

Long-Short Idea List

Each week we produce a chart book of 5 to 10 stocks which have hit our watch list for potential additions to our long-short equity trading portfolio.

We have broken down the list into two sections - Long and Short and have provided targets for potential actions.

Importantly, these equities are not part of our long-term investment themes and are for trading purposes only. We may, or may not, implement any of the ideas on this list. They are simply for consideration.

Also, it is entirely possible that our long-term themed equity model could be long a position which could show up on the "*short-idea*" list temporarily. Trading and investing, while having many commonalities, are different based on time frames and objectives and are not always handled exactly the same.

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).*

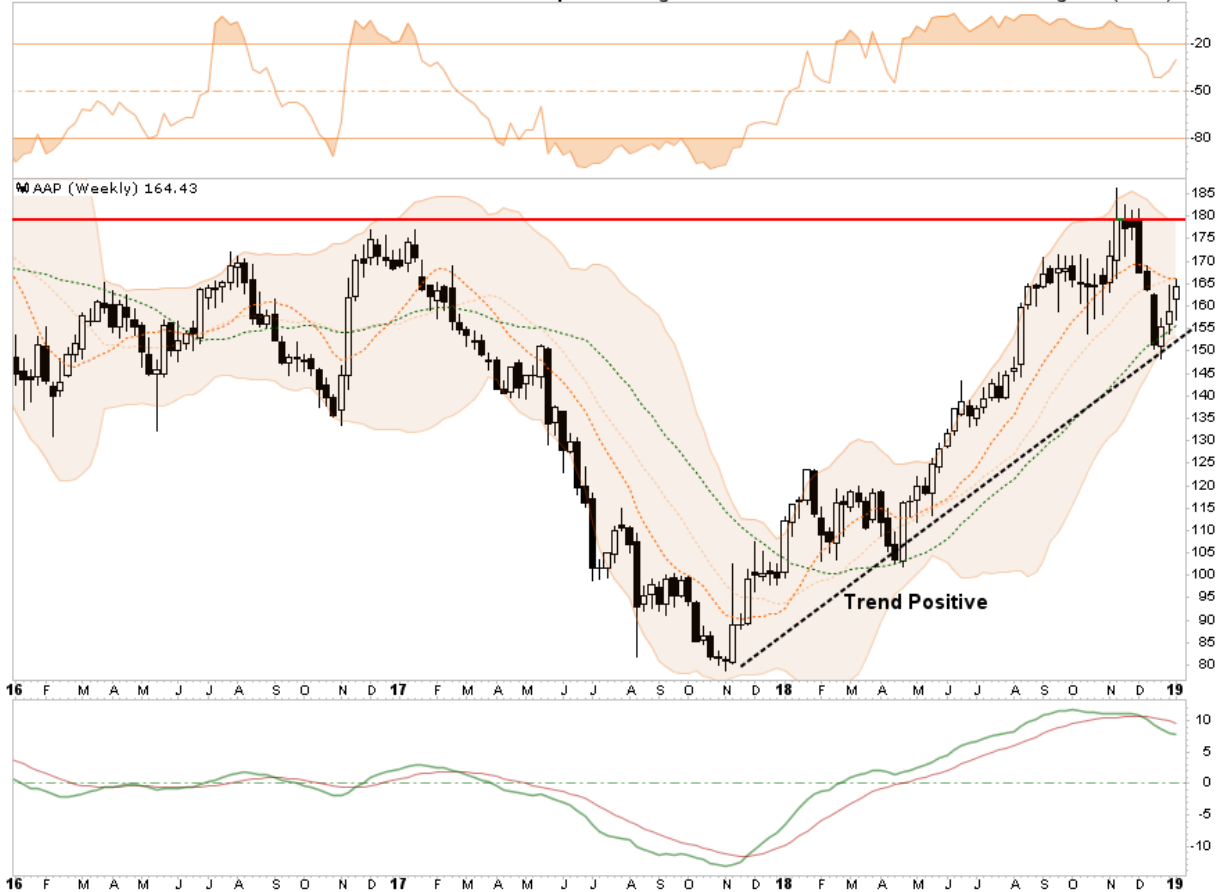


LONG CANDIDATES

AAP - Advanced Auto Parts

AAP Advance Auto Parts Inc. NYSE
9-Jan-2019

Open 161.68 High 165.79 Low 156.83 Close 164.43 Volume 5.1M Chg +5.62 (+3.54%)



- Long-term trend line is currently intact
- After selling off with the market last year, AAP has rallied off its bullish trend line.
- Short-Term Positioning: Bullish
 - Buy: \$165
 - Stop-loss is \$154

BLL - Ball Corp.

BLL Ball Corp. NYSE
9-Jan-2019

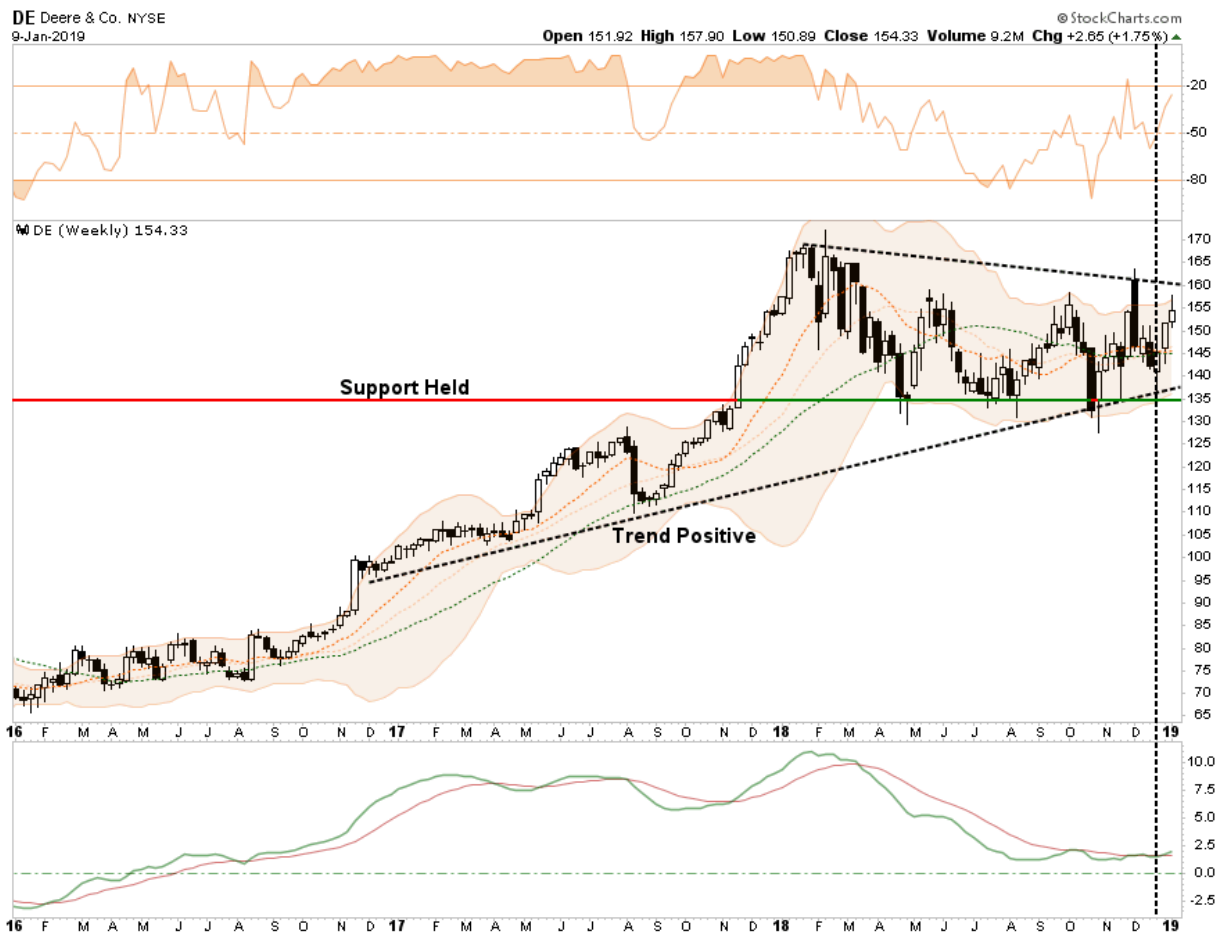
Open 45.62 High 47.35 Low 45.36 Close 47.09 Volume 8.5M Chg +1.50 (+3.29%) ▲

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- *Bullish trend line held during recent sell-off*
- *Short-Term Positioning: Bullish*
 - *Buy with target of: \$50*
 - *Stop-loss is currently \$45*

DE - Deere Co.



- Long-term trend line is holding
- Previous support from February lows has held.
- Currently close to turning back onto a weekly "buy signal."
- Short-Term Positioning: Bullish
 - Buy with initial target of \$160, Add to position @ \$162
 - Stop-loss is currently \$135

DG - Dollar General



- Long-term bullish trend line held during sell-off.
- Close to new highs which should turn current "sell signal" back onto a "buy."
- Short-Term Positioning: Bullish
 - Buy on "breakout" to new highs: \$117
 - Stop-loss is currently \$100

SHORT CANDIDATES

AMD - Advance Micro Devices



- AMD sold off after making a "blow off" top last year.
- Currently, running into down trend resistance.
- Support is current running at \$15 with a target of \$10
- Short-Term Positioning: Bearish
 - Short @ current levels
 - Stop-loss is currently \$22

DEO - Diego Plc

DEO Diageo PLC NYSE
9-Jan-2019

Open 138.84 High 140.31 Low 138.24 Close 138.38 Volume 1.7M Chg -0.90 (-0.65%)

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- Failed at overhead resistance with a longer-term consolidation range.
- Long-term trend line has also been violated.
- Short-Term Positioning: Bearish.
 - Look to short DEO on any rally back to \$142.50
 - Stop-loss is currently \$145

DLR - Digital Realty Trust



- DLR recently broke support after failing at overhead resistance.
- Long-term trend line has been broken and currently remains on an important "sell signal."
- Short-Term Positioning: Bearish
 - Short on any uptick in price toward \$103
 - Stop-loss is currently \$105

ORAN - Orange



- Previous bullish trend was broken and ORAN has now established a downtrend channel currently.
- Recent rally attempt failed at top of downtrend channel.
- Short-Term Positioning: Bearish
 - Look to short ORAN on any uptick toward \$16
 - Stop-loss is currently \$16.75