



## Selected Portfolio Position Review: 10-09-19

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.

### AEP - American Electric Power

**AEP** American Elec Pwr Co., Inc. NYSE

Utilities / Conventional Electricity

|                          |           |                          |                              |
|--------------------------|-----------|--------------------------|------------------------------|
| Open: <b>93.42</b>       | Ask:      | P/E: <b>23.18</b>        | Options: <b>yes</b>          |
| High: <b>94.07</b>       | Ask Size: | EPS: <b>3.99</b>         | Annual Dividend: <b>2.68</b> |
| Low: <b>92.56</b>        | Bid:      | Last Size: <b>0 shrs</b> | Yield: <b>2.90%</b>          |
| Prev Close: <b>93.61</b> | Bid Size: | VWAP:                    | SCTR (Large): <b>81.0</b>    |

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Tuesday 8-Oct-2019

▼ **-1.12%**

Chg: **-1.05**

Last: **92.56**

Volume: **3,614,259**



- After taking profits out of the position previously, we are likely going to do it again soon. Utilities have been a clear winner this year, but that run will end at some point.
- AEP is currently on a "sell signal" but remains overbought.
- There is risk to the position, so we are looking to sell 10% of the holding when we rebalance the portfolio.
- Stop is set at \$87.50.

## CHCT - Community HealthCare Trust

CHCT Community Healthcare Trust, Inc. NYSE

Real Estate / Specialty REITs

Open: **44.22** Ask: P/E: **340.50**  
 High: **44.94** Ask Size: EPS: **0.13**  
 Low: **43.86** Bid: Last Size: **0 shrs**  
 Prev Close: **44.23** Bid Size: VWAP:

Options: **no**  
 Annual Dividend: **1.635**  
 Yield: **3.65%**  
 SCTR (Small): **93.6**

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Tuesday 8-Oct-2019

▲ **+1.31%**  
 Chg: **+0.58**  
 Last: **44.81**  
 Volume: **144,789**



CHCT (Weekly) 44.81



- Real estate has been one of the leading sectors this year, and in particular over the last several months.
- CHCT is extremely overbought and extended, so we will likely take some profits very soon.
- Stop is at \$40.

## MSFT - Microsoft

**MSFT** Microsoft Corp. Nasdaq GS

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Technology / Software

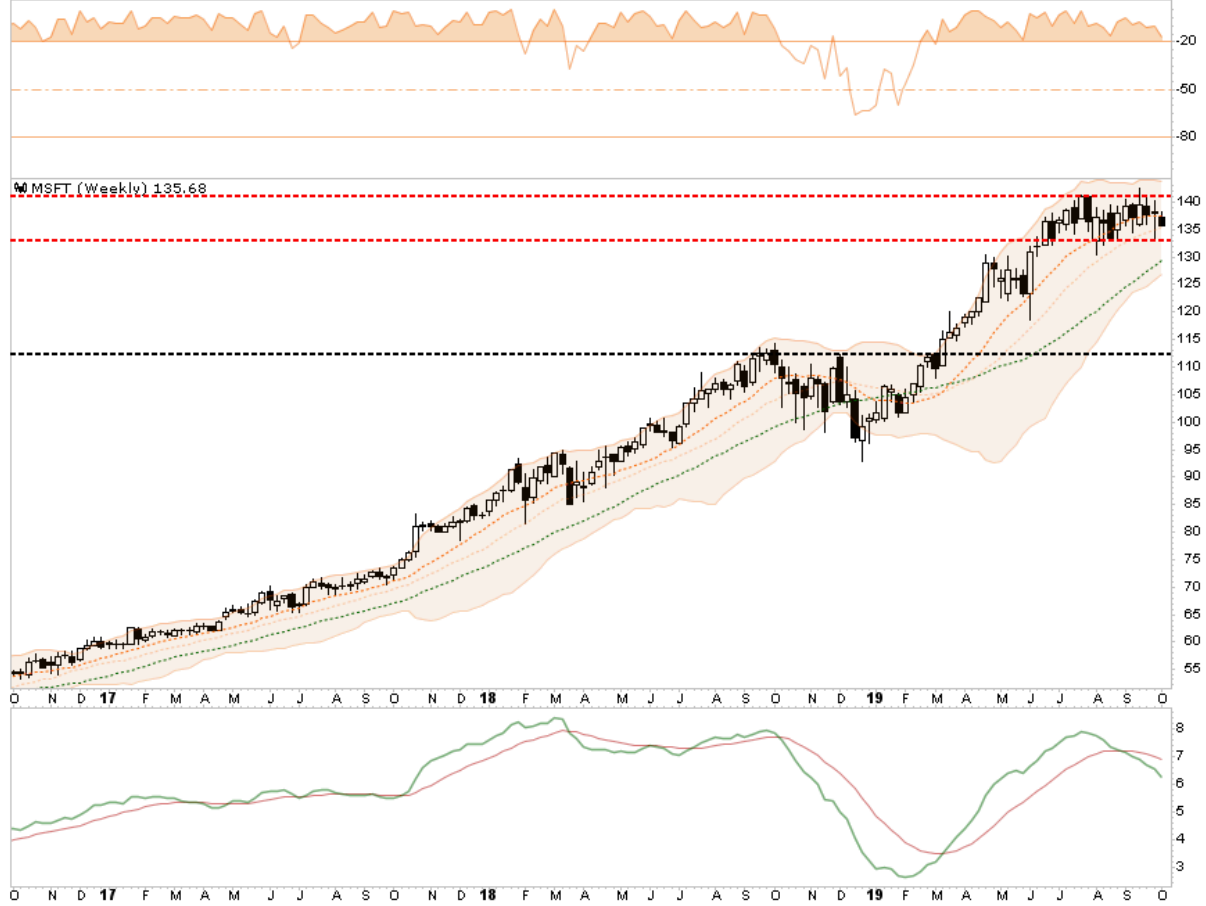
Open: **137.14**  
 High: **138.18**  
 Low: **135.63**  
 Prev Close: **138.12**

Ask:   
 Ask Size:   
 Bid:   
 Bid Size:   
 P/E: **26.76**  
 EPS: **5.07**  
 Last Size: **0 shrs**  
 VWAP:   
 SCTR (Large): **77.2**

Options: **yes**  
 Annual Dividend: **1.84**  
 Yield: **1.36%**  
 SCTR (Large): **77.2**

Tuesday 8-Oct-2019

▼ **-1.77%**  
 Chg: **-2.44**  
 Last: **135.68**  
 Volume: **35,952,444**



- *MSFT has been consolidating its large gain this year.*
- *Currently on a "sell signal" but still overbought, there is risk of a larger correction in the market begins to markedly weaken MSFT.*
- *We are looking to take profits, but continue to watch the consolidation closely.*
- *Stop loss is moved up to \$130*

## MDLZ - Mondelez International

MDLZ Mondelez International, Inc. Nasdaq GS

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Consumer Staples / Food Products

Tuesday 8-Oct-2019

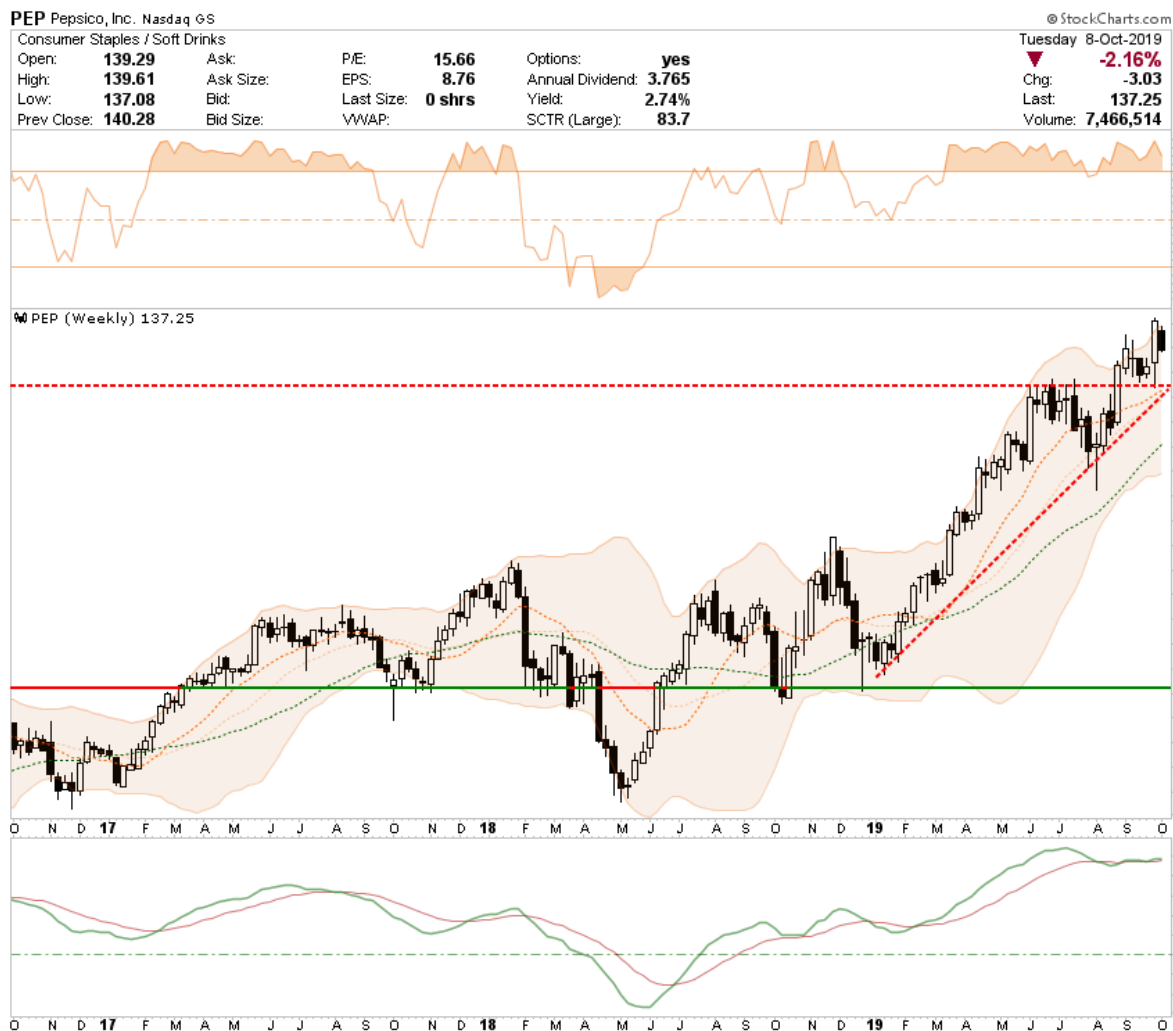
Open: **55.68** Ask: P/E: **21.53** Options: **yes**  
 High: **55.81** Ask Size: EPS: **2.53** Annual Dividend: **1.065**  
 Low: **54.53** Bid: Last Size: **0 shrs** Yield: **1.95%**  
 Prev Close: **55.98** Bid Size: VWAP: SCTR (Large): **76.2**

▼ **-2.54%**  
 Chg: **-1.42**  
 Last: **54.56**  
 Volume: **9,981,605**



- *I hate writing about this position because it makes me crave "Oreo's."*
- *However, after taking profits previously, we have been watching the position consolidate its breakout gains from early this year.*
- *Currently on a "sell signal" and overbought, support needs to hold. There are two levels very close to each other; the uptrend line from the January lows, and support along recent bottoms.*
- *We are likely take profits again soon as we rebalance.*
- *Stop loss is moved up to support at \$52*

**PEP - PepsiCo, Inc.**



- *PEP recently consolidated its gains, held support and then broke out to new highs. This is very bullish for the company.*
- *However, PEP is overbought and the "buy signal" is at risk of turning.*
- *We will take profits on a rebalance, and look for our next entry point.*
- *Stop-loss moved up to \$132.50*

## PG - Proctor & Gamble

**PG** Procter & Gamble Co. NYSE

Consumer Staples / Personal Products

Open: **123.53** Ask: P/E: **88.92**  
 High: **123.89** Ask Size: EPS: **1.36**  
 Low: **120.88** Bid: Last Size: **0 shrs**  
 Prev Close: **124.00** Bid Size: VWAP:

Options: **yes**  
 Annual Dividend: **2.9262**  
 Yield: **2.42%**  
 SCTR (Large): **86.5**

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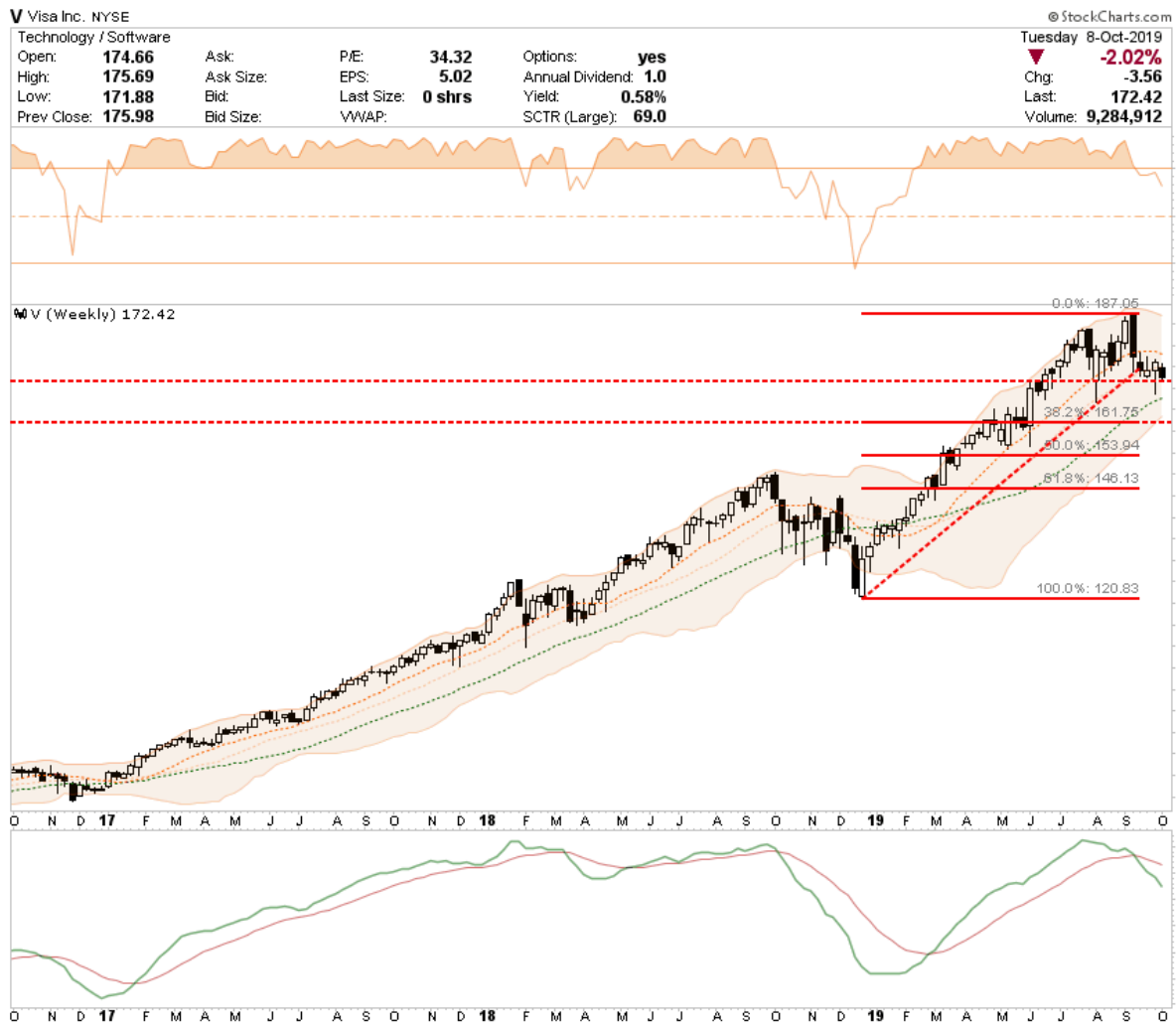
Tuesday 8-Oct-2019  
 ▼ **-2.48%**  
 Chg: **-3.07**  
 Last: **120.93**  
 Volume: **8,943,453**



- *PG has been on a seemingly unstoppable advance. With a consumer staple conglomerate trading at 88x earnings, we have to take profits and reduce our valuation risk.*
- *The stock is grossly overbought and extended.*
- *We will likely sell up to 20% of the position to reduce risk.*
- *Stop loss is moved up to \$117.50*

**V - Visa Inc.**





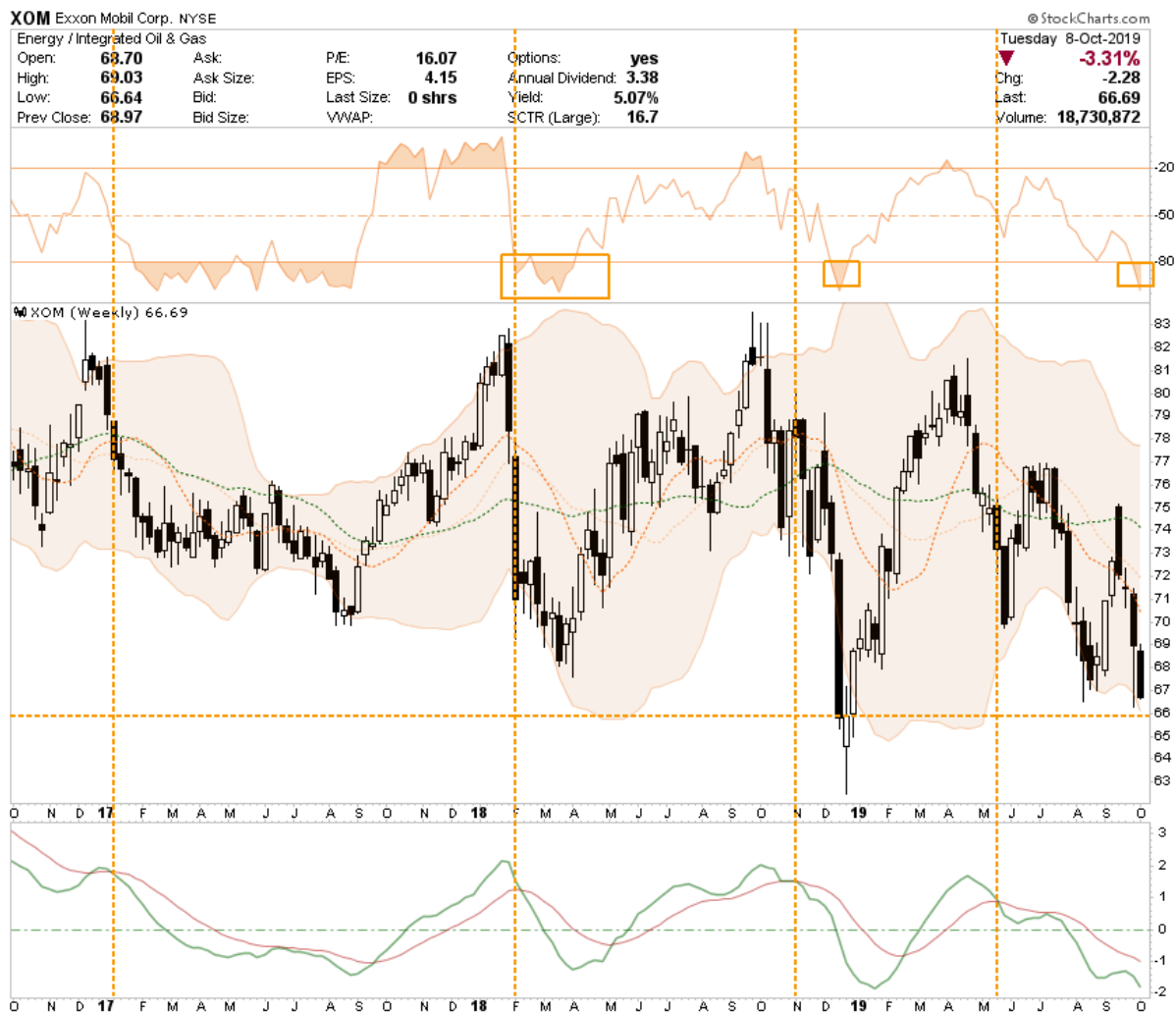
- *V has been consolidating its previous advance and has been holding important support at the 32.8% Fibonacci retracement level.*
- *The sell signal has been triggered and the overbought condition is being worked off.*
- *We like the company longer-term, as consumers are going to keep going into debt, but we need a bigger correction to add to our position.*
- *We will likely take profits when we rebalance.*
- *Stop-loss is set at \$160*

**WELL - Welltower Inc.**



- Same as with CHCT, real estate holdings have continued to perform well. WELL in particular has traded in a fairly tight channel.
- Not surprisingly, we are looking to take profits, and rebalance risk accordingly.
- The buy signal is extremely extended and CHCT is grossly overbought.
- Stop-loss is moved up to \$82.50

## XOM - Exxon Mobil Corp.



- Back in April of this year we sold 50% of our holdings in XOM and have been waiting for the right opportunity to add back to our position. We are getting there.
- Energy shares actually have some value in them, and XOM is trading at a very long-term set of bottoms.
- With the stock deeply oversold and on a very deep "sell signal," there is a greatly reduced risk of adding back to our position opportunistically.
- With a 5% yield, we can afford to hold the position with a wider stop-loss.
- We will update our holdings when we add to the position.
- Stop loss is at \$63

## YUM - Yum Brands, Inc.

**YUM** Yum! Brands Inc. NYSE

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Consumer Discretionary / Restaurants & Bars

Open: **114.45** Ask: P/E: **26.89**  
 High: **114.59** Ask Size: EPS: **4.19**  
 Low: **111.82** Bid: Last Size: **0 shrs**  
 Prev Close: **114.66** Bid Size: VWAP:

Options: **yes**  
 Annual Dividend: **1.62**  
 Yield: **1.44%**  
 SCTR (Large): **75.8**

Tuesday 8-Oct-2019  
 ▼ **-1.81%**  
 Chg: **-2.08**  
 Last: **112.58**  
 Volume: **2,121,006**



- YUM moved from an uptrend in 2018 to an accelerated uptrend in 2019.
- YUM is grossly overbought and has recently triggered a sell signal.
- We are looking to take profits and reduce the position by 10% when we rebalance the portfolio.
- Stop loss is moved up to \$107.50