



Selected Portfolio Position Review: 12-18-19

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:

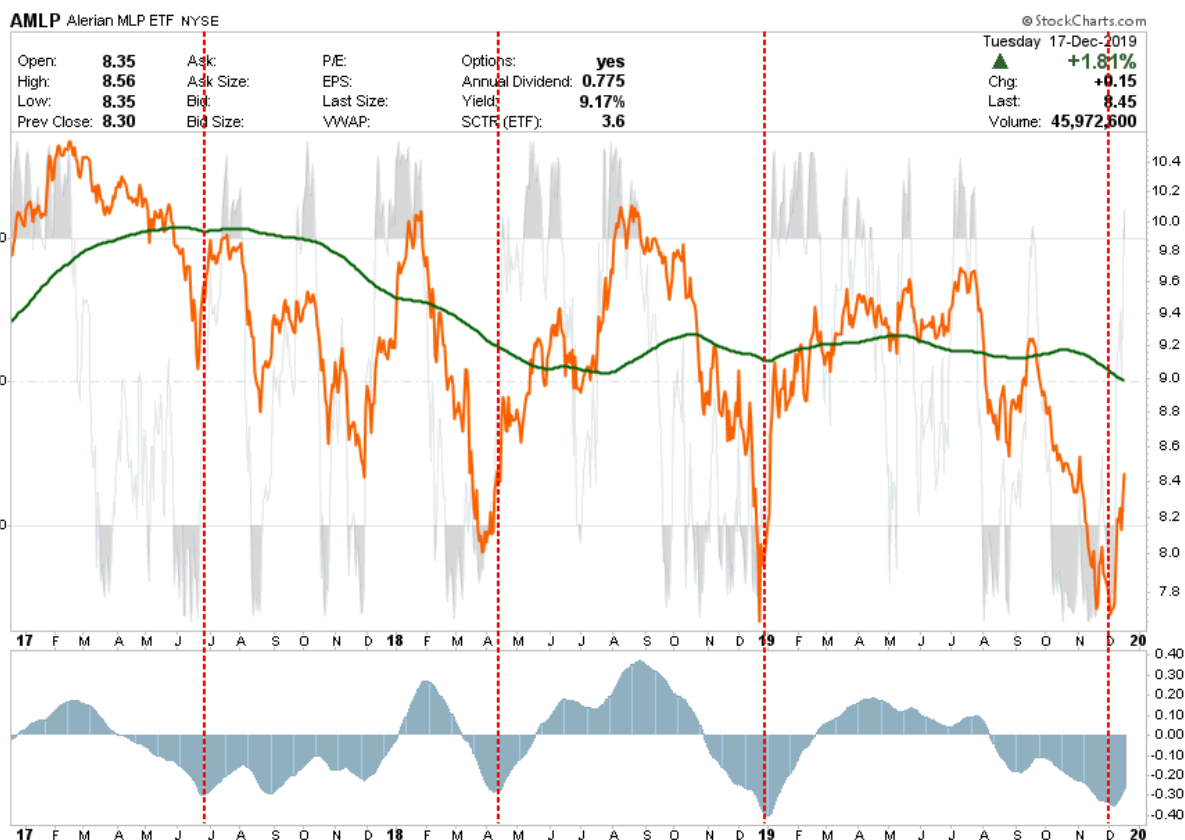
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a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



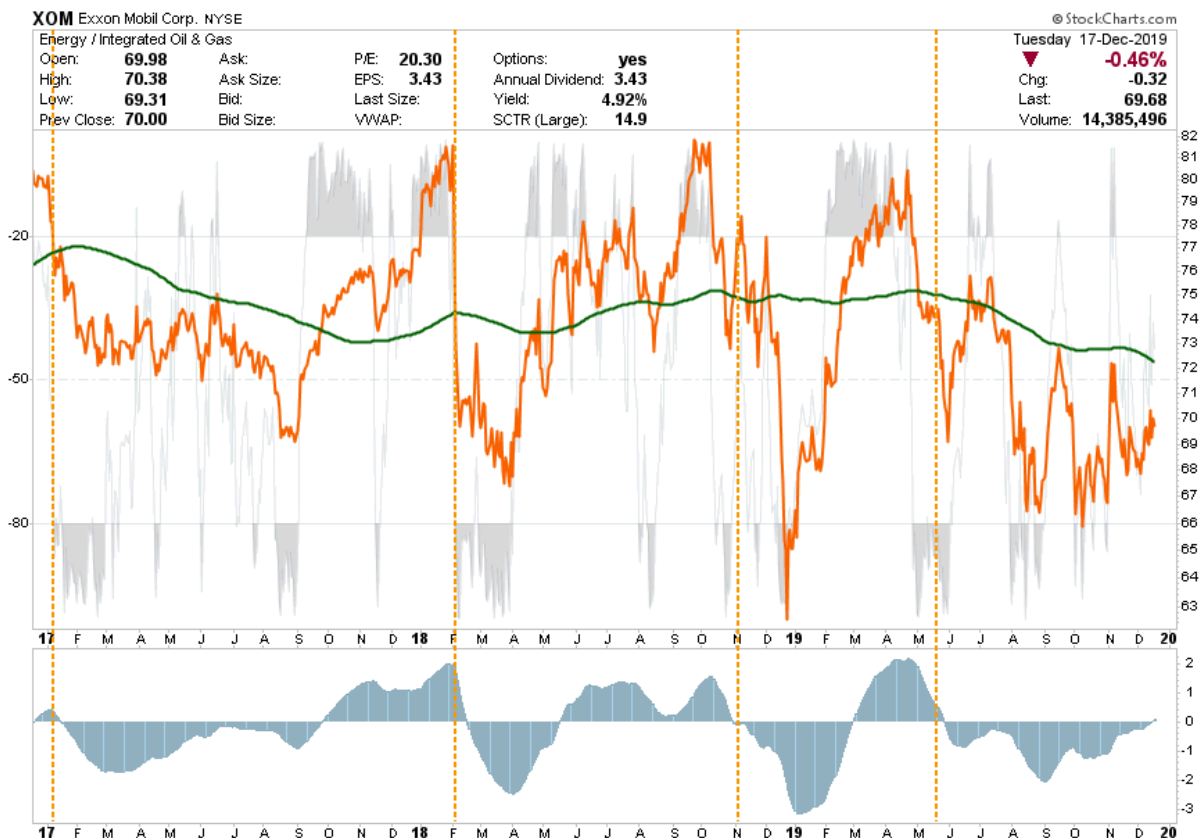
With this basic tutorial, we will now review some of positions in our Equity Portfolio which are either a concern, an opportunity, or are doing something interesting.

AML - Alerian MLP (*Recent Buy*)



- Updating our purchase from last week, in case you missed it.
- 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](#)
- Last 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



- Our Energy related pair trade with AMLP above is XOM which we bought 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. Oil prices are rising and we would like to see the majors begin to pick up participation.
- 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.

AMZN - Amazon.com, Inc.



- We bought AMZN heading into the Christmas shopping season hoping to see a bit of an uptick in the stock price. That has yet to occur as retail sales in November remained lack luster at best.
- Currently, AMZN continues a long, drawn out, consolidation that continues to remain trapped below the 200-dma.
- AMZN is not extremely overbought but remains on a "sell signal," currently, so we will remain patient with the position with a fairly tight stop.
- A break of the 200-dma would be encouraging for a move higher. We are starting to doubt we will see that happen.
- We are moving our stop up to \$1700

BA - Boeing, Co.



- We have owned BA for some time now following the original selloff after the 737 MAX accident.
- During the entire investigation, bad headlines, earnings, etc., BA has continued to remain tightly range bound between \$320 and \$380.
- With BA deeply oversold we suspect we will see a bounce shortly which will likely test the 200-dma.
- While we like the position longer-term, we have taken quite a few gains this year and are considering selling BA for a "Tax Loss Harvest".
- If we decide to harvest the loss, we would look to re-add the position back in 2020 unless something changes.
- For now, we will be patient and keep our stop at \$320

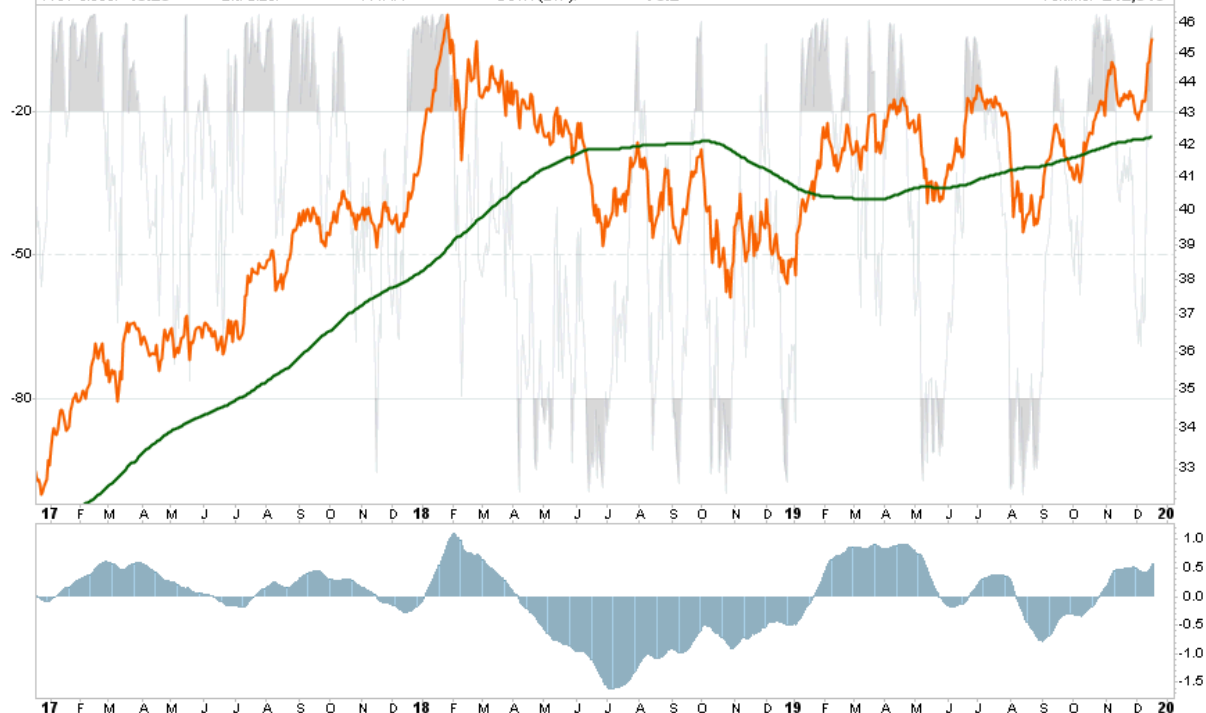
DEM - Emerging Markets Dividend Value (New Buy)

DEM WisdomTree Emerging Markets High Dividend Fund NYSE

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Open: **45.42** Ask: P/E: Options: **yes**
 High: **45.54** Ask Size: EPS: Annual Dividend: **2.01232**
 Low: **45.35** Bid: Last Size: Yield: **4.42%**
 Prev Close: **45.23** Bid Size: VWAP: SCTR (ETF): **70.2**

Tuesday 17-Dec-2019
 ▲ **+0.55%**
 Chg: **+0.25**
 Last: **45.48**
 Volume: **242,816**



- We bought two international funds (1/2 position) this week to add some international exposure in anticipation of a "weaker dollar" following the conclusion of the "trade deal."
- The first position was DEM, which is an emerging markets dividend fund and is boosted by a weaker U.S. dollar.
- Currently on a buy signal, and overbought, we will look for a pullback to towards the recent breakout levels to add more to the position.
- Stop is set at \$42

DUK - Duke Energy

DUK Duke Energy Corp. NYSE

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Utilities / Multiutilities

Open: **90.40**

Ask:

P/E: **18.73**

Options:

yes

Tuesday 17-Dec-2019

High: **91.50**

Ask Size:

EPS: **4.83**

Annual Dividend: **3.745**

▲ **+0.07%**

Low: **90.12**

Bid:

Last Size:

Yield: **4.14%**

Chg: **+0.06**

Prev Close: **90.49**

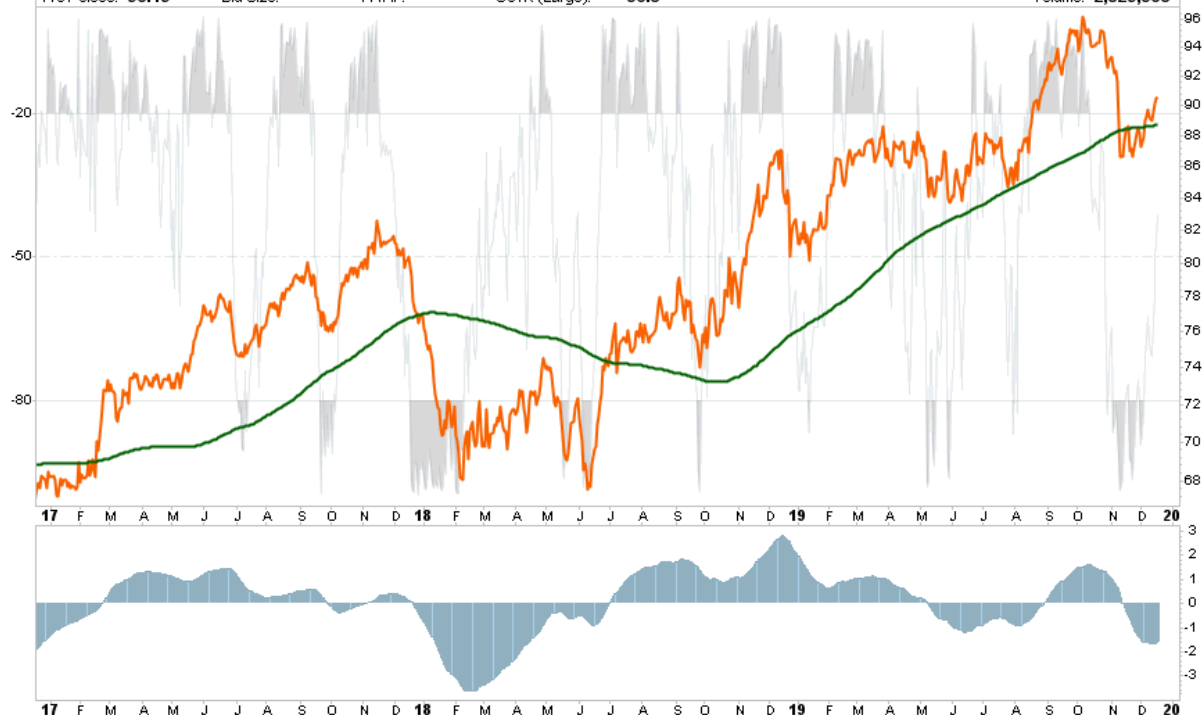
Bid Size:

VWAP:

SCTR (Large): **36.8**

Last: **90.55**

Volume: **2,829,568**



- We have noted previously that we have been concerned about our position in DUK as performance was lacking relative to the rest of the sector.
- While DUK has managed to recover and hold support for now while working into a fairly deep SELL signal, we decided to go ahead and take some profits in the position to make room for our new additions.
- Full position liquidated.

EFV - International Value ETF (New Buy)

EFV iShares MSCI EAFE Value ETF NYSE

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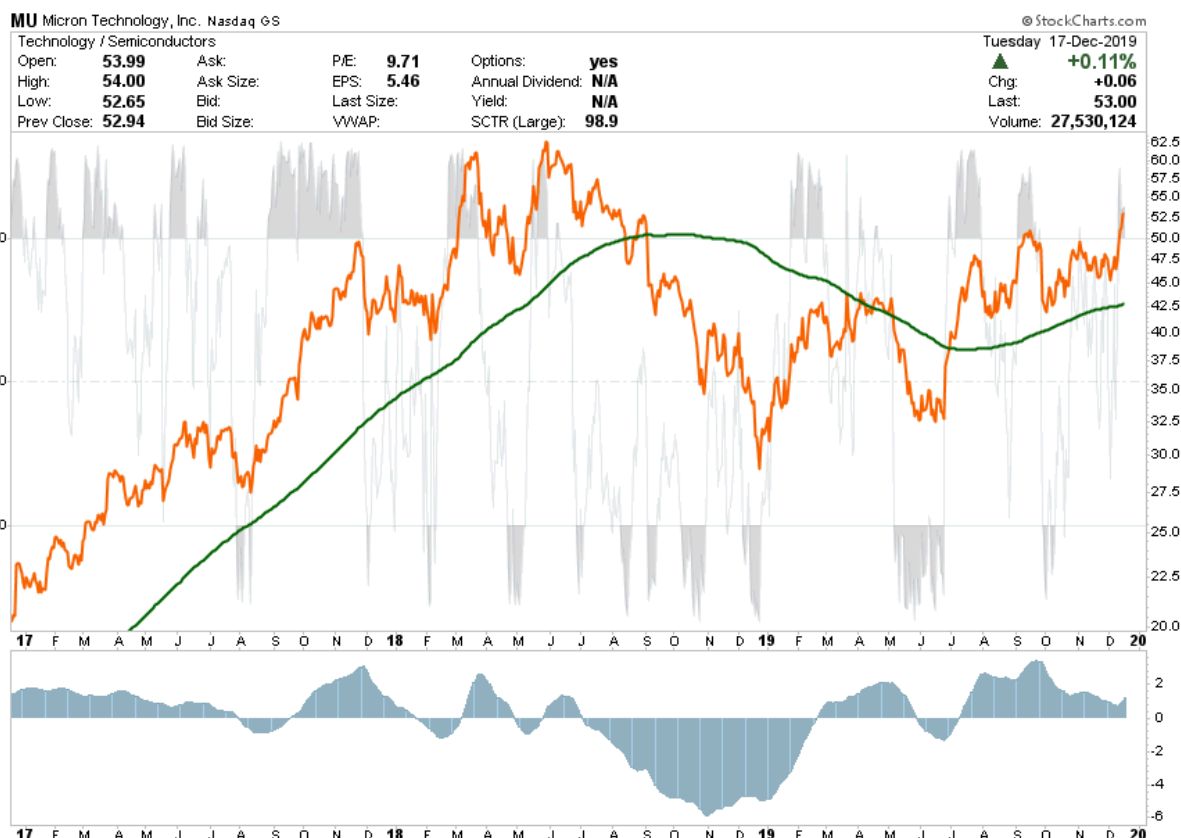
Open: **50.00** Ask: P/E: Options: **yes**
 High: **50.07** Ask Size: EPS: Annual Dividend: **2.01239**
 Low: **49.97** Bid: Last Size: Yield: **4.03%**
 Prev Close: **50.20** Bid Size: VWAP: SCTR (ETF): **57.3**

Tuesday 17-Dec-2019
 ▼ **-0.42%**
 Chg: **-0.21**
 Last: **49.99**
 Volume: **754,870**



- As noted above we added an Emerging Markets Value Dividend ETF and we are pairing that with an International Value ETF.
- Please note these are VALUE oriented holdings to hedge against the potential of a rotation from momentum to value in the markets. The current deviation of momentum and value is one of the largest on record, and such a rotation would likely occur if the market begins to reverse.
- As with DEM, EFV has broken out but is very overbought short-term. We will add to the position on a pullback that works off the overbought condition without violating our stop levels.
- Stop is currently set at \$48.

MU - Micron Technology



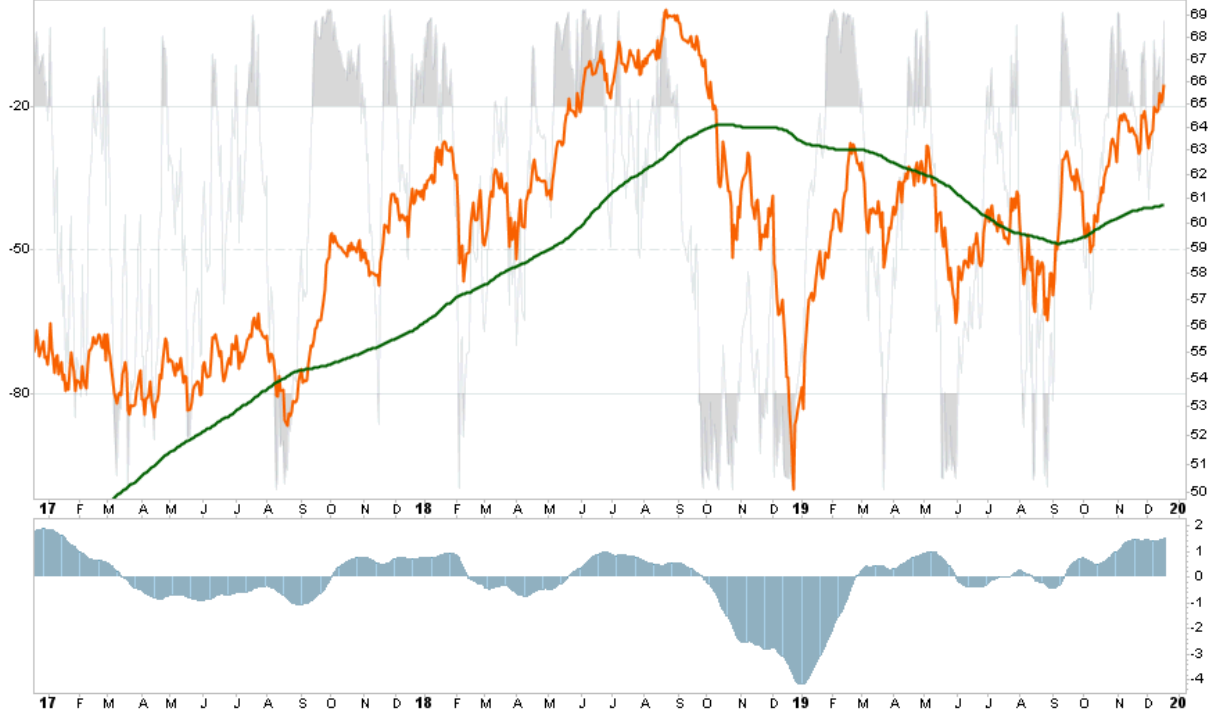
- *MU had a nice rally following our initial purchase and got extremely overbought very quickly.*
- *We were consolidating that advance, and now the position has broken out again, while maintaining its buy signal, which puts previous highs into target.*
- *As noted previously, MU is very subject to the "trade deal," so the conclusion of the deal cleared the way for MU to rally.*
- *Stop loss moved up to \$42.50*

SLYV - SPDR Small Cap Value ETF (New Buy)

SLYV SPDR S&P 600 Small Cap Value ETF NYSE

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|--------------------------|-----------|------------|--------------------------------|------------------------|-----------------|
| Open: 65.41 | Ask: | P/E: | Options: no | Tuesday 17-Dec-2019 | ▲ +0.94% |
| High: 65.87 | Ask Size: | EPS: | Annual Dividend: 1.1014 | Chg: +0.61 | |
| Low: 65.39 | Bid: | Last Size: | Yield: 1.67% | Last: 65.85 | |
| Prev Close: 65.24 | Bid Size: | VWAP: | SCTR (ETF): 79.5 | Volume: 141,130 | |



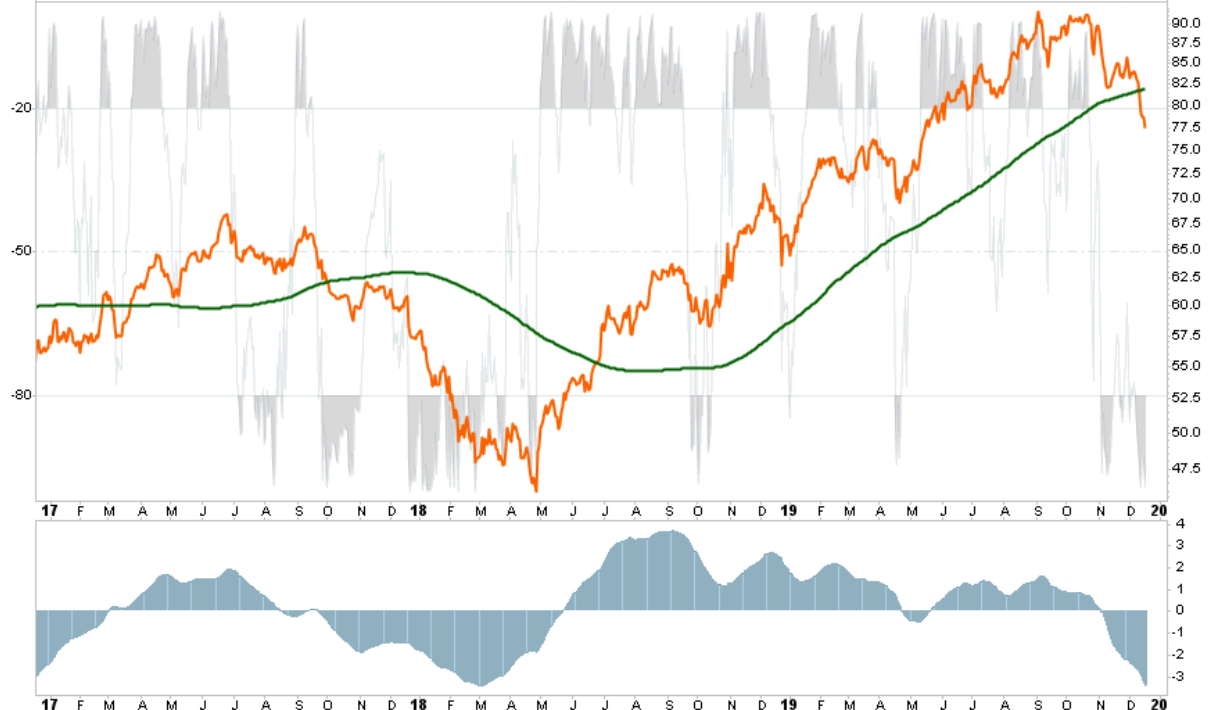
- *SLYV is another recent buy that has a "value" tilt to it. In our equity model, we are blending the small-cap value fund with our Gold Miners (GDX) to take advantage of a value rotation shift in the market.*
- With small-caps breaking out of their previous consolidation, and on a buy signal, there is room for an advance to previous highs.
- However, the position is VERY overbought currently, so a pullback that doesn't break out stop can be used to add to positions.
- *Stop-loss set at \$62.50*

WELL - WellTower, Inc. (Sell Candidate)

WELL Welltower Inc. NYSE

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|-------------------------------|-----------|-------------------|------------------------------|--|--|--------------------------|
| Real Estate / Specialty REITs | | | | | | Tuesday 17-Dec-2019 |
| Open: 79.02 | Ask: | P/E: 92.58 | Options: yes | | | ▼ -1.61% |
| High: 79.23 | Ask Size: | EPS: 0.84 | Annual Dividend: 3.48 | | | Chg: -1.27 |
| Low: 77.24 | Bid: | Last Size: | Yield: 4.50% | | | Last: 77.40 |
| Prev Close: 78.67 | Bid Size: | VWAP: | SCTR (Large): 6.0 | | | Volume: 2,612,083 |



- *WELL was performing strongly for us but has faltered in recent weeks as interest rates have moved higher.*
- *While we like the position, we took a lot of gains this year and will likely sell WELL on a rally to harvest the loss for 2019. We would look to add the position back in 2020 potentially.*
- *Be patient for now, with the position extremely oversold, a bounce is likely which will give us a better exit point.*
- *Stop loss violated at \$80*