

Long-Short Idea List: 06-13-19

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

BMY - Bristol Meyers

BMJ Bristol Myers Squibb Co. NYSE

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Health Care / Pharmaceuticals

Wednesday 12-Jun-2019

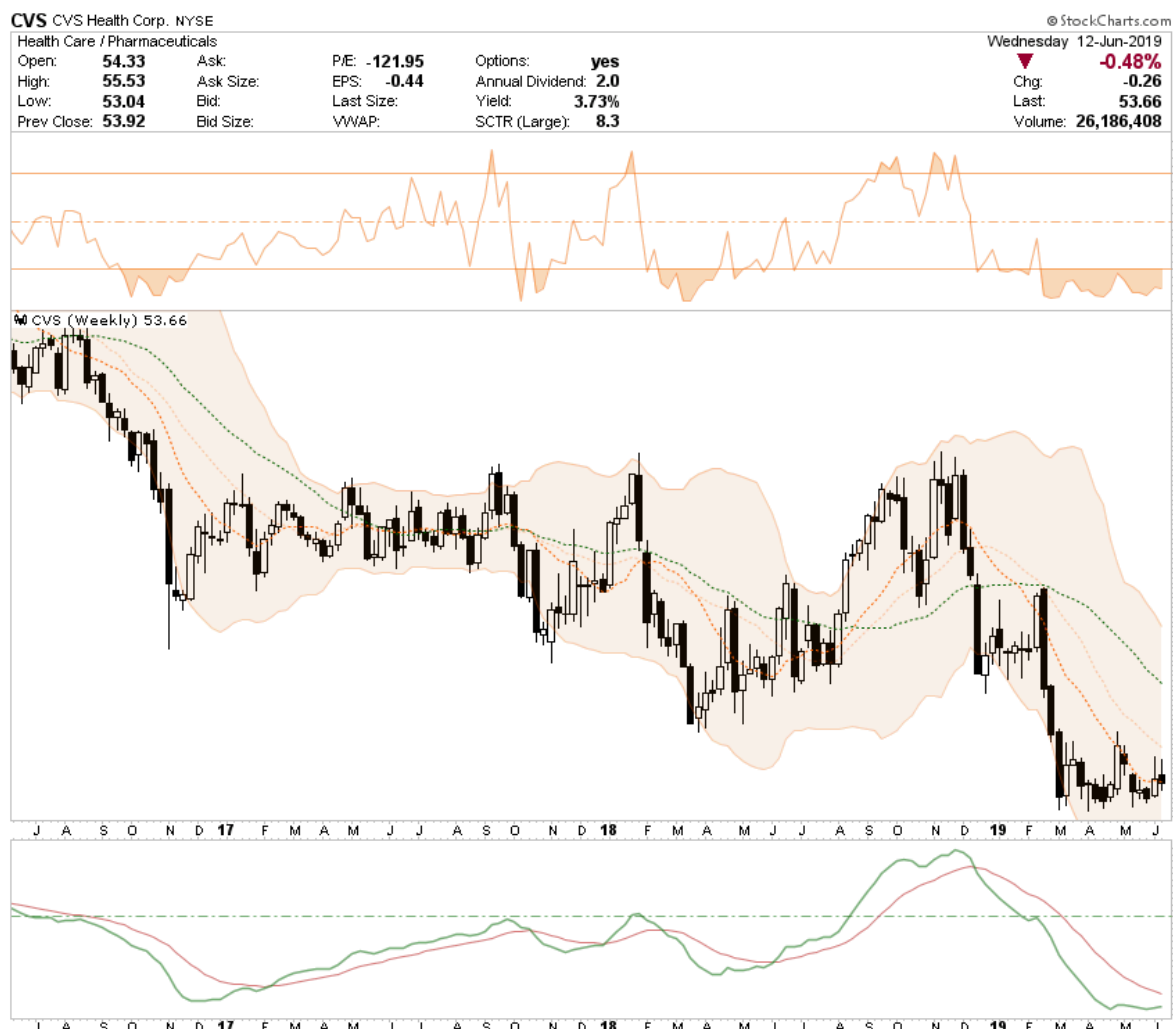
Open: **46.73** Ask: P/E: **15.06** Options: **yes**
High: **47.66** Ask Size: EPS: **3.16** Annual Dividend: **1.62**
Low: **45.91** Bid: Last Size: Yield: **3.40%**
Prev Close: **46.75** Bid Size: VWAP: SCTR (Large): **23.2**

▲ **+1.86%**
Chg: **+0.88**
Last: **47.63**
Volume: **32,084,320**



- This is not a great long-term set up but for a short-term trade there is an opportunity.
- BMJ is very oversold and is close to registering a short-term buy signal.
- Buy BMJ at current levels.
- Target is \$52
- Stop-loss is at recent lows of \$45.

CVS - CVS Health Corp.



- We had an unsuccessful trade in CVS previously. We stated that while we like the fundamentals and the business model, the price was simply not cooperating.
- CVS is now extremely oversold and has been basing for almost 3-months.
- Buy 1/2 position at current levels.
- Buy the second 1/2 position on a buy signal and break above \$58
- Stop-loss is set at \$52.

DEO - Diegeo PLC

DEO Diageo PLC NYSE

Consumer Staples / Distillers & Vintners

Open: **172.90** Ask: P/E: **27.43** Options: **yes**
 High: **174.73** Ask Size: EPS: **6.35** Annual Dividend: **3.49382**
 Low: **172.12** Bid: Last Size: **3666 shrs** Yield: **2.01%**
 Prev Close: **173.44** Bid Size: VWAP: SCTR (Large): **83.1**

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▲ **+0.40%**

Chg: **+0.70**

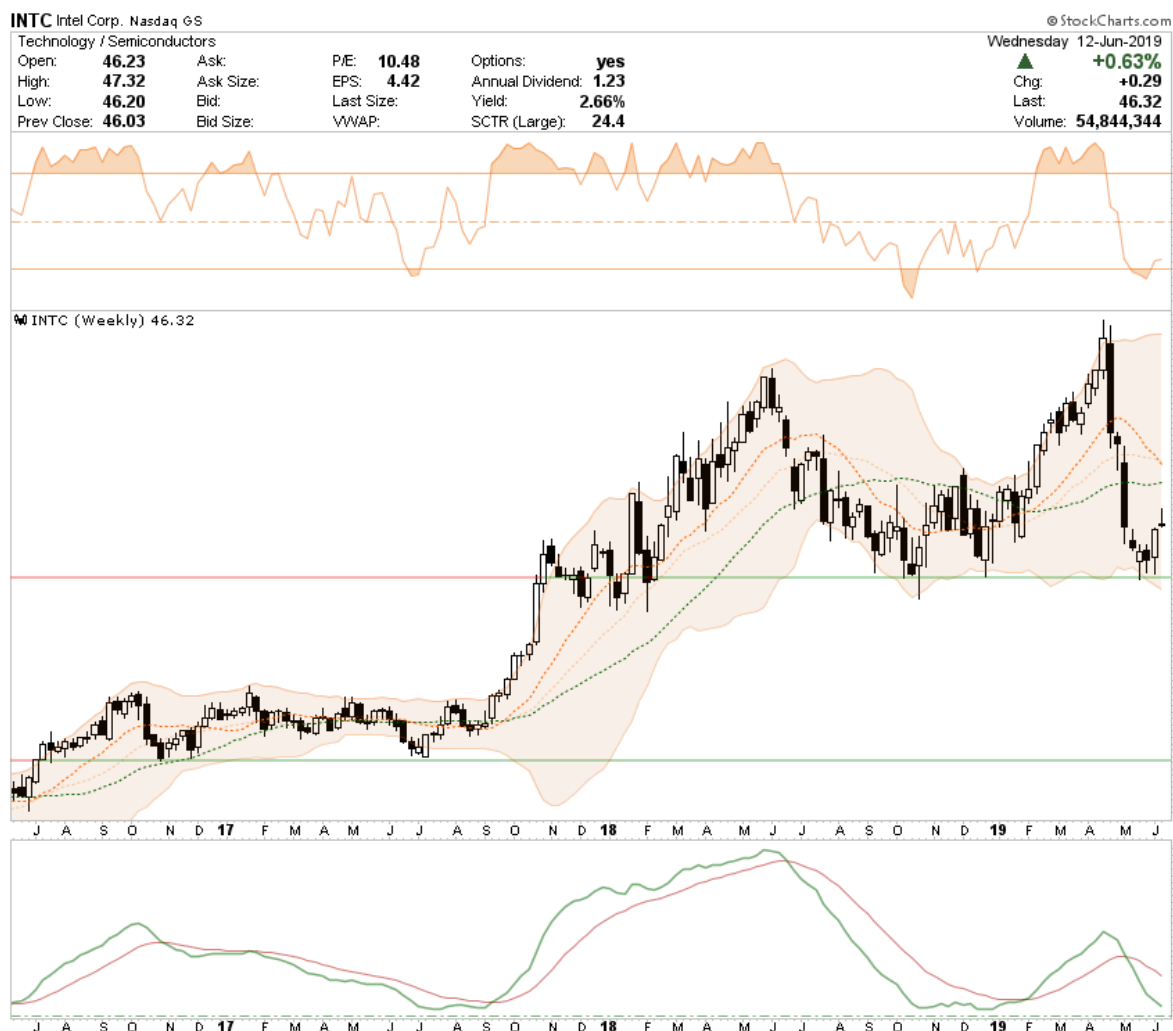
Last: **174.14**

Volume: **628,524**



- We previously recommended a long-position in DEO back in January.
- The trade has gotten crazy overbought
- Take profits and reduce overall weight to 1/2 position and wait for a correction to add back into it.
- Stop-loss is \$155

INTC - Intel Corp.



- *INTC had a very sharp correction following earnings and the company has been basing along important support.*
- The "sell signal" and the stock are very oversold.
- This is a decent trade setup on INTC with a target of \$52-54
- *Buy position at current levels with a very tight stop at \$43*
-

JNJ - Johnson & Johnson



- *JNJ took a previous hit due to their settlement over "talc." However, as we stated then, that settlement was a non-event for the company and the stock has completely reversed the sell-off.*
- *The breakout from the consolidation is bullish and sets JNJ up for a further advance. We remain long the position in our equity portfolio.*
- *Look to buy, or add to, JNJ on a break above resistance at \$142.*
- *Stop loss on new positions is \$135*

SHORT CANDIDATES

AMTD - TD Ameritrade Holding Corp.

AMTD TD Ameritrade Holding Corp. Nasdaq GS

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Financial / Investment Services

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Open: **52.66** Ask: P/E: **14.37** Options: **yes**
 High: **53.45** Ask Size: EPS: **3.55** Annual Dividend: **1.11**
 Low: **50.70** Bid: Last Size: Yield: **2.18%**
 Prev Close: **52.11** Bid Size: VWAP: SCTR (Large): **29.9**

Chg: **-2.17%**
 Last: **50.98**
 Volume: **6,675,267**



- *AMTD is not looking good.*
- *With a sell signal being triggered and the downtrend holding firm, it looks like AMTD is going to break to the downside of this consolidation pattern.*
- *Look to short AMTD on a break below \$50*
- *Stop-loss is set at \$54*
- *Target for trade is \$40.*

CAT - Caterpillar

CAT Caterpillar, Inc. NYSE

Industrial / Commercial Vehicles

Open: **125.47** Ask: P/E: **11.84** Options: **yes**
 High: **129.60** Ask Size: EPS: **10.74** Annual Dividend: **3.44**
 Low: **125.24** Bid: Last Size: **2.71%** Yield: **2.71%**
 Prev Close: **124.46** Bid Size: VWAP: SCTR (Large): **34.4**

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▲ **+2.12%**Chg: **+2.64**Last: **127.10**Volume: **11,168,253**

- CAT is a casualty of the trade war with China ultimately.
- The break below the consolidation pattern combined with the onset of a sell-signal suggests lower prices.
- The current bounce is likely a decent short set up.
- Short CAT at current levels.
- Stop-loss is \$132.50
- Target is \$100

CRM - Salesforce.com

CRM Salesforce.com, Inc. NYSE

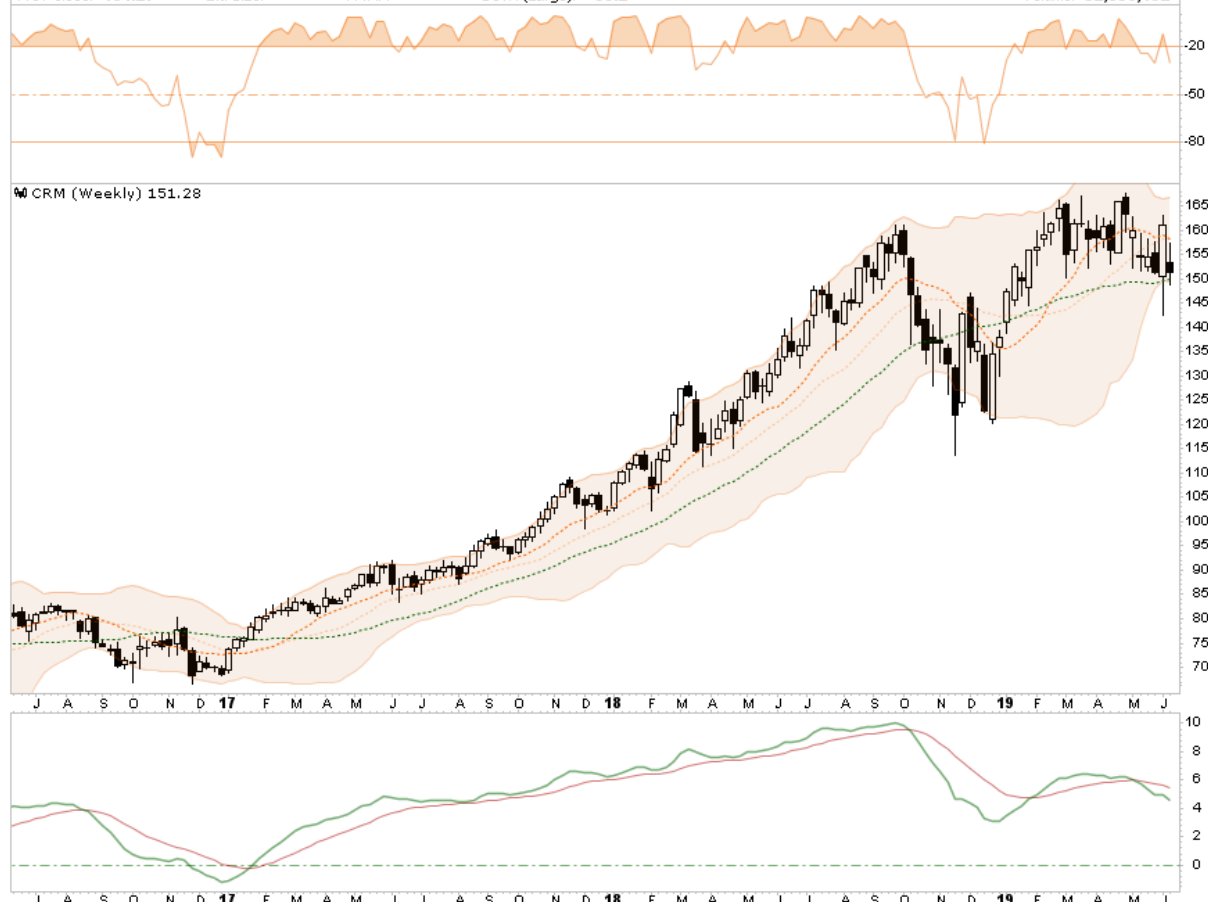
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Technology / Software

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Open: **153.48** Ask: P/E: **102.35** Options: **yes**
 High: **157.45** Ask Size: EPS: **1.48** Annual Dividend: **N/A**
 Low: **148.79** Bid: Last Size: **N/A** Yield: **N/A**
 Prev Close: **161.27** Bid Size: VWAP: SCTR (Large): **39.2**

Chg: **-6.19%**
 Last: **151.28**
 Volume: **52,056,192**



- CRM is just stupidly overvalued and is ultimately going to be one of the great shorts.
- The current topping process continues combined with a current sell-signal following a bounce.
- Short on a break of support at \$150
- Stop-loss is \$160
- Downside target is \$120

EIX - Edison Intl., Inc.

EIX Edison Intl, Inc. NYSE

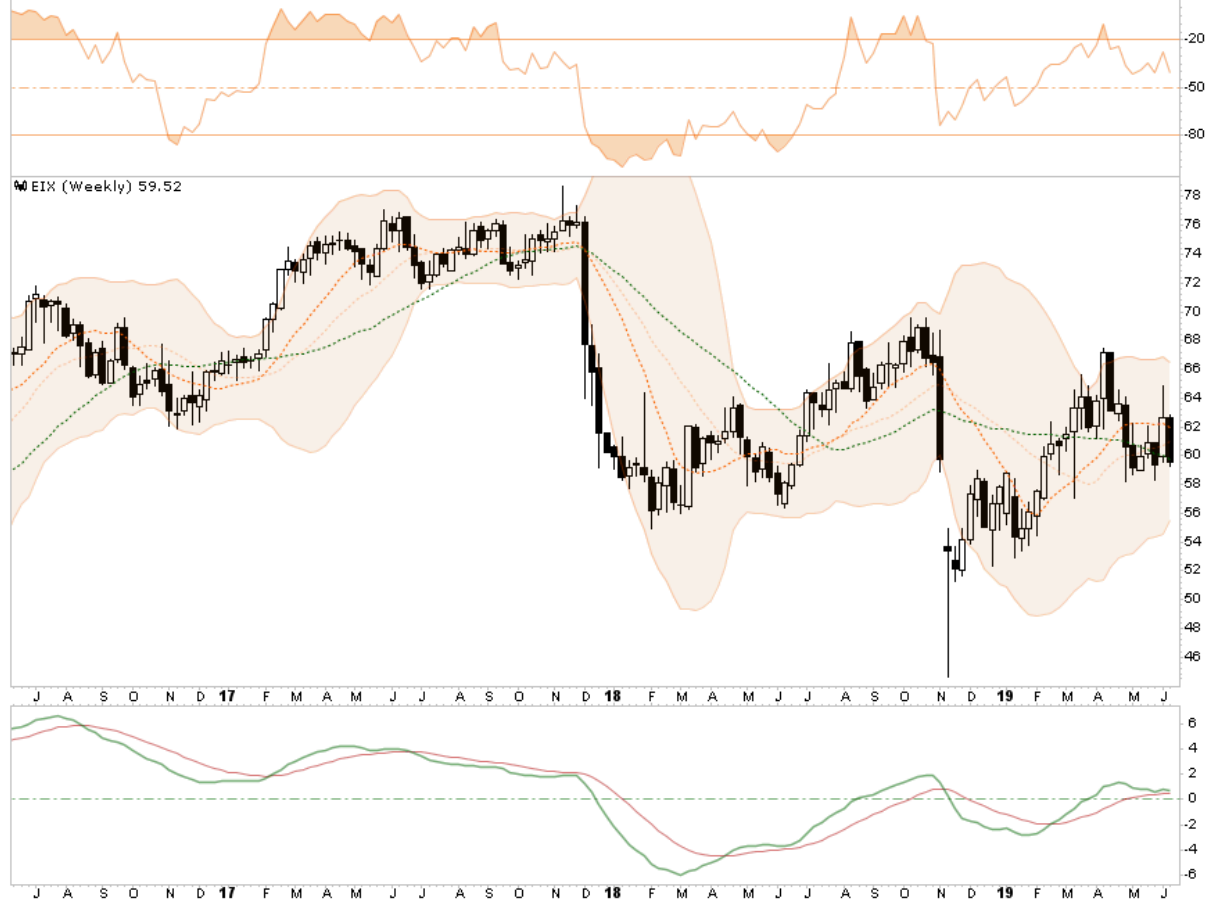
Utilities / Conventional Electricity

Open: **62.65** Ask: P/E: **-52.85** Options: **yes**
High: **62.81** Ask Size: EPS: **-1.13** Annual Dividend: **2.435**
Low: **59.26** Bid: Last Size: Yield: **4.09%**
Prev Close: **62.64** Bid Size: VWAP: SCTR (Large): **28.5**

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▼ **-4.98%**
Chg: **-3.12**
Last: **59.52**
Volume: **6,167,742**



- The Utility space has been a clear winner but not so much for EIX
- EIX is close to triggering a sell signal and remains modestly overbought.
- Short EIX below \$59
- Target for trade is \$52
- Stop-loss is \$63

EMN - Eastman Chemical Co.

EMN Eastman Chemical Co. NYSE

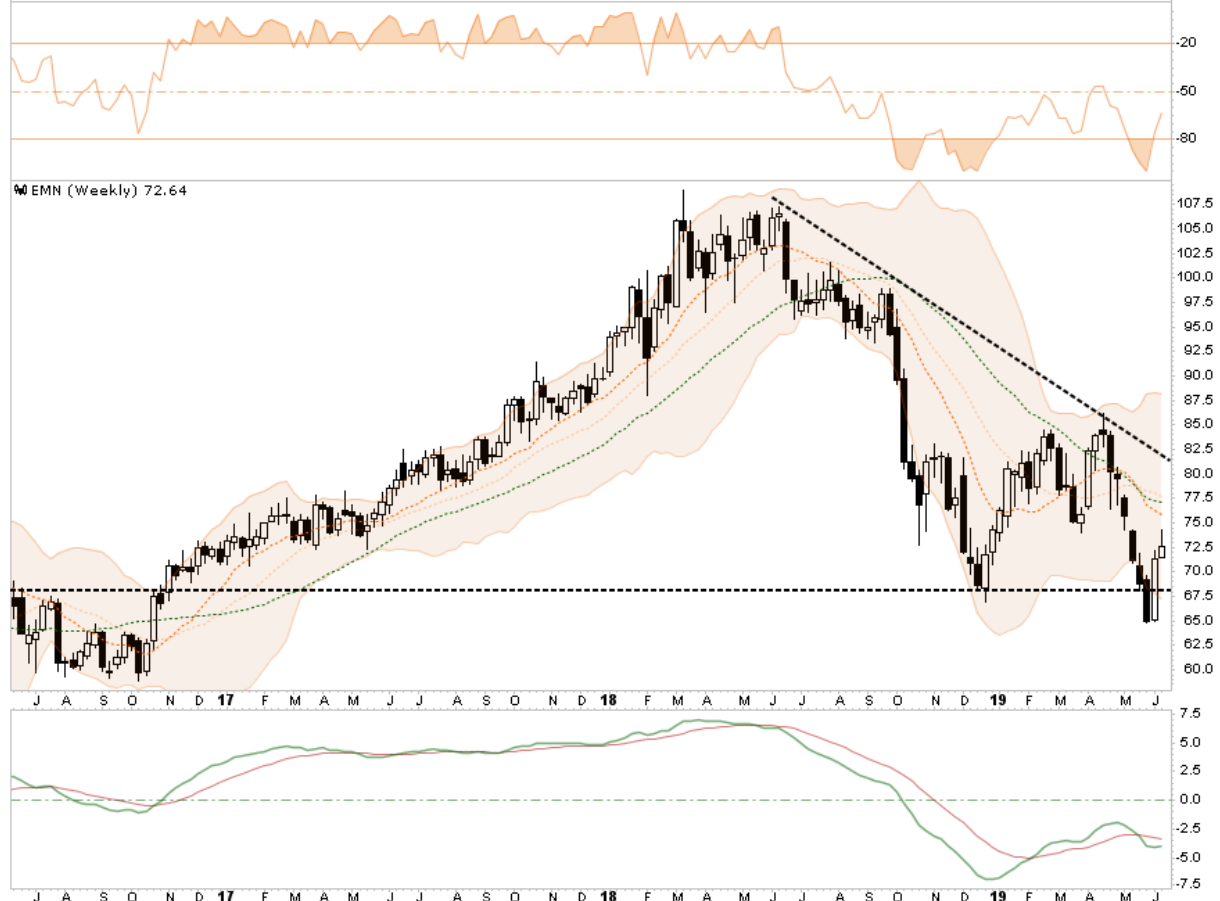
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Materials / Commodity Chemicals

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Open: **71.53** Ask: P/E: **10.36** Options: **yes**
 High: **74.28** Ask Size: EPS: **7.01** Annual Dividend: **2.36**
 Low: **71.53** Bid: Last Size: Yield: **3.25%**
 Prev Close: **71.33** Bid Size: VWAP: SCTR (Large): **22.5**

Chg: **+1.84%**
 Last: **72.64**
 Volume: **2,818,761**



- The trade war has not been kind to basic material companies and EMN is no exception.
- On a newly issued sell signal following a brief bounce, more downside is currently likely.
- Short on a break of previous support at \$67.50
- Stop-loss is \$75
- Target for trade is \$60
- The short has now hit our previous targets and is oversold.
- Close out the short-position and look to re-enter on a failed rally to \$14.