



Selected Portfolio Position Review: 08-07-19

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:

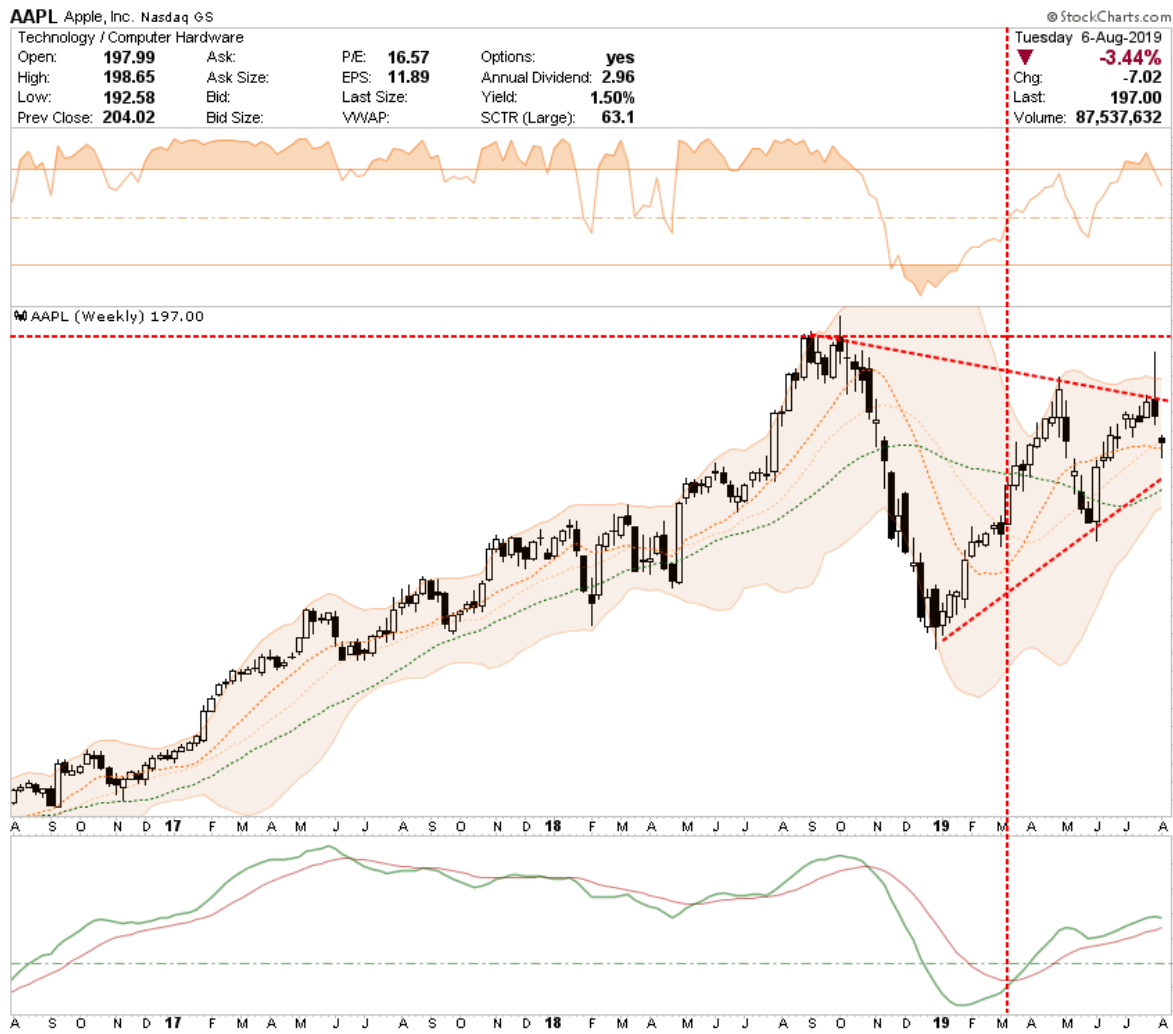
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a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

AAPL - Apple, Inc.



- Last week, AAPL was trading up 4.26% after revenue forecasts that topped estimates. Unfortunately, Trump hit the market with additional "tariffs" which will likely directly impact AAPL.
- AAPL is back into its previous rising wedge and on a buy signal, so we will continue to hold our position.
- We sold 20% of our stake at the May peak, and we can add to our holding either on a test of support at \$190, on a sustained breakout above \$210, or both.
- Stop loss is adjusted to \$185

DOV - Dover Corp.

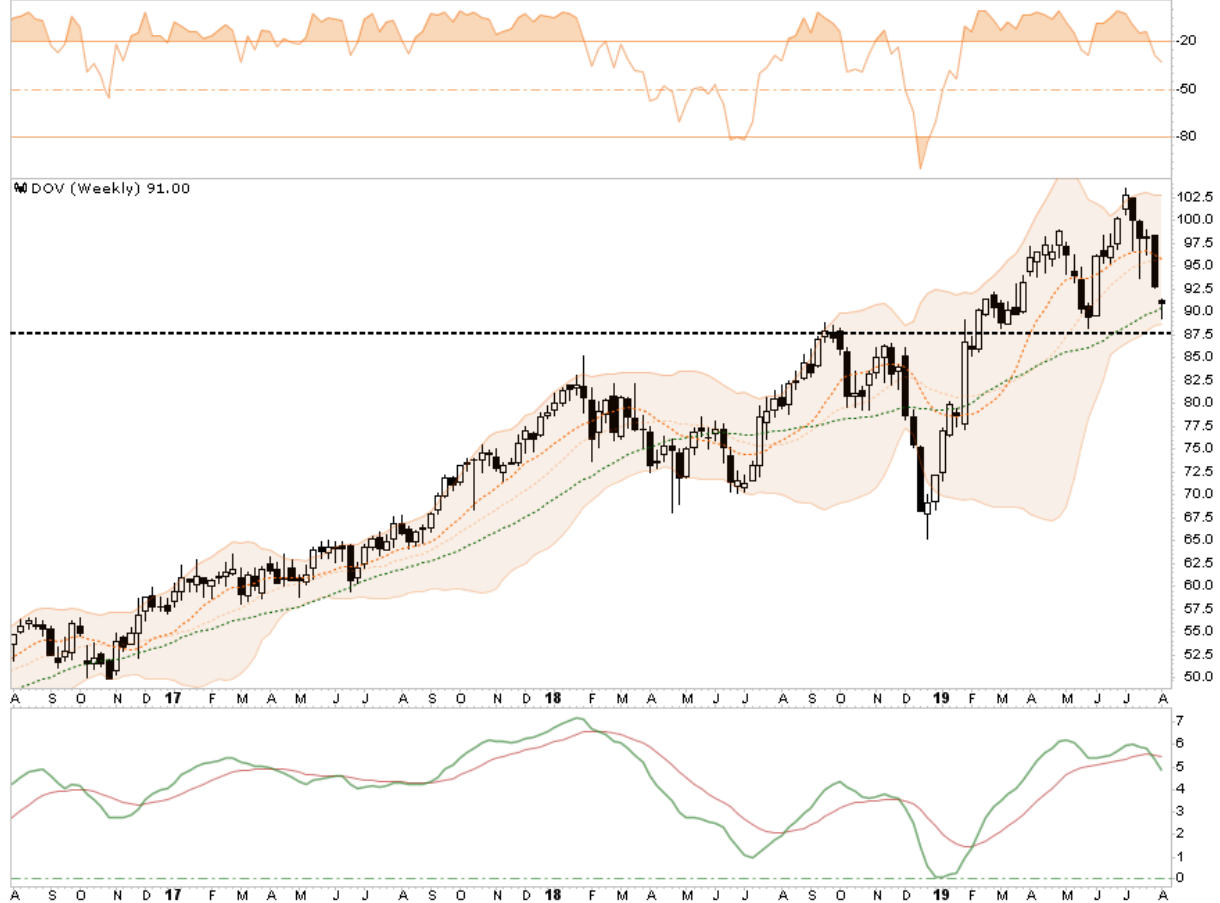
DOV Dover Corp. NYSE

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Industrial / Industrial Machinery

Open: **91.33** Ask: P/E: **22.33** Options: **yes**
 High: **91.39** Ask Size: EPS: **4.08** Annual Dividend: **1.92**
 Low: **89.25** Bid: Last Size: Yield: **2.11%**
 Prev Close: **92.75** Bid Size: VWAP: SCTR (Large): **40.6**

Tuesday 6-Aug-2019

▼ **-1.89%**Chg: **-1.75**Last: **91.00**Volume: **1,896,720**

- *DOV has been an excellent performer for the portfolio and we have taken profits in the company twice.*
- *A "sell signal" has been triggered but DOV is holding support currently at the 200-dma. We are worried about the impact of tariffs, so we will keep our stop on the remainder of the position for now.*
- *Stop-loss is adjusted to \$87.50*

PPL - PPL Corp.

PPL PPL Corp. NYSE

Utilities / Conventional Electricity

Open: **29.73** Ask: P/E: **11.56** Options: **yes**
High: **29.83** Ask Size: EPS: **2.56** Annual Dividend: **1.645**
Low: **28.55** Bid: Last Size: Yield: **5.56%**
Prev Close: **29.66** Bid Size: VWAP: SCTR (Large): **39.4**

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Tuesday 6-Aug-2019

Chg: **-0.07**

Last: **29.59**

Volume: **10,375,488**



- As noted previously, PPL remains our "problem child" position. Despite other utility companies performing much better, PPL has just been unable to catch a bid.
- PPL is on a sell signal currently and is working off its overbought condition. It is holding critical support which keeps us long our position for now.
- Stop loss is at \$29.50

NLY - Annaly Capital Management

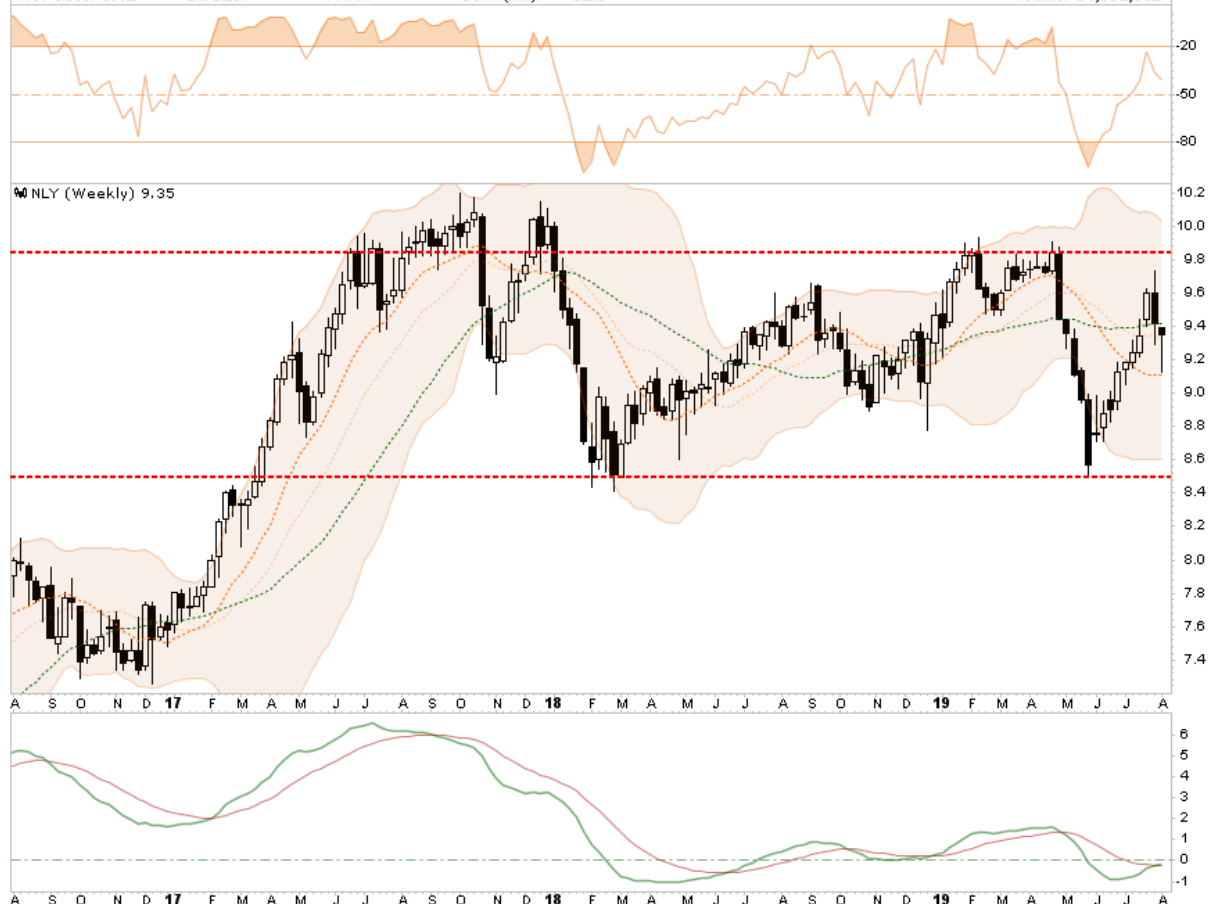
NLY Annaly Capital Management, Inc. NYSE

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Real Estate / Mortgage REITs

Open: **9.39** Ask: P/E: **-5.89** Options: **yes**
 High: **9.39** Ask Size: EPS: **-1.59** Annual Dividend: **0.9**
 Low: **9.13** Bid: Last Size: Yield: **9.63%**
 Prev Close: **9.42** Bid Size: VWAP: SCTR (Mid): **52.6**

Tuesday 6-Aug-2019
 ▼ **-0.74%**
 Chg: **-0.07**
 Last: **9.35**
 Volume: **31,332,502**



- We previously discussed adding two "agency REIT" positions to the portfolio to take advantage of a steepening yield curve as the economy slows.
- We noted the positions were too overbought previously to add to the positions, but the recent correction, and pending "buy signal," makes for a decent entry point.
- Look for NLY to close above the 50-dma to add to current holdings.
- Stop loss remains at \$8.40

DUK - Duke Energy

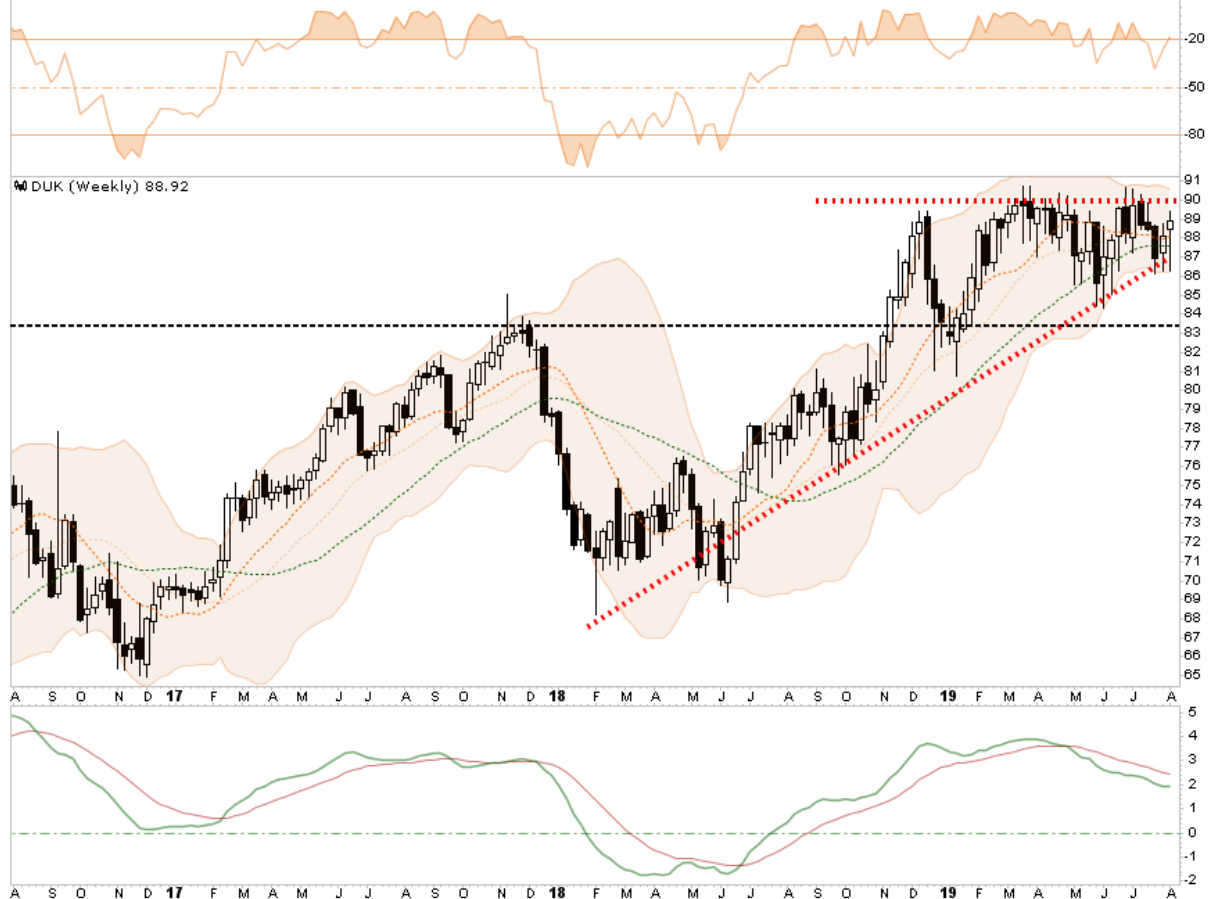
DUK Duke Energy Corp. NYSE

Utilities / Multiutilities

Open: 88.48	Ask:	P/E: 21.62	Options: yes
High: 89.43	Ask Size:	EPS: 4.11	Annual Dividend: 3.71
Low: 86.31	Bid:	Last Size:	Yield: 4.17%
Prev Close: 88.12	Bid Size:	VWAP:	SCTR (Large): 57.6

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Tuesday 6-Aug-2019

▲ **+0.91%**Chg: **+0.80**Last: **88.92**Volume: **7,807,703**

- DUK continues to trade in a tight consolidation range over the last several months despite the ongoing sell signal.
- With support holding, and the stock providing a defensive buffer to the portfolio, we are remaining long our position for now.
- A break above \$90 should see DUK approach \$100/share fairly quickly. Conversely, a break below \$87 could see a quick retest of support.
- Stop is being adjusted to \$83

NSC - Norfolk Southern Corp.

NSC Norfolk Southern Corp. NYSE

Industrial / Railroad

Open: **179.00**

Ask:

P/E: **17.96**Options: **yes**

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Tuesday 6-Aug-2019

High: **182.91**

Ask Size:

EPS: **10.10**Annual Dividend: **3.32**▼ **-0.36%**Low: **178.44**

Bid:

Last Size:

Yield: **1.83%**Chg: **-0.66**Prev Close: **182.02**

Bid Size:

VWAP:

SCTR (Large): **46.6**Last: **181.36**Volume: **4,657,455**

- NSC has been another solid performer in the portfolio but has been grossly overbought for a very long time.
- We have take profits twice in the position and, provided support holds, we will look to rebuild our position at slightly lower levels.
- Hold positions for now. We are looking for a pullback to the \$170/area to add back into our position.
- Stop is adjusted to \$160

UNH - UnitedHealth Group

UNH Unitedhealth Group, Inc. NYSE

Health Care / Health Care Providers

Open: **248.13**

Ask:

P/E: **19.28**

Options: **yes**

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Tuesday 6-Aug-2019

High: **249.94**

Ask Size:

EPS: **12.88**

Annual Dividend: **3.6**

▼ **-0.71%**

Low: **242.59**

Bid:

Last Size:

Yield: **1.45%**

Chg: **-1.77**

Prev Close: **250.05**

Bid Size:

VWAP:

SCTR (Large): **39.1**

Last: **248.28**

Volume: **9,328,342**



- UNH broke out of a long consolidation pattern and is now retesting the top of that previous downtrend.
- UNH has triggered a buy signal as well from a fairly low level which suggests the stock will trade higher in the months ahead.
- We are holding our positions for now, but may look to increase our stake if support holds.
- Stop is moved up to \$230

JNJ - Johnson & Johnson



- We discussed previously the slight miss on earnings and concerns over the "talc powder" legal suits which have weighed on JNJ as of late. We think most of the risks are now priced into the company.
- If \$130 continues to hold we will look to add to our position.
- For now, we are waiting and watching with tighter stops.
- Stop is being adjusted to \$125

VZ - Verizon Communications

VZ Verizon Communications: NYSE

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Communication Services / Fixed Telecommunications

Open: 55.30	Ask:	P/E: 14.20	Options: yes
High: 55.90	Ask Size:	EPS: 3.88	Annual Dividend: 2.3975
Low: 54.47	Bid:	Last Size:	Yield: 4.36%
Prev Close: 55.59	Bid Size:	VWAP:	SCTR (Large): 48.2

Tuesday 6-Aug-2019

▼ **-0.97%**

Chg: **-0.54**

Last: **55.05**

Volume: **37,632,104**



- VZ has been in a very tight consolidation pattern which failed with the recently market disruption. We have take profits in the position but are concerned about the remaining of our holding for now.
- *VZ has been on a sell-signal for a while and has been working off the overbought condition.*
- *We are holding our position for now and will look for a rally to make our next decision.*
- *Stop is being adjusted to \$54*

XOM - Exxon Mobil

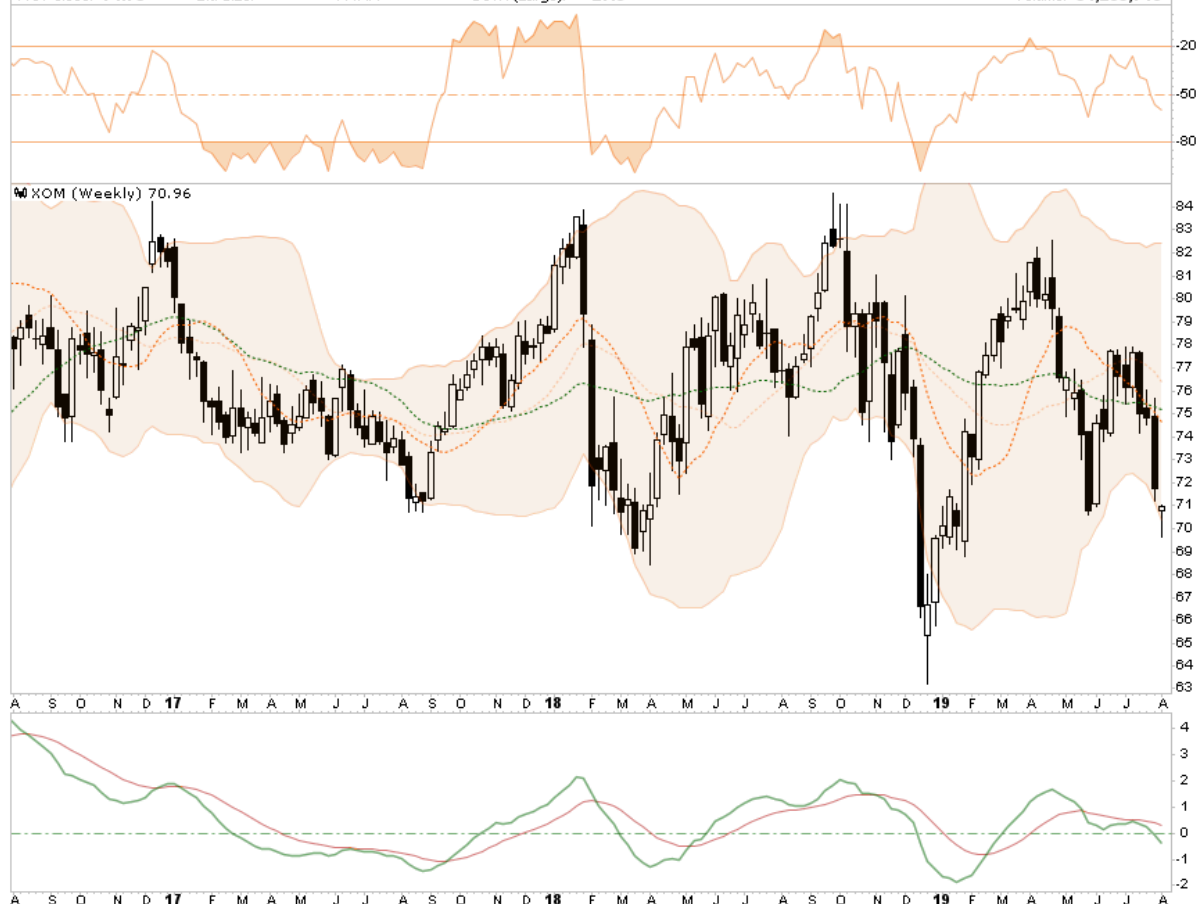
XOM Exxon Mobil Corp. NYSE

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Energy / Integrated Oil & Gas

Open: 70.78	Ask:	P/E: 16.35	Options: yes
High: 71.01	Ask Size:	EPS: 4.34	Annual Dividend: 3.33
Low: 69.61	Bid:	Last Size:	Yield: 4.69%
Prev Close: 71.75	Bid Size:	VWAP:	SCTR (Large): 27.0

Tuesday 6-Aug-2019
▼ -1.10%
Chg: -0.79
Last: 70.96
Volume: 31,209,716



- Back in May, we sold down 1/2 of our XOM position on concerns about oil prices.
- With XOM now getting oversold, and to the bottom of its trading range, we are starting to become more interested in adding back to our holding.
- It is too early to make any decisions, but if the sell signal reverses, and support holds around \$69, it will likely provide a decent entry opportunity.
- No stop currently.