



Selected Portfolio Position Review: 06-05-19

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

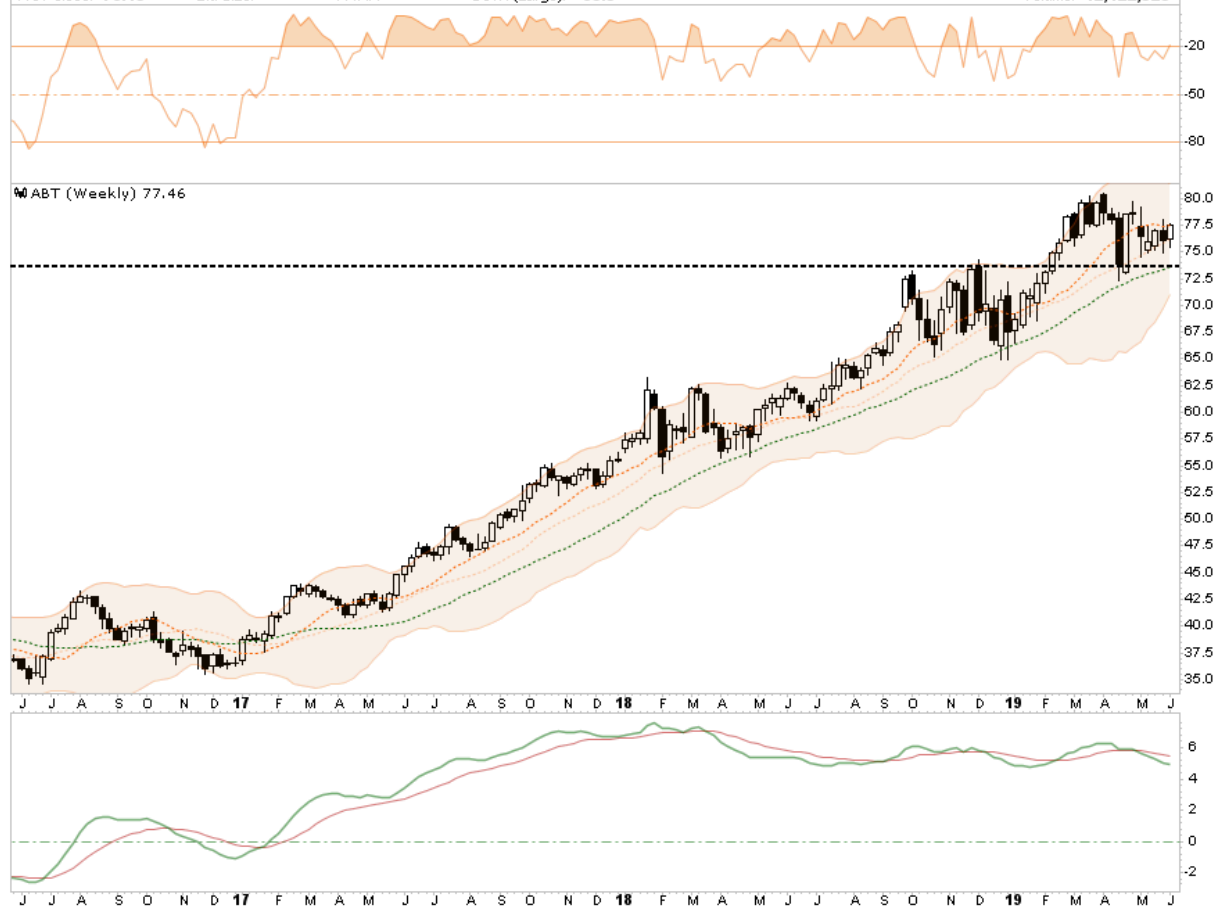
ABT Abbott Laboratories NYSE

Health Care / Pharmaceuticals

Open: 76.25	Ask:	P/E: 52.34	Options: yes
High: 77.61	Ask Size:	EPS: 1.48	Annual Dividend: 1.2
Low: 75.44	Bid:	Last Size:	Yield: 1.55%
Prev Close: 76.13	Bid Size:	VWAP:	SCTR (Large): 63.5

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Tuesday 4-Jun-2019

▲ **+1.75%**Chg: **+1.33**Last: **77.46**Volume: **12,122,525**

- As noted previously, earlier this year we made a decision to overweight healthcare in portfolios. This has proved to be defensive with healthcare holding up despite the pullback in the market.
- ABT has been building a consolidation above previous highs. A breakout above that consolidation will allow us to add to our holdings.
- We remain long our holding of ABT currently with stops moved up to support.
- Stop is set at \$72.50

AEP - American Electric Power

AEP American Elec Pwr Co., Inc. NYSE

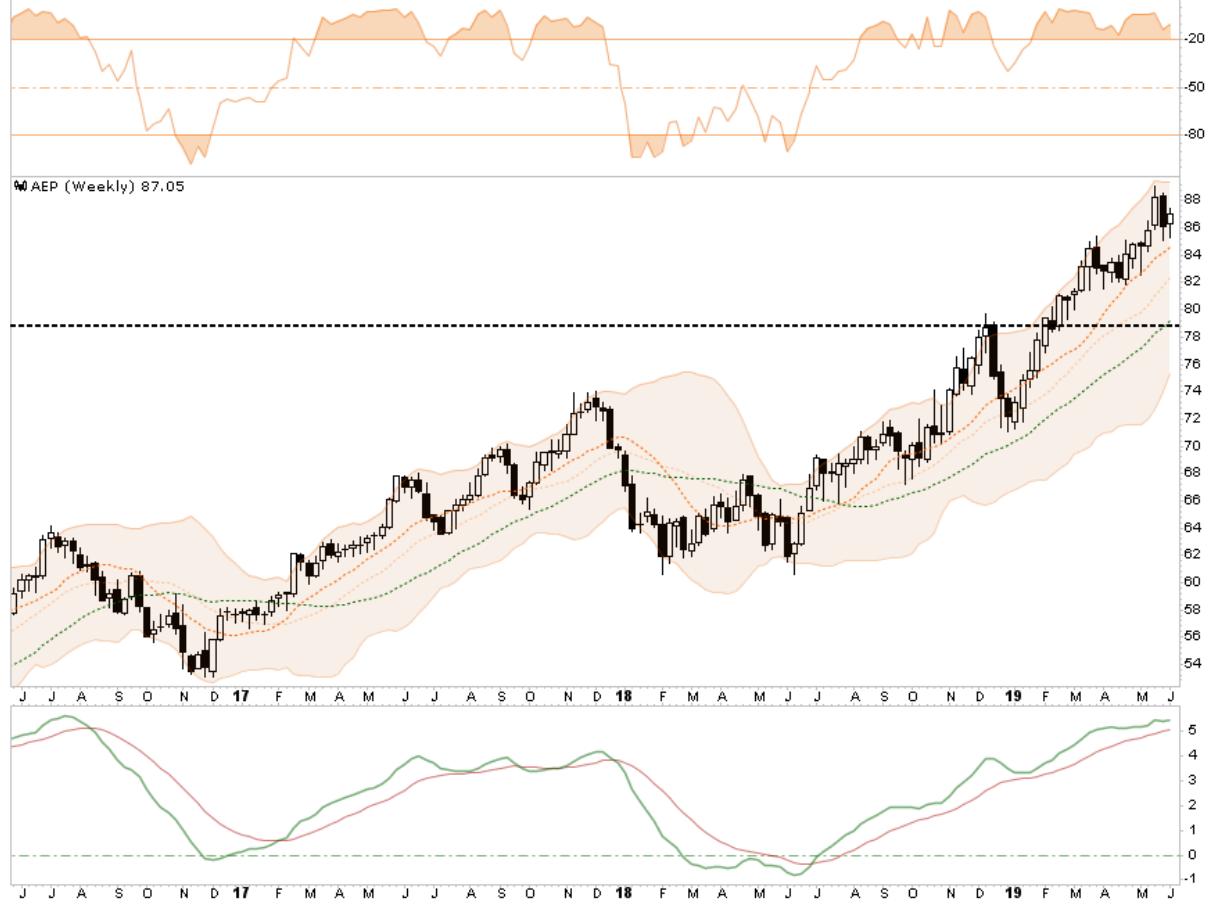
Utilities / Conventional Electricity

Open: 86.35	Ask:	P/E: 21.07	Options: yes
High: 87.42	Ask Size:	EPS: 4.13	Annual Dividend: 2.63
Low: 85.26	Bid:	Last Size:	Yield: 3.02%
Prev Close: 86.12	Bid Size:	VWAP:	SCTR (Large): 82.9

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Tuesday 4-Jun-2019

▲ **+1.08%**
Chg: **+0.93**
Last: **87.05**
Volume: **4,114,821**



- *Defensive Utility and Real Estate stocks continue to get a bid during turmoil as well. We remain long utilities currently.*
- *AEP is overbought short-term but remains on a buy signal for now.*
- *While stops have been moved up to important support we will take profits on a break of \$82.*
- *Stop-loss is moved up to \$78*

BA - Boeing Corp.

BA Boeing Co. NYSE

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Industrial / Aerospace

Open: **338.20**

Ask:

P/E: **19.72**Options: **yes**

Tuesday 4-Jun-2019

High: **346.41**

Ask Size:

EPS: **17.48**Annual Dividend: **7.53**▲ **+0.88%**Low: **330.67**

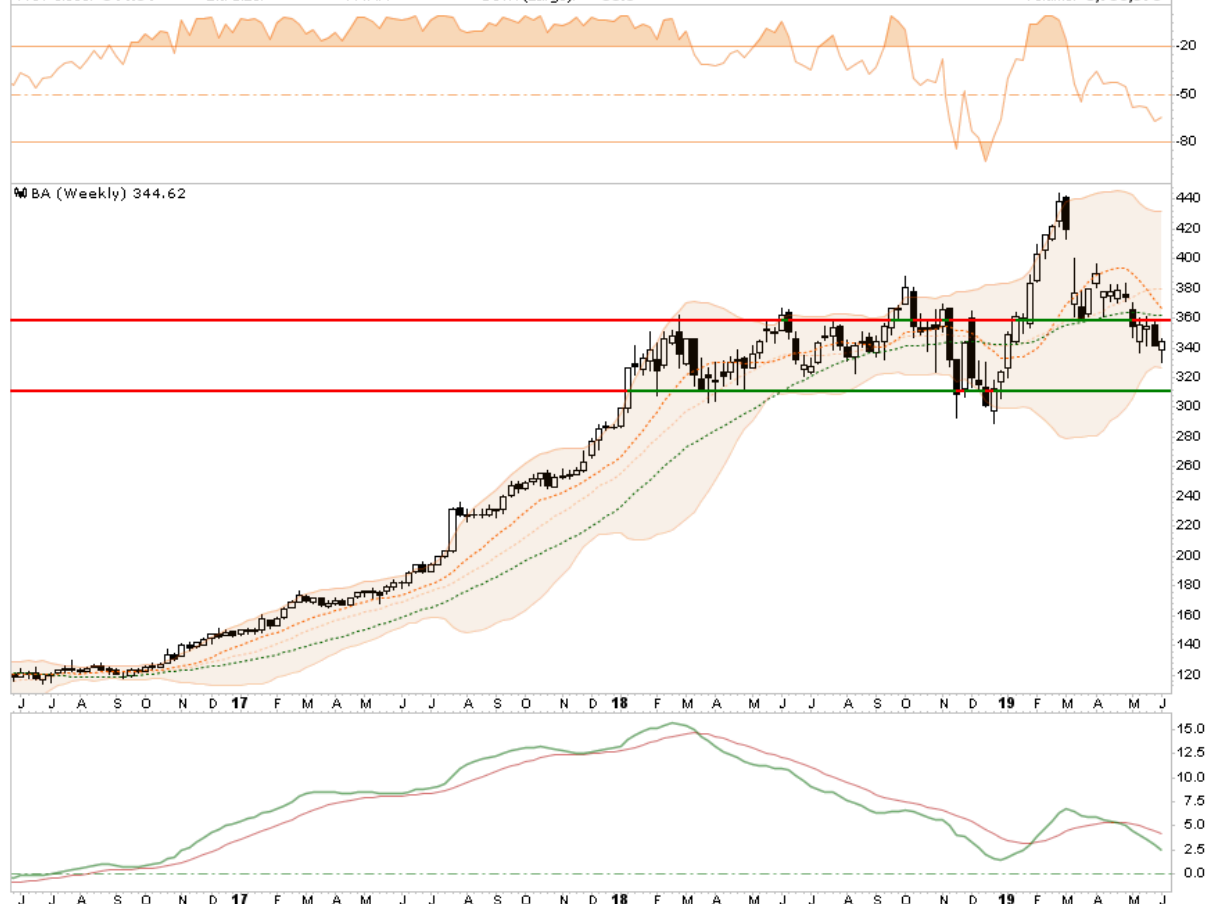
Bid:

Last Size:

Yield: **2.19%**Chg: **+3.01**Prev Close: **341.61**

Bid Size:

VWAP:

SCTR (Large): **33.0**Last: **344.62**Volume: **8,736,970**

- In March we took 1/2 position in BA on the initial sell-off following the 737 MAX crash.
- We said then we would give the stock a wide berth to find its bottom and while it did break support at \$360, we continue to look for an opportunity to build out the rest of our position around \$310.
- It is still too early to take on additional holdings and with BA on a "sell" signal and not deeply oversold we will be patient.
- Stop-loss remains at \$300 for now.

DOV - Dover Corp.

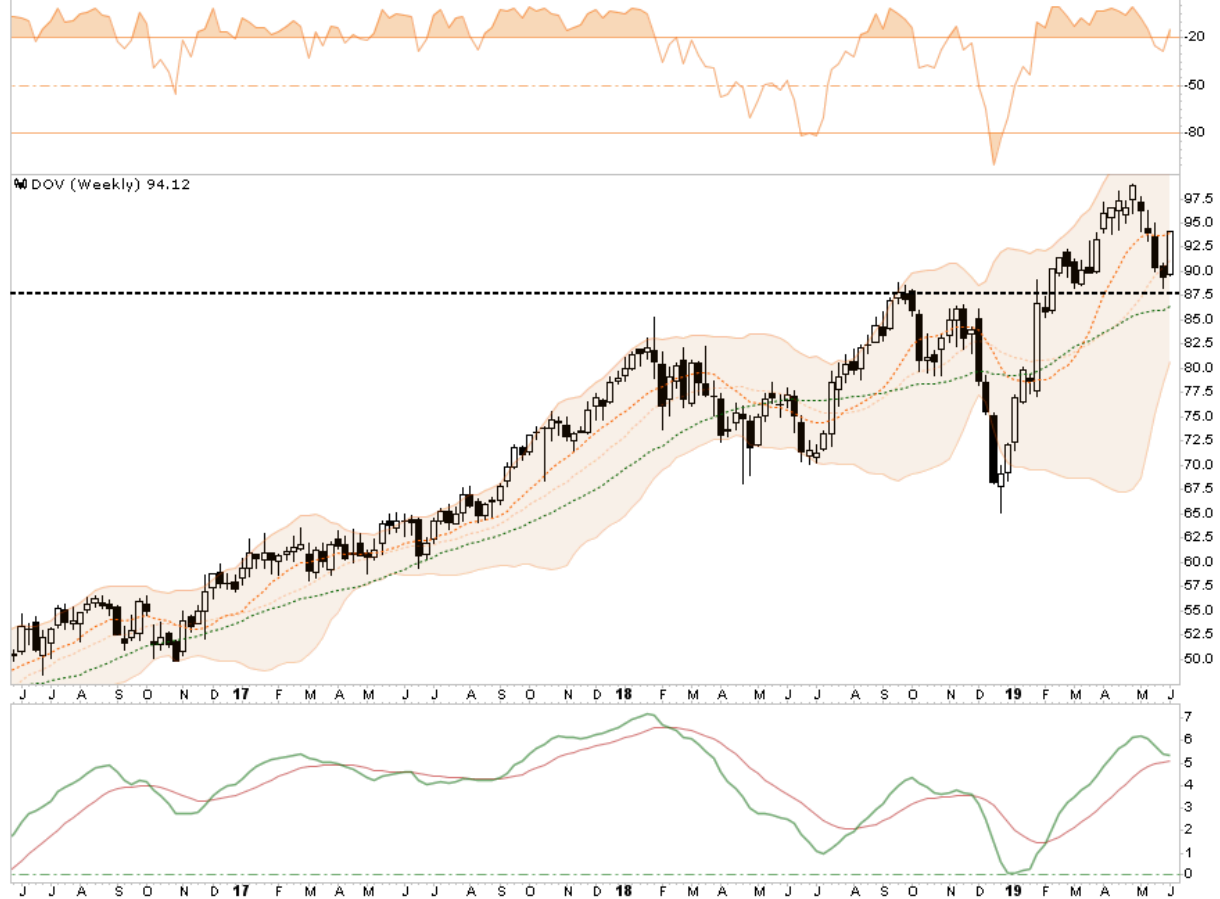
DOV Dover Corp., NYSE

Industrial / Industrial Machinery

Open: 89.65	Ask:	P/E: 25.86	Options: yes
High: 94.14	Ask Size:	EPS: 3.64	Annual Dividend: 1.92
Low: 89.59	Bid:	Last Size:	Yield: 2.04%
Prev Close: 89.41	Bid Size:	VWAP:	SCTR (Large): 73.8

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Tuesday 4-Jun-2019

▲ **+5.27%**Chg: **+4.71**Last: **94.12**Volume: **2,465,682**

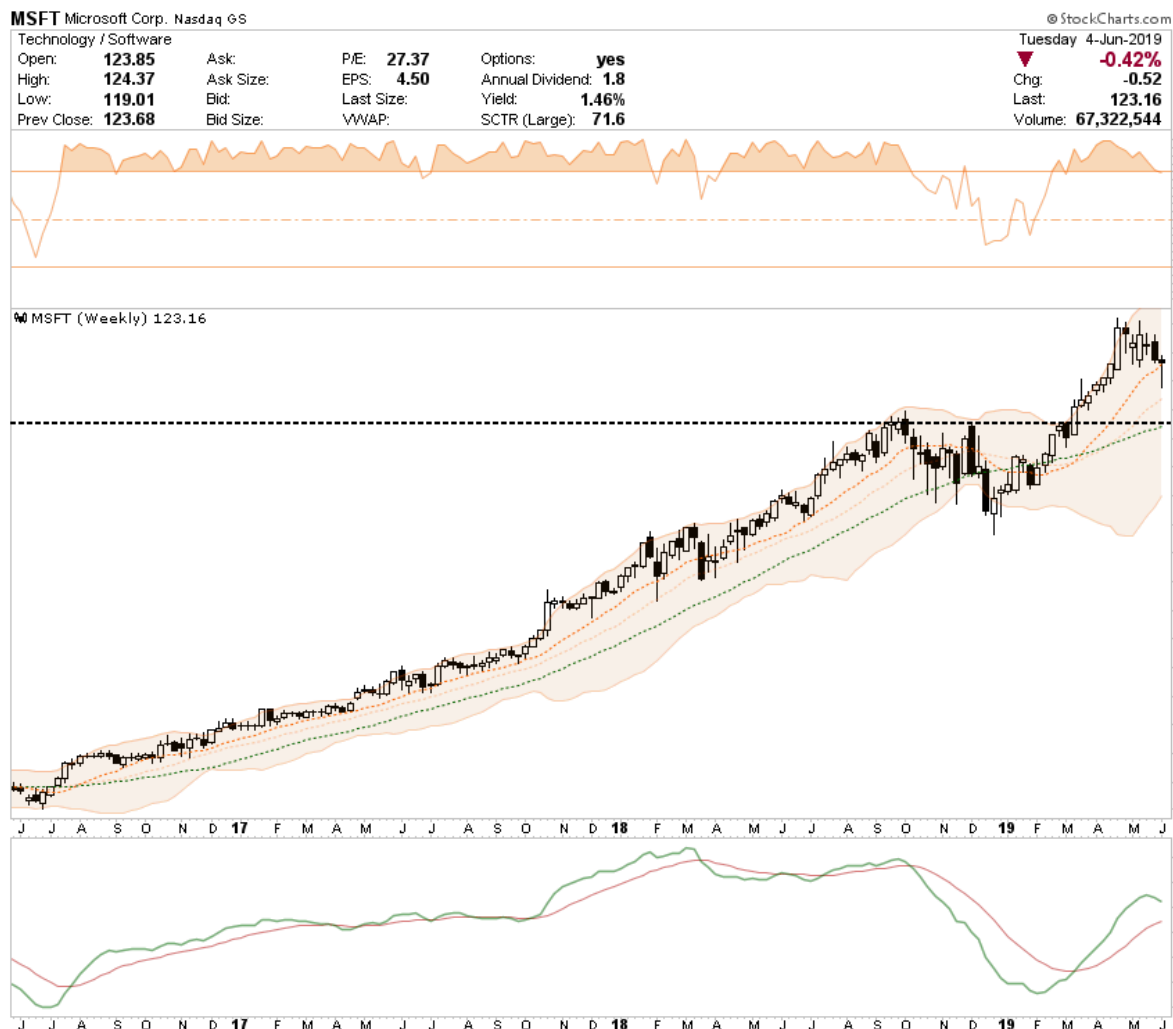
- Despite the restart of the trade war, DOV continues to hold its ground and just bounced off of support at the old highs.
- We continue to hold our position for now and continue to keep a close eye on industrial and material sectors.
- Our stop is set at \$87.50

HCA - HCA Healthcare



- Both HCA and UNH continue to hold critical support levels and have been working off their overbought condition.
- As noted above, money has been rotating into healthcare which is why we continue to overweight holdings there for now.
- Stop-loss remains at \$115 for now.

MSFT - Microsoft Corp.



- Money continues to chase technology despite the more extreme overbought conditions in the sector.
- We remain long our position after taking profits and will look for an opportunity to increase exposure.
- Our stop-loss is moved to \$112.50

NSC - Norfolk Southern

NSC Norfolk Southern Corp. NYSE

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Industrial / Railroad

Open: **195.13**

Ask:

P/E: **19.92**Options: **yes**

Tuesday 4-Jun-2019

High: **201.37**

Ask Size:

EPS: **10.10**Annual Dividend: **3.32**▲ **+3.12%**Low: **194.45**

Bid:

Last Size:

Yield: **1.65%**Chg: **+6.08**Prev Close: **195.14**

Bid Size:

VWAP:

SCTR (Large): **87.0**Last: **201.22**Volume: **2,289,555**

- *Despite lackluster performance in the "transportation" sector overall, Railroads have continued to hold up much better than the market.*
- *NSC is overbought but remains on a buy signal. The recent correction was not enough to allow us to add to our holdings just yet.*
- *Stop-loss is set at \$180.*

UTX - United Technologies

UTX United Technologies Corp. NYSE

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Industrial / Aerospace

Open: **126.45**

Ask:

P/E: **19.93**

Options:

yes

Tuesday 4-Jun-2019

▲ **+2.43%**High: **129.69**

Ask Size:

EPS: **6.49**Annual Dividend: **2.905**Chg: **+3.07**Low: **125.94**

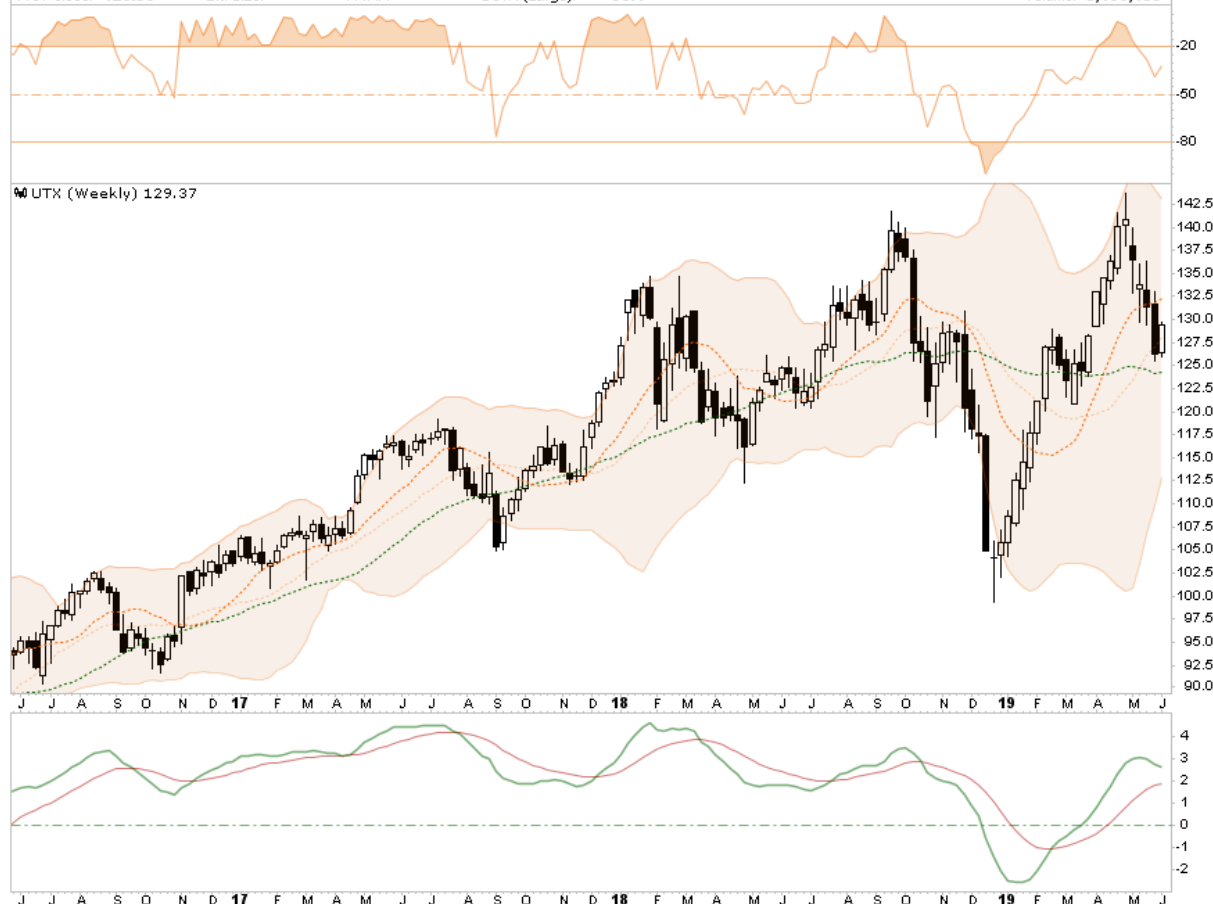
Bid:

Last Size:

Yield: **2.25%**Last: **129.37**Prev Close: **126.30**

Bid Size:

VWAP:

SCTR (Large): **50.1**Volume: **5,106,159**

- *UTX has recently pulled back from its highs and is sitting on support. Support held during the sell off which is encouraging. We will look to add to our holdings if support continues to hold this week.*
- *Defensive sectors continue to get a bid from investors looking for safety and yield so we like our positioning for now.*
- *Our stop-loss is moved to \$125*

VZ - Verizon

VZ Verizon Communications: NYSE

Communication Services / Fixed Telecommunications

Open: **54.68** Ask: P/E: **14.51** Options: **yes**
 High: **56.98** Ask Size: EPS: **3.88** Annual Dividend: **2.3975**
 Low: **54.56** Bid: Last Size: Yield: **4.26%**
 Prev Close: **54.35** Bid Size: VWAP: SCTR (Large): **38.9**

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Tuesday 4-Jun-2019

▲ **+3.44%**

Chg: **+1.87**

Last: **56.22**

Volume: **34,707,792**



- VZ sold off last week on rumors that AMZN is getting in the wireless business. This is not likely the case other than AMZN might acquire a pay-as-you-go service which will have minimal impact on VZ.
- VZ continues to consolidate in a fairly broad range with VZ sitting on support.
- We will add to the position when we get a corresponding buy signal. We would like to see VZ hold current support and consolidate a bit.
- Stop loss is currently set at \$54

YUM - Yum Brands

YUM Yum! Brands Inc. NYSE

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Consumer Discretionary / Restaurants & Bars

Open: **102.24** Ask: P/E: **25.24** Options: **yes**
 High: **107.07** Ask Size: EPS: **4.24** Annual Dividend: **1.56**
 Low: **101.83** Bid: Last Size: Yield: **1.46%**
 Prev Close: **102.35** Bid Size: VWAP: SCTR (Large): **92.7**

Tuesday 4-Jun-2019
 ▲ **+4.51%**
 Chg: **+4.62**
 Last: **106.97**
 Volume: **4,571,815**



- *YUM continues to power higher along support and recently just broke out to new highs.*
- *Currently, YUM is very overbought so a pullback to old highs and a bit of consolidation is needed to add to our holdings.*
- *Stop-loss is moved up to \$95*