

Long-Short Idea List: 08-29-19

IMPORTANT NOTE: Each week we produce a chart book of 10 stocks which have hit our watch list for potential additions to our long-short equity trading portfolio. With the recent sharp advance in the market, we it has become a difficult task to find potential candidates this week. **This is indicative of an overextended bull run that is due for a correction.**

As noted last week, the new [SCAN TOOL](#) also has several new screening parameters to include both fundamental factors (*Piotroski Score*) and momentum factors (*Mohanram Score*) along with Zack's rankings.

HOW TO READ THE CHARTS

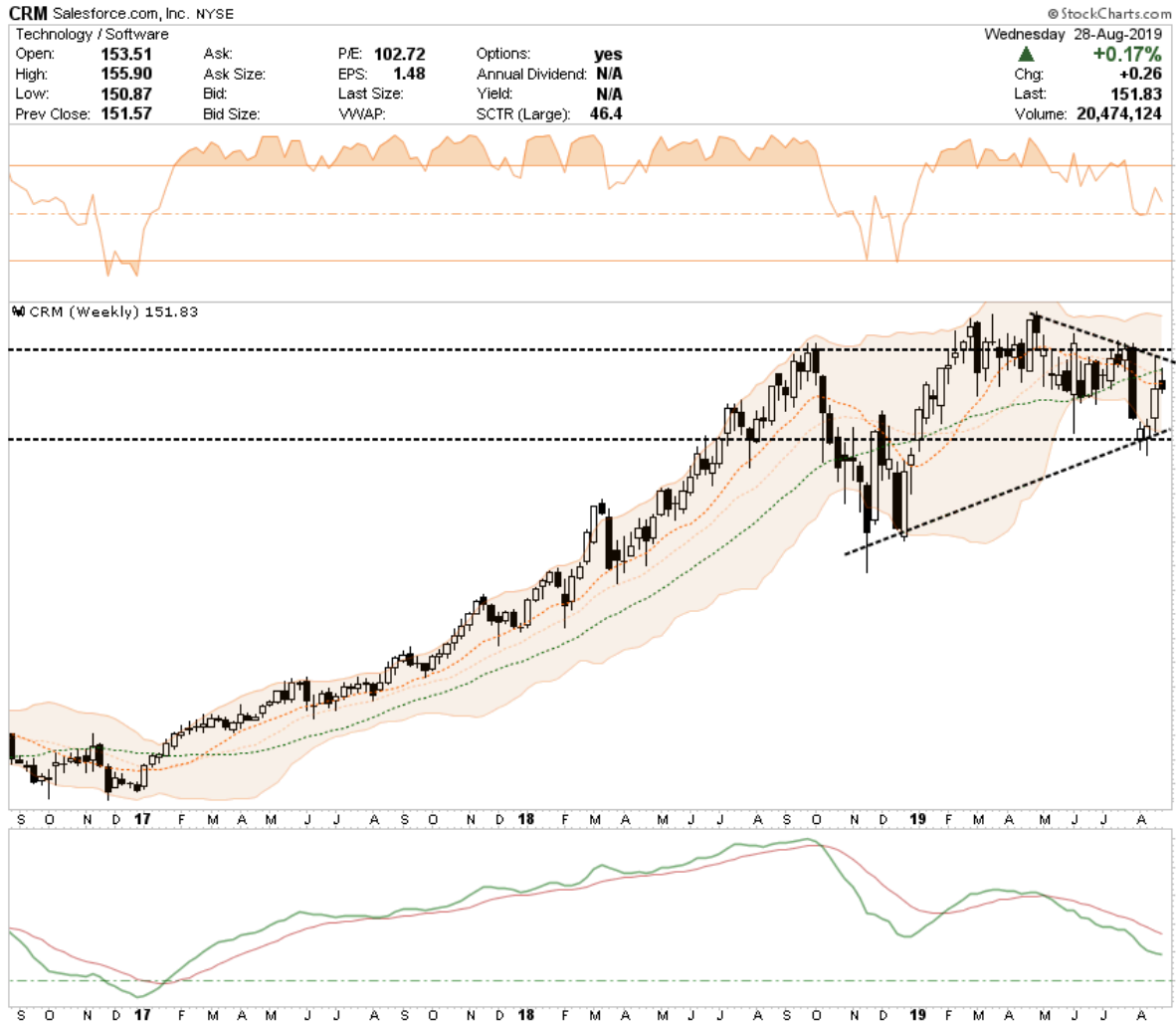
There are four primary components to each chart:

- 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

CRM - Salesforce.com



- After a big decline, CRM bounced off support and is holding after reporting favorable earnings.
- Currently, CRM is on an important "sell signal" and support is close by.
- Buy 1/2 position on a pullback that holds the uptrend line at \$145.
- Buy the second 1/2 position on a breakout above resistance at \$155.
- Stop is \$140 on the whole position for now.

INCY - Incyte Corp.



- *INCY could will either be a long, or short, depending on what happens next.*
- *If INCY breaks above the current consolidation, go long INCY with a stop at \$80.*
- *In INCY breaks below the current consolidation, go short INCY with a stop at \$85.*
- *The set up for the trade is pretty clear with limited risk and decent reward.*

AVGO - Broadcom, Inc.

AVGO Broadcom Inc. Nasdaq GS

Technology / Semiconductors

Open: **276.95** Ask: P/E: **32.86** Options: **yes**
 High: **280.22** Ask Size: EPS: **8.40** Annual Dividend: **8.8**
 Low: **270.47** Bid: Last Size: Yield: **3.19%**
 Prev Close: **272.13** Bid Size: VWAP: SCTR (Large): **51.3**

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Wednesday 28-Aug-2019

▲ **+1.44%**

Chg: **+3.93**

Last: **276.06**

Volume: **4,440,954**



- *BRCM is in a pretty broad consolidation process currently with a sell-signal currently intact.*
- *Buy 1/2 position on a pullback to \$270 that holds.*
- *Stop-loss is very tight at \$265*

BMJ - Bristol Meyers Squibb

BMJ Bristol Myers Squibb Co. NYSE

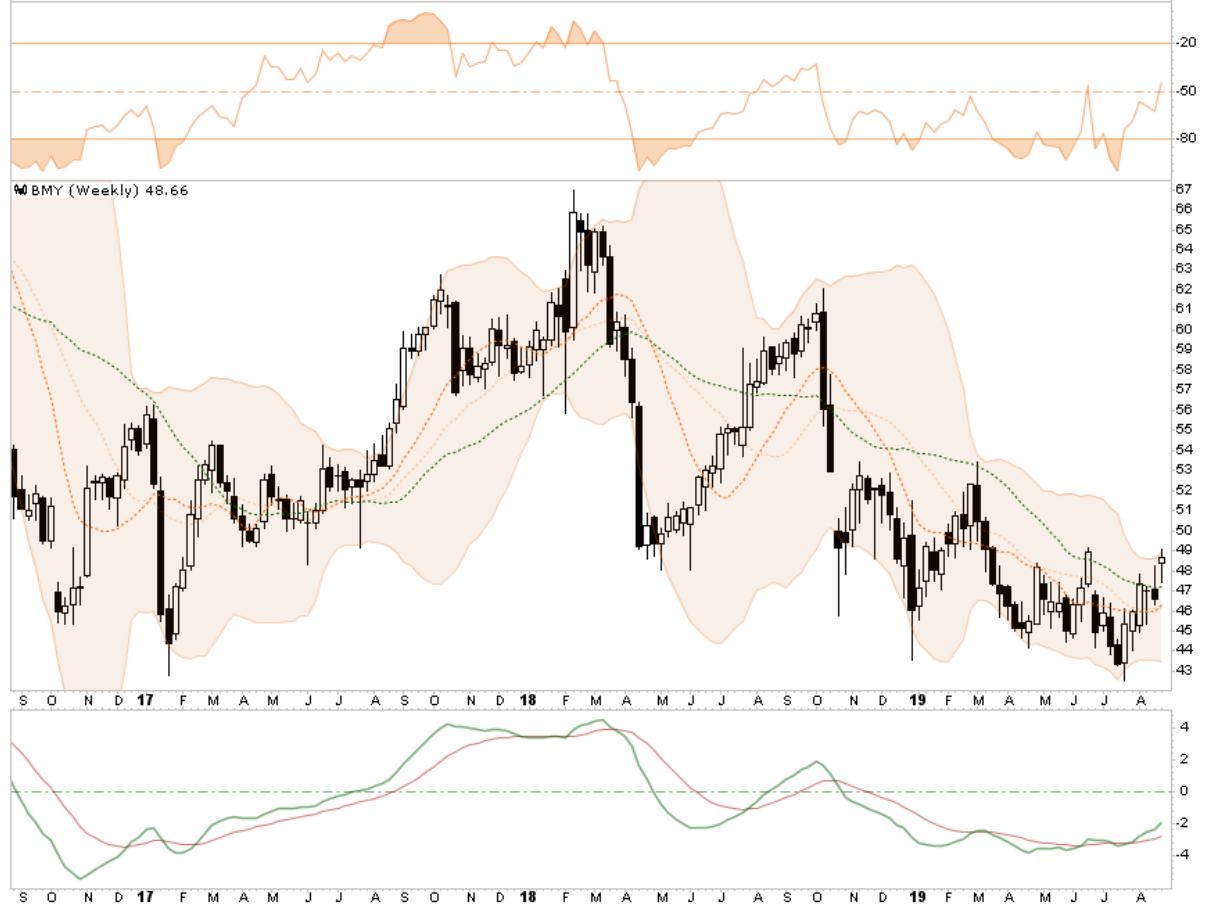
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Health Care / Pharmaceuticals

Wednesday 28-Aug-2019

Open: **48.42** Ask: P/E: **12.78** Options: **yes**
 High: **49.08** Ask Size: EPS: **3.81** Annual Dividend: **1.62**
 Low: **47.40** Bid: Last Size: Yield: **3.33%**
 Prev Close: **46.58** Bid Size: VWAP: SCTR (Large): **54.1**

Chg: **+4.47%**
 Last: **48.66**
 Volume: **43,830,776**



- *BMJ has turned up and performance is improving with a "buy signal" now registered.*
- *Buy a position at current levels with an initial target of \$55*
- *Stop-loss is currently set at \$46.*

GOOG - Alphabet, Inc.

GOOG Alphabet Inc. - Class C Nasdaq GS

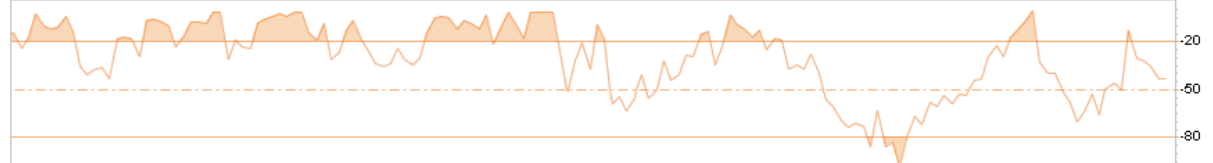
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Communication Services / Internet

Wednesday 28-Aug-2019

Open: **1157.26** Ask: P/E: **23.64** Options: **yes**
 High: **1182.40** Ask Size: EPS: **49.54** Annual Dividend: **N/A**
 Low: **1152.96** Bid: Last Size: Yield: **N/A**
 Prev Close: **1151.29** Bid Size: VWAP: SCTR (Mid): **64.6**

▲ **+1.71%**
 Chg: **+19.73**
 Last: **1171.02**
 Volume: **3,039,510**



GOOG (Weekly) 1171.02



- We were recently long GOOG going into earnings and sold our position when they announced.
- GOOG has been consolidating that earnings spike since then and is holding support.
- Buy on a breakout of the consolidation rate at \$1175-1180
- Stop following purchase is \$1150.

SHORT CANDIDATES

AMD - Advanced Micro Devices

AMD Advanced Micro Devices, Inc. Nasdaq GS

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Technology / Semiconductors

Wednesday 28-Aug-2019

Open: **30.34** Ask: P/E: **174.69** Options: **yes**
 High: **31.18** Ask Size: EPS: **0.18** Annual Dividend: **N/A**
 Low: **29.60** Bid: Last Size: Yield: **N/A**
 Prev Close: **29.54** Bid Size: VWAP: SCTR (Large): **89.7**

Chg: **+4.20%**
 Last: **30.78**
 Volume: **159,142,496**



- AMD after a strong run has now triggered a "sell signal." It is also breaking its previous uptrend suggesting there could be more downside particularly if the trade war ramps up.
- 1/2 position can be shorted at current levels and added to on break below \$26.
- Target for trade is \$18-20
- Stop-loss is at \$23

AME - Ametek, Inc.

AME Ametek, Inc. NYSE

Industrial / Diversified Industrials

Open: **84.15** Ask: P/E: **23.58** Options: **yes**
 High: **84.50** Ask Size: EPS: **3.57** Annual Dividend: **0.56**
 Low: **82.66** Bid: Last Size: Yield: **0.67%**
 Prev Close: **83.62** Bid Size: VWAP: SCTR (Large): **52.5**

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Wednesday 28-Aug-2019

▲ **+0.59%**
 Chg: **+0.49**
 Last: **84.11**
 Volume: **2,774,279**



- AME has registered a sell signal as it is currently sitting on important trend line support.
- Short on a break below support at \$82.50
- Target is initially set at \$70
- Stop-loss is set at \$87.50

AMTD - TD Ameritrade Holding Corp.

AMTD TD Ameritrade Holding Corp. Nasdaq GS

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Financial / Investment Services

Wednesday 28-Aug-2019

Open: **43.20** Ask: P/E: **11.33** Options: **yes**
 High: **43.37** Ask Size: EPS: **3.76** Annual Dividend: **1.11**
 Low: **42.14** Bid: Last Size: Yield: **2.61%**
 Prev Close: **42.91** Bid Size: VWAP: SCTR (Mid): **13.9**

Chg: **-0.72%**
 Last: **42.60**
 Volume: **6,255,528**



- Earlier this year we recommended shorting AMTD a couple of times.
- AMTD recently hit our initial target which suggests covering 1/2 of the position.
- Buy to cover 1/2 of the short position at current levels.
- Next target for remaining 1/2 position is \$38
- Stop-loss is now set to \$45

BUD - Anheuser-Busch InBev

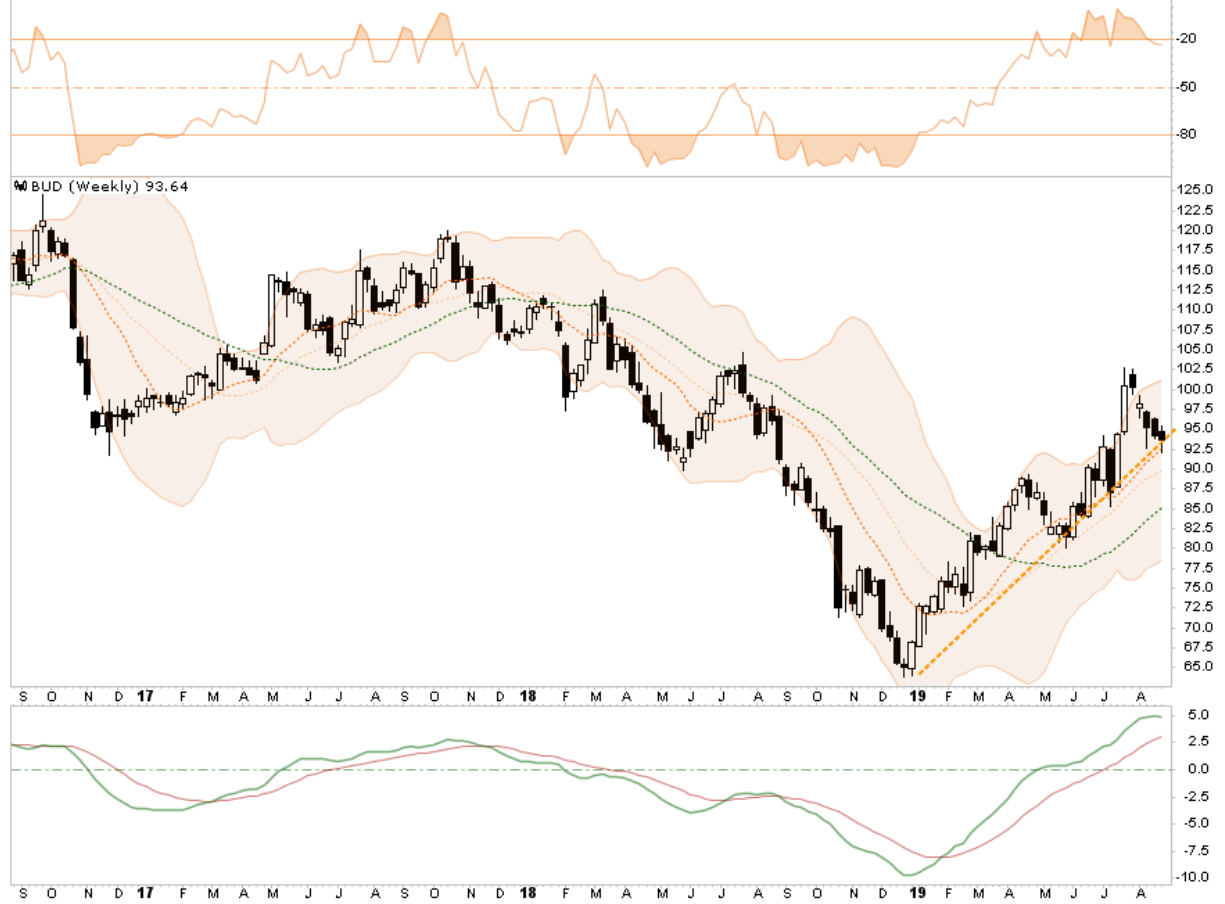
BUD Anheuser-Busch InBev ADR NYSE

Consumer Staples / Brewers

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Open: **94.72** Ask: P/E: **24.76** Options: **yes**
 High: **95.31** Ask Size: EPS: **3.78** Annual Dividend: **2.03042**
 Low: **92.14** Bid: Last Size: Yield: **2.17%**
 Prev Close: **94.19** Bid Size: VWAP: SCTR (Mid): **75.9**

Wednesday 28-Aug-2019

▼ **-0.58%**Chg: **-0.55**Last: **93.64**Volume: **3,368,134**

- *BUD has had a big run since the beginning of the year and is grossly overbought. It is now beginning to correct that condition.*
- *Look for a break of the trend line support from the January lows, and ultimately a registering of a sell signal to confirm the short-position.*
- *Short 1/2 position on a break of trend line support at 92.50*
- *Short 1/2 position with confirmation of a "sell signal."*
- *Stop-loss is set at \$95 after short is initiated.*

GPS - Gap, Inc.

GPS Gap, Inc. NYSE

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Consumer Discretionary / Apparel Retailers

Wednesday 28-Aug-2019

Open: 17.02	Ask:	P/E: 5.74	Options: yes
High: 17.13	Ask Size:	EPS: 2.76	Annual Dividend: 0.97
Low: 15.47	Bid:	Last Size:	Yield: 6.12%
Prev Close: 16.92	Bid Size:	VWAP:	SCTR (Large): 2.2

Chg: -6.26%
Last: 15.86
Volume: 22,538,262



- In February of this year we recommended shorting GPS. It is now time to close that short-position out.
- Buy to cover the short position at current levels. Short at current levels and add to short below \$24.
- Stop-loss is currently \$26