



Selected Portfolio Positions Review: 05-06-20

Each week we produce a chart book of 10-selected portfolio positions to review in our [equity model](#). Specifically, we are looking at positions which warrant attention, or are providing an opportunity to buy or sell. 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 positions in our Equity Portfolio which are either a concern, an opportunity, a recent change, or are doing something interesting.

AAPL - Apple, Inc. (Added)

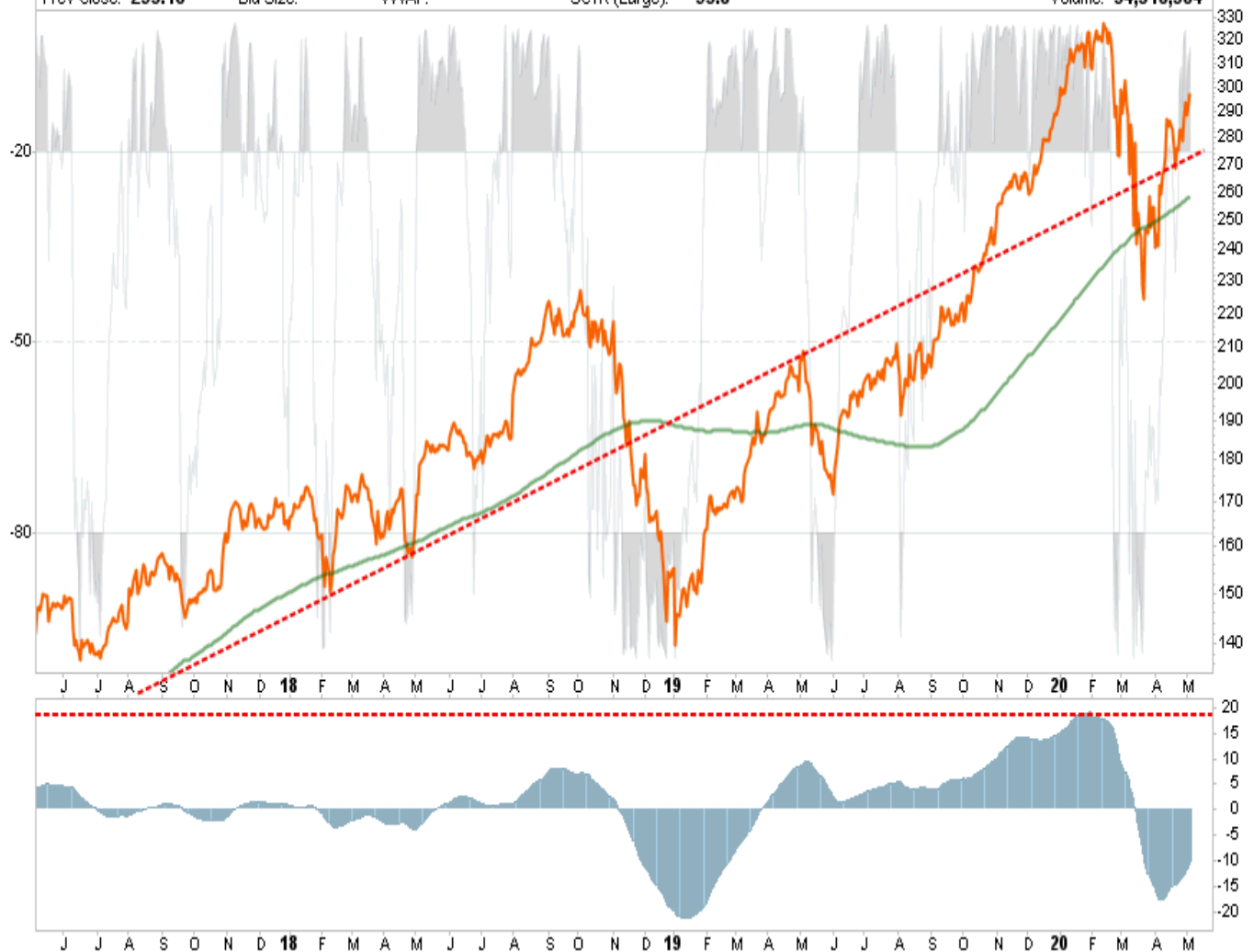
AAPL Apple, Inc. Nasdaq GS

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Technology / Computer Hardware

Open: 295.06	Ask:	P/E: 23.52	Options: yes
High: 301.00	Ask Size:	EPS: 12.66	Annual Dividend: 3.08
Low: 294.46	Bid:	Last Size: 0 shrs	Yield: 1.03%
Prev Close: 293.16	Bid Size:	VWAP:	SCTR (Large): 93.0

Tuesday 5-May-2020

▲ **+1.59%**Chg: **+4.66**Last: **297.82**Volume: **34,510,304**

- We have owned AAPL since early 2019 and reduced our allocations previously taking profits along the way.
- Going into the earnings report we added to our position which has worked well and Apple has risen with the market as it is one of the major drivers of the overall market advance.
- Apple is back to very overbought, so we will look for corrections back to the rising trendline or the 200-dma (preferable) to add to our holdings.
- Stop loss is set at \$225

AMZN - Amazon, Inc.

AMZN Amazon.com, Inc. Nasdaq GS

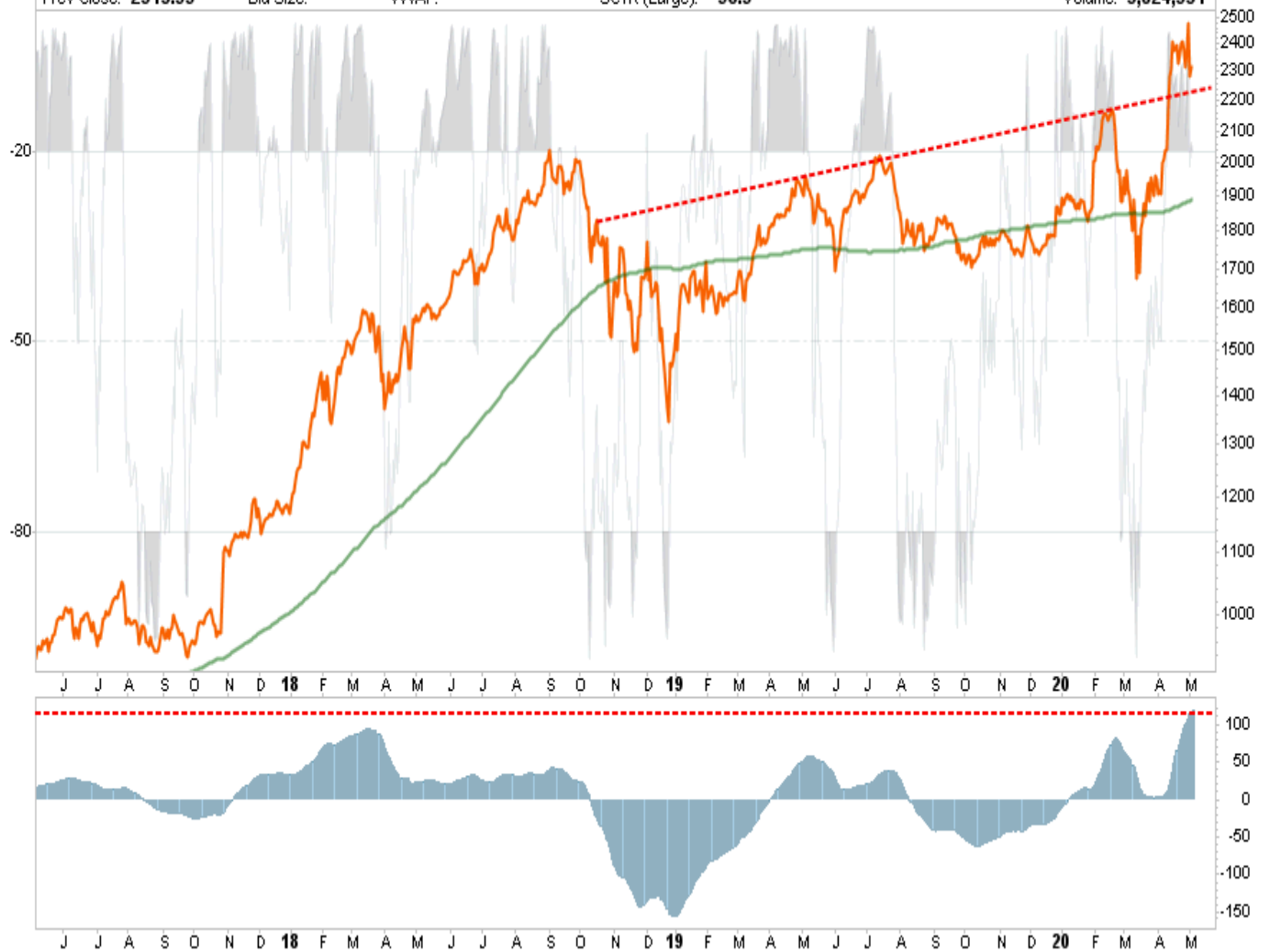
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Consumer Discretionary / Broadline Retailers

Open: 2340.00	Ask:	P/E: 100.68	Options: yes
High: 2351.00	Ask Size:	EPS: 23.02	Annual Dividend: N/A
Low: 2307.12	Bid:	Last Size: 500 shrs	Yield: N/A
Prev Close: 2315.99	Bid Size:	VWAP:	SCTR (Large): 96.9

Tuesday 5-May-2020

▲ **+0.07%**
 Chg: **+1.54**
 Last: **2317.53**
 Volume: **3,024,351**



- We still like AMZN and are looking to increase our holdings to 3% of the portfolio. However, it is very overbought and needs a bit of correction for a better entry.
- We suspect we will get that opportunity this summer, so we will be patient for now and wait for the right setup.
- Our cost basis is close to \$1800 so we are raising our stop.
- Stop has been raised to \$1900

V - Visa (Looking To Add)

V Visa Inc. NYSE

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Technology / Computer Services

Tuesday 5-May-2020

Open: **179.09** Ask: P/E: **33.45** Options: **yes**
 High: **181.10** Ask Size: EPS: **5.34** Annual Dividend: **1.1**
 Low: **178.26** Bid: Last Size: Yield: **0.62%**
 Prev Close: **176.15** Bid Size: VWAP: SCTR (Large): **74.3**

▲ **+1.30%**
 Chg: **+2.29**
 Last: **178.44**
 Volume: **13,491,761**



- We sold V previously, after taking profits in the position a couple of times over concerns about potential defaults in its business.
- While we are still concerned about that issue, the reopening of the economy should see a burst of spending as consumers go back to spending money they don't have.
- V is very overbought so we are looking for a pullback to add a 1/3rd of our total position which we will then add to opportunistically as our thesis plays out.
- Stop is set at \$135

CAG - Conagra Foods (Looking To Add)

CAG ConAgra Brands, Inc. NYSE

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Consumer Staples / Food Products

Open: 33.33	Ask:	P/E: 21.30	Options: yes
High: 33.94	Ask Size:	EPS: 1.57	Annual Dividend: 0.85
Low: 33.21	Bid:	Last Size: 300 shrs	Yield: 2.55%
Prev Close: 33.42	Bid Size:	VWAP:	SCTR (Large): 92.4

Tuesday 5-May-2020

▼ **-0.09%**Chg: **-0.03**Last: **33.39**Volume: **2,246,575**

- We previously added to CAG and it broke above the 200-dma and gained some traction.
- CAG is a bit overbought short-term so a pullback towards the 200-dma would be an opportunity to add to our existing position.
- Importantly, CAG has triggered a "buy signal" which improves our confidence in the position longer-term.
- Stop is moved up to \$29

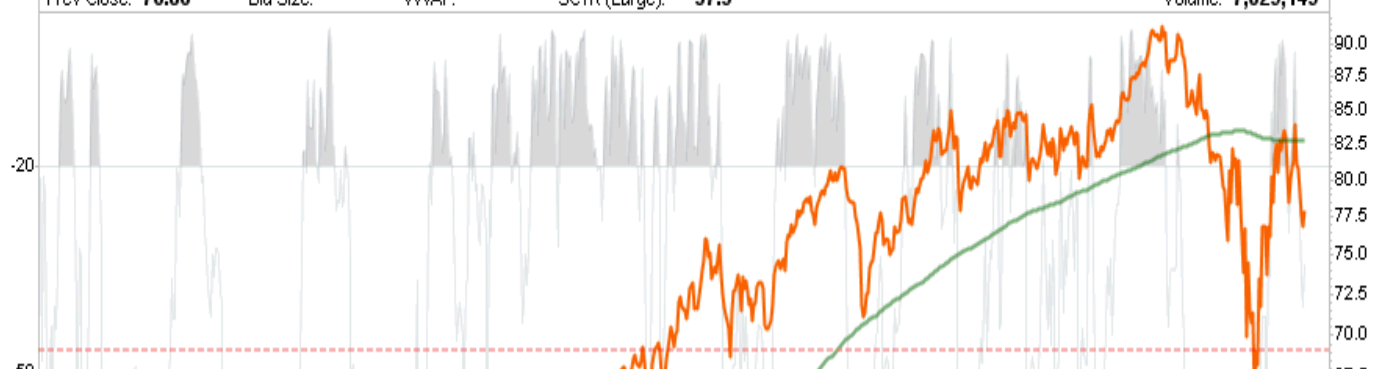
MRK - Merck & Co., Inc. (Sold)**MRK** Merck & Co., Inc. NYSE

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Health Care / Pharmaceuticals

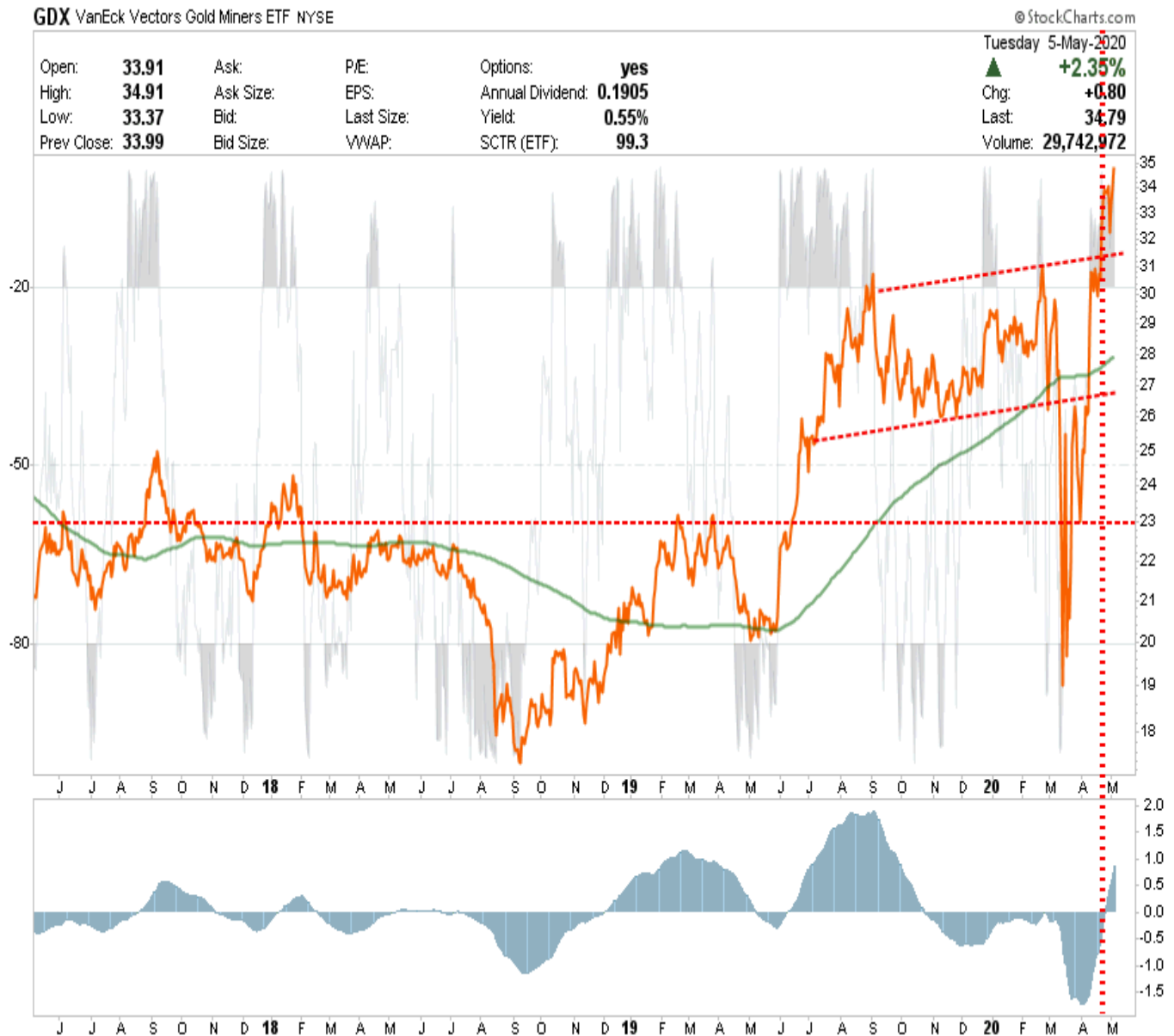
Open: 77.25	Ask:	P/E: 19.73	Options: yes
High: 78.80	Ask Size:	EPS: 3.95	Annual Dividend: 2.32
Low: 76.77	Bid:	Last Size:	Yield: 2.97%
Prev Close: 76.86	Bid Size:	VWAP:	SCTR (Large): 57.3

Tuesday 5-May-2020

▲ **+1.50%**Chg: **+1.15**Last: **78.01**Volume: **7,029,149**

- As with our other healthcare related holdings, MRK held important support so we added a position to portfolios.
- MRK is ran into the 200-dma, and failed that test, and is overbought short-term, we sold our position in its entirety to make room in our portfolio.
- We are reducing the overall number of equity holdings in the portfolio to 20 so that we can concentrate our holdings for better growth.
- We are overweight healthcare so this sell was simply a realignment of portfolio allocation.

GDX - Gold Miners (Added)



- There is very little doubt that what the Fed is doing will ultimately be "inflationary" down the road.
- We have traded gold miners a couple of times, and we have been building a position since March in the miners due to valuations relative to the price of gold.
- We currently carry about 1/3rd of our total position and will continue to add on pullbacks to support.
- GDX is very overbought but on a buy signal, so we are looking for a pullback to \$32 to add to our holdings.

- Stop is moved up to \$27.00

CLX - Clorox Co.



- CLX has performed exceedingly well as people are sanitizing everything.
- Our thesis was correct that earnings would be strong, and we think that will continue to be the case as the economy reopens.
- We are looking to add on pullbacks that work off some of the extreme overbought conditions and extended buy signal. We will be patient for now, but are moving our stops up.
- Stop is moved up to \$160

PEP - PepsiCo, Inc. (Sold)

PEP PepsiCo, Inc. Nasdaq GS

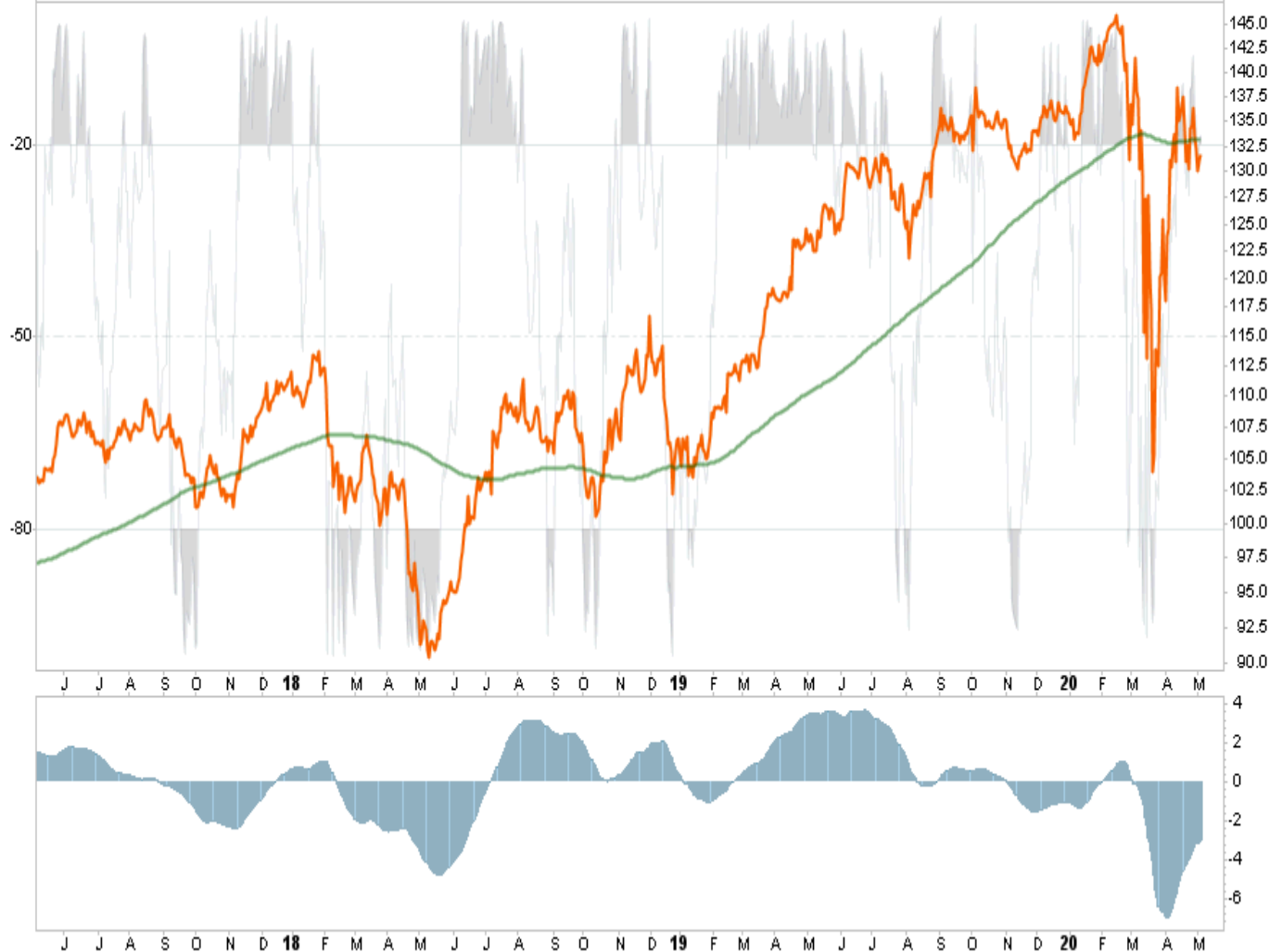
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Consumer Staples / Soft Drinks

Tuesday 5-May-2020

Open: **131.64** Ask: P/E: **25.55** Options: **yes**
 High: **133.33** Ask Size: EPS: **5.15** Annual Dividend: **3.82**
 Low: **130.77** Bid: Last Size: Yield: **2.90%**
 Prev Close: **130.92** Bid Size: VWAP: SCTR (Large): **69.1**

▲ **+0.57%**
 Chg: **+0.75**
 Last: **131.67**
 Volume: **3,530,601**



- As with Merck (MRK), we sold PepsiCo (PEP) to make room in our portfolio to increase weightings and reduce the number of holdings.
- We have a concentration in staples, so we had to pick a stock we like and let it go. Unfortunately, PEP drew the short straw for now.
- We still like the company, and it could well rejoin the fold in the future. For us, this is just about portfolio management and nothing directly related to the company.
- Keep your stop at \$127.50

CVS - CVS Health Co. (Sold)

CVS CVS Health Corp. NYSE

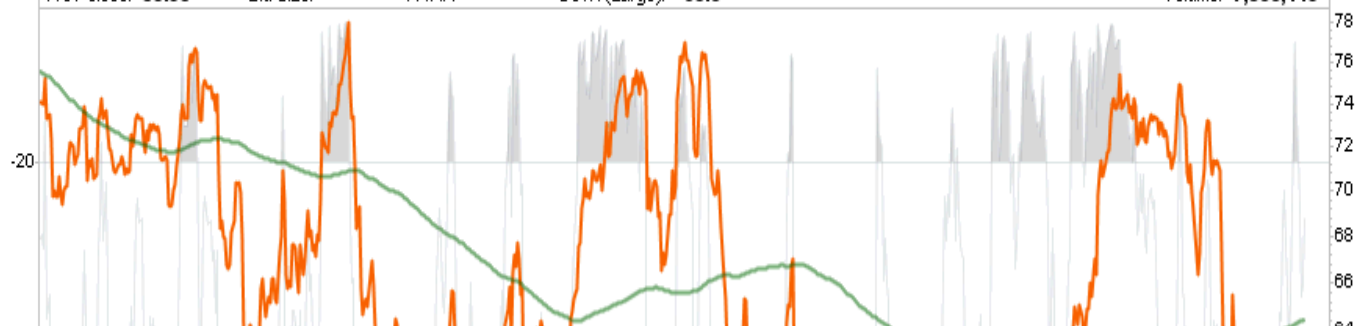
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Health Care / Pharmaceuticals

Tuesday 5-May-2020

Open: **60.63** Ask: P/E: **12.04** Options: **yes**
 High: **61.61** Ask Size: EPS: **5.08** Annual Dividend: **2.0**
 Low: **60.35** Bid: Last Size: Yield: **3.27%**
 Prev Close: **59.95** Bid Size: VWAP: SCTR (Large): **63.0**

▲ **+2.10%**
 Chg: **+1.26**
 Last: **61.21**
 Volume: **7,800,449**



- Like PEP, we are very overweight healthcare and needed to find another candidate to reduce our holdings. CVS came up short in our holdings in terms of performance, so we let it go for now.
- Like PEP, we like the story, the fundamentals and the long-term outlook and prospects, but needed to make room.
- Current stop if you are holdings remains at \$52

CHCT - CHCT Healthcare REIT (Looking To Buy)



- CHCT was beat up badly during the liquidation in the credit markets. We still maintain a position in CHCT and are now looking to add to the holding.
- It is not overbought as of yet, but is definitely improving. The recent breakout of the consolidation pattern is very encouraging. We are looking for a retest of \$34 that holds to add.
- Buy at \$34
- Stop loss moved up to \$30