



Selected Portfolio Position Review: 08-21-19

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:

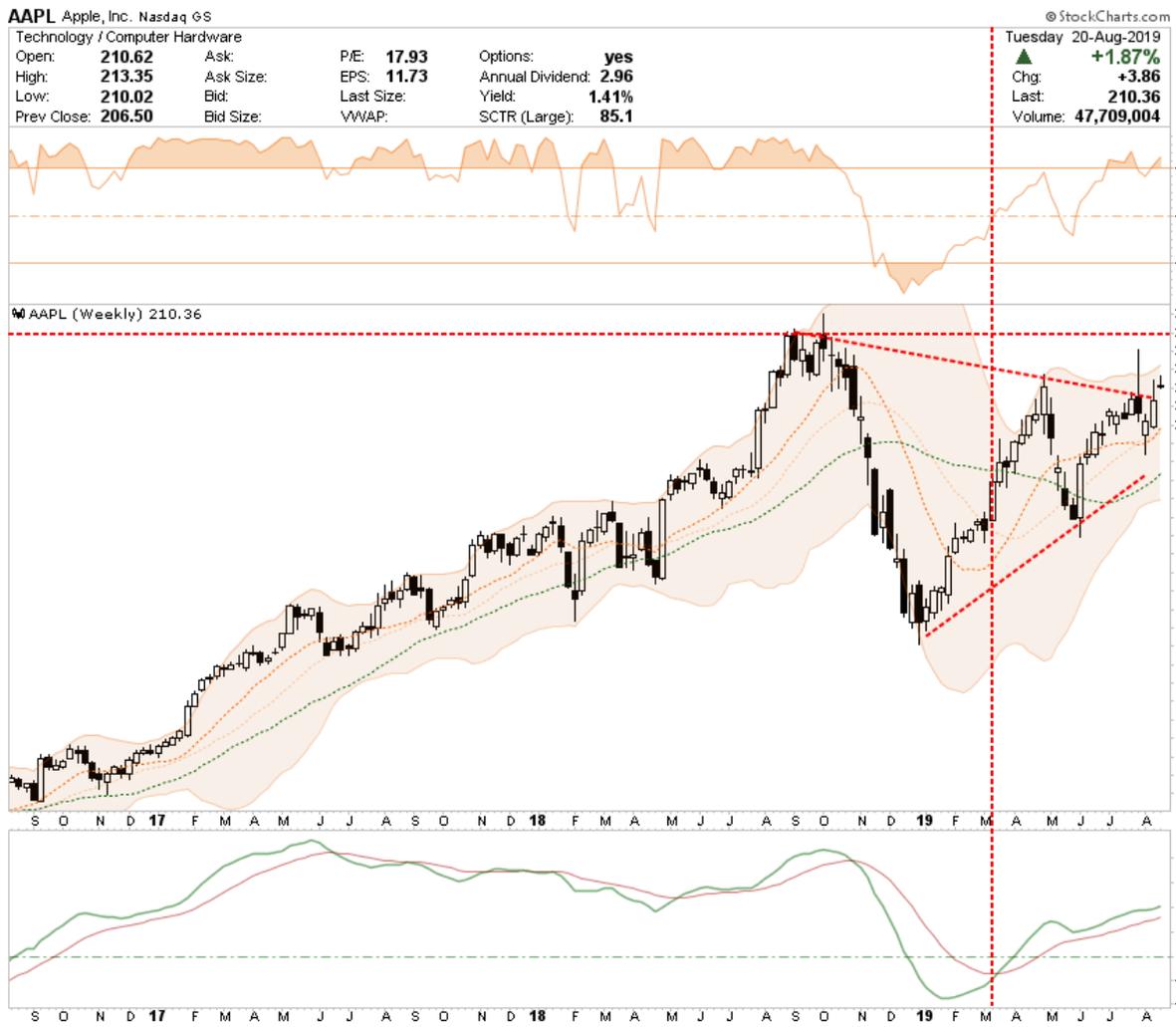
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a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



- *AAPL has been in a long consolidation process since October of last year. We took profits at the last peak in May, but the breakout above the downtrend is indeed bullish.*
- *We are continuing to hold our position, but are looking for a retest of support at the breakout to add to our current holdings.*
- *The position is overbought abut on a rising "buy" signal."*
- *Stop loss moved up to \$185.*

NSC - Norfolk Southern

NSC Norfolk Southern Corp. NYSE

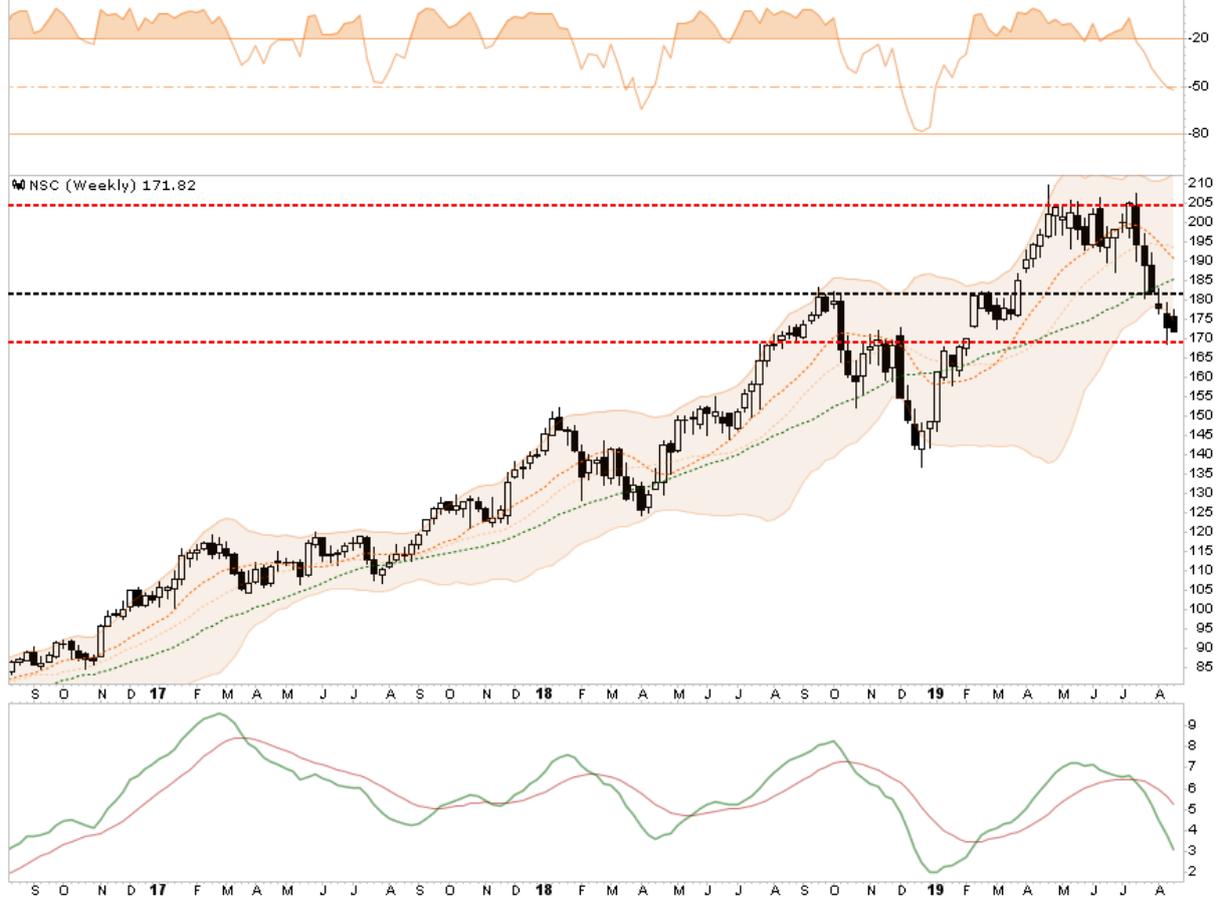
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Industrial / Railroad

Tuesday 20-Aug-2019

Open: 175.86	Ask:	P/E: 16.68	Options: yes
High: 177.63	Ask Size:	EPS: 10.30	Annual Dividend: 3.32
Low: 171.68	Bid:	Last Size:	Yield: 1.93%
Prev Close: 173.00	Bid Size:	VWAP:	SCTR (Large): 29.1

▼ -0.68%
Chg: -1.18
Last: 171.82
Volume: 2,274,918



- We have taken profits on NSC a couple of times and are now underweight our position in the portfolio.
- The correction to support was anticipated and with the buy signal getting oversold, we are looking for an opportunity to increase our exposure.
- So far, important support is holding at the \$170
- Stop-loss is set at \$160

AGNC - AGNC Investment Corp.

AGNC AGNC Investment Corp. Nasdaq GM

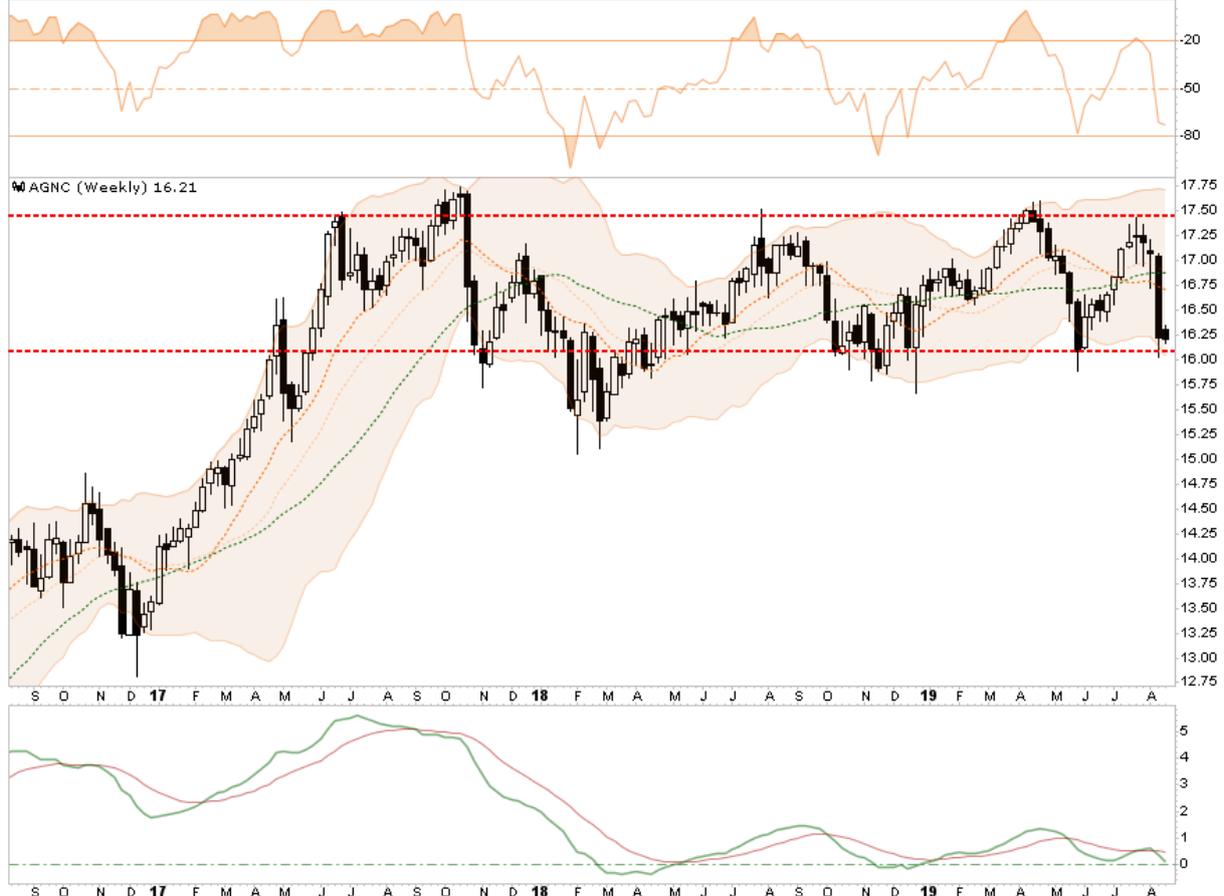
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Real Estate / Mortgage REITs

Tuesday 20-Aug-2019

Open: **16.310** Ask: P/E: **-10.52** Options: **yes**
High: **16.360** Ask Size: EPS: **-1.54** Annual Dividend: **2.14**
Low: **16.170** Bid: Last Size: **13.20%** Yield: **13.20%**
Prev Close: **16.230** Bid Size: VWAP: SCTR (Mid): **46.6**

Chg: **-0.12%**
Last: **16.210**
Volume: **8,040,479**



- *AGNC is one of two of our "bullish steepner" trades which due to the makeup of their assets should perform better as the yield curve steepens. We added to our position this week on this pullback and are leaving NLY waiting to see if we get a better opportunity.*
- *With an 11% yield we can afford to give this position some time to work out. It is oversold on multiple levels and within a broad trading range.*
- *Stop-loss is set at \$15 currently.*

PPL - PPL Corp.

PPL PPL Corp. NYSE

Utilities / Conventional Electricity

Open: 29.43	Ask:	P/E: 11.54	Options: yes
High: 29.63	Ask Size:	EPS: 2.56	Annual Dividend: 1.645
Low: 29.27	Bid:	Last Size: 5.57%	Yield: 5.57%
Prev Close: 29.41	Bid Size:	VWAP:	SCTR (Large): 42.7

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Tuesday 20-Aug-2019

▲ **+0.44%**

Chg: **+0.13**

Last: **29.54**

Volume: **8,502,013**



- We have discussed over the last couple of months that we were planning on selling PPL as it was just not performing as we hoped. We still like the company from a valuation perspective and we may return to the position in the future.
- We closed out the position on Monday

DUK - Duke Energy Corp.

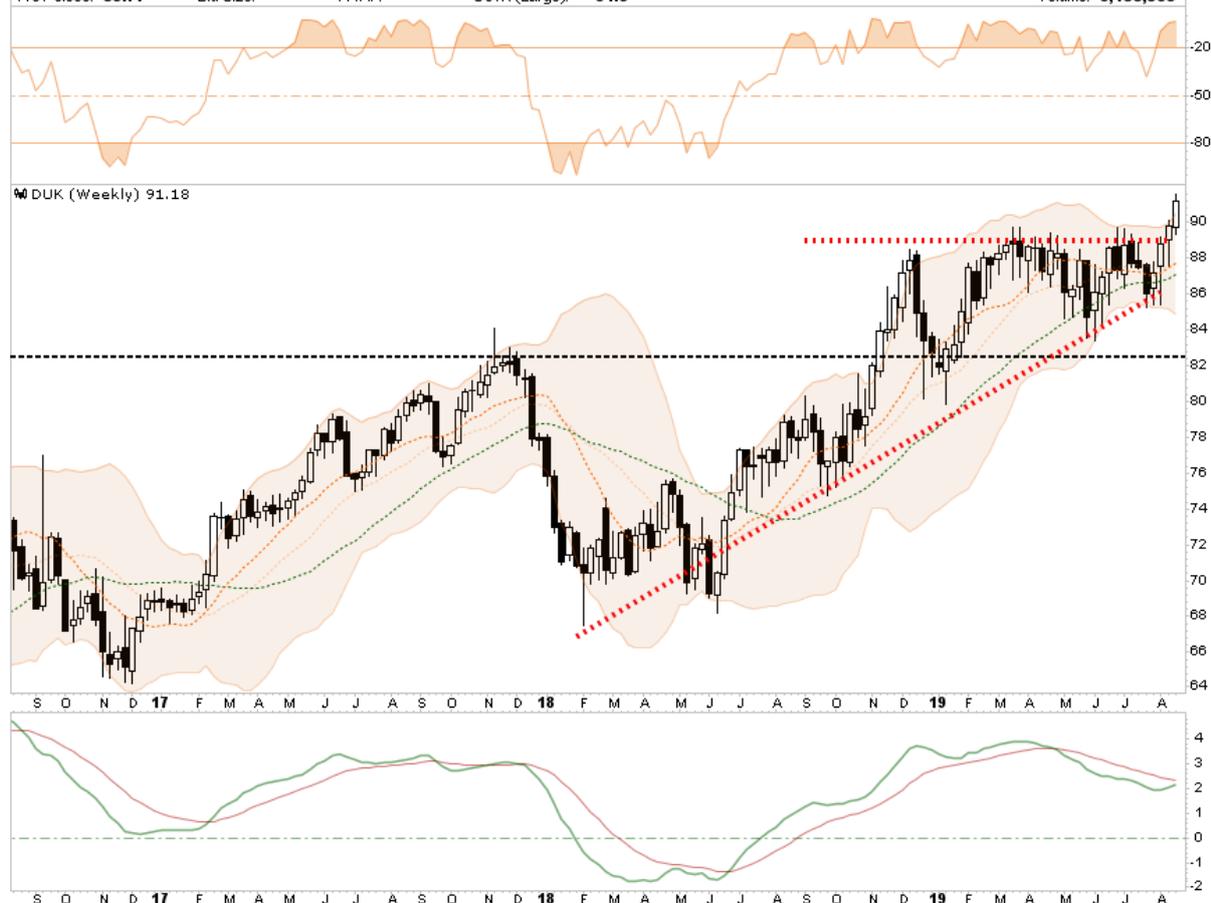
DUK Duke Energy Corp. NYSE

Utilities / Multiutilities

Open: 89.70	Ask:	P/E: 20.13	Options: yes
High: 91.54	Ask Size:	EPS: 4.53	Annual Dividend: 3.71
Low: 89.36	Bid:	Last Size:	Yield: 4.07%
Prev Close: 89.77	Bid Size:	VWAP:	SCTR (Large): 64.6

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Tuesday 20-Aug-2019

▲ **+1.57%**Chg: **+1.41**Last: **91.18**Volume: **6,188,503**

- *DUK has been one of our better defensive plays as of late. As yields fall, defense Utilities and Real Estate continue to perform well.*
- *We recently took profits in DUK, but are maintaining our holdings for now.*
- *The breakout above multiple tops gives us an opportunity to add to the position on a pullback.*
- *Stop-loss moved up to 84*

JNJ - Johnson & Johnson



- *With the sale of PPL we took part of the proceeds and added to our position in AGNC. We also added to our JNJ holdings with the pullback to support.*
- *We are likely closer to the end of the negative news impact from the "Talc" suit, so the fundamentals of JNJ will likely come back into focus.*
- *With JNJ very oversold, downside risk is somewhat limited.*
- *Stop loss is set at \$125*

MDLZ - Modelz International

MDLZ Mondelez International, Inc. Nasdaq GS

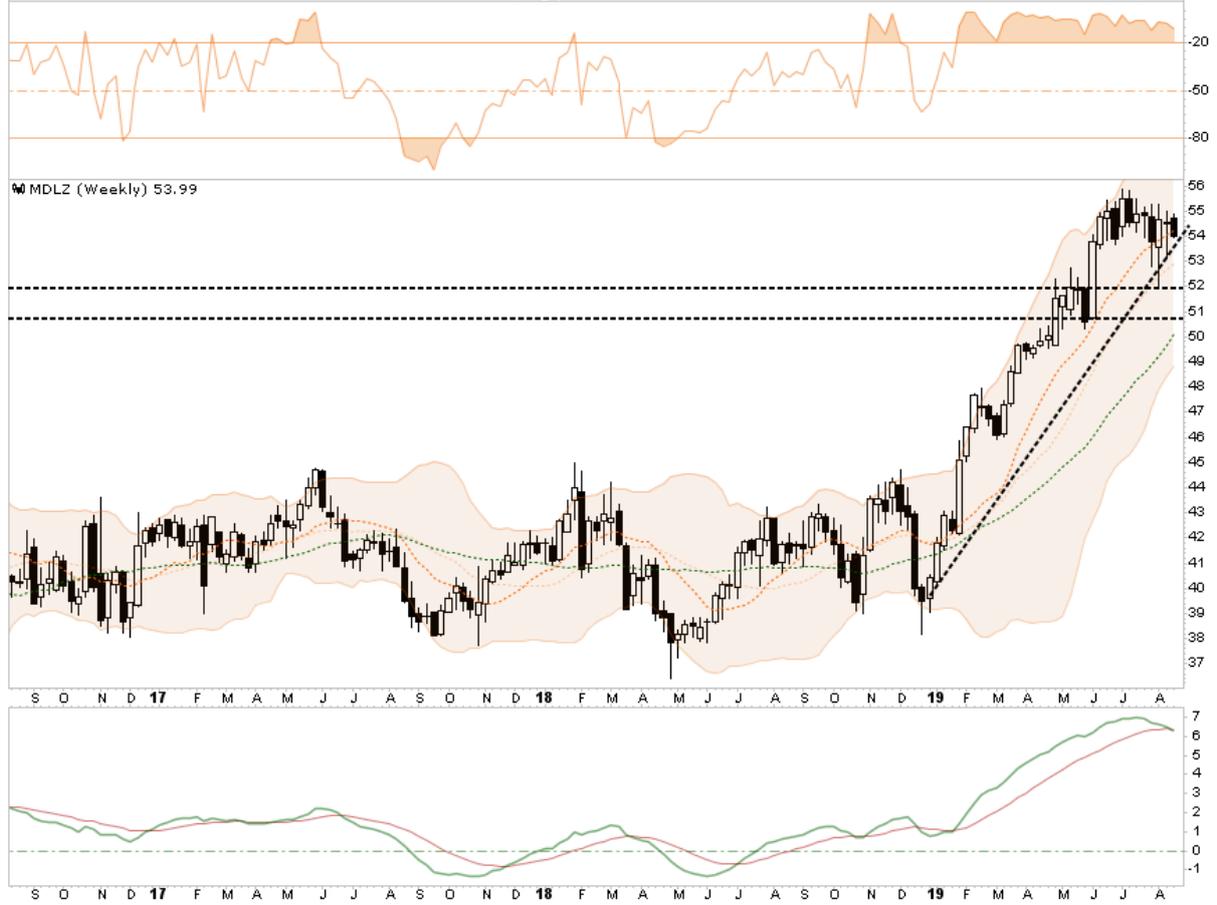
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Consumer Staples / Food Products

Tuesday 20-Aug-2019

Open: 54.74	Ask:	P/E: 26.72	Options: yes
High: 54.89	Ask Size:	EPS: 2.02	Annual Dividend: 1.0
Low: 53.94	Bid:	Last Size:	Yield: 1.85%
Prev Close: 54.54	Bid Size:	VWAP:	SCTR (Large): 67.6

▼ -1.01%
Chg: -0.55
Last: 53.99
Volume: 8,972,141



- MDLZ is close to triggering a "sell signal" from a very elevated level. However, it is currently holding onto the uptrend support.
- MDLZ is very overbought, and after taking profits, we are in serious need of some corrective action before we can consider adding to our holdings.
- That correction is in process but will take longer to complete. Look for support to hold at \$51 for now.
- Stop-loss is set at \$50

NLY - Annaly Capital Management

NLY Annaly Capital Management, Inc. NYSE

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Real Estate / Mortgage REITs

Open: 9.00	Ask:	P/E: -2.71	Options: yes	Tuesday 20-Aug-2019	+0.56%
High: 9.06	Ask Size:	EPS: -3.32	Annual Dividend: 0.9	Chg: +0.05	
Low: 8.96	Bid:	Last Size:	Yield: 10.00%	Last: 9.00	
Prev Close: 8.95	Bid Size:	VWAP:	SCTR (Mid): 45.9	Volume: 17,949,008	



- *NLY is the second "bullish steepener" play discussed above with AGNC.*
- *As stated, we are looking to build out the rest of our position in NLY but are waiting to see if we can get a bit better price to do so.*
- *Both NLY and AGNC make up a thesis trade on an un-inversion of the yield curve. So we are scaling into the positions accordingly.*
- *Stop-loss is set at \$8*

ABT - Abbott Laboratories

ABT Abbott Laboratories NYSE

Health Care / Pharmaceuticals

Open: 85.79	Ask:	P/E: 51.87	Options: yes
High: 86.13	Ask Size:	EPS: 1.63	Annual Dividend: 1.2
Low: 84.48	Bid:	Last Size: 1.42%	Yield: 1.42%
Prev Close: 84.78	Bid Size:	VWAP:	SCTR (Large): 67.4

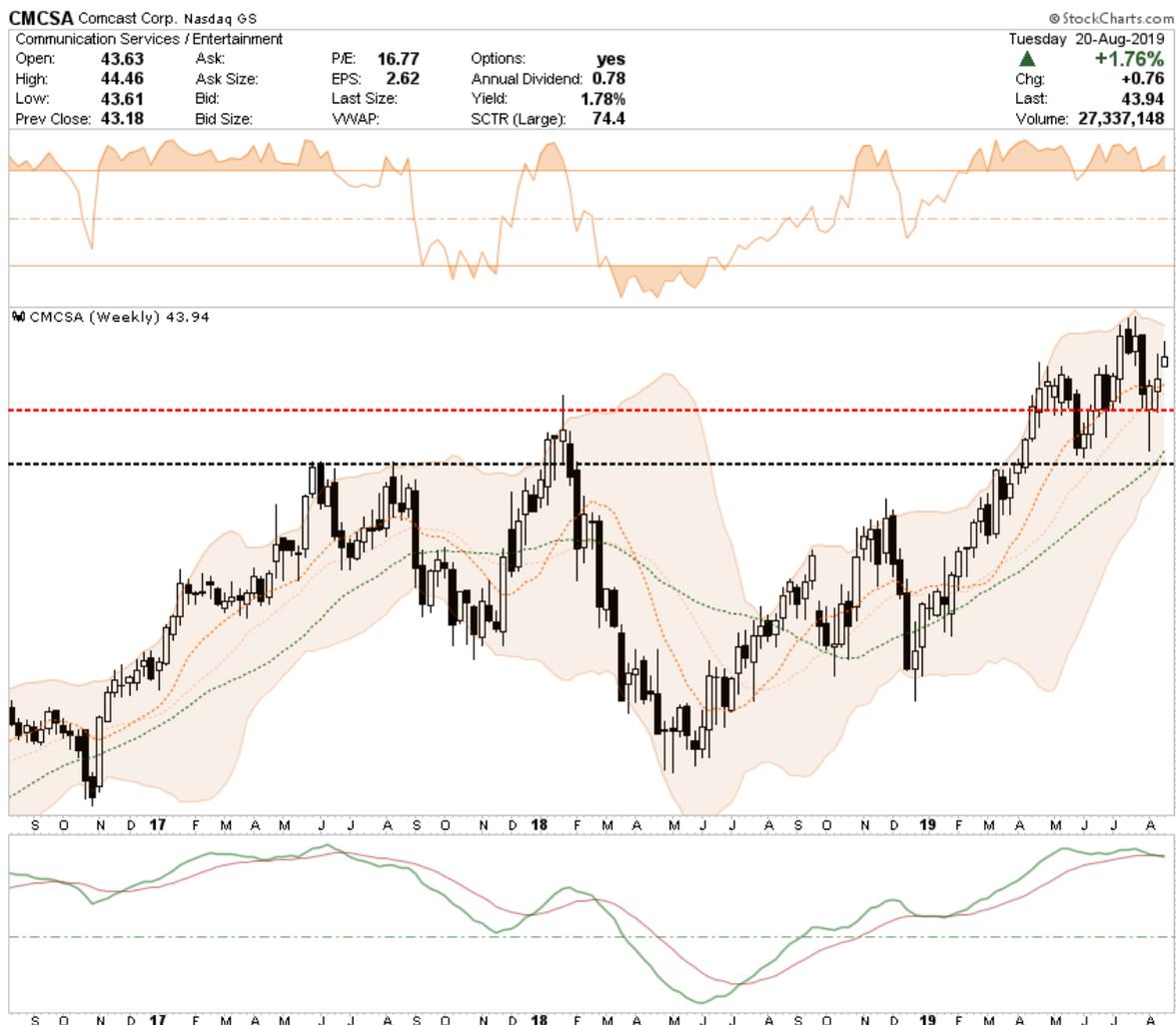
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Tuesday 20-Aug-2019

▼ **-0.28%**Chg: **-0.24**Last: **84.54**Volume: **7,716,164**

- *ABT continues to provide great performance even after we previously took profits.*
- *ABT recently flipped back onto a "buy signal" but is overbought short-term. The position needs to correct before we can consider adding to the holdings.*
- *Hold positions for now, after taking profits, and watch the uptrend line from the 2017 lows.*
- *Stop loss is moved up to \$77.50*

CMCSA - Comcast Corp.



- *CMCSA has been consolidating its previous advance for the last few months and finally broke out to the upside.*
- *The recent test of support confirms the breakout and is a positive for the position in the short-term.*
- *CMCSA is very overbought and has triggered a short-term sell signal. A pullback to \$40 could give us an opportunity to add to our holdings longer-term.*
- *We are moving our stop-loss up to \$38.50*