

Long-Short Idea List: 05-23-19

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

ALE - Allete Inc.

ALE Allele Inc. NYSE

Utilities / Conventional Electricity

Open: **82.00** Ask: P/E: **21.99** Options: **yes**
 High: **82.74** Ask Size: EPS: **3.75** Annual Dividend: **2.295**
 Low: **81.60** Bid: Last Size: Yield: **2.78%**
 Prev Close: **82.11** Bid Size: VWAP: SCTR (Small): **70.2**

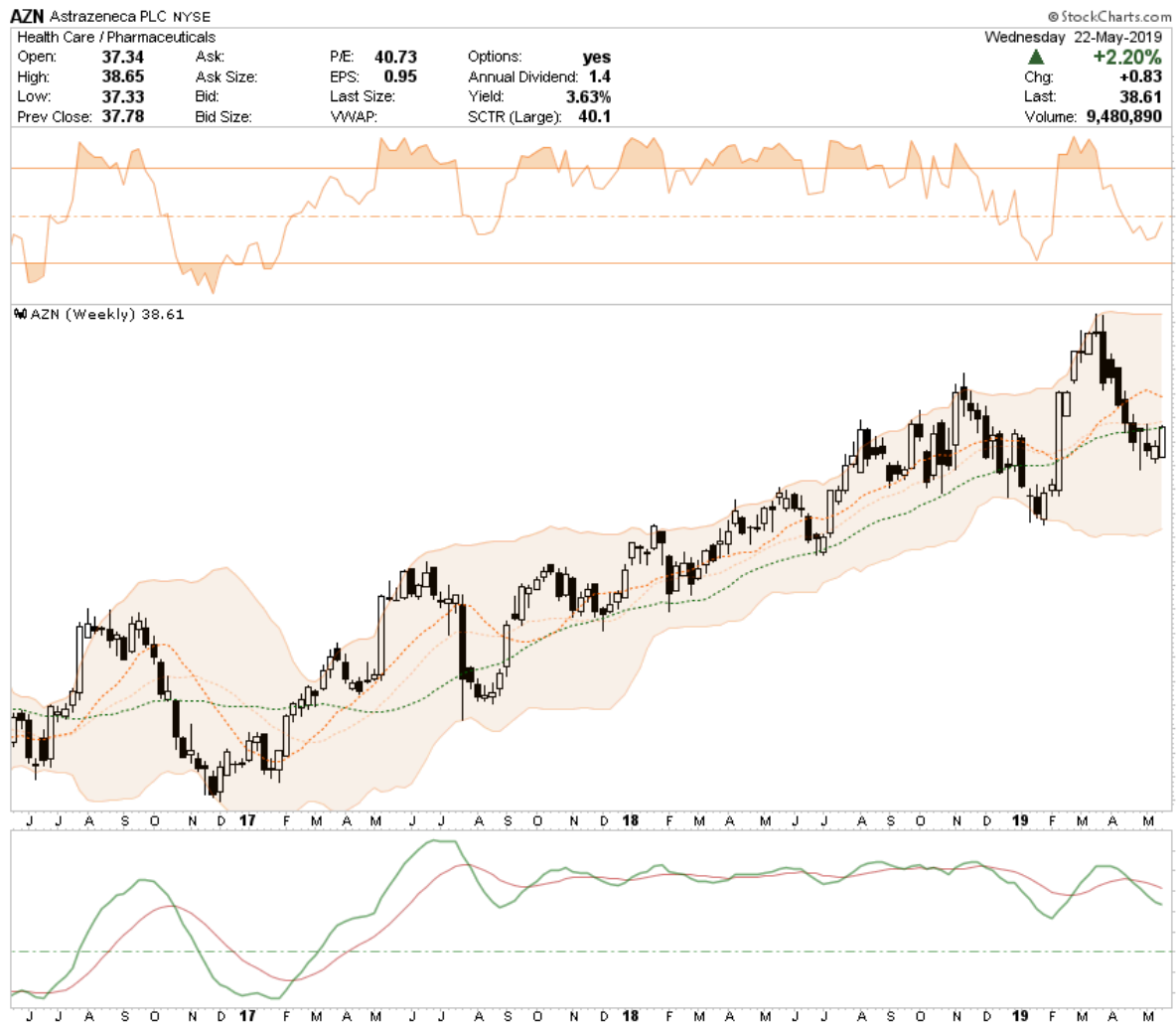
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Wednesday 22-May-2019

▲ **+0.45%**Chg: **+0.37**Last: **82.48**Volume: **452,176**

- ALE sold off to support recently and turned up and is testing previous highs.
- Buy at \$83.50 with a target of \$100
- Stop level is \$77.50

AZN - AstraZeneca



- *AZN sold off and broke support and is on a sell signal. However, we are currently seeing the early stages of a rotation into Healthcare so if AZN can break back above the 200-dma a trading position can be added.*
- *Currently AZN is oversold and is turning up.*
- *Buy at \$39 with a target of \$44.*
- *Stop-loss is currently \$37*

EGHT - 8x8, Inc.

EGHT 8x8, Inc. NYSE

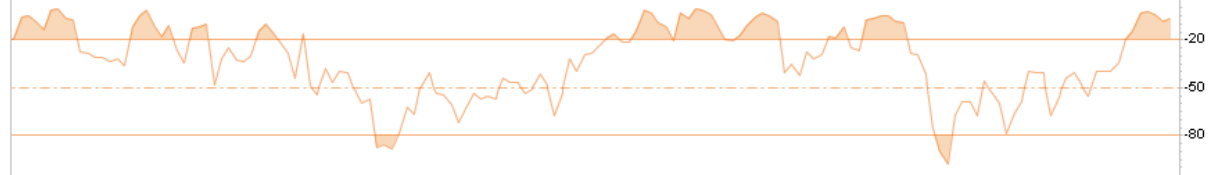
Communication Services / Fixed Telecommunications

Open: **23.34** Ask: P/E: **-25.57** Options: **yes**
 High: **24.06** Ask Size: EPS: **-0.93** Annual Dividend: **N/A**
 Low: **22.90** Bid: Last Size: Yield: **N/A**
 Prev Close: **23.64** Bid Size: VWAP: SCTR (Small): **91.1**

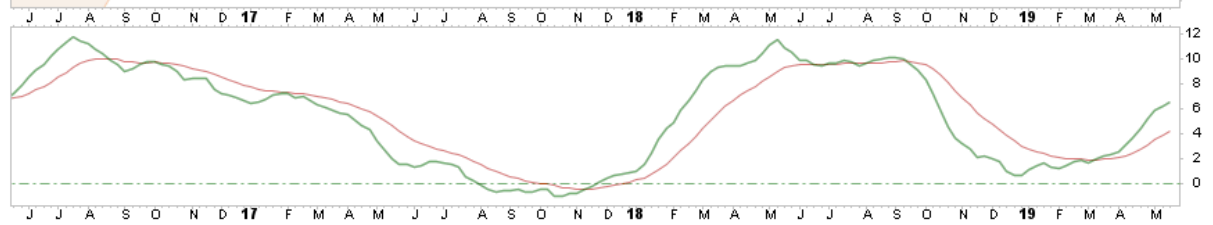
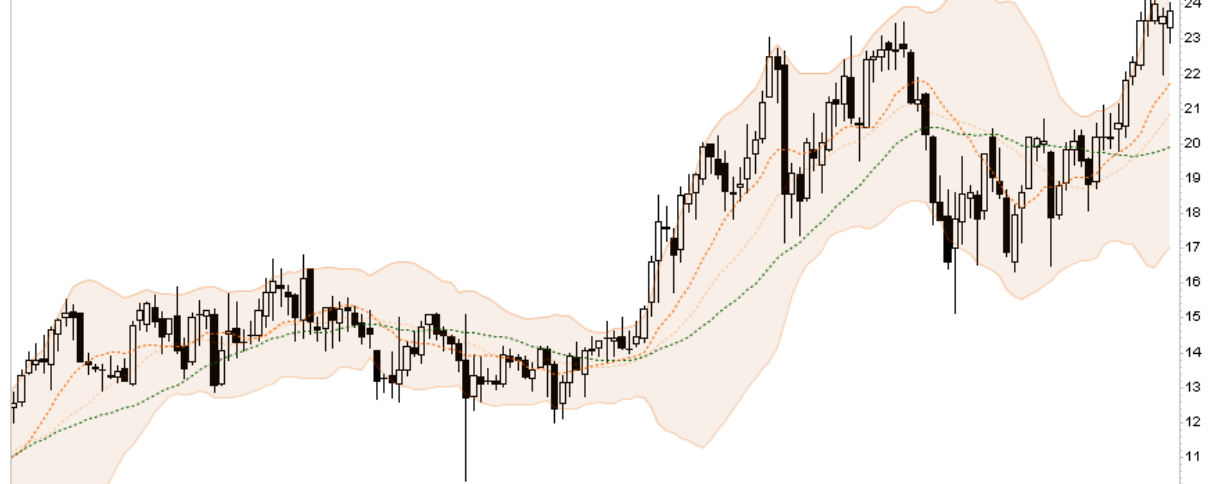
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Wednesday 22-May-2019

▲ **+0.76%**
 Chg: **+0.18**
 Last: **23.82**
 Volume: **5,959,867**



EGHT (Weekly) 23.82



- We previously recommended going long EGHT on a decent "trade" setup with a target of \$23.
- That target was reached, so sell 1/3rd of the position and take profits.
- Stop-loss on balance of position is \$22

GOOG - Alphabet, Inc.

GOOG Alphabet Inc. - Class C Nasdaq GS

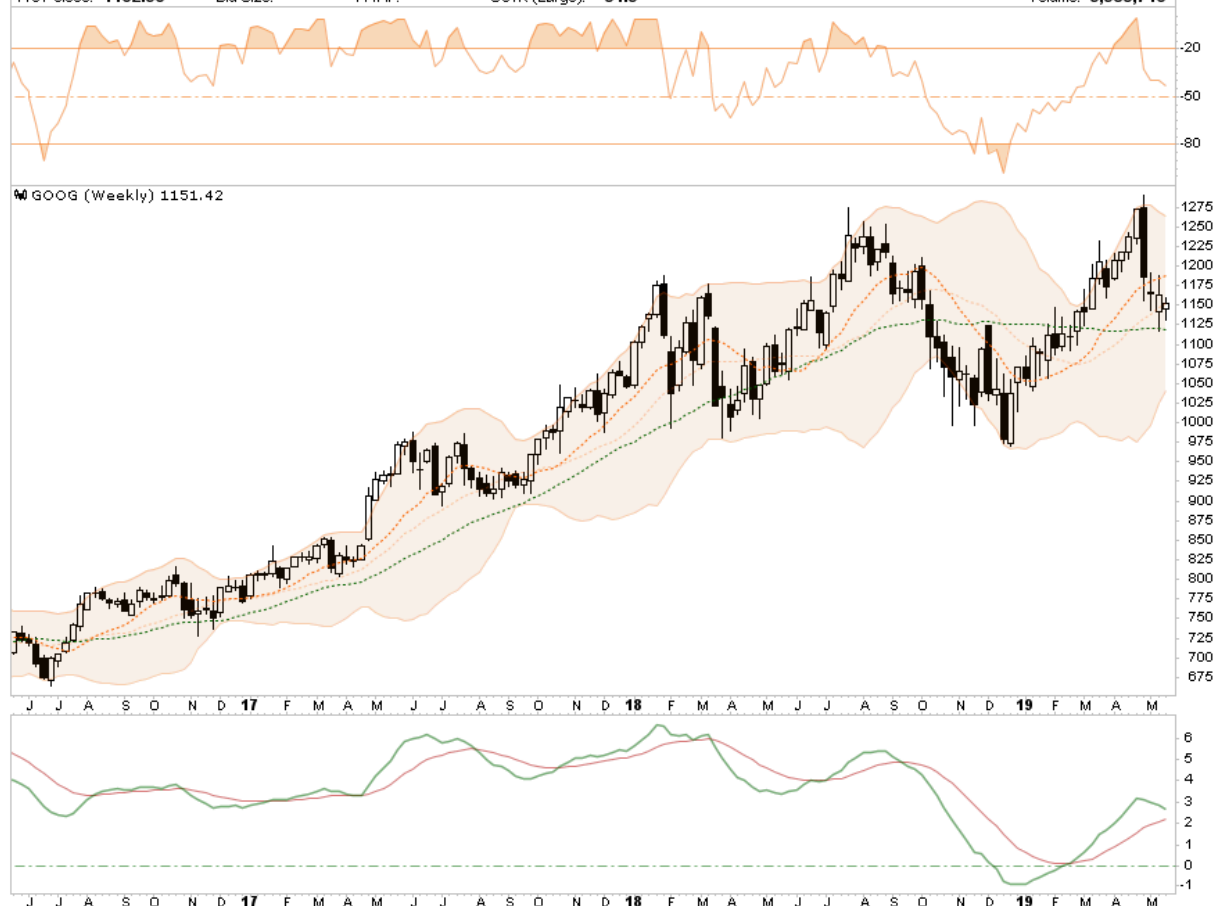
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Communication Services / Internet

Wednesday 22-May-2019

Open: **1144.50** Ask: P/E: **28.88** Options: **yes**
 High: **1158.52** Ask Size: EPS: **39.87** Annual Dividend: **N/A**
 Low: **1131.44** Bid: Last Size: Yield: **N/A**
 Prev Close: **1162.30** Bid Size: VWAP: SCTR (Large): **51.3**

Chg: **-0.94%**
 Last: **1151.42**
 Volume: **3,385,740**



- We previously recommended taking a position in GOOG on the break above the 200-dma.
- That rally has now failed and is retesting the 200-dma.
- For now GOOG remains on a buy signal which suggests a long-position can be entered with a decent risk/reward setup.
- Buy at current levels.
- Stop Loss is set tight at \$1120

VZ - Verizon Communications

VZ Verizon Communications NYSE

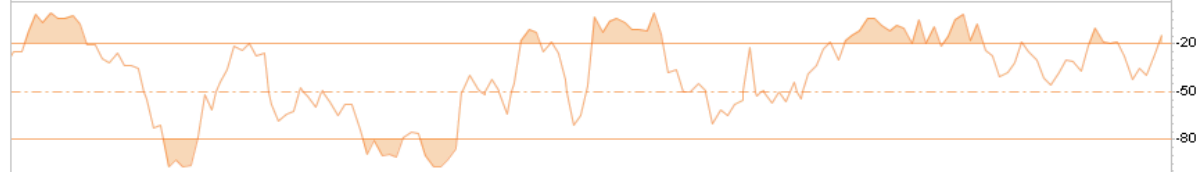
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Communication Services / Fixed Telecommunications

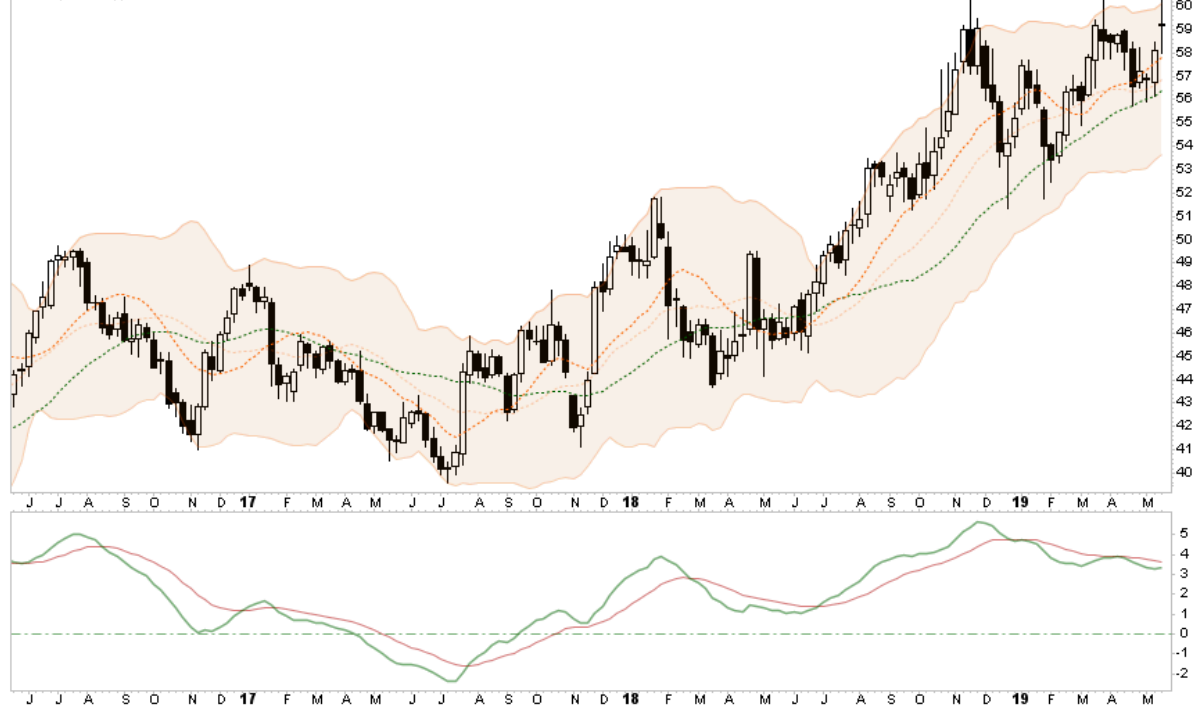
Wednesday 22-May-2019

Open: 59.15	Ask:	P/E: 15.29	Options: yes
High: 60.54	Ask Size:	EPS: 3.88	Annual Dividend: 2.3975
Low: 58.00	Bid:	Last Size:	Yield: 4.05%
Prev Close: 58.09	Bid Size:	VWAP:	SCTR (Large): 57.8

Chg: **+2.00%**
Last: **59.25**
Volume: **46,019,552**



VZ (Weekly) 59.25



- VZ is a long position in our equity portfolio currently.
- With VZ testing a triple top, we are looking to add to the position on a break out above that resistance level.
- Buy on confirmed breakout (must hold above) \$61
- Stop loss is set at \$56

SHORT CANDIDATES

CAT - Caterpillar

CAT Caterpillar, Inc. NYSE

Industrial / Commercial Vehicles

Open: 121.56	Ask:	P/E: 11.51	Options: yes
High: 125.44	Ask Size:	EPS: 10.74	Annual Dividend: 3.44
Low: 121.31	Bid:	Last Size:	Yield: 2.78%
Prev Close: 122.76	Bid Size:	VWAP:	SCTR (Large): 21.5

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Wednesday 22-May-2019

 ▲ **+0.65%**

 Chg: **+0.80**

 Last: **123.56**

 Volume: **16,393,534**


- CAT recently broke below its consolidation pattern and is now triggering a "sell signal."
- CAT is getting oversold short-term and is impacted from one-day to the next on "trade war" news.
- Look for a rally to \$130ish to short CAT.
- Target for trade is \$100
- Stop-loss is set at \$135

GPS - Gap, Inc.

GPS Gap, Inc. NYSE

Consumer Discretionary / Apparel Retailers

Open: **22.07** Ask: P/E: **8.38** Options: **yes**
 High: **22.54** Ask Size: EPS: **2.59** Annual Dividend: **0.97**
 Low: **21.59** Bid: Last Size: Yield: **4.47%**
 Prev Close: **22.28** Bid Size: VWAP: SCTR (Large): **5.3**

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Wednesday 22-May-2019

Chg: **-2.69%**
 Last: **21.68**
 Volume: **14,399,793**



- The retail sector is and will remain under pressure from both the slowing economy and from the resurgence of the trade war.
- Short on any rally to \$24
- Target for trade is \$16
- Stop loss is \$26

TSLA - Tesla, Inc.



- We recommended shorting TSLA a couple of weeks ago as it broke long-standing support. To wit:
- "There is a high risk of disappointment in this earnings seasons report particularly as auto sales have declined. TSLA continues to struggle in a downtrend of the 50-dma and the \$260 level is extremely critical support. **However, if the \$260 level is broken, the downside will be fast and furious and unshortable at that point. Short at current levels with a stop @ \$290.**"
- The break and furious sell-off did occur and now the brokerages are piling on.
- Our target was initially set at \$190 which has now been reached so close out 1/2 of the position and look to re-short TSLA on any rally back to \$250/

ROST - Ross Stores

ROST Ross Stores, Inc. Nasdaq GS

Consumer Discretionary / Apparel Retailers

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Open: **96.77** Ask: P/E: **22.19** Options: **yes**
 High: **97.80** Ask Size: EPS: **4.26** Annual Dividend: **0.93**
 Low: **94.12** Bid: Last Size: Yield: **0.98%**
 Prev Close: **97.20** Bid Size: VWAP: SCTR (Large): **47.5**

Wednesday 22-May-2019

▼ **-2.75%**Chg: **-2.67**Last: **94.53**Volume: **8,414,638**

- *ROST is close to signaling a sell signal and is susceptible to both the trade war and consumer spending contraction.*
- *The set up currently for shorting is "not ideal." Therefore, be a little patient and wait for a break of the 200-dma.*
- *Short at \$92.*
- *Stop is set at \$95*
- *Target for the trade is \$77.50*

AMC - AMC Entertainment

AMC AMC Entertainment Holdings Inc. NYSE

Consumer Discretionary / Recreational Services

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Wednesday 22-May-2019

Open:	13.19	Ask:		P/E:	-20.36	Options:	yes
High:	13.33	Ask Size:		EPS:	-0.64	Annual Dividend:	0.771
Low:	12.90	Bid:		Last Size:		Yield:	5.91%
Prev Close:	13.13	Bid Size:		VWAP:		SCTR (Small):	31.6

Chg:	-0.69%
Last:	13.04
Volume:	4,767,829



- *Movie theaters are impacted by constrained consumer spending. Plus, with the continuing ramp up of online streaming services, the need to go to movie theaters is fading.*
- *The recent rally to \$17 failed and AMC is now close to triggering a "sell signal."*
- *The shorting setup is not great but there is a reasonable risk reward tradeoff.*
- *Short below \$13*
- *Set stops at \$15*
- *Initial target for trade is \$9*