



## Selected Portfolio Position Review: 02-20-19

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 let's get to the sector analysis.

## ABT - Abbot Laboratories

**ABT** Abbott Laboratories NYSE

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Health Care / Pharmaceuticals

Open: <b>75.16</b>	Ask:	P/E: <b>56.45</b>	Options: <b>yes</b>	Tuesday 19-Feb-2019
High: <b>75.57</b>	Ask Size:	EPS: <b>1.33</b>	Annual Dividend: <b>1.16</b>	▼ <b>-0.33%</b>
Low: <b>74.72</b>	Bid:	Last Size:	Yield: <b>1.55%</b>	Chg: <b>-0.25</b>
Prev Close: <b>75.25</b>	Bid Size:	VWAP:	SCTR (Large): <b>87.4</b>	Last: <b>75.00</b>
				Volume: <b>4,436,710</b>



- *ABT rallied and broke out to a new high.*
- *As noted last week, the position has a "buy" signal approaching so we will use weakness to add to the position accordingly.*
- *Position is extremely overbought currently*
- *Stop-loss moved up to \$70.*

**AEP - American Electric Power**

**AEP** American Elec Pwr Co., Inc. NYSE

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Utilities / Conventional Electricity

Tuesday 19-Feb-2019

Open: **79.48** Ask: P/E: **20.17** Options: **yes**  
 High: **80.22** Ask Size: EPS: **3.97** Annual Dividend: **2.58**  
 Low: **79.13** Bid: Yield: **3.22%**  
 Prev Close: **79.27** Bid Size: VWAP: SCTR (Large): **81.7**

Chg: **+1.02%**  
 Last: **80.08**  
 Volume: **2,103,489**



- Like ABT, AEP has also broken out to new highs.
- We currently only carry a 1/2 position in AEP so we will add to the position on any weakness that doesn't violate support.
- Currently, with a bit more than a 9% gain, we are tightening up stops.
- Looking for opportunity to increase exposure opportunistically.
- Stop is currently \$76 Short-Term
  - Holding 1/2 position currently
  - Looking for opportunity to increase exposure opportunistically.

## DOV - Dover Corp.

**DOV** Dover Corp., NYSE

Industrial / Industrial Machinery

Open: **90.77** Ask: P/E: **24.31**  
 High: **91.95** Ask Size: EPS: **3.76**  
 Low: **90.56** Bid: Last Size: Yield: **1.82%**  
 Prev Close: **91.20** Bid Size: VWAP: SCTR (Large): **90.3**

Options: **yes**  
 Annual Dividend: **1.665**  
 Yield: **1.82%**  
 SCTR (Large): **90.3**

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Tuesday 19-Feb-2019

▲ **+0.24%**Chg: **+0.22**Last: **91.42**Volume: **936,838**

- With hopes high for a conclusion to the ongoing "trade war," basic materials holdings have been running hot.
- After taking profits in DOV and buying VMC, DOV has continued to rally busting out to new highs.
- With DOV switching back onto a buy signal, we will look to add back into the position on weakness.
- Looking for a suitable position to swap into.
- Stops moved up to \$85

**CVS - CVS Health**



- CVS has been a laggard in the portfolio and was very close to being stopped out.
- The recent rally above short-term resistance is positive, but needs to rally above the long-term moving average to build momentum.
- The sell-signal is improving but we are likely going to sell the position here soon when we find a suitable swap to replace it with.
- Stops are moved up to \$66

## HCA - HCA Health Care



- *HCA has rallied nicely since we added it to the portfolio.*
- *With the position pushing all-time highs, and very overbought, we are going to wait for a breakout to add to our holdings.*
- *Stop-loss is moved up to \$135*

## MMM - 3M Company

MMM 3M Co. NYSE

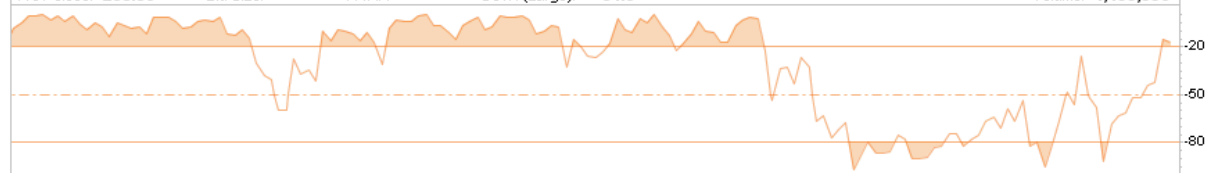
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Industrial / Diversified Industrials

Tuesday 19-Feb-2019

Open: **207.91** Ask: P/E: **23.42** Options: **yes**  
 High: **209.15** Ask Size: EPS: **8.90** Annual Dividend: **5.52**  
 Low: **207.39** Bid: Last Size: **2.65%** Yield: **2.65%**  
 Prev Close: **208.86** Bid Size: VWAP: SCTR (Large): **64.0**

Chg: **-0.22%**  
 Last: **208.41**  
 Volume: **1,499,396**



MMM (Weekly) 208.41



- We initially bought MMM on the idea of a trade war resolution.
- The recent rally has triggered a "buy" signal, but MMM is extremely overbought.
- We initially bought 1/2 position in MMM and are looking for an opportunity to increase exposure.
- However, we are tightening up stops to protect our profits.
- Stop is at \$200

## PEP - Pepsi Company



PEP PepsiCo, Inc. Nasdaq GS

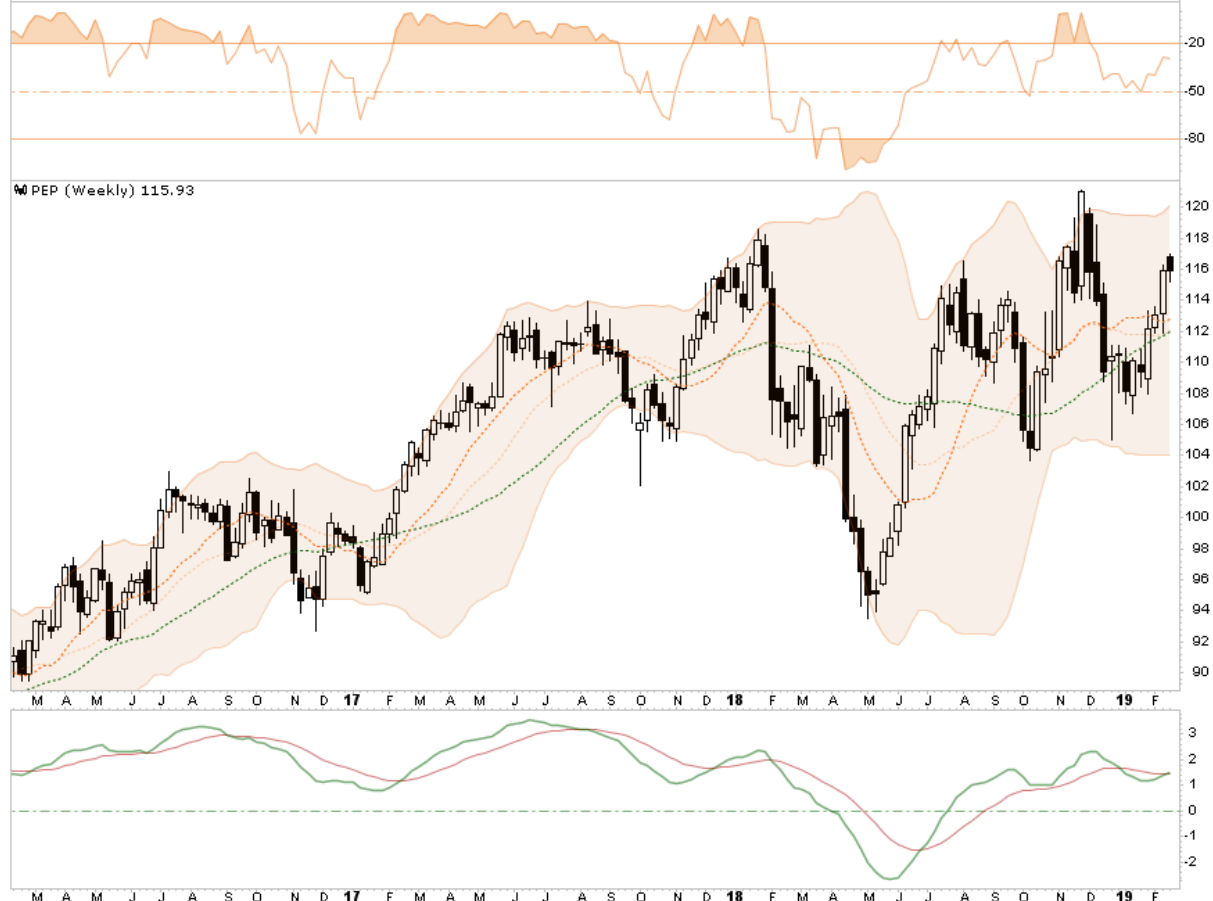
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Consumer Staples / Soft Drinks

Tuesday 19-Feb-2019

Open: **116.80** Ask: P/E: **33.41** Options: **yes**  
 High: **116.97** Ask Size: EPS: **3.47** Annual Dividend: **3.5875**  
 Low: **115.20** Bid: Last Size: **3.09%** Yield: **3.09%**  
 Prev Close: **115.91** Bid Size: VWAP: SCTR (Large): **59.2**

Chg: **+0.02%**  
 Last: **115.93**  
 Volume: **5,505,329**



- Following a good earnings report, PEP is pushing into upper resistance and is very overbought short-term.
- We will look to add to the position on weakness that doesn't violate support or reverse the early "buy" signal.
- Stop-loss moved up to \$112

## NSC - Norfolk Southern

**NSC Norfolk Southern Corp. NYSE**

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Industrial / Railroad

Tuesday 19-Feb-2019

Open: **179.61**

Ask:

P/E: **19.20**Options: **yes**▼ **-0.06%**High: **183.93**

Ask Size:

EPS: **9.52**Annual Dividend: **3.18**Chg: **-0.11**Low: **179.54**

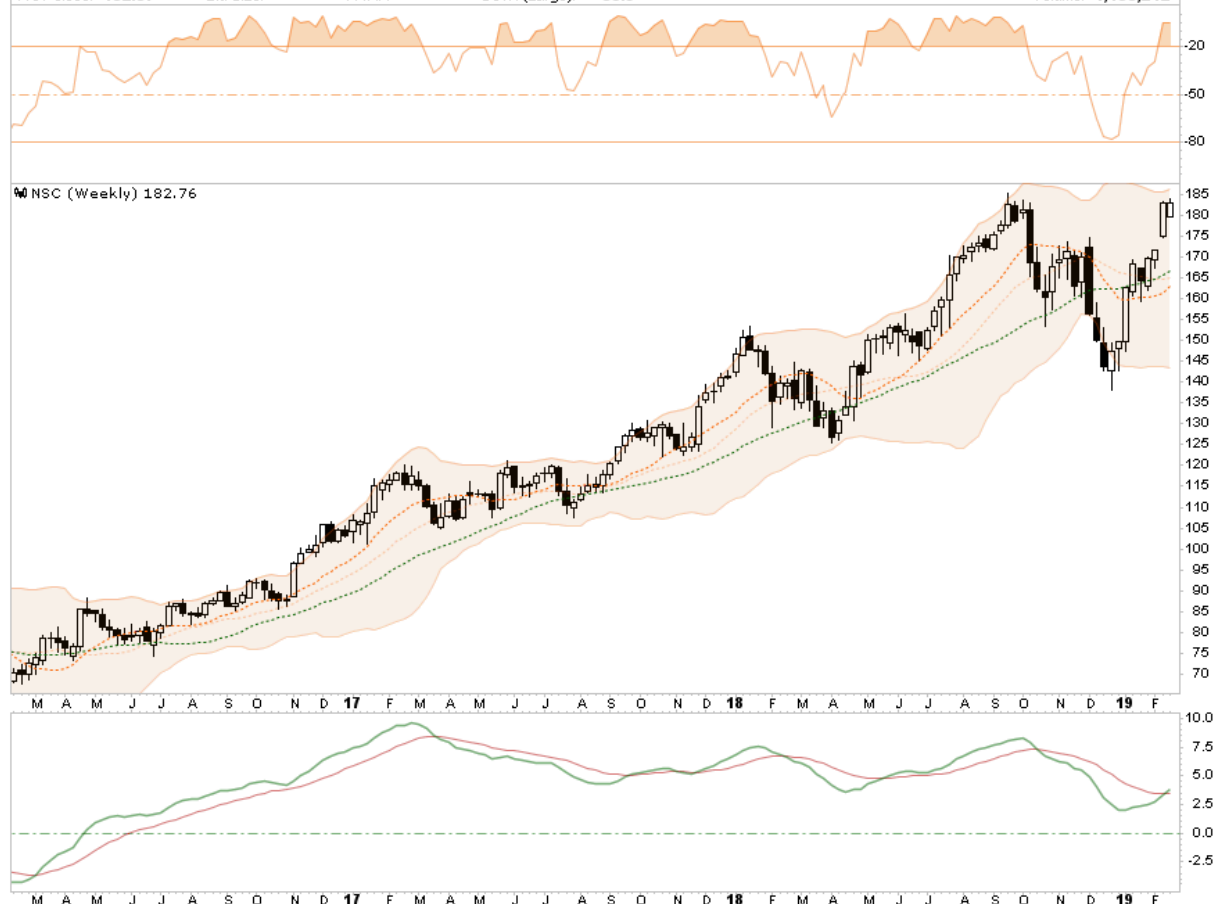
Bid:

Last Size:

Yield: **1.74%**Last: **182.76**Prev Close: **182.87**

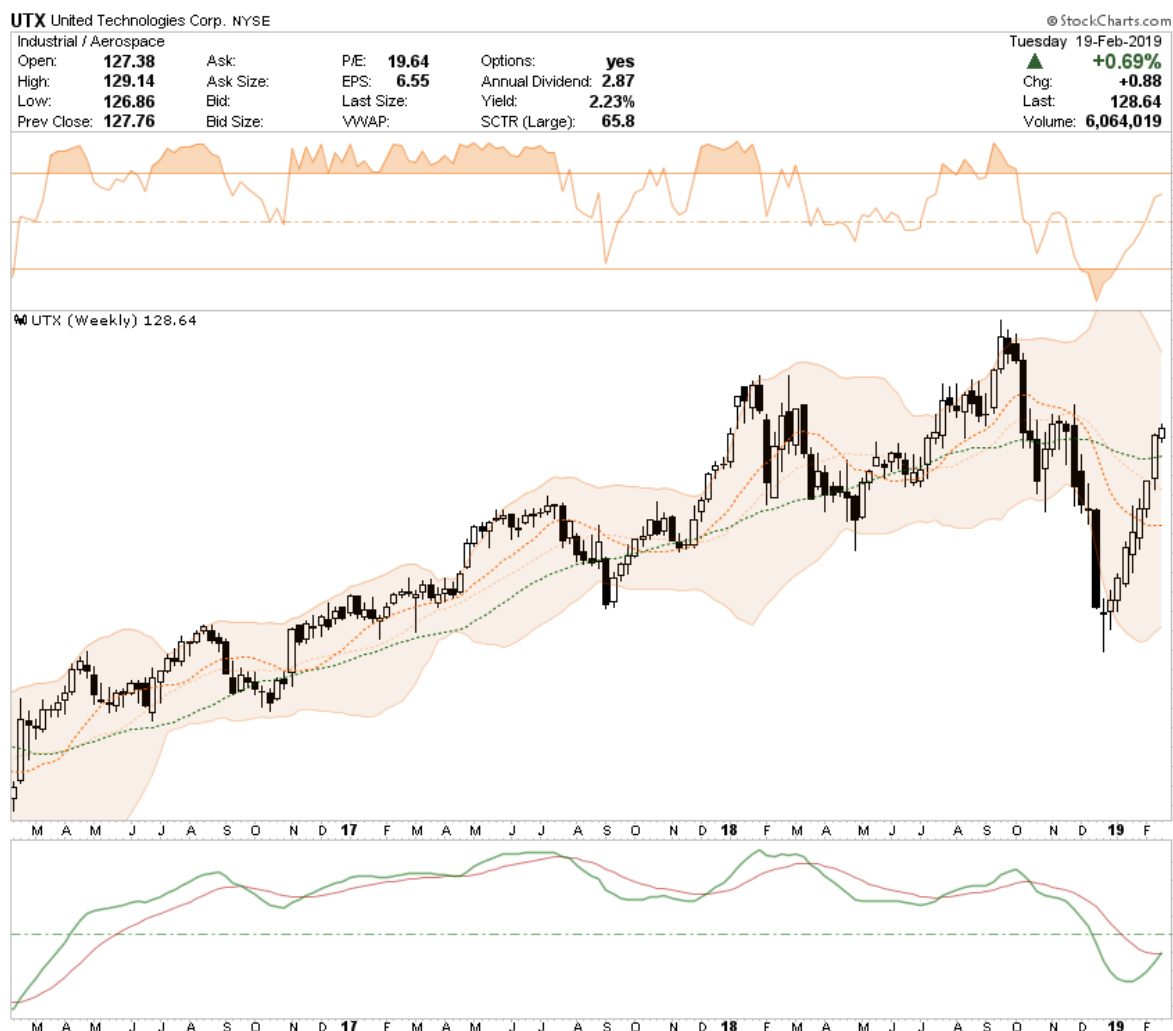
Bid Size:

VWAP:

SCTR (Large): **85.9**Volume: **1,488,242**

- NSC continues to push up on all-time highs.
- With a buy signal trying to trigger, we will look to add to our holding on a pullback or consolidation that doesn't violate our stop loss.
- With NSC very overbought, a correction in the short-term is likely.
- Stop-loss is tight at \$170 currently.

**UTX - United Technologies**



- After adding UTX to our portfolio recently, the position has already gained 11%.
- Currently carrying 1/2 position and looking to add on a pullback to support that doesn't violate our stop.
- Also, UTX is extremely overbought short-term but is triggering a "buy" signal.
- Stop-loss moved up to \$122.50

## VZ - Verizon

VZ Verizon Communications: NYSE

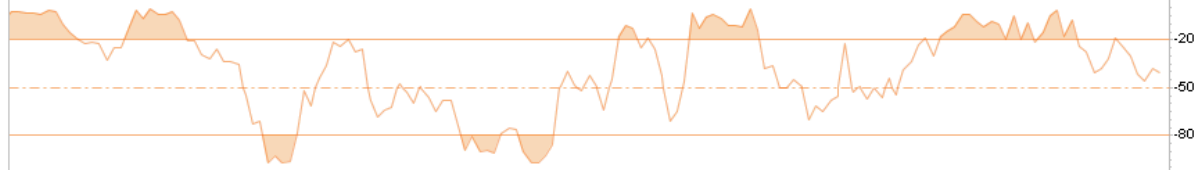
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Communication Services / Fixed Telecommunications

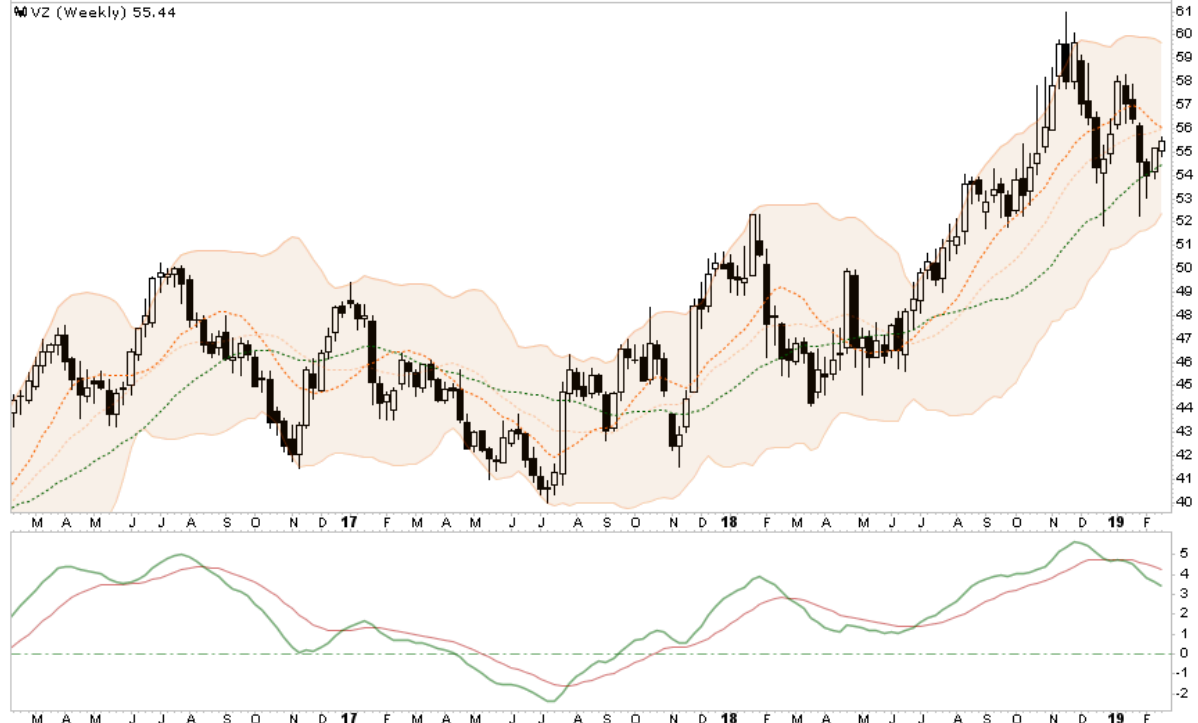
Open: **55.06** Ask: P/E: **14.71** Options: **yes**  
 High: **55.66** Ask Size: EPS: **3.77** Annual Dividend: **2.385**  
 Low: **54.82** Bid: Last Size: Yield: **4.30%**  
 Prev Close: **55.16** Bid Size: VWAP: SCTR (Large): **45.2**

Tuesday 19-Feb-2019

▲ **+0.51%**  
 Chg: **+0.28**  
 Last: **55.44**  
 Volume: **11,808,228**



VZ (Weekly) 55.44



- Like CVS, VZ has been
- Currently, with VZ on a "sell" signal, we are tightening up stops and will look to potentially swap the position into a stronger performer when we find the right opportunity.
- VZ is working off its over
- Stop-loss is moved up to \$64