



Selected Portfolio Position Review: 11-27-19

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).*

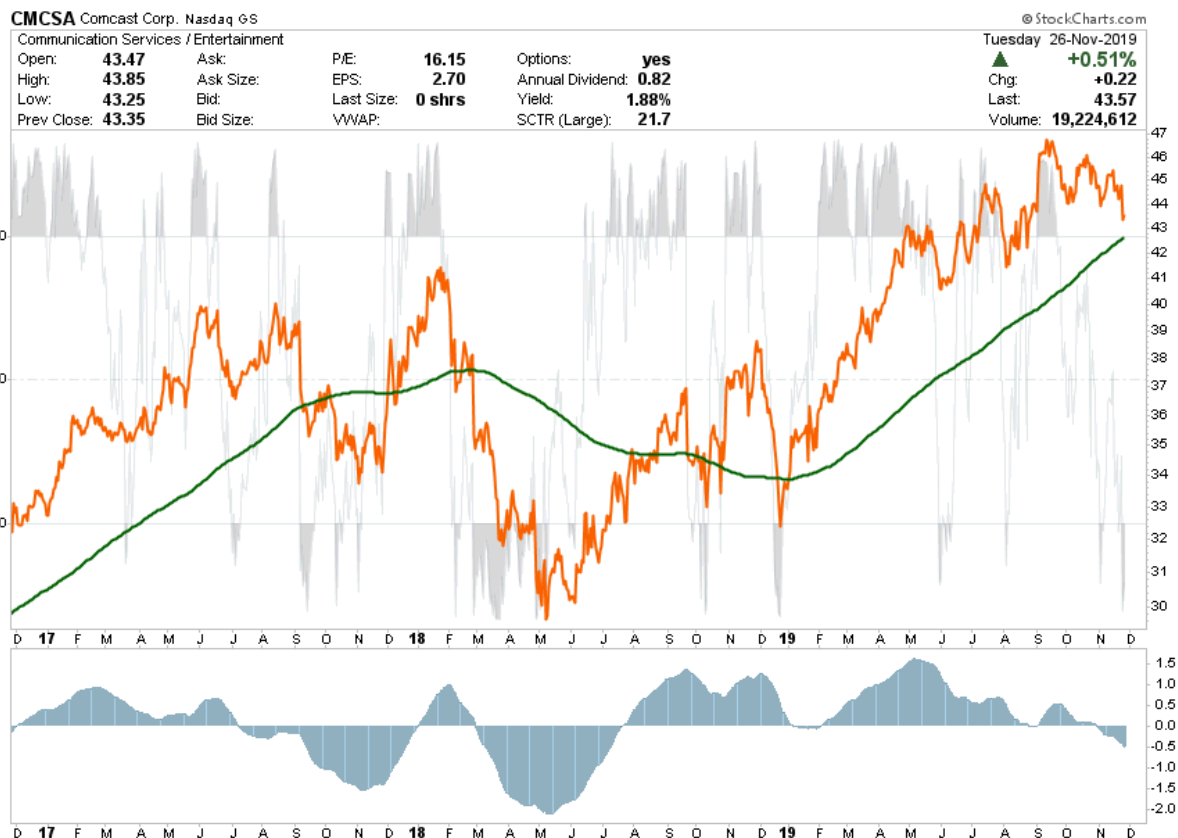
When the price of a position is at the top of the deviation range, overbought and on a buy signal it is generally a good time to take profits. When that positioning is reversed it is often a good time to look to add to a winning position or looking for an opportunity to exit a losing position.



With this basic tutorial, we will now review some of positions in our Equity Portfolio which are either a concern, an opportunity, or are doing something interesting.

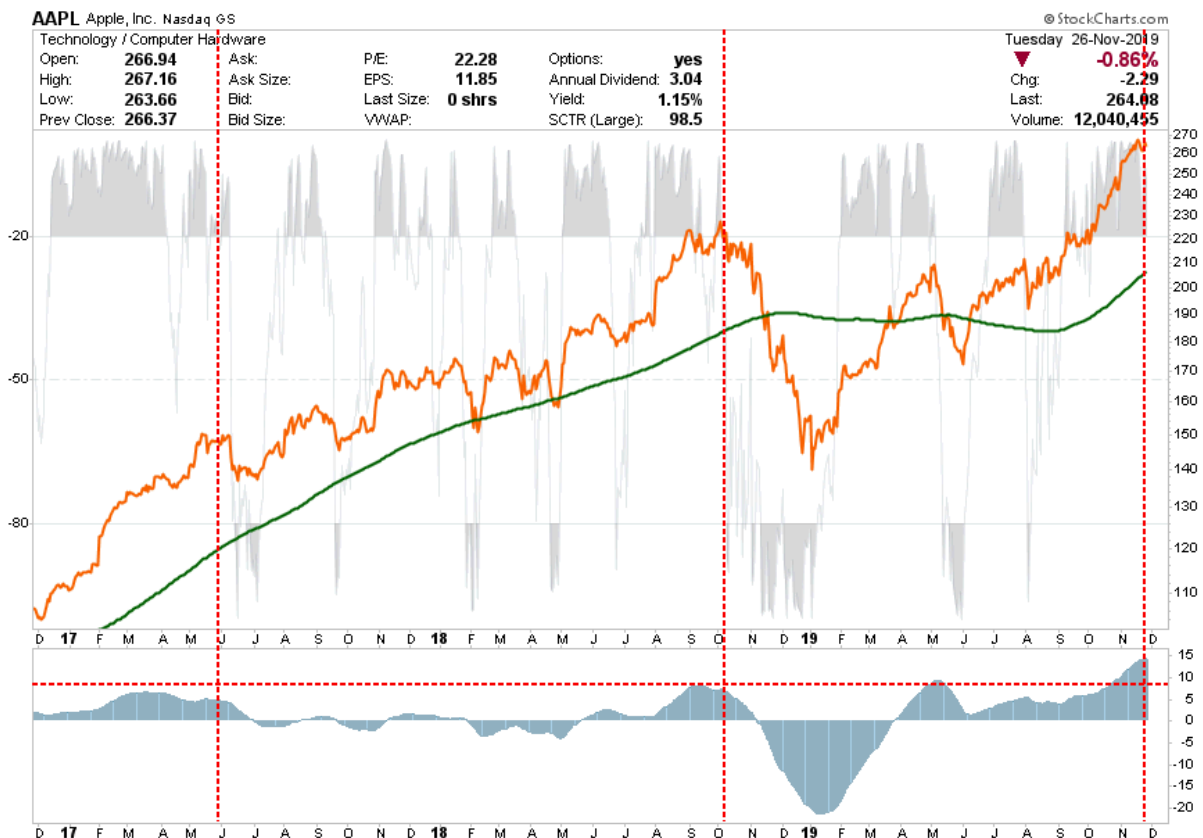
This week we are reviewing a couple of our current positions as well as 4-positions we are analyzing for a potential portfolio addition.

CMCSA - Comcast Corp.



- After taking profits in CMCSA there hasn't been much for us to do but wait, and watch.
- Currently, CMCSA is on a "sell signal" and back to more extreme oversold levels.
- If you are looking for an entry point, this might be as good of an opportunity as you get for a while with a very tight stop-loss at the 200-dma.
- We are long our position currently and are holding with the same stop-loss levels
- Stop is set at \$42

AAPL - Apple, Inc.



- We bought AAPL in January of this year and now have a 40% gain in the position. We took profits in May before the decline, but the breakout to new highs has been exaggerated.
- AAPL and MSFT have made up 38% of the entire S&P 500 gain this year. The top 15 largest S&P 500 companies have also made up 38% of the advance leaving just 24% of the lift to the remain 485 stocks. This is a very narrow advance and is symptomatic of a late stage bull market cycle.
- We are probably going to take profits again by the end of the year but for now we will just keep raising our stop level.
- Stop set at \$220

DUK - Duke Energy Corp.

DUK Duke Energy Corp. NYSE

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Utilities / Multiutilities

Open: **87.48**

Ask:

P/E: **18.24**

Options: **yes**

Tuesday 26-Nov-2019

High: **88.41**

Ask Size:

EPS: **4.83**

Annual Dividend: **3.745**

▲ **+0.68%**

Low: **87.45**

Bid:

Last Size: **0 shrs**

Yield: **4.25%**

Chg: **+0.60**

Prev Close: **87.60**

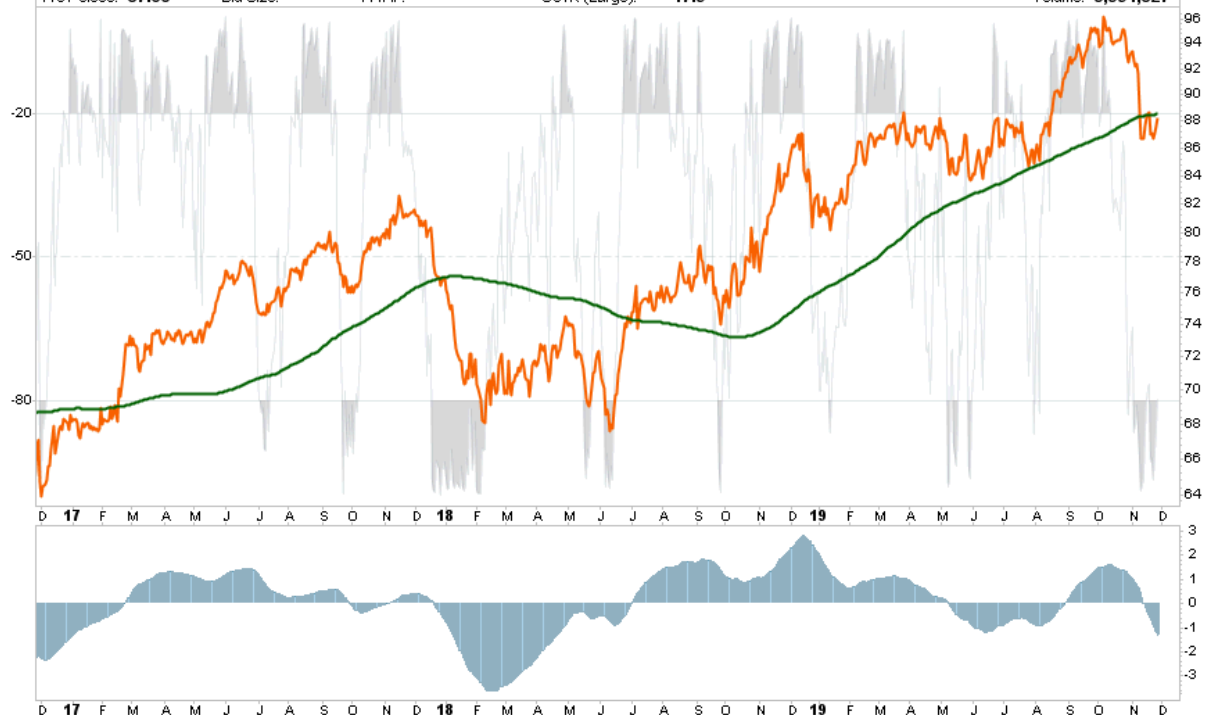
Bid Size:

VWAP:

SCTR (Large): **17.9**

Last: **88.20**

Volume: **3,391,827**



- *DUK has not been that great of a performer since we added the position earlier this year. The breakout of the consolidation failed, but we have clipped a decent coupon so far.*
- *DUK is currently very oversold but is wrestling with the 200-dma resistance.*
- *Hold off on adding a position until it clears the 200-dma.*
- *We are also moving our stop-loss up.*
- *Stop loss is set at \$86*

ABBV - AbbVie, Inc.

ABBV AbbVie Inc. NYSE

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Health Care / Biotechnology

Open: 88.15	Ask:	P/E: 40.23	Options: yes	Tuesday 26-Nov-2019	-0.06%
High: 88.19	Ask Size:	EPS: 2.18	Annual Dividend: 4.28	Chg: -0.05	
Low: 86.93	Bid:	Last Size: 0 shrs	Yield: 4.88%	Last: 87.71	
Prev Close: 87.76	Bid Size:	VWAP:	SCTR (Large): 80.8	Volume: 4,792,257	



- We had been watching ABBV for a while before adding it to the portfolio. We love the healthcare space because of the aging demographic.
- Since adding it to the portfolio, it has surged 12%. We have been watching for a pullback to add to our holdings and while ABBV is on a buy signal, that signal is extremely overbought.
- We are looking for a pullback towards the 200-dma that reduces the overbought condition without triggering a "sell signal."
- Stop loss is raised to \$72.50.

NSC - Norfolk Southern

NSC Norfolk Southern Corp. NYSE

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Industrial / Railroad

Tuesday 26-Nov-2019

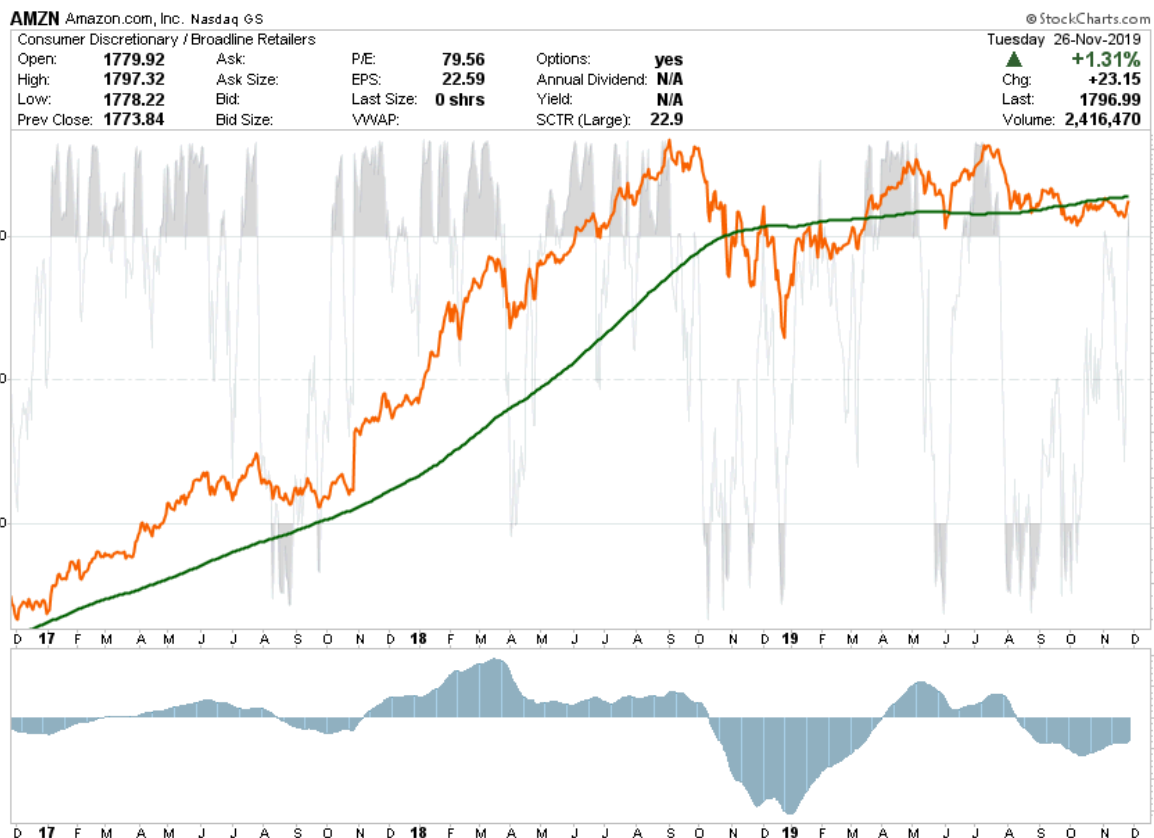
Open: **196.43** Ask: P/E: **19.11** Options: **yes**
 High: **197.48** Ask Size: EPS: **10.27** Annual Dividend: **3.6**
 Low: **195.50** Bid: Last Size: **0 shrs** Yield: **1.83%**
 Prev Close: **196.95** Bid Size: VWAP: SCTR (Large): **41.5**

Chg: **-0.73**
 Last: **196.22**
 Volume: **1,066,054**



- We have previously taken profits in NSC but have been looking for an entry point to add back to the position. We may be getting close to that point.
- NSC held important support at \$170 and turned up with the onset of QE-4.
- Now that the buy signal has been triggered positions can be added with a tight-stop at \$185
- With the market overbought in total, if the market pulls back, so to will NSC. We would like to use a temporary respite to add to our holdings.
- For now we are holding our current position and moving the stop up.
- Stop has been moved up to \$185

AMZN - Amazon.com Inc.



- *AMZN has been working through a several month long "sell signal" which continues to resolve itself.*
- *The good news is that AMZN continues to hold support but unfortunately has been unable to climb above the 200-dma.*
- *We will add to our position on a confirmed break higher with the initiation of a "buy signal."*
- *Stop is currently set at \$1700*

AML - Alerian MLP ETF (Watchlist)

AML Alerian MLP ETF NYSE

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Open: 8.03	Ask:	P/E:	Options: yes	Tuesday 26-Nov-2019
High: 8.05	Ask Size:	EPS:	Annual Dividend: 0.775	▼ -1.87%
Low: 7.85	Bid:	Last Size: 0 shrs	Yield: 9.82%	Chg: -0.15
Prev Close: 8.04	Bid Size:	VWAP:	SCTR (ETF): 0.8	Last: 7.89
				Volume: 20,004,500



- We are starting to dig around the energy sector for opportunities in a beaten up space.
- There are lots of things going wrong in the sector, not to mention a lot of CCC rated debt on the verge of defaulting, but there will be companies that will survive.
- We are specifically looking at the Midstream Energy and Pipeline space. It is TOO EARLY to take a position but the risk reward is moving into a positive position.
- We are currently preparing a research report for subscribers we will have out soon.
- Given we manage money for IRA's and taxable accounts, and that our clients do NOT like dealing with K-1's at tax time, we are looking to use an ETF that converts everything to 1099-income. Plus, with a 10% yield, gives us time and a cushion to wait for our thesis to play out.
- Stop loss has not been set.

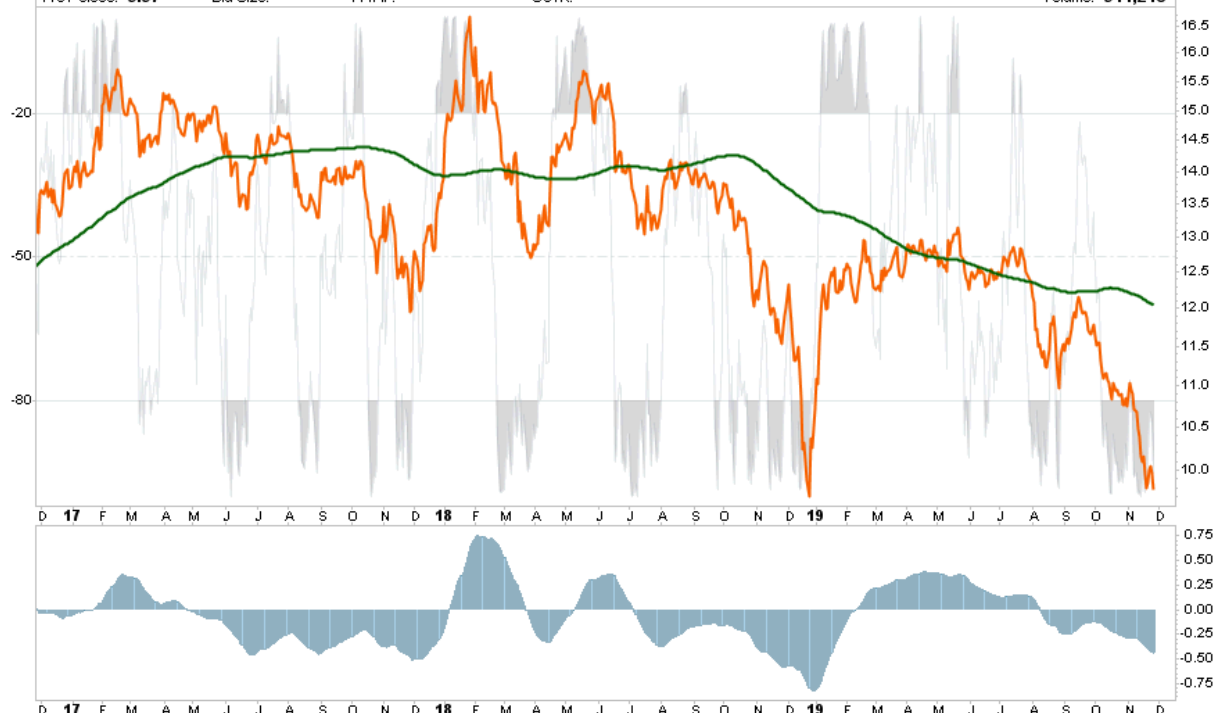
NTG - Tortoise Midstream Energy Fund (Watchlist)

NTG Tortoise Midstream Energy Fund, Inc. NYSE

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Open: 10.00	Ask:	P/E: 326.33	Options: no
High: 10.04	Ask Size:	EPS: 0.03	Annual Dividend: 1.69
Low: 9.75	Bid:	Last Size: 0 shrs	Yield: 17.26%
Prev Close: 9.97	Bid Size:	VWAP:	SCTR:

Tuesday 26-Nov-2019
 ▼ **-1.81%**
 Chg: **-0.18**
 Last: **9.79**
 Volume: **914,218**



- The second part of our "pair trade" is a closed-end fund that will add a bit of leverage to our thesis once it begins to play out.
- If our original idea with AMLP comes to fruition, then we will begin to layer a position in NTG which is trading at a slight discount to its NAV but has about 40% leverage which makes it too risky as an initial holding.
- However, the leverage boosts the overall total return by pushing the yield to over 15%.
- We are not implementing this strategy yet as we are still in our research process. We will keep you updated.
- Stop loss not set yet.

CGC - Canopy Growth Corporation (Watchlist/Trade Only)

CGC Canopy Growth Corp. NYSE

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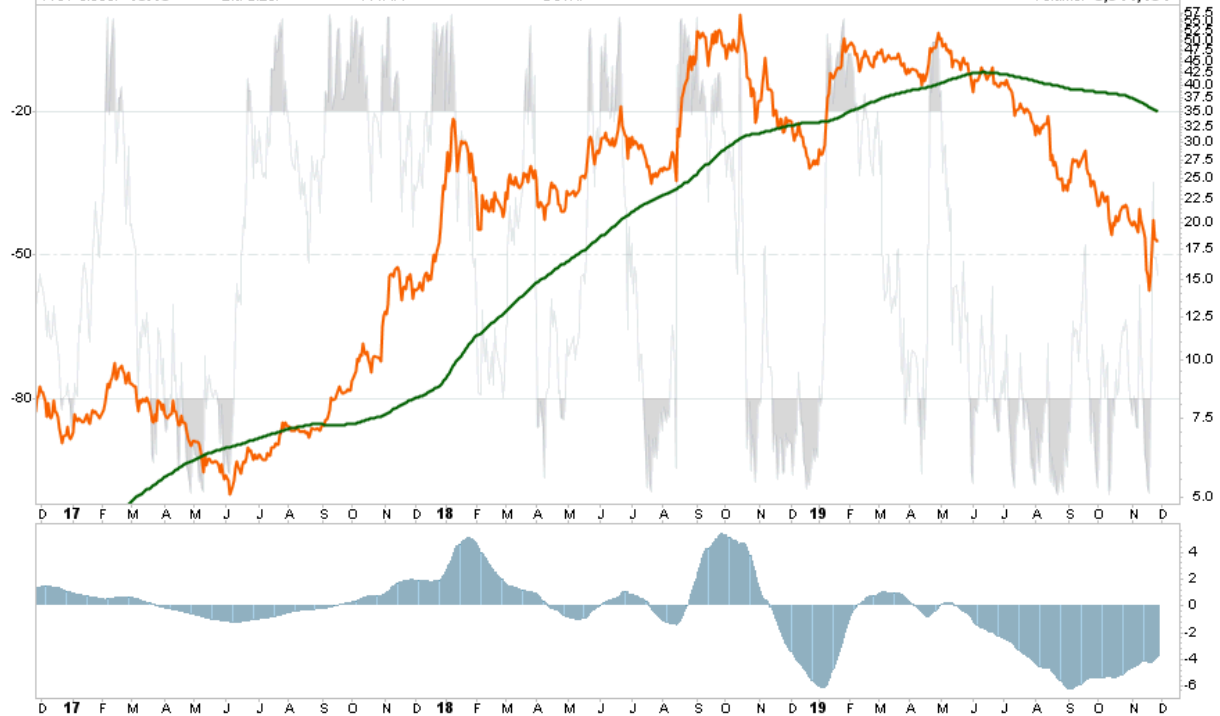
Health Care / Pharmaceuticals

Tuesday 26-Nov-2019

Open: **18.00** Ask: P/E: **-4.37**
 High: **19.05** Ask Size: EPS: **-4.15**
 Low: **17.62** Bid: Last Size: **0 shrs**
 Prev Close: **18.45** Bid Size: VWAP:

Options: **yes**
 Annual Dividend: **N/A**
 Yield: **N/A**
 SCTR:

Chg: **-1.84%**
 Last: **18.11**
 Volume: **8,941,131**



- Another pair-trade we are looking at is with Canopy Growth Corporation.
- "NO...we aren't smoking anything."
- There are two things we see happening in this sector in 2020. The first will be a push to further legalize the use of marijuana in all 50-states. However, what we think will most likely be the case is a wave of mergers and acquisitions to bolster other brands that want to participate in the space.
- CGC is a likely candidate for a merger or acquisition.
- Risk / Reward set up is easy with a stop-loss at \$14.
- We aren't entering the trade just yet, but we are watching.
- Stop-loss would be set at \$14.

STZ - Constellation Brands (Watchlist)

STZ Constellation Brands, Inc. NYSE

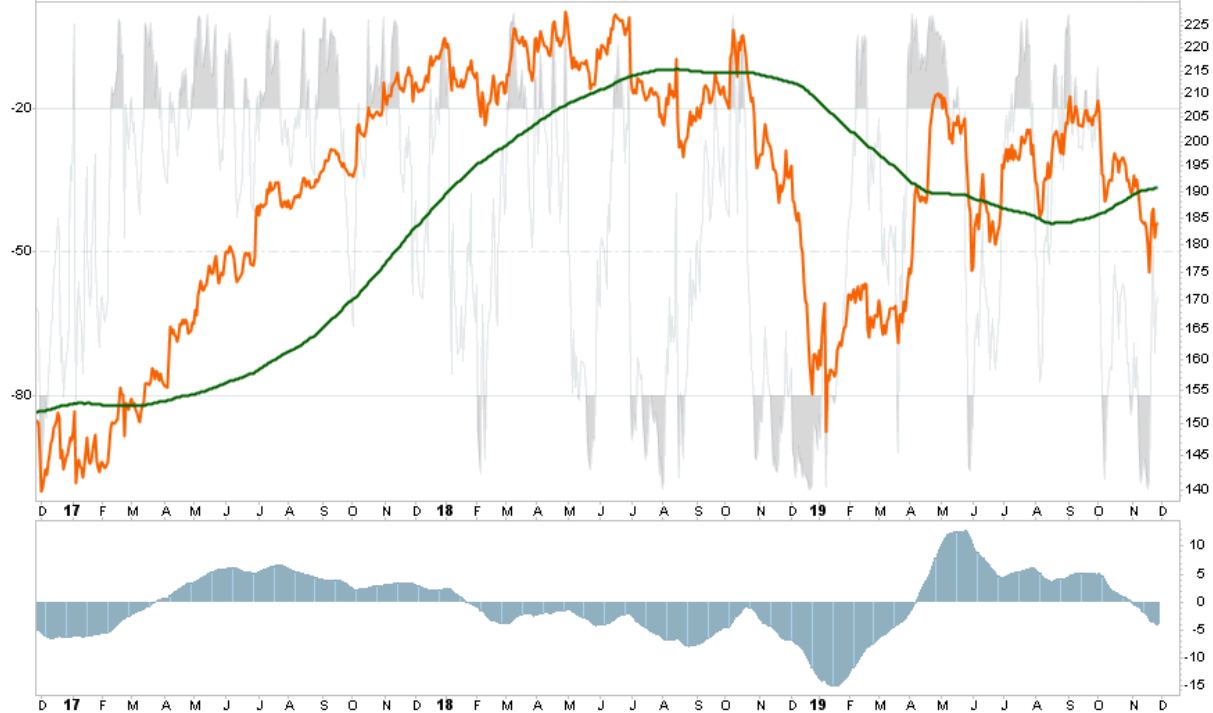
Consumer Staples / Distillers & Vintners

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Tuesday 26-Nov-2019

Open: 182.62	Ask:	P/E: 47.73	Options: yes
High: 185.12	Ask Size:	EPS: 3.86	Annual Dividend: 2.99
Low: 181.50	Bid:	Last Size: 0 shrs	Yield: 1.62%
Prev Close: 183.57	Bid Size:	VWAP:	SCTR (Large): 13.7

▲ +0.26%
Chg: +0.48
Last: 184.05
Volume: 739,930



- Since we don't like buying fundamentally weak companies, we are looking to back any purchase of CGC above with a position in STZ.
- STZ has already entered the CBD/marijuana space and is looking to produce and distribute cannabis infused drinks. STZ is also a likely candidate for further acquisitions if demand grows.
- However, given STZ fundamentals are substantially stronger than CGC, we will back our trade in CGC with a equal position of STZ which also adds yield to our total holding.
- We aren't entering this trade just yet, as noted above, we are just watching and analyzing the opportunity.
- Stop loss not set yet.