



## Selected Portfolio Position Review: 06-26-19

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:

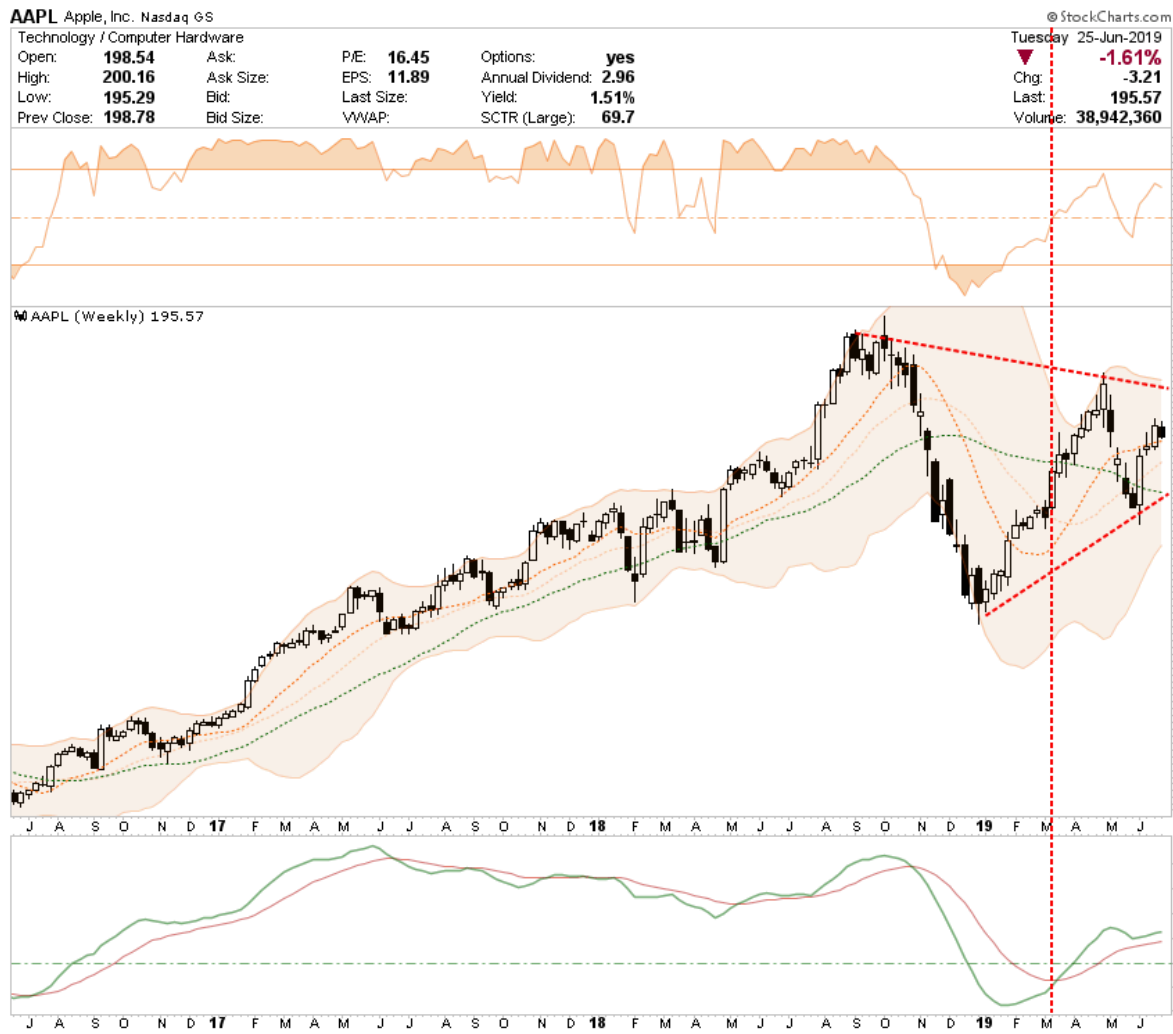
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a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

**AAPL - Apple, Inc.**



- We previously took 20% of our position off the table at the beginning of May. Since then, AAPL has mustered a meager rally and is holding above its short-term moving average.
- With AAPL not overbought yet, and still on a buy signal currently, we are maintaining our reduced position.
- We currently don't see a need to increase our weight at this time.
- Stop moved up to \$180.

## AGNC - AGNC Investment Corp.

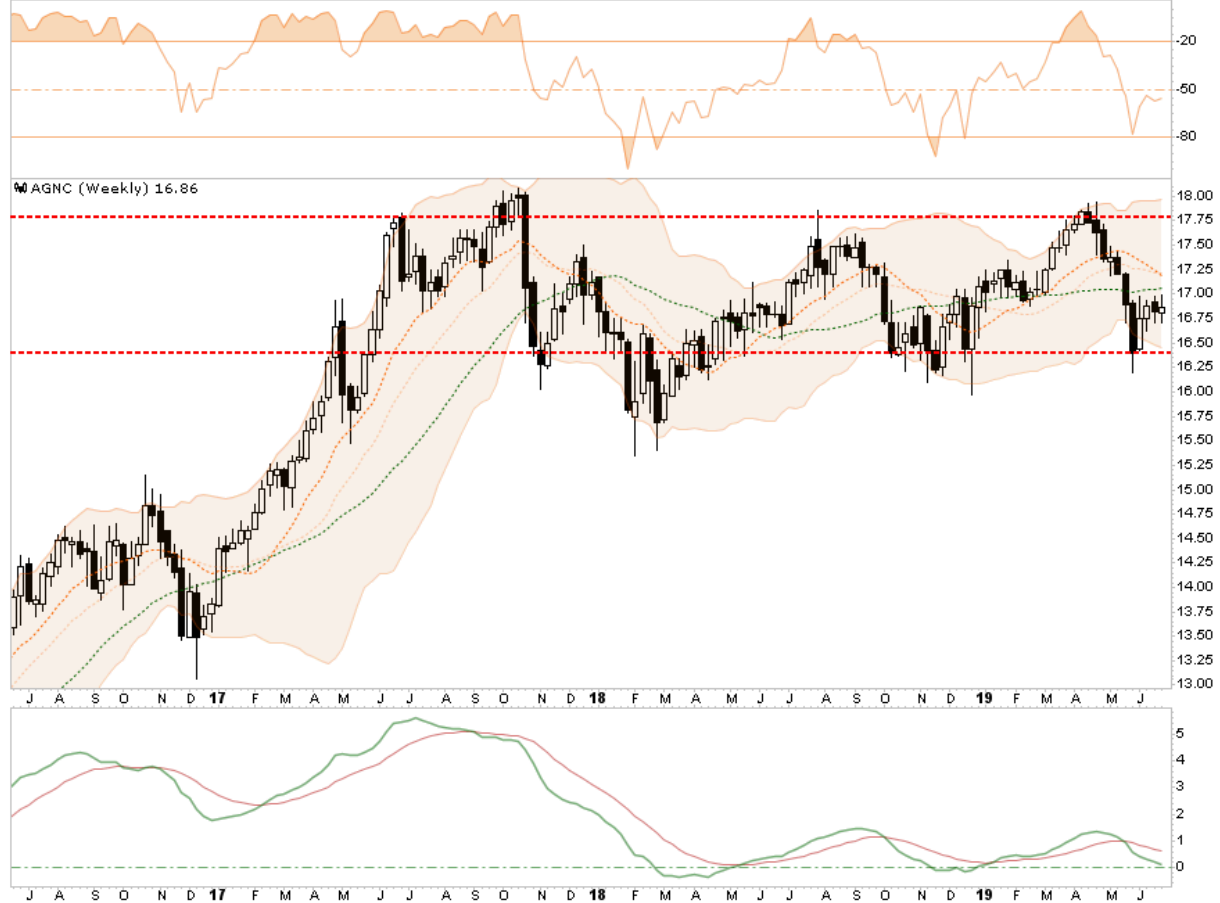
**AGNC** AGNC Investment Corp. Nasdaq GM

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Real Estate / Mortgage REITs

Open: **16.810** Ask: P/E: **1605.71** Options: **yes**  
 High: **16.990** Ask Size: EPS: **0.01** Annual Dividend: **2.14**  
 Low: **16.710** Bid: Last Size: Yield: **12.69%**  
 Prev Close: **16.820** Bid Size: VWAP: SCTR (Mid): **26.8**

Tuesday 25-Jun-2019

▲ **+0.24%**Chg: **+0.040**Last: **16.860**Volume: **11,048,590**

- We added two positions to our portfolio as of late to take advantage of a "steeper" yield curve which we should see prior to the onset of a recession. (The steeper curve is from short-term yields falling faster than long-term yields)
- We bought 1/2 position initially as AGNC is still on a sell signal but is deeply oversold and holding a long-term base of support.
- With a yield of nearly 13% we don't mind holding the position while waiting on capital appreciation down the road.
- Stop-loss is set at \$15.50

**NLY - Annaly Capital Management**

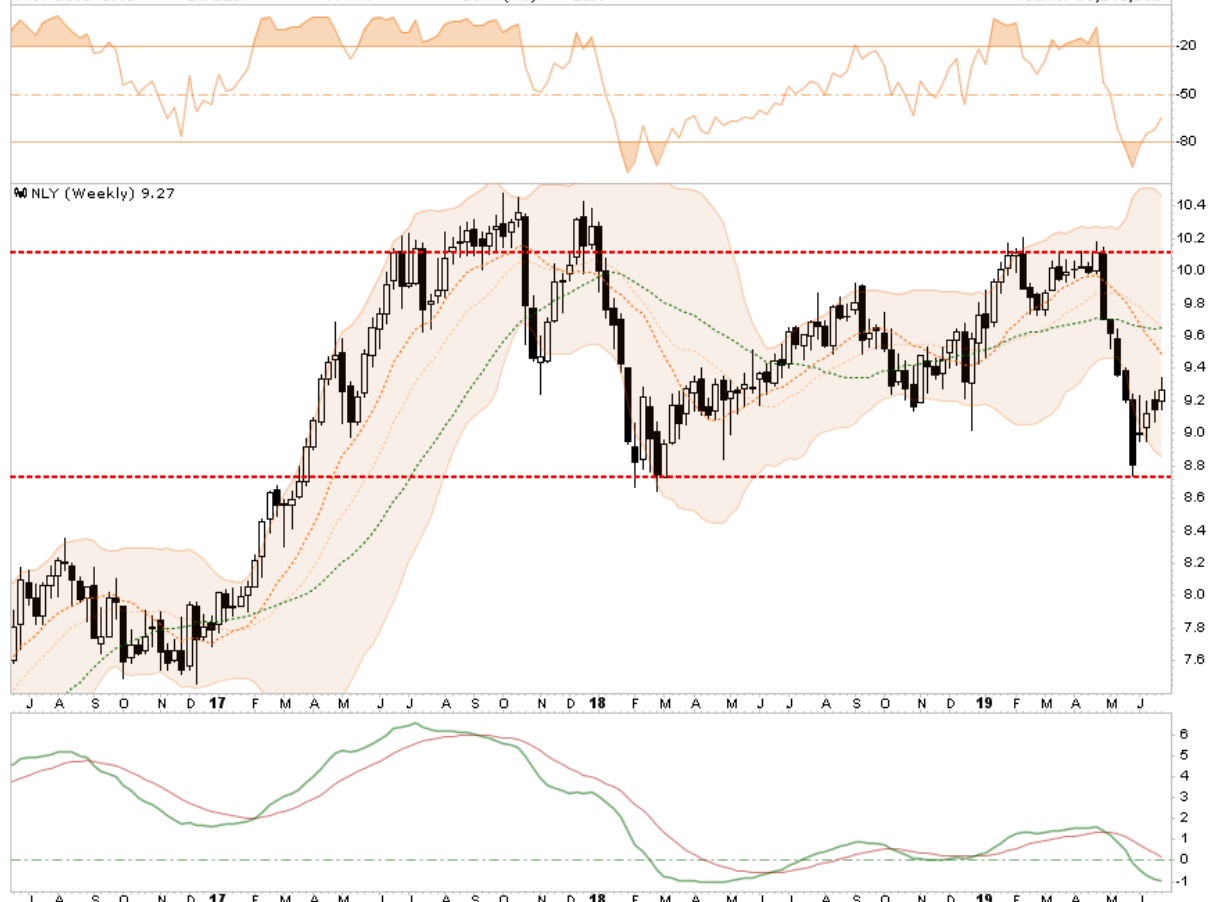
NLY Annaly Capital Management, Inc. NYSE

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Real Estate / Mortgage REITs

Open: **9.20** Ask: P/E: **-5.84** Options: **yes**  
 High: **9.34** Ask Size: EPS: **-1.59** Annual Dividend: **0.9**  
 Low: **9.15** Bid: Last Size: Yield: **9.71%**  
 Prev Close: **9.15** Bid Size: VWAP: SCTR (Mid): **25.1**

Tuesday 25-Jun-2019  
 ▲ **+1.31%**  
 Chg: **+0.12**  
 Last: **9.27**  
 Volume: **36,210,568**



- The second of our "steepner" plays in Annaly Mortgage. Like AGNC, both of these companies hold government guaranteed mortgages which benefit from a steeper yield curve.
- NLY pays nearly a 10% dividend yield, so like AGNC we can get paid to wait for capital appreciation to come.
- We bought 1/2 position currently as NLY remains on a sell signal currently but is deeply oversold.
- Stop-loss is set at \$8.50 currently.

## GDX - Gold Miners

# GDX VanEck Vectors Gold Miners ETF NYSE

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Open: **25.31** Ask: P/E: Options: **yes**  
 High: **26.25** Ask Size: EPS: Annual Dividend: **0.105**  
 Low: **25.11** Bid: Last Size: Yield: **0.41%**  
 Prev Close: **25.21** Bid Size: VWAP: SCTR (ETF): **99.4**

Tuesday 25-Jun-2019  
 ▲ **+1.67%**  
 Chg: **+0.42**  
 Last: **25.63**  
 Volume: **190,127,776**



- *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.*
- *A pullback to \$23-24 would provide a decent entry point.*
- *Our stop is set at \$20*

## DUK - Duke Energy

DUK Duke Energy Corp. NYSE

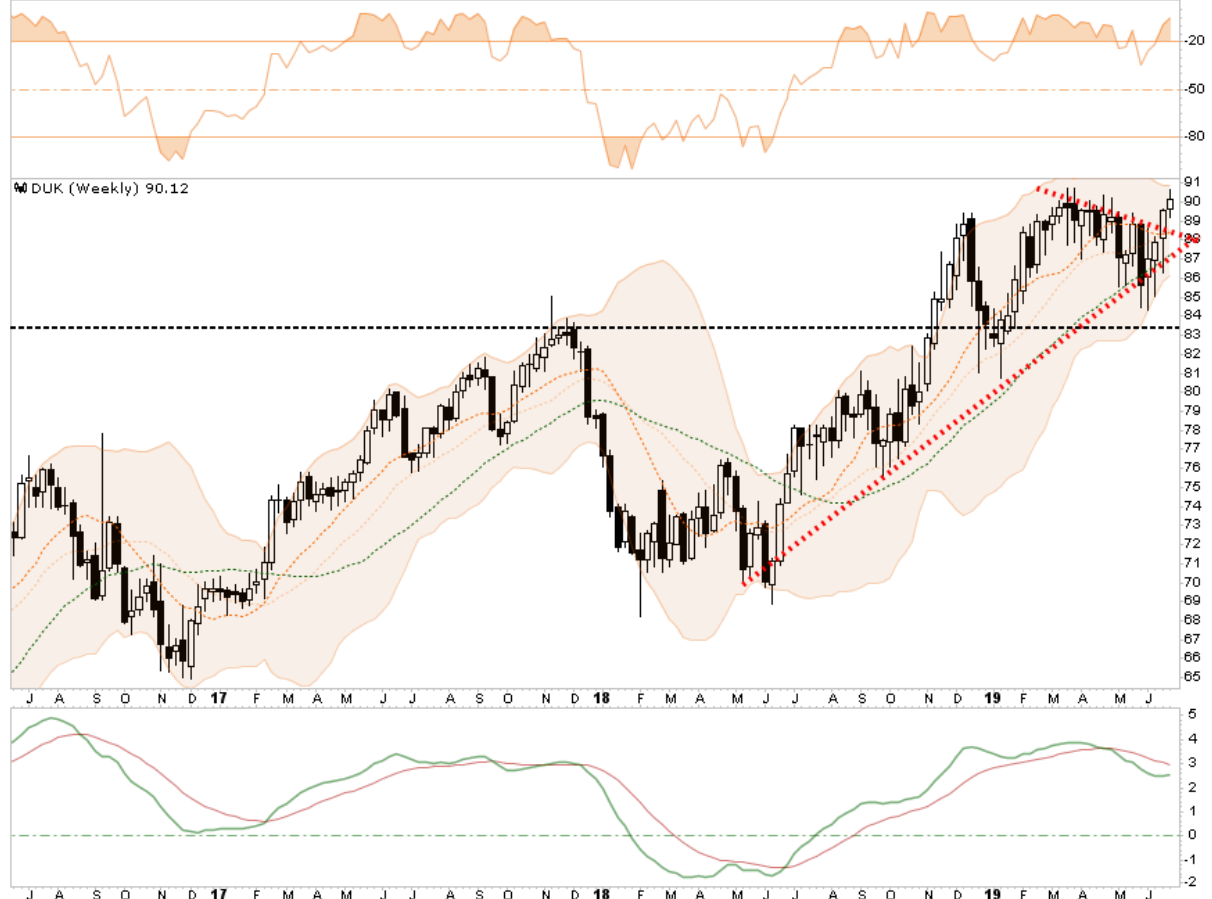
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Utilities / Multiutilities

Tuesday 25-Jun-2019

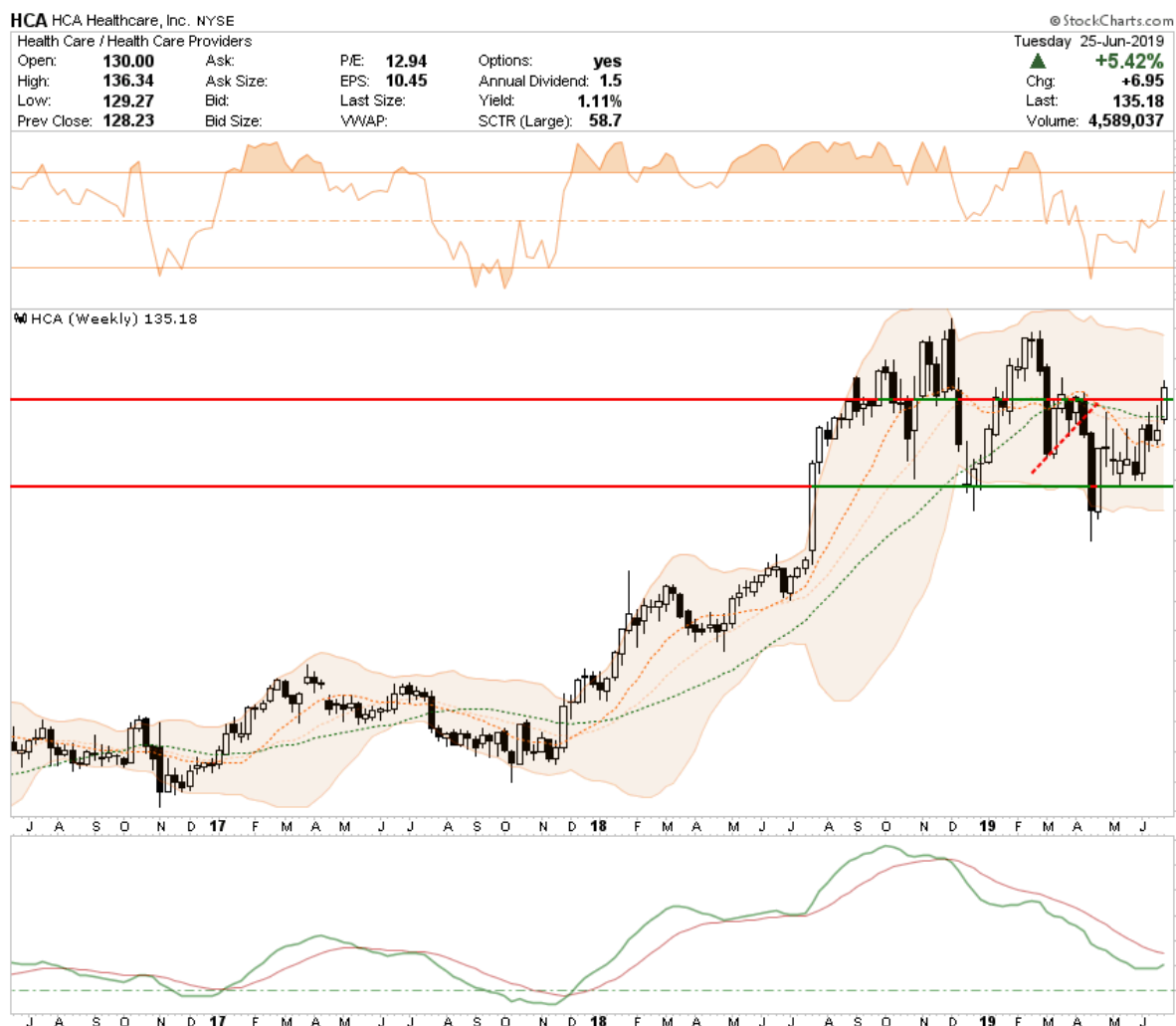
Open: **89.62** Ask: P/E: **21.91** Options: **yes**  
 High: **90.68** Ask Size: EPS: **4.11** Annual Dividend: **3.71**  
 Low: **89.22** Bid: Last Size: Yield: **4.12%**  
 Prev Close: **89.53** Bid Size: VWAP: SCTR (Large): **36.2**

▲ **+0.66%**  
 Chg: **+0.59**  
 Last: **90.12**  
 Volume: **7,113,927**



- As noted last week:
  - "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."
- This past week DUK broke out of its consolidation pattern and surged to close at all-time highs. This push higher has also started to reverse the short-term sell signal.
- With the break above resistance we can look to add to our position opportunistically if the overbought condition is reduced somewhat.
- Stop-loss remains at \$86 for profits and an absolute stop at \$83.

## HCA - HCA Healthcare



- *HCA broke above resistance this past week and looks set to also reverse the sell signal that has plagued the stock for this entire year.*
- *We like our healthcare exposure and this uptick provides support for our defensive positioning case.*
- *HCA is not overbought and if the sell signal is reversed we will look to add to our position.*
- *We remain long our position currently and our stop-loss remains at \$120*
- 

## IAU - Ishares Gold Trust

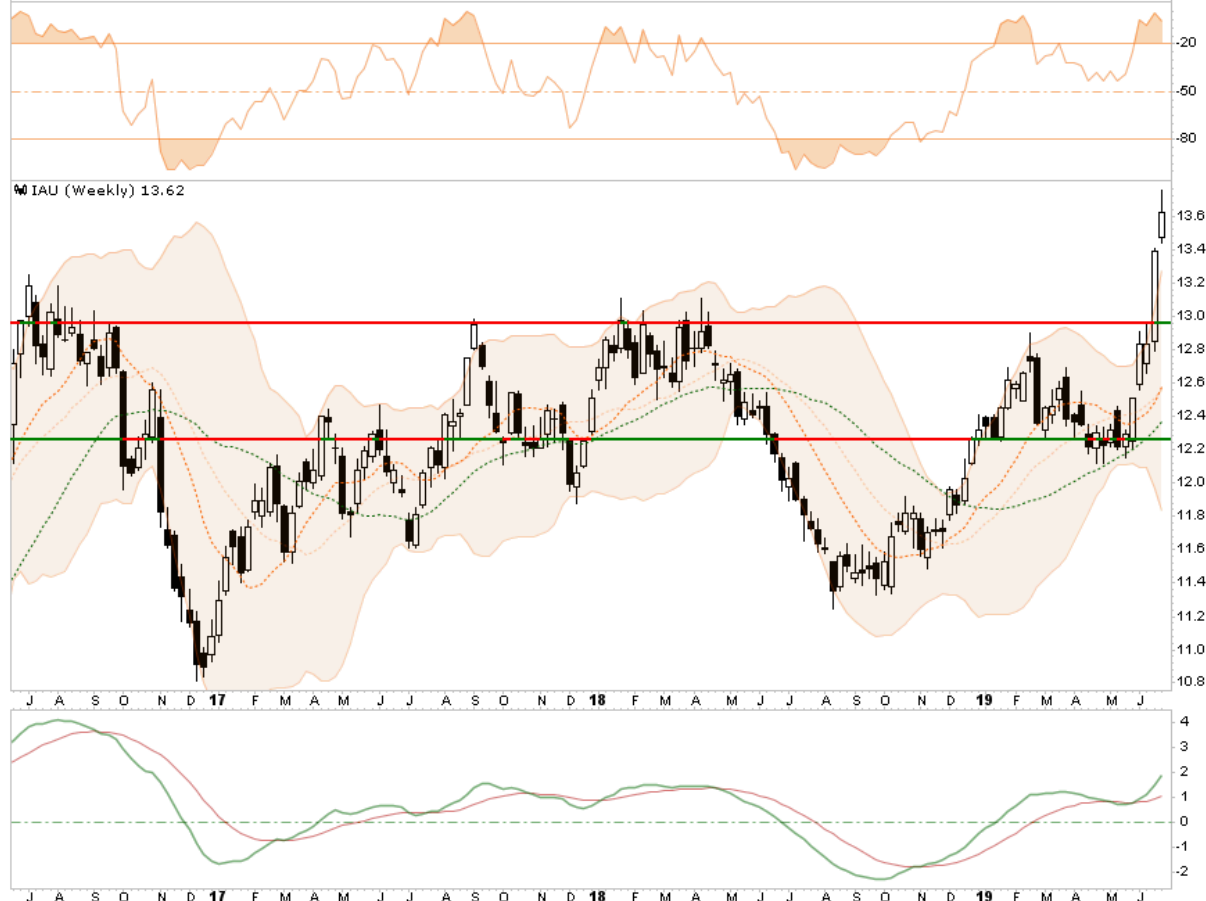


# IAU iShares Gold Trust NYSE

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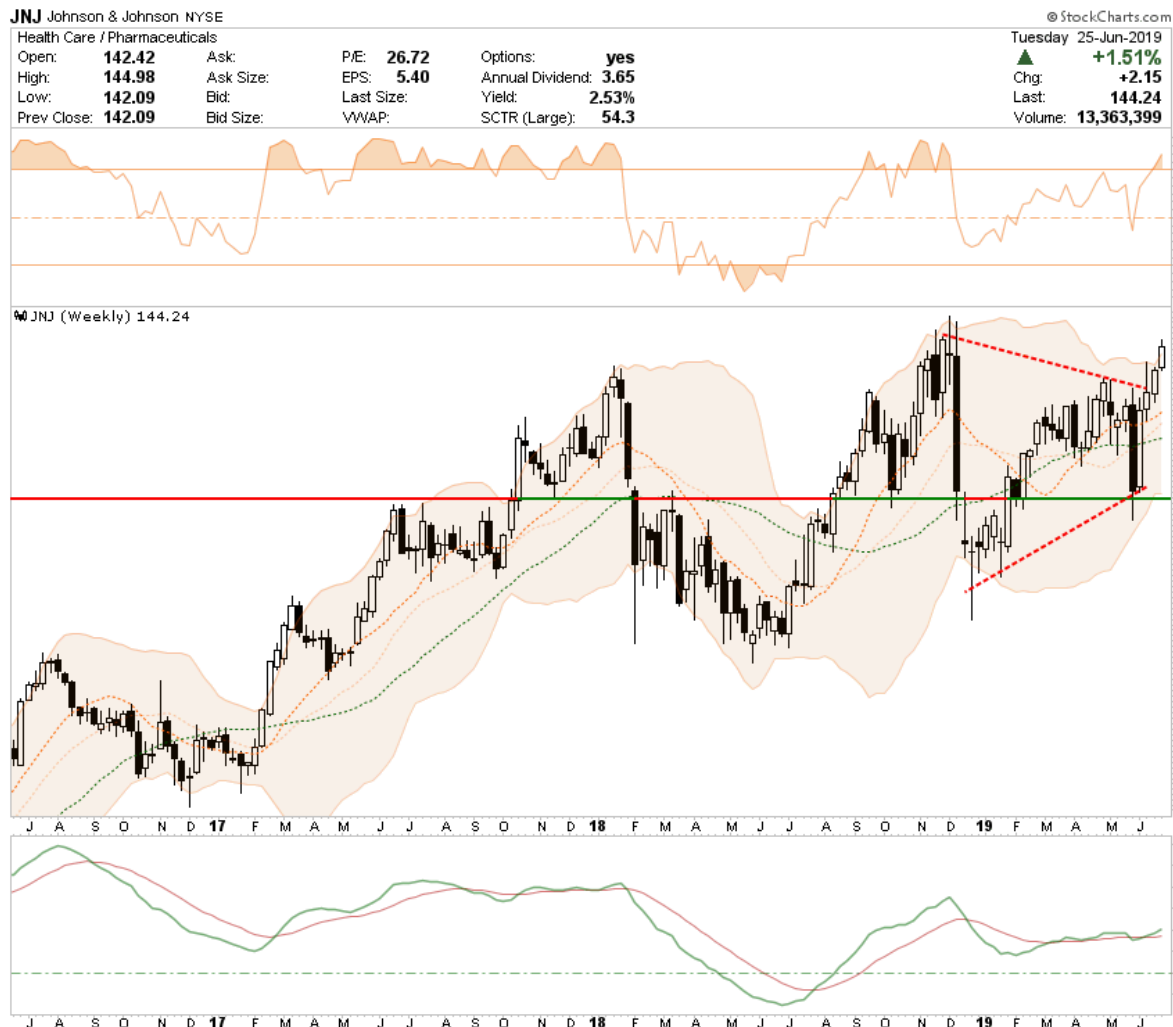
Open: **13.47** Ask: P/E: **-12.27** Options: **yes**  
 High: **13.75** Ask Size: EPS: **-1.11** Annual Dividend: **N/A**  
 Low: **13.44** Bid: Last Size: Yield: **N/A**  
 Prev Close: **13.39** Bid Size: VWAP: SCTR (ETF): **91.8**

Tuesday 25-Jun-2019  
 ▲ **+1.72%**  
 Chg: **+0.23**  
 Last: **13.62**  
 Volume: **80,131,024**



- Like GDX, we added IAU previously as a hedge against volatility risk. The recent spike in Gold confirms our position as well as the reconstituted buy signal.
- We will look to add to our position on a pullback that doesn't violate support or reverse the current buy signal.
- Stop-loss is set at \$12

## JNJ - Johnson & Johnson



- Like HCA, JNJ has also gotten a nice boost higher as "defensive" position continues to attract money flows as yields fall.
- Yield stocks perform better in slow growth economic environments and the break out of the consolidation we have see as late provides support to hold our position along with the reaffirmed buy signal.
- With JNJ back to very overbought conditions we will look for an opportunity to add to our position as needed.
- Stop-loss is moved up to \$130

## UNH - UnitedHealth Group

**UNH** Unitedhealth Group, Inc. NYSE

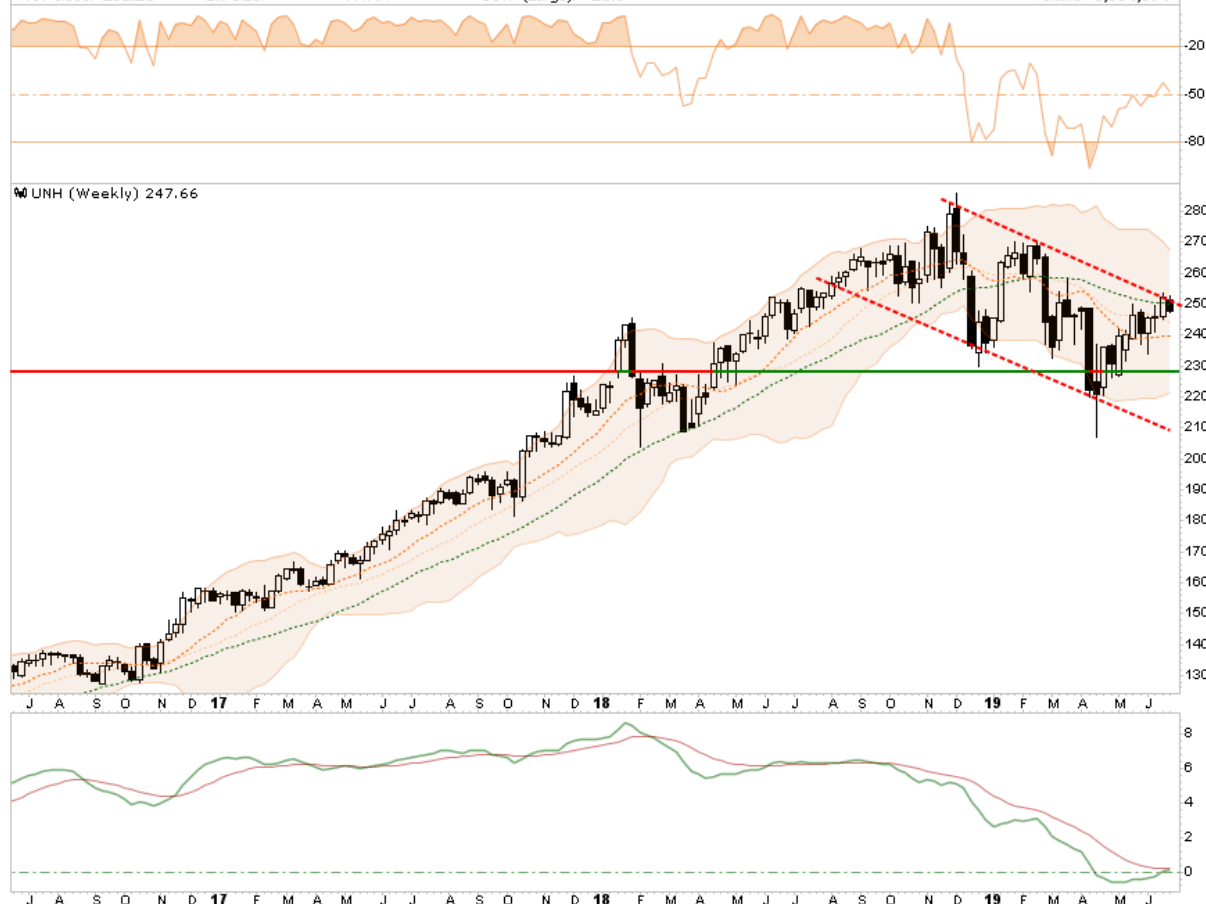
Health Care / Health Care Providers

Open: <b>251.33</b>	Ask:	P/E: <b>19.23</b>	Options: <b>yes</b>
High: <b>252.62</b>	Ask Size:	EPS: <b>12.88</b>	Annual Dividend: <b>3.6</b>
Low: <b>247.42</b>	Bid:	Last Size:	Yield: <b>1.45%</b>
Prev Close: <b>252.28</b>	Bid Size:	VWAP:	SCTR (Large): <b>25.0</b>

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Tuesday 25-Jun-2019

▼ <b>-1.83%</b>
Chg: <b>-4.62</b>
Last: <b>247.66</b>
Volume: <b>6,334,971</b>



- Our worst healthcare performance comes from UNH. We like the company and where it is positioned currently so we remain long our holding.
- UNH is coming off a deep oversold condition and is VERY close to registering a confirmed buy signal.
- We will add to the position on a confirmed break above the current downtrend which could come from better than expected earnings.
- Stop loss is currently set at \$230

**UTX - United Technologies**

**UTX** United Technologies Corp. NYSE

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Industrial / Aerospace

 Open: **130.12**

Ask:

 P/E: **19.88**

Options:

**yes**

Tuesday 25-Jun-2019

 ▲ **+0.21%**

 High: **130.99**

Ask Size:

 EPS: **6.49**

 Annual Dividend: **2.905**

 Chg: **+0.27**

 Low: **128.70**

Bid:

Last Size:

 Yield: **2.25%**

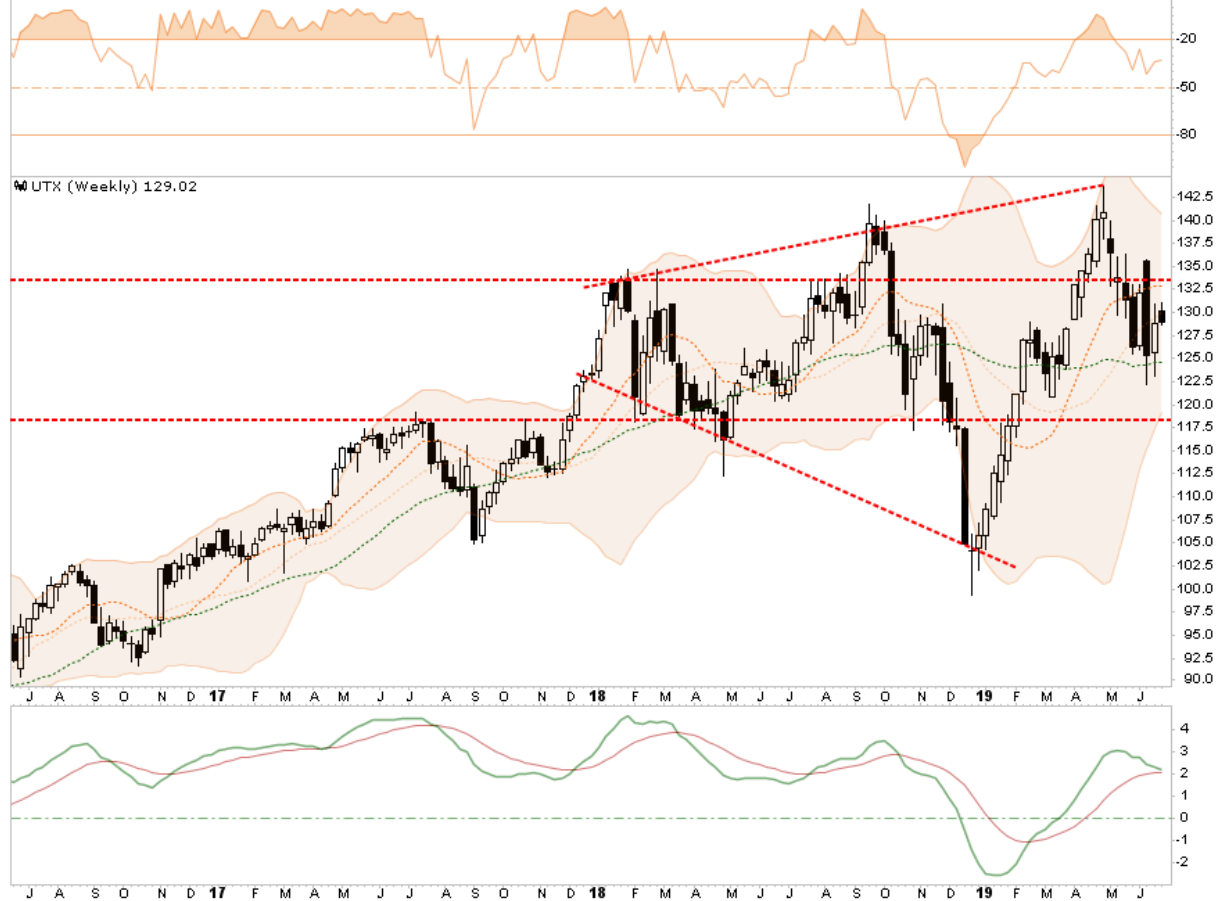
 Last: **129.02**

 Prev Close: **128.75**

Bid Size:

VWAP:

 SCTR (Large): **47.4**

 Volume: **6,318,930**


- *UTX has been a bit of a laggard after a stellar run from the December lows.*
- *Currently, UTX is holding support and is close to registering a short-term sell signal.*
- *A break above \$135 will make UTX much more interesting.*
- *The technical set-up is not great, so we are not rushing to add more to our holdings and we are looking to tighten up our stops.*
- *Stop-loss is moved up to \$122.50*