

## Long-Short Idea List: 02-28-19

**IMPORTANT NOTE:** Each week we produce a chart book of 10 stocks which have hit our watch list for potential additions to our long-short equity trading portfolio. With the recent sharp advance in the market, we it has become a difficult task to find potential candidates this week. **This is indicative of an overextended bull run that is due for a correction.**

As noted last week, the new [SCAN TOOL](#) also has several new screening parameters to include both fundamental factors (*Piotroski Score*) and momentum factors (*Mohanram Score*) along with Zack's rankings.

### HOW TO READ THE CHARTS

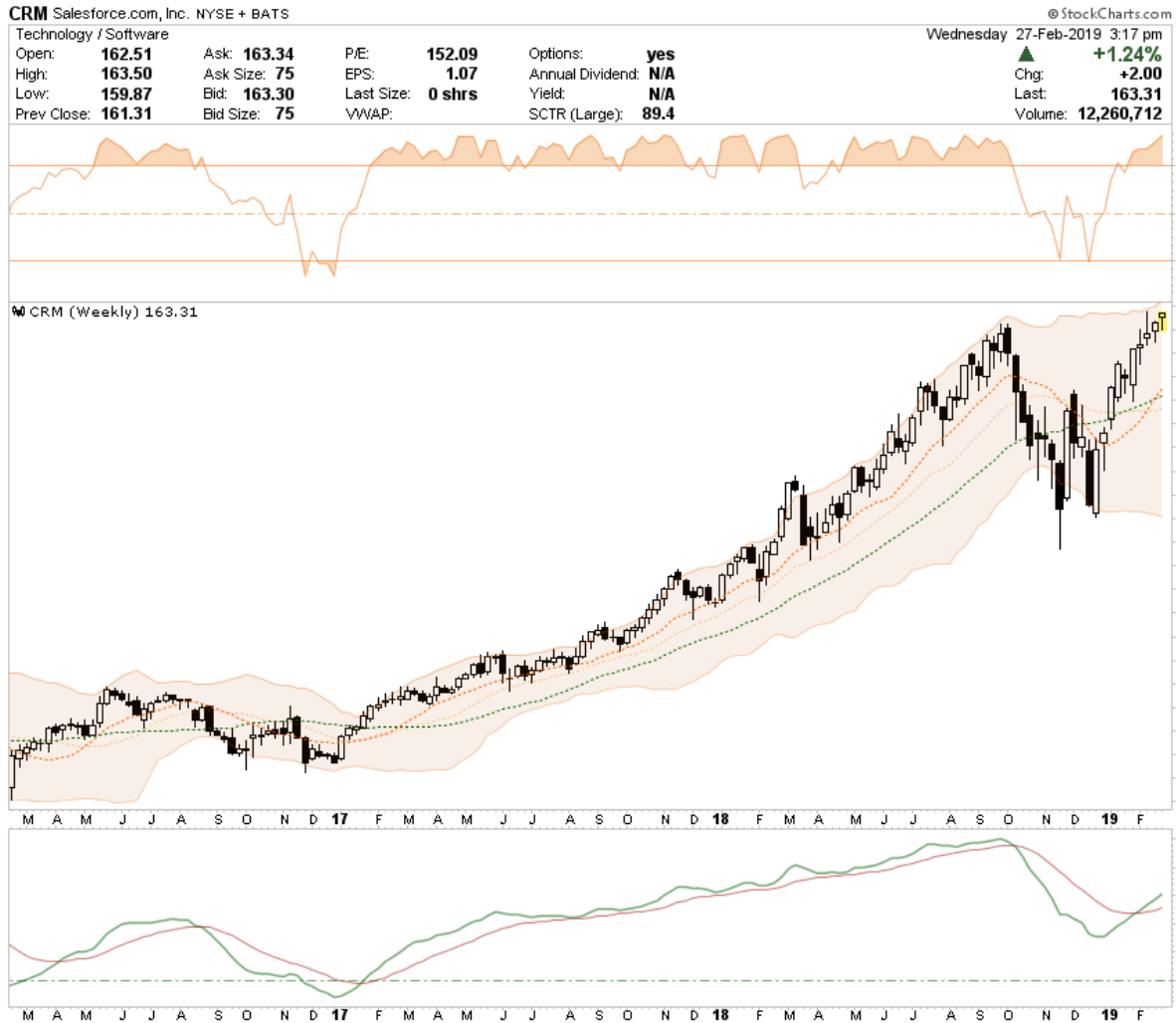
There are four primary components to each chart:

- 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

## CRM - Salesforce.com



- After a big decline last year on inventory builds, CRM recovered back to new highs.
- With the 50-dma crossing above the 200-dma, a breakout to new highs, and a triggered "buy" signal, the bullish trend for CRM remains.
- Currently CRM is very overbought so look for a pullback to support to add exposure.
- Buy 1/2 position at current levels and 1/2 on pullback to \$150-155.
- Stop is \$145

## SRE - Sempra Energy

SRE Sempra Energy NYSE + BATS

@ StockCharts.com

Utilities / Multiutilities

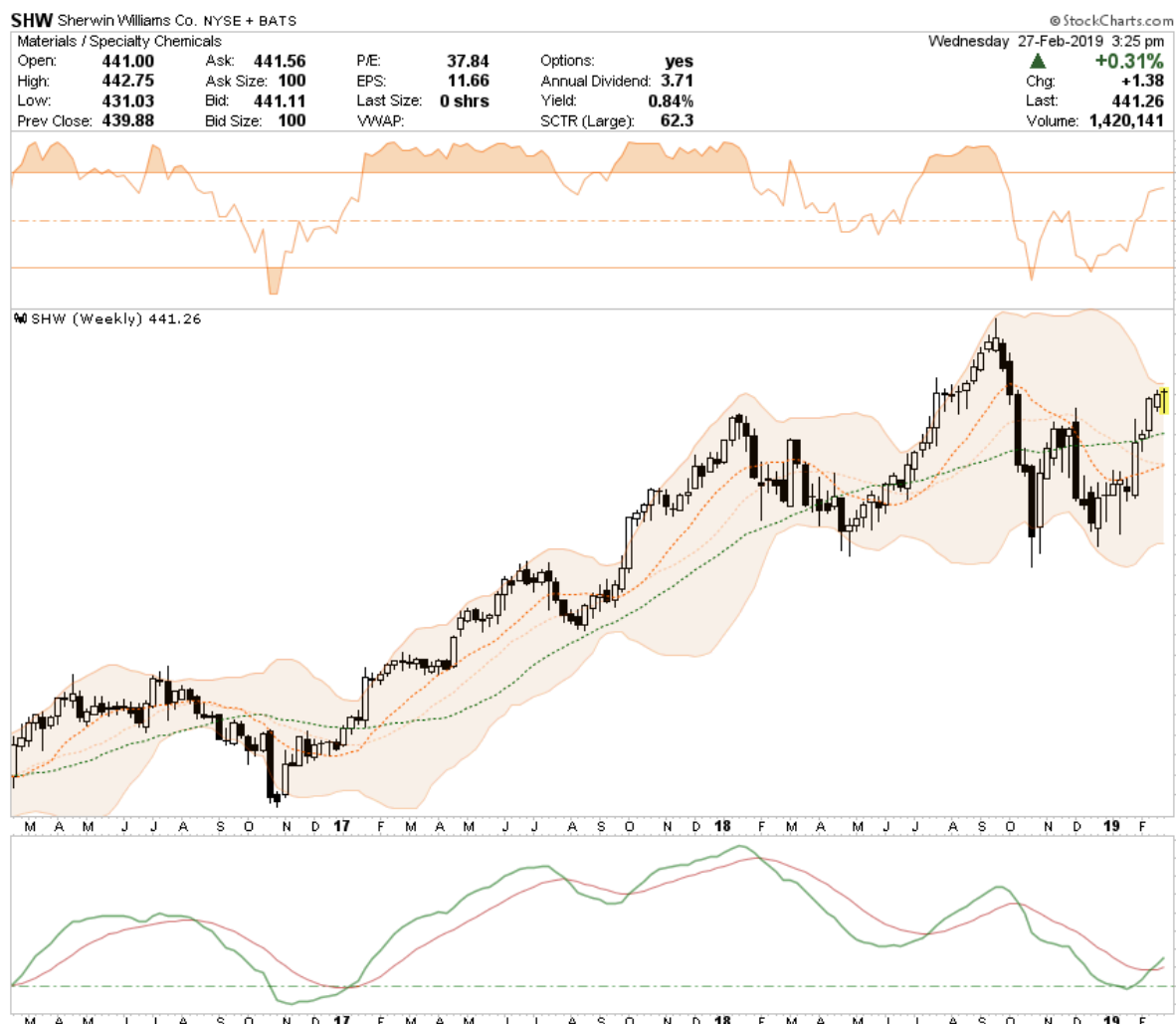
Wednesday 27-Feb-2019 3:26 pm

Open: <b>118.60</b>	Ask: <b>120.71</b>	P/E: <b>-68.09</b>	Options: <b>yes</b>	Chg: <b>+1.88%</b>
High: <b>121.61</b>	Ask Size: <b>90</b>	EPS: <b>-1.77</b>	Annual Dividend: <b>3.58</b>	Chg: <b>+2.23</b>
Low: <b>117.26</b>	Bid: <b>120.69</b>	Last Size: <b>0 shrs</b>	Yield: <b>2.97%</b>	Last: <b>120.71</b>
Prev Close: <b>118.48</b>	Bid Size: <b>90</b>	VWAP: <b></b>	SCTR (Large): <b>71.8</b>	Volume: <b>4,511,137</b>



- SRE broke out of a long consolidation pattern to new highs.
- Currently, SRE is pushing 2-standard deviations above its intermediate term trend.
- Buy 1/2 position now and 1/2 position on a pullback to \$115-116.
- Stop-loss is currently \$113

**SHW - Sherwin Williams Co.**



- After recovering from last years sell-off, SHW has registered a buy signal and is not complete overbought currently.
- Buy 1/2 position at current levels and add 1/2 at \$420-430
- Stop-loss is \$400

## JPM - J P Morgan



- JPM is very close to triggering a buy signal and is not currently overbought.
- Price action has become very tight currently and JPM could turn out to be just as viable a short candidate as well as a long.
- We are erring to the bullish side for now with JPM with very tight parameters.
- Buy on breakout above \$107.50
- Stop Loss / Or Short on break below \$102.50

## DG - Dollar General



- DG broke out to new highs last week, confirming the previous recommendation to buy on a breakout which also triggered a "buy" signal.
- Add 1/2 position now and look for a pullback which doesn't violate support.
- Stop is currently \$112.50

## SHORT CANDIDATES

**CPB - Campbell Soup Co.**

CPB Campbell Soup Co. NYSE + BATS

@ StockCharts.com

Consumer Staples / Food Products

Wednesday 27-Feb-2019 3:17 pm

Open: **32.96** Ask: **36.03** P/E: **60.80** Options: **yes**  
 High: **36.08** Ask Size: **200** EPS: **0.59** Annual Dividend: **1.05**  
 Low: **32.17** Bid: **36.01** Last Size: **0 shrs** Yield: **2.92%**  
 Prev Close: **32.83** Bid Size: **100** VWAP: SCTR (Large): **25.0**

Chg: **+9.72%**  
 Last: **36.02**  
 Volume: **18,965,496**



- CPB rallied into resistance following earnings yesterday. However there is a long downtrend at play which is likely going to continue to pressure prices for now.
- 1/2 position can be shorted at current levels and added to on break below \$32.
- Stop-loss is at \$38

**BT - BT Group Inc.**

BT BT Group plc. NYSE + BATS

@ StockCharts.com

Communication Services / Fixed Telecommunications

Wednesday 27-Feb-2019 3:17 pm

Open: **15.21** Ask: **14.56** P/E: **10.58**  
 High: **15.21** Ask Size: **1019** EPS: **1.38**  
 Low: **14.52** Bid: **14.55** Last Size: **0 shrs**  
 Prev Close: **15.08** Bid Size: **700** VWAP:

Options: **no**  
 Annual Dividend: **0.97735**  
 Yield: **6.71%**  
 SCTR (Large): **22.1**

Chg: **-3.48%**  
 Last: **14.56**  
 Volume: **2,257,037**



- *BT has just triggered a sell signal and broken back through its running moving average.*
- *BT can be shorted at current levels with a target of \$13*
- *Stop-loss is currently \$16*

**BRK/B - Berkshire Hathaway, Inc.**

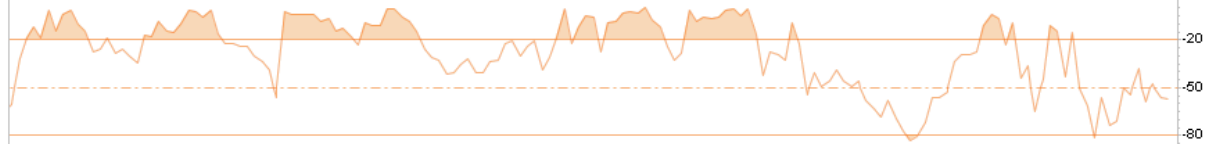
BRK/B Berkshire Hathaway, Inc. NYSE + BATS

@ StockCharts.com

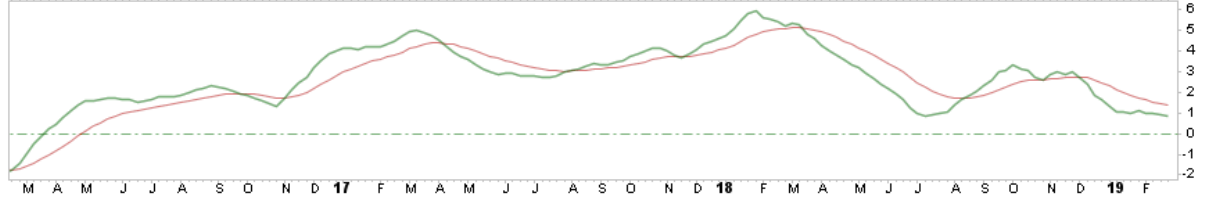
Financial / Reinsurance

Wednesday 27-Feb-2019 3:17 pm

Open: <b>201.70</b>	Ask: <b>202.16</b>	P/E: <b>8.05</b>	Options: <b>yes</b>	Chg: <b>+0.10%</b>
High: <b>205.00</b>	Ask Size: <b>300</b>	EPS: <b>25.12</b>	Annual Dividend: <b>N/A</b>	Chg: <b>+0.21</b>
Low: <b>201.20</b>	Bid: <b>202.10</b>	Last Size: <b>0 shrs</b>	Yield: <b>N/A</b>	Last: <b>202.12</b>
Prev Close: <b>201.91</b>	Bid Size: <b>100</b>	VWAP: <b></b>	SCTR (Large): <b>28.3</b>	Volume: <b>12,230,223</b>



BRK/B (Weekly) 202.12



- *BRK/B remains on a sell signal currently and has broken recent support levels.*
- *The recent debacle with Kraft-Heinz is likely to weigh on the stock for a while longer.*
- *Short at current levels and add to short below \$190.*
- *Stop-loss is currently \$210*

**HRB - H&R Block, Inc.**



HRB H & R Block, Inc. NYSE + BATS

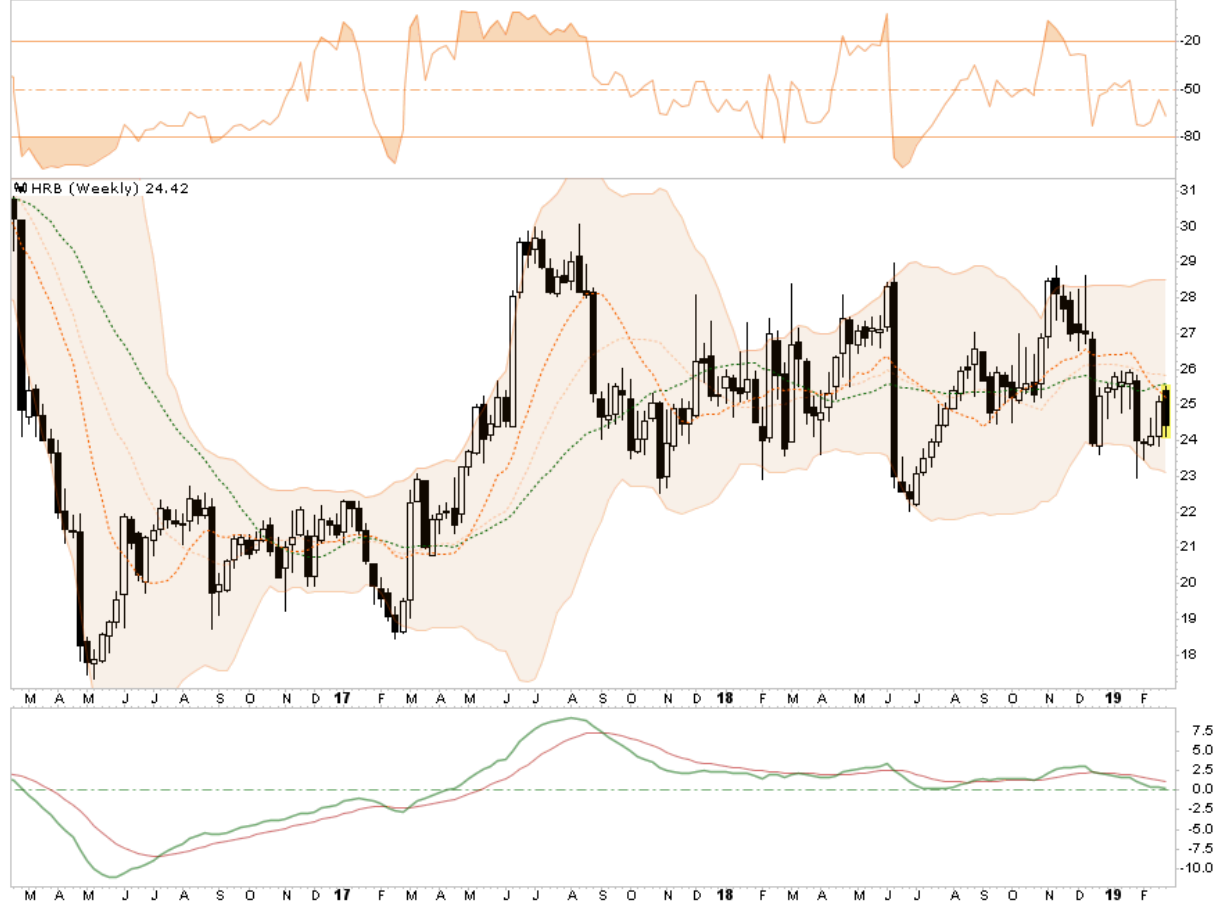
© StockCharts.com

Consumer Discretionary / Special Consumer Services

Wednesday 27-Feb-2019 3:20 pm

Open: **25.40** Ask: **24.42** P/E: **9.23** Options: **yes**  
 High: **25.51** Ask Size: **400** EPS: **2.65** Annual Dividend: **0.99**  
 Low: **24.11** Bid: **24.41** Last Size: **0 shrs** Yield: **4.05%**  
 Prev Close: **25.08** Bid Size: **650** VWAP: SCTR (Large): **17.9**

Chg: **-2.65%**  
 Last: **24.42**  
 Volume: **7,460,093**



- HRB rallied and failed at important resistance
- HRB currently remains on a strong sell signal and is not dramatically oversold.
- Short at current levels and add to short below \$24
- Stop-loss is currently \$26

GPS - Gap, Inc.

**GPS** Gap, Inc. NYSE + BATS

© StockCharts.com

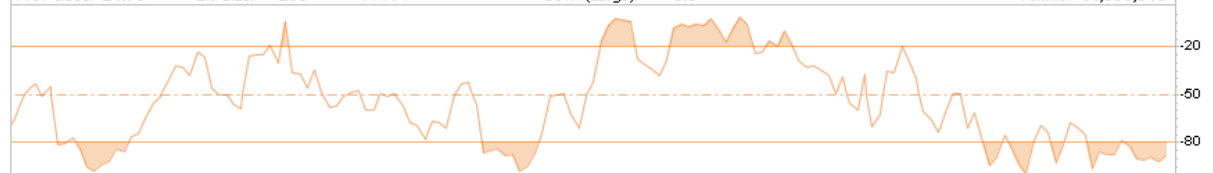
Consumer Discretionary / Apparel Retailers

Wednesday 27-Feb-2019 3:18 pm

Open: **24.94** Ask: **25.01** P/E: **10.47**  
 High: **25.60** Ask Size: **1052** EPS: **2.39**  
 Low: **24.58** Bid: **25.00** Last Size: **0 shrs**  
 Prev Close: **24.76** Bid Size: **200** VWAP:

Options: **yes**  
 Annual Dividend: **0.97**  
 Yield: **3.88%**  
 SCTR (Large): **9.9**

Chg: **+1.09%**  
 Last: **25.03**  
 Volume: **14,390,318**



GPS (Weekly) 25.03



- GPS remains on a long-term sell signal and is currently in tightening downtrend.
- GPS will either break up or down from current levels quickly, so a quick trigger finger will be needed.
- Short at current levels and add to short below \$24.
- Stop-loss is currently \$26