



Selected Portfolio Position Review: 07-10-19

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:

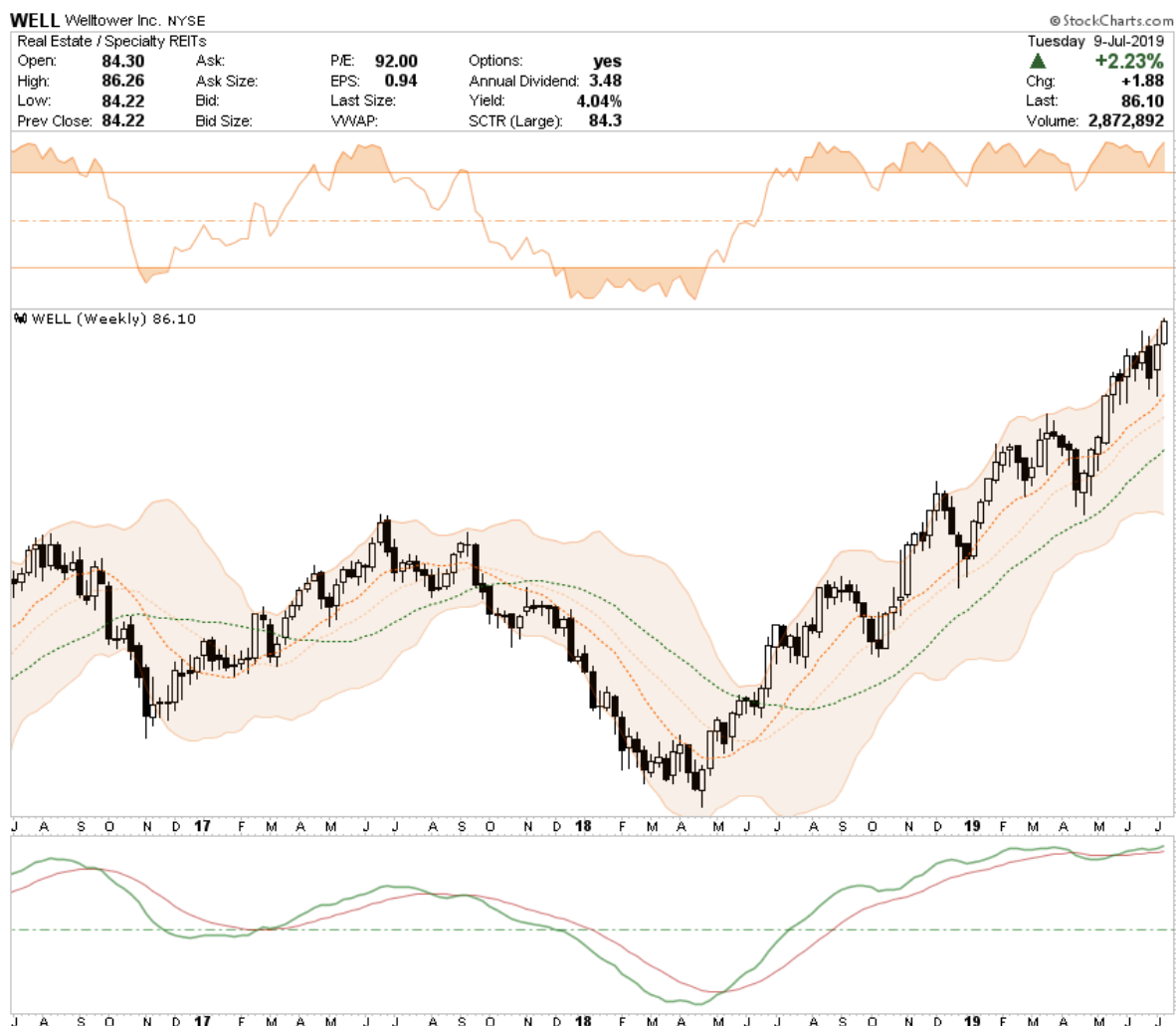
- *The price chart is contained within the shaded area which represents 2-standard deviations above and below the short-term moving average.*
- *The Over Bought/Over Sold indicator is in orange at the top.*
- *The Support/Resistance line (green) is the longer-term moving average which also acts as a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

WELL - Welltower, Inc.



- Last week, 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 now moves up to \$80.

AGNC - AGNC Investment Corp.

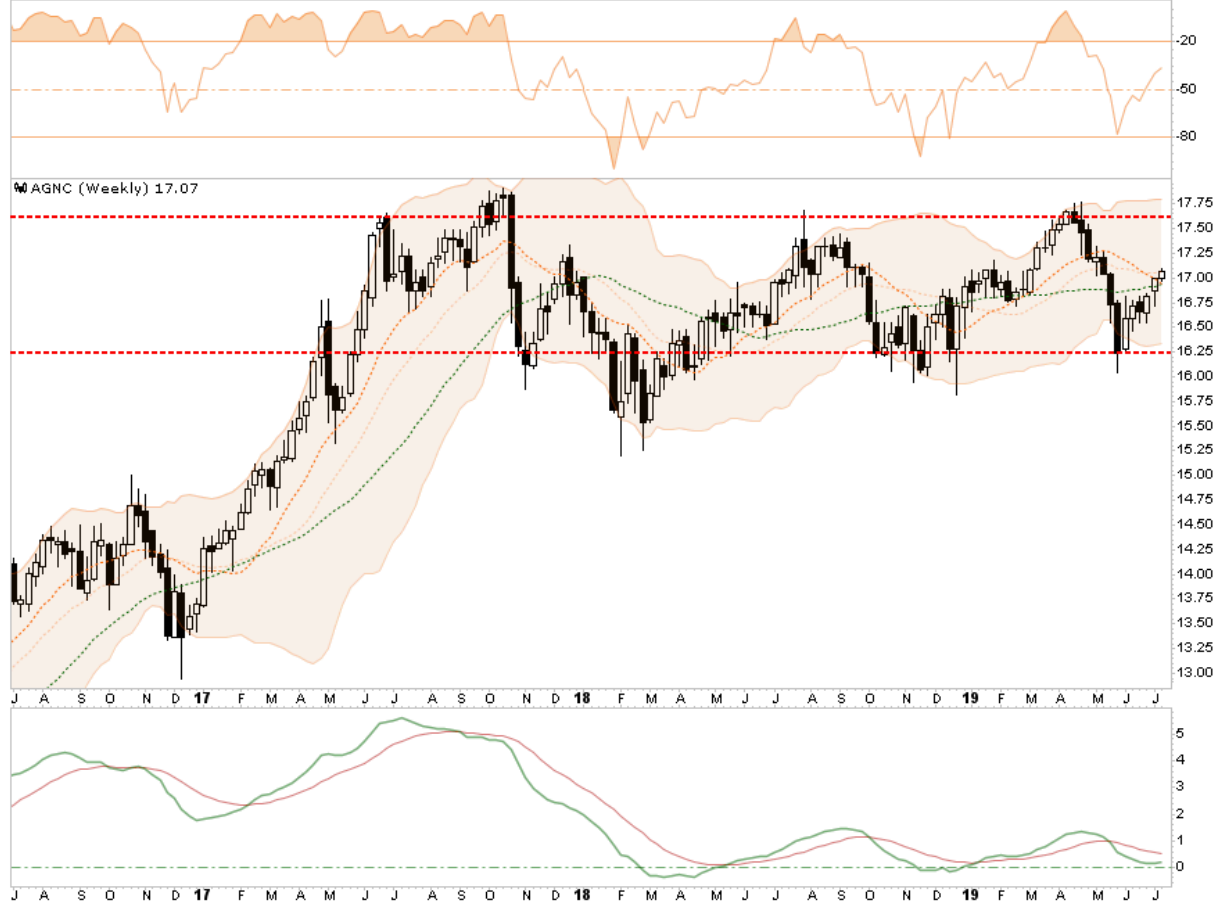
AGNC AGNC Investment Corp. Nasdaq GM

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Real Estate / Mortgage REITs

Open: **16.990** Ask: P/E: **1625.71** Options: **yes**
 High: **17.100** Ask Size: EPS: **0.01** Annual Dividend: **2.14**
 Low: **16.970** Bid: Last Size: Yield: **12.54%**
 Prev Close: **17.000** Bid Size: VWAP: SCTR (Mid): **38.7**

Tuesday 9-Jul-2019
 ▲ **+0.41%**
 Chg: **+0.070**
 Last: **17.070**
 Volume: **7,088,157**



- We recently added 1/2 positions in two "agency" REIT's to potentially hedge against a steepening yield curve.
- With a 12% dividend yield we like the total return aspect while we wait for the our thesis to work.
- The recent rise has not yet triggered a "buy" signal so we can't add to the position yet, however, the deep oversold condition currently suggests plenty of upside.
- We are moving up stops up to \$16.25
-

NLY - Annaly Capital Mgmt.

NLY Annaly Capital Management, Inc. NYSE

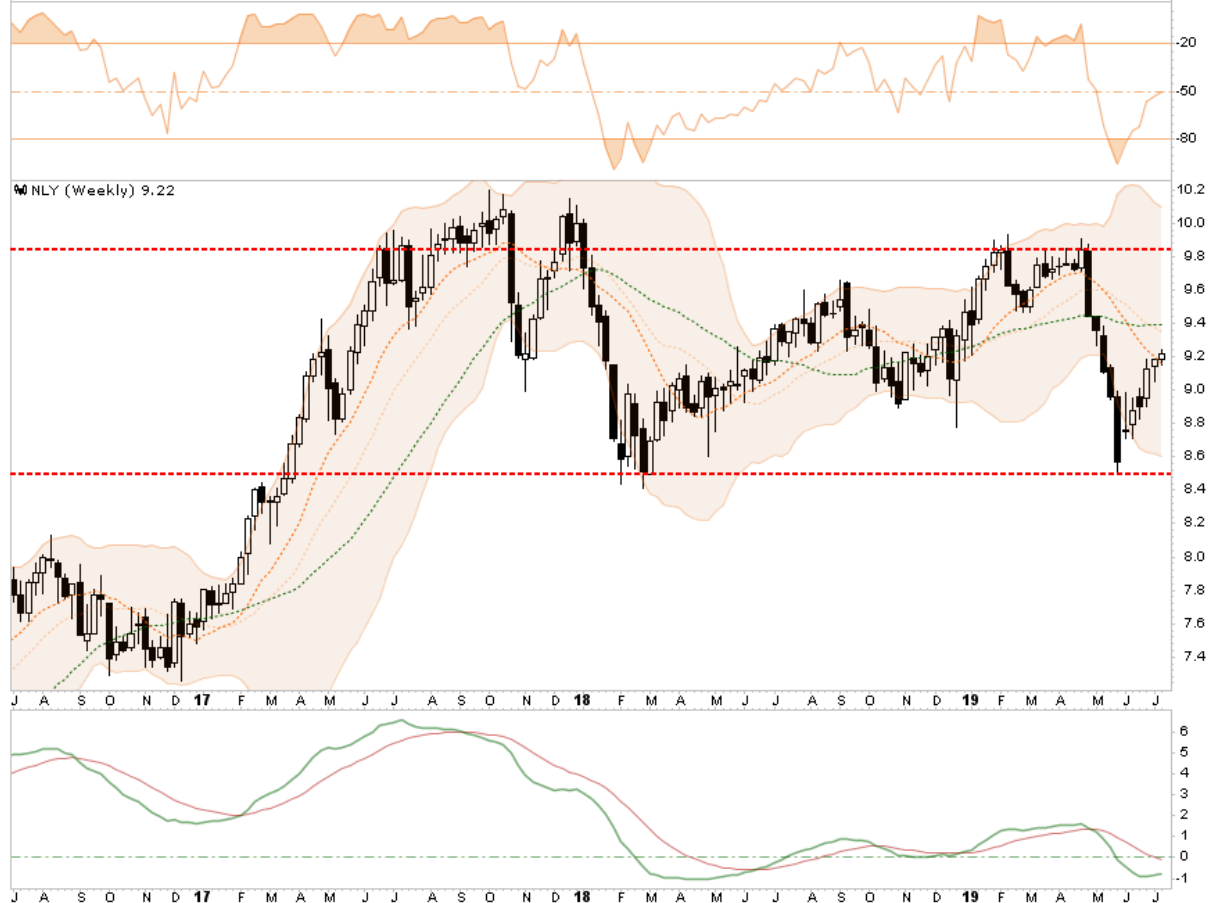
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Real Estate / Mortgage REITs

Tuesday 9-Jul-2019

Open: **9.18** Ask: P/E: **-5.81** Options: **yes**
 High: **9.24** Ask Size: EPS: **-1.59** Annual Dividend: **0.9**
 Low: **9.15** Bid: Last Size: Yield: **9.76%**
 Prev Close: **9.18** Bid Size: VWAP: SCTR (Mid): **35.4**

Chg: **+0.44%**
 Last: **9.22**
 Volume: **22,502,074**



- *NLY is the second position in our "agency" play.*
- Like AGNC, the position has rallied carries a 11% yield for a nice total return play.
- *Stop-loss is moved up to \$8.50*

CHCT - Community Healthcare Trust

CHCT Community Healthcare Trust, Inc. NYSE

Real Estate / Specialty REITs

Open: **40.74** Ask: P/E: **262.37** Options: **no**
 High: **41.47** Ask Size: EPS: **0.16** Annual Dividend: **1.625**
 Low: **40.74** Bid: Last Size: **3.93%** Yield: **3.93%**
 Prev Close: **40.74** Bid Size: VWAP: SCTR (Small): **91.0**

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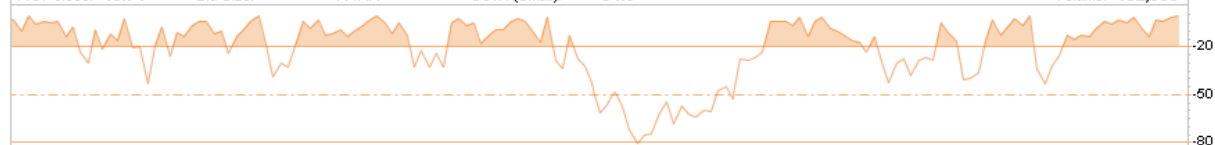
Tuesday 9-Jul-2019

▲ **+1.50%**

Chg: **+0.61**

Last: **41.35**

Volume: **182,588**

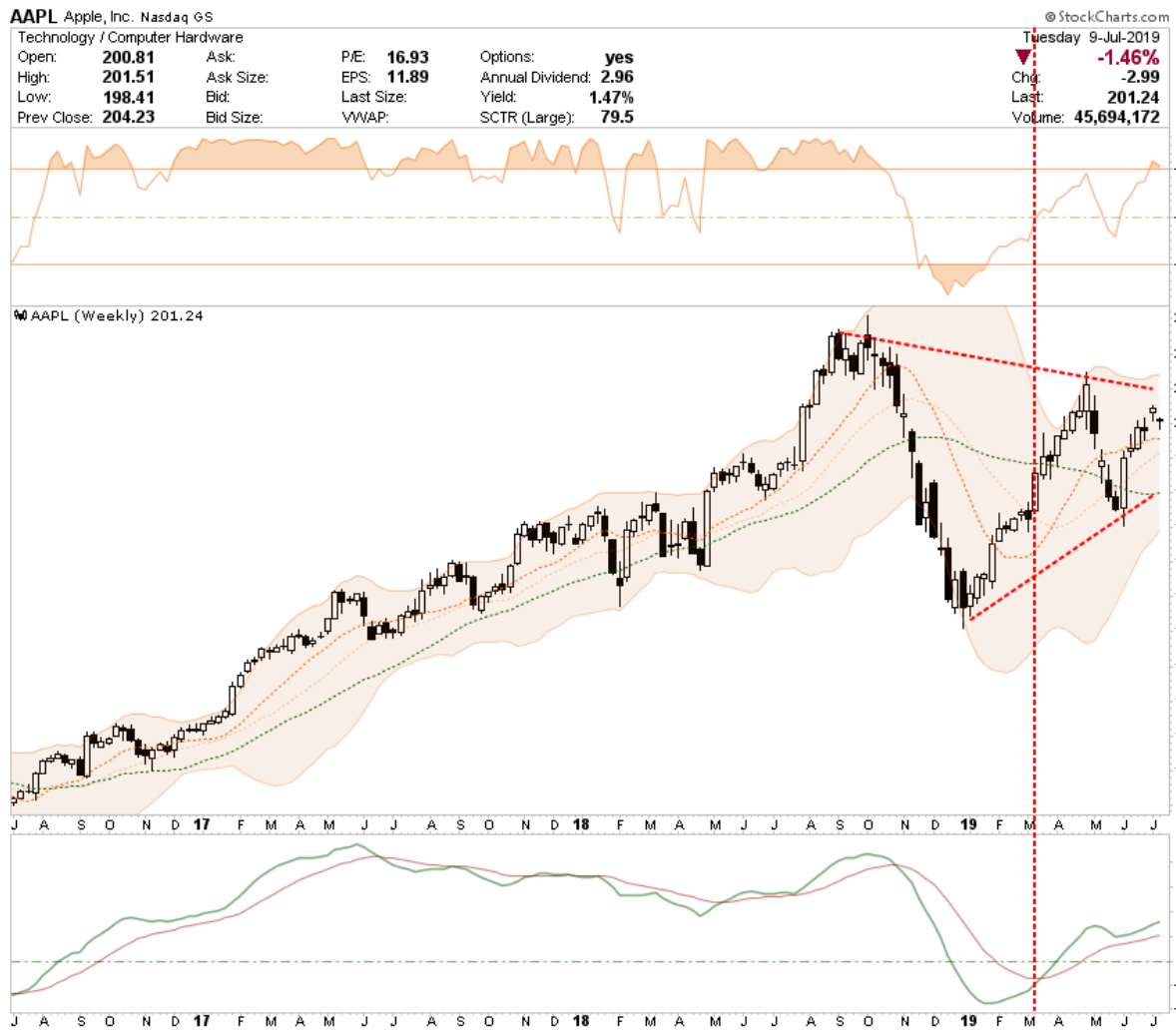


CHCT (Weekly) 41.35



- In our "healthcare" REIT exposure theme, we have been long CHCT for a while.
- We continue to hold our position for now and will likely take some profits very soon and rebalance the position as the overbought condition is getting rather extreme.
- Our stop is moved up to \$38

AAPL - Apple, Inc.



- *AAPL was recently downgraded on outlook for iPhone sales. Expectations for earnings have already been reduced markedly so we are expecting a positive surprise from earnings.*
- *We have already clipped 20% of the position back in May for a nice profit and will look to buy any significant weakness that doesn't break support or the longer-term bullish trend.*
- *Stop-loss remains at \$180*

COST - Costco Wholesale

COST Costco Wholesale Corp. Nasdaq GS

Consumer Staples / Personal Products

Open: **268.33** Ask: P/E: **33.13** Options: **yes**
 High: **270.78** Ask Size: EPS: **8.15** Annual Dividend: **2.36**
 Low: **267.35** Bid: Last Size: **0.87%** Yield: **0.87%**
 Prev Close: **268.25** Bid Size: VWAP: SCTR (Large): **88.4**

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▲ **+0.64%**Chg: **+1.72**Last: **269.97**Volume: **2,617,345**

- *Defensive positioning continues to perform well in this current market advance and COST continues to rise.*
- *We will likely take profits again soon and rebalance for a second this year as the extension above the long-term moving average is reaching extremes.*
- *Stop loss is moved up to \$240*

HCA - HCA Healthcare

HCA HCA Healthcare, Inc. NYSE

Health Care / Health Care Providers

Open: **137.65** Ask: P/E: **12.92** Options: **yes**
 High: **138.60** Ask Size: EPS: **10.45** Annual Dividend: **1.5**
 Low: **132.33** Bid: Last Size: Yield: **1.11%**
 Prev Close: **138.53** Bid Size: VWAP: SCTR (Large): **40.8**

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Tuesday 9-Jul-2019

▼ **-2.56%**

Chg: **-3.54**

Last: **134.99**

Volume: **2,633,069**



- *HCA struggled for a while, but has turned up recently.*
- *The previously "sell signal" is close to reversing which keeps us long our position for now.*
- *We may look to increase our weighting.*
- *Stop-loss is moved up to \$120*

JNJ - Johnson & Johnson

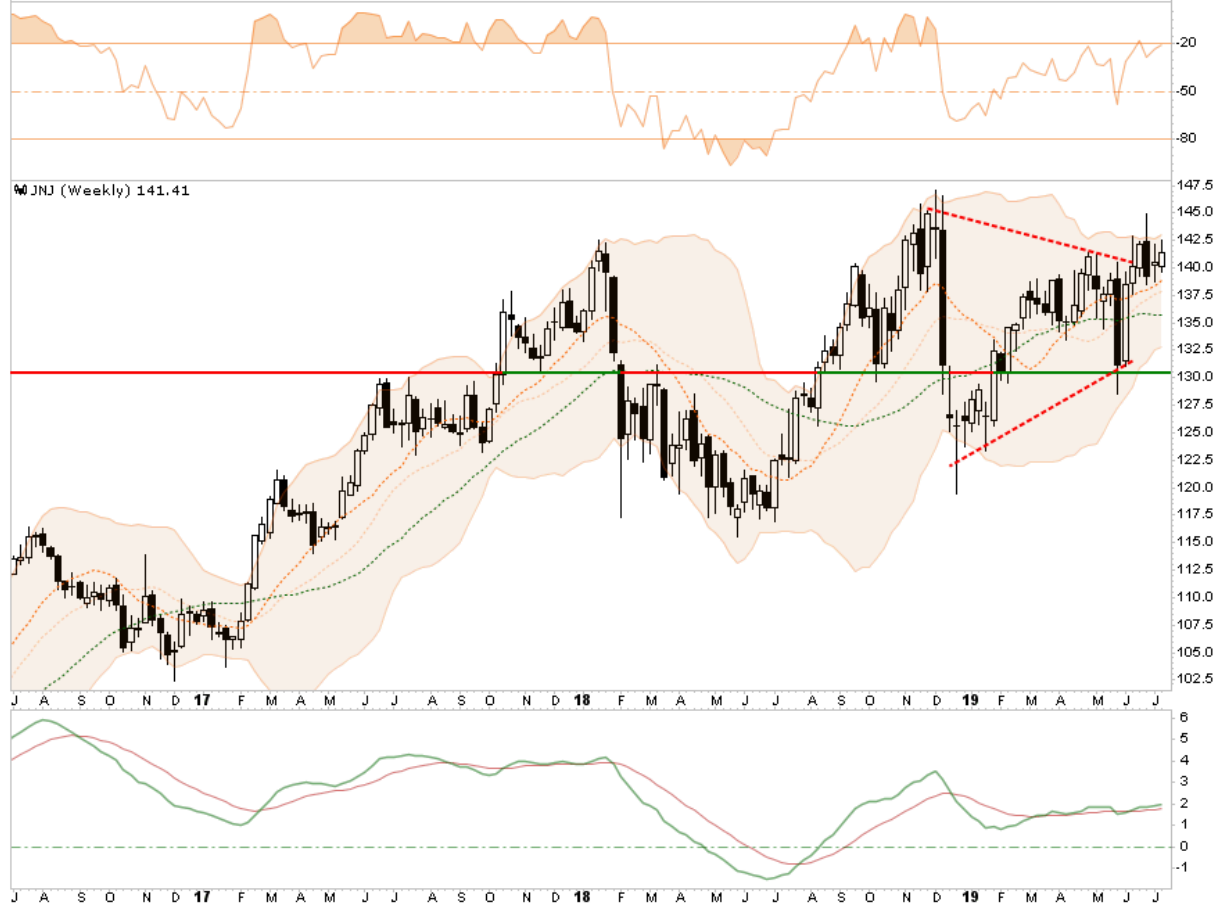
JNJ Johnson & Johnson NYSE

Health Care / Pharmaceuticals

Open: **140.12** Ask: P/E: **26.19** Options: **yes**
 High: **142.47** Ask Size: EPS: **5.40** Annual Dividend: **3.65**
 Low: **139.63** Bid: Last Size: **2.58%** Yield: **2.58%**
 Prev Close: **140.57** Bid Size: VWAP: SCTR (Large): **39.7**

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▲ **+0.60%**Chg: **+0.84**Last: **141.41**Volume: **8,180,091**

- Along with our defensive themes, JNJ continues to perform well.
- We continue to hold our weighting in JNJ and may look to increase exposure if the "buy signal" turns up and confirms the recent break above consolidation.
- Stop-loss is moved up to \$132.50

NSC - Norfolk Southern

NSC Norfolk Southern Corp. NYSE

Industrial / Railroad

Open: **199.48**

Ask:

P/E: **19.58**

Options: **yes**

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High: **200.25**

Ask Size:

EPS: **10.10**

Annual Dividend: **3.32**

▼ **-1.61%**

Low: **197.08**

Bid:

Last Size:

Yield: **1.68%**

Chg: **-3.23**

Prev Close: **200.94**

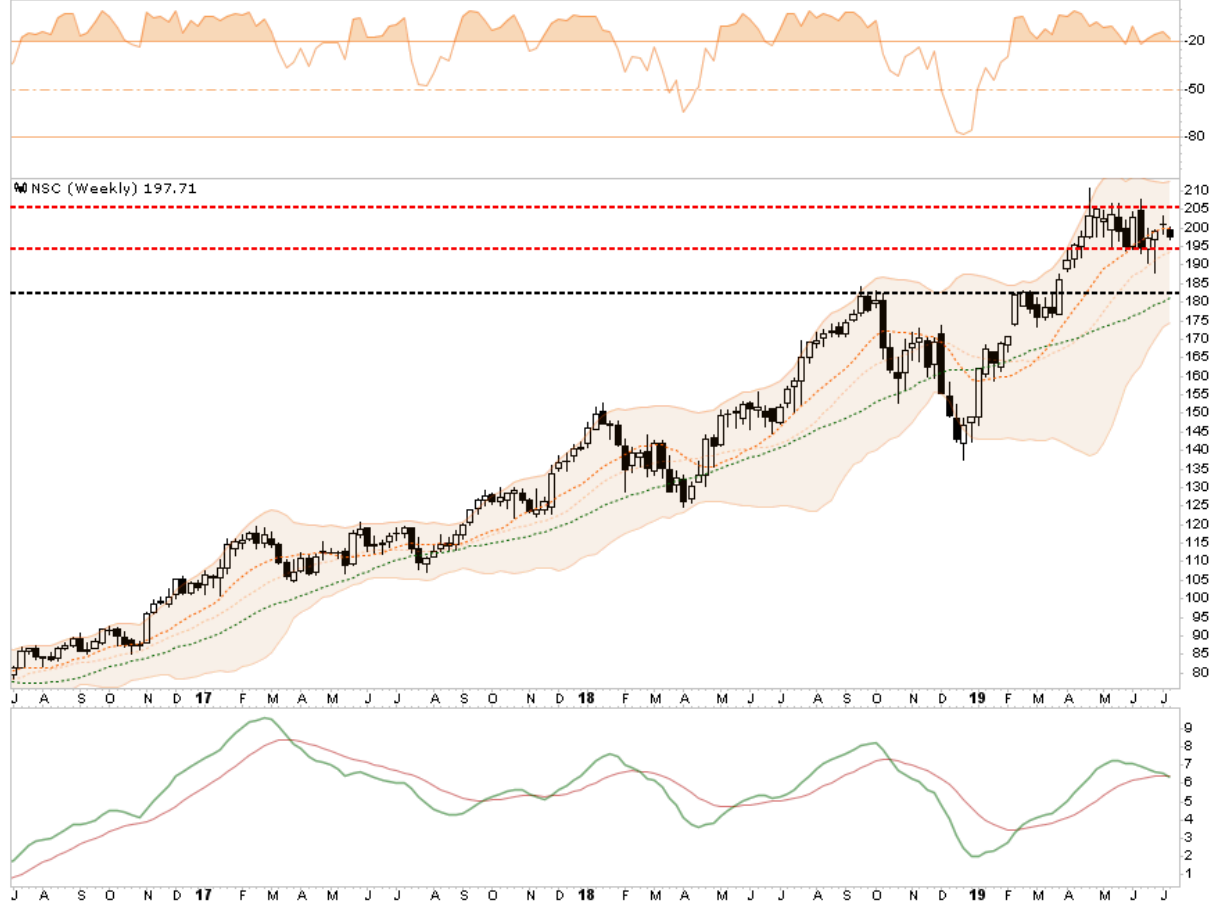
Bid Size:

VWAP:

SCTR (Large): **65.3**

Last: **197.71**

Volume: **2,025,443**



- NSC has been consolidating over the last several weeks and the previous "buy signal" is close to reversing.
- We have already taken profits and would like a correction to work off some of the overbought condition so we can add to our holding.
- Stop loss is moved up to \$182.50

PPL - PPL Corp.

PPL PPL Corp. NYSE

Utilities / Conventional Electricity

Open: 30.98	Ask:	P/E: 11.99	Options: yes
High: 31.08	Ask Size:	EPS: 2.56	Annual Dividend: 1.645
Low: 30.54	Bid:	Last Size:	Yield: 5.36%
Prev Close: 31.01	Bid Size:	VWAP:	SCTR (Large): 32.0

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Tuesday 9-Jul-2019

 ▼ **-1.03%**

 Chg: **-0.32**

 Last: **30.69**

 Volume: **5,658,980**


- *PPL simply hasn't performed all that well since adding it to the portfolio but we like the defensive positioning and the 5% yield.*
- *However, with the recent addition of WELL, we are carrying an extra position in the portfolio.*
- *During our next profit taking/rebalancing exercise PPL will be removed from the portfolio.*
- *We are moving our stop-loss up to \$30*