



## Selected Portfolio Position Review: 06-12-19

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:

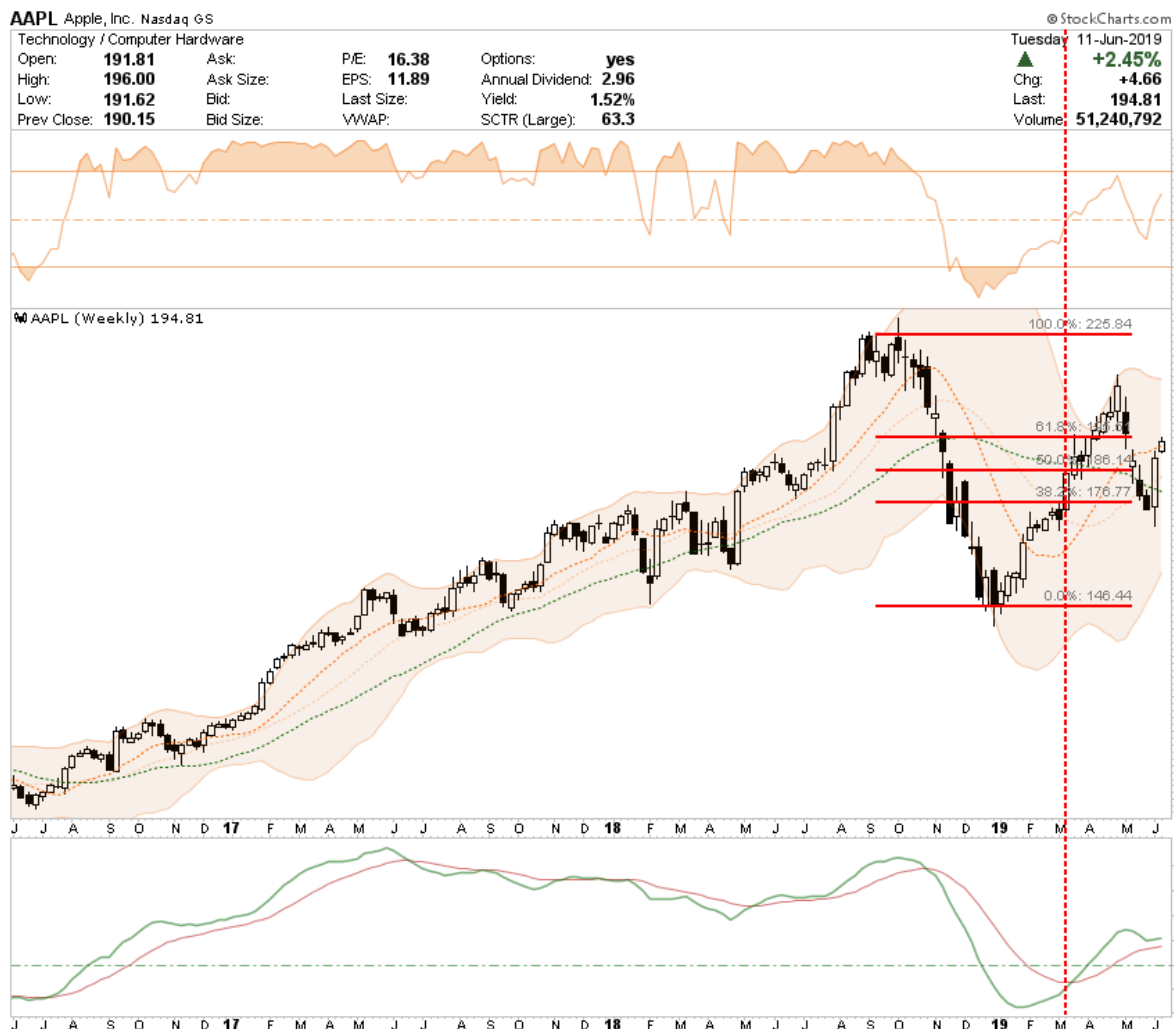
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a 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.

**AAPL - Apple Corp.**



- *AAPL sold off recently with the rest of the tech sector, but held important support at previous support.*
- *We previously sold 20% of our holdings at the beginning of May and are looking to add back to our position.*
- *It is too early to do so and we need some confirmation the current rally is somewhat sustainable. We are not there yet.*
- *We will continue to hold our reduced position and look for the right entry point.*
- *Stop remains at \$145*

## **CMCSA - Comcast Corp.**



- After breaking out to new highs, CMCSA is pulling back towards support and is in the early stages of working off some of its overbought condition.
- The current buy signal is very extended and CMCSA may trigger a short-term sell signal.
- Look for an opportunity to add to positions that hold support at \$40.50
- Stop-loss is moved up to \$39

## **COST - Costco Wholesale**

**COST** Costco Wholesale Corp. Nasdaq GS

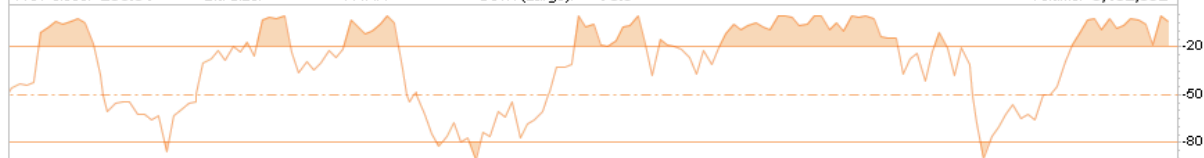
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Consumer Staples / Personal Products

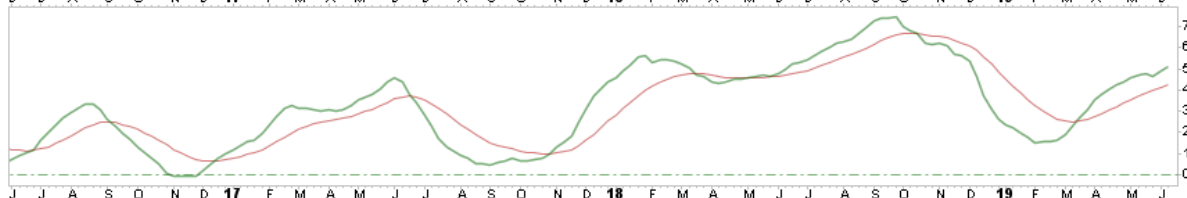
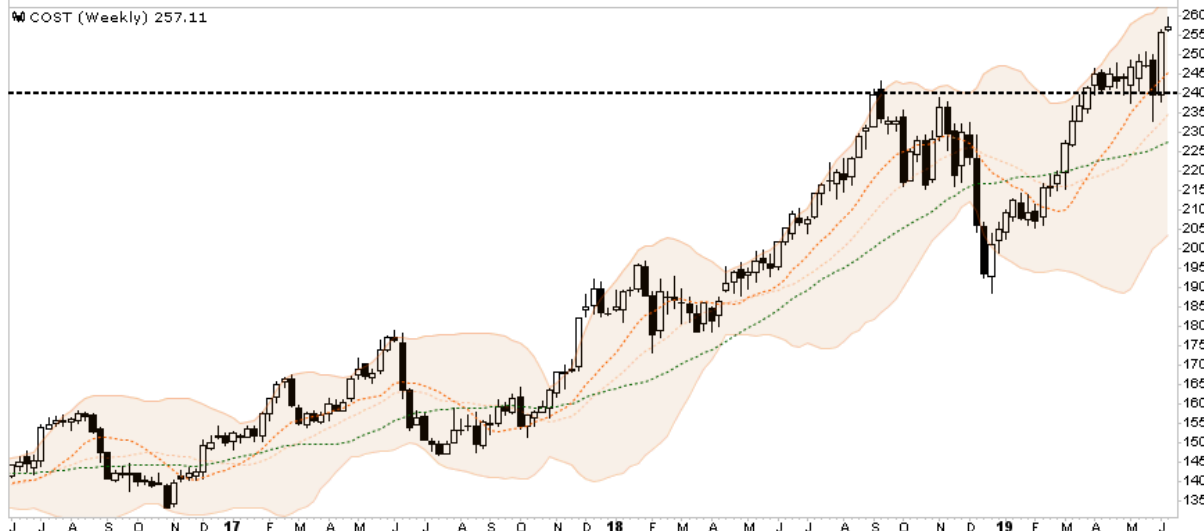
Tuesday 11-Jun-2019

Open: <b>256.40</b>	Ask:	P/E: <b>31.55</b>	Options: <b>yes</b>
High: <b>259.61</b>	Ask Size:	EPS: <b>8.15</b>	Annual Dividend: <b>2.36</b>
Low: <b>256.11</b>	Bid:	Last Size: <b>0.92%</b>	Yield: <b>0.92%</b>
Prev Close: <b>256.01</b>	Bid Size:	VWAP:	SCTR (Large): <b>78.9</b>

▲ <b>+0.43%</b>
Chg: <b>+1.10</b>
Last: <b>257.11</b>
Volume: <b>3,452,892</b>



COST (Weekly) 257.11

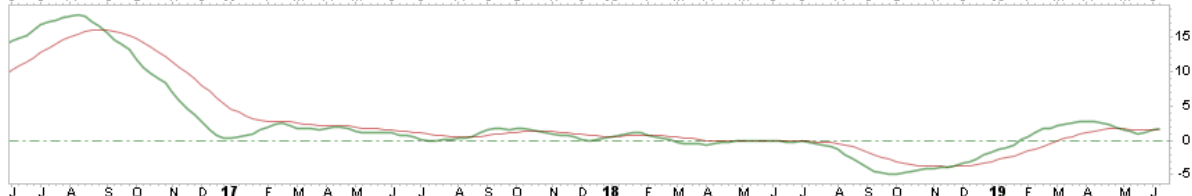


- We previously took profits in COST and after a breakout to all-time highs, and confirmed, we can look for an opportunity to increase our holdings.
- COST is currently overbought but on a buy signal. We will be patient for now and wait for the right opportunity to add to our current position.
- Look to add around \$240 if support holds
- Stop-loss remains at \$230 for now.

**GDX - Gold Miners**

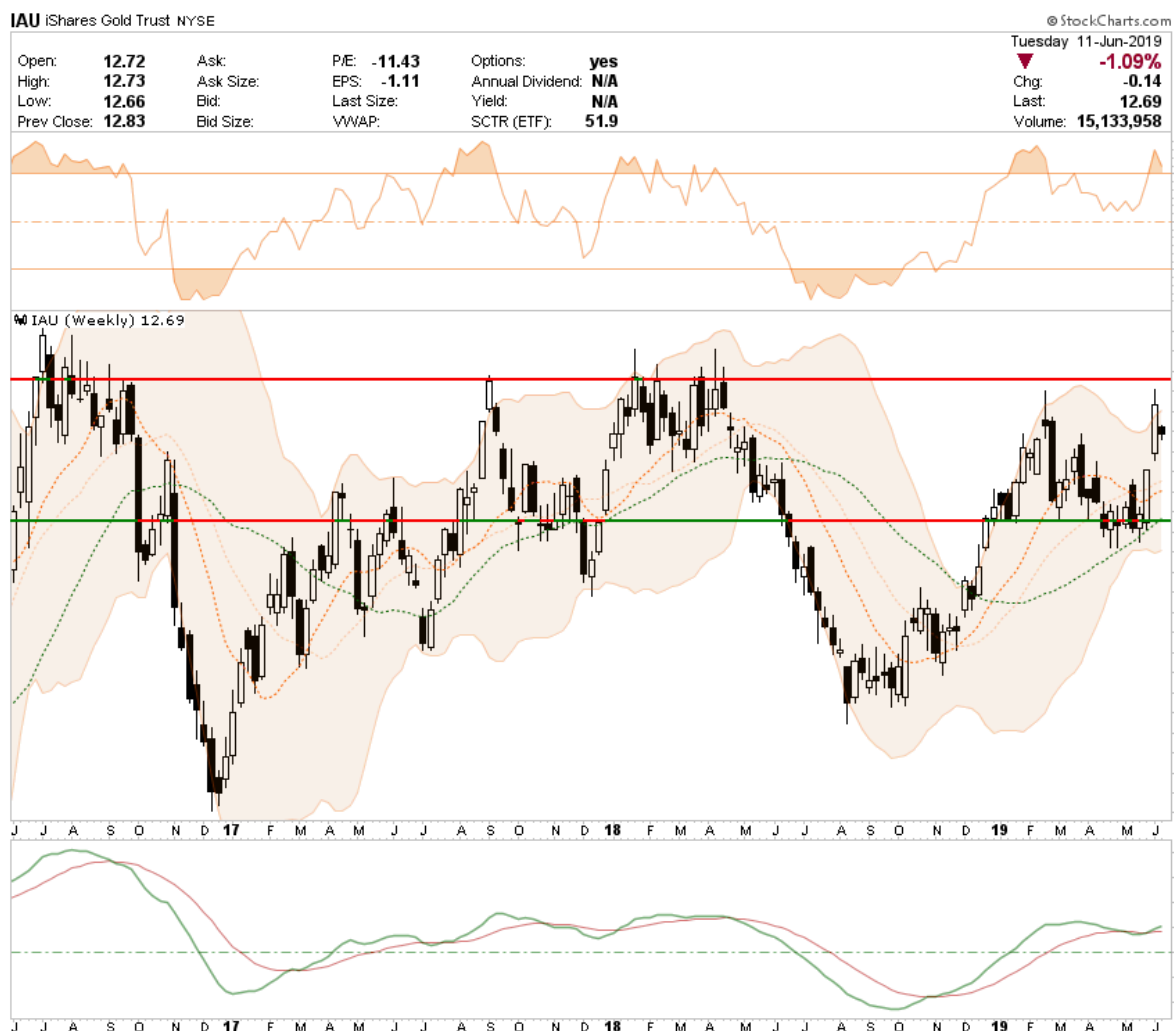
Open: **22.42** Ask: P/E: Options: **yes**  
 High: **22.69** Ask Size: EPS: Annual Dividend: **0.105**  
 Low: **22.24** Bid: Last Size: Yield: **0.46%**  
 Prev Close: **22.89** Bid Size: VWAP: SCTR (ETF): **93.8**

Tuesday 11-Jun-2019  
 ▼ **-1.31%**  
 Chg: **-0.30**  
 Last: **22.59**  
 Volume: **68,571,136**



- *GDX was added to our portfolios to hedge against potential volatility and rate risk in portfolios.*
- *The hedge worked well in the recent sell-off and is testing overhead resistance.*
- *We continue to hold our position for now and will look for a break above \$23 to add to our holdings.*
- *Our stop is set at \$20*

**IAU - Gold**



- Like GD<sub>X</sub>, we are using gold as a hedge against volatility and risk in the market.
- During the recent sell-off our positions acted appropriately by rising and hedging off some of the downside risk in our portfolios.
- We remain long IAU for now and will only look to add to the position on a breakout above \$13.
- Stop-loss remains at \$12.20 for now.

## JNJ - Johnson & Johnson



- *JNJ recently plunged on worries about the settlement over issues with their "talco powder." As we noted at the time, that plunge was far overdone relatively to the size of the settlement and we held our position.*
- The market came to agree with us and JNJ has now rallied back to the top of its consolidation pattern.
- JNJ needs to breakout above \$140 which should confirm a substantial move higher.
- *We remain long our position currently and are moving our stop-loss up to \$130*
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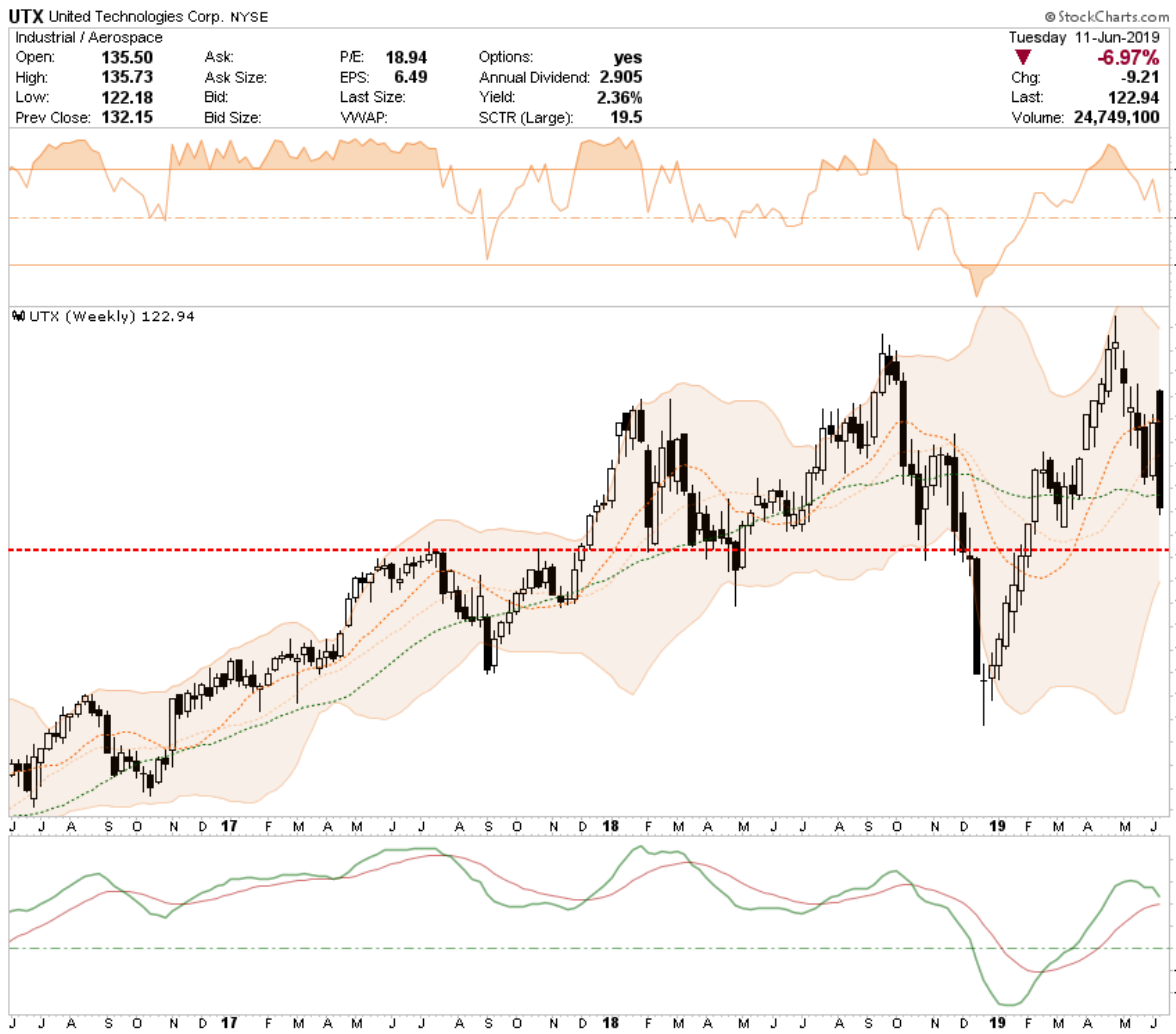
## **MU - Micron Technologies**





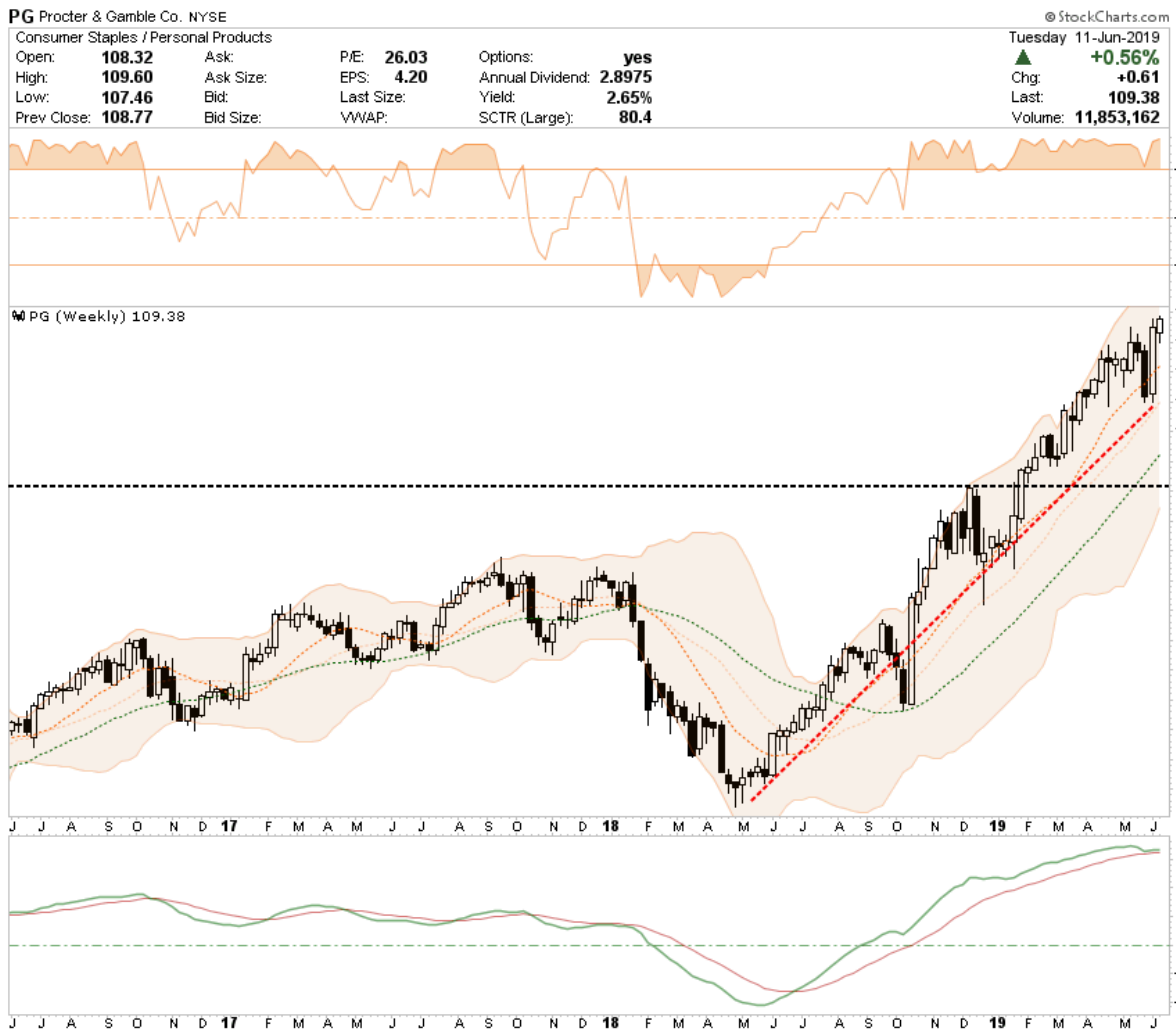
- *MU continues to be our "problem child" in our portfolio. It simply isn't performing and while it recently held support the risk/reward simply doesn't work right now.*
- *With a P/E of 3x, the company is simply CHEAP.*
- *We are giving MU a bit of room, but not much, and we are very close to selling the position for now and putting it back on our watch list.*
- *Stop-loss is set at \$32.50.*

## UTX - United Technologies



- *UTX sold off this past week due to the announced merger with Raytheon (RTN). This merger will make UTX one of the largest defense contractors on the planet and will broaden their income streams and their government contracts for high-end defense and aerospace.*
- The pullback is a buying opportunity for long-term investors, but it is too early to start buying just yet.
- Our target to add to our exposure is at \$118 given previous support levels. However, it is feasible we could see UTX trade a lower levels over the summer.
- *Defensive sectors continue to get a bid from investors looking for safety and yield so we like our positioning for now.*
- *We are adjusting our stop-loss down to \$105 for now to accommodate for added holdings.*

## PG - Proctor & Gamble



- PG continues to get a bid from investors looking for "defensive" positions amid the current rally and slowing economy.
- We took profits in PG previously and have been looking for a pullback to add to our position longer-term.
- There is a short-term sell signal close at hand which may give us an opportunity. Given we have already taken profits we are running a larger than normal stop-loss so we can add to our current holdings.
- *We would like to see PG hold support and consolidate a bit.*
- *Stop loss is currently set at \$95*

## PEP - Pepsico, Inc.



- *PEP continues to power higher after breaking out to all-time highs.*
- *The chase for defensive income stocks continues and has accelerated after talks by the Fed of lowering interest rates.*
- *PEP is grossly 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 \$117.50*