



## Selected Portfolio Position Review: 02-05-2020

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.

**ABBV - AbbVie Inc.**

ABBV AbbVie Inc. NYSE

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Health Care / Biotechnology

|                          |           |                   |                              |
|--------------------------|-----------|-------------------|------------------------------|
| Open: <b>83.59</b>       | Ask:      | P/E: <b>38.81</b> | Options: <b>yes</b>          |
| High: <b>84.71</b>       | Ask Size: | EPS: <b>2.17</b>  | Annual Dividend: <b>4.39</b> |
| Low: <b>83.59</b>        | Bid:      | Last Size:        | Yield: <b>5.20%</b>          |
| Prev Close: <b>82.30</b> | Bid Size: | VWAP:             | SCTR (Large): <b>76.3</b>    |

Tuesday 4-Feb-2020

▲ **+2.50%**

Chg: **+2.06**

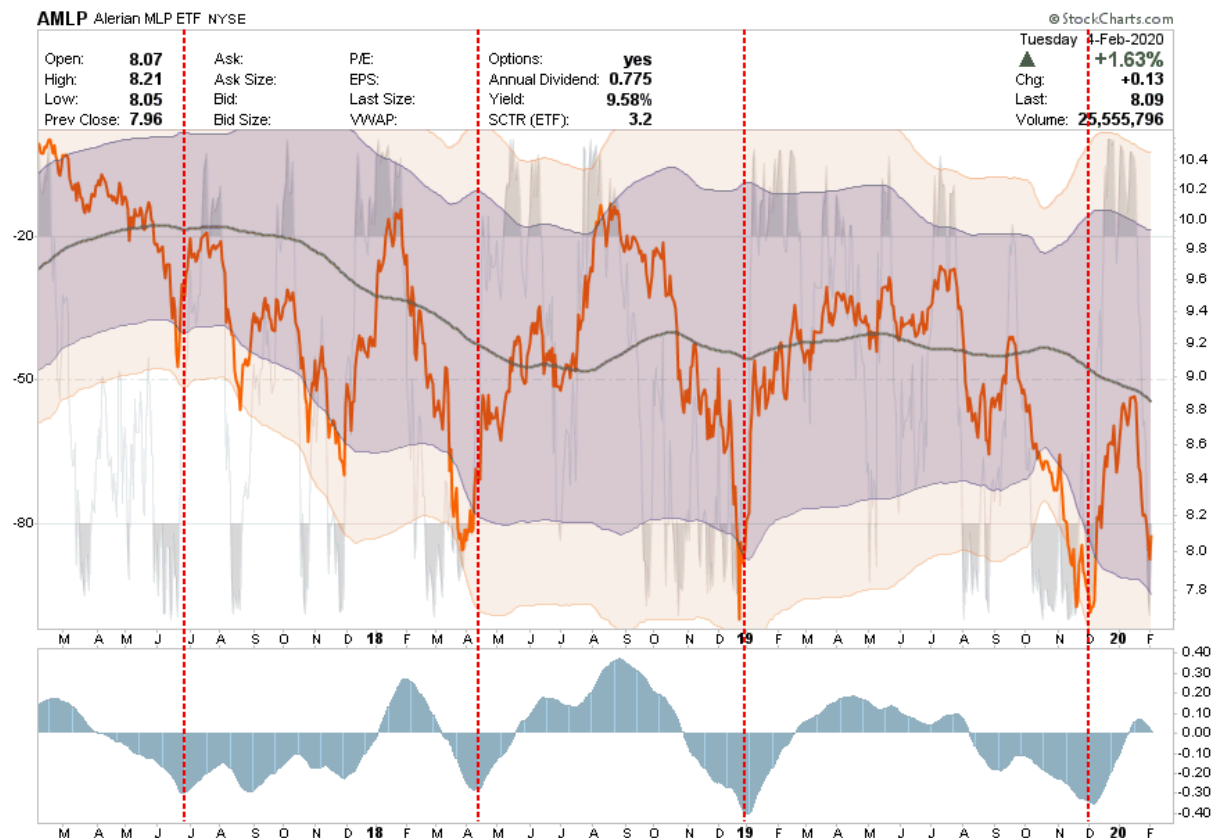
Last: **84.36**

Volume: **8,247,686**



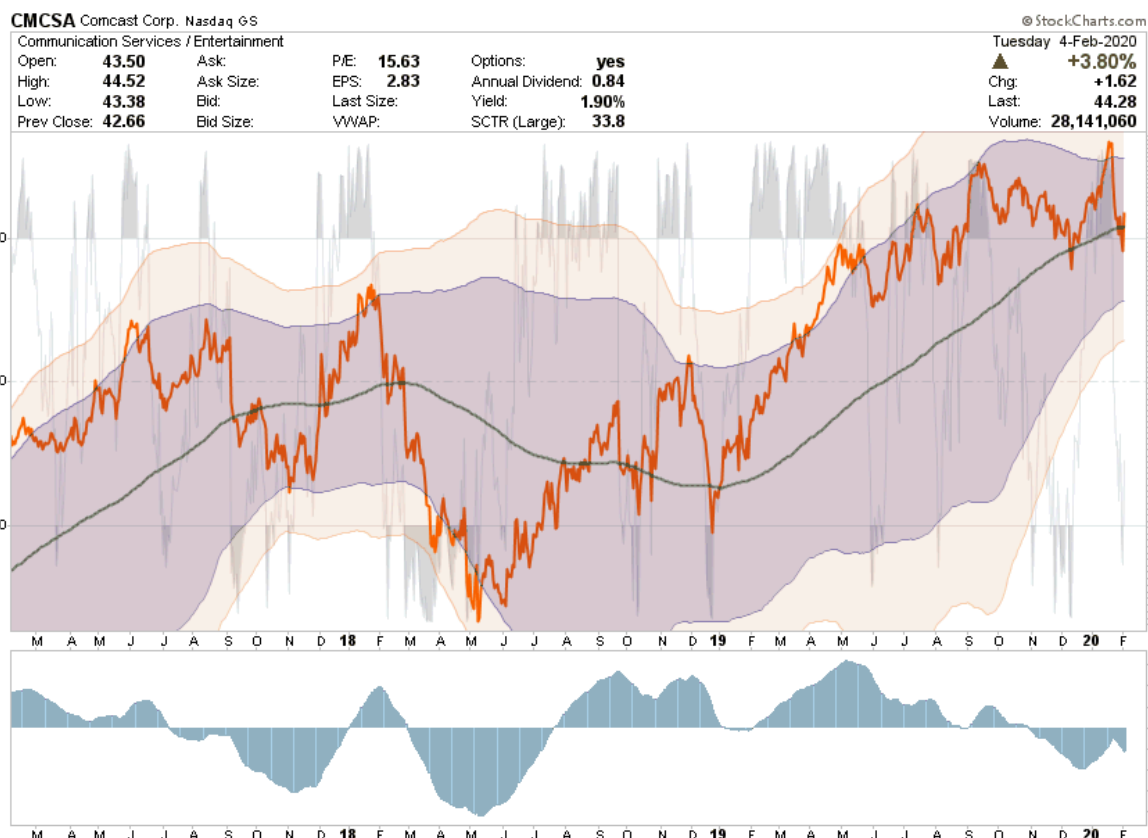
- We bought ABBV back in August of last year, as the stock had gotten extremely oversold. At the time we bought 1/2 position with an intention on adding to the holding.
- However, the stock went straight up not really offering a good point to add to our position.
- With ABBV now oversold and pulling back towards previous support levels, we are looking to add the second 1/2 to our position.
- We may see a bit more correction first, so we will be patient but will likely add to the position shortly.
- Stop is set at \$70

## AML - Alerian MLP ETF



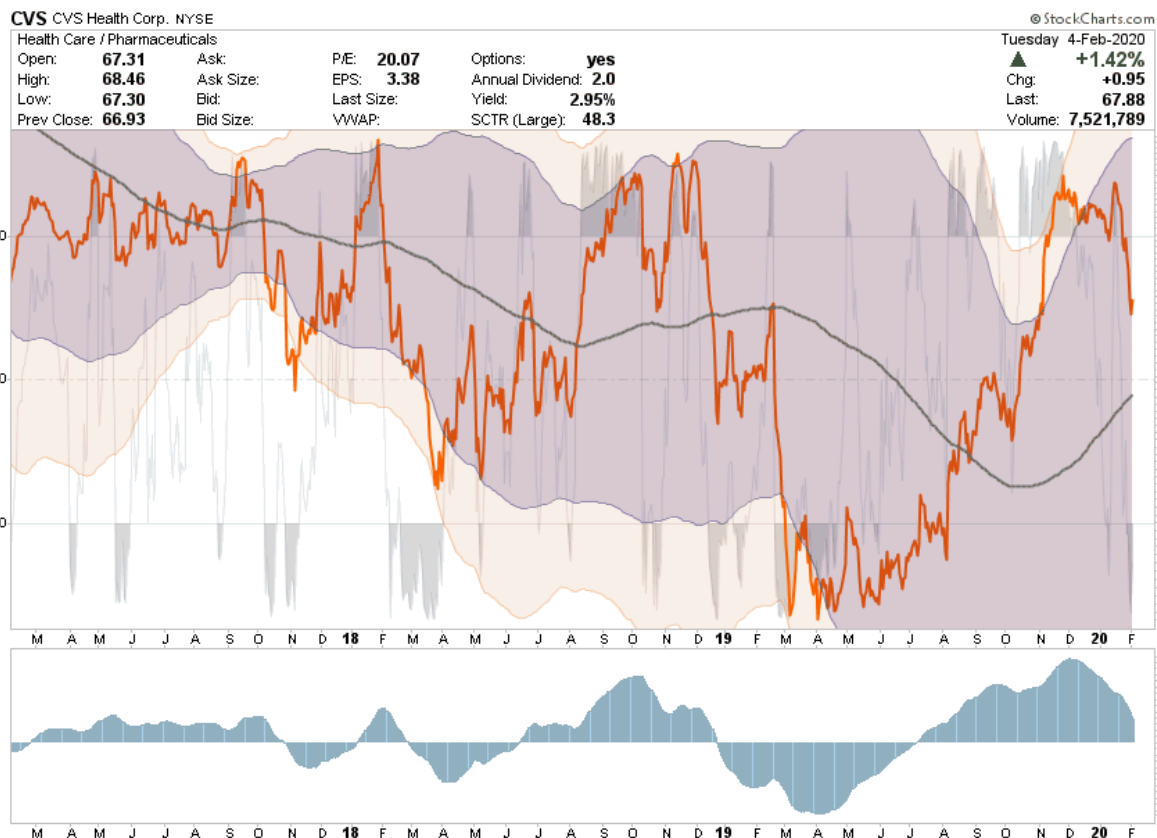
- We bought 1/2 of AMLP back in December expecting an opportunity to add to the holding. With the decline in oil, we may be getting that opportunity.
- If AMLP can hold support, over the next few days, and continue to base at these levels, we will be able to add our holding.
- With a near 10% yield we can give the holding a bit of room to wait out the current correction in oil. The sector is VERY beaten up and we are looking at other opportunities in the space.
- We are moving our stop to \$7

**CMCSA - Comcast Corp.**



- We previously bought CMCSA in January of last year and it has performed well. We have take profits as well.
- With the recent correction to the 200-dma, and lots of support just below that level, we can look to add back to our holding.
- With the position oversold, and on a "sell signal" currently, we will give CMCSA a little room and then add to the position opportunistically.
- We are maintaining our stop at \$40.

**CVS - CVS Health Corp.**



- We bought CVS in April of last year as the stock bottomed after concerns of "Medicare for all" ran rampant through the healthcare system.
- We took profits after a stellar run, but now the position is pulling back to support and is oversold enough to warrant adding to the position.
- We are looking for CVS to stabilize at current levels and not trigger a sell signal. If it does in the next day or two, we can add to our holding.
- Stop is moved up to \$62

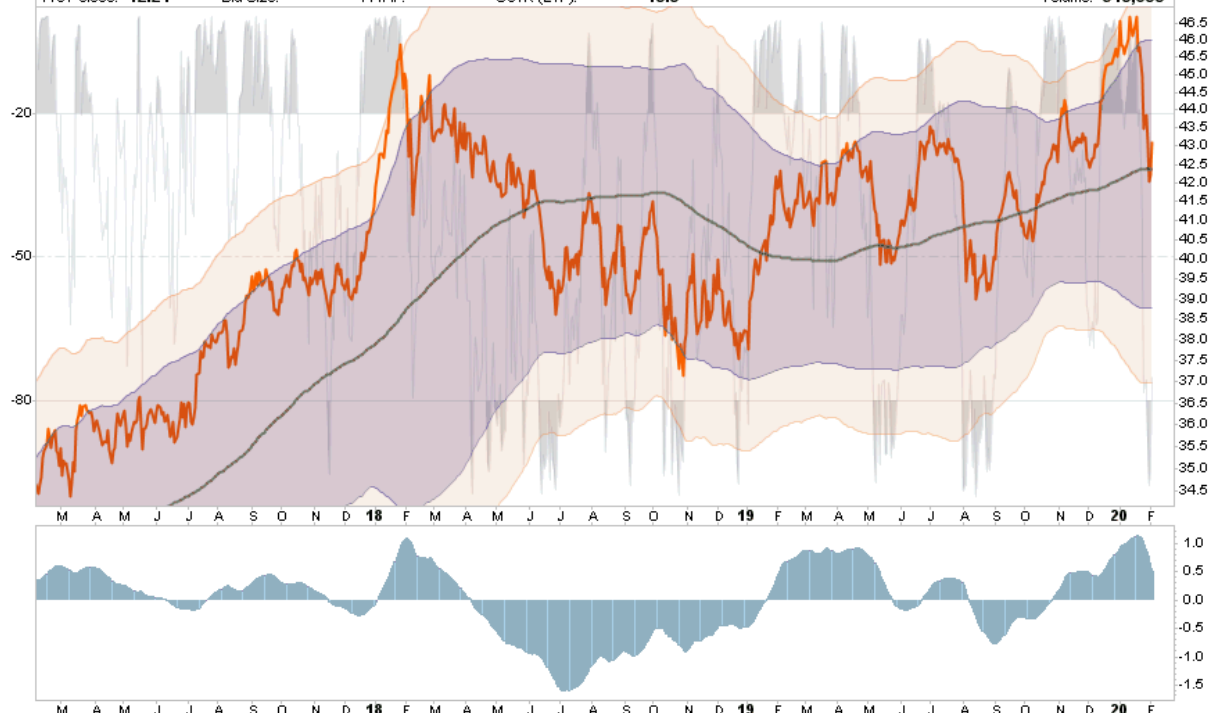
**DEM - Emerging Market High Yield Dividend.**

# DEM WisdomTree Emerging Markets High Dividend Fund NYSE

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Open: **43.12** Ask: P/E: Options: **yes**  
 High: **43.28** Ask Size: EPS: Annual Dividend: **2.19014**  
 Low: **43.04** Bid: Last Size: Yield: **5.08%**  
 Prev Close: **42.21** Bid Size: VWAP: SCTR (ETF): **15.5**

Tuesday 4-Feb-2020  
 ▲ **+2.16%**  
 Chg: **+0.91**  
 Last: **43.12**  
 Volume: **345,055**



- We bought DEM on anticipation of a bit weaker dollar, and then "coronavirus" showed up.
- With a 5% yield we can be a little patient here, but if the 200-dma support can hold, along with the position being very oversold, there is a good tradeable rally on any news the "virus" is coming under some control or improvement.
- We are likely going to add to the position for a trade back to the top of the range with a stop at \$41.
- Stop is moved up to \$41 on whole position.

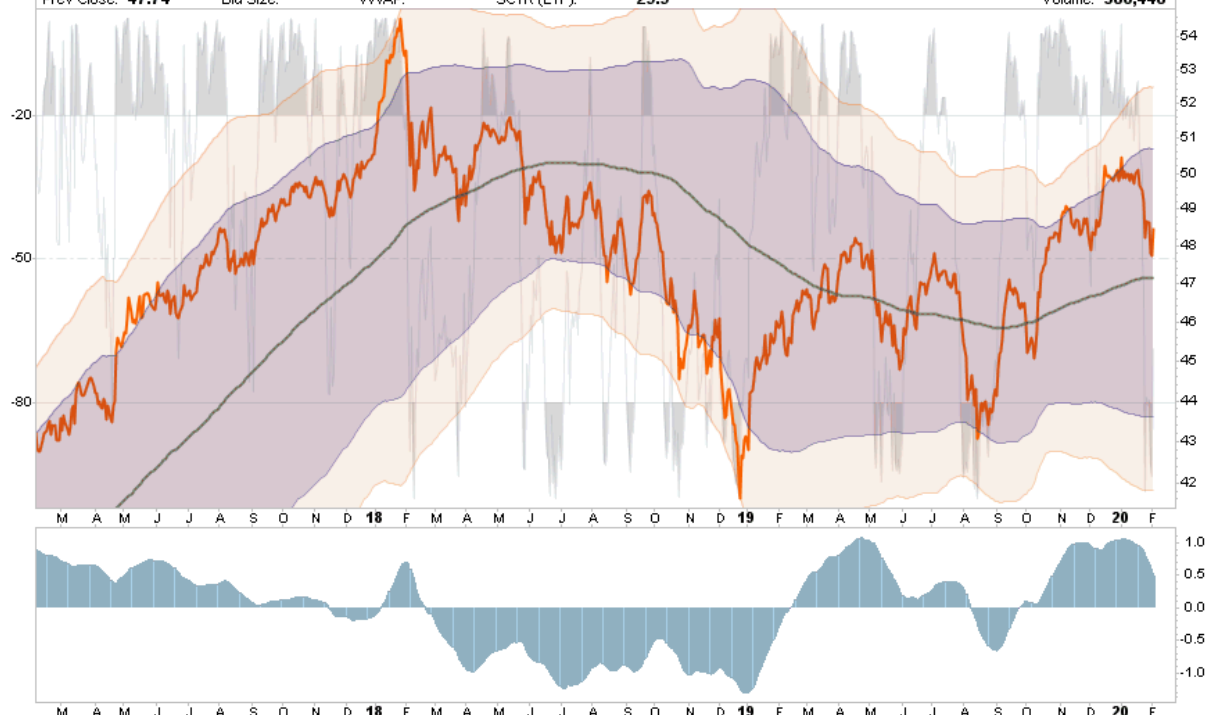
## EFV - iShares EAFE Value ETF

**EFV iShares MSCI EAFE Value ETF NYSE**

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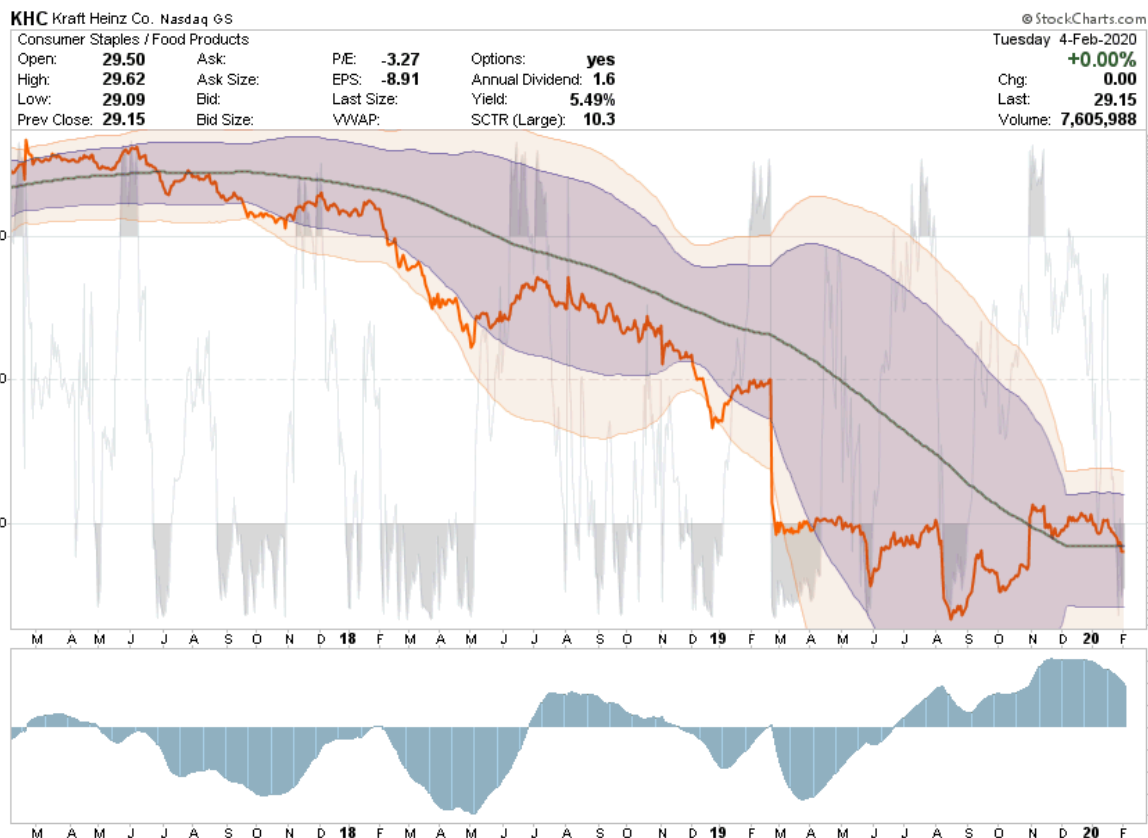
|                          |           |            |                                |
|--------------------------|-----------|------------|--------------------------------|
| Open: <b>48.45</b>       | Ask:      | P/E:       | Options: <b>yes</b>            |
| High: <b>48.59</b>       | Ask Size: | EPS:       | Annual Dividend: <b>2.3077</b> |
| Low: <b>48.44</b>        | Bid:      | Last Size: | Yield: <b>4.76%</b>            |
| Prev Close: <b>47.74</b> | Bid Size: | VWAP:      | SCTR (ETF): <b>29.9</b>        |

Tuesday 4-Feb-2020  
 ▲ **+1.59%**  
 Chg: **+0.76**  
 Last: **48.50**  
 Volume: **580,448**



- As with DEM, EFV sports a yield of nearly 5% and is now very oversold.
- As noted above, any improvement in the "virus" situation is likely to lead to a fairly sharp counter trend rally.
- We are looking to add to the position for a trade higher and then we may step out of international again entirely due to underperformance relative to domestic holdings.
- We need to see EFV hold support at the 200-dma which is where we are moving stops up to.
- Stop is currently set at \$47

**KHC - Kraft Heinz Co.**



- We bought a position in KHC back near the September lows in anticipation of an improvement in earnings. That led to a pop in the stock short-term.
- With KHC now oversold, but still on a buy signal, earnings are due on February 13th. If there is a good earnings report we will expect to see the position improve and we will add to our holding.
- If earnings disappoint, we will re-evaluate our thesis on the company and take action accordingly.
- Stop loss remains at \$25

**STZ - Constellation Brands, Inc.**

**STZ** Constellation Brands, Inc. NYSE

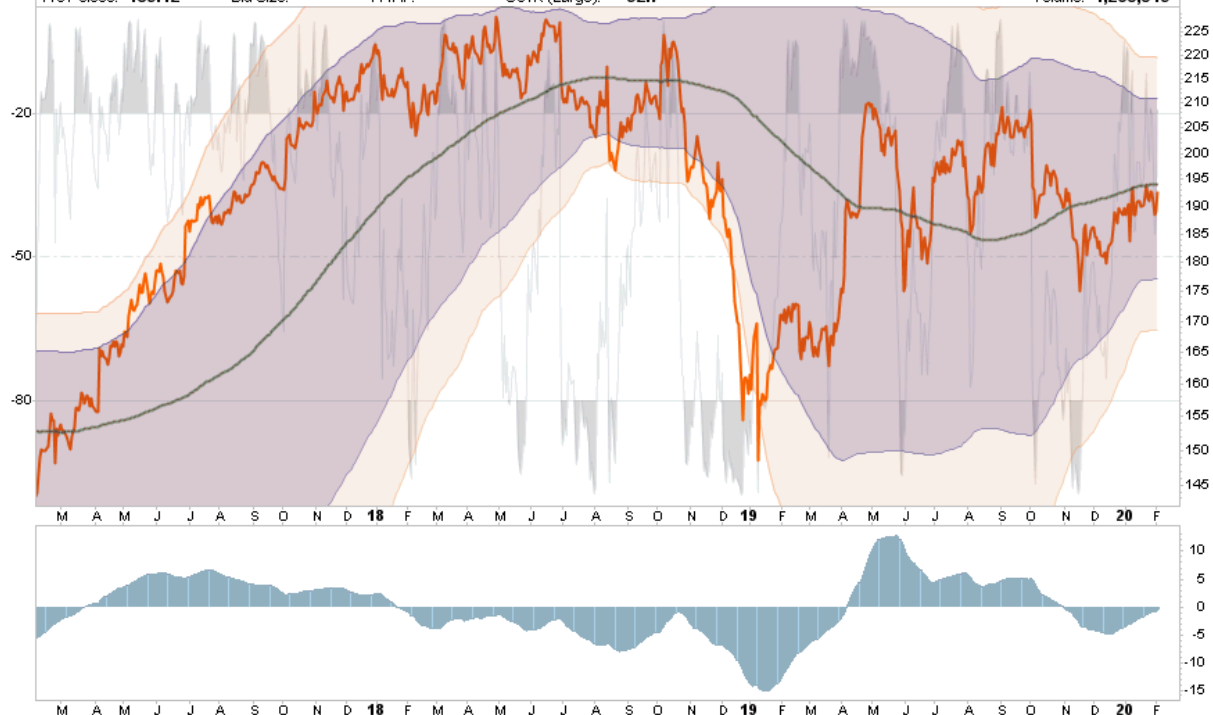
Consumer Staples / Distillers &amp; Vintners

|                           |           |                   |                              |
|---------------------------|-----------|-------------------|------------------------------|
| Open: <b>191.60</b>       | Ask:      | P/E: <b>48.58</b> | Options: <b>yes</b>          |
| High: <b>194.96</b>       | Ask Size: | EPS: <b>3.97</b>  | Annual Dividend: <b>2.99</b> |
| Low: <b>191.48</b>        | Bid:      | Last Size:        | Yield: <b>1.55%</b>          |
| Prev Close: <b>189.12</b> | Bid Size: | VWAP:             | SCTR (Large): <b>32.7</b>    |

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Tuesday 4-Feb-2020

|                          |
|--------------------------|
| ▲ <b>+1.99%</b>          |
| Chg: <b>+3.77</b>        |
| Last: <b>192.89</b>      |
| Volume: <b>1,205,549</b> |



- We have been watching STZ for a while and have been considering adding it to the portfolio.
- STZ has been unable to move above the 200-dma which has kept us on hold.
- STZ is close to registering a buy signal now, which makes things more interesting. We are continuing to monitor the position but may consider adding a trading position if the buy signal is triggered.
- Stop-loss would be set at \$175

**UNH - United Healthcare**

UNH UnitedHealth Group, Inc. NYSE

Health Care / Health Care Providers

Open: **277.28**

Ask:

P/E: **19.60**

Options: **yes**

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Tuesday 4-Feb-2020

High: **283.50**

Ask Size:

EPS: **14.33**

Annual Dividend: **4.14**

▲ **+2.49%**

Low: **276.88**

Bid:

Last Size:

Yield: **1.47%**

Chg: **+6.82**

Prev Close: **274.02**

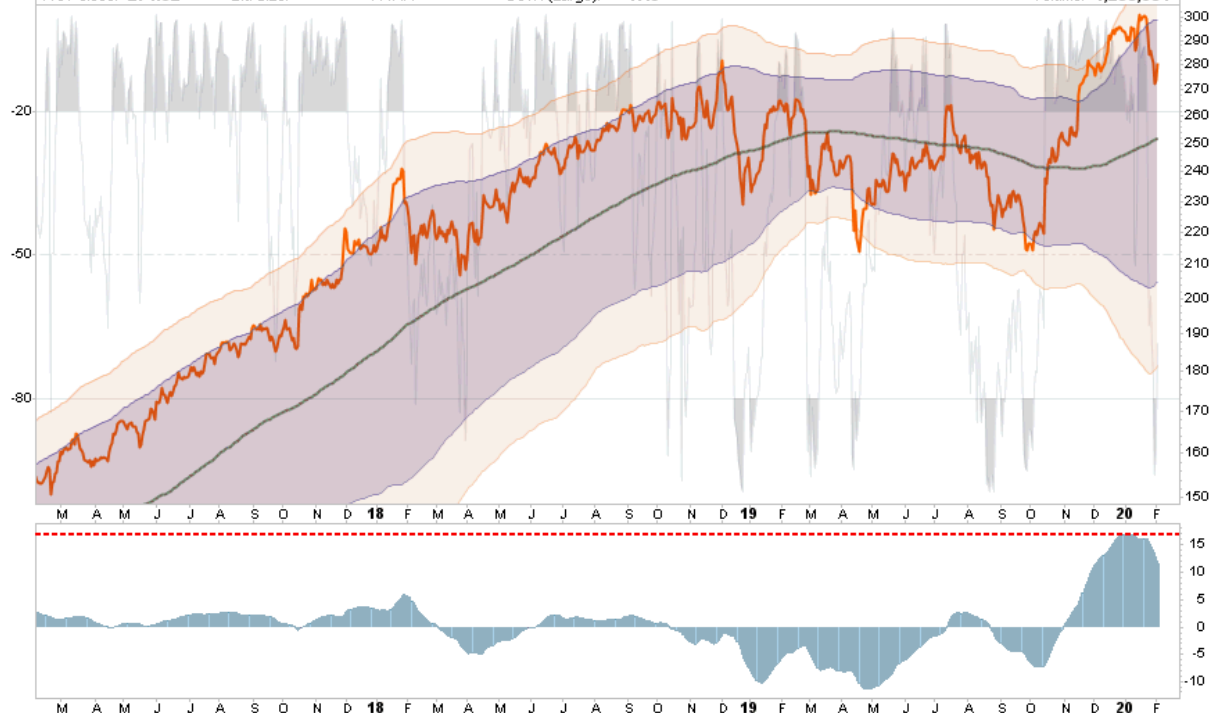
Bid Size:

VWAP:

SCTR (Large): **47.3**

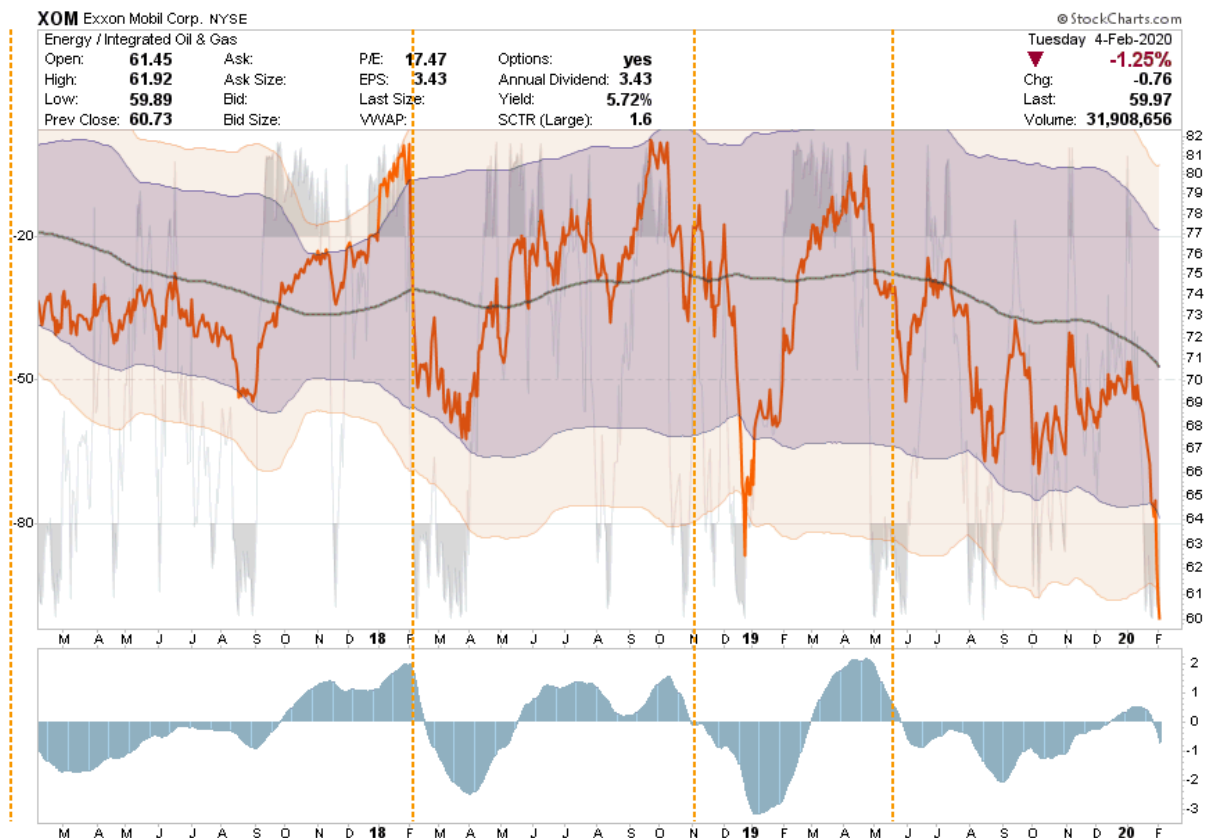
Last: **280.84**

Volume: **4,288,681**



- *UNH has surged higher in recent months after struggling with "Medicare for all" from Democratic candidates last year.*
- *We love this position and will continue to hold it, however, the position is SO extremely extended we did take profits recently.*
- *With the pullback we are now looking to add back to our holdings as long as support holds at the 200-dma.*
- *With UNH now back to an oversold condition the opportunity to add to our holding is approaching.*
- *Stop loss moved up to \$250*

## XOM - Exxon Mobil



- Technically we should be stopped out of XOM after it broke our stop level on Tuesday.
- However, with XOM on a very deep oversold condition and 3-standard deviations below the 200-dma, we are looking for a sellable rally to reduce the position into. Counter-trend rallies from these levels have tended to be rather sharp.
- With a near 6% yield we will give XOM a little wiggle room. However, we aren't giving it much.
- Stop loss triggered at \$62.