



Selected Portfolio Position Review: 05-08-19

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 - Abbott Laboratories

ABT Abbott Laboratories NYSE

Health Care / Pharmaceuticals

Open: 77.42	Ask:	P/E: 52.03	Options: yes
High: 79.17	Ask Size:	EPS: 1.48	Annual Dividend: 1.2
Low: 76.20	Bid:	Last Size:	Yield: 1.56%
Prev Close: 78.69	Bid Size:	VWAP:	SCTR (Large): 59.3

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Tuesday 7-May-2019

▼ **-2.26%**Chg: **-1.78**Last: **76.91**Volume: **9,316,985**

- Last week a common theme was profit taking in positions. This week, the common theme is "defense" and "protecting capital."
- Despite the market rout on Monday and Tuesday, healthcare stocks have held up reasonably well. As we stated previously, we add to our more defensive "healthcare" positions as a hedge against market risk.
- ABT is holding support currently.
- Stop is set at \$73

AEP - American Electric Power

AEP American Elec Pwr Co., Inc. NYSE

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Utilities / Conventional Electricity

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Open: **85.54** Ask: P/E: **21.73** Options: **yes**
 High: **85.67** Ask Size: EPS: **3.89** Annual Dividend: **2.58**
 Low: **84.42** Bid: Last Size: Yield: **3.05%**
 Prev Close: **85.43** Bid Size: VWAP: SCTR (Large): **80.3**

Chg: **-0.94%**
 Last: **84.63**
 Volume: **3,787,908**



- *Defensive Utility and Real Estate stocks continue to get a bid during turmoil as interest rates fall in the quest for safety.*
- *AEP continues to sit near highs and is overbought currently.*
- *Look for a pullback to support at \$83 to add to the position.*
- *Stop-loss is moved up to \$80*

BA - Boeing

BA Boeing Co. NYSE

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Industrial / Aerospace

Open: **367.88**

Ask:

P/E: **20.44**

Options:

yes

Tuesday 7-May-2019

High: **372.48**

Ask Size:

EPS: **17.48**Annual Dividend: **7.185**▼ **-5.11%**Low: **355.02**

Bid:

Last Size:

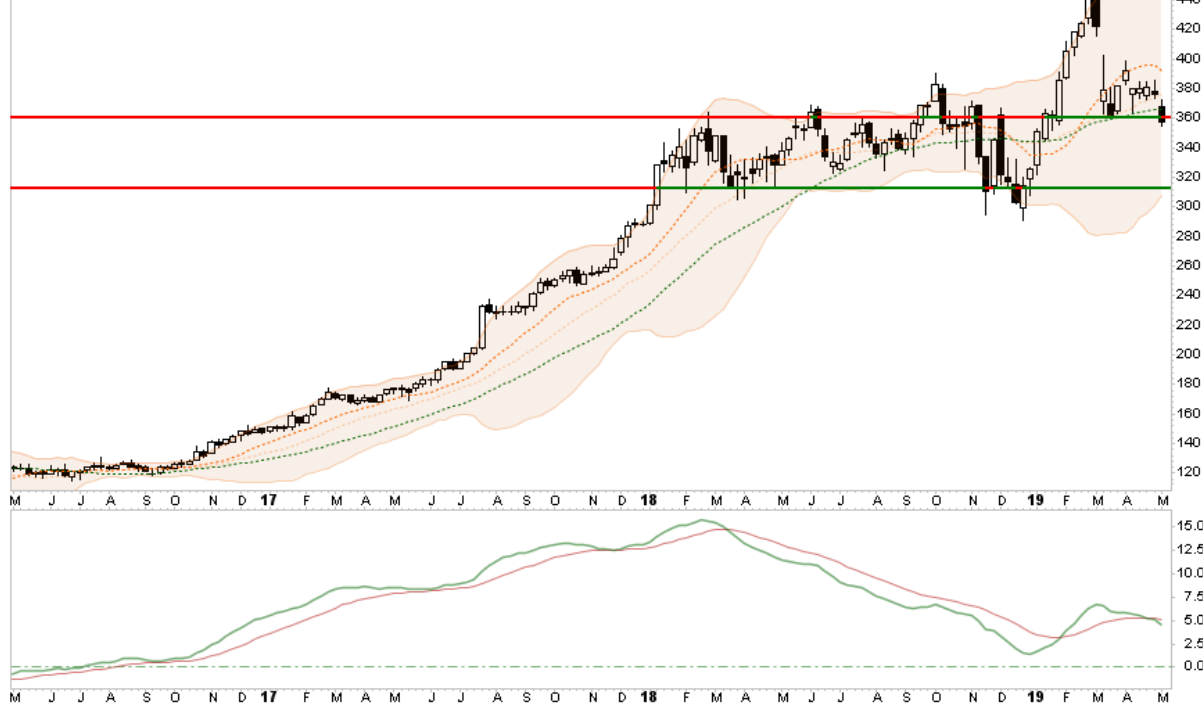
Yield: **2.01%**Chg: **-19.23**Prev Close: **376.46**

Bid Size:

VWAP:

SCTR (Large): **28.1**Last: **357.23**Volume: **14,480,300**

BA (Weekly) 357.23



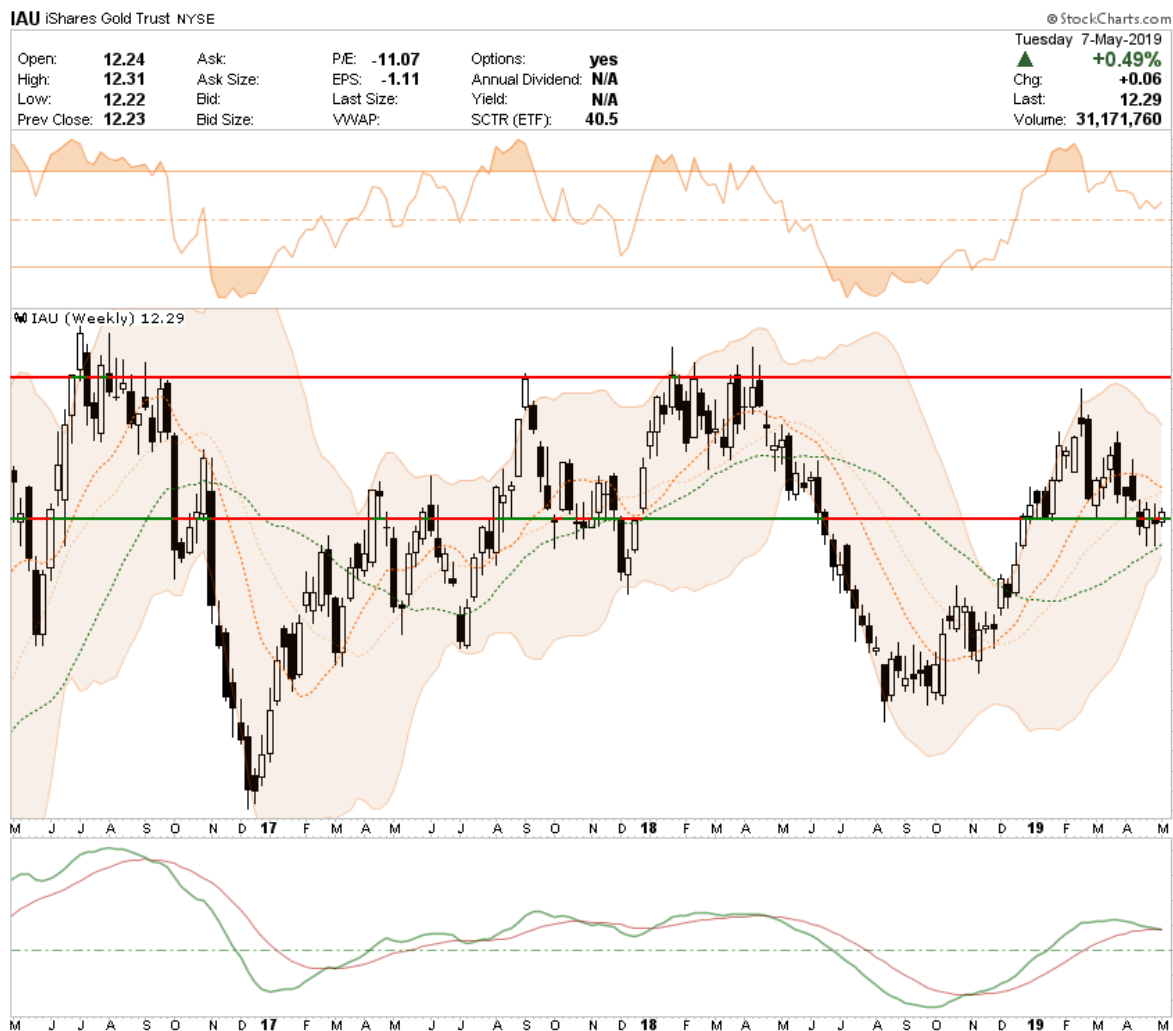
- *BA is still only 1/2 position in our portfolio while it is still dealing with its 737 MAX issues. We think the worst is now behind us and over the next few quarters there is decent upside in the position.*
- *Currently sitting on initial support, we have given the position a wide-berth looking for an opportune entry point to fill out our position.*
- *Stop-loss remains at \$300*

HCA - HCA Healthcare



- As we noted two weeks ago, when we took profits in positions we also added to our healthcare positions due to the sell-off over "Medicare for all" concerns.
- With valuations compelling, HCA helped hedge our portfolios against the decline so far this week.
- With the position still mostly oversold, upside remains opportunistic.
- Our stop is set at \$115

IAU - Gold



- Gold hasn't performed all that great in our portfolios, but it is a hedge against volatility, risk, and inflation.
- With gold rising during the recent sell-off, it has helped to mitigate overall portfolio volatility as expected.
- Stop-loss is set at \$12.10 for now.

JNJ - Johnson & Johnson

JNJ Johnson & Johnson NYSE

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Health Care / Pharmaceuticals

Open: **140.25** Ask: P/E: **25.92** Options: **yes**
 High: **142.24** Ask Size: EPS: **5.40** Annual Dividend: **3.6**
 Low: **139.06** Bid: Last Size: Yield: **2.57%**
 Prev Close: **142.01** Bid Size: VWAP: SCTR (Large): **44.3**

Tuesday 7-May-2019

▼ **-1.44%**
 Chg: **-2.04**
 Last: **139.97**
 Volume: **12,333,850**



- Back to our "healthcare" defensive theme, JNJ continues to perform well in a more volatile market.
- Still on a "buy" signal, there is still some reasonable upside in the position.
- Our stop-loss is moved to \$135

NSC - Norfolk Southern

NSC Norfolk Southern Corp. NYSE

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Industrial / Railroad

Tuesday 7-May-2019

Open: **201.63**

Ask:

P/E: **19.92**Options: **yes**▼ **-1.89%**High: **204.91**

Ask Size:

EPS: **10.10**Annual Dividend: **3.32**Chg: **-3.87**Low: **197.87**

Bid:

Last Size:

Yield: **1.65%**Last: **201.19**Prev Close: **205.06**

Bid Size:

VWAP:

SCTR (Large): **90.8**Volume: **2,392,374**

NSC (Weekly) 201.19



- Transportation has picked up performance as of late and NSC has done well for the portfolio relative to the overall market.
- We took 10% of our position to protect our gains and are still looking for an opportunity to add back into the holdings on a corrective action.
- We are moving our stop-loss up to \$180

PG - Proctor & Gamble

PG Procter & Gamble Co. NYSE

Consumer Staples / Personal Products

Open: 105.12	Ask:	P/E: 24.92	Options: yes
High: 105.82	Ask Size:	EPS: 4.20	Annual Dividend: 2.8975
Low: 104.10	Bid:	Last Size:	Yield: 2.77%
Prev Close: 106.08	Bid Size:	VWAP:	SCTR (Large): 82.8

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Tuesday 7-May-2019

▼ **-1.30%**

Chg: **-1.38**

Last: **104.70**

Volume: **10,694,836**



- See....more healthcare.
- PG continues to perform well and is helping reduce overall portfolio volatility.
- As noted last week, with the buy signal very extended and we took 10% of our position to lock in profits.
- Our profit stop-loss is moved to \$98

MU - Micron Technologies

MU Micron Technology, Inc. Nasdaq GS

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Technology / Semiconductors

Tuesday 7-May-2019

Open: **41.40** Ask: P/E: **3.70** Options: **yes**
 High: **42.29** Ask Size: EPS: **10.88** Annual Dividend: **N/A**
 Low: **39.73** Bid: Last Size: Yield: **N/A**
 Prev Close: **43.33** Bid Size: VWAP: SCTR (Large): **26.6**

Chg: **-7.09%**
 Last: **40.26**
 Volume: **58,747,624**



- MU has struggled after we added it to the portfolio.
- However, this is a deep value stock that we think we will do very well in the future. However, there are issues which are certainly overhanging the company currently and we could get stopped out of the position.
- If we do, we will wait for another opportunity to add it back to the portfolio.
- *Stop loss is currently set at \$37.50*

XOM - Exxon Mobil

XOM Exxon Mobil Corp. NYSE

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Energy / Integrated Oil & Gas

Open: 76.92	Ask:	P/E: 17.68	Options: yes
High: 77.66	Ask Size:	EPS: 4.34	Annual Dividend: 3.28
Low: 75.77	Bid:	Last Size:	Yield: 4.28%
Prev Close: 77.47	Bid Size:	VWAP:	SCTR (Large): 20.7

Tuesday 7-May-2019

▼ **-0.97%**

Chg: **-0.75**

Last: **76.72**

Volume: **26,239,242**



- *Two weeks ago with oil prices VERY overbought, we sold 50% of our stake in XOM.*
- *We still very much like the company but it has not reached a level yet where we can consider rebuilding the position.*
- *Stop-loss is removed currently while we look for our next entry.*