

Long-Short Idea List: 10-10-19

HOW TO READ THE CHARTS

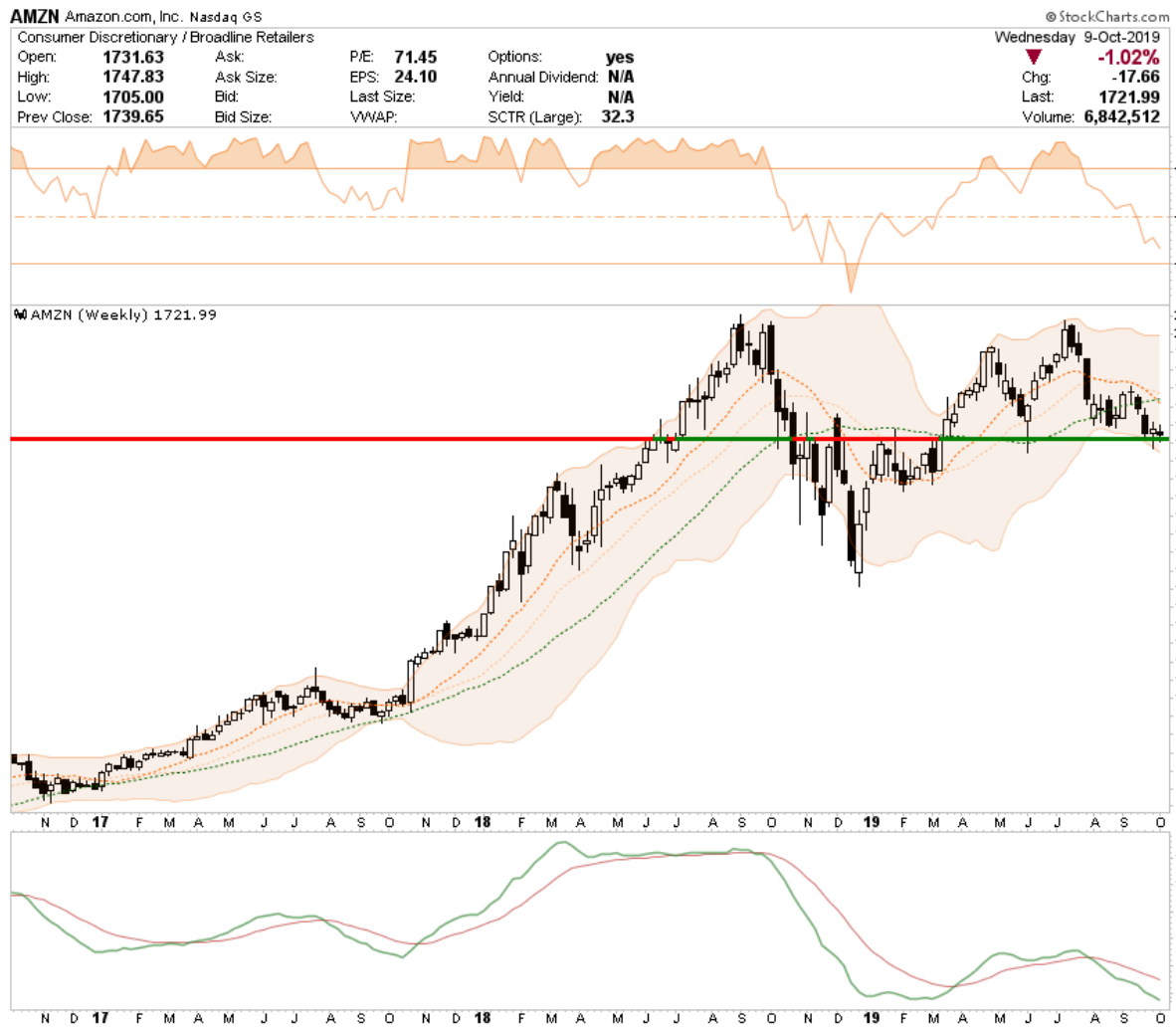
There are four primary components to each chart:

- 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

AMZN - Amazon.com



- Last week, we noted that "if the market is going to move higher into year-end, then AMZN should lead the way particularly as we head into holiday shopping season."
- The trade setup didn't change much this past week, and with AMZN's sell signal pretty deeply oversold there is a decent entry point.
- Buy at current levels.
- Stop is adjusted to \$1700 hard stop.

ABBV - AbbiVie Inc.

ABBV AbbVie Inc. NYSE

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Health Care / Biotechnology

Wednesday 9-Oct-2019

Open: **74.72** Ask: P/E: **26.95** Options: **yes**
 High: **75.27** Ask Size: EPS: **2.72** Annual Dividend: **4.17**
 Low: **73.25** Bid: Last Size: Yield: **5.69%**
 Prev Close: **74.66** Bid Size: VWAP: SCTR (Large): **47.6**

Chg: **-1.82%**
 Last: **73.30**
 Volume: **17,145,150**



- *ABBV recently bounced off of critical support and has triggered a buy signal.*
- *We are looking to add a position to both the Equity and Long-Short portfolios as we like the almost 6% yield in this environment.*
- *With the buy signal in place, we are looking for a pullback to \$70 that holds to add 1/2 of our position. We will add the second 1/2 position on a break above resistance.*
- *Stop after initial entry is \$64*

CAT - Caterpillar, Inc.

CAT Caterpillar, Inc. NYSE

Industrial / Commercial Vehicles

| | | | | | | | |
|-------------|---------------|-----------|--|------------|--------------|------------------|--------------|
| Open: | 120.85 | Ask: | | P/E: | 11.12 | Options: | yes |
| High: | 121.70 | Ask Size: | | EPS: | 10.74 | Annual Dividend: | 3.61 |
| Low: | 117.69 | Bid: | | Last Size: | | Yield: | 3.02% |
| Prev Close: | 121.04 | Bid Size: | | VWAP: | | SCTR (Large): | 19.5 |

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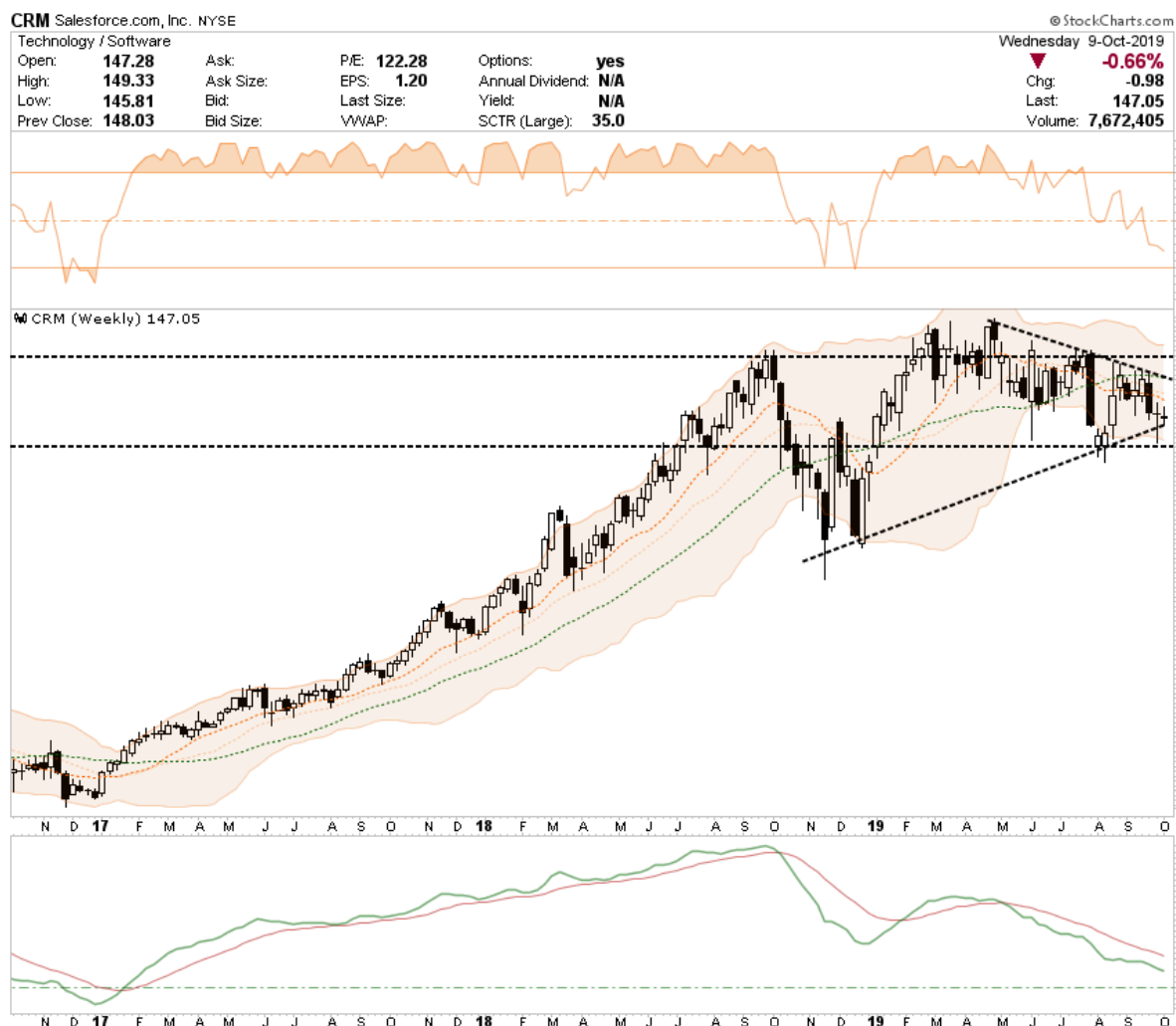
Wednesday 9-Oct-2019

| | |
|---------|------------------|
| ▼ | -1.32% |
| Chg: | -1.60 |
| Last: | 119.44 |
| Volume: | 8,460,563 |



- *I am not crazy about this trade but CAT has been consistently holding support and is deeply oversold at this juncture.*
- *Buy at current levels with a very tight stop at \$115*
- *Take profits at \$130.*
-

CRM - Salesforce.com



- CRM has gotten pretty oversold and the sell-signal is very deep. Importantly, CRM has held a rising trendline support which is bullish.
- CRM has a tendency to beat earnings and do well, so there is a decent trade setup here.
- Buy CRM at current levels.
- Stop loss is set at \$142.50

DE - Deere & Co.

DE Deere & Co. NYSE

Industrial / Commercial Vehicles

Open: **167.94** Ask: P/E: **16.17** Options: **yes**
 High: **168.68** Ask Size: EPS: **10.29** Annual Dividend: **3.04**
 Low: **162.86** Bid: Last Size: Yield: **1.83%**
 Prev Close: **167.69** Bid Size: VWAP: SCTR (Large): **70.6**

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Wednesday 9-Oct-2019

▼ **-0.75%**
 Chg: **-1.26**
 Last: **166.43**
 Volume: **5,178,386**



- Both DE and CAT should do well if there is some sort of trade deal.
- However, DE has been in a long-term consolidation and is close to breaking out to the upside.
- Buy a position in DE only IF it breaks above current resistance at \$170.
- Stop loss is set at \$150.

SHORT CANDIDATES

AVY - Avery Dennison Corp.

AVY Avery Dennison Corp. NYSE

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Materials / Specialty Chemicals

Wednesday 9-Oct-2019

Open: **111.02** Ask: P/E: **40.24** Options: **yes**
 High: **112.30** Ask Size: EPS: **2.75** Annual Dividend: **2.2**
 Low: **108.27** Bid: Last Size: **1.99%** Yield: **1.99%**
 Prev Close: **111.36** Bid Size: VWAP: SCTR (Large): **49.4**

Chg: **-0.85**
 Last: **110.51**
 Volume: **1,141,910**



- Last week, we suggested AVY for a long-trade on a breakout above \$117.50. That didn't happen and the "sell signal" has now been triggered.
- We had originally suggested a short of AVY on a break below the previous stop of \$112.50
- That level has been triggered.
- Target for trade is initially \$100
- Stop-loss is \$115

AMD - Advanced Micro Devices

AMD Advanced Micro Devices, Inc. Nasdaq GS

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Technology / Semiconductors

Wednesday 9-Oct-2019

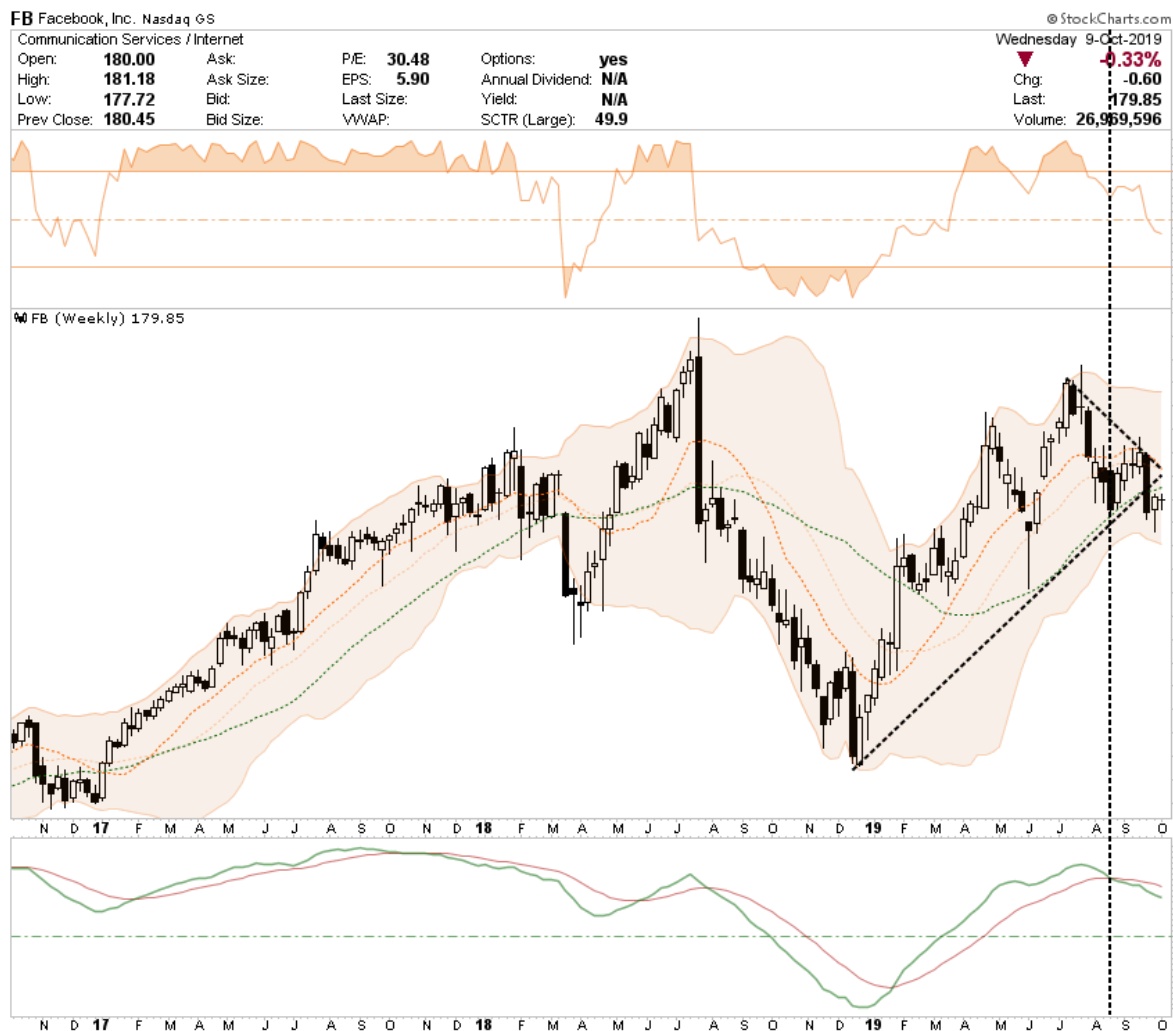
Open: **28.90** Ask: P/E: **161.52** Options: **yes**
 High: **29.63** Ask Size: EPS: **0.18** Annual Dividend: **N/A**
 Low: **27.92** Bid: Last Size: **N/A** Yield: **N/A**
 Prev Close: **29.01** Bid Size: VWAP: SCTR (Large): **51.1**

Chg: **-1.90%**
 Last: **28.46**
 Volume: **119,590,736**



- We recently suggested a short-position on AMD if it broke below its consolidation pattern and triggered a sell signal. Both have occurred.
- Sell short at current levels.
- Target for trade is \$22
- Stop-loss is \$30

FB - Facebook, Inc.



- Last week, we discussed shorting FB which had been consolidating in a tightening pattern over the last couple of months.
- With a "sell signal" now triggered at a fairly high level, downside risk remains decent.
- Sell short FB at current levels.
- Target for trade is \$160
- Stop-loss is set to \$185

BUD - Anheuser-Busch InBev

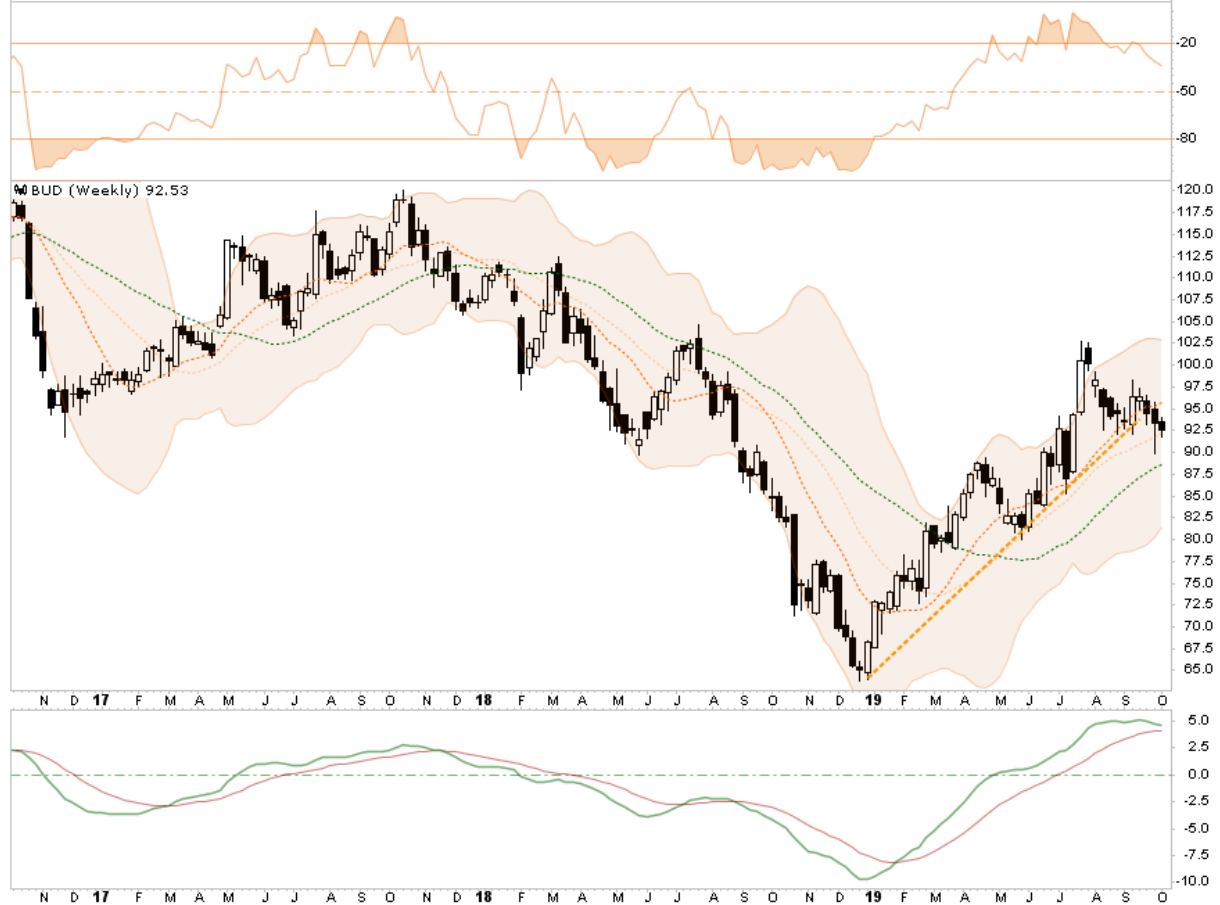
BUD Anheuser-Busch InBev ADR NYSE

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Consumer Staples / Brewers

Wednesday 9-Oct-2019

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|--------------------------|-----------|--------------------------|---------------------------------|--------------------------|
| Open: 93.51 | Ask: | P/E: 24.47 | Options: yes | Chg: -0.86% |
| High: 93.96 | Ask Size: | EPS: 3.78 | Annual Dividend: 2.03042 | Chg: -0.80 |
| Low: 91.71 | Bid: | Last Size: 0 shrs | Yield: 2.19% | Last: 92.53 |
| Prev Close: 93.33 | Bid Size: | VWAP: | SCTR (Mid): 67.1 | Volume: 2,350,995 |



- *BUD had a very good run this year but that now appears to be over.*
- *With the break of the bullish uptrend line, the risk is currently to the downside.*
- *Short BUD on any failed rally to \$95*
- *Stop loss is \$97.50 after entry.*
- *Target for trade is \$80*

STZ - Constellation Brands, Inc.

STZ Constellation Brands, Inc. NYSE

Consumer Staples / Distillers & Vintners

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Wednesday 9-Oct-2019

Open: **193.39** Ask: P/E: **16.05** Options: **yes**
 High: **193.73** Ask Size: EPS: **11.93** Annual Dividend: **2.98**
 Low: **186.41** Bid: Last Size: Yield: **1.56%**
 Prev Close: **193.74** Bid Size: VWAP: SCTR (Large): **40.6**

Chg: **-1.18%**
 Last: **191.46**
 Volume: **4,165,784**



- *STZ has been in a choppy uptrend from the December 24th lows. We actually like the company and will probably add it back to the portfolio at lower levels.*
- *However, for now, it has broken important support and looks to go lower.*
- *Sell Short at current levels.*
- *Target for trade is \$170*
- *Stop-loss after shorting the position is set at \$195*