart book of 10 of the current positions we have in our equity portfolio. Specifically, we are looking at the positions which warrant attention, or are providing an opportunity, or need to be sold. While the portfolios are designed to have longer-term holding periods, we understand 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 of standard deviations above and below 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.

Over the last few months we have taken profits in many of our positions which left us decently underweight equity in high quality companies that we like. Given the recent pullback to more extreme short-term oversold conditions, we added back to our core holdings. We also sold positions today (not in this report) which are more "coronavirus" sensitive including XLB, XLI, XLF, JPM, MU and NSC.

AAPL - Apple Inc.



- After taking profits in AAPL previously, we used the recent correction to oversold to add back into our holdings.
- Given the more extreme oversold readings in the market, we will use a reflexive rally in the market to pick up some return and then will likely once again reduce our weightings.
- Stop loss is moved up to \$250

ABT - Abbott Laboratories

ABT Abbott Laboratories NYSE

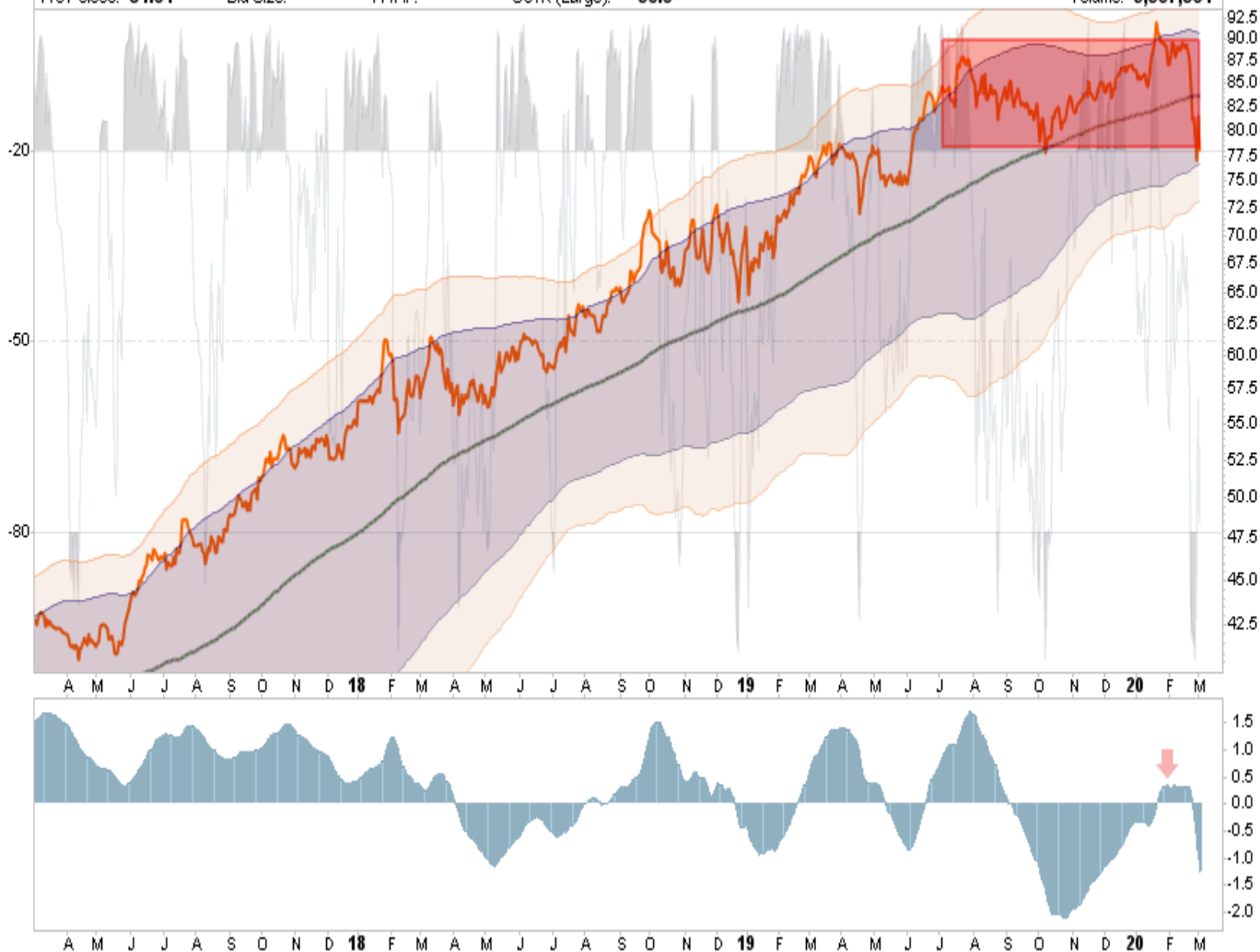
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Health Care / Pharmaceuticals

Tuesday 3-Mar-2020

Open: 81.58	Ask:	P/E: 37.84	Options: yes
High: 83.50	Ask Size:	EPS: 2.06	Annual Dividend: 1.32
Low: 77.26	Bid:	Last Size:	Yield: 1.69%
Prev Close: 81.61	Bid Size:	VWAP:	SCTR (Large): 36.0

▼ -4.44%
Chg: -3.62
Last: 77.99
Volume: 9,507,564



- As we did with AAPL, we previously took profits in ABT.
- ABT has been trading in a longer-term consolidation pattern and is deeply oversold. We like the company very much on a longer-term basis and added back to the position on this decline.
- Stop is set at \$72.50

AEP - American Electric Power

AEP American Elec Pwr Co., Inc. NYSE

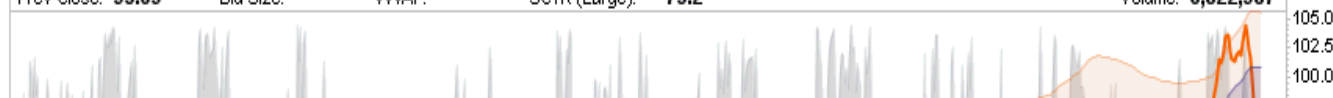
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Utilities / Conventional Electricity

Tuesday 3-Mar-2020

Open: 95.00	Ask:	P/E: 24.60	Options: yes
High: 97.80	Ask Size:	EPS: 3.88	Annual Dividend: 2.74
Low: 94.05	Bid:	Last Size:	Yield: 2.87%
Prev Close: 95.09	Bid Size:	VWAP:	SCTR (Large): 73.2

▲ +0.38%
Chg: +0.36
Last: 95.45
Volume: 6,822,987



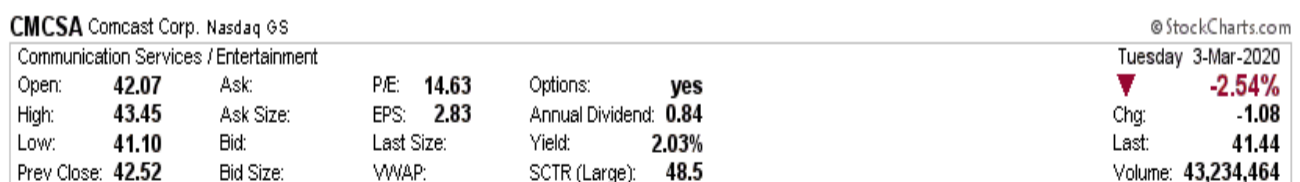
- AEP is another long-term hold for us that we added back to our position after taking profits previously.
- The pullback to support at the 200-dma, and short-term oversold condition, gave us an opportunity to add back to our holdings accordingly.
- Stop is set at \$87.50

AMZN - Amazon.com, Inc.



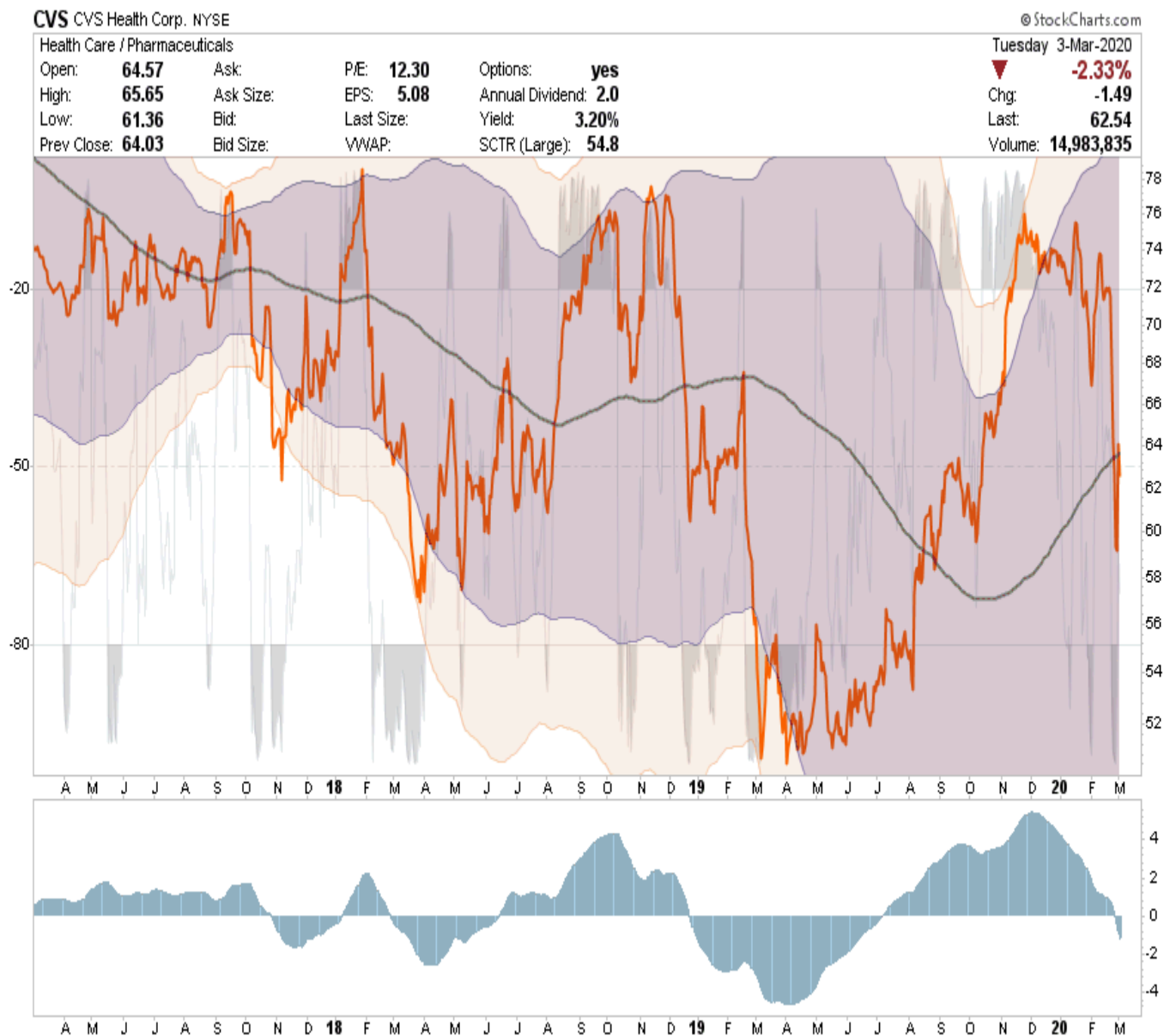
- We added AMZN to our portfolio last October for the Christmas shopping season which played out as expected.
- However, the recent decline has taken AMZN back to support so we brought the position back up to portfolio weight as needed.
- With people concerned about the "virus" we may well see a pickup in online shopping particularly for those wanting to "hoard" a few items.
- Stop is reset at \$1750

CMCSA - Comcast Corp.



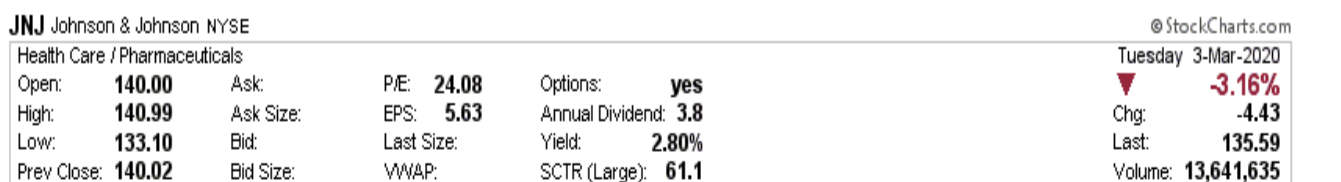
- Likewise, with CMCSA, there are a few things people are going to pay for despite what else is happening in the world, internet, cell phone, and cable TV are three for certain.
- We have owned CMCSA for a while and taken profits previously, so we used the pullback and oversold condition to add back to our holdings.
- Stop loss is set at \$39

CVS - CVS Health Corp



- Got "virus stuff?" If not, there is a good chance you are going to wind up at a CVS sooner or later.
- We took profits previously and used the pull back to add back to our position.
- While CVS is very oversold, we are concerned with it sitting just below the 200-dma moving average. CVS needs to clear that resistance.
- Stop is set at \$59

JNJ - Johnson & Johnson



- JNJ we bought during "The Great Talc incident of 2019" and recently took profits in our holdings.
- We used the decline back to the 200-dma to add to our holding given the oversold condition.
- Regardless of the "virus," JNJ, along with PG, are companies you are going to go to CVS and buy products from regardless of the economic environment.
- Stop is set at \$130

PG - Procter & Gamble, Co.

PG Procter & Gamble Co. NYSE

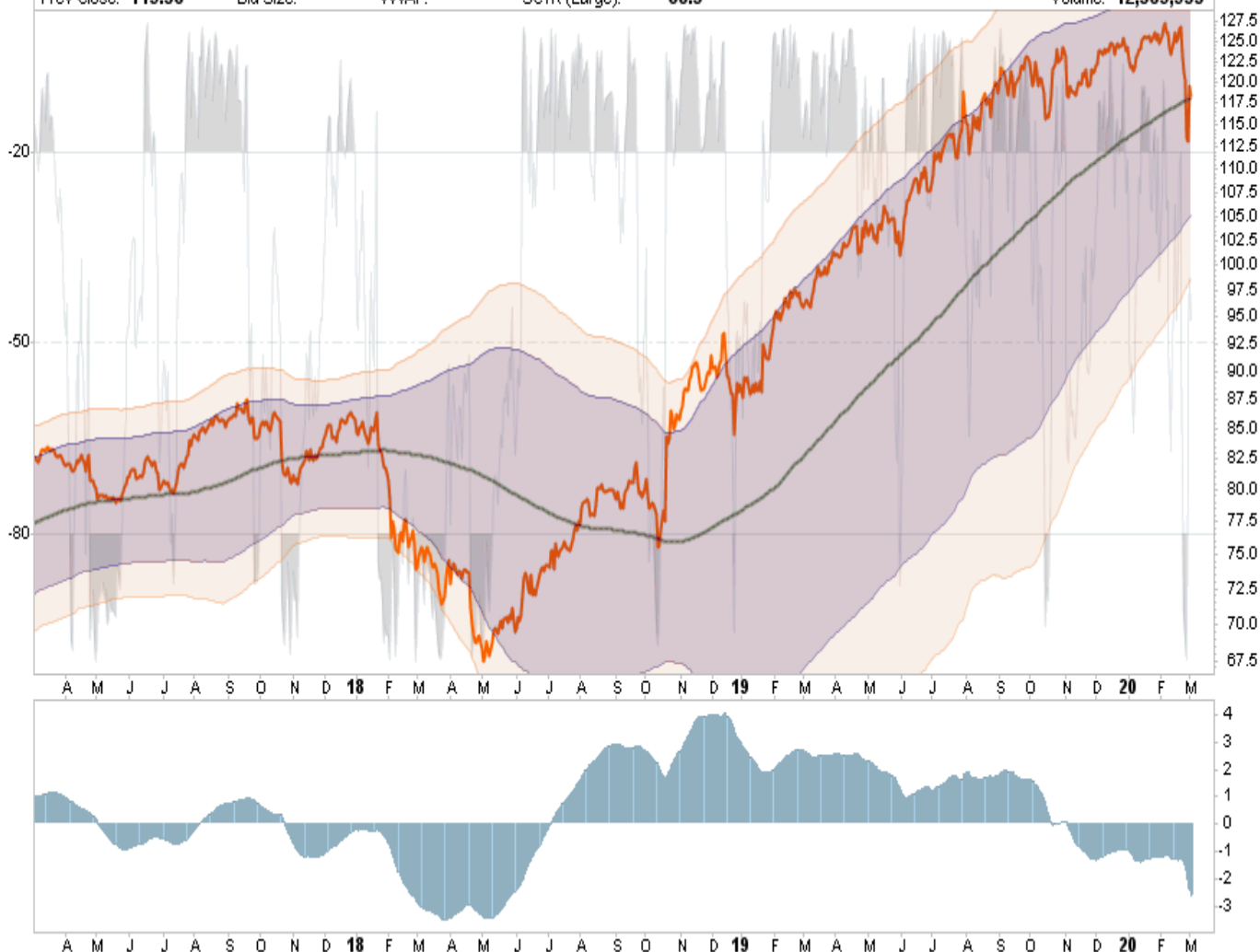
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Consumer Staples / Personal Products

Tuesday 3-Mar-2020

Open: 119.73	Ask:	P/E: 69.79	Options: yes
High: 121.84	Ask Size:	EPS: 1.69	Annual Dividend: 2.9836
Low: 117.14	Bid:	Last Size:	Yield: 2.52%
Prev Close: 119.56	Bid Size:	VWAP:	SCTR (Large): 60.3

▼ **-1.16%**
 Chg: **-1.39**
 Last: **118.17**
 Volume: **12,509,955**



- As with JNJ, we have been looking for an opportunity to add to our holdings in PG. We took profits previously in a blistering run in the stock.
- We used the pullback to add back to our holdings and bring up to full weight given its more defensive posture. The position is very oversold and on a deep sell signal which sets the position up nicely for a reversal.
- Stop is set at \$107.50

V - Visa Inc.

V Visa Inc. NYSE

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Technology / Computer Services

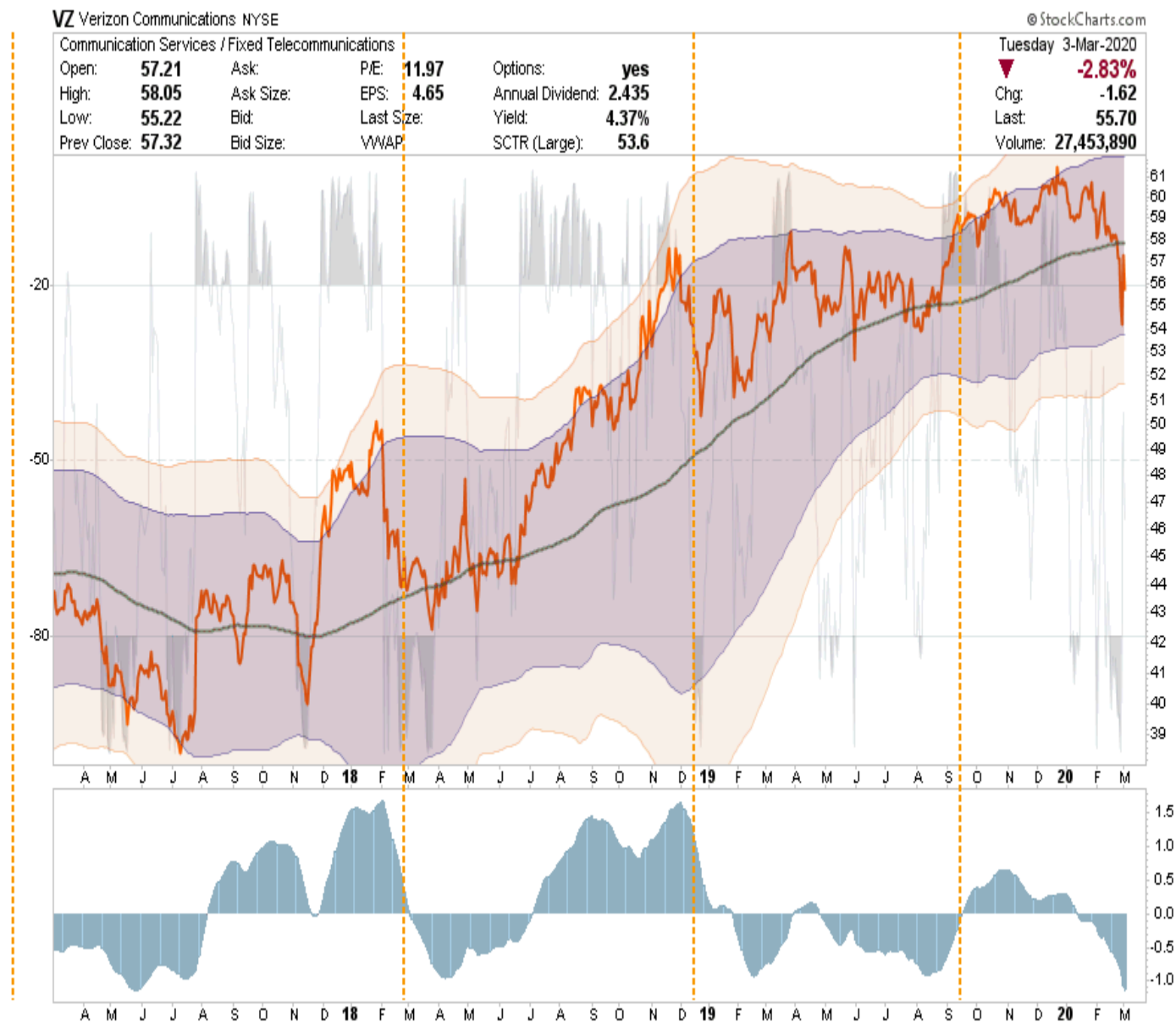
Tuesday 3-Mar-2020

Open: 193.20	Ask:	P/E: 34.81	Options: yes
High: 194.04	Ask Size:	EPS: 5.34	Annual Dividend: 1.1
Low: 184.50	Bid:	Last Size:	Yield: 0.59%
Prev Close: 192.33	Bid Size:	VWAP:	SCTR (Large): 69.6

▼ **-3.43%**
 Chg: **-6.60**
 Last: **185.73**
 Volume: **15,190,379**

- *Virus, or no virus, you are going to pay your credit card bill, shop online, and buy stuff you don't really need.*
- *We previously took profits in V and used the pullback to an oversold condition, and holding support at the 200-dma, to add to our holdings.*
- *Stop is set at \$170*

VZ - Verizon Communications



- *VZ is another one of those companies we can't live without. If you want to work from home, order food through Grubhub, or text your friends who have a "virus," you are going to use your phone.*
- *After taking profits in VZ we used the pullback to add to our holdings and bring up to full weight.*
- *The oversold condition gave us a good entry, but the stock needs to clear the 200-dma while holding recently lows.*
- *The sell signal is extremely oversold and has been a good set up previously for a rally.*
- *Stop is set at \$52*