

# Long-Short Idea List: 05-23-19

## 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

ALE - Allele Inc.

**ALE** Allele Inc. NYSE

Utilities / Conventional Electricity

Open: <b>82.00</b>	Ask:	P/E: <b>21.99</b>	Options: <b>yes</b>
High: <b>82.74</b>	Ask Size:	EPS: <b>3.75</b>	Annual Dividend: <b>2.295</b>
Low: <b>81.60</b>	Bid:	Last Size: <b>2.78%</b>	Yield: <b>2.78%</b>
Prev Close: <b>82.11</b>	Bid Size:	VWAP:	SCTR (Small): <b>70.2</b>

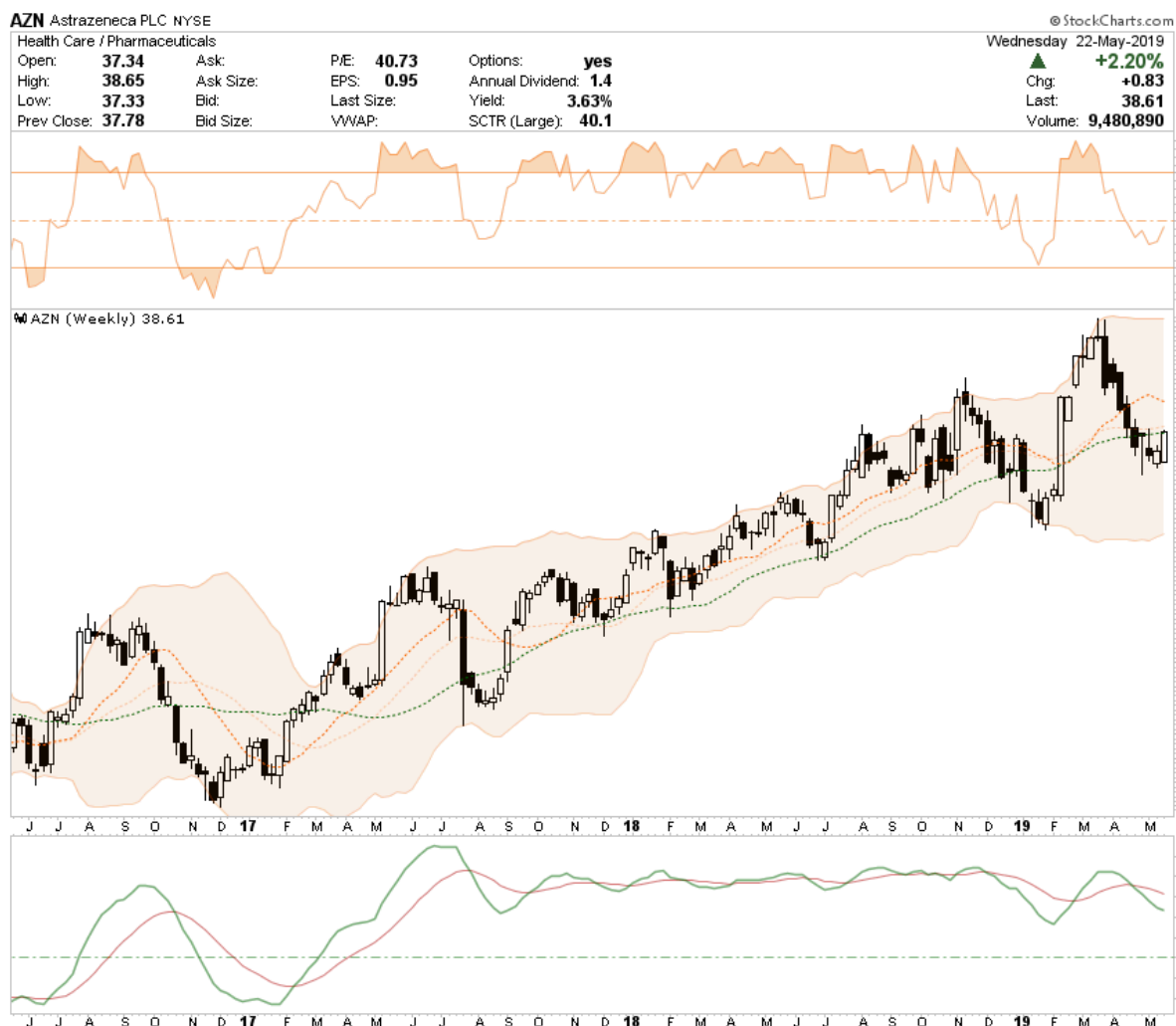
© StockCharts.com

Wednesday 22-May-2019

▲ **+0.45%**Chg: **+0.37**Last: **82.48**Volume: **452,176**

- ALE sold off to support recently and turned up and is testing previous highs.
- Buy at \$83.50 with a target of \$100
- Stop level is \$77.50

**AZN - Astrazeneca**



- AZN sold off and broke support and is on a sell signal. However, we are currently seeing the early stages of a rotation into Healthcare so if AZN can break back above the 200-dma a trading position can be added.
- Currently AZN is oversold and is turning up.
- Buy at \$39 with a target of \$44.
- Stop-loss is currently \$37

**EGHT - 8x8, Inc.**

EGHT 8x8, Inc. NYSE

@ StockCharts.com

Communication Services / Fixed Telecommunications

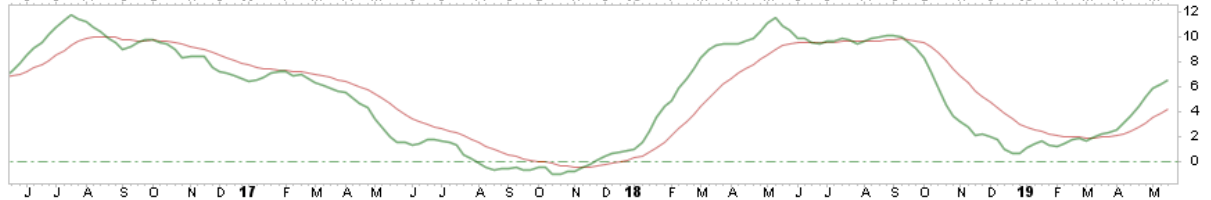
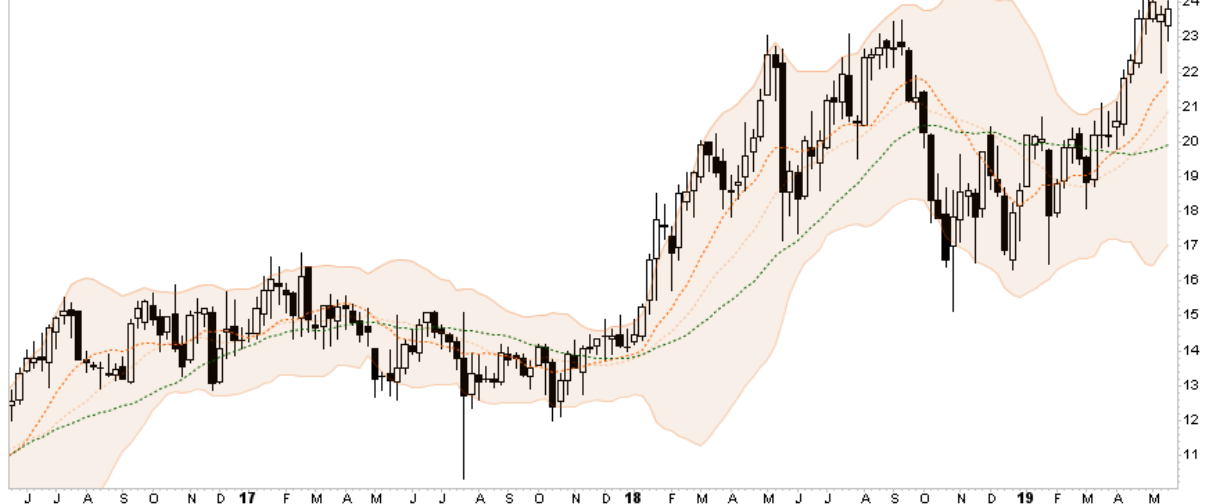
Wednesday 22-May-2019

Open: <b>23.34</b>	Ask:	P/E: <b>-25.57</b>	Options: <b>yes</b>
High: <b>24.06</b>	Ask Size:	EPS: <b>-0.93</b>	Annual Dividend: <b>N/A</b>
Low: <b>22.90</b>	Bid:	Last Size:	Yield:
Prev Close: <b>23.64</b>	Bid Size:	VWAP:	SCTR (Small): <b>91.1</b>

▲ <b>+0.76%</b>
Chg: <b>+0.18</b>
Last: <b>23.82</b>
Volume: <b>5,959,867</b>



EGHT (Weekly) 23.82



- We previously recommended going long EGHT on a decent "trade" setup with a target of \$23.
- That target was reached, so sell 1/3rd of the position and take profits.
- Stop-loss on balance of position is \$22

**GOOG - Alphabet, Inc.**

**GOOG** Alphabet Inc. - Class C Nasdaq GS

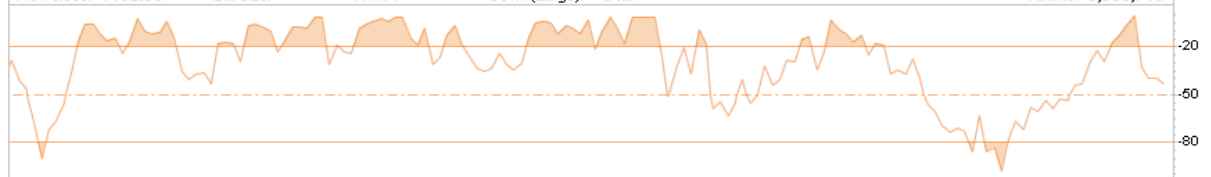
© StockCharts.com

Communication Services / Internet

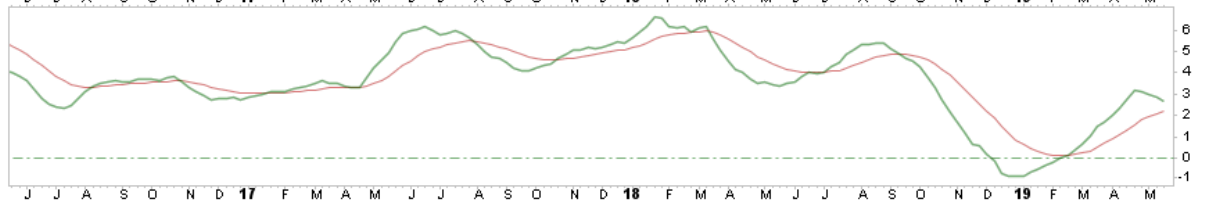
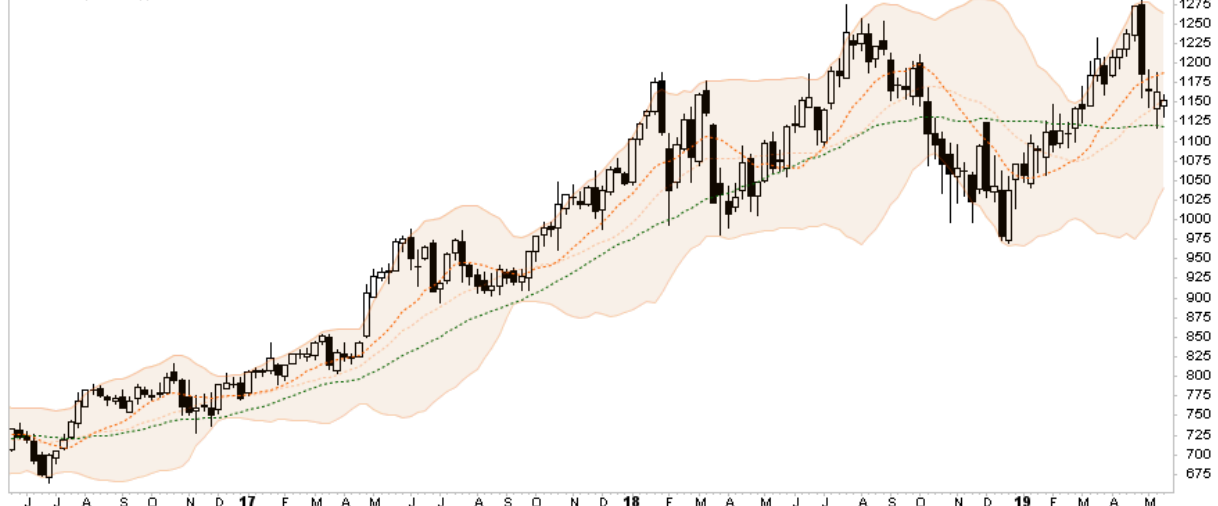
Wednesday 22-May-2019

Open: **1144.50** Ask: P/E: **28.88** Options: **yes**  
 High: **1158.52** Ask Size: EPS: **39.87** Annual Dividend: **N/A**  
 Low: **1131.44** Bid: Last Size: Yield: **N/A**  
 Prev Close: **1162.30** Bid Size: VWAP: SCTR (Large): **51.3**

▼ **-0.94%**  
 Chg: **-10.88**  
 Last: **1151.42**  
 Volume: **3,385,740**

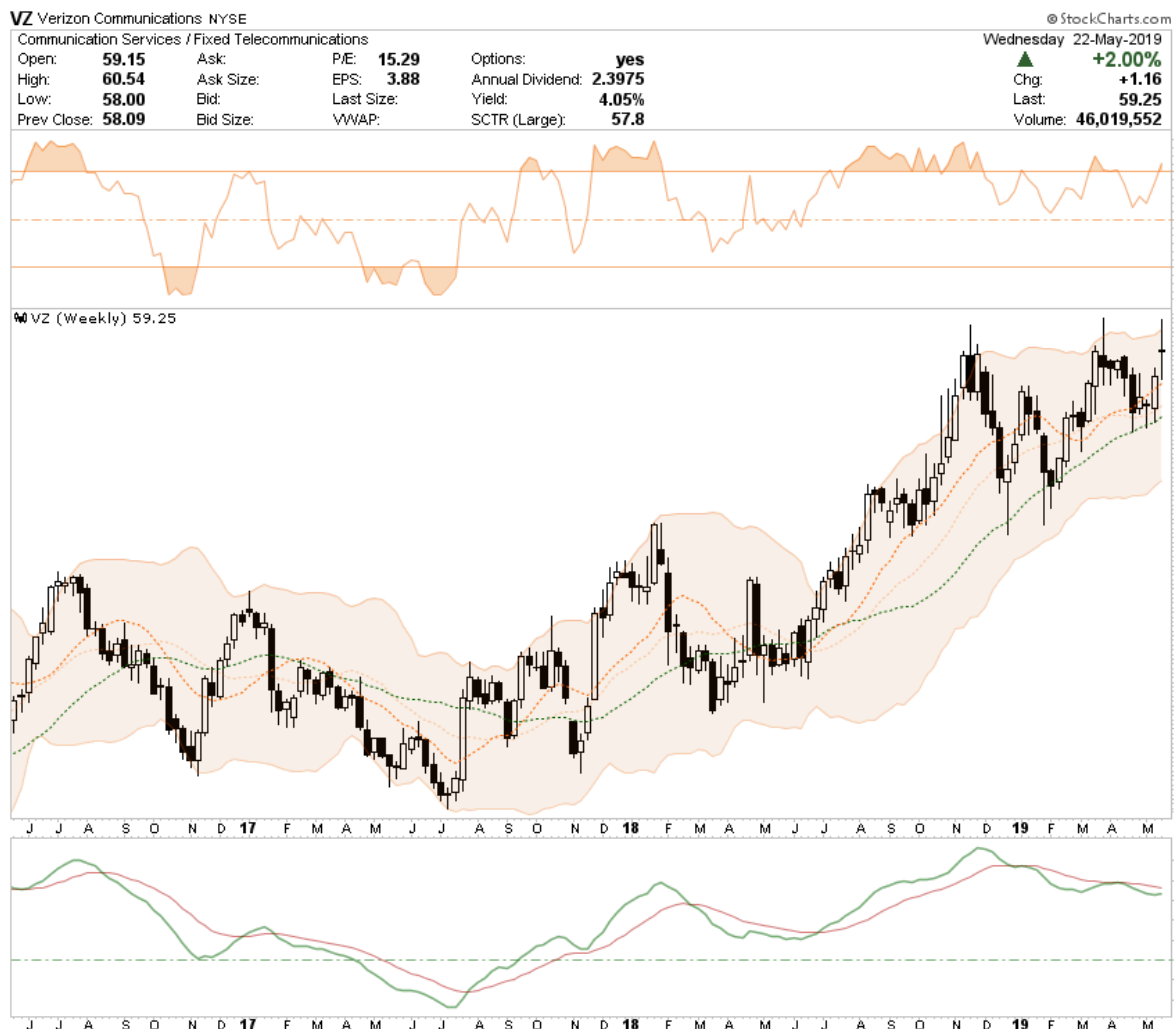


GOOG (Weekly) 1151.42



- We previously recommended taking a position in GOOG on the break above the 200-dma.
- That rally has now failed and is retesting the 200-dma.
- For now GOOG remains on a buy signal which suggests a long-position can be entered with a decent risk/reward setup.
- Buy at current levels.
- Stop Loss is set tight at \$1120

**VZ - Verizon Communications**



- VZ is a long position in our equity portfolio currently.
- With VZ testing a triple top, we are looking to add to the position on a break out above that resistance level.
- Buy on confirmed breakout (must hold above) \$61
- Stop loss is set at \$56

## SHORT CANDIDATES

CAT - Caterpillar

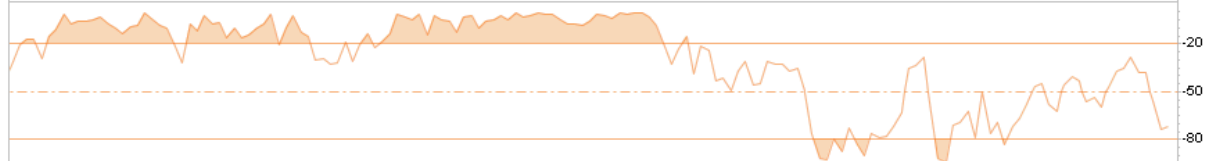
**CAT** Caterpillar, Inc. NYSE

Industrial / Commercial Vehicles

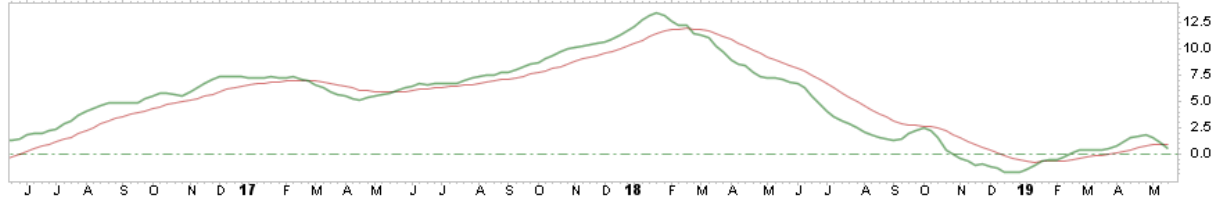
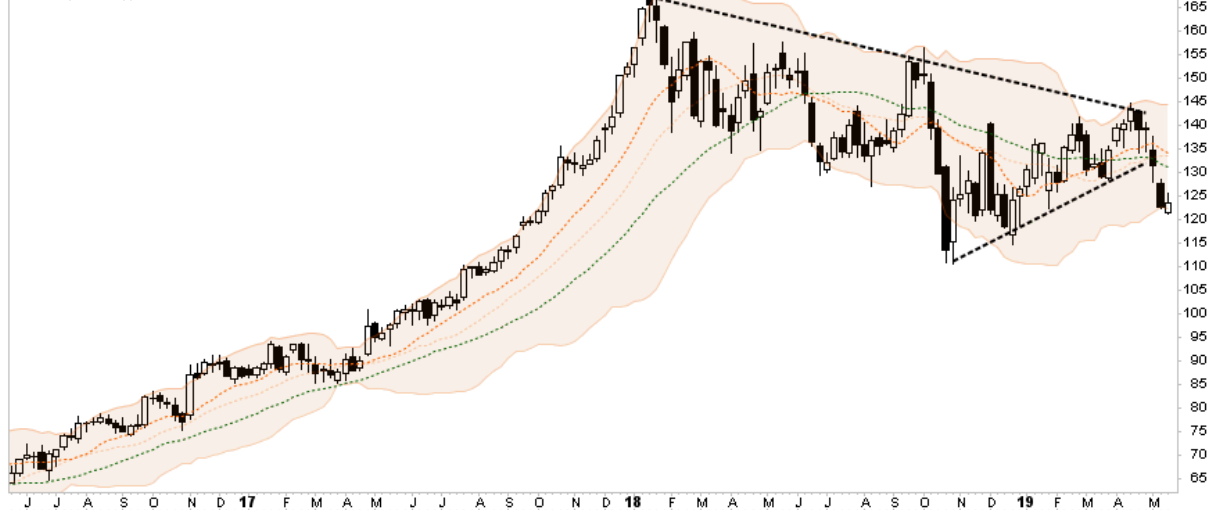
Open:	<b>121.56</b>	Ask:		P/E:	<b>11.51</b>	Options:	<b>yes</b>
High:	<b>125.44</b>	Ask Size:		EPS:	<b>10.74</b>	Annual Dividend:	<b>3.44</b>
Low:	<b>121.31</b>	Bid:		Last Size:	<b>2.78%</b>	Yield:	
Prev Close:	<b>122.76</b>	Bid Size:		VWAP:		SCTR (Large):	<b>21.5</b>

© StockCharts.com

Wednesday 22-May-2019

▲ **+0.65%**Chg: **+0.80**Last: **123.56**Volume: **16,393,534**

CAT (Weekly) 123.56



- CAT recently broke below its consolidation pattern and is now triggering a "sell signal."
- CAT is getting oversold short-term and is impacted from one-day to the next on "trade war" news.
- Look for a rally to \$130ish to short CAT.
- Target for trade is \$100
- Stop-loss is set at \$135

**GPS - Gap, Inc.**

**GPS** Gap, Inc. NYSE

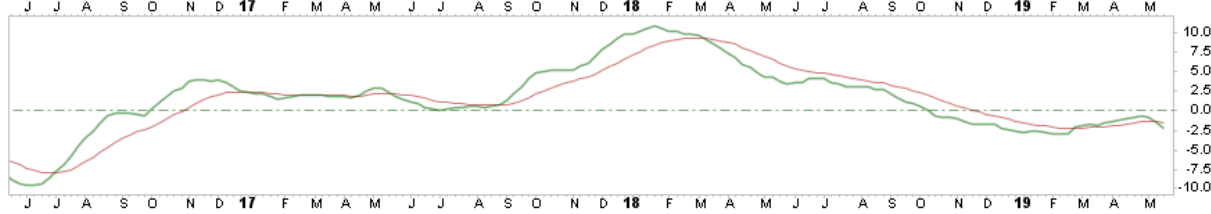
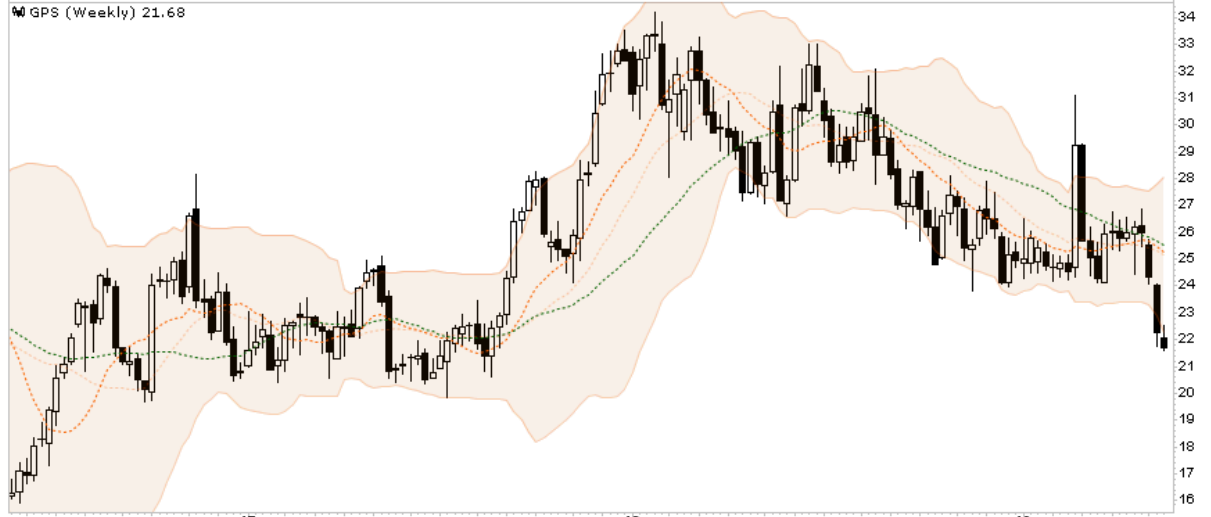
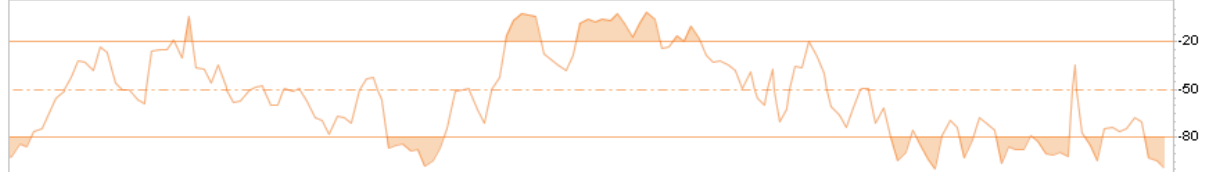
© StockCharts.com

Consumer Discretionary / Apparel Retailers

Wednesday 22-May-2019

Open: <b>22.07</b>	Ask:	P/E: <b>8.38</b>	Options: <b>yes</b>
High: <b>22.54</b>	Ask Size:	EPS: <b>2.59</b>	Annual Dividend: <b>0.97</b>
Low: <b>21.59</b>	Bid:	Last Size:	Yield: <b>4.47%</b>
Prev Close: <b>22.28</b>	Bid Size:	VWAP:	SCTR (Large): <b>5.3</b>

Chg: <b>-2.69%</b>
Last: <b>21.68</b>
Volume: <b>14,399,793</b>



- *The retail sector is and will remain under pressure from both the slowing economy and from the resurgence of the trade war.*
- *Short on any rally to \$24*
- *Target for trade is \$16*
- *Stop loss is \$26*

**TSLA - Tesla, Inc.**





- We recommended shorting TSLA a couple of weeks ago as it broke long-standing support. To wit:
- "There is a high risk of disappointment in this earnings seasons report particularly as auto sales have declined. TSLA continues to struggle in a downtrend of the 50-dma and the \$260 level is extremely critical support. **However, if the \$260 level is broken, the downside will be fast and furious and unshortable at that point. Short at current levels with a stop @ \$290.**"
- The break and furious sell-off did occur and now the brokerages are piling on.
- Our target was initially set at \$190 which has now been reached so close out 1/2 of the position and look to re-short TSLA on any rally back to \$250/

## ROST - Ross Stores

**ROST** Ross Stores, Inc. Nasdaq GS

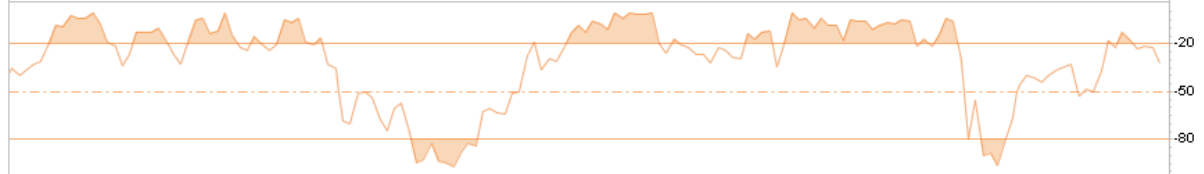
© StockCharts.com

Consumer Discretionary / Apparel Retailers

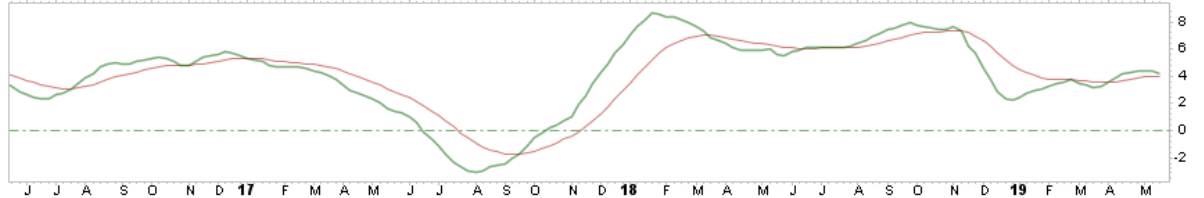
Wednesday 22-May-2019

Open: **96.77** Ask: P/E: **22.19** Options: **yes**  
 High: **97.80** Ask Size: EPS: **4.26** Annual Dividend: **0.93**  
 Low: **94.12** Bid: Last Size: Yield: **0.98%**  
 Prev Close: **97.20** Bid Size: VWAP: SCTR (Large): **47.5**

Chg: **-2.67**  
 Last: **94.53**  
 Volume: **8,414,638**



ROST (Weekly) 94.53



- *ROST is close to signaling a sell signal and is susceptible to both the trade war and consumer spending contraction.*
- *The set up currently for shorting is "not ideal." Therefore, be a little patient and wait for a break of the 200-dma.*
- *Short at \$92.*
- *Stop is set at \$95*
- *Target for the trade is \$77.50*

**AMC - AMC Entertainment**

**AMC AMC Entertainment Holdings Inc. NYSE**

© StockCharts.com

Consumer Discretionary / Recreational Services

Wednesday 22-May-2019

Open: <b>13.19</b>	Ask:	P/E: <b>-20.36</b>	Options: <b>yes</b>
High: <b>13.33</b>	Ask Size:	EPS: <b>-0.64</b>	Annual Dividend: <b>0.771</b>
Low: <b>12.90</b>	Bid:	Last Size: <b>5.91%</b>	Yield: <b>5.91%</b>
Prev Close: <b>13.13</b>	Bid Size:	VWAP:	SCTR (Small): <b>31.6</b>

Chg: <b>-0.09</b>	Volume: <b>4,767,829</b>
Last: <b>13.04</b>	



- *Movie theaters are impacted by constrained consumer spending. Plus, with the continuing ramp up of online streaming services, the need to go to movie theaters is fading.*
- *The recent rally to \$17 failed and AMC is now close to triggering a "sell signal."*
- *The shorting setup is not great but there is a reasonable risk reward tradeoff.*
- *Short below \$13*
- *Set stops at \$15*
- *Initial target for trade is \$9*