Selected Portfolio Position Review: 07-03-19

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).*

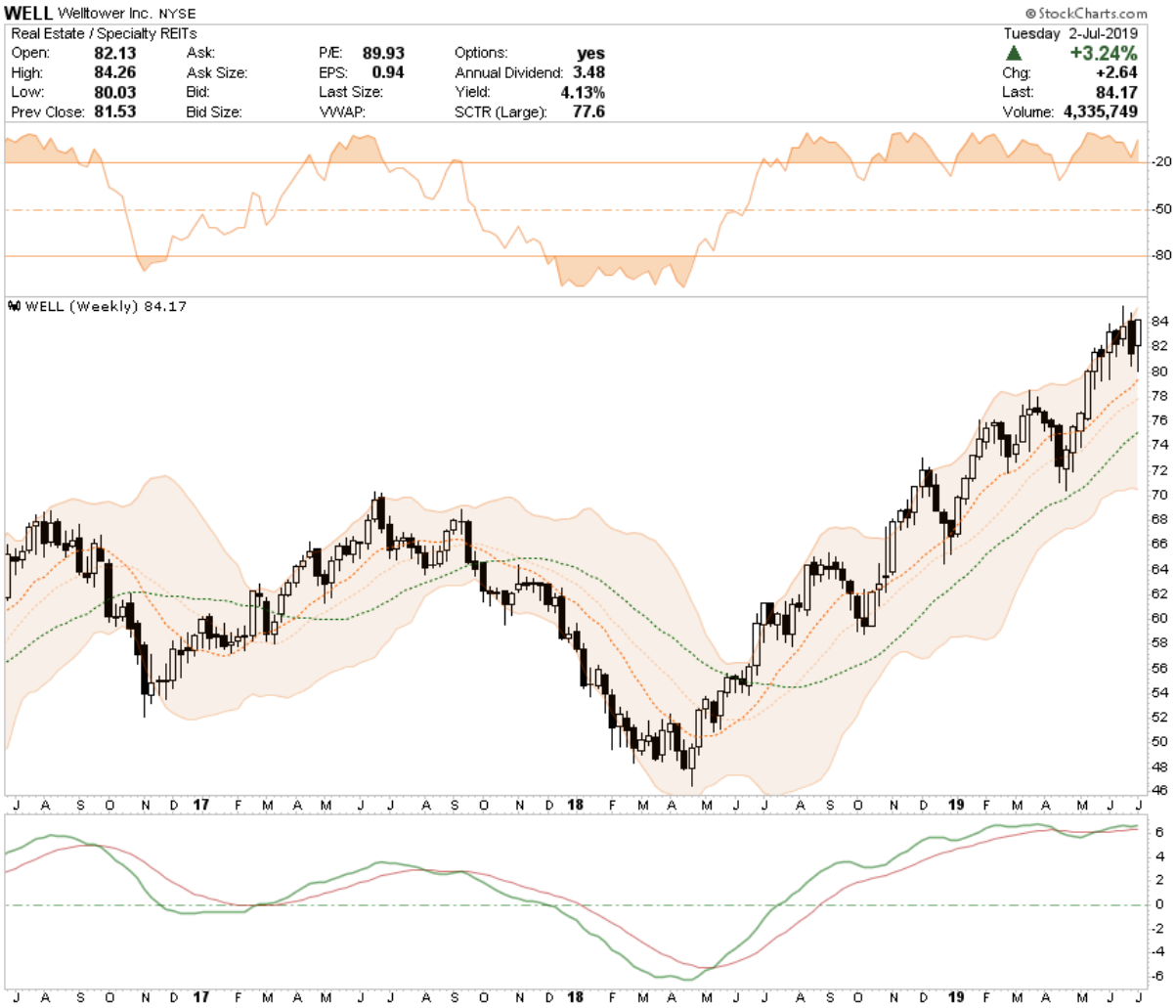
When the price of a position is at the top of the deviation range, overbought and on a buy signal it is generally a good time to take profits. When that positioning is reversed it is often a good time to look to add to a winning position or looking for an opportunity to exit a losing position.



With this basic tutorial let's get to the sector analysis.

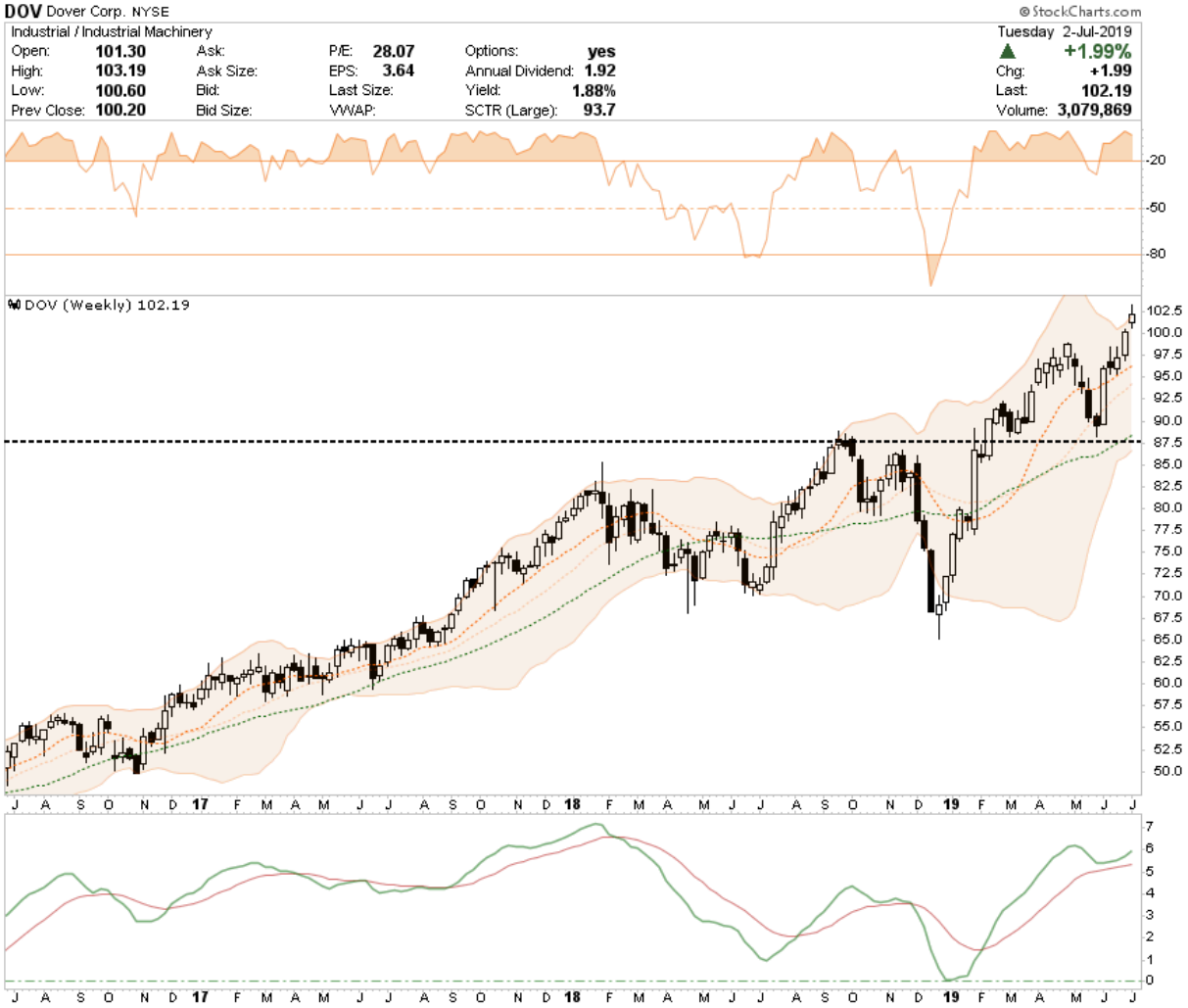
NOTE: Due to the July 4th holiday, there will be no long-short idea list this week. It will return next week.

WELL - Welltower, Inc.



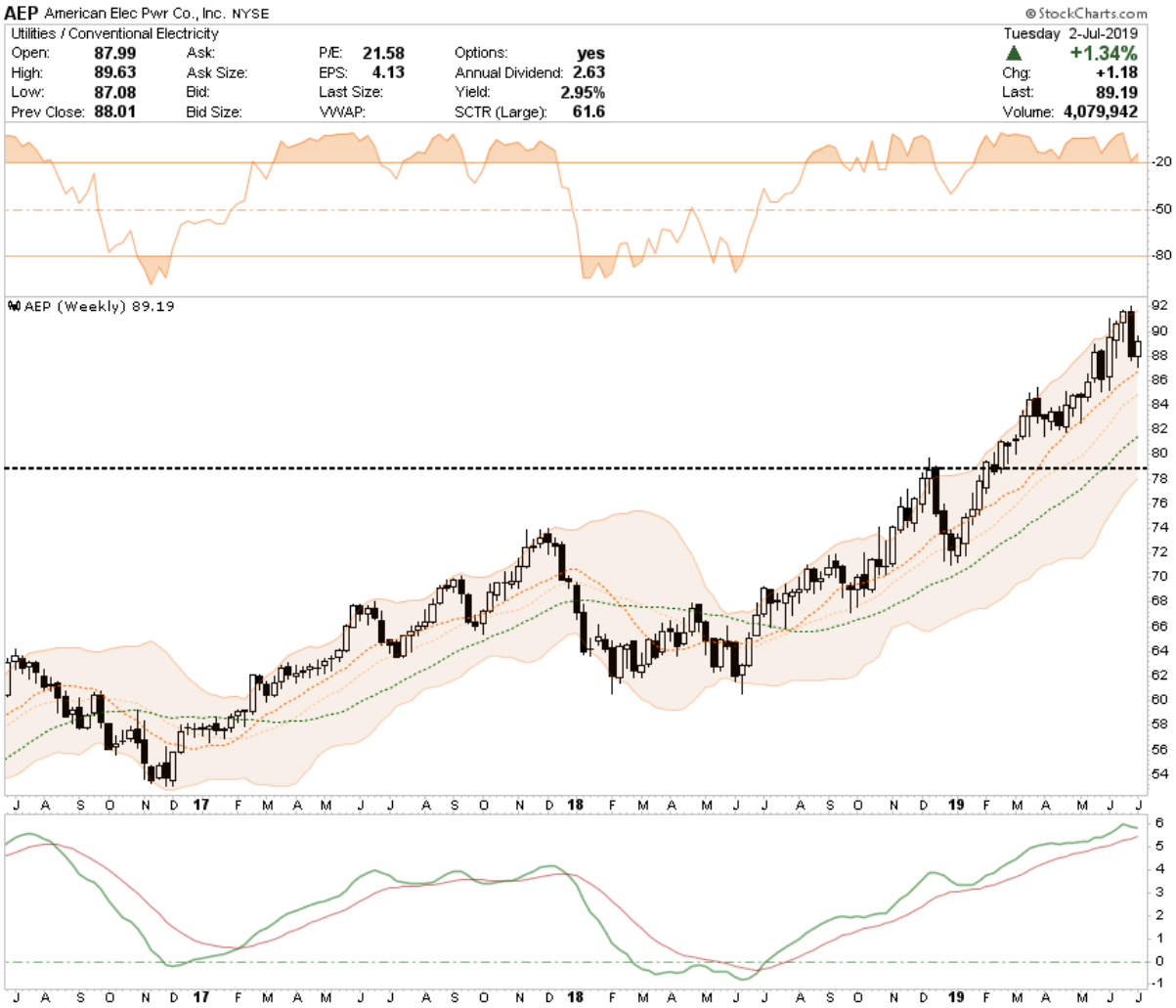
- *Yesterday, we added a full position weight of WELL to our portfolio. This fits within our dual theme of an aging demographic and a shift to "safety" over "risk" within allocations.*
- *With a 4% yield, the total return continues to be attractive.*
- *The position is overbought and on an elevated "buy" signal so we are keeping a close stop on the position currently.*
- *Added the position at $83.59*
- *Stop loss set at $78.*

DOV -Dover Corp.



- *We originally took profits in DOV back in May, and since then it has continued to rally higher on "hopes" of a "trade deal."*
- DOV is exceptionally overbought and extended but we remain long the position.
- We are moving up stops to protect our profits for now.
- *Stop-loss is set at $95*

AEP - American Electric Power



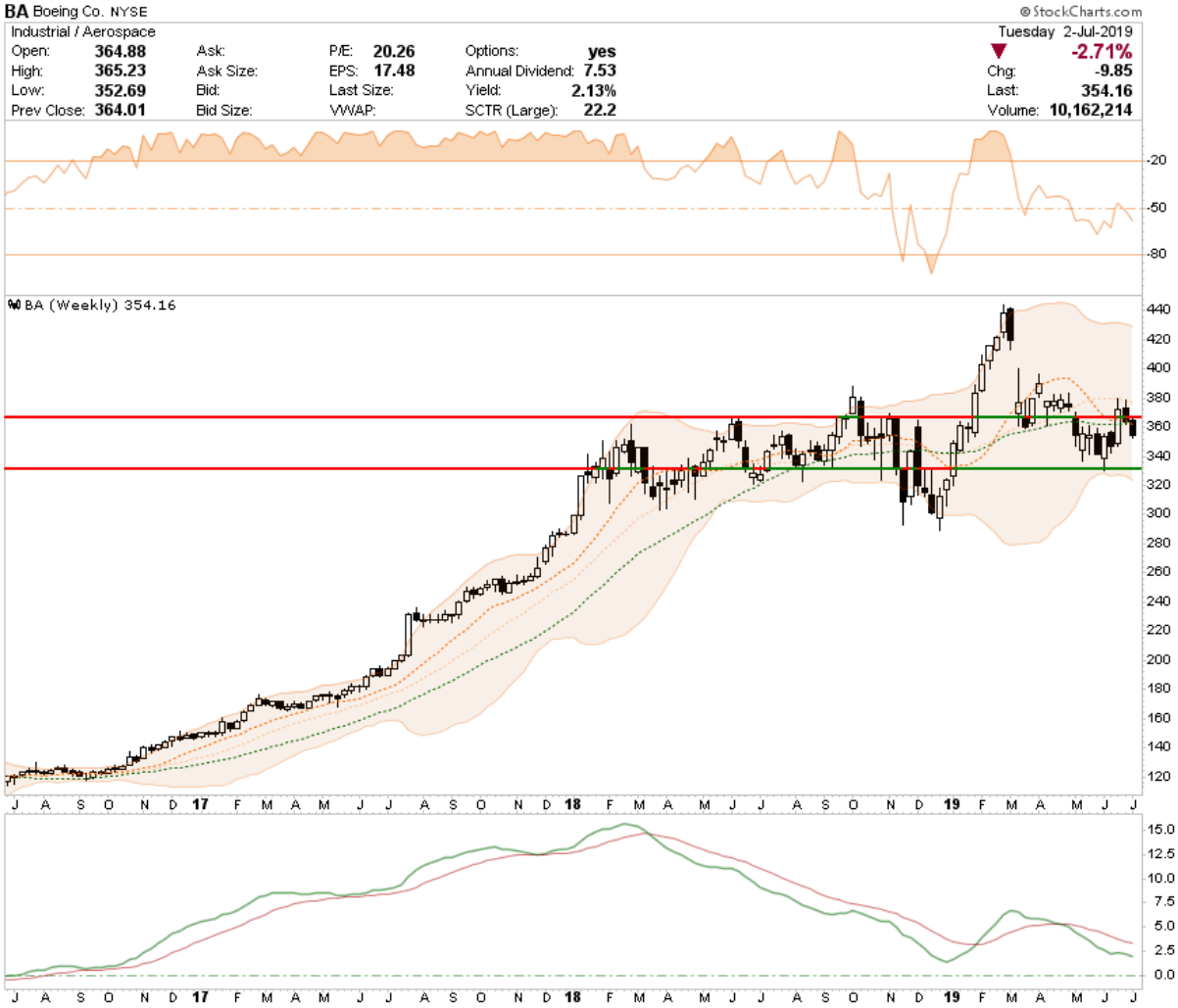
- *Utilities had a little profit taking last week, as "risk on" temporarily came back to the market.*
- AEP is one our stronger defensive plays currently and is both extremely overbought and extended.
- We have already taken profits in the position and are now moving up stops again.
- *Stop-loss is set at $86 currently.*

GDX - Gold Miners



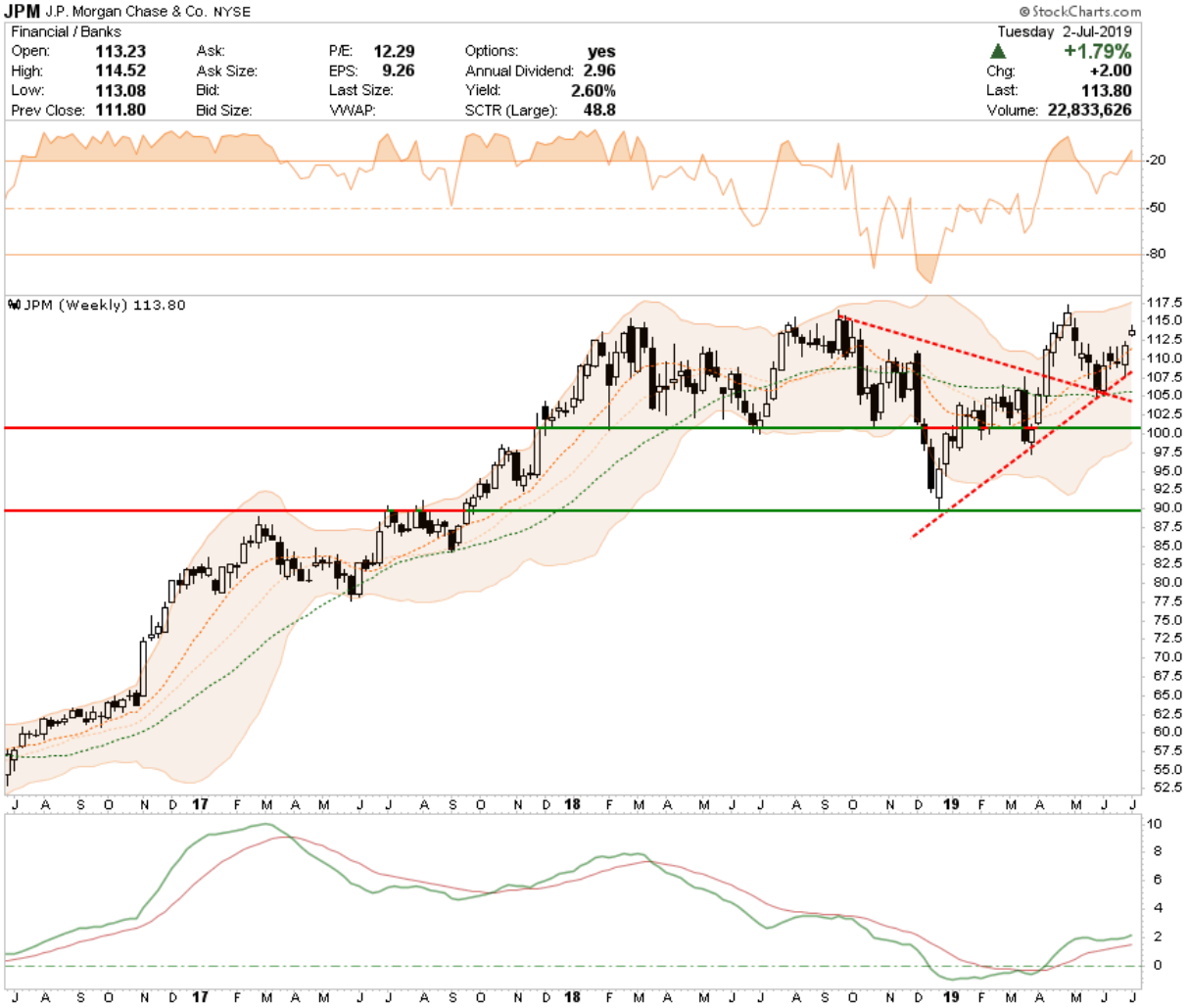
- *GDX was added to our portfolios to hedge against potential volatility and rate risk in portfolios.*
- *We continue to hold our position for now and with the break above $23 we can actively start looking for an opportunity to increase our holdings further. We have not had a good entry point as of yet at the $23-24 level.*
- GDX has just flipped back onto a "buy signal" so we are going to give it some space currently. The overbought condition suggests a short-term pullback is in order.
- *Our stop is moved up to $22*

BA - Boeing Co.



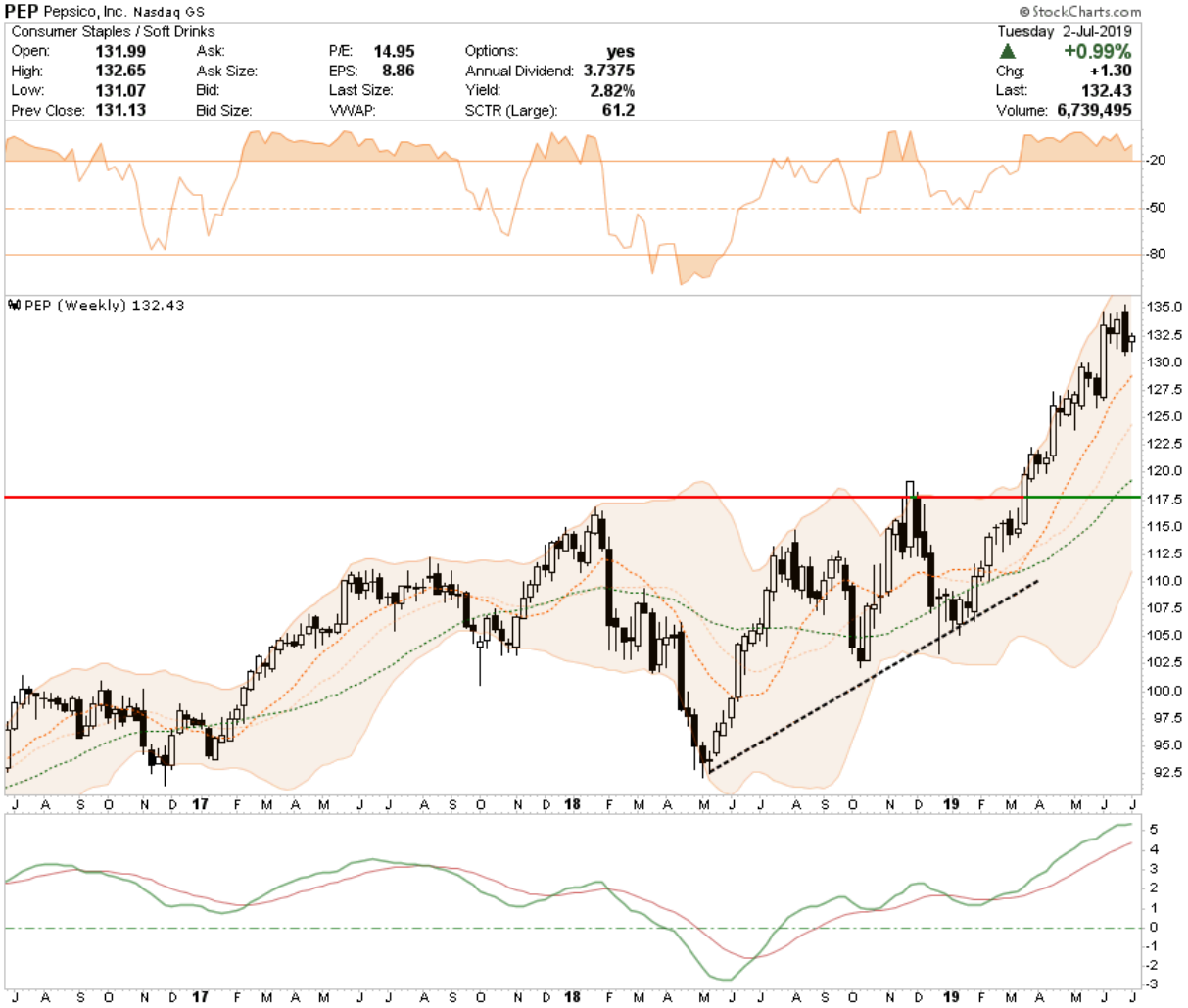
- *We are still maintaining our 1/2 position in BA as it continues to struggle with 737 MAX issues.*
- *However, BA is very oversold on its trading signal and a reversal of the signal would likely equate to a strong breakout above this base BA has been building since 2018.*
- *Stop-loss remains at $300.*

JPM - JP Morgan Chase



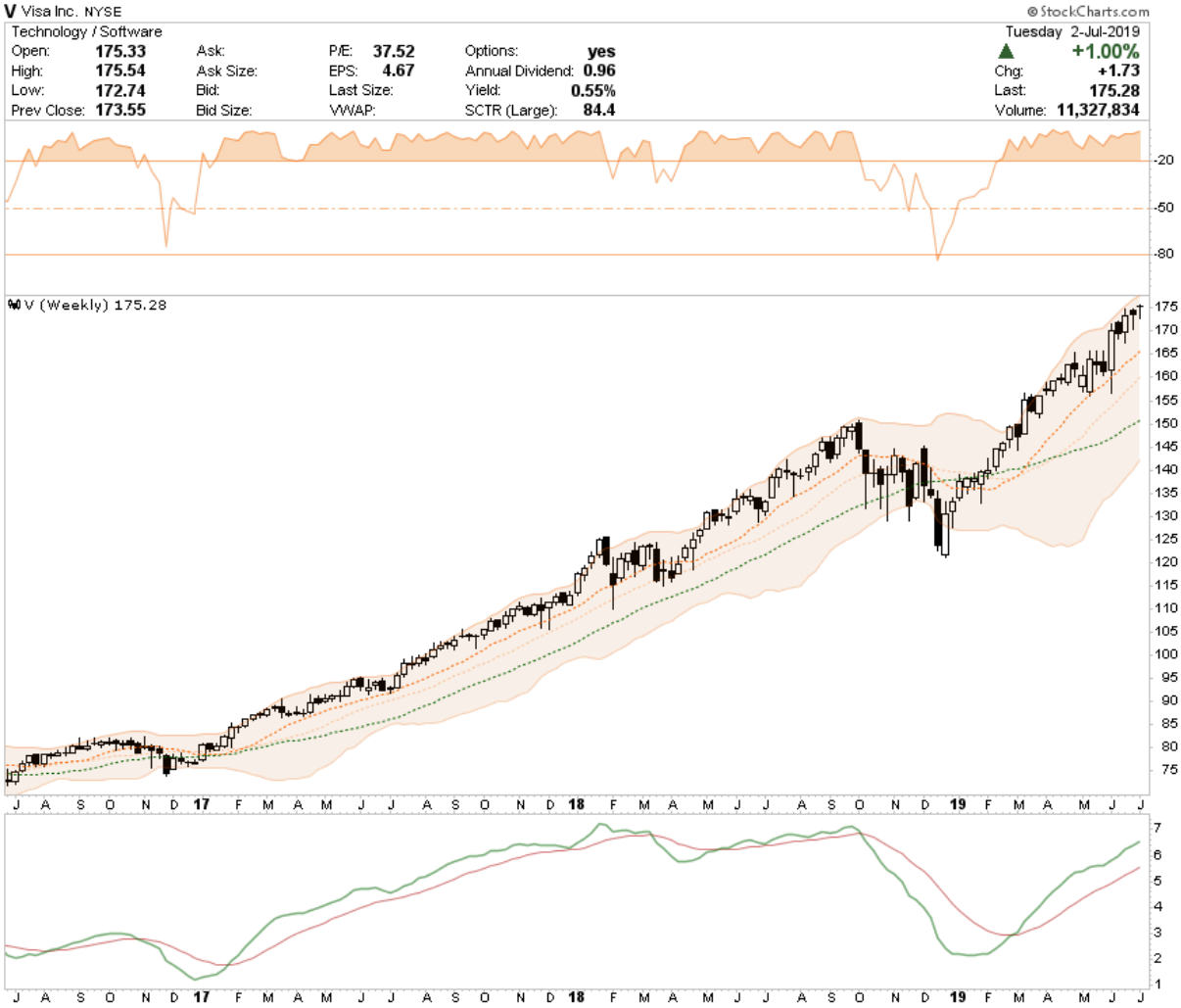
- *Financials struggled earlier this year with the inversion of the yield curve, but the recent authorization by the Fed to allow more share repurchases and dividends sparked new life in the big banks.*
- *JPM recently sold off and tested support and a break out to new highs will confirm the ongoing bullish trend.*
- *With an early buy signal in place we are going to hold our full position weighting for now.*
- *Stop loss is set at $105*

PEP - Pepsico, Inc.



- *PEP continues to perform well in the portfolio as staples and defensives continue to find buyers.*
- *The position is grossly overbought so we are moving up or profit protection loss level as well as our full stop-loss levels.*
- *Profit stop-loss is set at $127.50*
- *Stop-loss is set at $120*

V - Visa



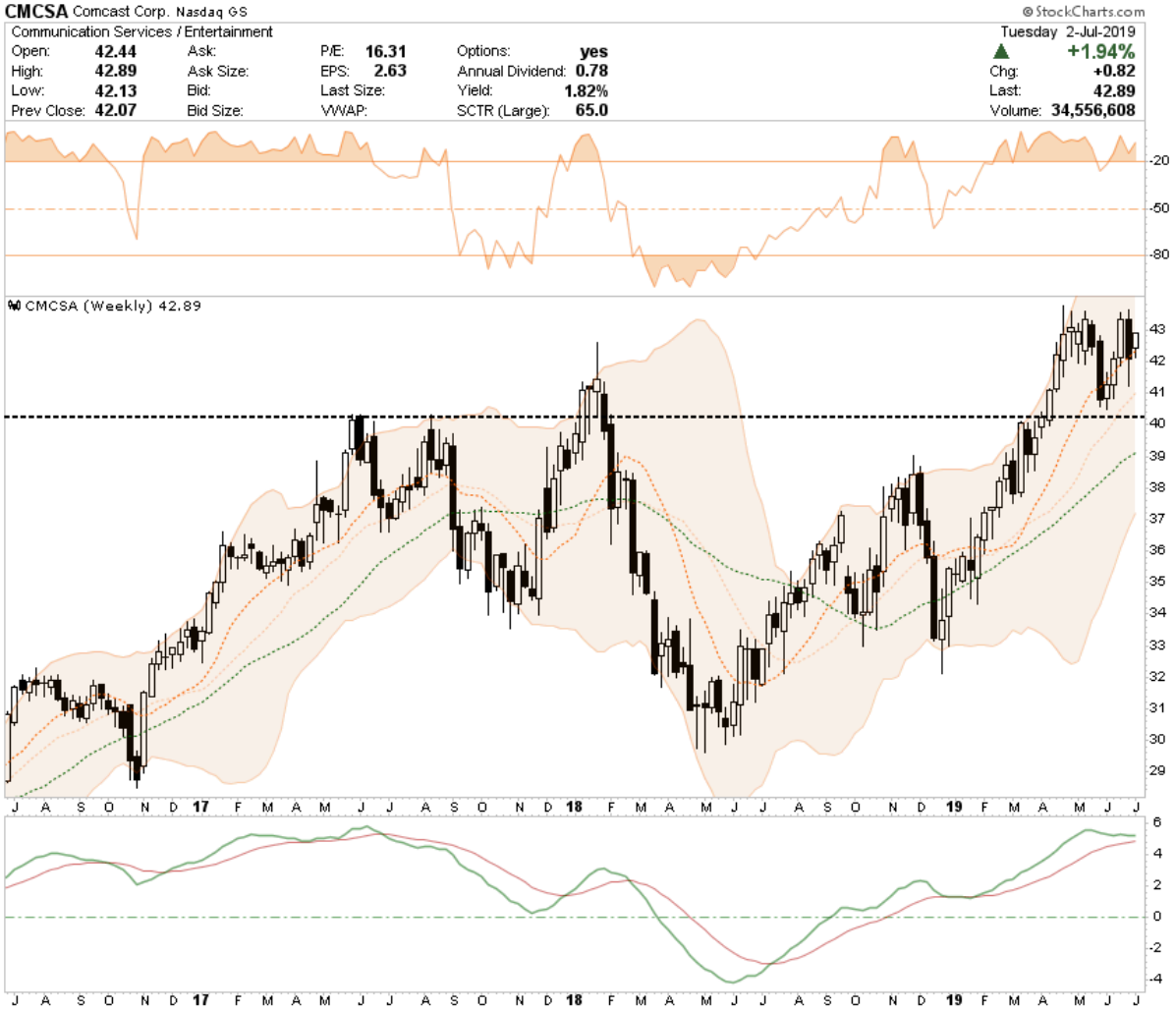
- *If you can't pay cash for it, charge it. People are doing just that and credit card debt keeps climbing along with our holdings in V.*
- *Like most of our positions, V is grossly overbought and extended on multiple levels.*
- *We are moving up our stop-loss levels to protect our gains.*
- *Stop-loss is moved up to $160*

ABT - Abbott Laboratories



- *Last week we looked at one of our lesser performing healthcare plays, UNH, but ABT continues to provide great performance even after we previously took profits.*
- *ABT is just flipping back onto a "buy signal" but is overbought short-term*
- *Stop loss is moved up to $77.50*

CMCSA - Comcast Corp.



- *CMCSA continues to hold up along support at the 50-dma.*
- *The position is very overbought and extended and a correction is likely.*
- *We would look to add to the position around $40 if it holds there.*
- *We are moving our stop-loss up to $38.50*