

## Long-Short Idea List: 01-31-19

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

MCD - McDonalds

**MCD McDonalds Corp. NYSE**

Consumer Discretionary / Restaurants &amp; Bars

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Open: **183.06** Ask: P/E: **27.58** Options: **yes**  
 High: **187.79** Ask Size: EPS: **6.59** Annual Dividend: **4.19**  
 Low: **178.67** Bid: Last Size: Yield: **2.31%**  
 Prev Close: **184.00** Bid Size: VWAP: SCTR (Large): **83.8**

Wednesday 30-Jan-2019

▼ **-1.21%**  
 Chg: **-2.23**  
 Last: **181.77**  
 Volume: **17,198,904**



- Stock has held the long-term moving average as support and is currently pushing toward new highs.
- Short-term positioning: Bullish
  - Previous recommendation to buy on pullback to \$182.50 has been reached.
  - Stop-loss is \$175
  - Short-Term Positioning: Bullish

**APD - Air Products & Chemicals**

**APD** Air Products and Chemicals, Inc.: NYSE

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Materials / Commodity Chemicals

Wednesday 30-Jan-2019

Open: **160.67** Ask: P/E: **24.18** Options: **yes**  
 High: **165.00** Ask Size: EPS: **6.78** Annual Dividend: **4.4**  
 Low: **158.73** Bid: Last Size: Yield: **2.68%**  
 Prev Close: **160.91** Bid Size: VWAP: SCTR (Large): **66.2**

Chg: **+1.91%**  
 Last: **163.98**  
 Volume: **3,747,660**



- *Broke out of recent consolidation pattern.*
- *Close to triggering a weekly buy signal*
- *Short-Term Positioning: Bullish*
  - *Buy at current levels*
  - *Trade target is \$170, look to add to position on breakout.*
  - *Stop-loss is currently \$158.50*

**DEO - Diego, PLC**

# DEO Diageo PLC NYSE

Consumer Staples / Distillers & Vintners

Open: **142.23**

Ask:

P/E:

**22.28**

Options:

**yes**

High: **145.31**

Ask Size:

EPS:

**6.49**

Annual Dividend:

**3.5299**

Low: **141.82**

Bid:

Last Size:

**5175 shrs**

Yield:

**2.44%**

Prev Close: **142.49**

Bid Size:

VWAP:

**144.58**

SCTR (Large):

**58.8**

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Wednesday 30-Jan-2019

▲ **+1.47%**

Chg: **+2.09**

Last: **144.58**

Volume: **974,281**



- *DEO looking to break above resistance*
- *Close to triggering a weekly "buy" signal.*
- *Short-Term Positioning: Bullish*
  - *Buy on breakout above resistance @ \$145*
  - *Stop-loss is currently \$137.50*

## DG - Dollar General

DG Dollar General Corp. NYSE

Consumer Discretionary / Specialty Retailers

Open: **113.10** Ask: P/E: **17.03**  
 High: **115.91** Ask Size: EPS: **6.77**  
 Low: **113.05** Bid: Last Size: Yield: **1.01%**  
 Prev Close: **114.20** Bid Size: VWAP: SCTR (Large): **93.0**

Options: **yes**  
 Annual Dividend: **1.16**  
 Yield: **1.01%**  
 SCTR (Large): **93.0**

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Wednesday 30-Jan-2019

▲ **+0.95%**  
 Chg: **+1.08**  
 Last: **115.28**  
 Volume: **4,676,510**



- DG close to breakout to new highs which would be a "buy" point.
- Also, close to registering a weekly "buy signal."
- Short-Term Positioning: Bullish
  - Buy on "breakout" above \$116
  - Stop-loss is tight at \$112.50

## EEM - Emerging Markets

Open: **41.57**    Ask:    P/E:    Options: **yes**    Wednesday 30-Jan-2019  
 High: **42.83**    Ask Size:    EPS:    Annual Dividend: **0.87366**    ▲ **+1.28%**  
 Low: **41.44**    Bid:    Yield: **2.04%**    Chg: **+0.54**  
 Prev Close: **42.20**    Bid Size:    VWAP:    SCTR (ETF): **83.2**    Last: **42.74**  
 Volume: **269,815,936**



- In the equity portfolio it is more challenging to do fundamental analysis on individual emerging markets as a proxy.
- EEM finally broke out of a long-consolidation process.
- It has also triggered a weekly "buy" signal after a long period of decline.
- Short-Term Positioning: Bullish
  - Buy at current levels.
  - Stop-loss is currently \$41

## SHORT CANDIDATES

HOG - Harley Davidson

**HOG** Harley Davidson Inc NYSE

Consumer Discretionary / Automobiles

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Open: **36.43** Ask: P/E: **11.35** Options: **yes**  
 High: **36.77** Ask Size: EPS: **3.22** Annual Dividend: **1.48**  
 Low: **33.15** Bid: Last Size: Yield: **4.06%**  
 Prev Close: **36.88** Bid Size: VWAP: SCTR (Large): **15.2**

Chg: **-1.08%**  
 Last: **36.48**  
 Volume: **19,885,568**



- Downtrend remains intact currently.
- Poor earnings results were bought with hopes of a turn-around story. However, longer-term trend suggests potential disappointment.
- Recently rally failed at down-trending short-term average.
  - Last weeks recommendation to short @ current levels - remains.
  - Stop-loss is currently \$40
  - Short-Term Positioning: Bearish

**BMJ - Bristol-Meyers Squibb Co.**



**BMJ** Bristol Myers Squibb Co. NYSE

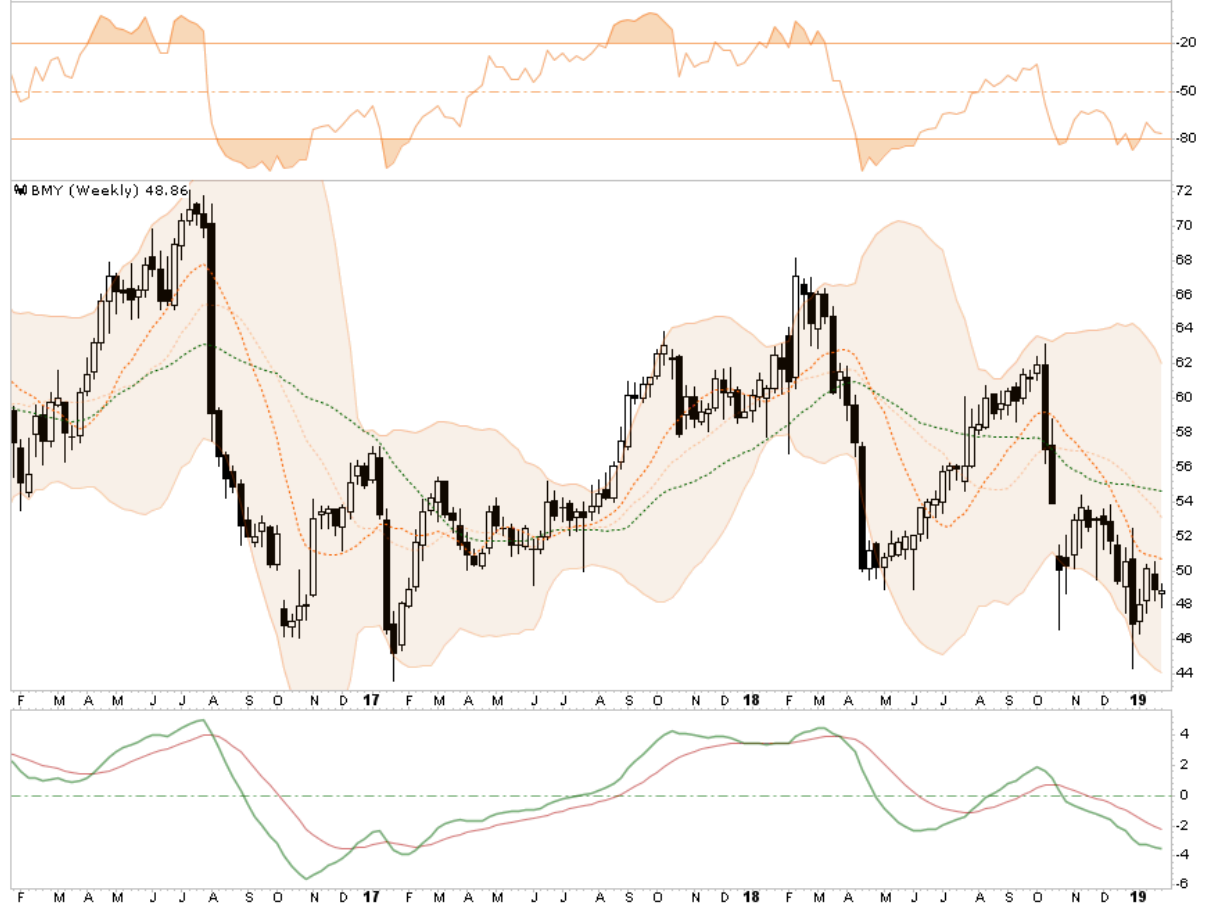
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Health Care / Pharmaceuticals

Wednesday 30-Jan-2019

Open: **48.67** Ask: P/E: **16.13** Options: **yes**  
 High: **49.21** Ask Size: EPS: **3.03** Annual Dividend: **1.61**  
 Low: **47.88** Bid: Last Size: **3.30%** Yield:  
 Prev Close: **48.93** Bid Size: VWAP: SCTR (Large): **8.5**

Chg: **-0.14%**  
 Last: **48.86**  
 Volume: **30,888,940**



- Failed at overhead resistance within the context of a downtrend.
- Short-Term Positioning: Bearish.
  - Short at current levels.
  - Stop-loss is currently \$51

## HRL - Hormel Foods

**HRL Hormel Foods Corp.** NYSE

Consumer Staples / Food Products

Open: <b>41.50</b>	Ask:	P/E: <b>22.21</b>	Options: <b>yes</b>
High: <b>41.91</b>	Ask Size:	EPS: <b>1.87</b>	Annual Dividend: <b>0.7725</b>
Low: <b>41.35</b>	Bid:	Last Size:	Yield: <b>1.86%</b>
Prev Close: <b>41.46</b>	Bid Size:	VWAP:	SCTR (Large): <b>74.4</b>

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Wednesday 30-Jan-2019

▲ **+0.17%**  
 Chg: **+0.07**  
 Last: **41.53**  
 Volume: **7,454,598**



- *HRL is threatening to break important support.*
- *A weekly "sell" signal has been registered.*
- *Short-Term Positioning: Neutral*
  - *Short on a break of current support at \$41*
  - *Stop-loss is currently \$44*

**NWL - Newell Rubbermaid**

NWL Newell Brands Inc. Nasdaq GM

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Consumer Discretionary / Durable Household Products

Wednesday 30-Jan-2019

Open: **21.12** Ask: P/E: **-1.78** Options: **yes**  
 High: **21.71** Ask Size: EPS: **-11.76** Annual Dividend: **0.92**  
 Low: **20.58** Bid: Last Size: Yield: **4.40%**  
 Prev Close: **21.32** Bid Size: VWAP: SCTR (Large): **15.6**

Chg: **-1.88%**  
 Last: **20.92**  
 Volume: **13,805,585**



- Recent rally failed at downtrend resistance in series of failures.
- Short-Term Positioning: Bearish
  - Short at current levels.
  - Stop-loss is currently \$24

**ORAN - Orange**

**ORAN** Orange NYSE

Communication Services / Fixed Telecommunications

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Open: <b>15.340</b>	Ask: <b>20.05</b>	P/E: <b>20.05</b>	Options: <b>yes</b>
High: <b>15.460</b>	Ask Size: <b>0.77</b>	EPS: <b>0.77</b>	Annual Dividend: <b>0.81147</b>
Low: <b>15.230</b>	Bid: <b>4964 shrs</b>	Last Size: <b>4964 shrs</b>	Yield: <b>5.26%</b>
Prev Close: <b>15.300</b>	Bid Size: <b>20.5</b>	VWAP: <b>20.5</b>	SCTR (Large): <b>20.5</b>

Wednesday 30-Jan-2019  
 ▲ **+0.78%**  
 Chg: **+0.120**  
 Last: **15.420**  
 Volume: **1,138,659**



- Recommended a short-position two weeks ago.
- Stock sold-off to bottom of downtrend
- Cover 1/2 of short-position now.
- Look to add 1/2 position back on a failed rally to \$16
- Short-Term Positioning: Bearish
  - Cover 1/2 short now. Add 1/2 position back at \$16
  - Stop-loss is currently \$16.75