



## Selected Portfolio Position Review: 09-12-19

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:

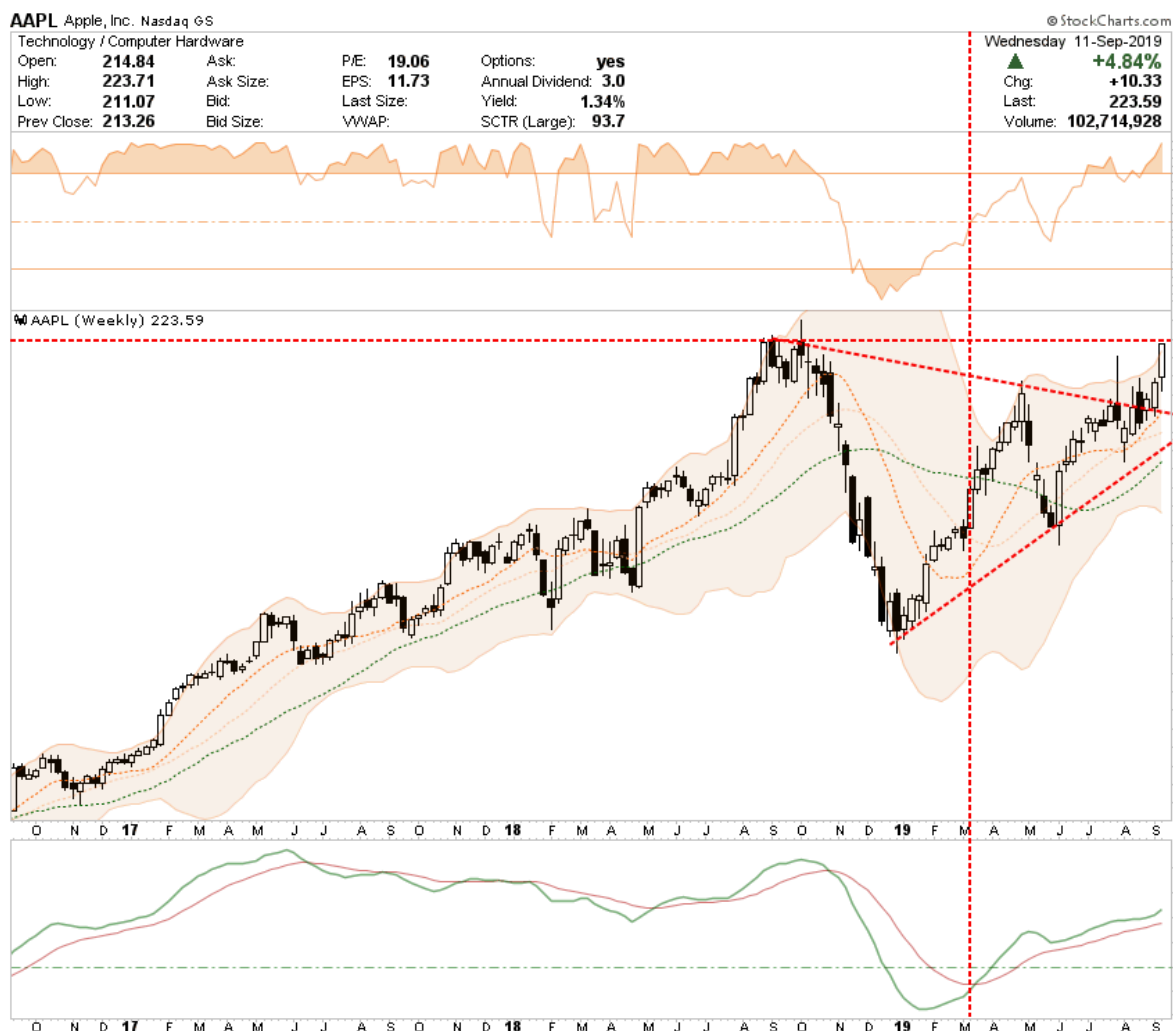
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a 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, we will now review some of positions in our Equity Portfolio which are either a concern, an opportunity, or are doing something interesting.

**AAPL - Apple, Inc.**



- *Last week we stated: "AAPL continues to wrestle with its previous breakout of its downtrend. After selling 20% of position previously there is no reason to rush into adding back to the position until the stock makes a decision. Currently, on a buy signal, but overbought, we will likely have some resolution to AAPL over the next month as the "trade issues" become more apparent."*
- *Well, that didn't actually turn out as planned and the move over the last couple of days on a less the stellar roll out of new products, sent investors scurrying into the stock.*
- *With AAPL testing all-time highs we will just have to hold our position for now and wait for a better entry point.*
- *Stop loss for the whole position is moved up to \$200.*

## **BA - Boeing Corp.**



- We bought 1/2 position in BA when the 737MAX crash occurred. Since then BA has continued to consolidate that decline building a strong base of support.
- We have been patiently waiting to add to our position which will likely happen in the next day or two. Ideally, we are looking for the "buy signal" to turn up.
- Stop is moved up to \$330.

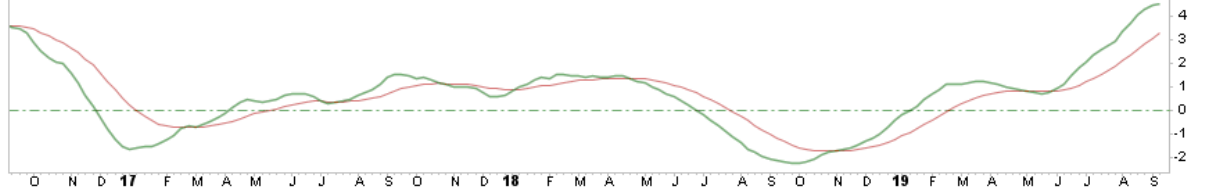
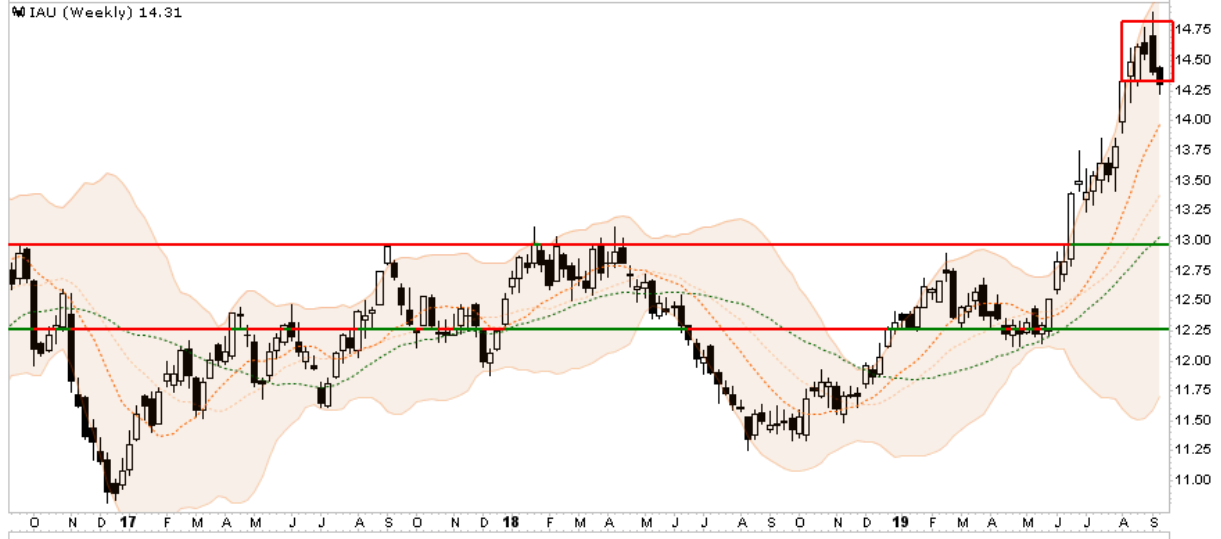
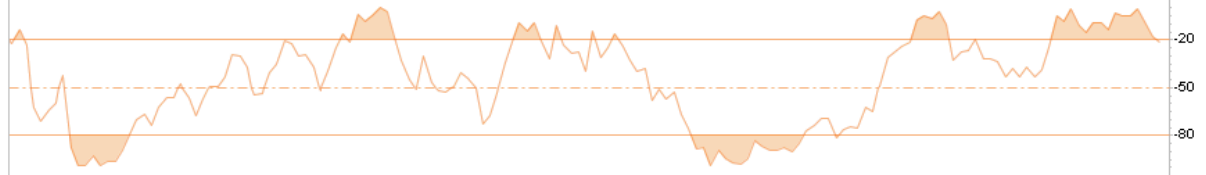
## IAU - Ishares Gold Trust

**IAU iShares Gold Trust NYSE**

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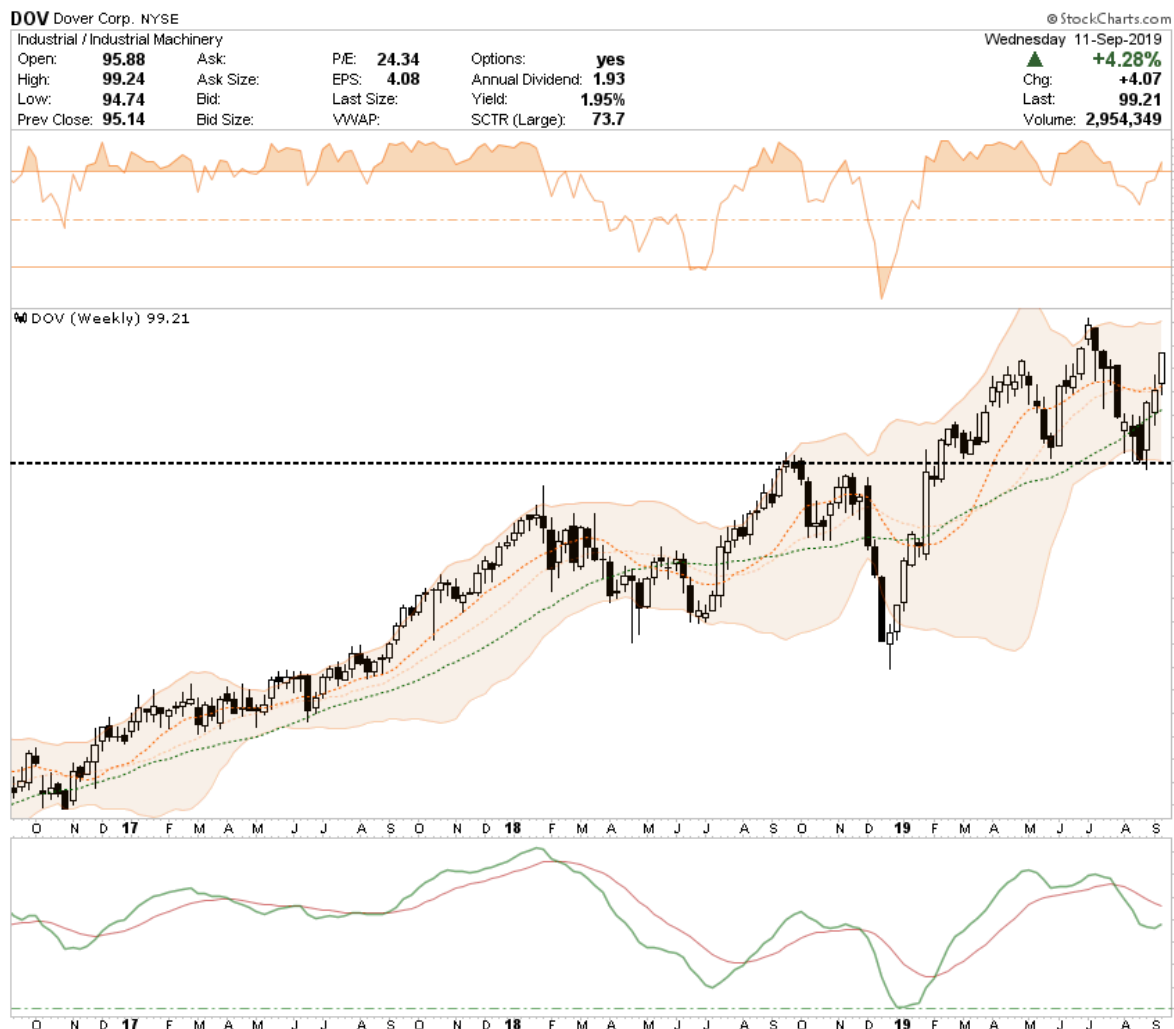
Open: **14.440** Ask: P/E: **-12.89** Options: **yes**  
 High: **14.460** Ask Size: EPS: **-1.11** Annual Dividend: **N/A**  
 Low: **14.220** Bid: Last Size: Yield: **N/A**  
 Prev Close: **14.410** Bid Size: VWAP: SCTR (ETF): **95.5**

Wednesday 11-Sep-2019  
 ▼ **-0.69%**  
 Chg: **-0.100**  
 Last: **14.310**  
 Volume: **61,138,088**



- We have been talking for weeks now about the need for a pullback to add to our Gold and Fixed Income holdings. We are finally getting that correction.
- IAU is still overbought, but the correction is beginning to enter our range of \$14-14.25 to add to our holdings.
- We still think there is more corrective action which could occur which we will use to add to our holdings as well.
- Stop loss is moved up to \$13

**DOV - Dover Corp.**



- After almost getting stopped out, DOV has turned up from support.
- DOV is currently on a sell signal, but we are now looking for an entry point to add to our existing holdings after taking profits previously.
- Stop loss is moved up to support at \$87.50

## NSC - Norfolk Southern Corp.

**NSC Norfolk Southern Corp. NYSE**

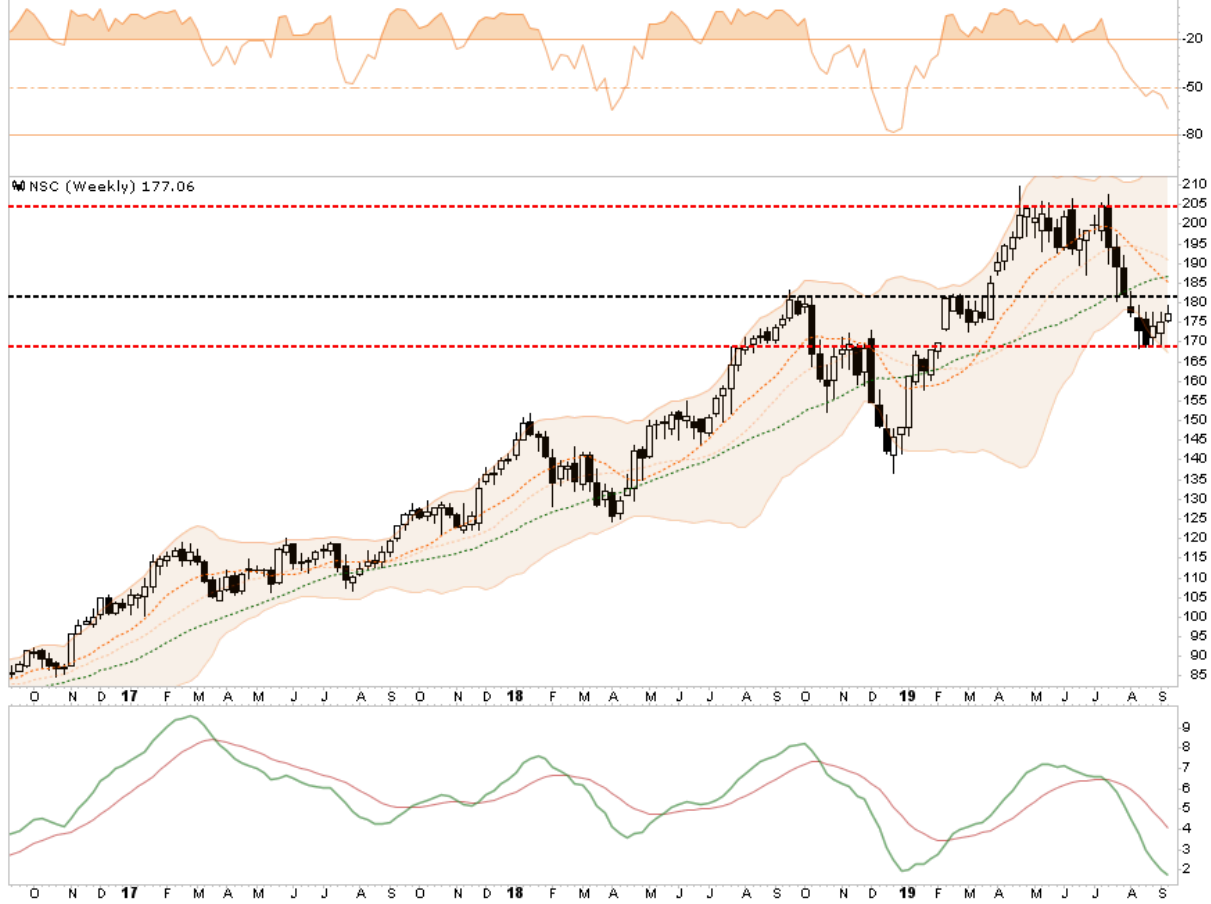
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Industrial / Railroad

Wednesday 11-Sep-2019

Open: **175.56** Ask: P/E: **17.19** Options: **yes**  
High: **179.49** Ask Size: EPS: **10.30** Annual Dividend: **3.46**  
Low: **175.19** Bid: Last Size: Yield: **1.95%**  
Prev Close: **175.06** Bid Size: VWAP: SCTR (Large): **19.0**

▲ **+1.14%**  
Chg: **+2.00**  
Last: **177.06**  
Volume: **4,733,801**



- *NSC has been a great performer and after taking profits, we have been looking for an entry opportunity. We are now getting there.*
- *NSC is oversold and the "sell signal" is deeply oversold with NSC holding support following the recent sell-off.*
- *This is an ideal setup to add to our holdings and we would like to see the "sell signal" begin to close the gap to confirm our entry point. A little more patience here.*
- *Stop-loss moved up to \$170*

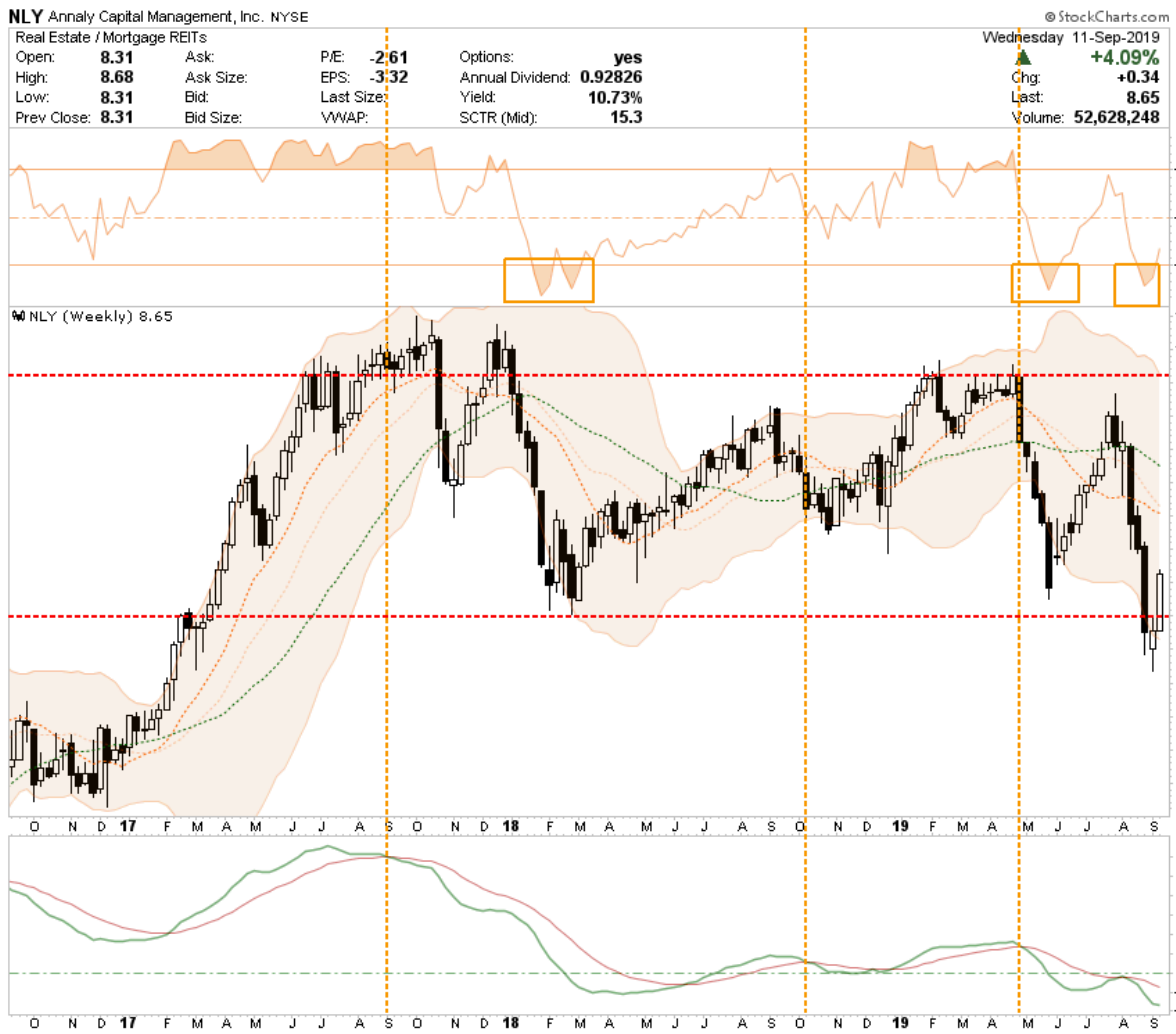
**JNJ - Johnson and Johnson**



- *JNJ has been under pressure as of late due to legal woes which will pass sooner than later. We previously added to our position at these lower levels and last week the stock has begun to turn up.*
- *The stock is on a deeply oversold sell signal, so it will likely take little to get the stock moving higher soon. Fundamentals remain very solid and the position held the longer-term uptrend line.*
- *We are going to add additional weight to this holding opportunistically.*
- *Stop loss is moved up to \$122.50*

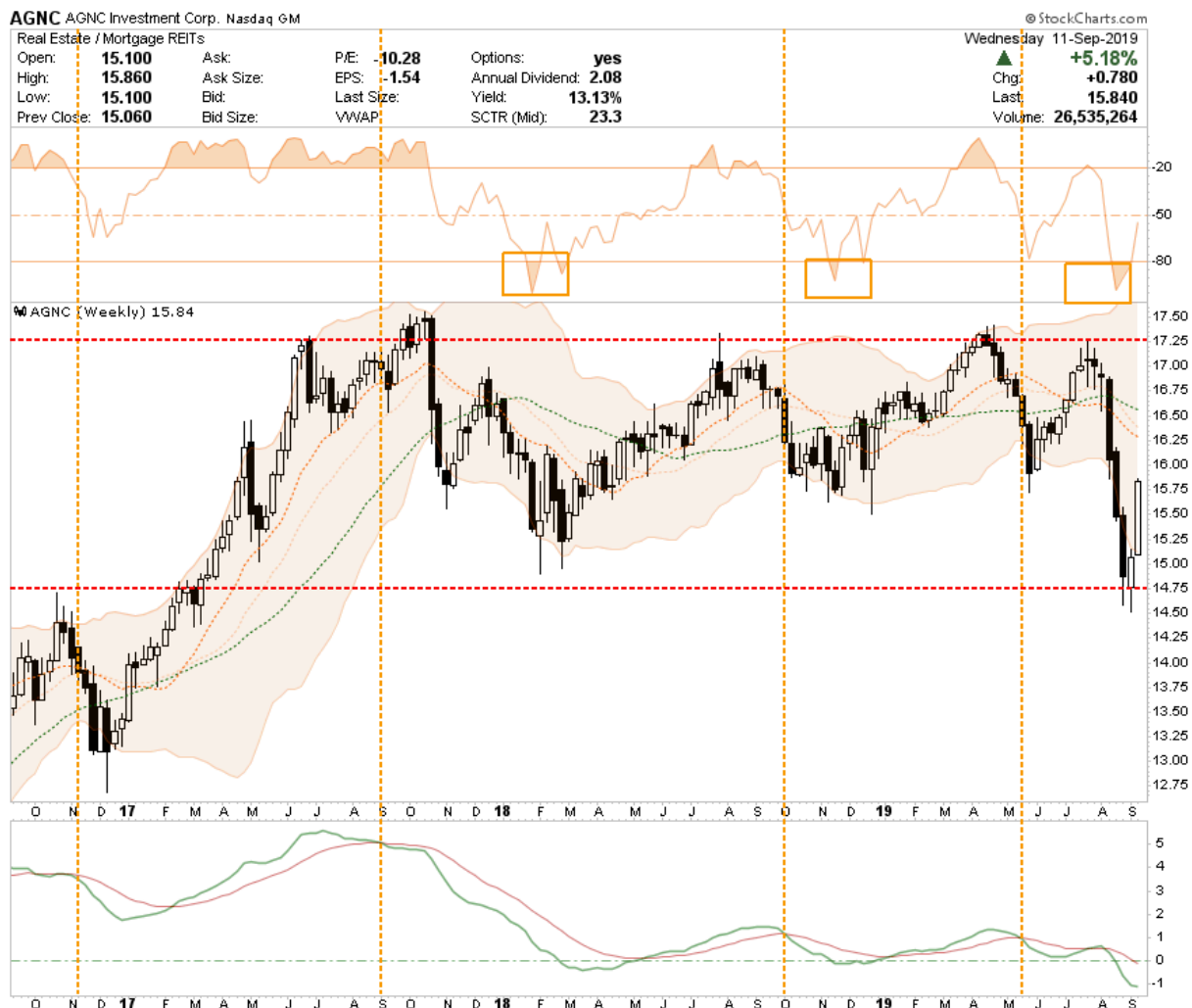
## **NLY - Annaly Capital Management**





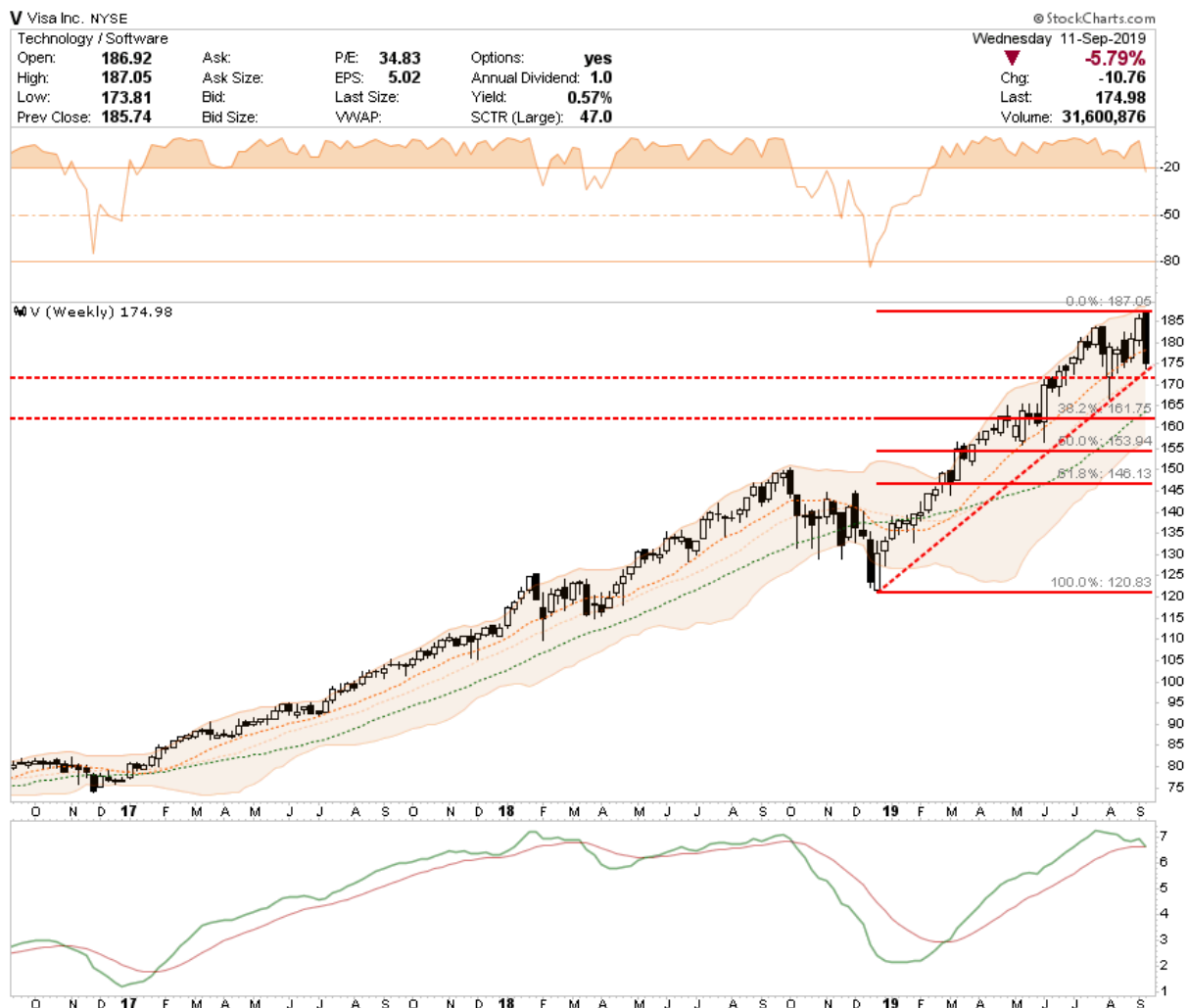
- As noted previously, we added to "yield curve steepener" positions to our portfolios. NLY and AGNC are constructed in a manner that benefit from a steeper yield curve.
- The recent flattening in the yield curve and inversion, pulled the positions lower but held our stop-loss levels and are now deeply oversold.
- We are looking for the right setup to continue building out these positions which also carry a hefty yield of 10%+.
- Stop-loss is set at \$7.40

## AGNC - AGNC Investment Corp.



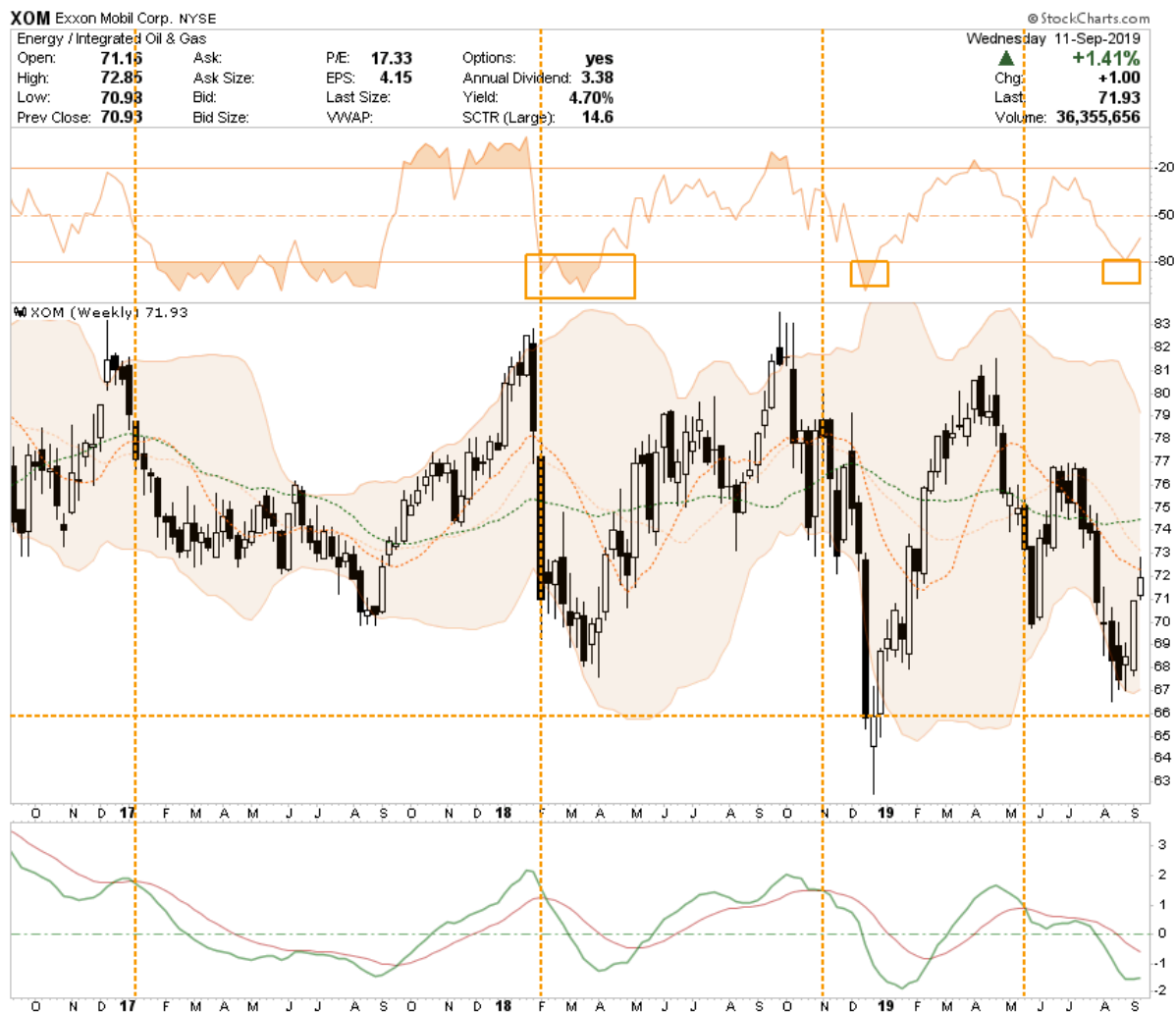
- Same as above, AGNC is the second position in our "steepener" duo.
- We are looking to add to these positions opportunistically as the yield curve steepens.
- Due to the rather large yields we are using wider stop-losses on both positions.
- Stop-loss is set at \$13.00

## V - Visa Inc.



- Last week we stated: "Despite concerns over economic woes, spenders keep on swiping their credit cards. V is currently close to triggering a sell signal, and is extremely overbought. After having taken profits we will look for a correction to add to our holdings."
- Well, that didn't take long as V had a large correction last week. This is not unusual for the stock so we are now looking for V to hold support to add back into our position.
- Stop loss remains at \$160.00

## XOM - Exxon Mobil



- As Maxwell Smart used to say: "Missed it by that much."
- I had noted a couple of weeks ago that XOM was deeply oversold and we were looking to add to the position. I didn't get it done.
- Since then the stock has bounced and I am reluctant to add to the trade just yet as we have seen the bounces fail numerous times previously.
- We are looking for our "buy signal" to turn higher and some further price action which gives us more confidence in adding back to our holding after selling 1/2 the position earlier this year.
- Stop loss remains at \$67