



Selected Portfolio Position Review: 12-04-19

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.

This week we are reviewing positions which may require some additional attention soon, either trimming, adding, or removing, plus recent additions.

SDS - Proshares Ultra-Short S&P 500

\$SPX S&P 500 Large Cap Index: INDXX

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Open: **3087.41**
High: **3094.97**
Low: **3070.33**
Prev Close: **3113.87**

Ask:
Ask Size:
Bid:
Bid Size:

P/E:
EPS:
Last Size:
VWAP:

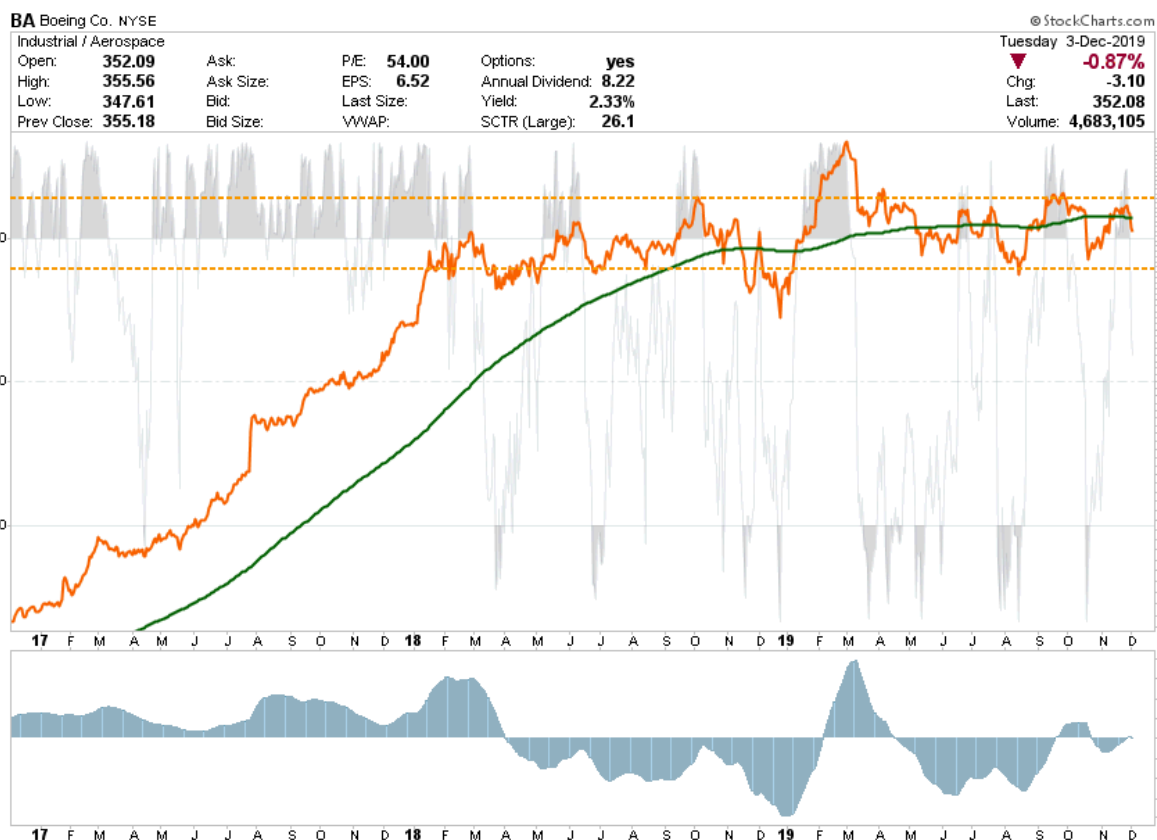
Options: **no**
Annual Dividend: **N/A**
Yield: **N/A**
SCTR:

Tuesday 3-Dec-2019
Chg: **-0.66%**
Last: **3093.20**
Volume: **1,924,289,536**



- In recent postings, we discussed all the various measures of "overbought and extended" conditions which currently exist in the market.
- Finally, the markets cracked as the "trade deal" rhetoric fell apart.
- As noted previously, we have taken profits and rebalanced risks in portfolios over the course of the last several months, we have a lot of equity exposure vulnerable to a short-term correction.
- We previously added 5% of a 2x leveraged S&P 500 index which gives us an effective 10% equity hedge in portfolios against a short-term decline.
- While we are currently down about 0.5% in the position, that is okay because our defensive and bond positioning have been offsetting the drag. As an example: yesterday the equity portfolio was off by .24% while the S&P 500 was down -.66%
- Given the market has worked off a good bit of the previous short-term overbought condition we will be looking to exit the position over the next couple of days.
- Stop is set at \$26ish

BA - Boeing Co.



- We bought BA following the 737MAX crash and have been patiently holding the position and collecting the dividend. The basing and consolidation has continued for months with brief spurts of activity,.
- Currently, BA is about to trigger a short-term buy signal, but remains trapped within the long-term consolidation range.
- Which ever way the stock eventually breaks out will be a big move. So we are maintaining our stop at the bottom of the range.
- Stop set at \$320

CHCT - Community Healthcare

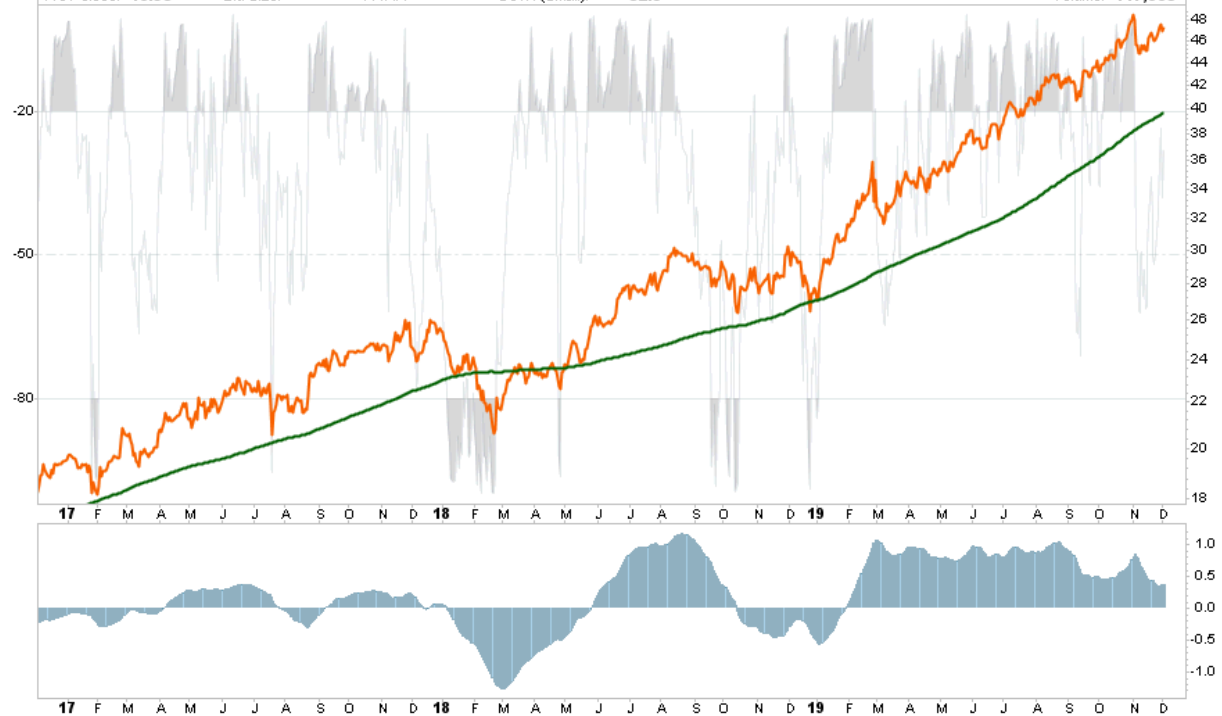
CHCT Community Healthcare Trust, Inc. NYSE

Real Estate / Specialty REITs

Open: **47.06** Ask: P/E: **304.63** Options: **no**
 High: **47.56** Ask Size: EPS: **0.16** Annual Dividend: **1.645**
 Low: **47.06** Bid: Last Size: Yield: **3.47%**
 Prev Close: **46.90** Bid Size: VWAP: SCTR (Small): **82.3**

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Tuesday 3-Dec-2019
 ▲ **+1.00%**
 Chg: **+0.47**
 Last: **47.37**
 Volume: **117,665**



- CHCT has been one of our better performers this year as interest rates have declined.
- Currently, CHCT continues to try and work off some of the more extreme overbought conditions while continuing to hold its bullish trend.
- We are moving our stop up to the 200-dma for now.
- Stop loss is set at \$40

ABBV - AbbVie, Inc.

ABBV AbbVie Inc. NYSE

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Health Care / Biotechnology

Open: **85.96** Ask: P/E: **39.54** Options: **yes**
 High: **86.48** Ask Size: EPS: **2.17** Annual Dividend: **4.28**
 Low: **85.59** Bid: Last Size: Yield: **4.98%**
 Prev Close: **87.03** Bid Size: VWAP: SCTR (Large): **81.2**

Tuesday 3-Dec-2019
 Chg: **-1.24%**
 Last: **85.95**
 Volume: **10,050,205**



- We had been watching ABBV for a while before adding it to the portfolio. We love the healthcare space because of the aging demographic.
- Since adding it to the portfolio, it has surged sharply and ran into resistance.
- We need a pullback to add to our holdings and while ABBV is on a buy signal it is extremely overbought.
- We are looking for a pullback to the 50-dma which has now crossed above the 200-dma.
- Stop loss is set at \$72.50

NSC - Norfolk Southern

NSC Norfolk Southern Corp. NYSE

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Industrial / Railroad

Open: 186.87	Ask:	P/E: 18.14	Options: yes
High: 188.10	Ask Size:	EPS: 10.27	Annual Dividend: 3.6
Low: 185.01	Bid:	Last Size:	Yield: 1.93%
Prev Close: 190.07	Bid Size:	VWAP:	SCTR (Large): 20.3

Tuesday 3-Dec-2019
 ▼ **-2.03%**
 Chg: **-3.86**
 Last: **186.21**
 Volume: **3,360,843**



- We have previously taken profits in NSC but have been looking for an entry point to add back to the position. We may be getting close to that point.
- NSC held important support at \$170 and turned up with the onset of QE-4.
- With a buy signal now triggered, we are watching to see if NSC can hold support at the 200-dma. If it does we will add to our position.
- With the market overbought in total, if the market pulls back, so to will NSC. We would like to use a temporary respite to add to our holdings.
- For now we are holding our current position and moving the stop up.
- Stop has been moved up to \$180

DOV - Dover Corp.

DOV Dover Corp. NYSE

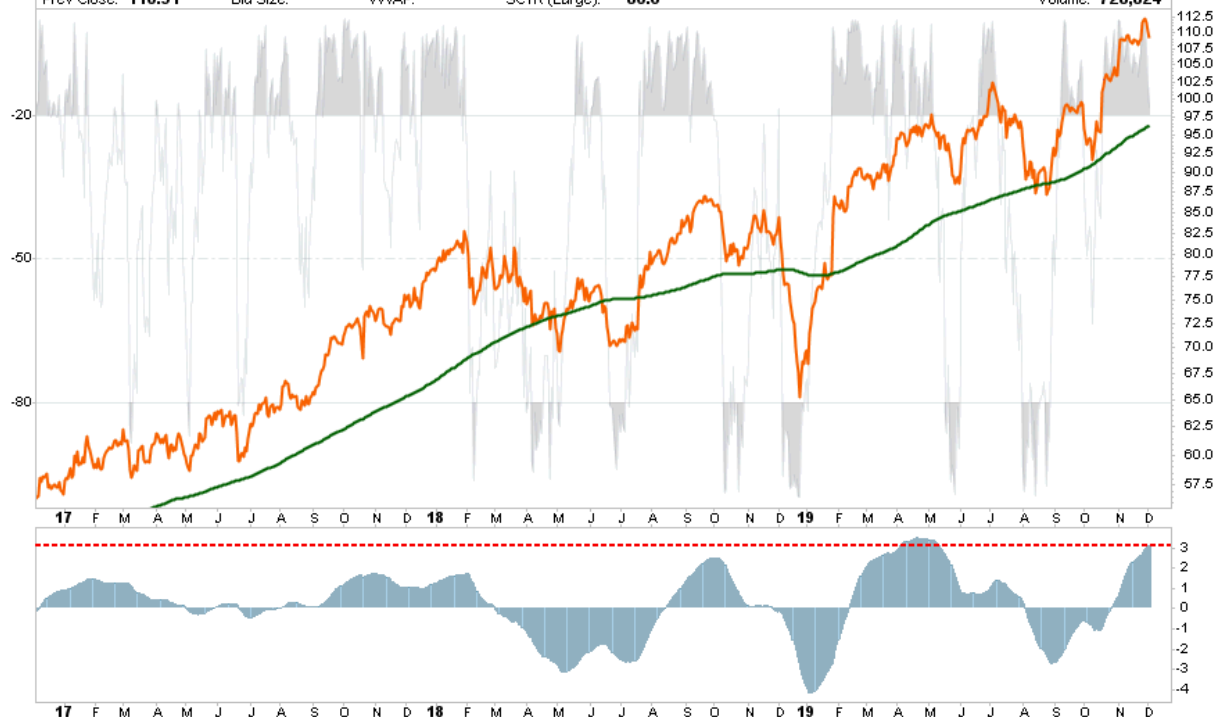
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Industrial / Industrial Machinery

Tuesday 3-Dec-2019

Open: **108.91** Ask: P/E: **24.63** Options: **yes**
 High: **109.41** Ask Size: EPS: **4.43** Annual Dividend: **1.94**
 Low: **107.97** Bid: Last Size: Yield: **1.78%**
 Prev Close: **110.31** Bid Size: VWAP: SCTR (Large): **80.6**

Chg: **-1.16%**
 Last: **109.03**
 Volume: **728,824**



- We bought DOV earlier this year and it turned into one of best performers. Despite trade rhetoric, the company continues to make gains.
- DOV is **EXTREMELY** overbought so a correction is needed to consider adding to the position. We took profits previously.
- With the buy signal extremely extended some consolidation or correction is highly likely.
- Stop is currently set at \$95

GDX - VanEck Vectors Gold Miners

Open: 27.54	Ask:	P/E:	Options: yes	Tuesday 3-Dec-2019
High: 27.94	Ask Size:	EPS:	Annual Dividend: 0.105	▲ +2.21%
Low: 27.54	Bid:	Last Size:	Yield: 0.38%	Chg: +0.60
Prev Close: 27.17	Bid Size:	VWAP:	SCTR (ETF): 98.2	Last: 27.77
				Volume: 65,133,032



- *GDX broke out strongly earlier this year and after a strong run we sold 1/2 of our position to take profits.*
- *Currently, GDX is on a "sell signal" and is oversold. Importantly, it has continued to hold support at \$26 and looks to be turning up.*
- *It is too soon to add to our position, but if volatility begins to increase and "trade issues" return, Gold will likely start making gains again.*
- *For now we will move our stop up on the position as a whole.*
- *Stop loss has been adjusted to \$25*

MU - Micron Technology

MU Micron Technology, Inc. Nasdaq GS

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Technology / Semiconductors

Tuesday 3-Dec-2019

Open: 45.12	Ask:	P/E: 8.29	Options: yes	▼ -2.50%
High: 45.40	Ask Size:	EPS: 5.46	Annual Dividend: N/A	Chg: -1.16
Low: 44.55	Bid:	Last Size:	Yield: N/A	Last: 45.23
Prev Close: 46.39	Bid Size:	VWAP:	SCTR (Large): 79.4	Volume: 20,313,528



- MU had a nice rally following our initial purchase and got extremely overbought very quickly.
- We are not consolidating that advance and potentially setting up support at the 200-dma which could provide an additional entry point to increase holdings.
- MU is very subject to the "trade deal," so we are keeping our stops tight on the position for now.
- Stop loss set at \$40

PG - Procter & Gamble

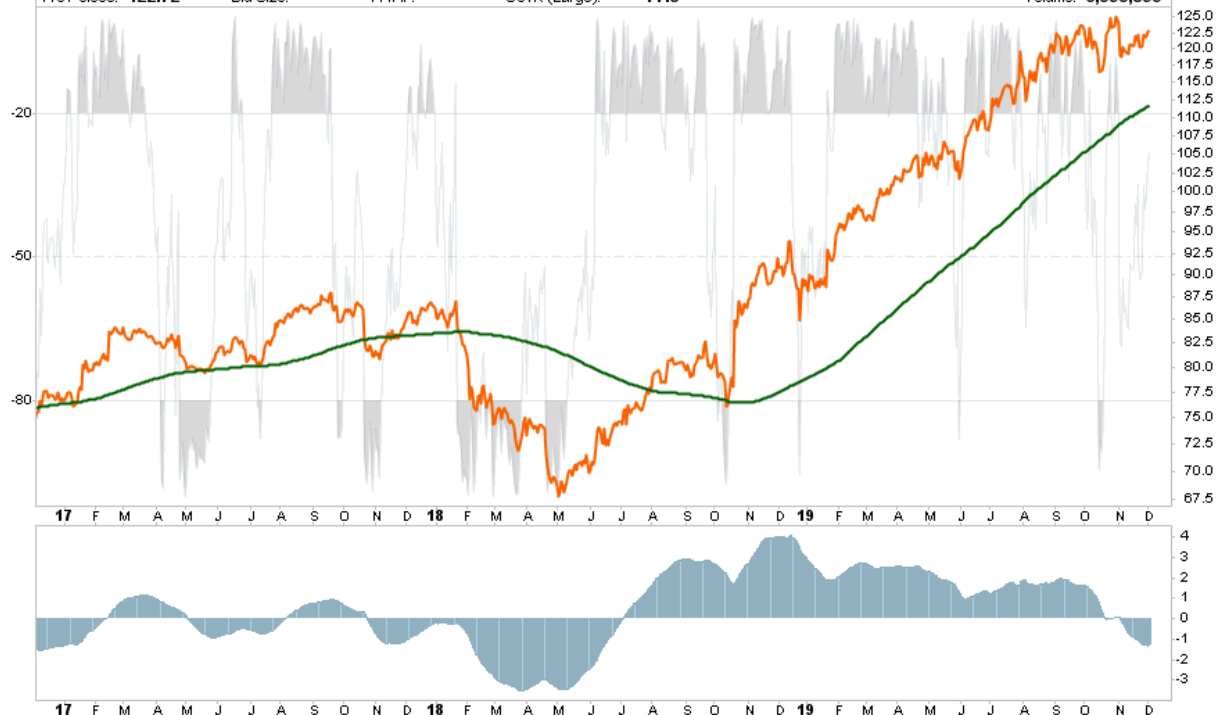
PG Procter & Gamble Co. NYSE

Consumer Staples / Personal Products

Open: **122.31** Ask: P/E: **81.97** Options: **yes**
 High: **122.96** Ask Size: EPS: **1.50** Annual Dividend: **2.9549**
 Low: **121.79** Bid: Last Size: Yield: **2.40%**
 Prev Close: **122.72** Bid Size: VWAP: SCTR (Large): **77.8**

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Tuesday 3-Dec-2019
 ▲ **+0.19%**
 Chg: **+0.23**
 Last: **122.95**
 Volume: **6,395,893**



- PG had gotten **EXTREMELY** overbought with the advance from the May lows in 2018.
- However, that overbought condition has been reversed and even with a "sell signal" in place, PG has held its bullish trend.
- We will look to add to our holdings if PG continues to hold up and triggers a "buy signal."
- We are moving our stop up on the whole position.
- Stop-loss moved up to \$110

WELL - WellTower, Inc.

WELL Welltower Inc. NYSE

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Real Estate / Specialty REITs

Open: 83.89	Ask:	P/E: 100.39	Options: yes
High: 84.74	Ask Size:	EPS: 0.84	Annual Dividend: 3.48
Low: 83.70	Bid:	Last Size:	Yield: 4.15%
Prev Close: 83.23	Bid Size:	VWAP:	SCTR (Large): 35.0

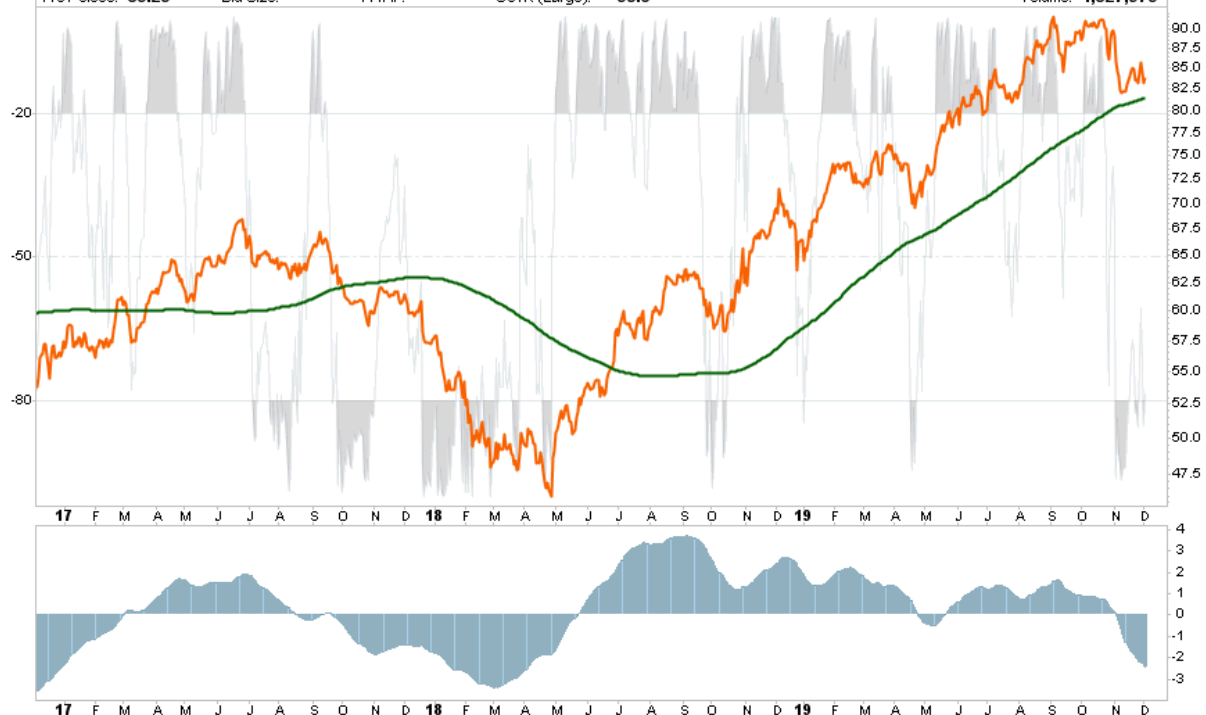
Tuesday 3-Dec-2019

▲ **+0.84%**

Chg: **+0.70**

Last: **83.93**

Volume: **1,827,973**



- *WELL has pulled back to the 200-dma and is deeply oversold.*
- *We are looking to add to our position but would like to see some stabilization and see the "sell signal" turn up first.*
- *Be patient for now, but an entry point is approaching.*
- *Stop loss remains at \$80*