



Selected Portfolio Position Review: 04-18-19

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).*

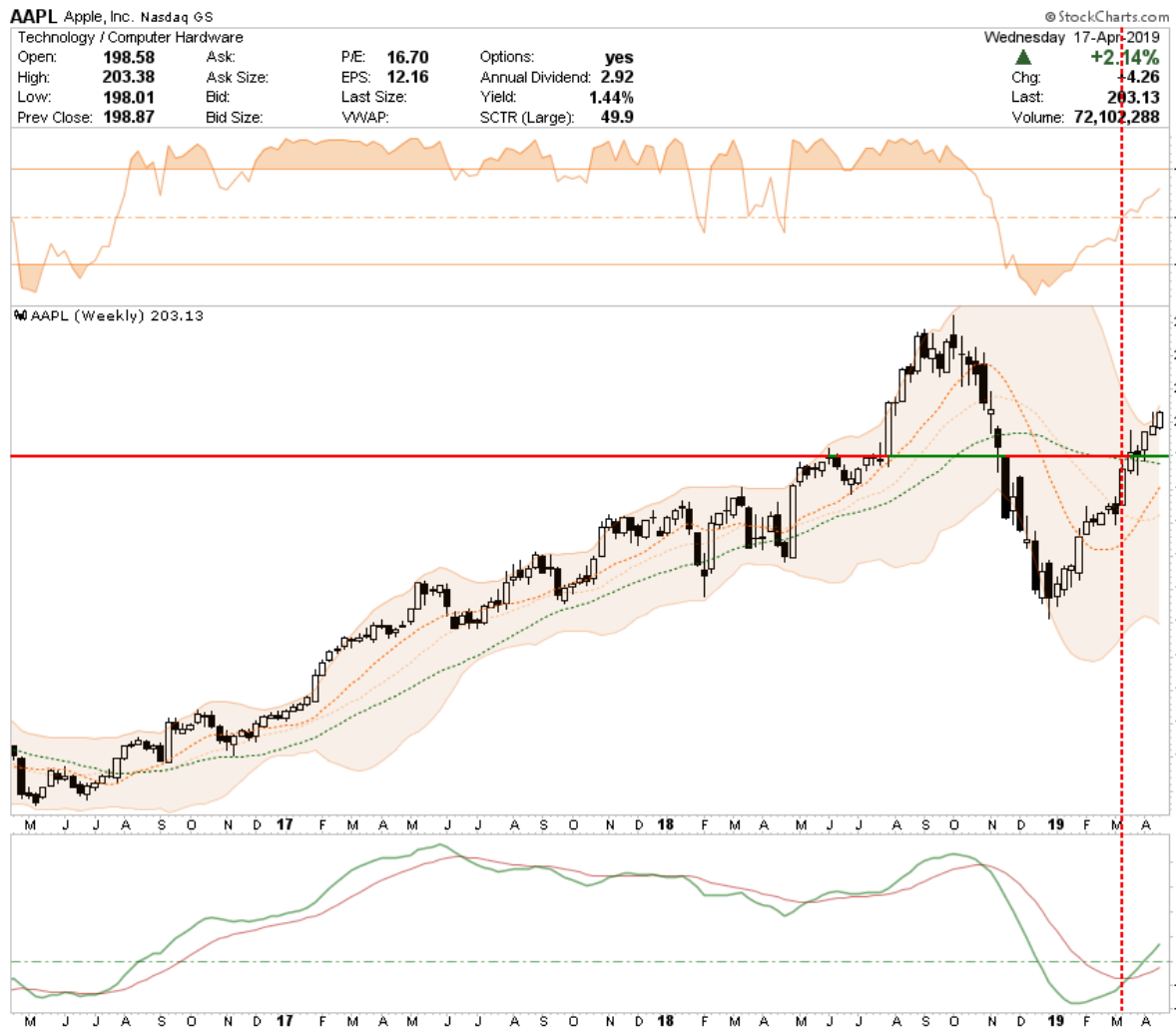
When the price of a position is at the top of the deviation range, overbought and on a buy signal it is generally a good time to take profits. When that positioning is reversed it is often a good time to look to add to a winning position or looking for an opportunity to exit a losing position.



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

NOTE: I was traveling on Tuesday and Wednesday and was unable to post the weekly position review. Since Friday is a holiday, I am posting the Position Review today and will pick up the Long-Short Idea List again next week. Thank you for your patience.

AAPL - Apple Inc.



- Despite recent headlines about AAPL, it continues to lead the market higher as of late after breaking above resistance.
- Given the recent buy signal, and not being overbought as of yet, we will continue to hold our position for now.
- We have moved our stop loss up to \$190.

AEP - American Electric Power

AEP American Elec Pwr Co., Inc. NYSE

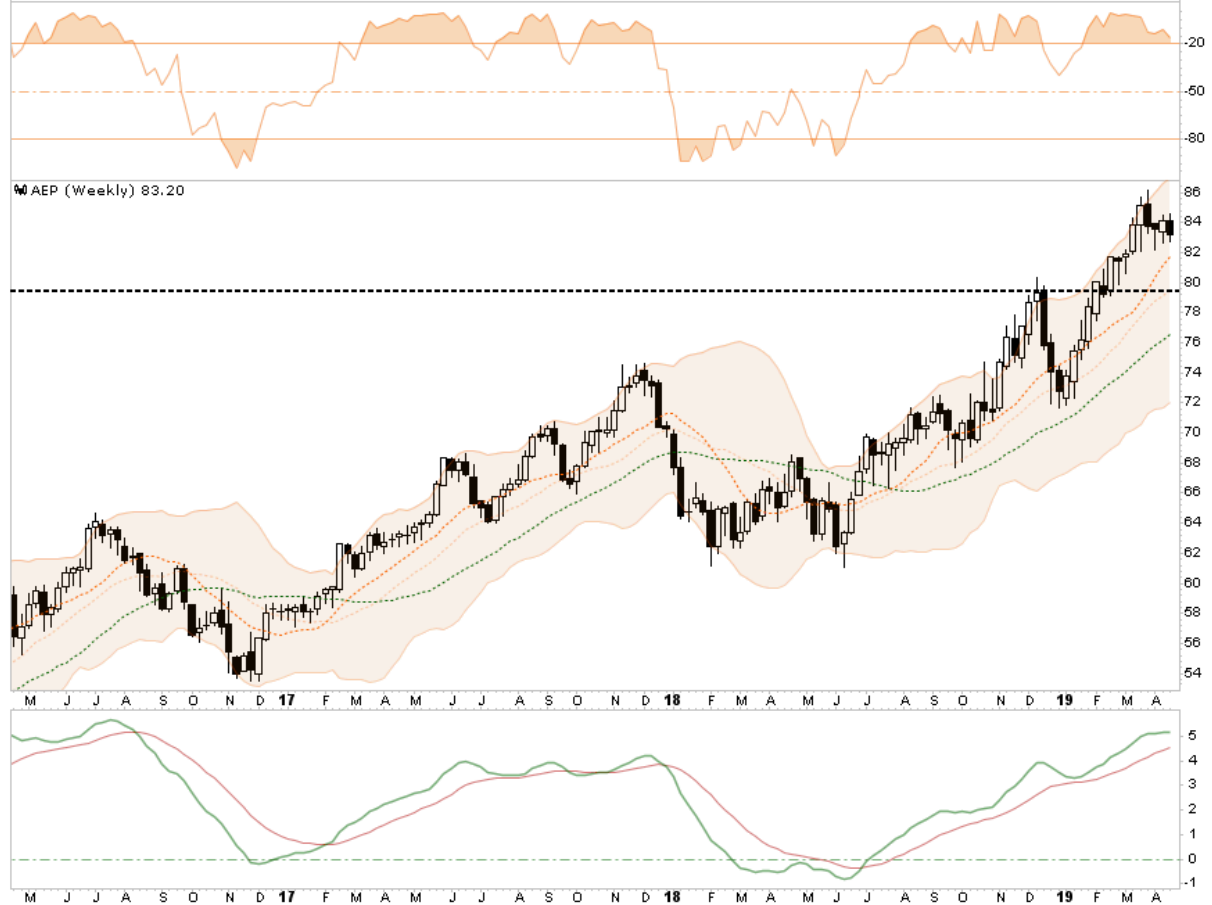
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Utilities / Conventional Electricity

Wednesday 17-Apr-2019

Open: **84.15** Ask: P/E: **21.37** Options: **yes**
 High: **84.61** Ask Size: EPS: **3.89** Annual Dividend: **2.58**
 Low: **82.73** Bid: Last Size: Yield: **3.10%**
 Prev Close: **84.15** Bid Size: VWAP: SCTR (Large): **69.6**

Chg: **-1.13%**
 Last: **83.20**
 Volume: **6,706,576**



- *Utilities had gotten extremely extended and we have been cautioning on a pullback which will provide a better entry opportunity.*
- *That pullback has been occurring not only in our Utility holdings but Real Estate as well.*
- *On a pullback to \$80-82 we can look to add to our position.*
- *We have a stop-loss at \$79.*

ABT - Abbott Labs

ABT Abbott Laboratories NYSE

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Health Care / Pharmaceuticals

Wednesday 17-Apr-2019

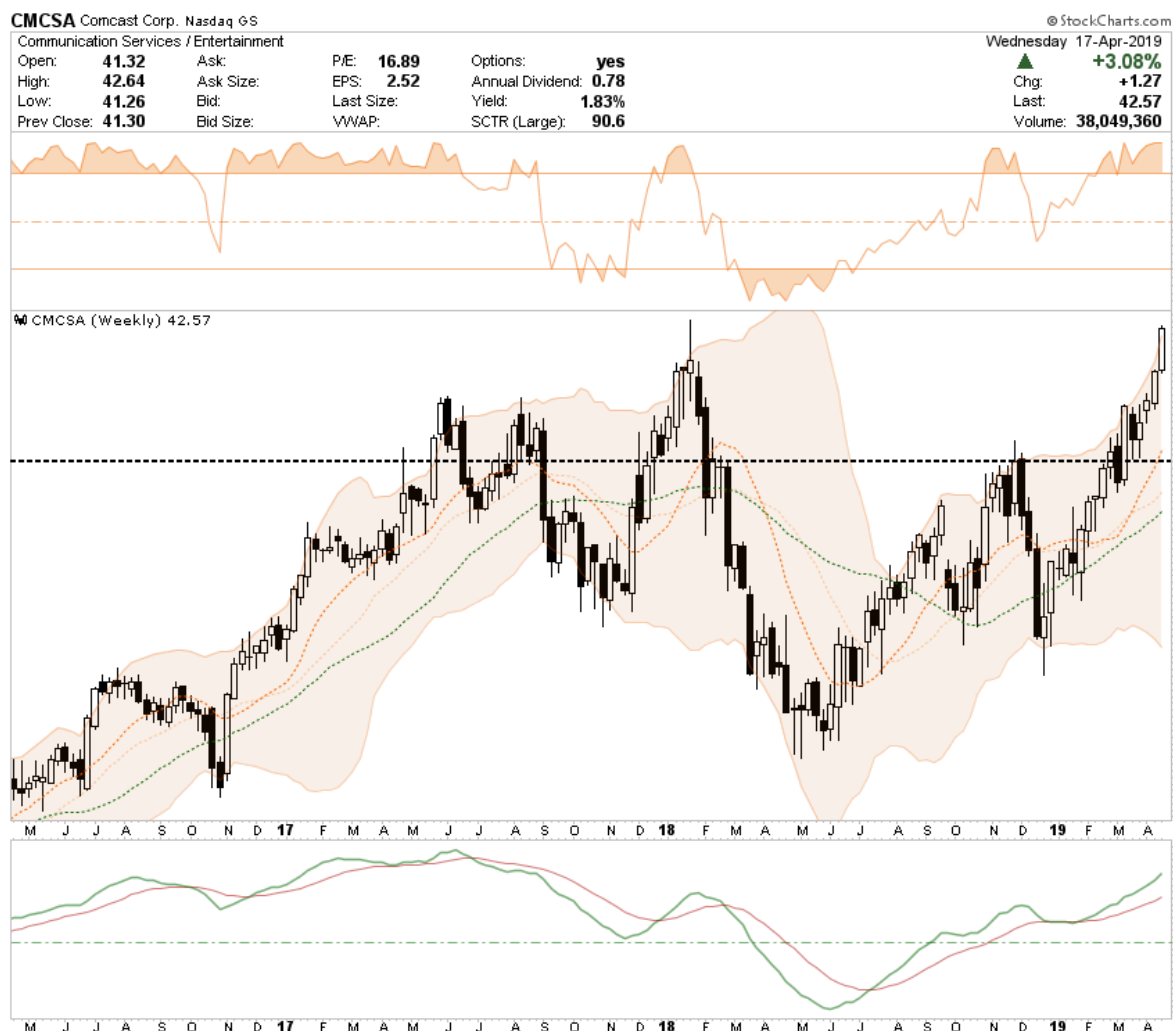
Open: 78.11	Ask:	P/E: 54.80	Options: yes
High: 78.70	Ask Size:	EPS: 1.33	Annual Dividend: 1.2
Low: 72.36	Bid:	Last Size:	Yield: 1.65%
Prev Close: 78.01	Bid Size:	VWAP:	SCTR (Large): 23.1

▼ **-6.58%**
 Chg: **-5.13**
 Last: **72.88**
 Volume: **23,534,760**



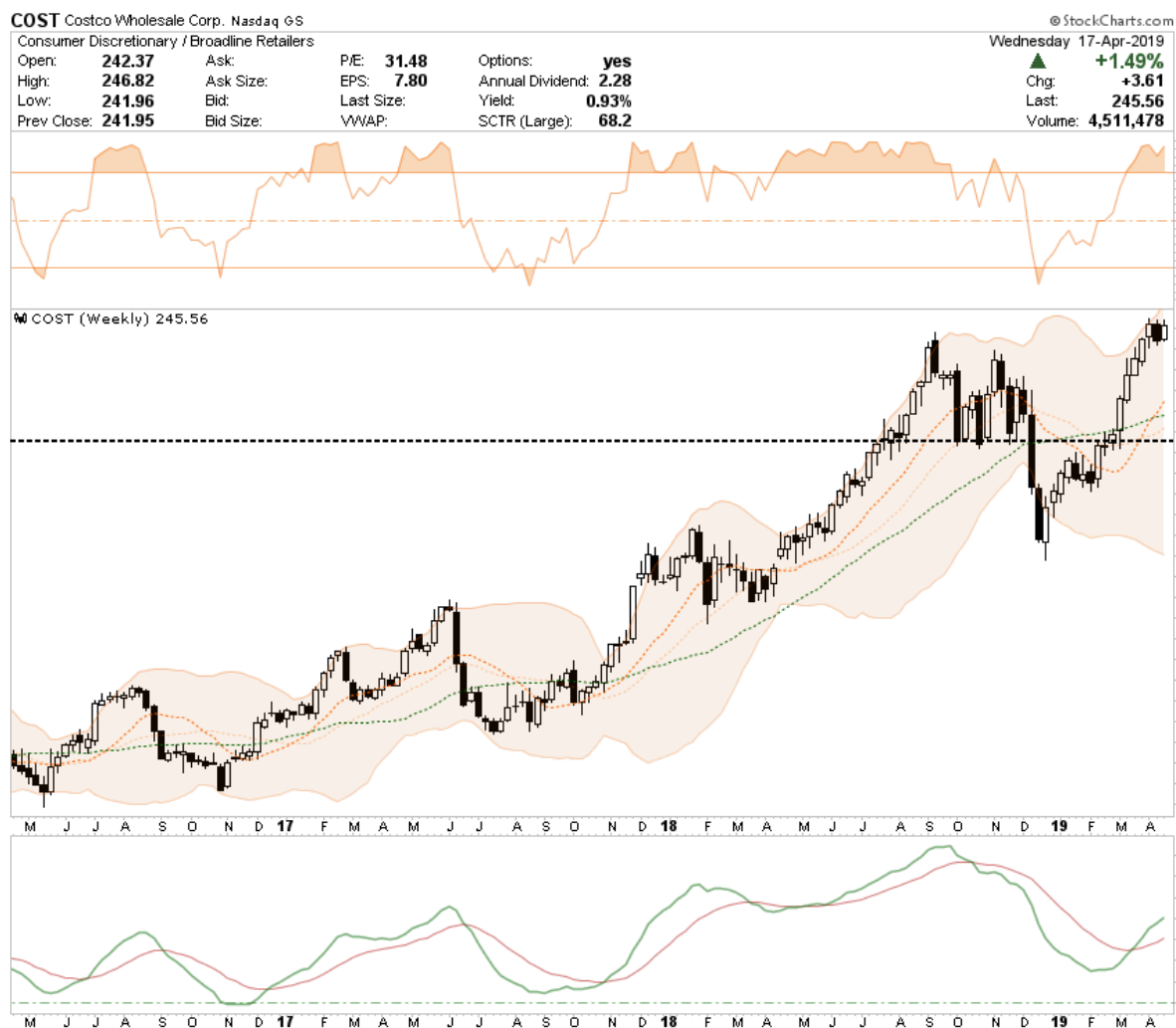
- Healthcare took a hit (ABT, UNH, HCA) on the back of "Medicare For All" talk from the Democratic hopefuls.
- As they say - "This too shall pass" and the sell off in our positions is giving us a "gift" to buy fundamentally strong stocks on "rumor driven declines."
- It is too early to buy the sector right now, but when an oversold condition is achieved we will aggressively add to our holdings.
- We are moving our stop-loss to \$65

CMCSA - Comcast Corp.



- *CMCSA has broken out to all-time highs keeping its buy signal intact.*
- *We are holding our position for now and allowing it to work as there is a rising view that "cutting the cord" may not have been as good of an idea as originally thought.*
- *We are moving our stop-loss up to \$40 to protect profits.*
- *Our absolute stop is moved up to \$36*

COST - CostCo Wholesale



- *COST is flirting with its all-time highs after setting them a couple of weeks ago.*
- *Current on a "buy signal" but very overbought we are going to give the position room to operate.*
- *We are moving a "profit stop" up to \$235 to protect our profits.*
- *Stop-loss is moved up to \$225*

MDLZ - Mondelez International

MDLZ Mondelez International, Inc. Nasdaq GS

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Consumer Staples / Food Products

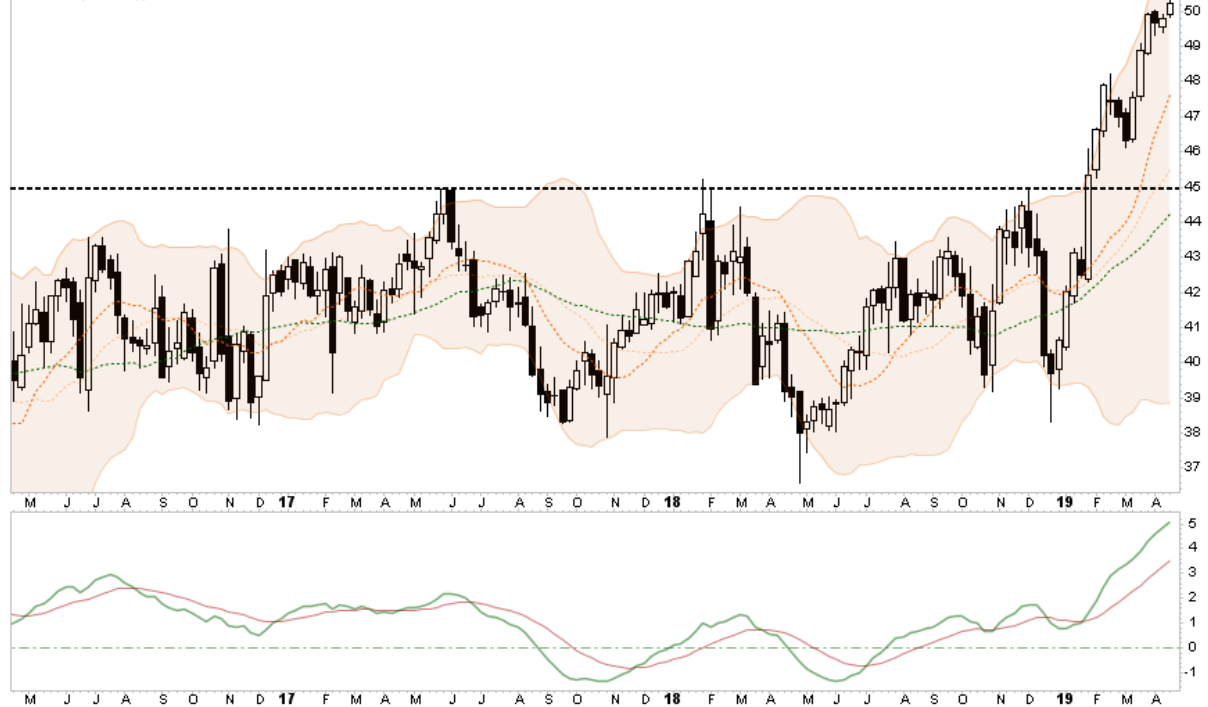
Wednesday 17-Apr-2019

Open: 49.91	Ask:	P/E: 29.88	Options: yes
High: 50.52	Ask Size:	EPS: 1.68	Annual Dividend: 1.0
Low: 49.84	Bid:	Last Size:	Yield: 1.99%
Prev Close: 49.79	Bid Size:	VWAP:	SCTR (Large): 89.0

▲ **+0.88%**
 Chg: **+0.44**
 Last: **50.23**
 Volume: **17,435,038**

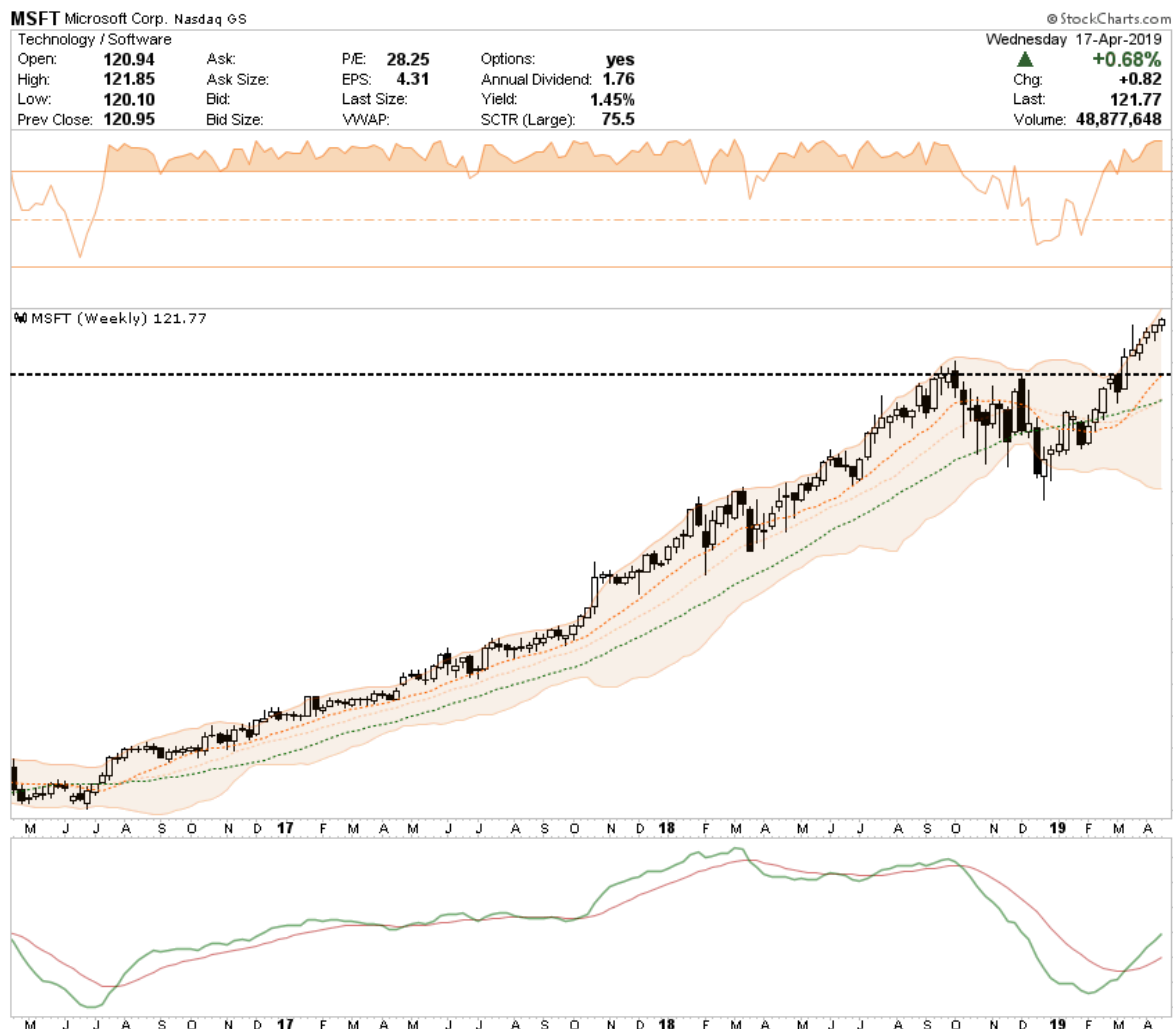


MDLZ (Weekly) 50.23



- MDLZ has been continuing to rise since breaking above previous resistance.
- We have taken profits in the position once and will likely do so again fairly soon.
- We are moving our "profit stop" up to \$48
- Our full stop-loss is moved to \$46

MSFT - Microsoft



- *MSFT is one of the few stocks which continue to contribute to a rising market due to its massive weighting in the index.*
- *After triggering a buy signal and breaking out to all-time highs, there has been little to stop the advance.*
- *On a buy signal currently but extremely overbought, look for a correction for a better entry point.*
- *We are moving our stop-loss up to \$115*
-

MMM - 3M Corp.

MMM 3M Co. NYSE

Industrial / Diversified Industrials

Open: **216.84**

Ask:

P/E: **24.45**

Options:

yes

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Wednesday 17-Apr-2019

▲ **+0.10%**High: **219.33**

Ask Size:

EPS: **8.90**Annual Dividend: **5.52**Chg: **+0.22**Low: **214.90**

Bid:

Last Size:

Yield: **2.54%**Last: **217.64**Prev Close: **217.42**

Bid Size:

VWAP:

SCTR (Large): **62.0**Volume: **5,010,521**

- *MMM has continued to benefit from the hopes of a trade war resolution coming soon.*
- *On a buy signal and breaking above resistance a couple of weeks ago the trend is bullish.*
- *However, with MMM very overbought look for a pullback to support to add to the position.*
- *We will continue to hold our position for now*
- *Stop-loss is moved up to \$205*

PEP - Pepsi Co.



- *PEP had already broken out to all-time highs before announcing strong earnings which sent the stock scorching higher.*
- We will look to take profits here soon with the position now very overbought and 2-standard deviations above the intermediate moving average.
- A "profit stop" has been set at \$122
- Stop loss is currently set at \$114

UNH - United Health Care

UNH Unitedhealth Group, Inc. NYSE

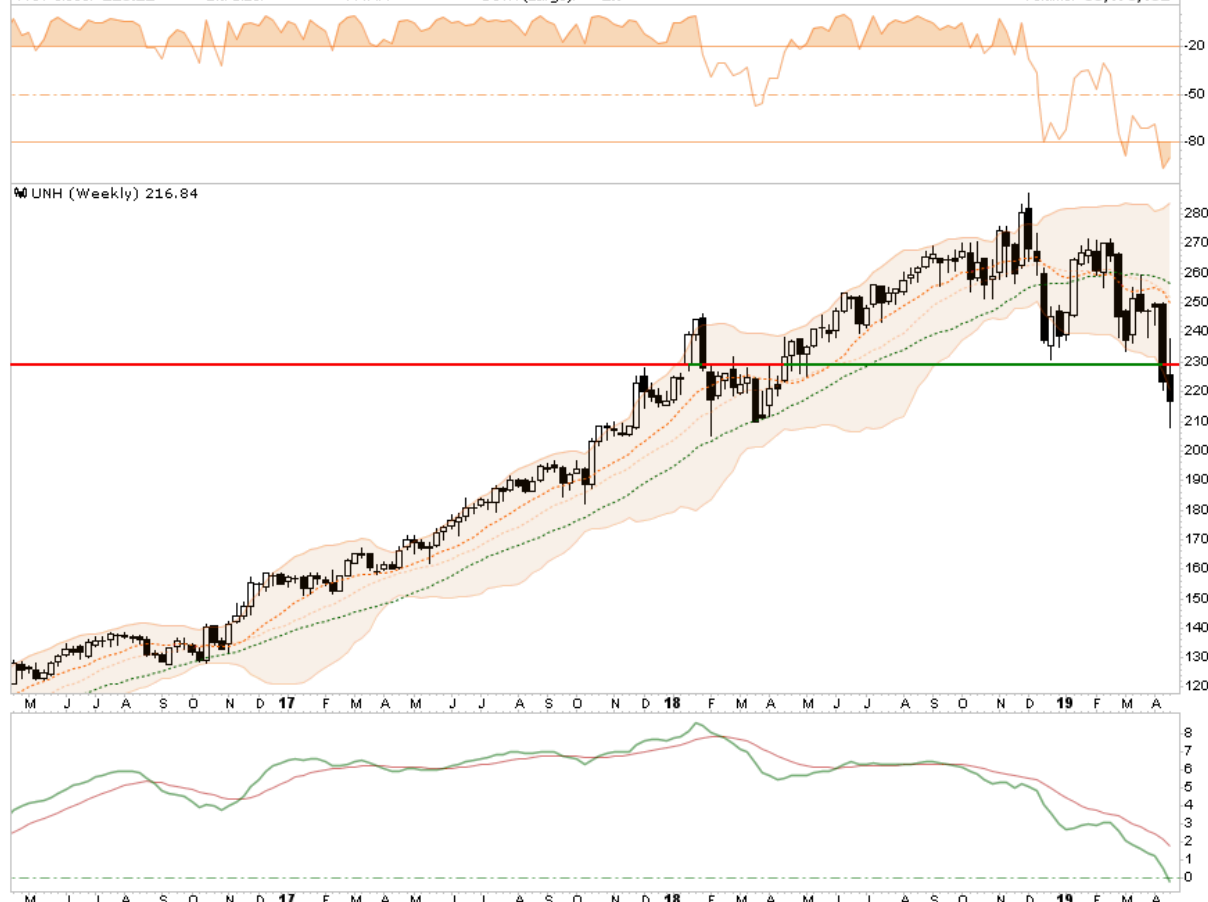
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Health Care / Health Care Providers

Wednesday 17-Apr-2019

Open: **225.77** Ask: P/E: **17.79** Options: **yes**
 High: **238.01** Ask Size: EPS: **12.19** Annual Dividend: **3.6**
 Low: **208.07** Bid: Last Size: Yield: **1.66%**
 Prev Close: **223.22** Bid Size: VWAP: SCTR (Large): **2.7**

Chg: **-2.86%**
 Last: **216.84**
 Volume: **59,478,432**



- As noted with ABT above, Health care had a sharp selloff this past week on concerns about "Medicare for all."
- UNH just reported exceptionally good earnings but is selling off over concerns of legislation which is likely to never see the light of day.
- This is likely a stellar opportunity to add to our holdings, which we will, but need to see the sell-off stabilize first.
- We are moving our stop lower to give UNH some room to base between \$210 and \$220.
- We will add to our holding at \$230
- Stop-loss is moved to \$200