



Selected Portfolio Position Review: 07-17-19

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.

AEP - American Electric Power

AEP American Elec Pwr Co., Inc. NYSE

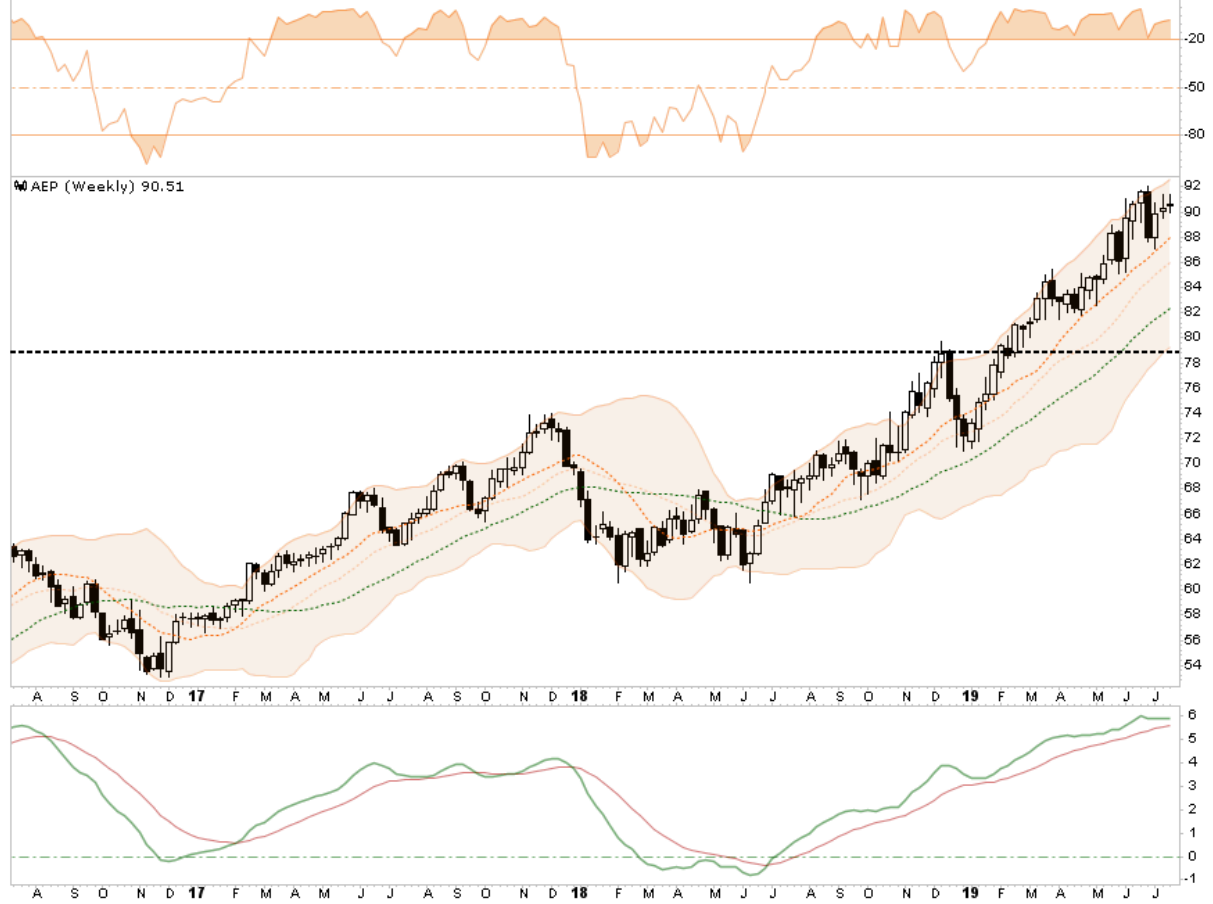
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Utilities / Conventional Electricity

Tuesday 16-Jul-2019

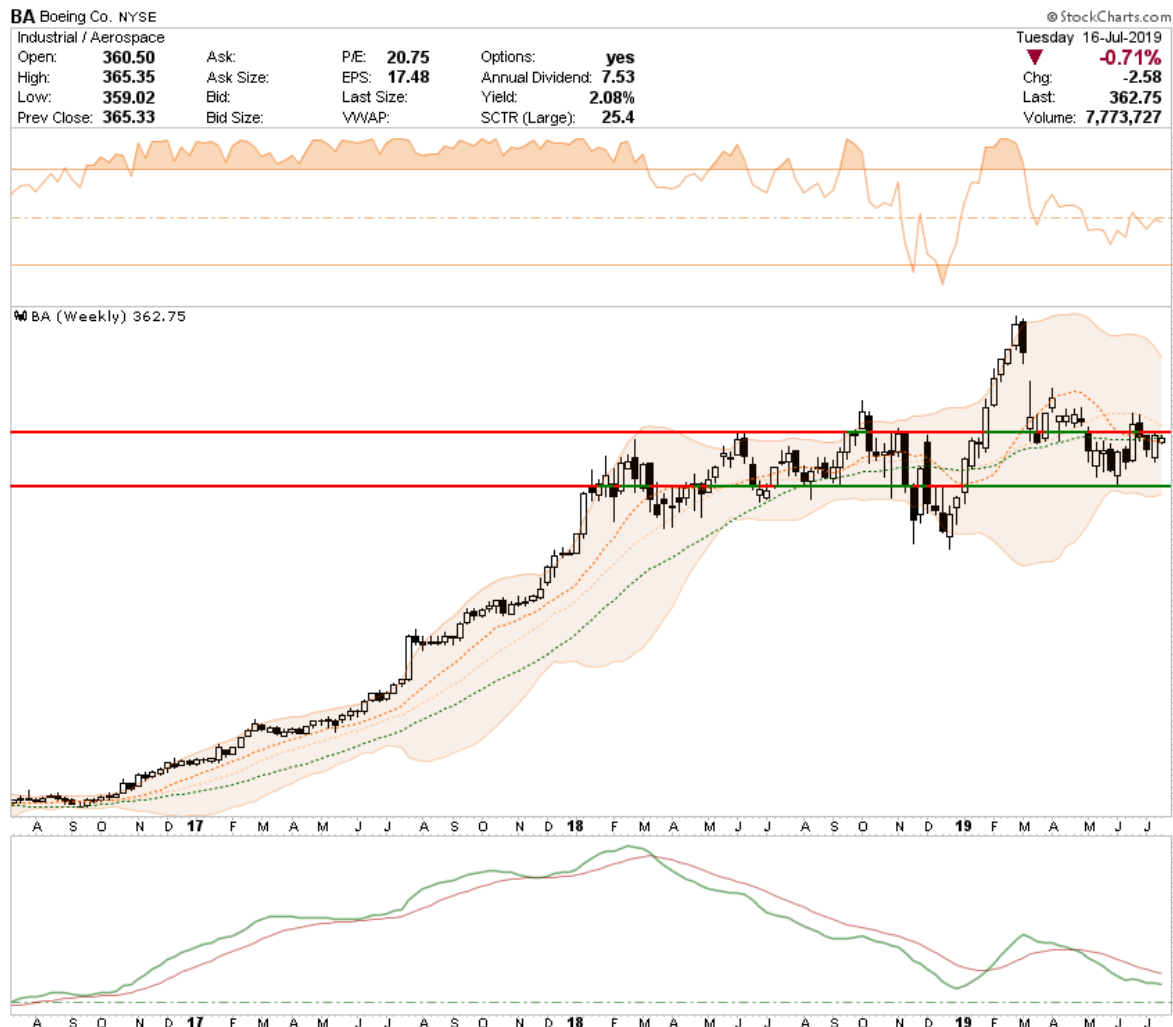
Open: **90.64** Ask: P/E: **21.90** Options: **yes**
 High: **91.34** Ask Size: EPS: **4.13** Annual Dividend: **2.63**
 Low: **89.96** Bid: Last Size: Yield: **2.91%**
 Prev Close: **90.25** Bid Size: VWAP: SCTR (Large): **62.6**

Chg: **+0.29%**
 Last: **90.51**
 Volume: **3,465,072**



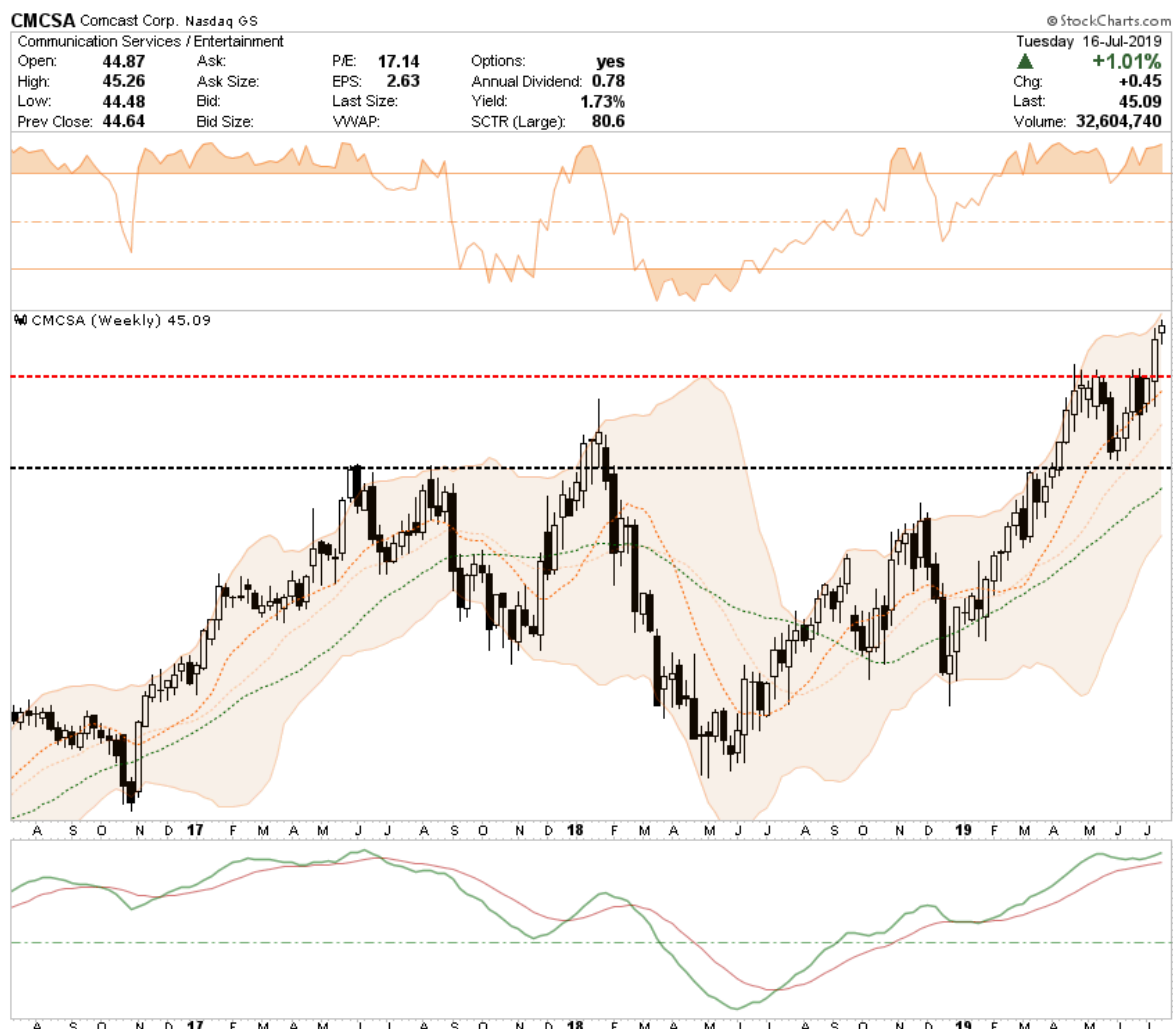
- Despite what has been a bit of a "risk on" rally over the last couple of week, defensive positions continue to hold up as well.
- AEP is extremely overbought and on an elevated "buy" signal so we are keeping a close stop on the position currently.
- Hold current position for now with a "profit-stop" at \$89
- Stop loss now moves up to \$82.

BA - Boeing Co.



- We added BA several months ago after the initial plunge from the 737 MAX crash.
- Since then BA has continued to consolidate within a fairly tight range. With a bulk of the concerns now behind the company, we need to see earnings to see what the damage has actually been.
- A break above resistance at \$365-370 should allow BA to move markedly higher given the deeply depressed "sell signal" in the lower panel.
- Stop is being moved up from \$300 to \$320.
- 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.

CMCSA - Comcast Corp.



- *CMCSA has broken above resistance and sprinted to new highs.*
- *We continue to carry a full position currently and with the stock extremely overbought, with a very extended "buy signal," we are going to be patient for a better opportunity to add to our holdings.*
- *CMCSA is back on our list for profit taking the next time we do a portfolio rebalance.*
- *Stop-loss is moved up to \$41*

XOM - Exxon Mobil Corp.

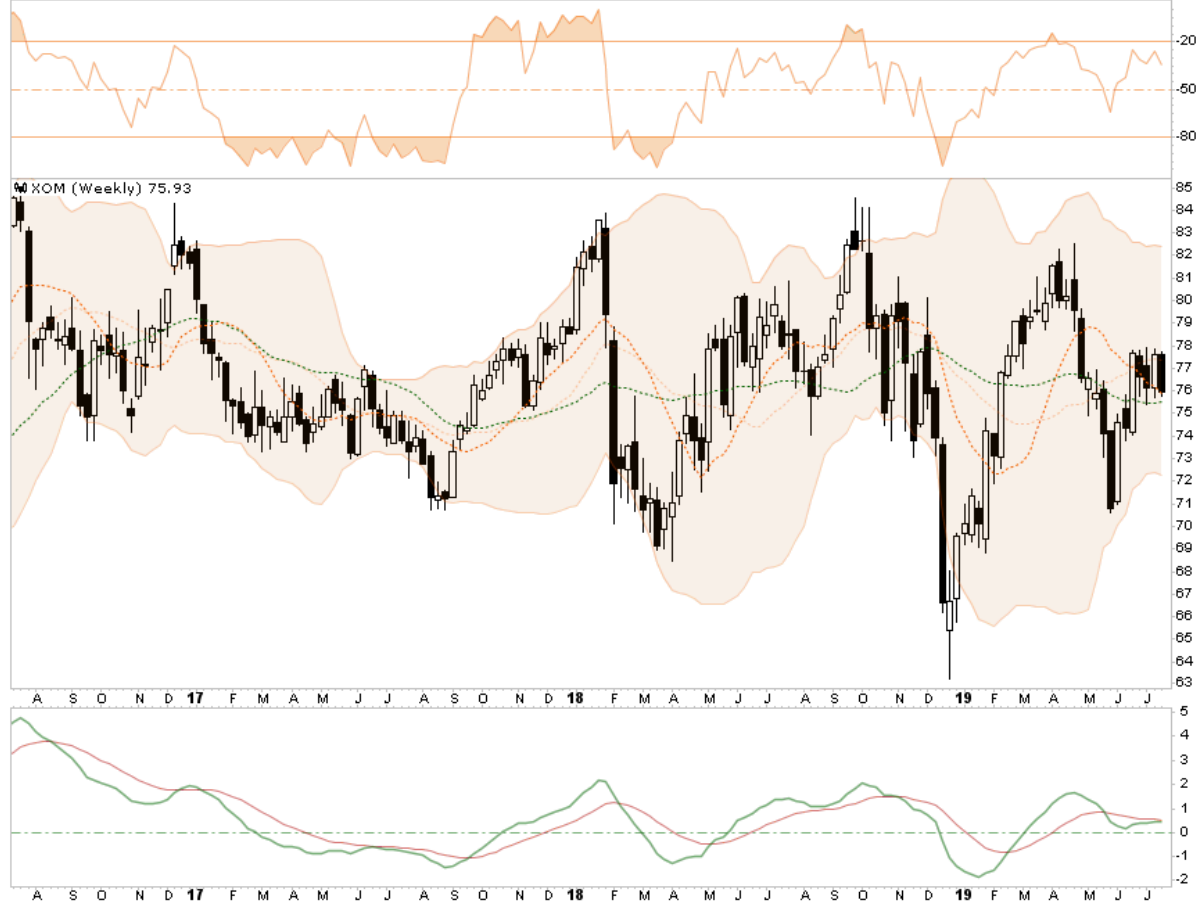
XOM Exxon Mobil Corp. NYSE

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Energy / Integrated Oil & Gas

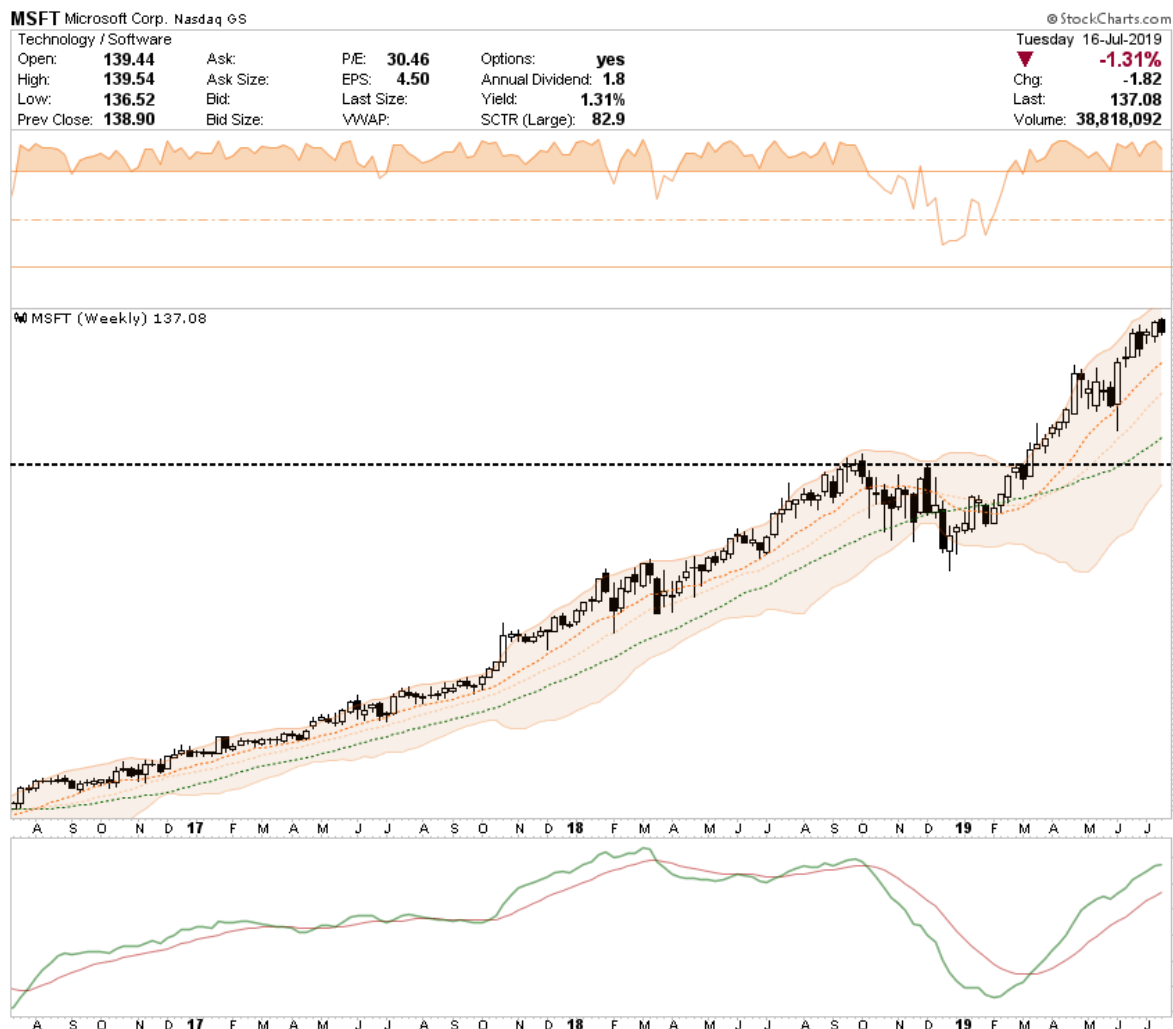
Open: **77.63** Ask: P/E: **17.50** Options: **yes**
 High: **77.74** Ask Size: EPS: **4.34** Annual Dividend: **3.33**
 Low: **75.79** Bid: Last Size: Yield: **4.39%**
 Prev Close: **77.63** Bid Size: VWAP: SCTR (Large): **25.0**

Tuesday 16-Jul-2019

▼ **-2.19%**Chg: **-1.70**Last: **75.93**Volume: **17,238,248**

- Oil continues to struggle with resistance at the \$60 level failing once again this week.
- We sold 1/2 of our position in XOM at the end of April. We currently remain underweight our holding for the time being.
- XOM is close to registering a "buy signal" which would give us the opportunity to add back to our holding. We would like to see the "buy signal" initiate with a break above \$78 to add to our position.
- Our stop remains at \$66 given we sold 1/2 of the position.

MSFT - Microsoft Corp.



- *With MSFT continuing to drift higher, we continue to hold our position.*
- *The buy signal on MSFT is extremely extended and is very overbought to boot.*
- *We would like to add to our position on a reversal of those conditions which do not violate the long-term trends.*
- *MSFT is on our list to take-profits in when we run our rebalance process.*
- *Stop-loss remains at \$120*

JPM - J.P. Morgan Chase & Co.

JPM J.P. Morgan Chase & Co. NYSE

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Financial / Banks

Open: **115.54** Ask: P/E: **12.43** Options: **yes**
 High: **115.57** Ask Size: EPS: **9.26** Annual Dividend: **2.96**
 Low: **112.92** Bid: Last Size: Yield: **2.57%**
 Prev Close: **115.30** Bid Size: VWAP: SCTR (Large): **52.2**

Tuesday 16-Jul-2019
 ▼ **-0.16%**
 Chg: **-0.18**
 Last: **115.12**
 Volume: **29,887,804**



- JPM announced better than expected earnings and is currently wrestling with a "triple top" resistance level.
- There is a risk to JPM when the Fed starts cutting rates as it will impact their Net Interest Income levels.
- However, for now we are holding our position and will look to take profits when we rebalance.
- Stop loss is moved up to \$107.50

PEP - Pepsi Inc.

PEP PepsiCo, Inc. Nasdaq GS

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Consumer Staples / Soft Drinks

Open: 133.60	Ask:	P/E: 15.10	Options: yes	Tuesday 16-Jul-2019
High: 135.24	Ask Size:	EPS: 8.86	Annual Dividend: 3.7375	▲ +0.39%
Low: 132.55	Bid:	Last Size:	Yield: 2.79%	Chg: +0.52
Prev Close: 133.28	Bid Size:	VWAP:	SCTR (Large): 66.1	Last: 133.80
				Volume: 7,068,810



- *PEP*, has been making us smile more than Coca-Cola as of late.
- Kidding aside, *PEP* has done well along with the consumer staple sector but, like many other stocks in our portfolio, is extremely extended and overbought.
- We will look to take profits on a portfolio rebalance as the extension above long-term moving averages is now at extremes.
- Stop-loss is moved up to \$120.00

JNJ - Johnson & Johnson

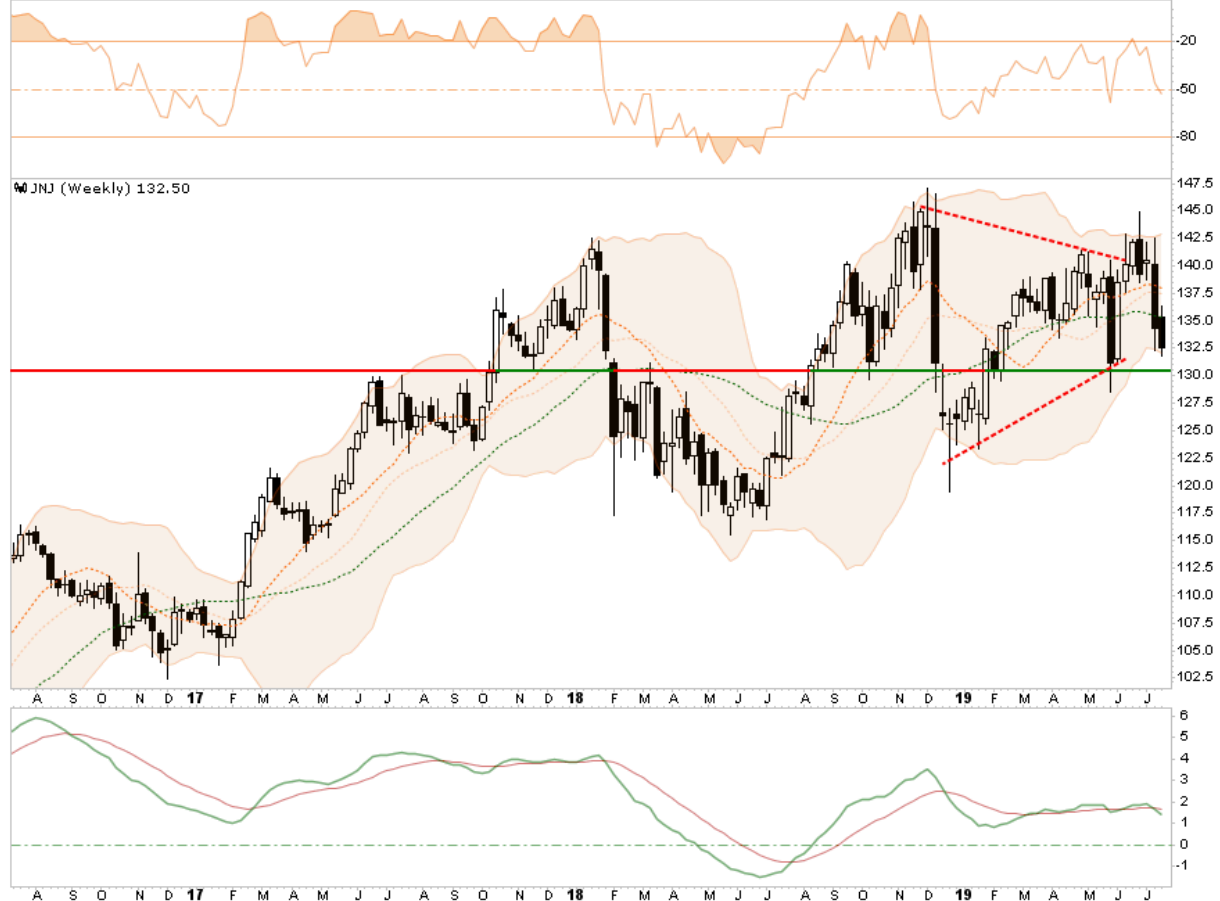
JNJ Johnson & Johnson NYSE

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Health Care / Pharmaceuticals

Open: **135.39** Ask: P/E: **24.54** Options: **yes**
 High: **136.36** Ask Size: EPS: **5.40** Annual Dividend: **3.65**
 Low: **131.75** Bid: Last Size: **2.75%** Yield: **2.75%**
 Prev Close: **134.30** Bid Size: VWAP: SCTR (Large): **14.9**

Tuesday 16-Jul-2019

▼ **-1.34%**Chg: **-1.80**Last: **132.50**Volume: **20,224,548**

- Along with our defensive themes, JNJ continues to hold up.
- JNJ sold off last week on news of a potential criminal probe into the recent "Talc" case, however, such an investigation has limited effects longer-term.
- The earnings release yesterday was very encouraging and we think there is an opportunity forming to add to our holding.
- We continue to hold our weighting in JNJ and may look to increase exposure if the "buy signal" turns up and current support levels hold.
- Stop-loss remains at \$130

VZ - Verizon Communications

VZ Verizon Communications: NYSE

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Communication Services / Fixed Telecommunications

Open: 57.29	Ask:	P/E: 14.81	Options: yes
High: 57.80	Ask Size:	EPS: 3.88	Annual Dividend: 2.3975
Low: 57.19	Bid:	Last Size:	Yield: 4.18%
Prev Close: 57.19	Bid Size:	VWAP:	SCTR (Large): 24.0

Tuesday 16-Jul-2019
▲ +0.38%
Chg: +0.22
Last: 57.41
Volume: 22,290,392



- *VZ has been trapped in an extremely tight trading range over the last several weeks. This will be resolved sooner rather than later.*
- *Earnings will likely be the deciding factor and VZ is likely to beat current earnings estimates.*
- *A break above triple-top resistance at \$59 will be an opportunity to add to our holdings.*
- *We will take profits in the position when we rebalance the portfolio.*
- *Stop loss remains at \$53.00*

PPL - PPL Corp.

PPL PPL Corp. NYSE

Utilities / Conventional Electricity

Open: 30.22	Ask:	P/E: 11.86	Options: yes
High: 30.58	Ask Size:	EPS: 2.56	Annual Dividend: 1.645
Low: 30.16	Bid:	Last Size:	Yield: 5.42%
Prev Close: 30.26	Bid Size:	VWAP:	SCTR (Large): 22.4

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Tuesday 16-Jul-2019

 ▲ **+0.33%**

 Chg: **+0.10**

 Last: **30.36**

 Volume: **7,935,049**


- *PPL simply hasn't performed as expected since adding it to the portfolio. However, we continue to collect the 5% yield in the meantime.*
- *As noted last week, with the recent addition of WELL, we are carrying an extra position in the portfolio.*
- *During our next profit taking/rebalancing exercise, PPL will most likely be removed from the portfolio.*
- *We are moving our stop-loss up to \$30*