



Selected Portfolio Position Review: 03-06-19

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 let's get to the sector analysis.

ABT - Abbott Laboratories

ABT Abbott Laboratories NYSE

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Health Care / Pharmaceuticals

Open: 78.84	Ask:	P/E: 58.81	Options: yes	Tuesday 5-Mar-2019
High: 78.97	Ask Size:	EPS: 1.33	Annual Dividend: 1.16	▼ -0.47%
Low: 77.47	Bid:	Last Size:	Yield: 1.48%	Chg: -0.37
Prev Close: 78.59	Bid Size:	VWAP:	SCTR (Large): 94.6	Last: 78.22
				Volume: 12,428,843



- *ABT is overbought but has just triggered a buy signal with the recent advance.*
- *We only hold 1/2 of a position currently, so we are looking for a pullback to build out the rest of the holding.*
- *Stop-loss moved up to \$72.50*

FDX - Federal Express

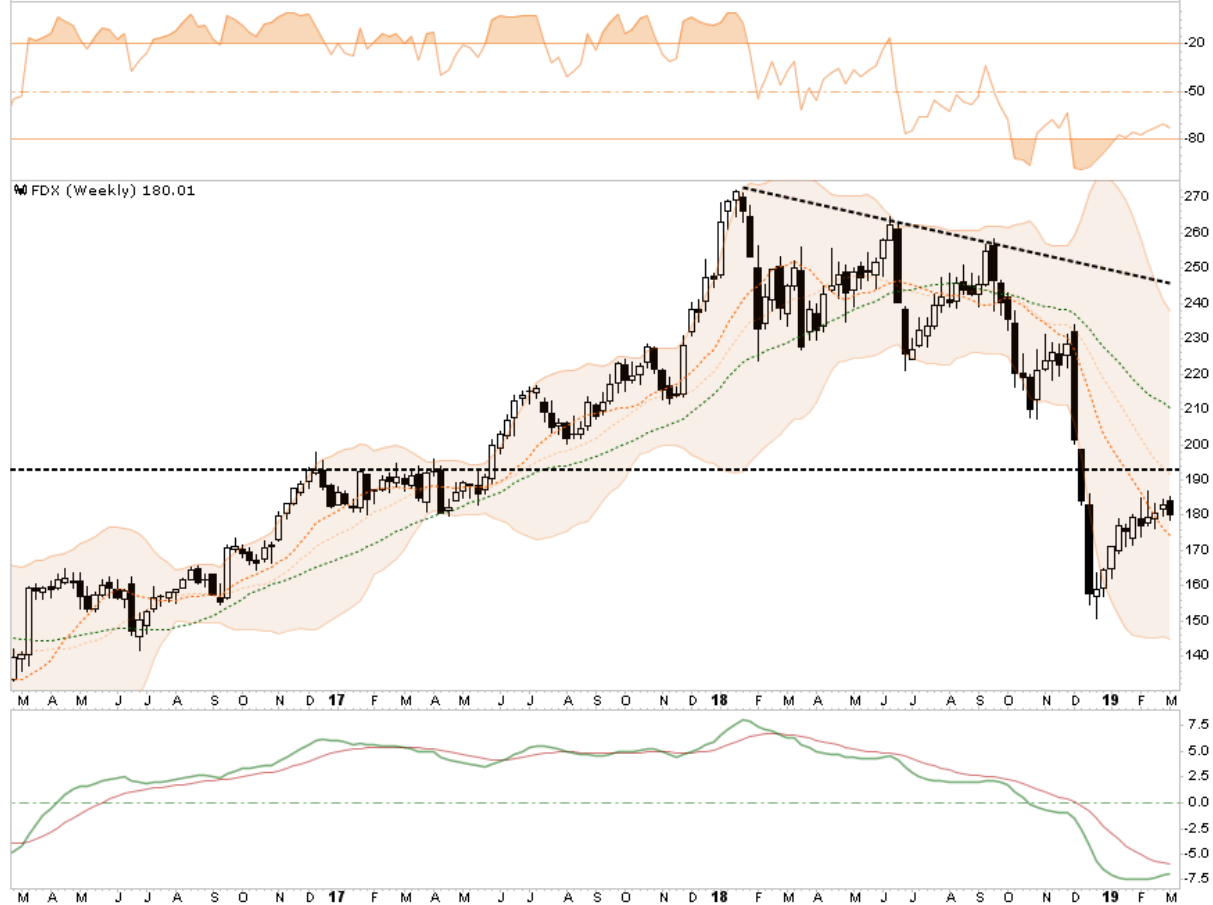
FDX FedEx Corp., NYSE

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Industrial / Delivery Services

Tuesday 5-Mar-2019

Open: 184.07	Ask:	P/E: 9.81	Options: yes	Chg: -1.53%
High: 185.31	Ask Size:	EPS: 18.35	Annual Dividend: 2.45	Chg: -2.79
Low: 178.55	Bid:	Last Size:	Yield: 1.36%	Last: 180.01
Prev Close: 182.80	Bid Size:	VWAP:	SCTR (Large): 6.2	Volume: 3,149,574



- *FDX is recovering from a deep oversold condition and is approaching a buy signal.*
- *Having cleared the 50-dma, the next level of resistance is \$190.*
- *We currently only carry a 1/2 position so we will add to the position on any weakness that doesn't violate support.*
- *Stop is currently \$175 Short-Term*
 - *Holding 1/2 position currently*
 - *Looking for opportunity to increase exposure opportunistically.*

JNJ - Johnson & Johnson



- JNJ has continued to perform despite recent weakness in the healthcare space.
- With JNJ close to registering a buy signal, we will wait for a pullback which doesn't violate support to add to our holdings.
- Looking to add to the position on a pullback to \$135
- Stop is at \$130

WBA - Walgreens Boots Alliance

WBA Walgreens Boots Alliance, Inc. Nasdaq GS

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Consumer Staples / Drug Retailers

Tuesday 5-Mar-2019

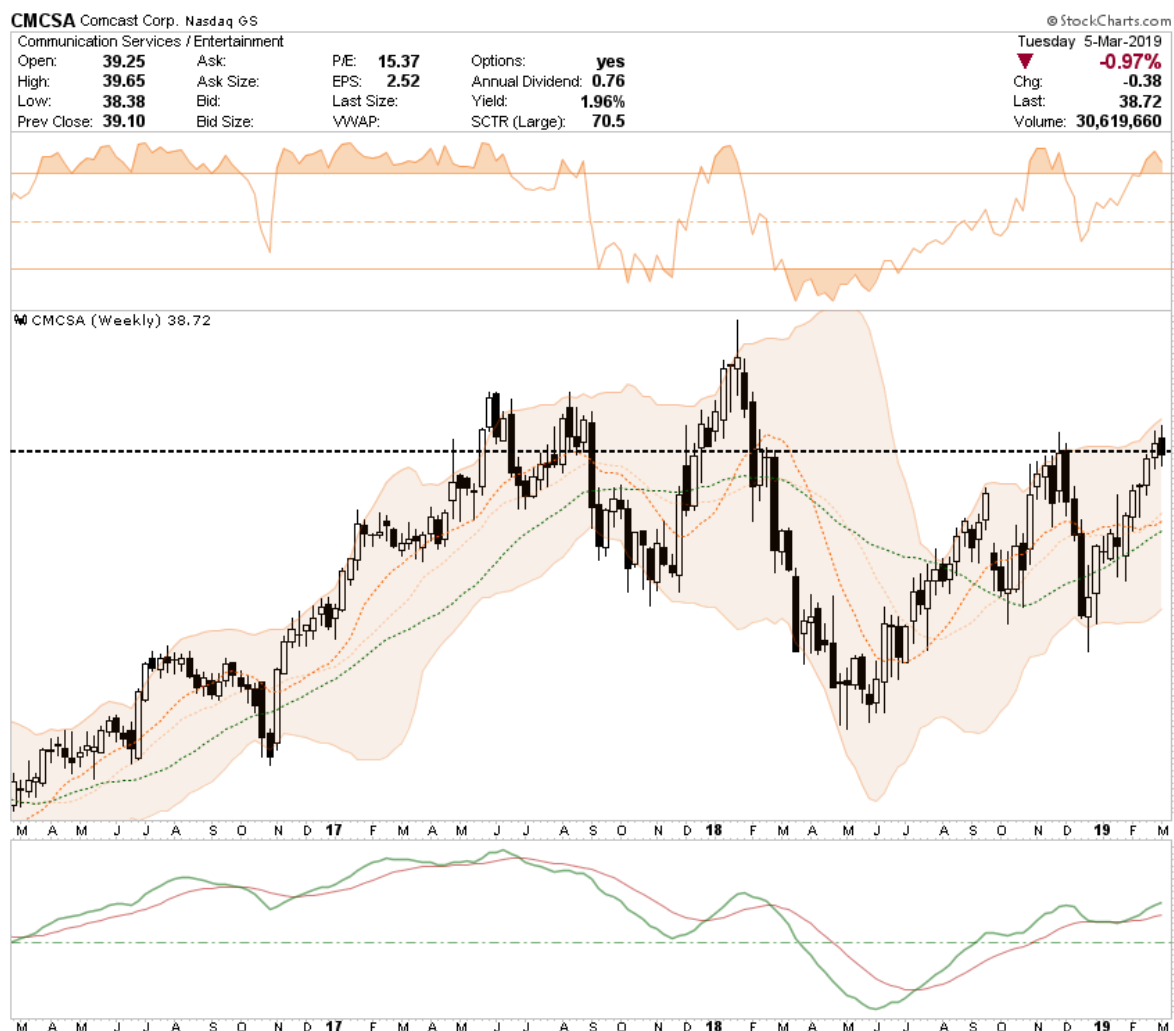
Open: 66.96	Ask:	P/E: 11.65	Options: yes
High: 67.00	Ask Size:	EPS: 5.44	Annual Dividend: 1.72
Low: 62.97	Bid:	Last Size:	Yield: 2.71%
Prev Close: 66.61	Bid Size:	VWAP:	SCTR (Large): 9.4

▼ **-4.82%**
 Chg: **-3.21**
 Last: **63.40**
 Volume: **22,757,072**



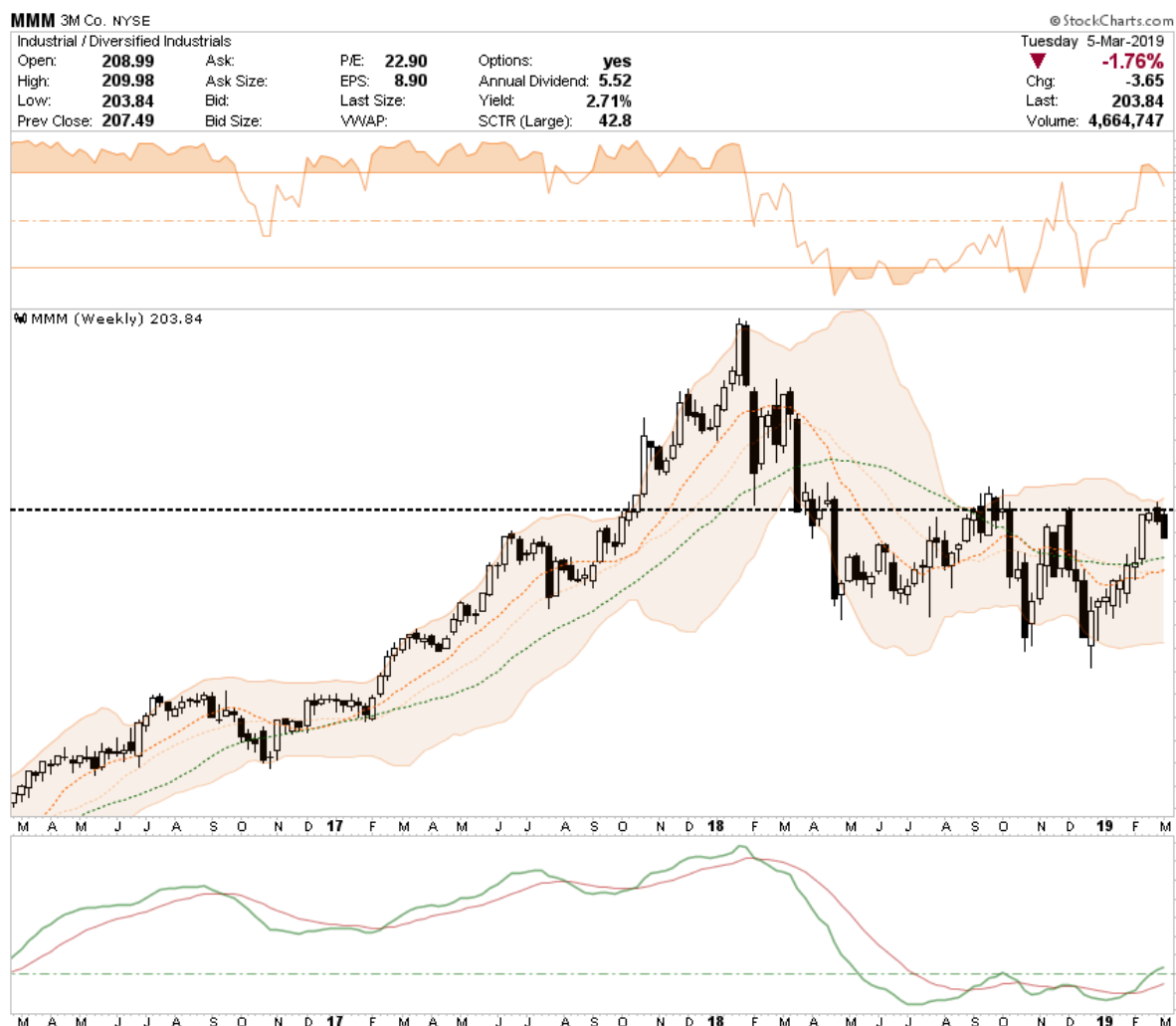
- Sometimes things don't work as planned.
- We noted previously that we were stopped out of CVS and had swapped it for WBA which was holding its uptrend support.
- While really like the "Corner Drug Store" over the long-term, the market doesn't agree with our theory currently.
- We were stopped out of WBA on Monday with the break of support and a violation of our stop-loss. We will revisit the position in the future when things stabilize.

CMCSA - Comcast Corp.



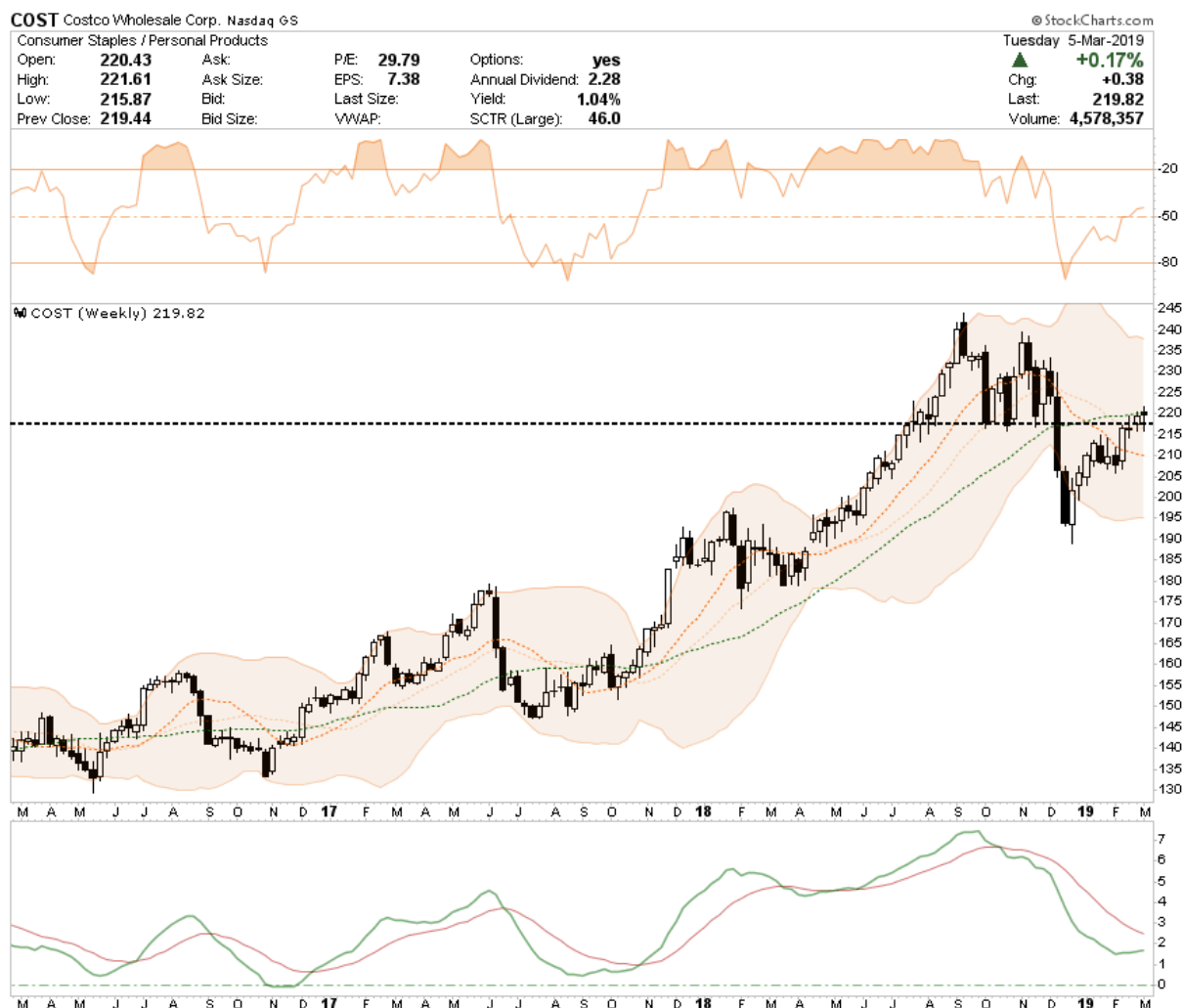
- CMCSA rallied above resistance and avoided registering a sell signal in the short-term.
- The position is overbought, so we will look for a better opportunity to increase our holdings.
- Stop-loss is moved up to \$37

MMM�-�3M�Company



- We initially bought MMM on 12/18/18.
- The recent rally has triggered a "buy" signal, but MMM is extremely overbought.
- We initially bought 1/2 position in MMM and are looking for an opportunity to increase exposure. A break above \$210 will likely be that entry point.
- However, the recent failure at resistance is concerning due to multiple tops at \$210. A resolution to the "trade war" will likely be the boost needed to move MMM above resistance.
- However, we are tightening up stops to protect our profits.
- Stop is at \$200

COST - Costco Wholesale



- *I almost gave up on Costco a couple of months ago, but holding has turned out to be the right call.*
- *After breaking above resistance, we will look to add to the position on weakness that doesn't violate support. Costco is currently testing more resistance at the 200-dma. A move above will be a good opportunity to add exposure.*
- *COST is moving to register a "buy signal" so a breakout to above resistance will likely confirm our need to increase exposure.*
- *Stop-loss moved up to \$210*

V - Visa



- Despite a slowdown in consumer spending and retail sales, V has rocketed towards all time highs.
- With a buy triggered, we will look to add to our holding on a pullback or consolidation that doesn't violate our stop loss, or more preferably, a breakout to all-time highs clearing previous resistance.
- With V very overbought, a correction in the short-term is likely.
- Stop-loss is tight at \$140 currently.

VZ - Verizon

VZ Verizon Communications: NYSE

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Communication Services / Fixed Telecommunications

Open: **57.15** Ask: P/E: **14.88** Options: **yes**
 High: **57.35** Ask Size: EPS: **3.77** Annual Dividend: **2.385**
 Low: **55.51** Bid: Last Size: Yield: **4.25%**
 Prev Close: **56.96** Bid Size: VWAP: SCTR (Large): **58.9**

Tuesday 5-Mar-2019

▼ **-1.54%**
 Chg: **-0.88**
 Last: **56.08**
 Volume: **26,958,998**



- After adding VZ to our portfolio performance has been "meh."
- Currently carrying 1/2 position, VZ is on a "sell" signal but within a wedge pattern.
- A breakout above \$57 will provide an opportunity to add to our position, but for now we remain stuck in a trading range.
- Stop-loss moved up to \$54
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UNH - United Health

UNH Unitedhealth Group, Inc. NYSE

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Health Care / Health Care Providers

Open: **248.12** Ask: P/E: **19.81** Options: **yes**
 High: **248.45** Ask Size: EPS: **12.19** Annual Dividend: **3.45**
 Low: **234.51** Bid: Last Size: Yield: **1.43%**
 Prev Close: **246.15** Bid Size: VWAP: SCTR (Large): **12.7**

Tuesday 5-Mar-2019

▼ **-1.92%**

Chg: **-4.72**

Last: **241.43**

Volume: **15,570,765**



- We recently added 1/2 position of UNH to our portfolios.
- Over the last few days, UNH has come under intense pressure from the Democrats talking points on "Medicare for all" which would move the U.S. to a single payer system. After the failure of the Affordable Care Act, there is little appetite in Congress right now for something like this.
- We see the recent sell-off as an opportunity.
- On a sell - signal currently, but now oversold, we will look for a consolidation and basing above \$240 to add to our current holding.
- Stop-loss is adjusted to \$230