



Selected Portfolio Position Review: 12-11-19

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:

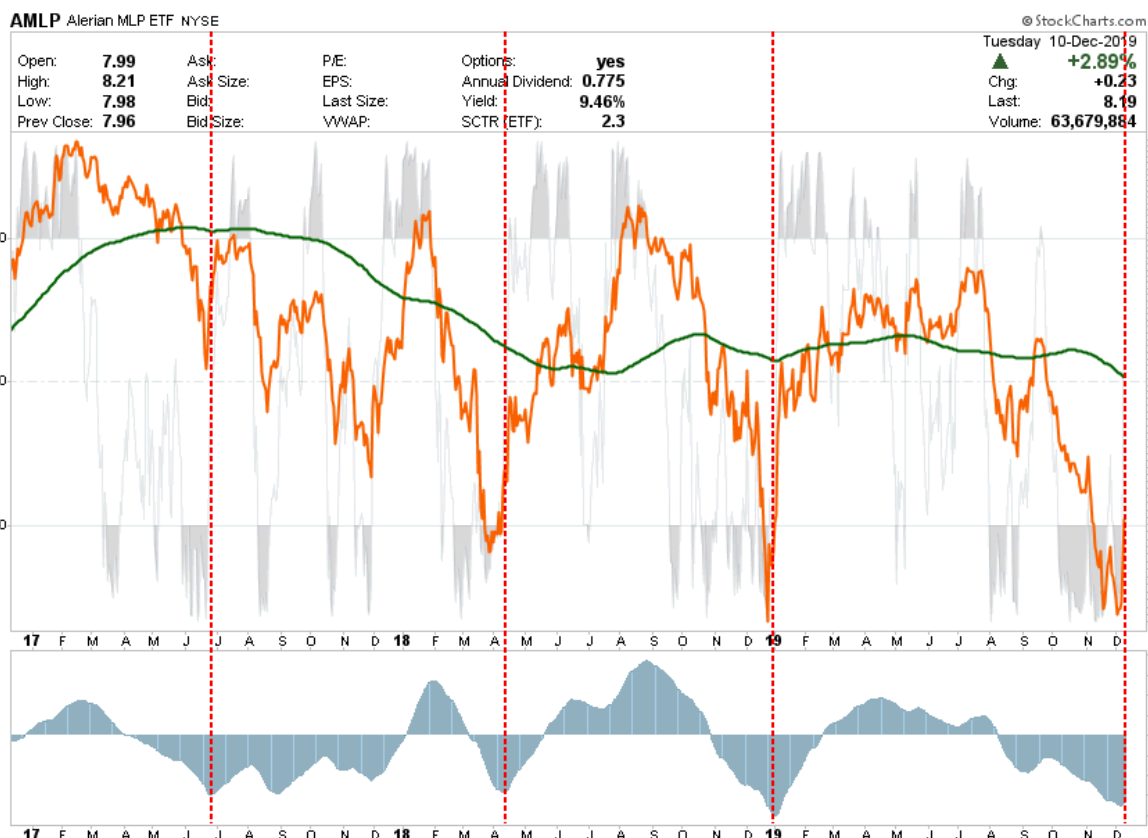
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a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



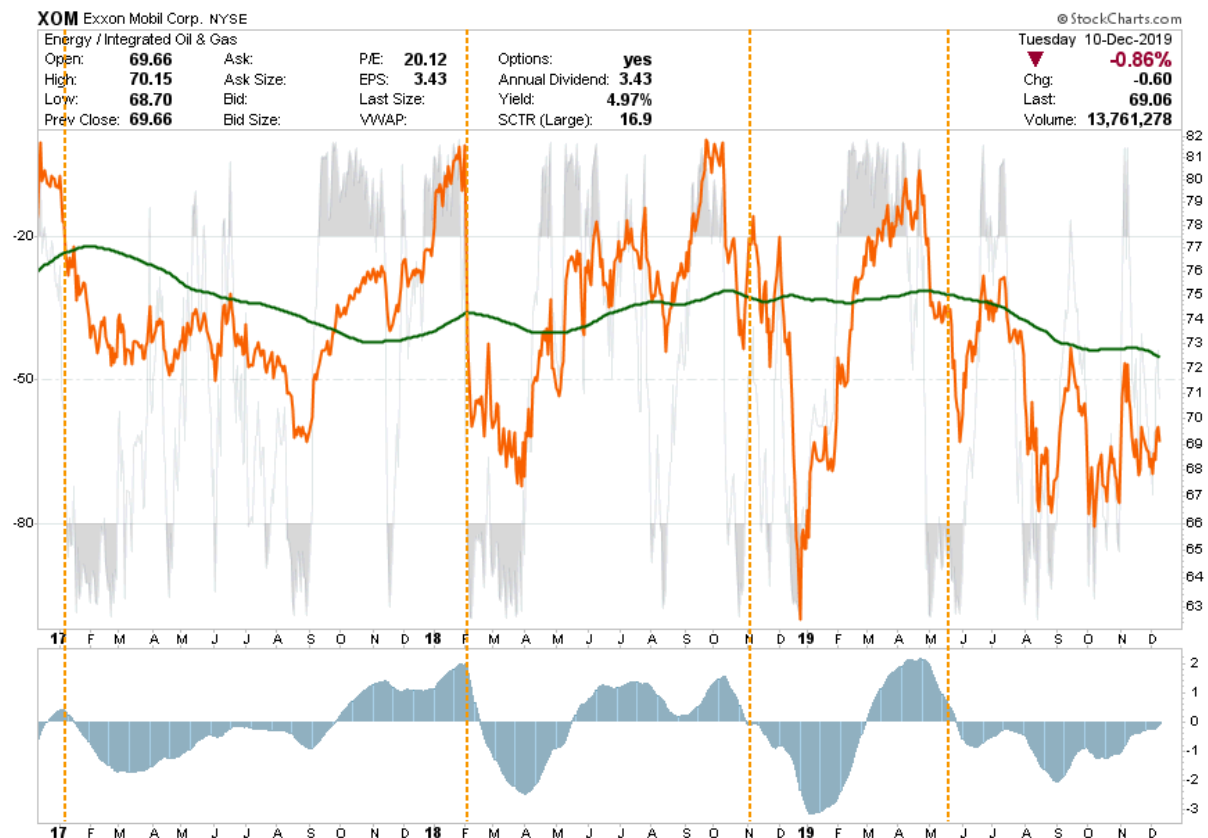
With this basic tutorial, we will now review some of positions in our Equity Portfolio which are either a concern, an opportunity, or are doing something interesting.

AML - Alerian MLP (New Buy)



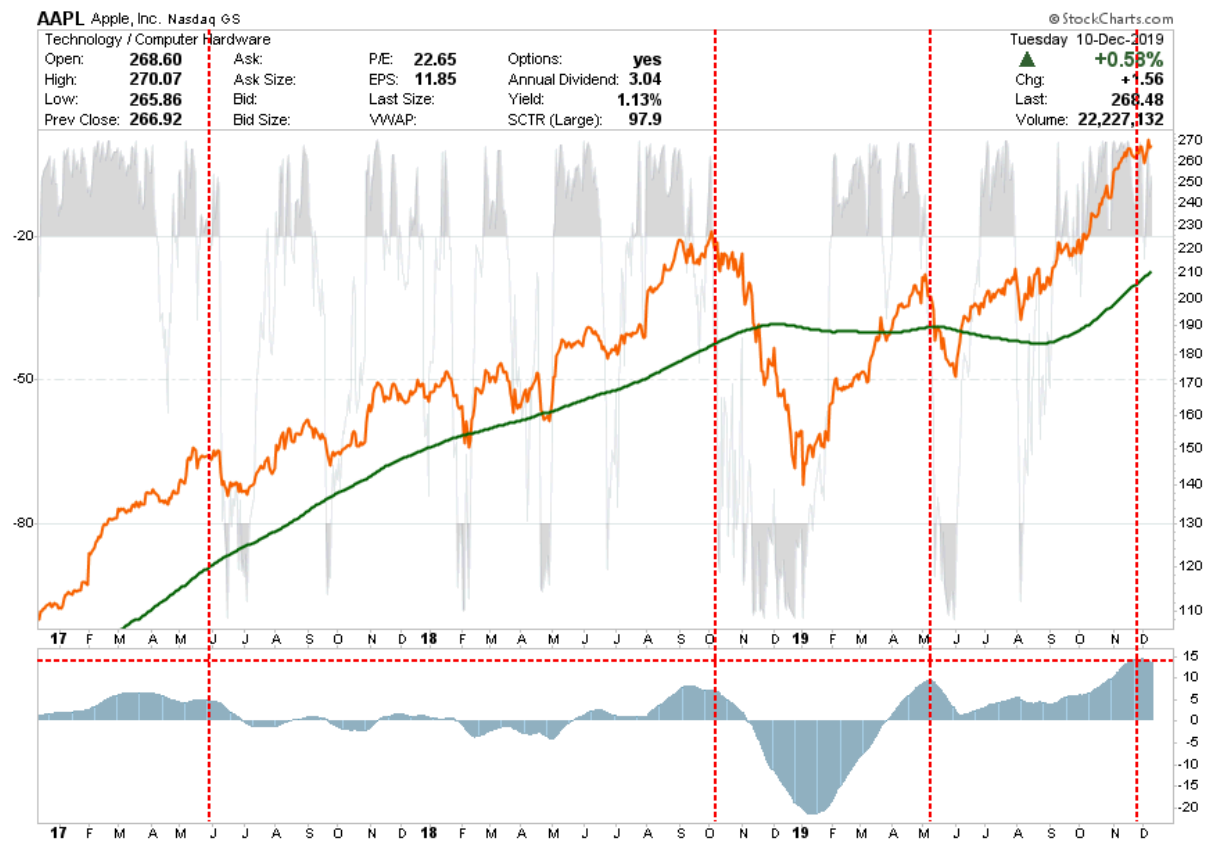
- Over the past couple of weeks, we have been discussing our potential buy in the Energy space. Read our latest report: [Collecting Tolls On The Energy Express](#)
- On Monday we made our initial 1/2 position purchase of AMLP.
- The ETF is very oversold and on a really deep sell-signal. We are looking for the position to firm up and hold recent support before adding the second 1/2 position. With a near 10% yield, we can get paid while we wait.
- There is a lot of value in the energy space and we are looking at additional opportunities to add to the portfolio.
- Stop is set at \$7.00

XOM - Exxon Mobil



- We bought XOM at the beginning of the year and sold half of the position near the April highs.
- We recently bought back the 1/2 we sold near the recent lows and are back to a full-weight in the position.
- Currently, XOM is about to trigger a short-term buy signal, but remains trapped within the long-term consolidation range.
- A break above \$72 creates a very bullish outlook for XOM, but oil prices need to come up and stay at \$60 or above. This may be challenge heading into 2020.
- Stop set at \$66 currently.

AAPL - Apple, Inc.



- We also bought AAPL at the beginning of the year and sold 20% of the position near the May highs and more just recently taking us to 1/2 weight in the position.
- AAPL is **EXTREMELY** overbought and extended. Historically, such periods of overbought conditions have lead to decent corrections which have corresponded to broader sell-offs in the market.
- Pay attention to AAPL - as AAPL goes, so goes the market.
- We are moving our stop up to the 200-dma for now.
- Stop loss is set at \$210

ABT - Abbott Laboratories

ABT Abbott Laboratories NYSE

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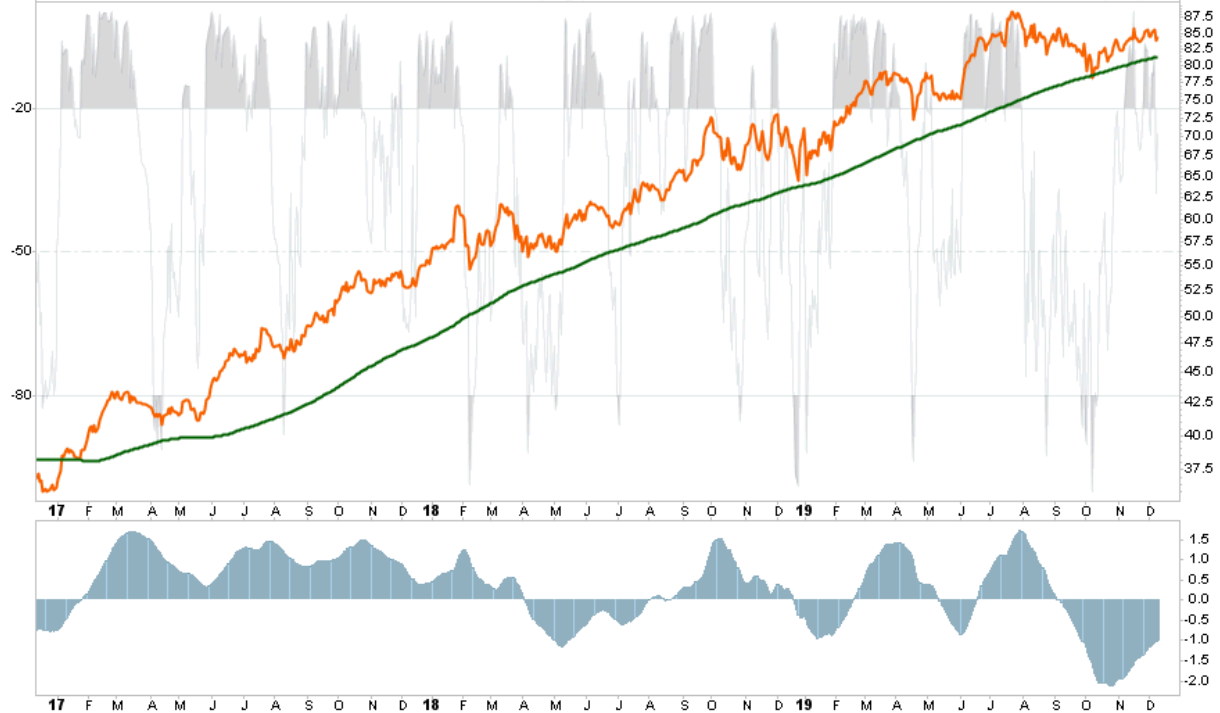
Health Care / Pharmaceuticals
 Open: **83.88**
 High: **84.62**
 Low: **83.76**
 Prev Close: **83.87**

Ask:
 Ask Size:
 Bid:
 Bid Size:

P/E: **45.84**
 EPS: **1.84**
 Last Size:
 VWAP:

Options: **yes**
 Annual Dividend: **1.28**
 Yield: **1.51%**
 SCTR (Large): **40.3**

Tuesday 10-Dec-2019
 ▲ **+0.82%**
 Chg: **+0.69**
 Last: **84.56**
 Volume: **3,899,523**



- We have owned ABT since the beginning of the year, and have previously taken profits in the position.
- Despite ABT being on a very DEEP oversold "sell signal," the position continues to hold it bullish uptrend along the 200-dma.
- We continue to like our position and have been hoping for a better opportunity to add to our current holding.
- For now, we will be patient and keep our stop trailing along the 200-dma.
- Stop loss is set at \$80

AGNC - AGNC Investment Corp.

AGNC AGNC Investment Corp. Nasdaq GM

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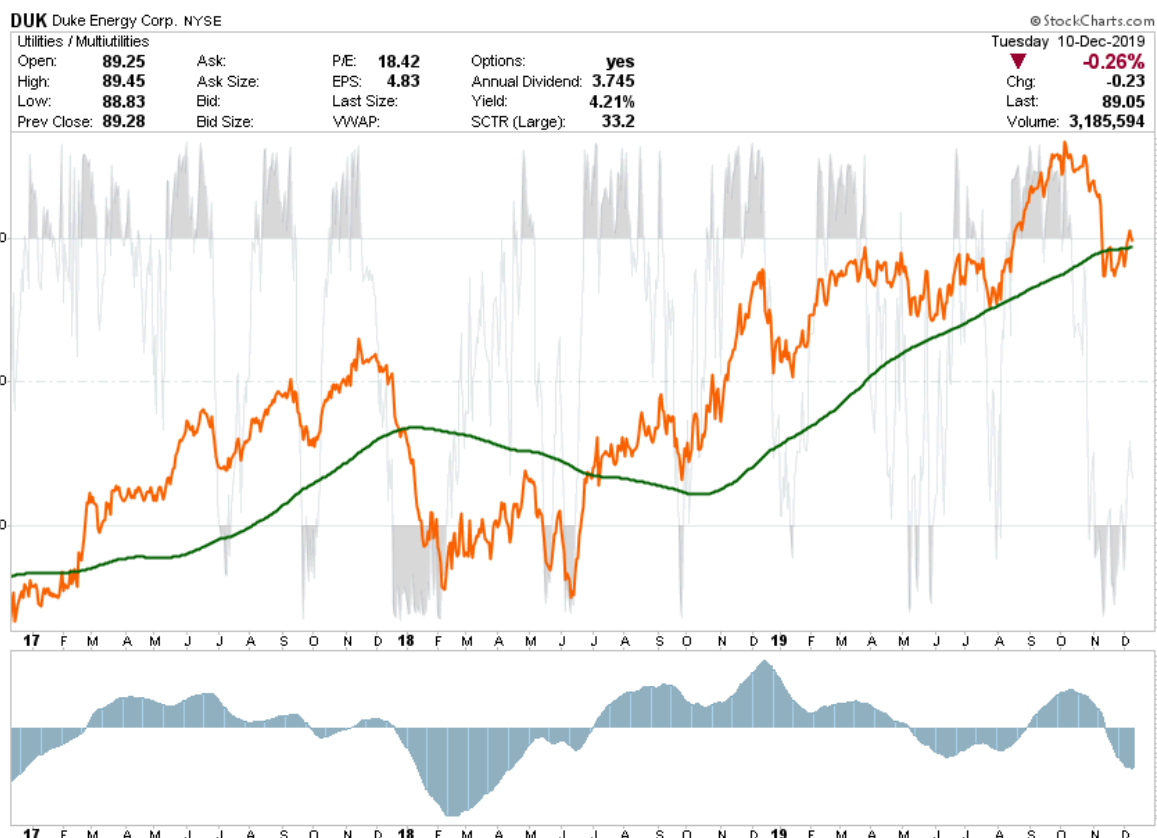
Real Estate / Mortgage REITs

Open: 17.350	Ask: -8.58	P/E: -8.58	Options: yes	Tuesday 10-Dec-2019
High: 17.380	Ask Size: -2.02	EPS: -2.02	Annual Dividend: 2.02	▼ -0.12%
Low: 17.250	Bid: -	Last Size: -	Yield: 11.67%	Chg: -0.020
Prev Close: 17.330	Bid Size: -	YVAP: -	SCTR (Mid): 63.5	Last: 17.310
				Volume: 3,403,319



- We bought two positions about mid-year to accommodate for a potentially steeper yield curve - Annaly (NLY) and AGNC (AGNC)
- Both have performed well as the yield curve uninverted and steepened accordingly.
- However, the positions are now **EXTREMELY** overbought, so wait for corrections to add to current holdings.
- For now we are holding our current position and moving the stop up.
- Stop has been moved up to \$16.25

DUK - Duke Energy



- We have been concerned about our position in DUK as performance was lacking as of late and it had broken support at the 200-dma.
- However, DUK has managed to recover and hold support for now while working into a fairly deep SELL signal. If DUK can hold support here and begin to reverse the sell signal we will have a good opportunity to add back to our position after taking profits previously.
- Stop is currently set at \$86

UTX - United Technology

UTX United Technologies Corp. NYSE

Industrial / Aerospace

Open: **145.77**

High: **146.00**

Low: **145.35**

Prev Close: **146.22**

Ask:

Ask Size:

Bid:

Bid Size:

P/E: **24.56**

EPS: **5.92**

Last Size:

VWAP:

Options: **yes**

Annual Dividend: **2.94**

Yield: **2.02%**

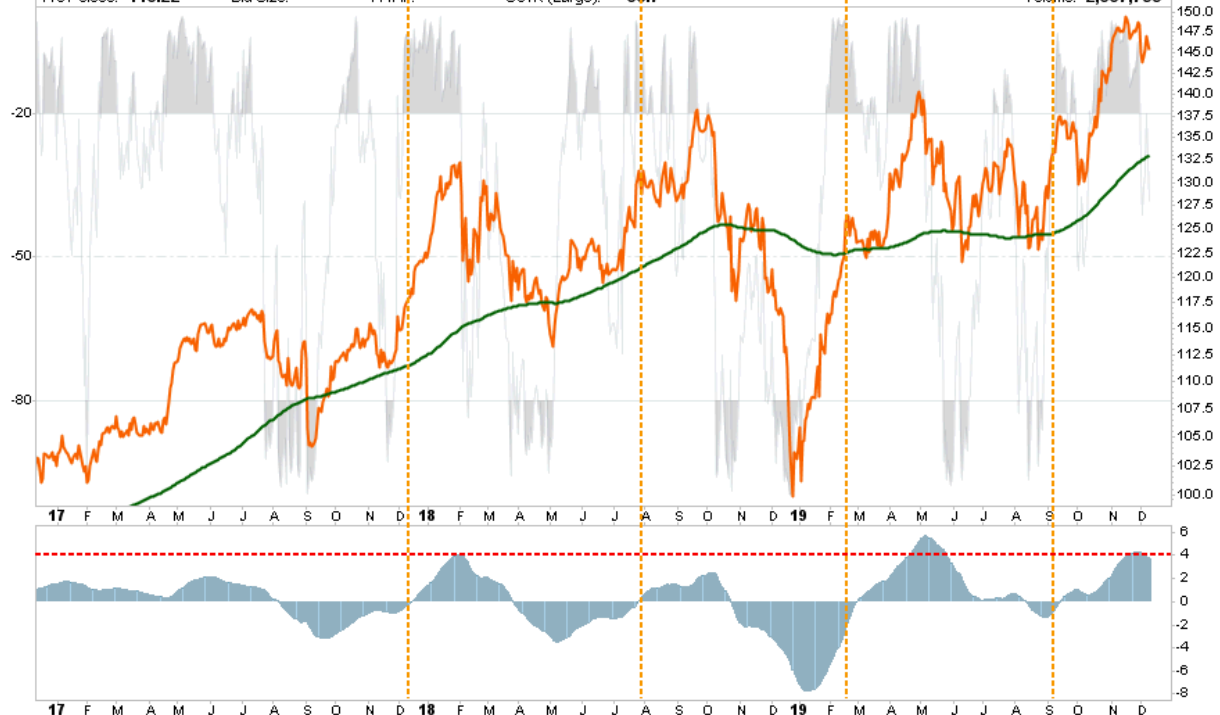
SCTR (Large): **66.7**

Tuesday 10-Dec-2019

Chg: **-0.58%**

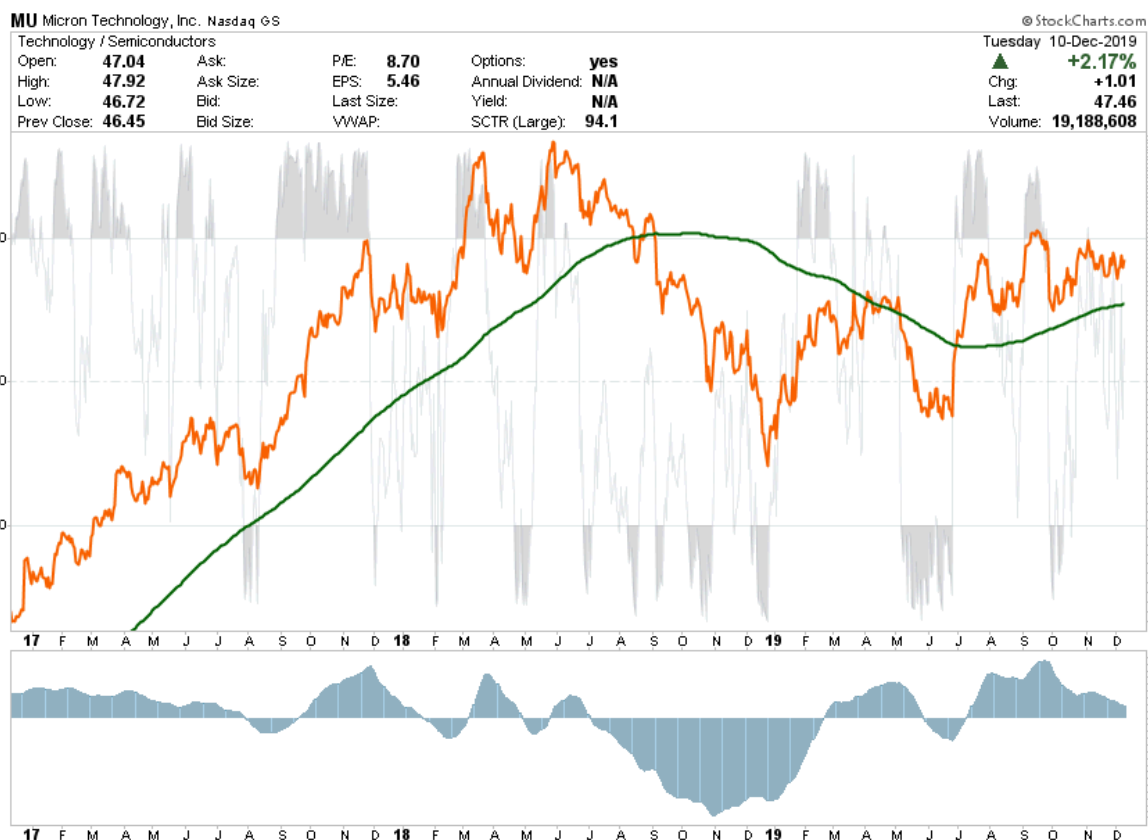
Last: **145.37**

Volume: **2,667,733**



- BA and UTX are our two defense sector plays in the portfolio.
- While BA continues to wrestle with the 737MAX issues, UTX has advanced nicely since our acquisition.
- We have taken profits previously, but the position is extremely extended and overbought.
- Look for a correction back to the 200-dma to add to holdings.
- We are moving our stop up on the position as a whole.
- Stop loss has been adjusted to \$130.00

MU - Micron Technology



- MU had a nice rally following our initial purchase and got extremely overbought very quickly.
- We are now 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

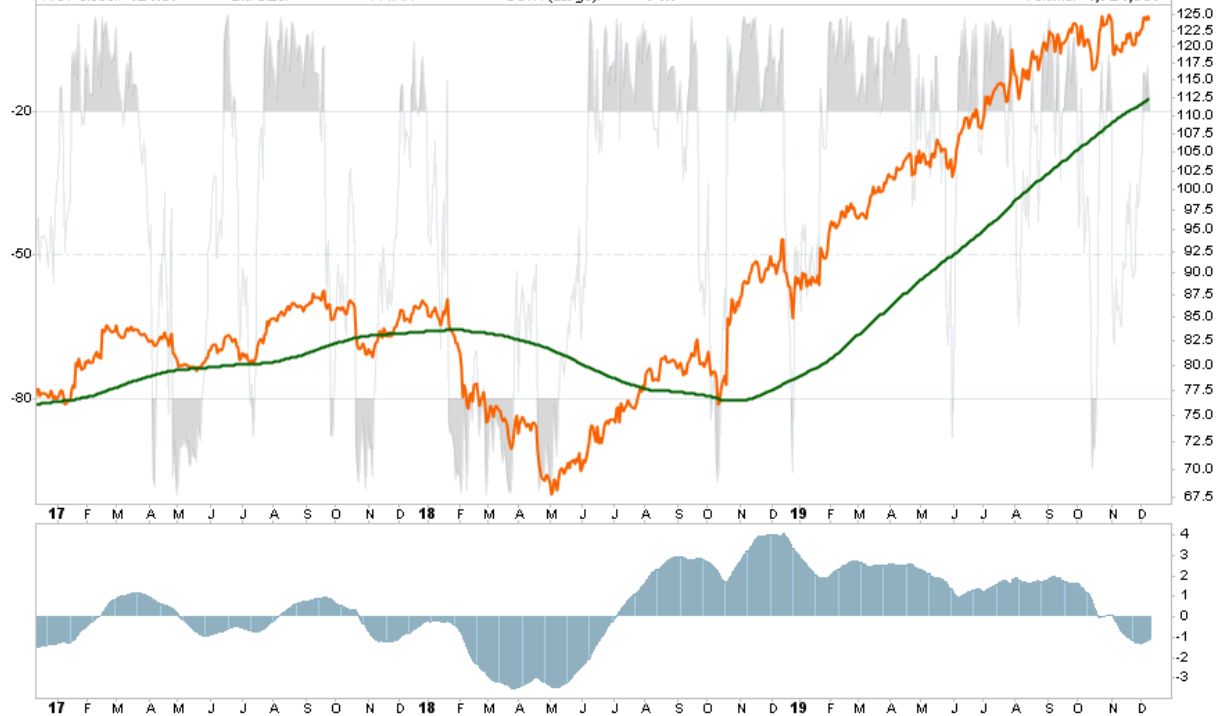
Consumer Staples / Personal Products

Open: **124.78** Ask: P/E: **82.85** Options: **yes**
 High: **124.87** Ask Size: EPS: **1.50** Annual Dividend: **2.9549**
 Low: **124.12** Bid: Last Size: Yield: **2.38%**
 Prev Close: **124.87** Bid Size: VWAP: SCTR (Large): **71.7**

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Tuesday 10-Dec-2019

▼ **-0.48%**
 Chg: **-0.60**
 Last: **124.27**
 Volume: **4,721,967**



- 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

V - Visa, Inc.

V Visa Inc. NYSE

Technology / Software

Open: **182.55**
 High: **183.15**
 Low: **181.90**
 Prev Close: **182.92**

Ask:
 Ask Size:
 Bid:
 Bid Size:

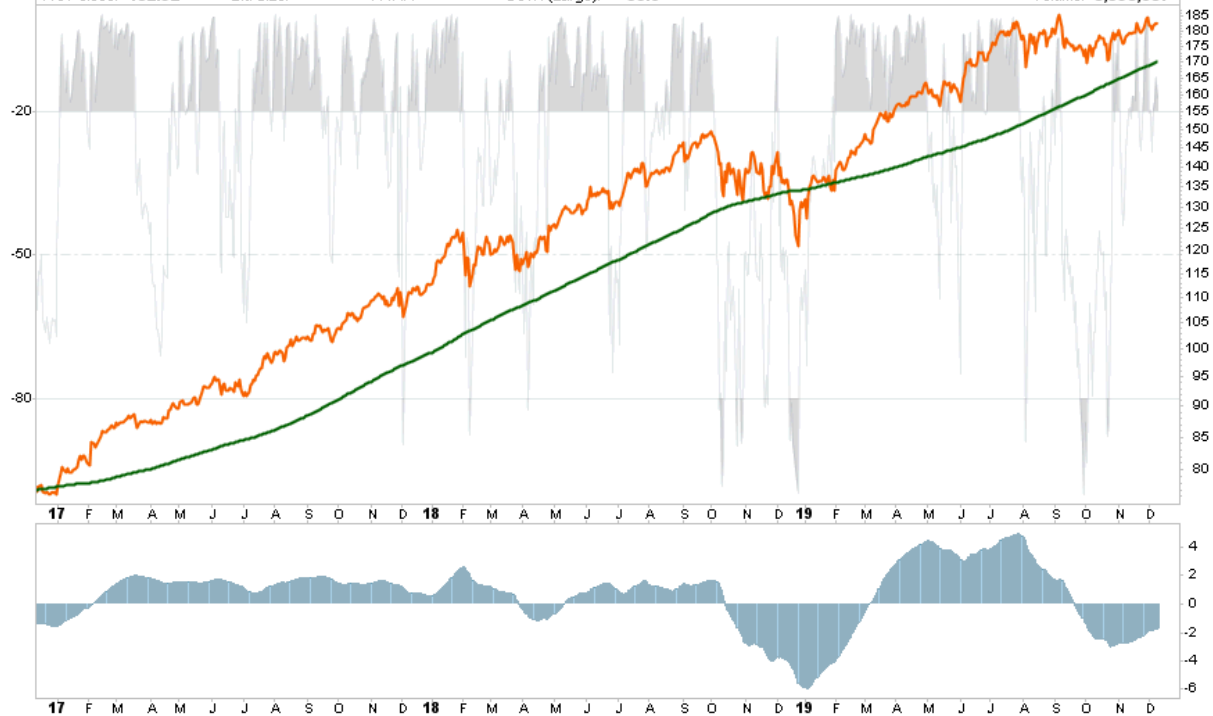
P/E: **35.54**
 EPS: **5.13**
 Last Size:
 VWAP:

Options: **yes**
 Annual Dividend: **1.05**
 Yield: **0.58%**
 SCTR (Large): **53.6**

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Tuesday 10-Dec-2019

▼ **-0.36%**
 Chg: **-0.66**
 Last: **182.26**
 Volume: **8,598,687**



- *Consumers keep "swiping the plastic" and with Christmas here the "sales are ringing."*
- V continues in a solidly bullish uptrend despite being on a fairly deep sell signal.
- If the sell-signal reverses back to a buy, we can add to our position. We would relish a bit of a pullback to add to holdings at a better price level.
- *Be patient for now.*
- *Stop loss moved up to \$165*