Selected Portfolio Position Review: 02-27-19

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:

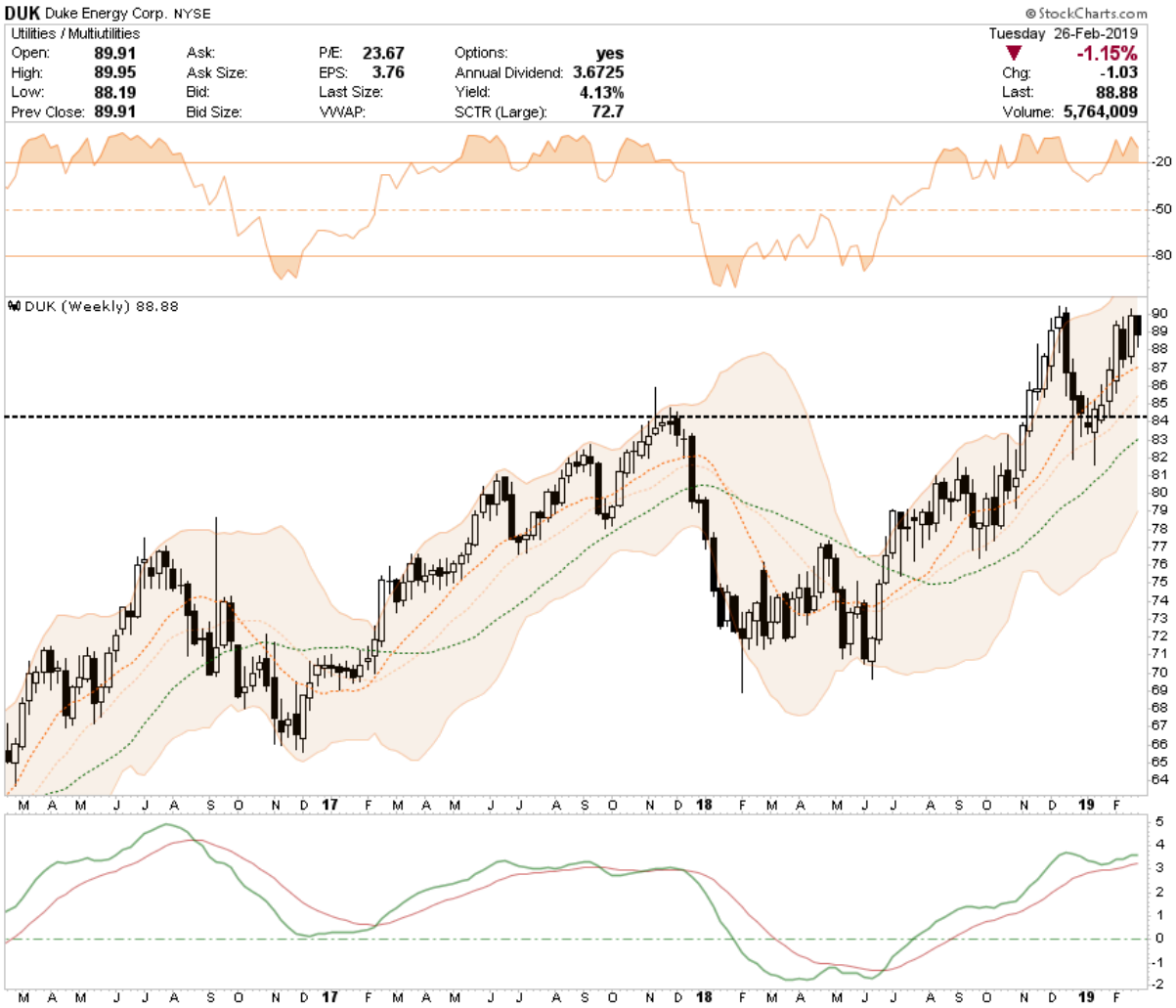
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a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



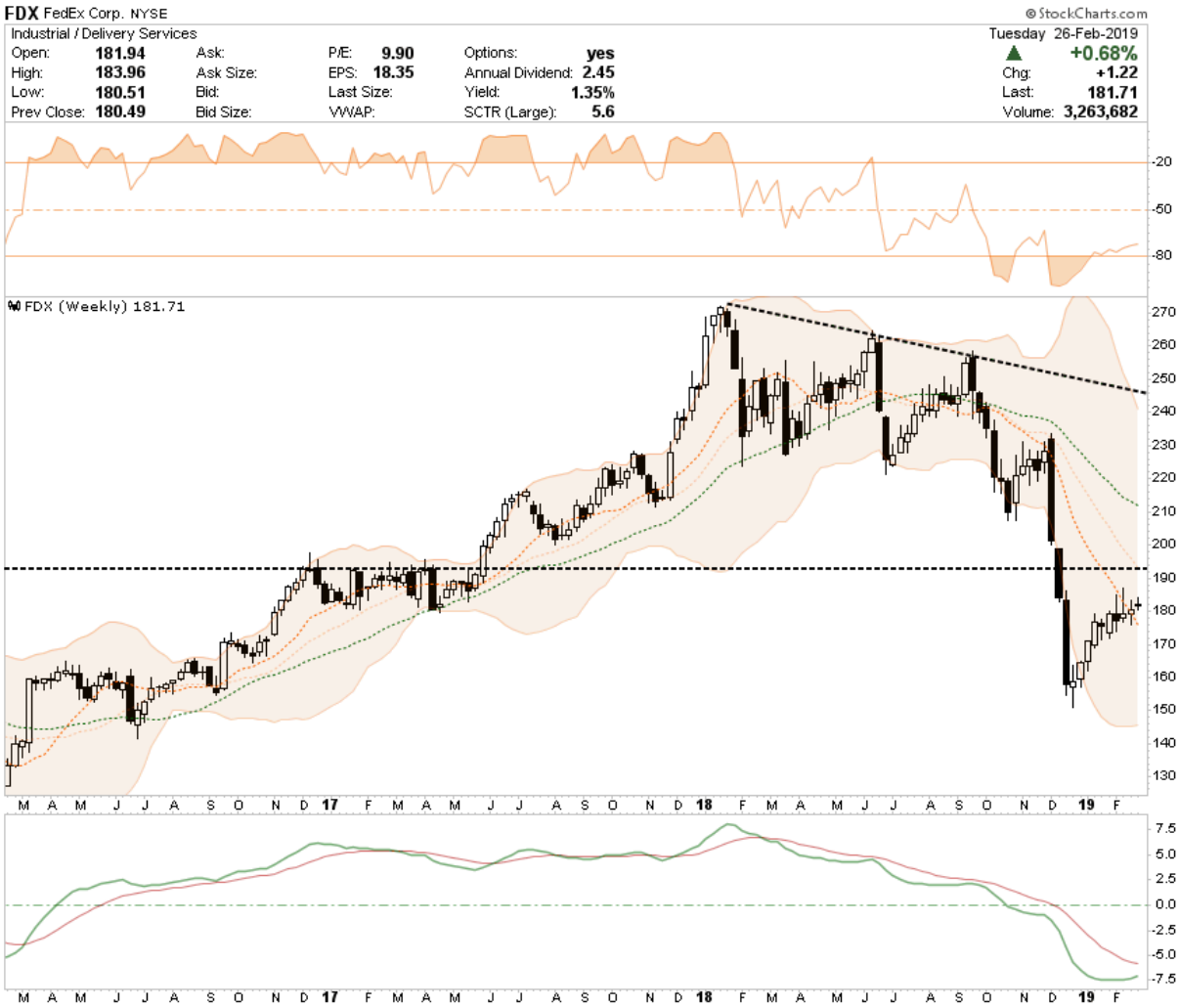
With this basic tutorial let's get to the sector analysis.

DUK - Duke Energy



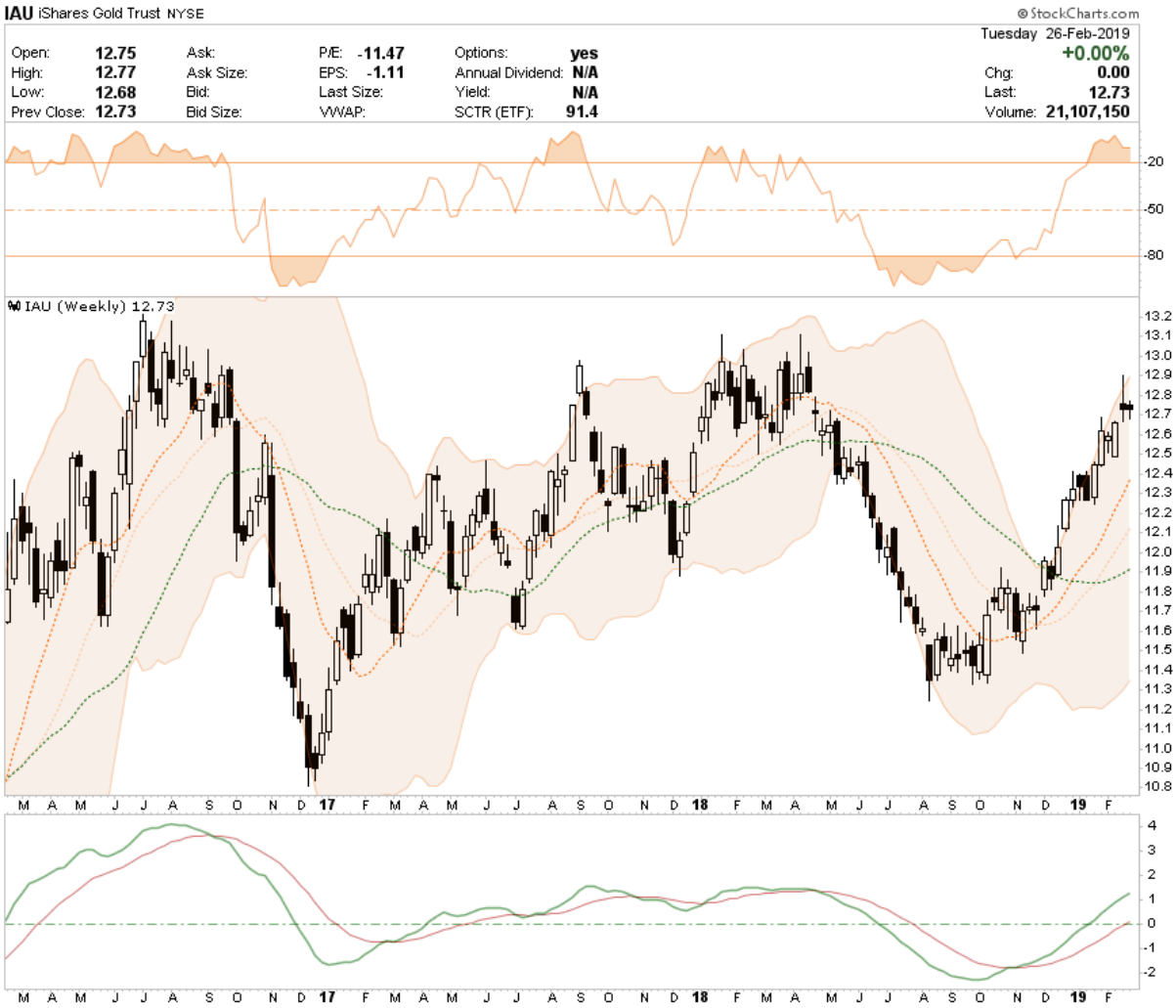
- *DUK is overbought and just hit a double-top but remains on a buy signal currently.*
- *We only hold 1/2 of a position currently, so we have been looking for a pullback to build out the rest of the holding.*
- *Stop-loss moved up to $84*

FDX - Federal Express



- *FDX is recovering from a deep oversold condition and is approaching a buy signal.*
- *Having cleared the 50-dma, the next level of resistance is $190.*
- *We currently only carry a 1/2 position so we will add to the position on any weakness that doesn't violate support.*
- *Stop is currently $175 Short-Term*
    - *Holding 1/2 position currently*
    - *Looking for opportunity to increase exposure opportunistically.*

IAU - Gold Trust



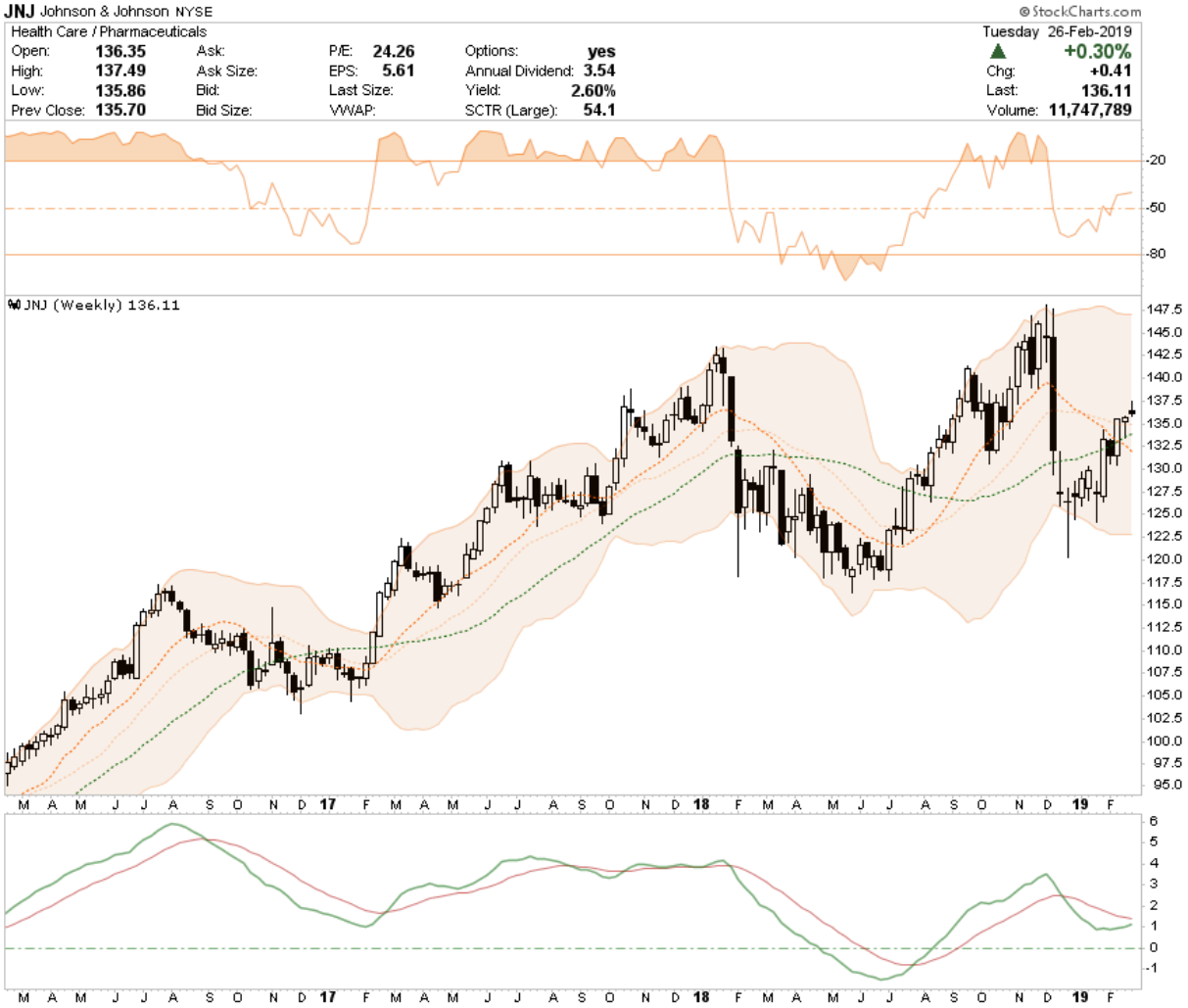
- *We added a small starter position in Gold this past week. As always every position starts as a trade and becomes a "holding" when the thesis is confirmed.*
- *IAU is on a buy signal but is very overbought currently. However, as a hedge against a market decline we are legging into a position.*
- *Looking to add to the position on a pullback to $12.50*
- *Stop is at $11.90*

WBA - Walgreens Boots Alliance



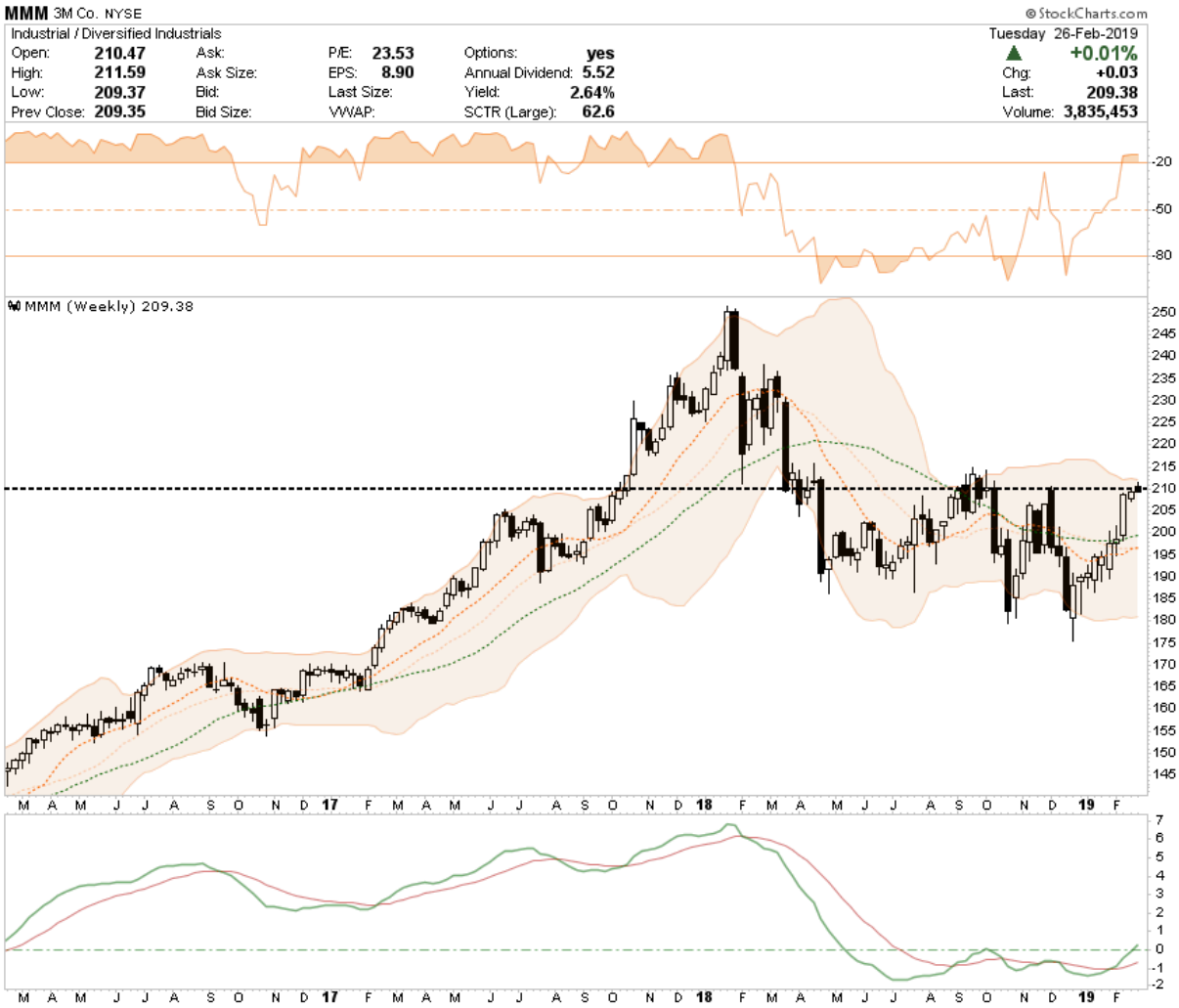
- *As we noted last week, CVS was stopped out of portfolios following a poor earnings report.*
- *We swapped into WBA because we really like the "Corner Drug Store" over the long-term.*
- *WBA is currently confined in a very big wedge pattern and a break above $74 should give the position some legs.*
- *We are currently holding 1/2 position and will add on a break out of the consolidation pattern.*
- *Stop is at $69*

JNJ - Johnson & Johnson



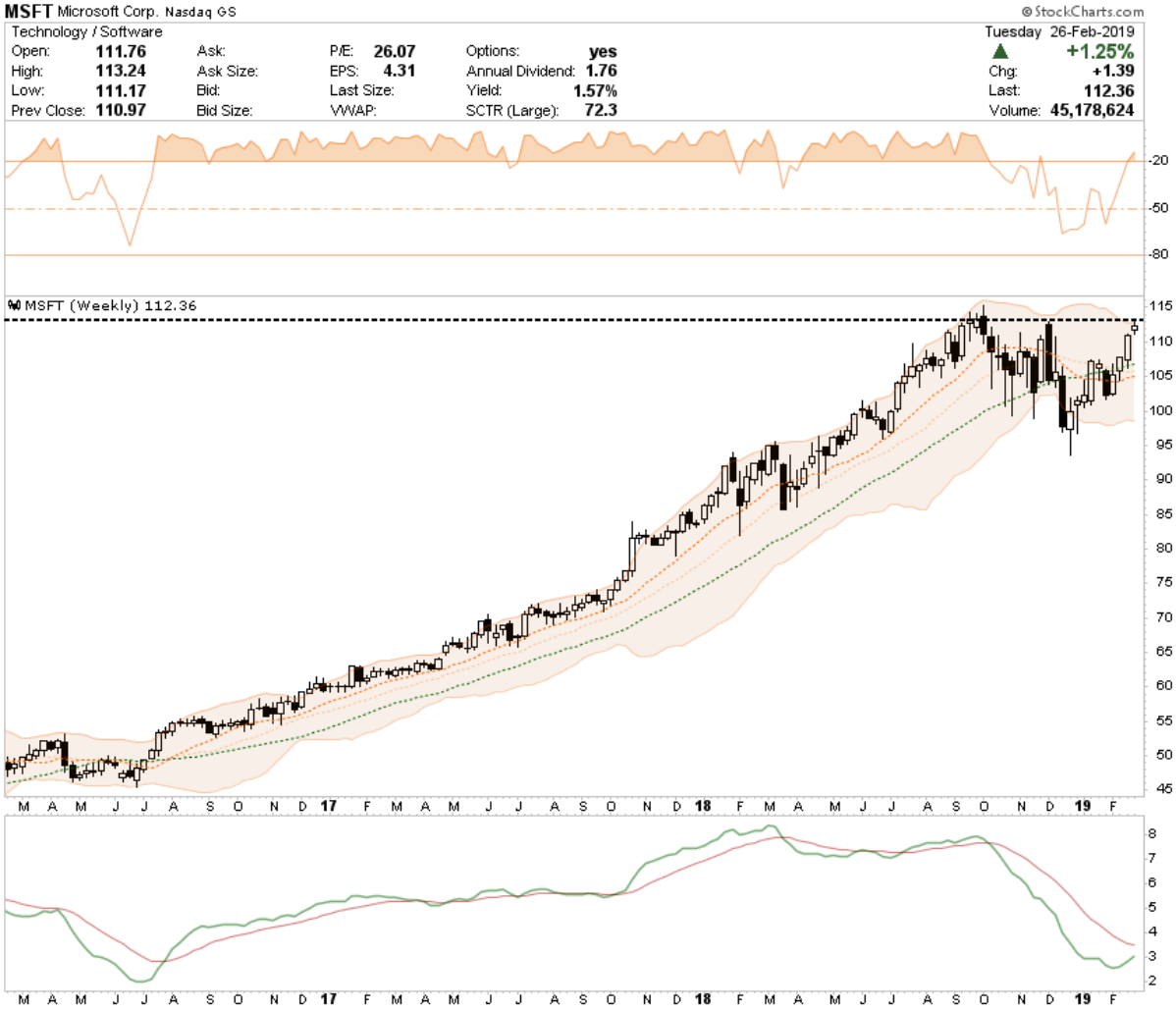
- *JNJ has rallied back to the 50% retracement of the decline and is not overbought currently.*
- *The previous sell signal is also reversing.*
- *Currently at 1/2 position size we will look for a retest of the 200-dma as an opportunity to add to our position.*
- *Stop-loss is moved up to $130*

MMM - 3M Company



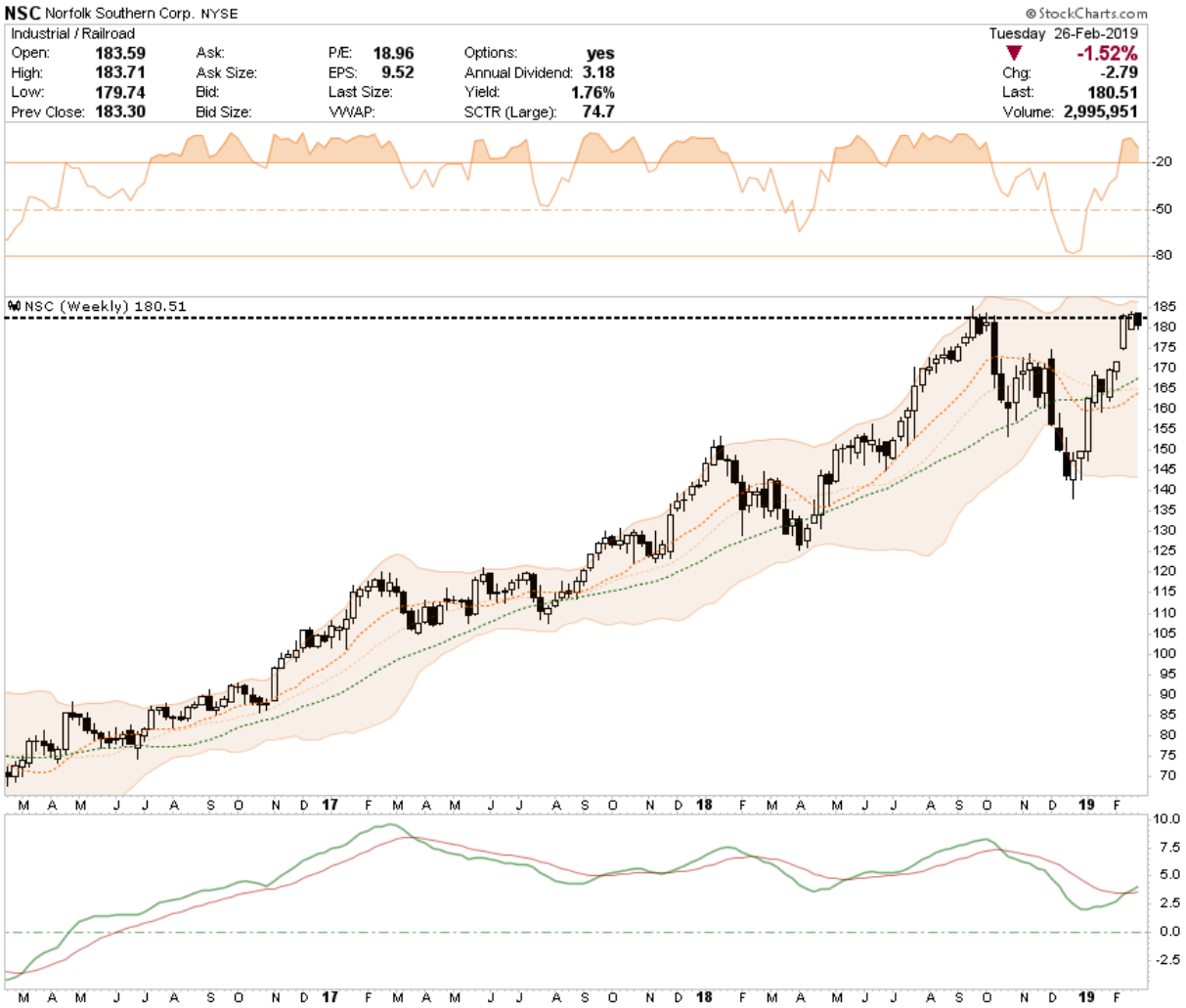
- *We initially bought MMM on the idea of a trade war resolution.*
- *The recent rally has triggered a "buy" signal, but MMM is extremely overbought.*
- *We initially bought 1/2 postion in MMM and are looking for an opportunity to increase exposure. A break above $210 will likely be that entry point.*
- *However, we are tightening up stops to protect our profits.*
- *Stop is at $200*

MSFT - Microsoft



- *After adding MSFT to the portfolio we have had a nice run with the position testing previous all-time highs.*
- *We will look to add to the position on weakness that doesn't violate support.*
- *MSFT is close to registering a "buy signal" so a breakout to new highs will likely confirm our need to increase exposure.*
- *Stop-loss moved up to $105*

NSC - Norfolk Southern



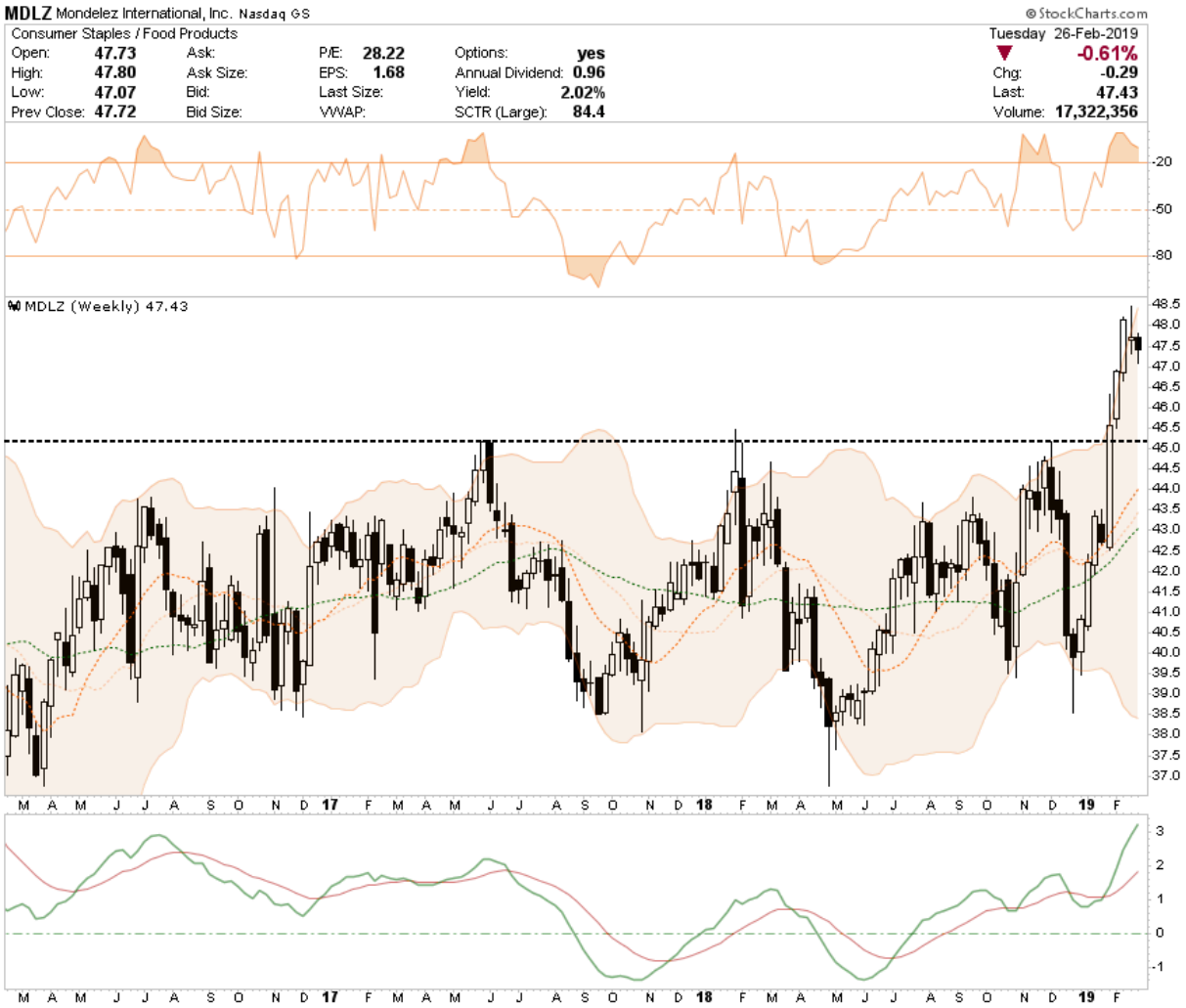
- *NSC continues to push up on all-time highs.*
- *With a buy triggered, we will look to add to our holding on a pullback or consolidation that doesn't violate our stop loss.*
- *With NSC very overbought, a correction in the short-term is likely.*
- *Stop-loss is tight at $170 currently.*

VZ - Verizon



- *After adding VZ to our portfolio performance has been "meh."*
- *Currently carrying 1/2 position, VZ is on a "sell" signal but within a wedge pattern.*
- *A breakout above $57 will provide an opportunity to add to our position.*
- *Stop-loss moved up to $56*

MDLZ - Mondolez



- *MDLZ took off after breaking out of a long consolidation to new highs.*
- *On a buy signal and very overbought, we will look for a consolidation or pullback which does not violate support at $45 to add to our holdings.*
- *Stop-loss is moved up to $44*