



UNLOCKED: RIA PRO Portfolio Trading Action Alert

Since much of the commentary we write is from a "macro view", many readers, at least judging by the comments we receive, miss the difference between long-range views (***the assessment of risk***) and the proper portfolio management practices related to navigating the markets (***the management of risk.***)

This week, we have unlocked our recent portfolio action alert ([Subscribe for 30-day FREE Trial](#)) which discusses the recent actions taken in our portfolio. Importantly, the portfolios we run at [RIAPRO.Net](#) are "live" accounts and not models.

RIAPRO takes our portfolio management system and puts it online. You can research markets, sectors, and individual stocks, track news and analyst recommendations, and build your own portfolio. Or, you can follow the portfolios we use for our clients.

Over the last couple of weeks we have been suggesting to our subscribers that markets have gotten extremely stretched in the short-term and that a pullback over the next couple of months is likely. From that view, we recently took some actions to raise cash and rebalance portfolio risks accordingly.

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 and risk management process keeps us focused on capital preservation and long-term returns.

Before we get into what we did this week, let me give you a quick explanation on 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.



NOTE: The portfolio was launched on the 1st trading day of January. So all return numbers are YTD from the point they were added to the portfolio. As noted last week, we said we were going to take profits on some of our positions. This week's position report covers those transactions.

CHCT - Community Healthcare Trust

CHCT Community Healthcare Trust, Inc. NYSE

Real Estate / Specialty REITs

Open: **40.31** Ask: P/E: **259.01** Options: **no**
High: **41.09** Ask Size: EPS: **0.16** Annual Dividend: **1.625**
Low: **39.87** Bid: Last Size: **3.98%** Yield: **3.98%**
Prev Close: **40.23** Bid Size: VWAP: SCTR (Small): **85.7**

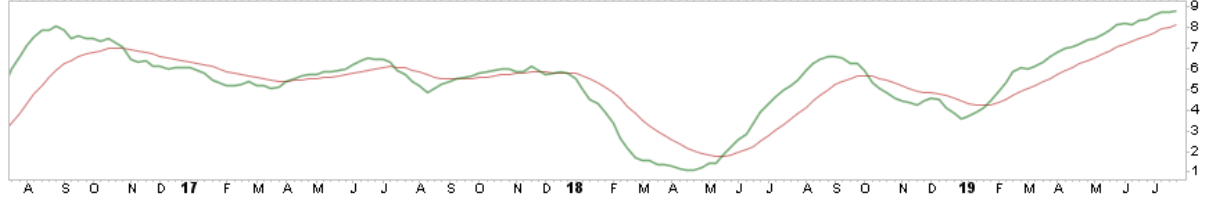
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Tuesday 23-Jul-2019

▲ **+1.47%**
Chg: **+0.59**
Last: **40.82**
Volume: **229,594**



CHCT (Weekly) 40.82



- Sold 10% of CHCT at \$40.26
- The position is up 39.30%
- Stop loss is adjusted to \$35

COST - Costco Wholesale Corp.

COST Costco Wholesale Corp. Nasdaq GS

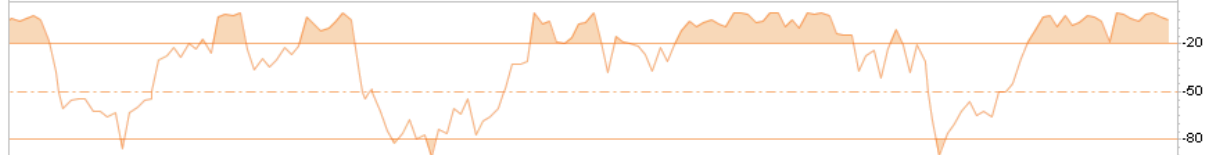
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Consumer Staples / Personal Products

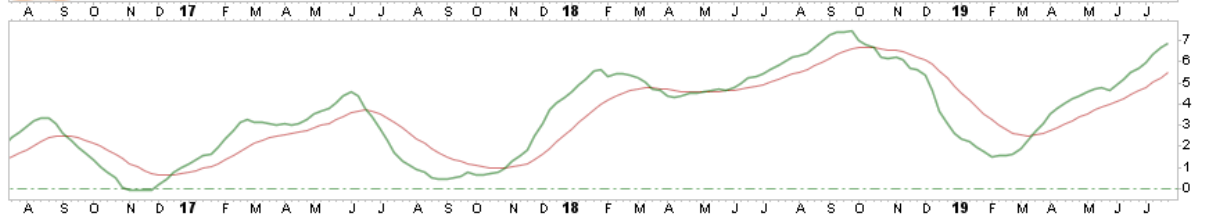
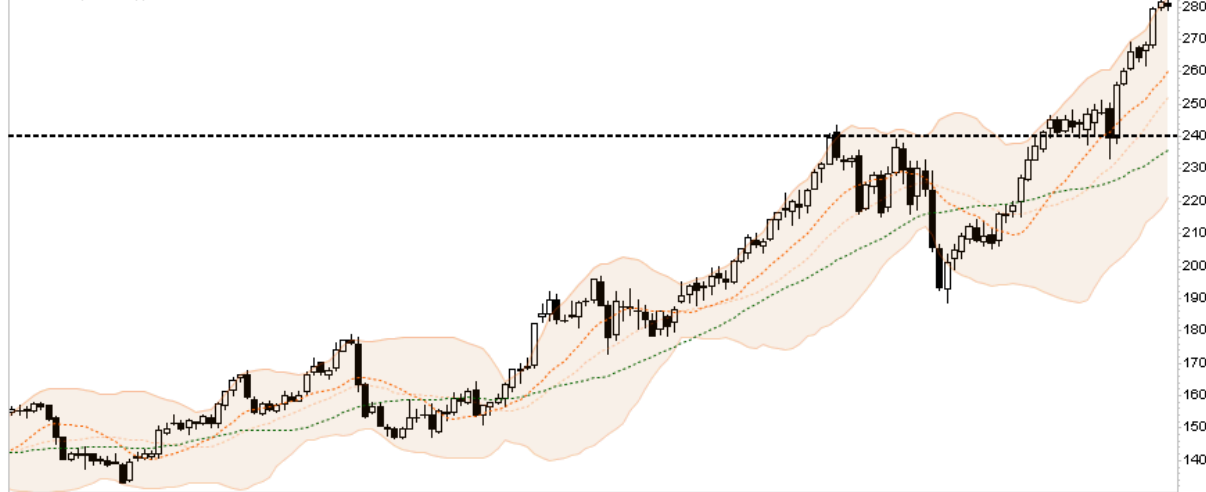
Tuesday 23-Jul-2019

Open: 281.22	Ask:	P/E: 34.37	Options: yes
High: 282.32	Ask Size:	EPS: 8.15	Annual Dividend: 2.36
Low: 279.02	Bid:	Last Size:	Yield: 0.84%
Prev Close: 281.51	Bid Size:	VWAP:	SCTR (Large): 91.0

▼ -0.50%
Chg: -1.41
Last: 280.10
Volume: 2,579,441

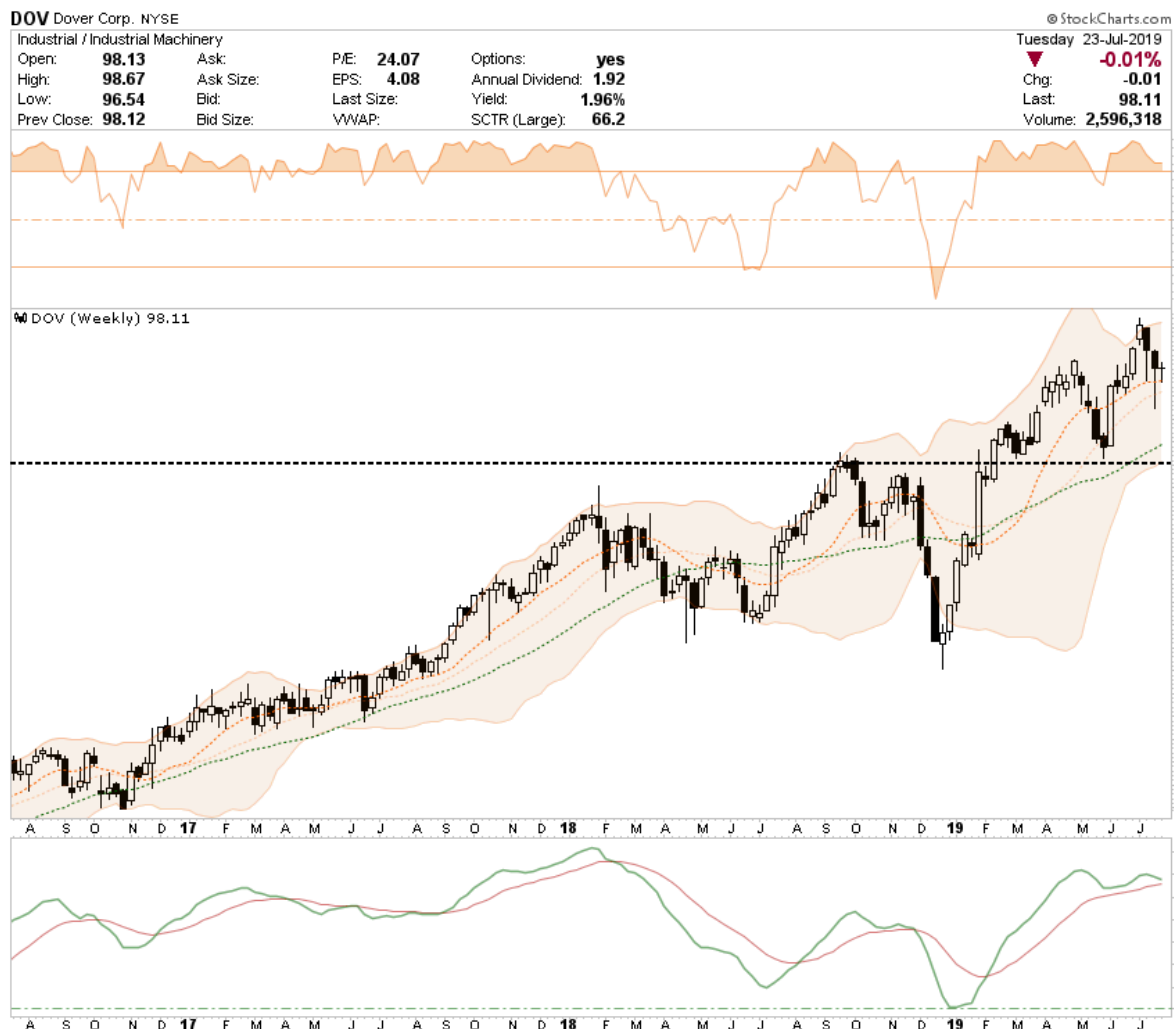


COST (Weekly) 280.10



- *The is the second time we have trimmed COST.*
- *We sold 10% at the end of April @ \$244.40.*
- *We sold 10% this week at \$281.39*
- *COST is up 35.25% in the portfolio*
- *Stop is being adjusted to \$240*

DOV - Dover Corp.



- *The is the second time we have trimmed DOV.*
- *We sold 10% at the end of April @ \$97.25*
- *We sold 10% this week at \$98.28*
- *DOV is up 35.14% in the portfolio*
- *Stop is being adjusted to \$90*

MDLZ - Mondelez International

MDLZ Mondelez International, Inc. Nasdaq GS

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Consumer Staples / Food Products

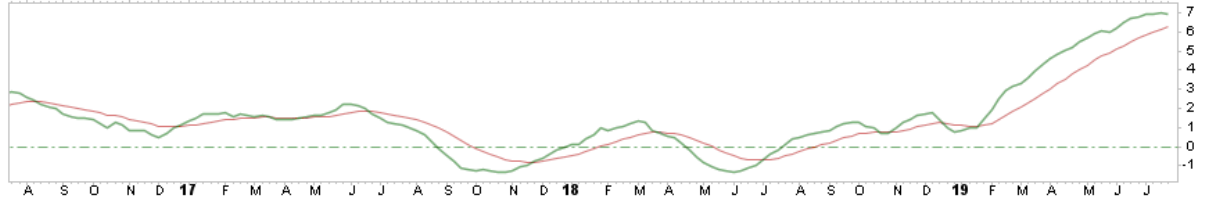
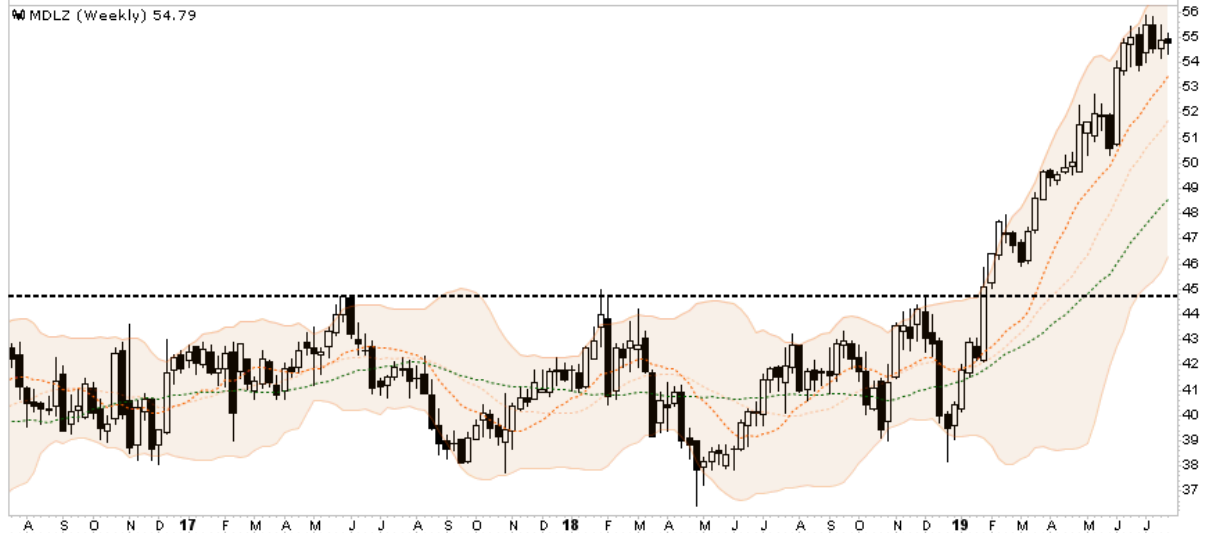
Tuesday 23-Jul-2019

Open: 54.96	Ask:	P/E: 32.40	Options: yes
High: 55.14	Ask Size:	EPS: 1.69	Annual Dividend: 1.0
Low: 54.34	Bid:	Last Size:	Yield: 1.83%
Prev Close: 54.89	Bid Size:	VWAP:	SCTR (Large): 76.0

Chg: -0.10	Volume: 9,615,330
Last: 54.79	

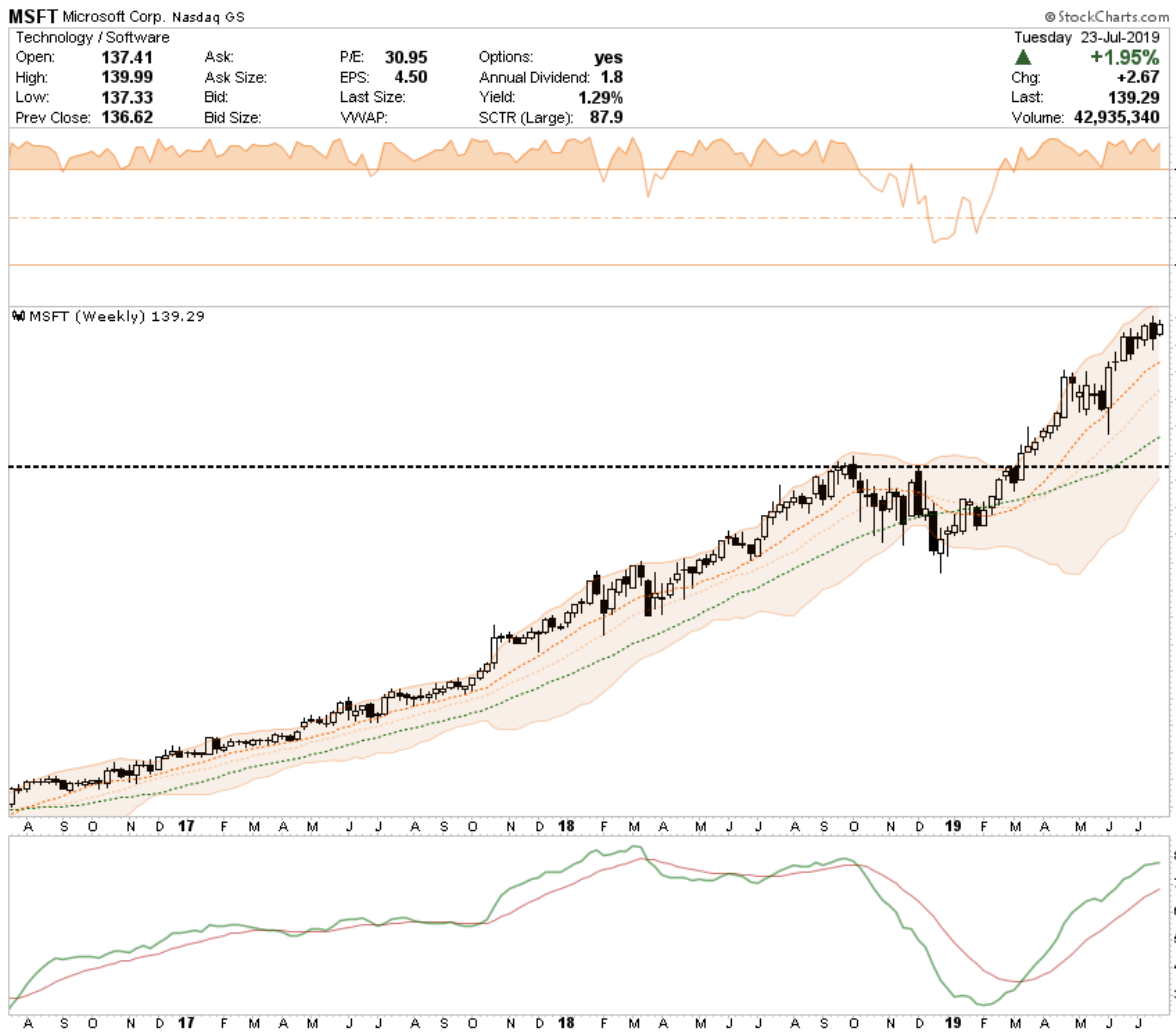


MDLZ (Weekly) 54.79



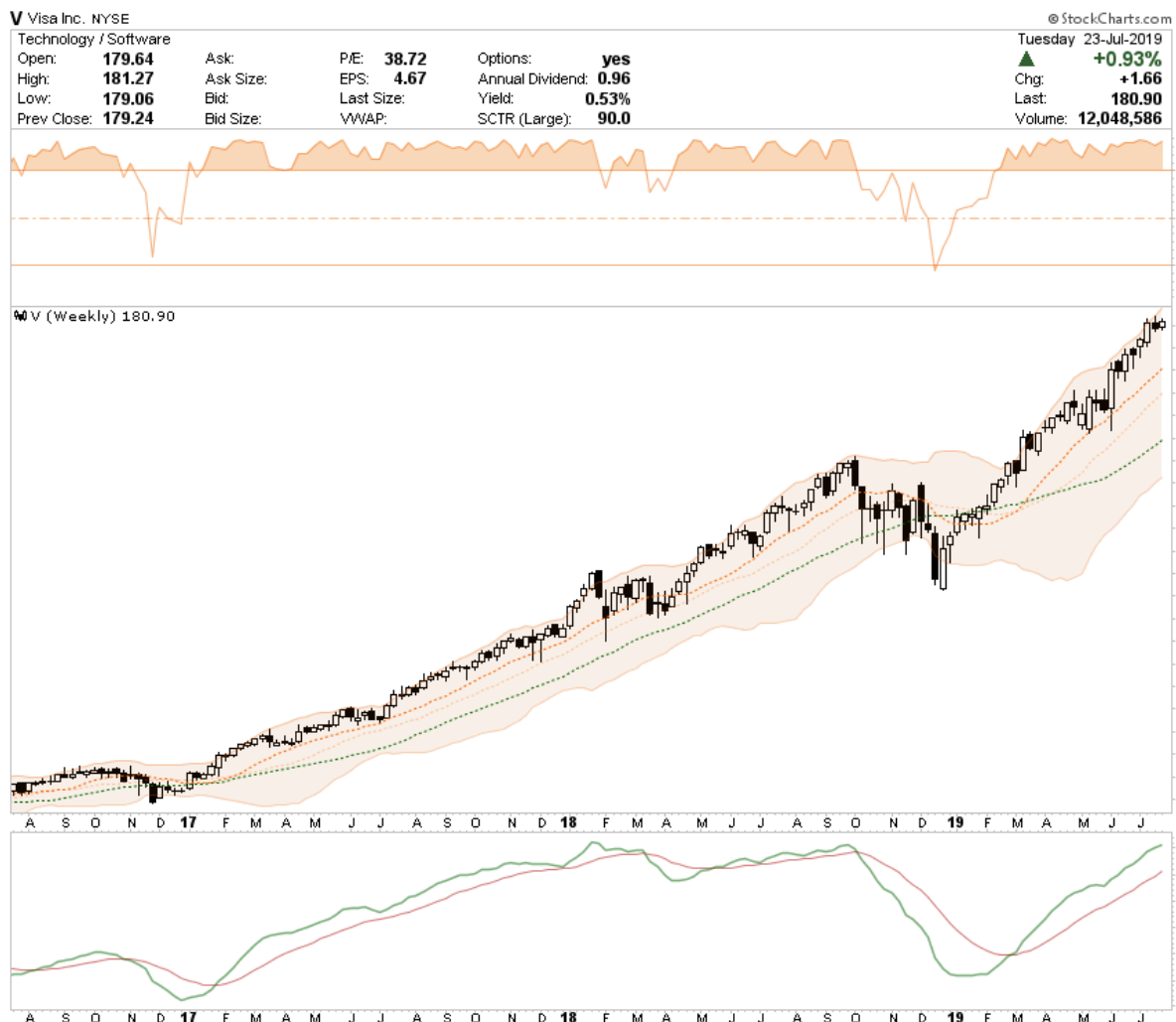
- *The is the second time we have trimmed MDLZ.*
- *We sold 10% at the end of April @ \$50.55*
- *We sold 10% this week at \$54.75*
- *MDLZ is up 33.59% in the portfolio*
- *Stop is being adjusted to \$49*

MSFT - Microsoft Corp.



- *The is the second time we have trimmed MSFT.*
- *We sold 10% at the end of April @ \$130.21*
- *We sold 10% this week at \$137.55*
- *MSFT is up 27.67% in the portfolio*
- *Stop is being adjusted to \$120*

V - Visa, Inc.



- *The is the second time we have trimmed V.*
- *We sold 10% at the end of April @ \$165.46*
- *We sold 10% this week at \$179.55*
- *V is up 34.40% in the portfolio*
- *Stop is being adjusted to \$155*

PG - Proctor & Gamble Co.

PG Procter & Gamble Co. NYSE

Consumer Staples / Personal Products

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Open: 115.04	Ask:	P/E: 27.10	Options: yes
High: 116.05	Ask Size:	EPS: 4.20	Annual Dividend: 2.8975
Low: 113.83	Bid:	Last Size:	Yield: 2.55%
Prev Close: 115.01	Bid Size:	VWAP:	SCTR (Large): 74.5

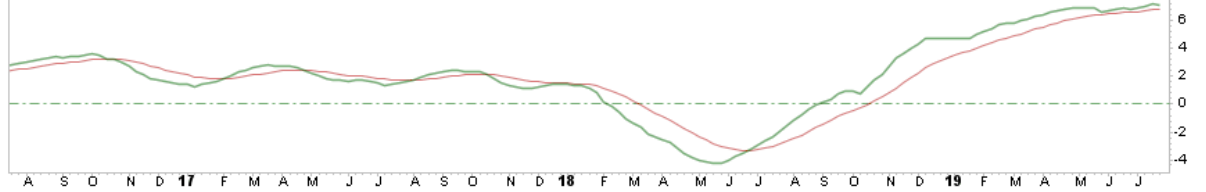
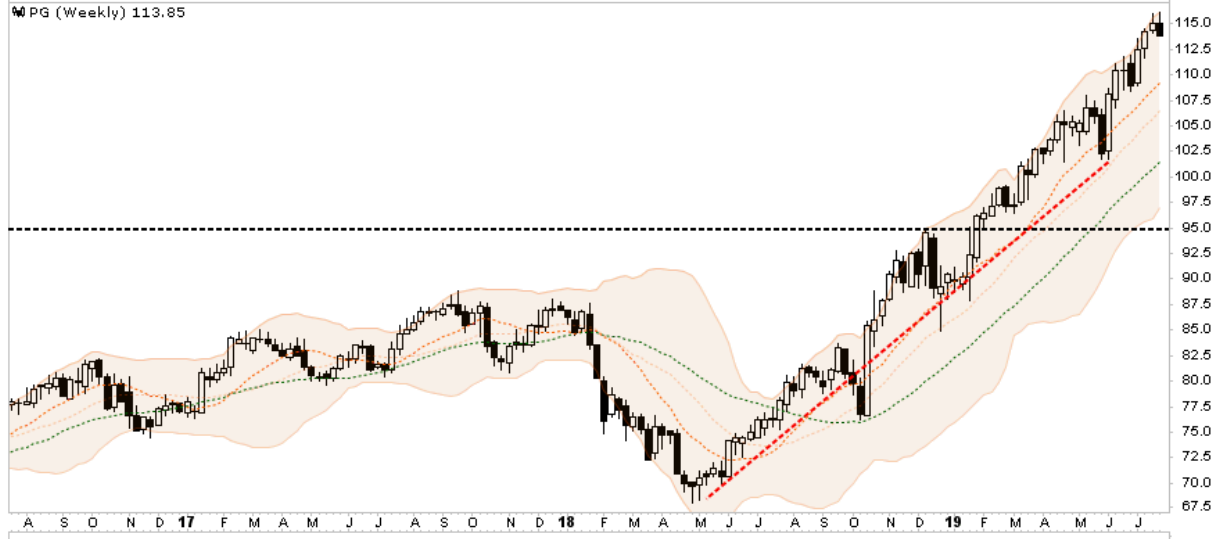
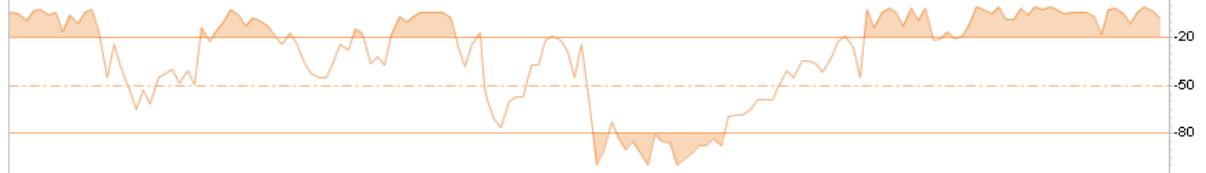
Tuesday 23-Jul-2019

▼ **-1.01%**

Chg: **-1.16**

Last: **113.85**

Volume: **12,211,421**



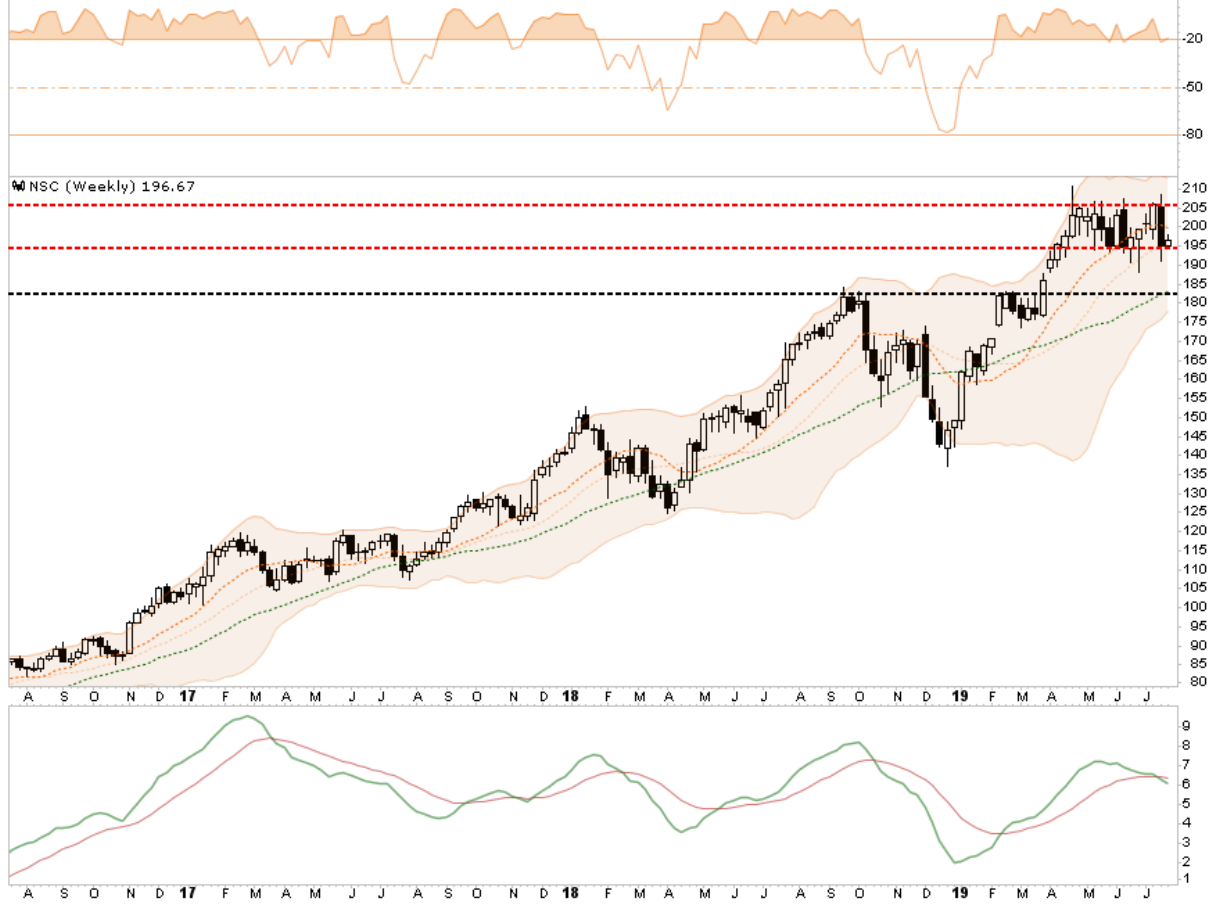
- *The is the second time we have trimmed PG.*
- *We sold 10% at the end of April @ \$105.64*
- *We sold 10% this week at \$115.26*
- *PG is up 19.98% in the portfolio*
- *Stop is being adjusted to \$100*

NSC - Norfolk Southern Corp.

NSC Norfolk Southern Corp. NYSE

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Industrial / Railroad					Tuesday 23-Jul-2019
Open: 195.09	Ask:	P/E: 19.47	Options: yes		▲ +0.76%
High: 198.17	Ask Size:	EPS: 10.10	Annual Dividend: 3.32		Chg: +1.48
Low: 194.63	Bid:	Last Size: 1.69%	Yield: 1.69%		Last: 196.67
Prev Close: 195.19	Bid Size:	VWAP:	SCTR (Large): 57.2		Volume: 3,111,246



- *The is the second time we have trimmed NSC.*
- *We sold 10% at the end of April @ \$201.49*
- *We sold 10% this week at \$196.65*
- *NSC is up 30.98% in the portfolio*
- *Stop is being adjusted to \$180*

ABT - Abbott Laboratories

ABT Abbott Laboratories NYSE

Health Care / Pharmaceuticals

Open: 87.36	Ask:	P/E: 54.28	Options: yes
High: 88.76	Ask Size:	EPS: 1.63	Annual Dividend: 1.2
Low: 87.27	Bid:	Last Size:	Yield: 1.35%
Prev Close: 87.49	Bid Size:	VWAP:	SCTR (Large): 89.2

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Tuesday 23-Jul-2019

▲ **+1.43%**Chg: **+1.25**Last: **88.74**Volume: **10,615,215**

- We **ADDED** to our ABT position at the end of April @ \$78.65
- We sold 10% this week at \$87.68
- ABT is up 24.78% in the portfolio
- Stop is being adjusted to \$72.50

VMC - Vulcan Materials, Co.



- *The is the second time we have trimmed VMC*
- *We sold 10% at the end of April @ \$125.33*
- *We sold 10% this week at \$138.79*
- *VMC is up 30.06% in the portfolio*
- *Stop is being adjusted to \$120*

As we move into the end of summer, the risks are rising that we will likely experience at least a short-term correction of 5-10%. However, with earnings and economic growth continuing to weaken, there is the potential for a larger repricing of risk.

The one overriding concern, from a portfolio management perspective, is that "everyone" seems convinced that "Central Banks" have everything under control and that they have the ability to both avert a recession and keep the bull market going...forever.

From a contrarian point of view, such beliefs reminds me of one of Bob Farrell's most important investment rules:

"When all experts agree, something else tends to happen."