

Long-Short Idea List: 03-07-19

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

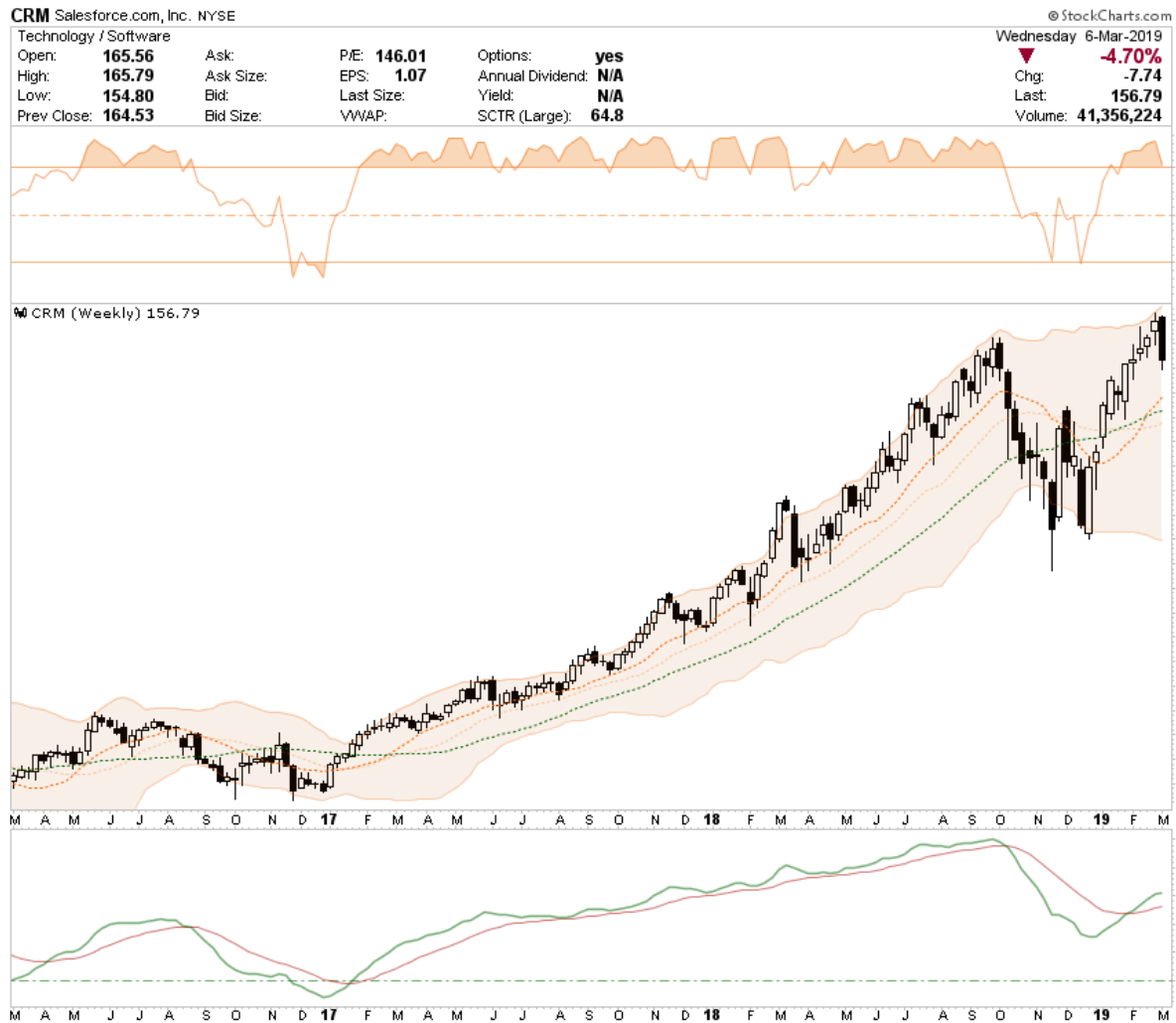
There are four primary components to each chart:

- 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



- Last week we recommended CRM as a potential long.
- 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.
- We said that with CRM being very overbought to look for a pullback to support to add exposure.
- We recommended buying 1/2 position and add on a pullback to \$150-155.
- That target was reached this week.
- Stop remains at \$145

GOOG - Alphabet Inc.

GOOG Alphabet Inc. - Class C Nasdaq GS

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Communication Services / Internet

Wednesday 6-Mar-2019

Open: 1146.99	Ask:	P/E: 26.50	Options: yes
High: 1169.61	Ask Size:	EPS: 43.70	Annual Dividend: N/A
Low: 1130.69	Bid:	Last Size:	Yield: N/A
Prev Close: 1140.99	Bid Size:	VWAP:	SCTR (Large): 57.0

Chg: +1.48%
Last: 1157.86
Volume: 3,983,254



- *GOOG broke above moving average resistance and triggered a recent buy signal.*
- *Currently, GOOG pushing 2-standard deviations above its intermediate term trend.*
- *Buy 1/2 position now and 1/2 position on a pullback to \$1100-1125.*
- *Stop-loss is currently \$1075*

HD - Home Depot

HD Home Depot, Inc. NYSE

Consumer Discretionary / Home Improvement Retailers

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Open: **186.20** Ask: P/E: **18.96** Options: **yes**
 High: **186.24** Ask Size: EPS: **9.73** Annual Dividend: **4.12**
 Low: **182.10** Bid: Last Size: **2.23%** Yield: **2.23%**
 Prev Close: **185.17** Bid Size: VWAP: SCTR (Large): **32.2**

Wednesday 6-Mar-2019

▼ **-0.39%**Chg: **-0.72**Last: **184.45**Volume: **13,122,605**

- *HD recovered from last years sell-off and has registered a buy signal and is not completely overbought currently.*
- *Buy 1/2 position at current levels and add 1/2 above \$195*
- *Stop-loss is \$180*

JPM - J P Morgan

JPM J.P. Morgan Chase & Co. NYSE

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Financial / Banks

Open: **104.92**

Ask:

P/E: **11.54**Options: **yes**

Wednesday 6-Mar-2019

High: **105.92**

Ask Size:

EPS: **8.98**Annual Dividend: **2.72**▼ **-0.68%**Low: **103.26**

Bid:

Last Size:

Yield: **2.62%**Chg: **-0.71**Prev Close: **104.43**

Bid Size:

VWAP:

SCTR (Large): **29.4**Last: **103.72**Volume: **32,258,784**

- 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 \$105.00
- Stop Loss / Or Short on break below \$102.50

HRL - Hormel Foods Corp.

HRL Hormel Foods Corp. NYSE

Consumer Staples / Food Products

Open: 43.50	Ask:	P/E: 24.84	Options: yes
High: 43.63	Ask Size:	EPS: 1.75	Annual Dividend: 0.7725
Low: 42.57	Bid:	Last Size:	Yield: 1.78%
Prev Close: 43.39	Bid Size:	VWAP:	SCTR (Large): 74.7

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Wednesday 6-Mar-2019

▲ **+0.18%**

Chg: **+0.08**

Last: **43.47**

Volume: **5,846,496**



- HRL broke out of a consolidation pattern which is bullish, but remains on a "sell" signal currently (bottom panel)
- Add 1/2 position at current levels and let's see where it goes from here.
- Stop is currently \$41.50

SHORT CANDIDATES

CHDN - Churchill Downs

CHDN Churchill Downs, Inc. Nasdaq GS

Consumer Discretionary / Gambling

Open: 94.03	Ask:	P/E: 20.71	Options: yes
High: 94.09	Ask Size:	EPS: 4.31	Annual Dividend: 0.5433
Low: 88.69	Bid:	Last Size:	Yield: 0.61%
Prev Close: 93.59	Bid Size:	VWAP:	SCTR (Small): 55.9

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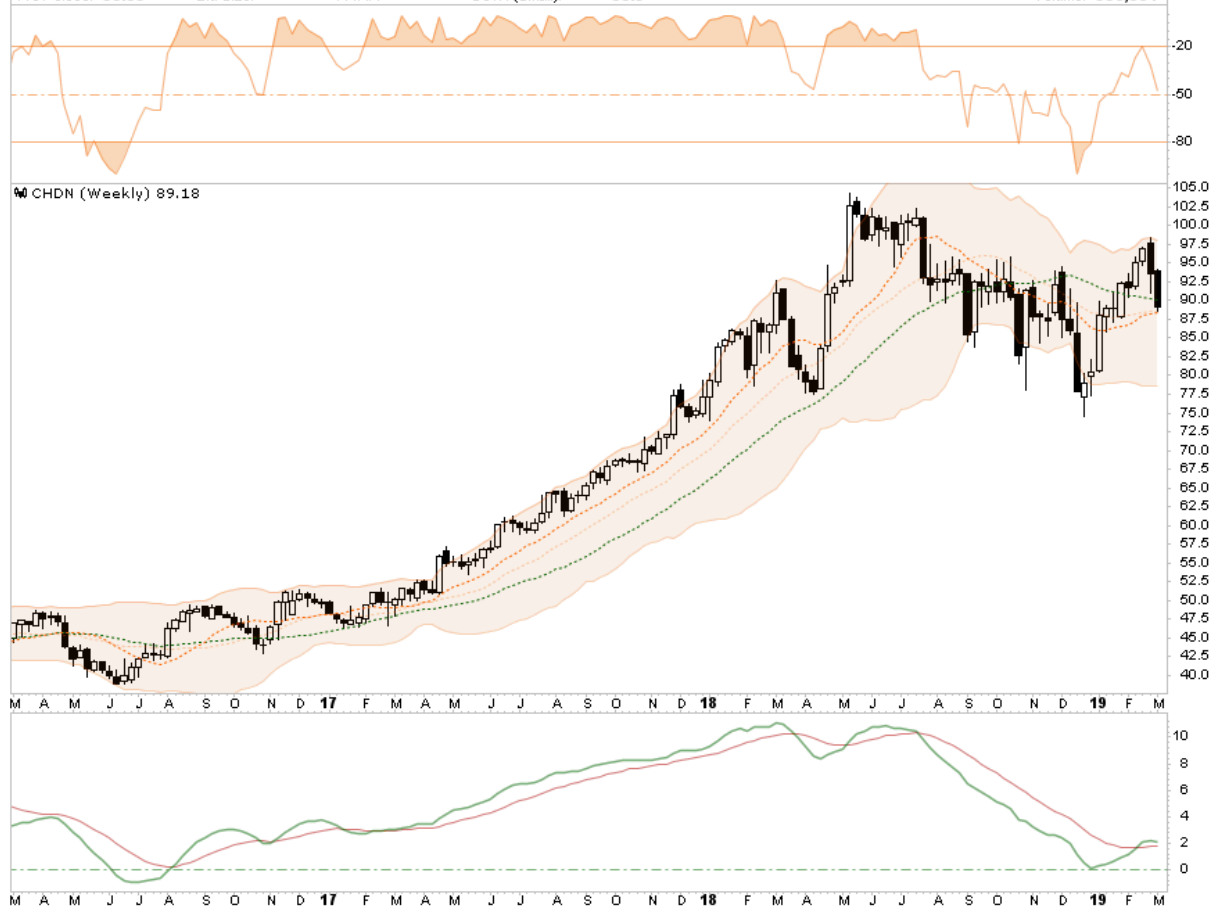
Wednesday 6-Mar-2019

▼ **-4.71%**

Chg: **-4.41**

Last: **89.18**

Volume: **936,001**



- After a rally with the rest of the market, it looks like the trade is done for CHDN.
- Look for a break below the 50-dma to see a retest of recent lows.
- Parameters are very tight for this trade.
- Short on break, and close, below the 200-dma
- Stop-loss is at \$92

IFF - International Flavors & Fragrances

IFF Intl Flavors & Fragrances NYSE

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Materials / Specialty Chemicals

Wednesday 6-Mar-2019

Open: 128.61	Ask:	P/E: 30.66	Options: yes	Chg: -0.86%
High: 129.09	Ask Size:	EPS: 4.14	Annual Dividend: 2.84	Chg: -1.10
Low: 126.47	Bid:	Last Size:	Yield: 2.24%	Last: 126.77
Prev Close: 127.87	Bid Size:	VWAP:	SCTR (Large): 21.0	Volume: 1,868,846



- *IFF recently triggered a sell signal and broken back through its running moving average supports.*
- *IFF can be shorted on a failed rally back to \$135*
- *Stop-loss is currently \$137.50*

KO - Coca-Cola Company

KO Coca Cola Co. NYSE

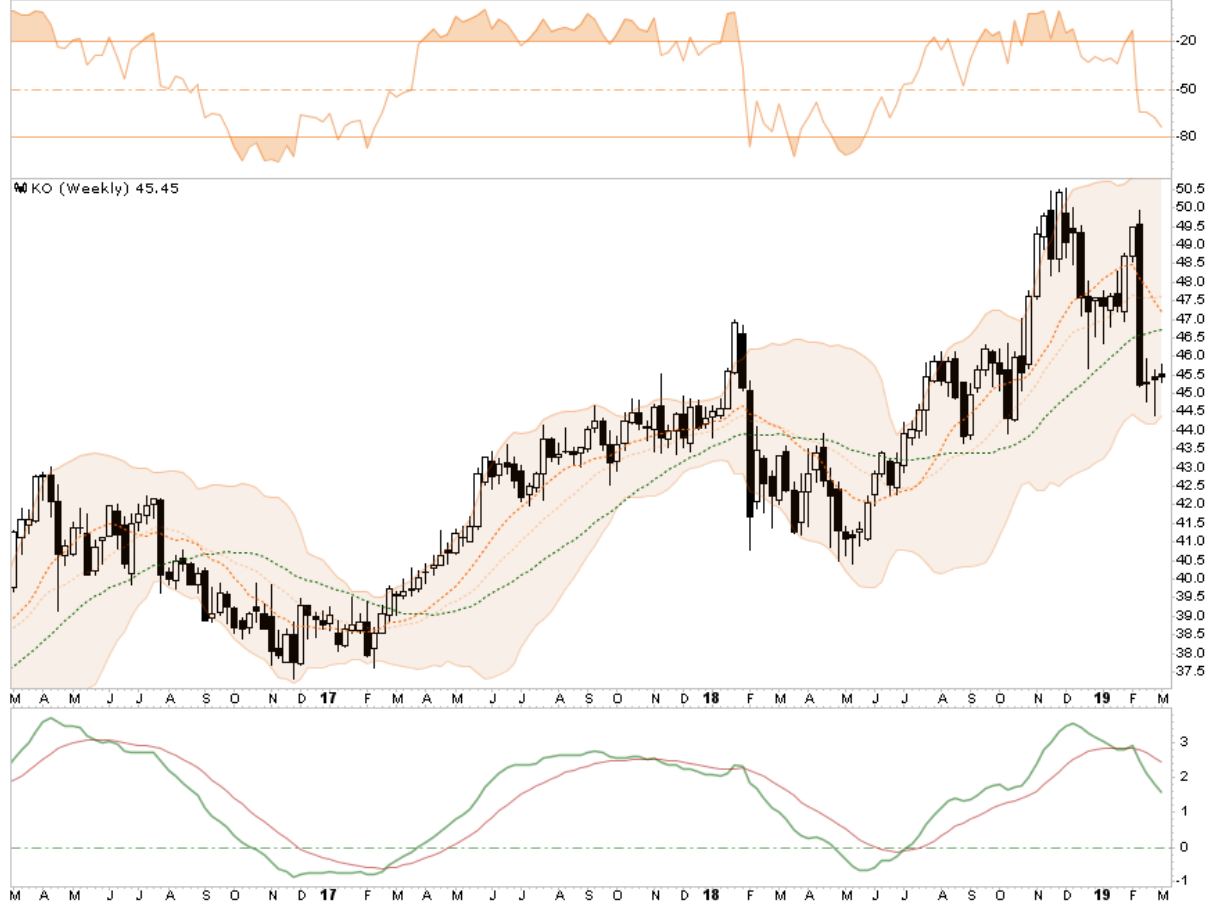
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Consumer Staples / Soft Drinks

Wednesday 6-Mar-2019

Open: **45.53** Ask: P/E: **30.30** Options: **yes**
 High: **45.78** Ask Size: EPS: **1.50** Annual Dividend: **1.56**
 Low: **45.30** Bid: Last Size: Yield: **3.43%**
 Prev Close: **45.38** Bid Size: VWAP: SCTR (Large): **38.6**

Chg: **+0.15%**
 Last: **45.45**
 Volume: **43,045,208**



- *KO remains on a sell signal currently and has broken recent support levels.*
- *The recent earnings related sell-off has failed to recover suggesting more downside in the near-term.*
- *Short any rally to \$46.5 and add on a break below recent lows.*
- *Stop-loss is currently \$48*

HRB - H&R Block, Inc.

HRB H & R Block, Inc. NYSE

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Consumer Discretionary / Special Consumer Services

Wednesday 6-Mar-2019

Open: **24.18** Ask: P/E: **8.89** Options: **yes**
 High: **24.19** Ask Size: EPS: **2.65** Annual Dividend: **0.99**
 Low: **23.53** Bid: Last Size: Yield: **4.21%**
 Prev Close: **24.14** Bid Size: VWAP: SCTR (Large): **15.9**

Chg: **-2.53%**
 Last: **23.53**
 Volume: **13,658,431**



- *HRB rallied and failed at important resistance*
- *HRB currently remains on a strong sell signal but has gotten oversold*
- *We recommended shorting HRB last week and adding on a break below \$24*
- *That break has occurred.*
- *Stop-loss remains \$26*

GT - Goodyear Tire & Rubber

GT Goodyear Tire & Rubber Co. Nasdaq GS

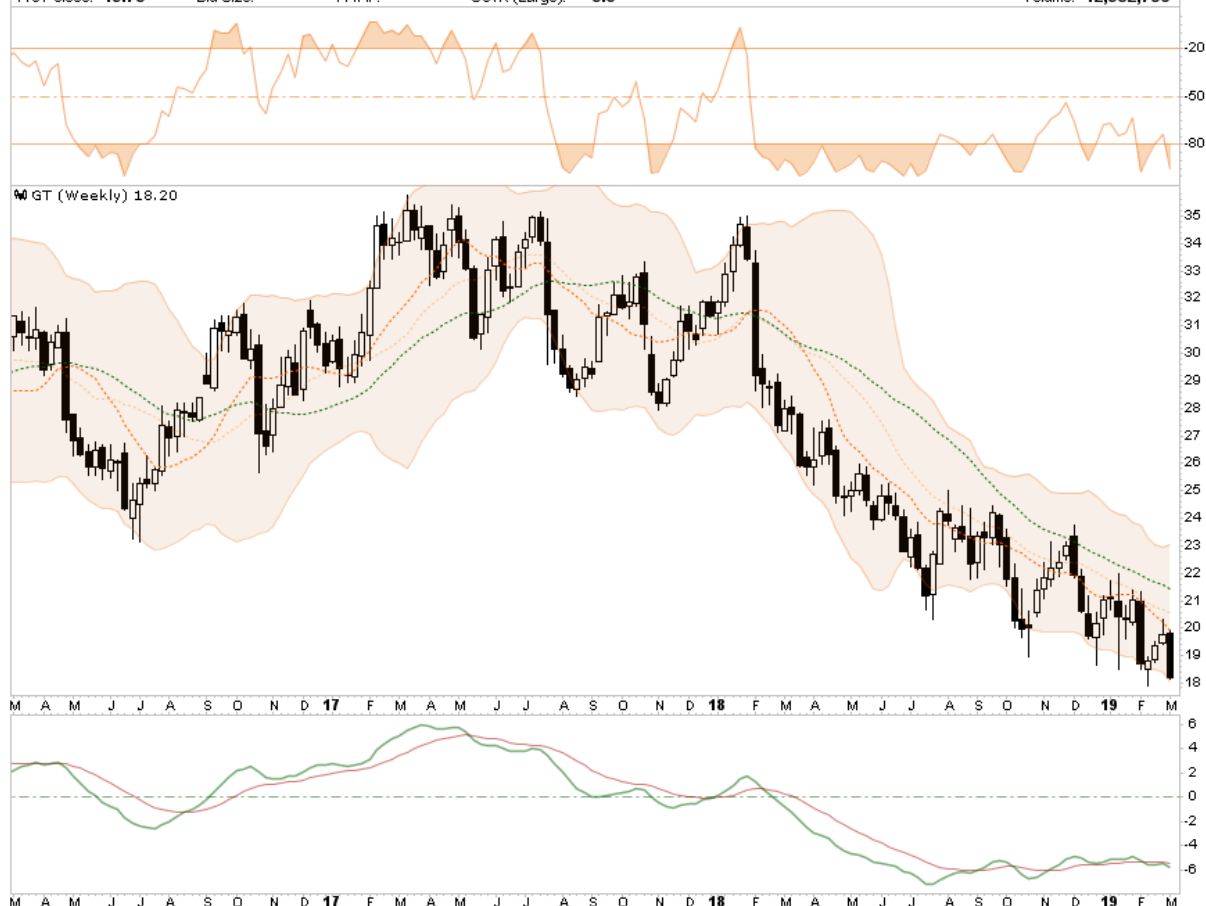
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Consumer Discretionary / Auto Parts

Wednesday 6-Mar-2019

Open: **19.84** Ask: P/E: **6.27** Options: **yes**
 High: **19.90** Ask Size: EPS: **2.90** Annual Dividend: **0.6**
 Low: **18.15** Bid: Last Size: Yield: **3.30%**
 Prev Close: **19.75** Bid Size: VWAP: SCTR (Large): **3.6**

Chg: **-7.85%**
 Last: **18.20**
 Volume: **12,382,750**



- GT remains a favorite shorting position and we have recommended it previously.
- GT remains on a sell-signal and in a steep downtrend. The recent break to new lows keeps that downtrend intact.
- Short on any failed rally to \$20-21
- Stop-loss is currently \$22