



## Selected Portfolio Position Review: 06-19-19

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:

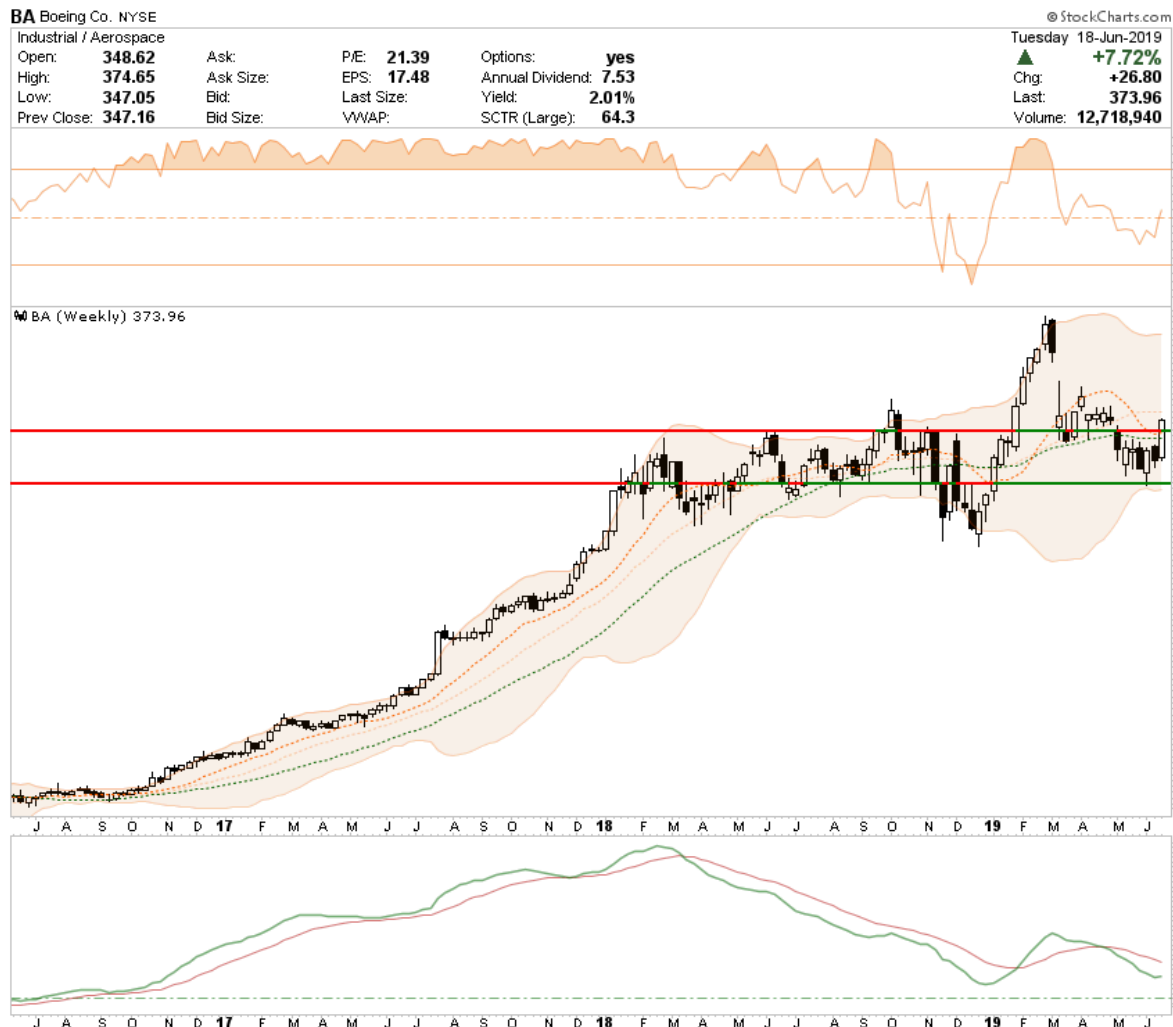
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a 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.

**BA - Boeing Co.**



- As a recap, we took on 1/2 position in BA following the collapse in the stock price due to the 737 MAX crash.
- We stated we would be patient and wait for improvement, and a buy signal, to add the second half.
- BA broke above initial resistance last week and the "sell" signal is pretty deep suggesting a substantial rally once a "buy" signal is triggered.
- It is not time to add the second position just yet, but we may be getting close.
- Stop remains at \$300

**DOV - Dover Corp.**

**DOV** Dover Corp. NYSE

Industrial / Industrial Machinery

Open: **96.01** Ask: P/E: **26.47**Options: **yes**

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Tuesday 18-Jun-2019

High: **97.03** Ask Size: EPS: **3.64**Annual Dividend: **1.92**▲ **+0.30%**Low: **95.38** Bid: Last Size: **1.99%**Yield: **1.99%**Chg: **+0.29**Prev Close: **96.07** Bid Size: VWAP: SCTR (Large): **78.6**Last: **96.36**Volume: **1,072,585**

- We originally took on DOV as a play for a "trade war" resolution.
- Despite the fact we have no trade war resolution as of yet, DOV has performed nicely and we previously took profits in the position.
- The current buy signal is very extended and close to sell signal.
- Look for an opportunity to add to positions that hold support at \$87.50
- Stop-loss is moved up to \$85

**COST - Costco Wholesale**

**COST** Costco Wholesale Corp. Nasdaq GS

Consumer Staples / Personal Products

Open: **261.13** Ask: P/E: **32.24** Options: **yes**  
 High: **264.20** Ask Size: EPS: **8.15** Annual Dividend: **2.36**  
 Low: **260.43** Bid: Last Size: Yield: **0.90%**  
 Prev Close: **260.15** Bid Size: VWAP: SCTR (Large): **88.4**

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Tuesday 18-Jun-2019

▲ **+1.00%**  
 Chg: **+2.59**  
 Last: **262.74**  
 Volume: **3,915,255**



- We previously took profits in COST and after a breakout to all-time highs, and confirmed, we can look for an opportunity to increase our holdings.
- COST is currently overbought but on a buy signal. We will be patient for now and wait for the right opportunity to add to our current position.
- Look to add around \$240-250 on a pullback and support holds.
- Stop-loss remains at \$230 for now.

**GDX - Gold Miners**

# GDX VanEck Vectors Gold Miners ETF NYSE

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Open: **23.38** Ask: P/E: Options: **yes**  
 High: **23.88** Ask Size: EPS: Annual Dividend: **0.105**  
 Low: **23.14** Bid: Last Size: Yield: **0.44%**  
 Prev Close: **23.33** Bid Size: VWAP: SCTR (ETF): **97.9**

Tuesday 18-Jun-2019  
 ▲ **+1.46%**  
 Chg: **+0.34**  
 Last: **23.67**  
 Volume: **95,016,912**



- *GDX was added to our portfolios to hedge against potential volatility and rate risk in portfolios.*
- *The hedge worked well in the recent sell-off and broke out of resistance on news of the ECB becoming more dovish along with the Federal Reserve.*
- *We continue to hold our position for now and with the break above \$23 we can actively start looking for an opportunity to increase our holdings further.*
- *Our stop is set at \$20*

## DUK - Duke Energy

**DUK** Duke Energy Corp. NYSE

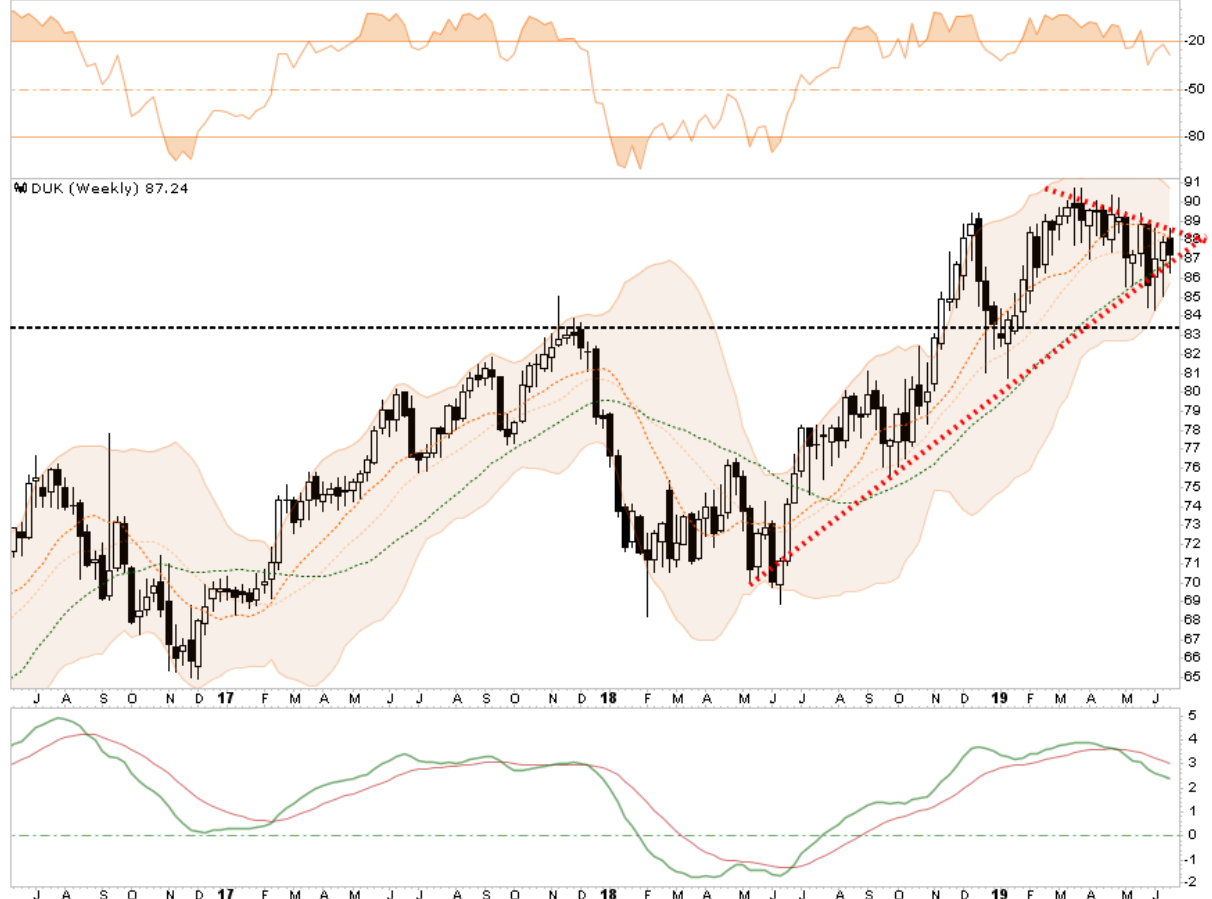
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Utilities / Multiutilities

Tuesday 18-Jun-2019

Open: <b>88.08</b>	Ask:	P/E: <b>21.21</b>	Options: <b>yes</b>
High: <b>88.59</b>	Ask Size:	EPS: <b>4.11</b>	Annual Dividend: <b>3.71</b>
Low: <b>86.32</b>	Bid:	Last Size:	Yield: <b>4.25%</b>
Prev Close: <b>87.87</b>	Bid Size:	VWAP:	SCTR (Large): <b>27.5</b>

▼ **-0.72%**  
 Chg: **-0.63**  
 Last: **87.24**  
 Volume: **4,978,019**



- Of our defensive Utility exposure DUK has weakened in terms of performance lately and is sitting on important support.
- The lack of performance has to do with the current "Sell" signal which we are watching closely.
- DUK continues to consolidate in a wedge pattern so a break out above or below resistance/support will dictate our next move./
- We remain long DUK for now and will only look to add to the position on a breakout above \$89
- Stop-loss remains at \$86 for profits and an absolute stop at \$83.

**JPM - JP Morgan Chase**



- *JPM continues to hold its own, and we are collecting a dividend, but overall performance has been "Meh."*
- *The good news is JPM broke out of its consolidation, retested that breakout and moved higher which is very bullish.*
- *With JPM on a "buy" signal currently, we will continue to hold our position for now and will add to it on a break out to new highs.*
- *We remain long our position currently and are moving our stop-loss up to \$105*
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**NSC - Norfolk Southern Corp.**



**NSC Norfolk Southern Corp. NYSE**

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Industrial / Railroad

 Open: **194.45**

Ask:

 P/E: **19.15**

 Options: **yes**

Tuesday 18-Jun-2019

 High: **194.65**

Ask Size:

 EPS: **10.10**

 Annual Dividend: **3.32**

 ▼ **-0.67%**

 Low: **190.65**

Bid:

Last Size:

 Yield: **1.72%**

 Chg: **-1.30**

 Prev Close: **194.74**

Bid Size:

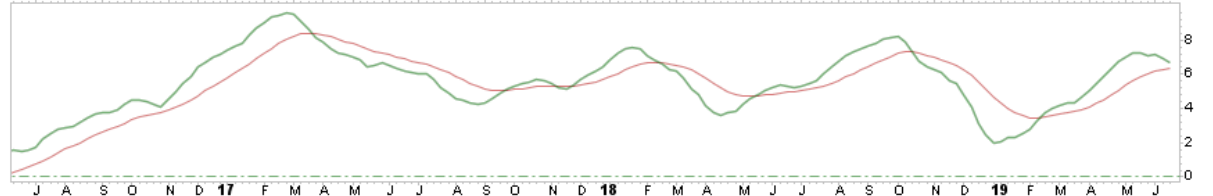
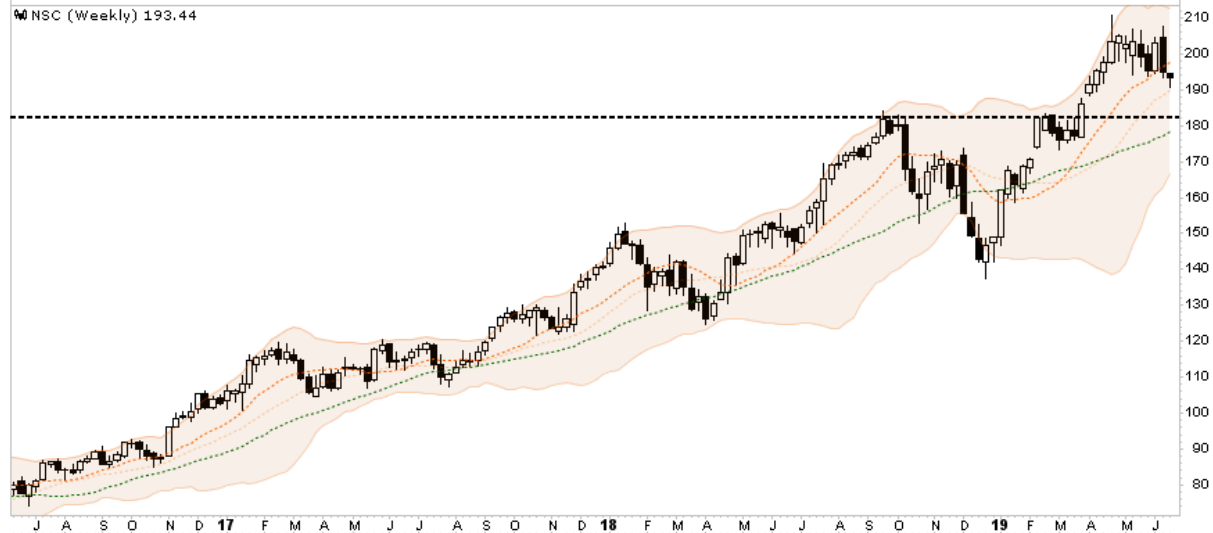
VWAP:

 SCTR (Large): **67.7**

 Last: **193.44**

 Volume: **6,032,944**


NSC (Weekly) 193.44



- NSC has been consolidating its strong run from previous lows and is close to registering a short-term sell signal.
- We are okay with that after taking profits in the position.
- We are looking to add back to our holding between \$180-190 with a tight stop-loss just below \$180
- Stop-loss is set at \$179

**XOM - Exxon Mobil Corp.**

**XOM** Exxon Mobil Corp. NYSE

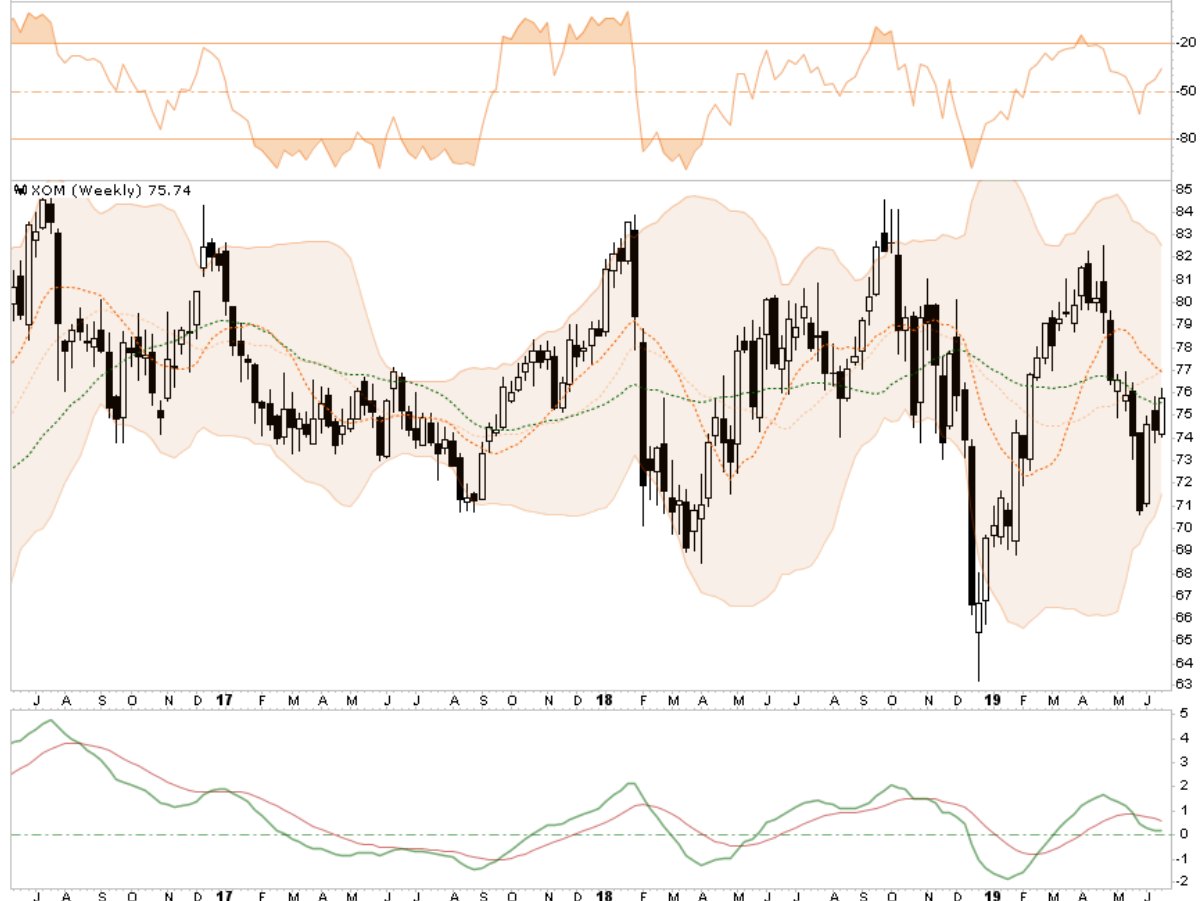
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Energy / Integrated Oil &amp; Gas

Open: <b>74.16</b>	Ask:	P/E: <b>17.45</b>	Options: <b>yes</b>
High: <b>76.22</b>	Ask Size:	EPS: <b>4.34</b>	Annual Dividend: <b>3.33</b>
Low: <b>74.04</b>	Bid:	Last Size:	Yield: <b>4.40%</b>
Prev Close: <b>74.35</b>	Bid Size:	VWAP:	SCTR (Large): <b>28.2</b>

Tuesday 18-Jun-2019

▲ <b>+1.87%</b>
Chg: <b>+1.39</b>
Last: <b>75.74</b>
Volume: <b>19,431,708</b>



- After selling 1/2 of our position back in May as oil prices hit their peak, the slide in oil prices, and share price, have likely hit a short-term nadir.
- It is too soon to buy back the previous 1/2 of our position as there is currently risk to the downside in oil prices.
- However, we are looking for an optimal point to rebuild our position in XOM.
- Given we sold 1/2 of the position, we have lowered our stop-loss to \$65.

**PPL - PPL Corp.**

**PPL PPL Corp. NYSE**

Utilities / Conventional Electricity

Open: <b>31.30</b>	Ask:	P/E: <b>12.14</b>	Options: <b>yes</b>
High: <b>31.46</b>	Ask Size:	EPS: <b>2.56</b>	Annual Dividend: <b>1.645</b>
Low: <b>30.66</b>	Bid:	Last Size:	Yield: <b>5.29%</b>
Prev Close: <b>31.45</b>	Bid Size:	VWAP:	SCTR (Large): <b>40.3</b>

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Tuesday 18-Jun-2019

▼ **-1.18%**Chg: **-0.37**Last: **31.08**Volume: **7,982,603**

- PPL, another defensive utility play, and fundamentally very cheap, continues to grind along its upward path.
- With PPL just about to trigger a "buy" signal we will be looking for some positive action to add to the position. In the meantime, we are collecting in excess of a 5% dividend, so we are patient.
- Stop loss is currently set at \$29.50

**PEP - PepsiCo, Inc.**

PEP PepsiCo, Inc. Nasdaq GS

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Consumer Staples / Soft Drinks

Tuesday 18-Jun-2019

Open: **132.72** Ask: P/E: **14.91** Options: **yes**  
 High: **134.42** Ask Size: EPS: **8.86** Annual Dividend: **3.7375**  
 Low: **131.86** Bid: Last Size: Yield: **2.83%**  
 Prev Close: **132.73** Bid Size: VWAP: SCTR (Large): **68.6**

▼ **-0.50%**  
 Chg: **-0.67**  
 Last: **132.06**  
 Volume: **7,034,561**



- PEP continues to power higher after breaking out to all-time highs.
- The chase for defensive income stocks continues and has accelerated after talks by the Fed of lowering interest rates.
- PEP is grossly overbought so a pullback to old highs and a bit of consolidation is needed to add to our holdings.
- Target to add to holding is \$127.50
- Stop-loss is moved up to \$117.50