Long-Short Idea List: 06-27-19

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

B - Barnes Group



- *B has been basing for quite some time now and the "sell signal' is close to reversing to a "buy."*
- *With strong basing support at $51 the trading parameters are fairly tight.*
- *Buy at current levels.*
- *Target is $62.50*
- *Stop-loss is at $51*

EOG - EOG Resources



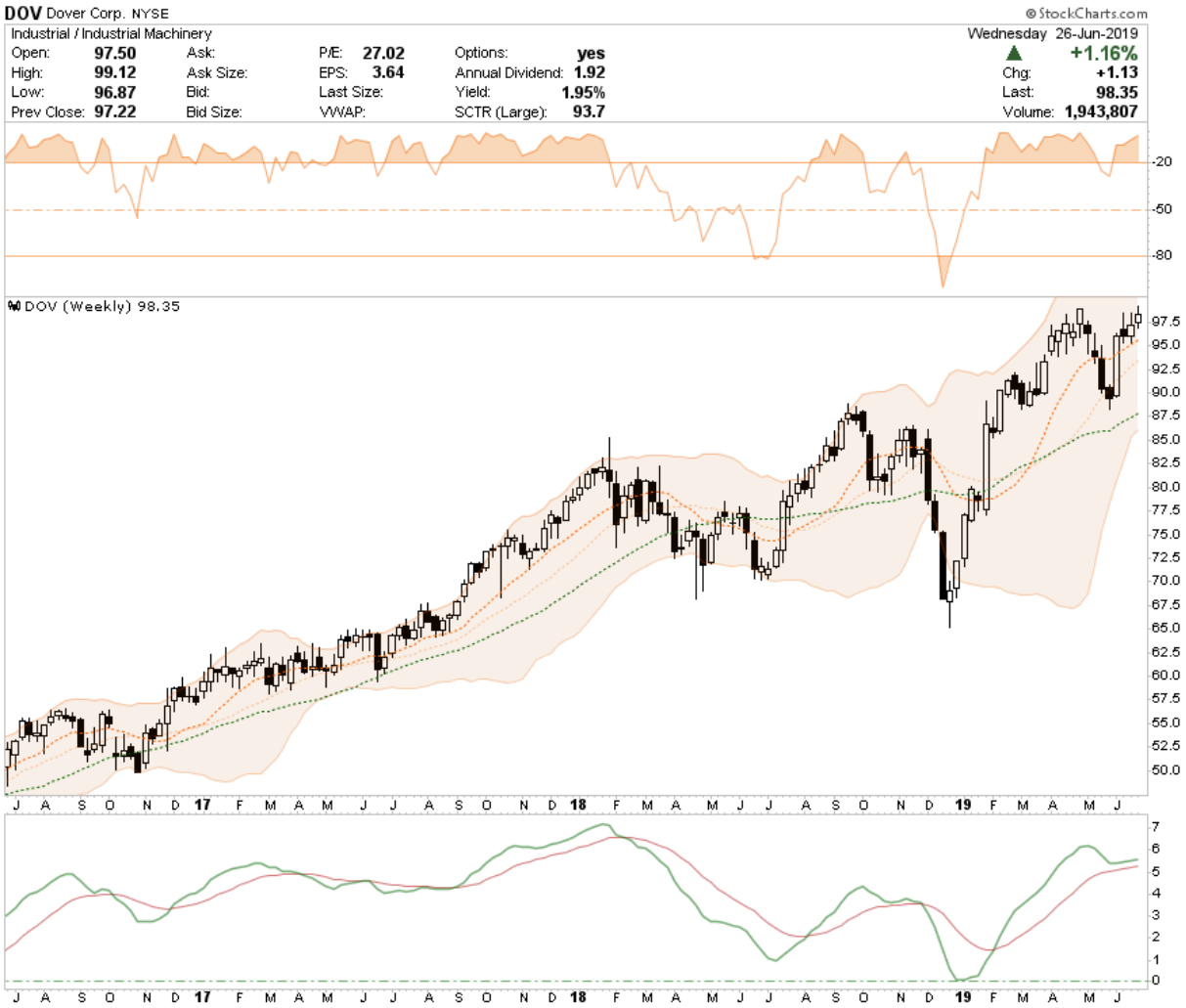
- *EOG has recently turned up from a very deep sell-signal and remains oversold.*
- *The trading setup is not ideal but a break above resistance should put $110 to $115 in reach.*
- *Buy at $95 with a stop-loss at $87.50*

CVS - CVS Health Corp.



- *We have stated several times that we like the fundamentals and business model of CVS. We just have not had a workable entry point for the position.*
- *That entry point may be approaching with the long basing period CVS has undergone.*
- *With the deep sell signal turning up, and remaining oversold, the entry point is looking much better.*
- *Buy at current levels*
- *Carry a tight stop-loss at recent lows around $52.*
- *Initial target is $62-65*

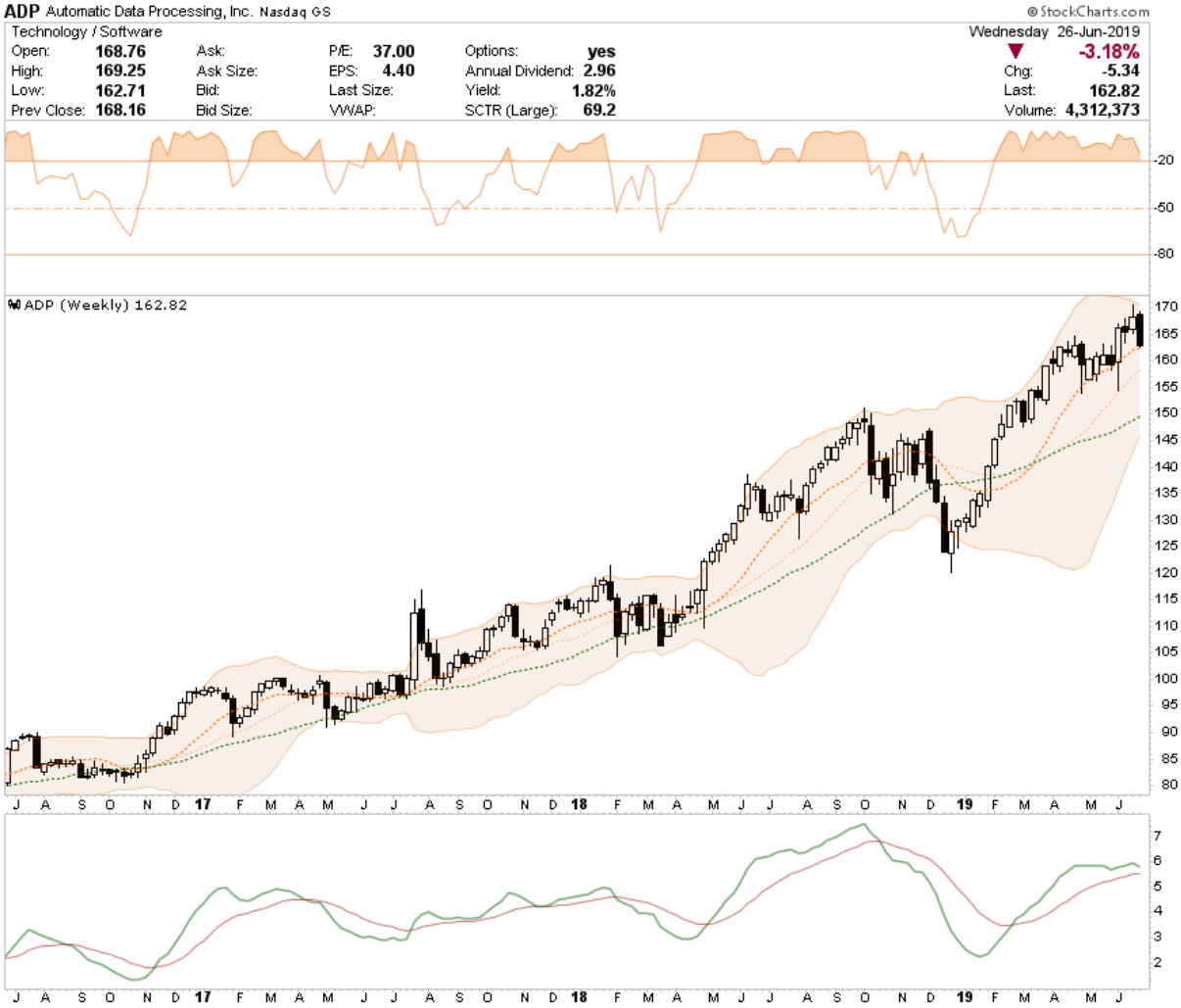
DOV - Dover Corp.



- *DOV recently sold off a bit but has rallied in recent days on hopes of a "trade deal" with China.*
- *We remain long the position in our equity portfolio but a breakout to new highs could see higher levels.*
- *Buy on a breakout above $98*
- *Raise stop-loss to $87.50*

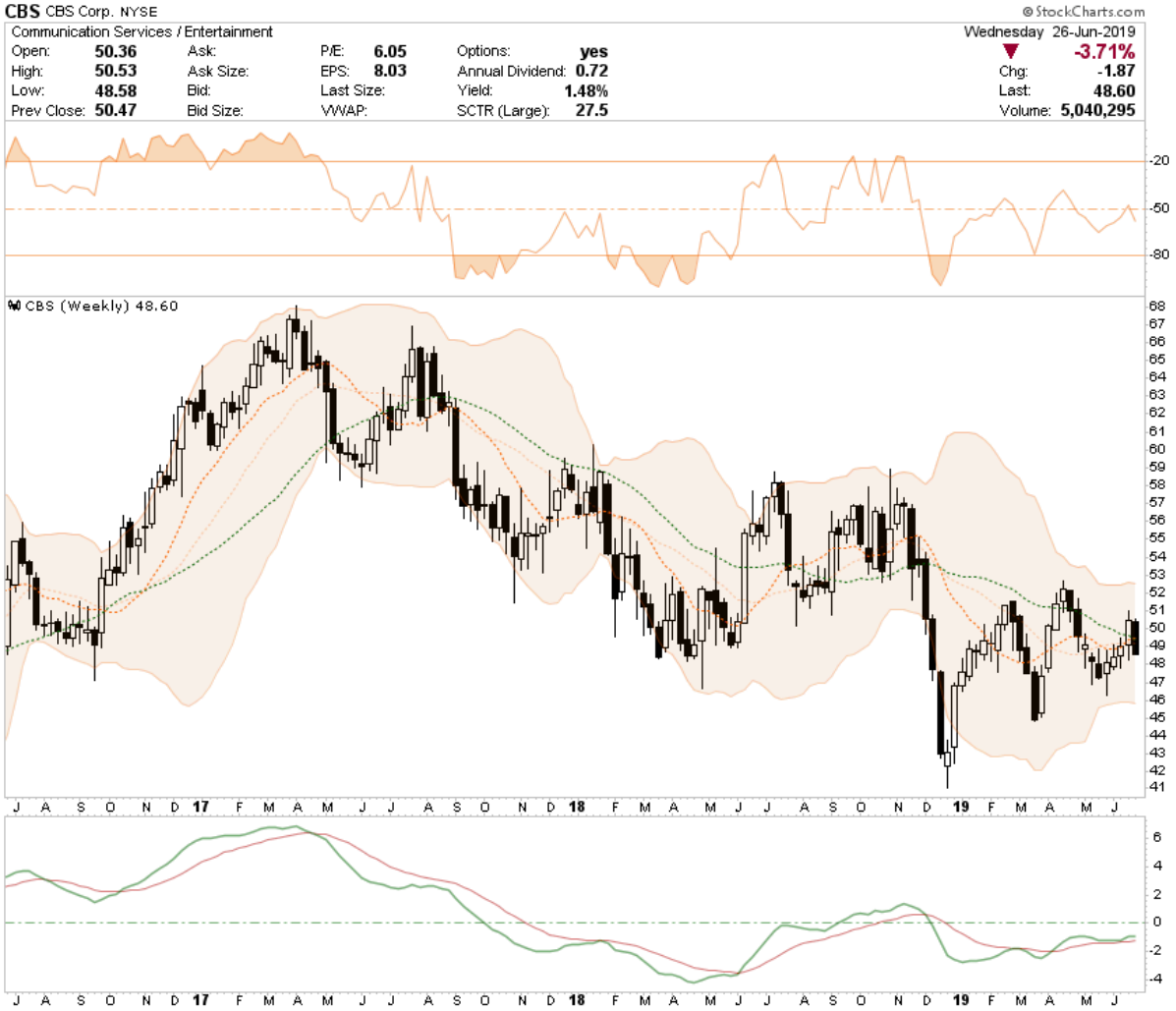
SHORT CANDIDATES

ADP - Automatic Data Processin



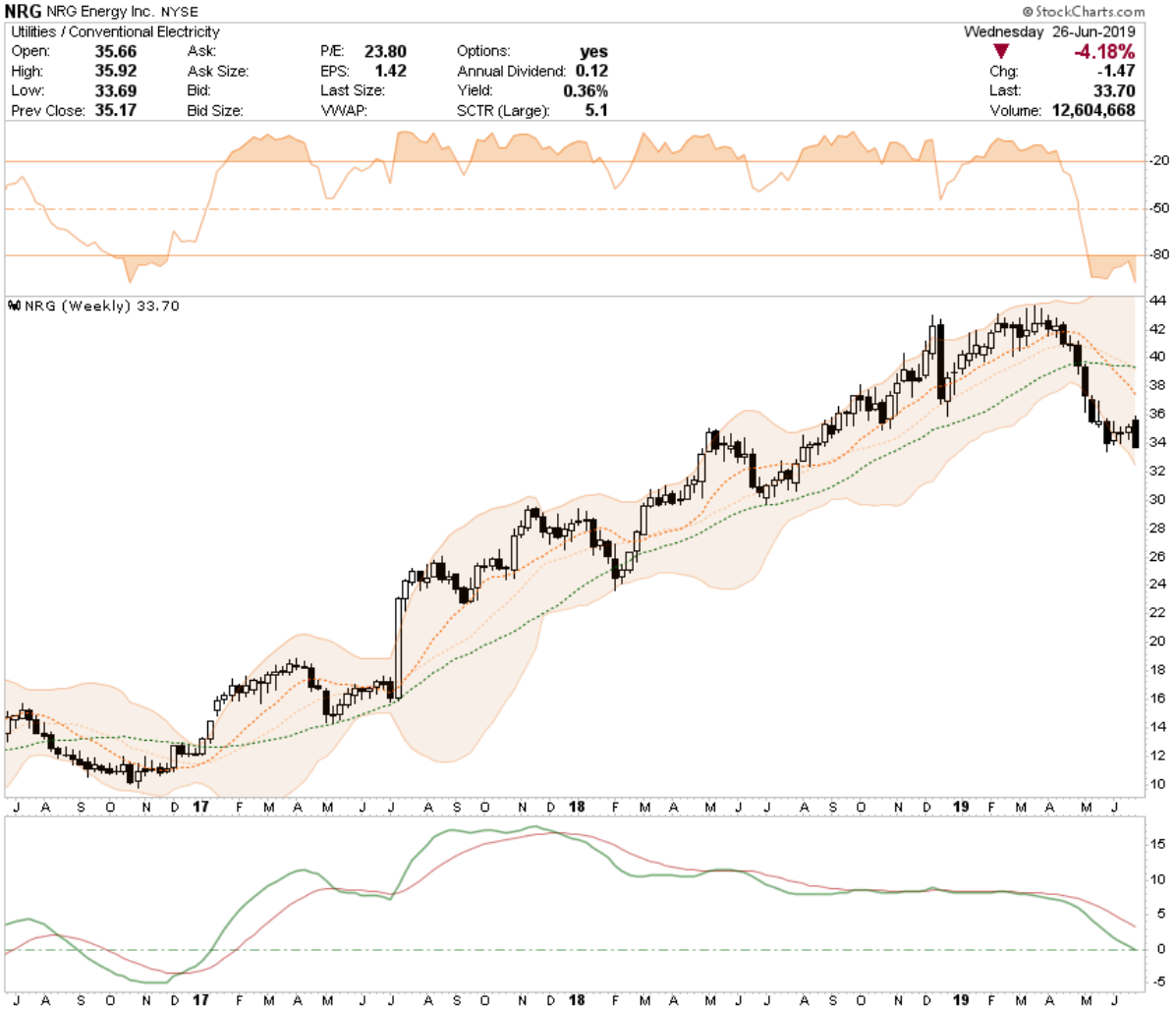
- *ADP is grossly extended and with signs of weakness creeping into the employment picture, ADP is vulnerable.*
- *Setup for shorting is pretty clean.*
- *Short at current levels with a stop-loss at $168.*
- *Target is $150*

CBS - CBS Corp.



- *CBS continues to consolidate in a downtrend.*
- *Parameters for shorting remain very tight.*
- *Short on a break of $48*
- *Stop-loss is $51*
- *Target is $41*

NRG - NRG Energy



- *NRG has grossly lagged the Utilities sector as a whole. With Utilities very overbought the risk is to the downside for NRG currently.*
- *Short at current levels.*
- *Stop-loss is $36*
- *Target is $24*

MU - Micron Technology



- *MU rallied on Wednesday on better than expected earnings. However, that rally may be short-lived.*
- *It is very likely that with the trade-war continuing and the "sell signal" still intact, a retest of recent lows is likely.*
- *Short at current levels where both moving averages have converged.*
- *Stop-loss is $38-39*
- *Target for trade is $30*