

Over My Shoulder: USA Stock Only Portfolio 2017

Portfolio: Consideration Changes

The USA Stock Only portfolio experienced three stocks that reached an overvaluation level recently and were retired from portfolio consideration today. The stocks are:

Bob Evans Farms [BOBE] (Figure 1)– Bob Evans went undervalued back in July 2016 and moved sideways until around August of the same year when the Buy triggered. The stock has a Core characteristic from the Smallcap, Consumer Discretionary part of the market focusing on Consumer Services. The stock has gained over 30% so far this year creating an overvalued condition in March and triggered a sell consideration today.

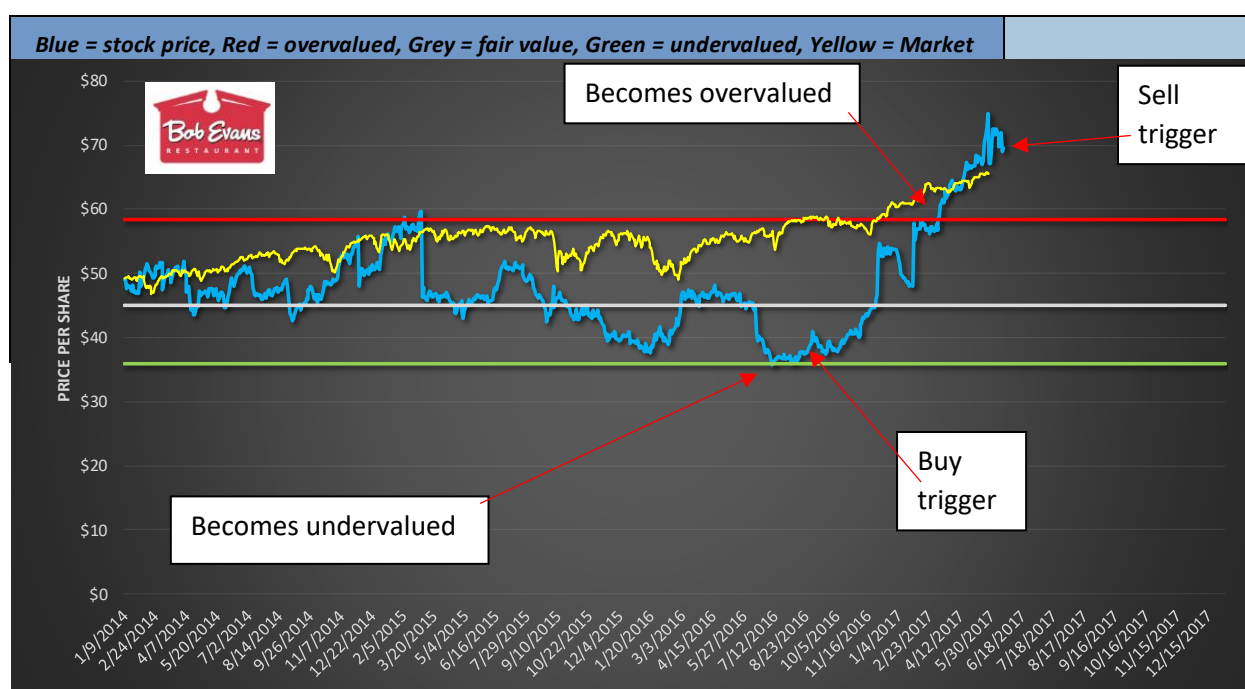


Figure 1: Bob Evans Farms [BOBE] chart from ISN Research Manager

Cable ONE [CABO] (Figure 2)– Cable ONE went undervalued back in January 2016 and quickly moved upwards in February when the Buy triggered. The stock has a Core characteristic from the Midcap, Consumer Discretionary part of the market focusing on Media. The stock has gained over 16% so far this year creating an overvalued condition in June and triggered a sell consideration today.

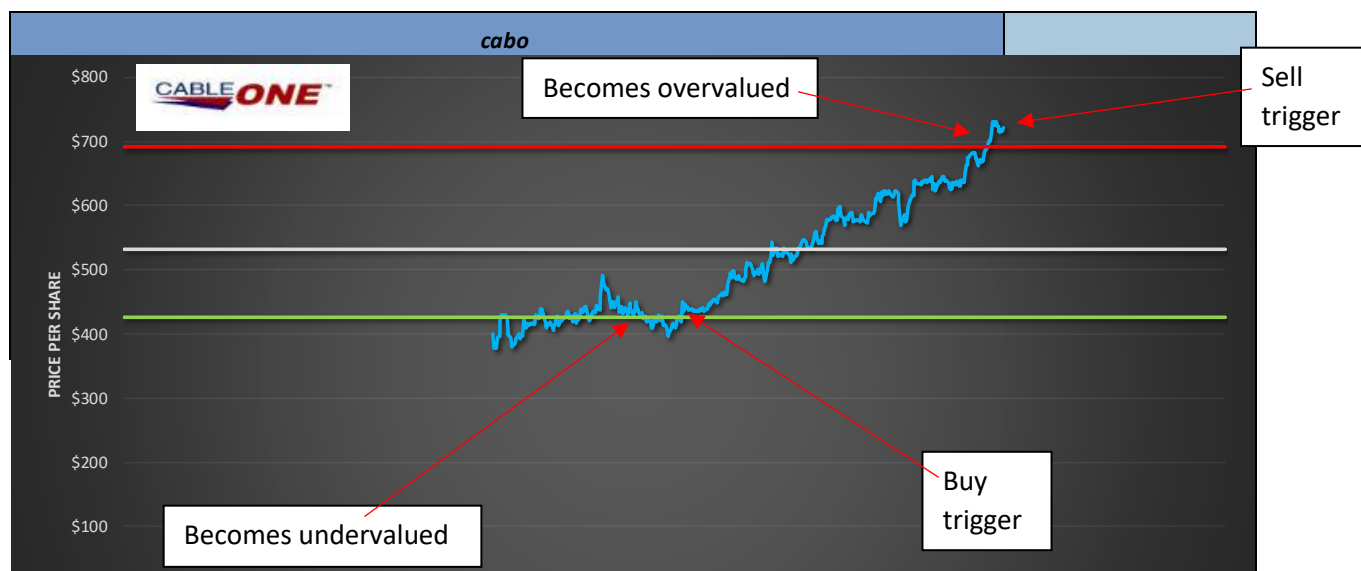


Figure 2: Cable ONE [CABO] chart from ISN Research Manager



Whole Foods [WFM] (See Whole Foods Discussion at <https://wp.me/p8toqr-dT>)

After this stock is removed the portfolio remains overweight in Aspirational type stocks by 3.8 percentage points, and tilted to mid and small cap stocks. There are overweight conditions in Consumer Discretionary, Financials and Health Care. Underweight conditions exist in Consumer Staples, Energy, and Industrials. The change brings Information Technology closer to market weight.

The portfolio ideally would benefit from a stock that exhibits Market characteristics in the large cap, Consumer Staples, Industrials, and/or Materials sector.

Coty, Inc. [COTY] is a stock that meets these characteristics. It is a cosmetics and beauty focused enterprise that is currently at 66% Fv and has started to show a meaningful turn to the upside. It has been moving sideways since late last year when it was classified as a Buy Watch consideration. The company has experienced a 51% revenue growth over the last year and an 11% increase over the past 3 years. The dividend is below market averages, but is a positive 0.66%. There is a moderate probability the company will be involved in a merger, acquisition or buyout in the next 24 months as shown in the MAB score of A. At this time we have calculated a Fv of \$29.01 for the stock. The stock was initially introduced to the portfolio earlier this month.

Johnson Controls [JCI] is also a stock that meets these characteristics. It is diversified technology and industrial leader operating in areas of optimizing energy usage, electric vehicles, and interior systems that is currently at 81% Fv and has been considered a buy for over a year. The company has struggled with revenue growth over the last year. The dividend is above market averages at 2.39%. There is a moderate probability the company will be involved in a merger, acquisition or buyout in the next 24

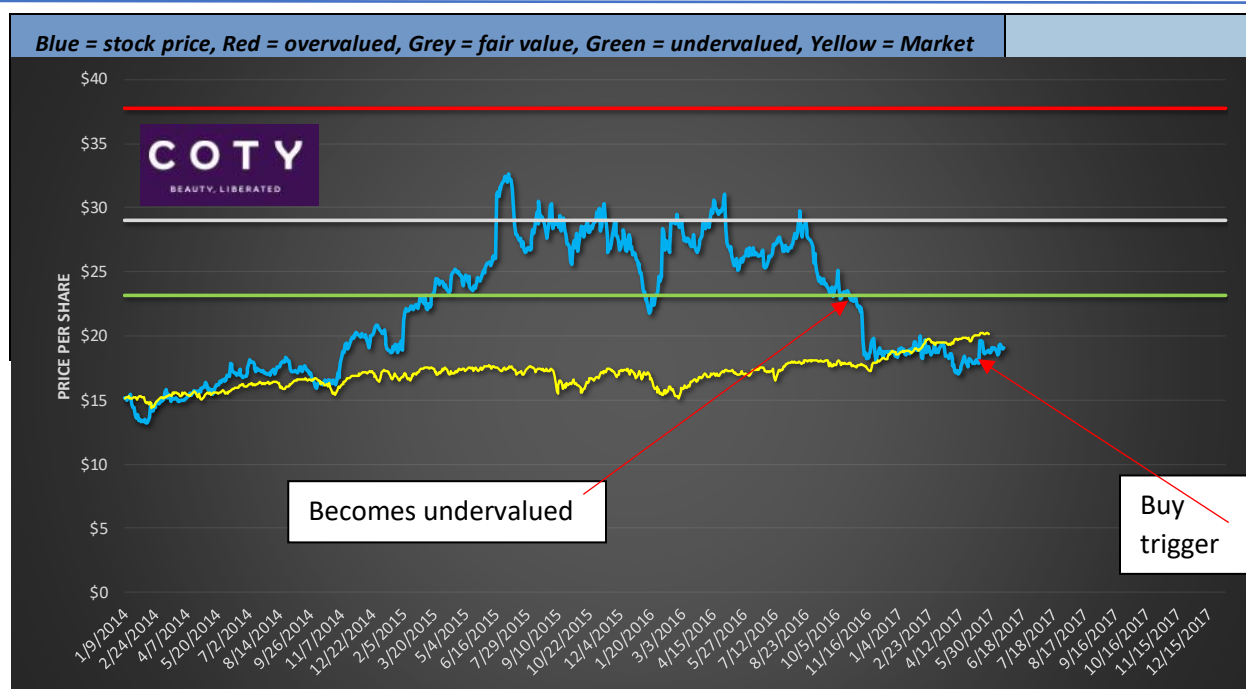


Figure 3: Coty, Inc. [COTY] chart from ISN Research Manager

months as shown in the MAB score of B+. At this time, we have calculated a Fv of \$51.67 for the stock. The stock was initially introduced to the portfolio in October 2015.

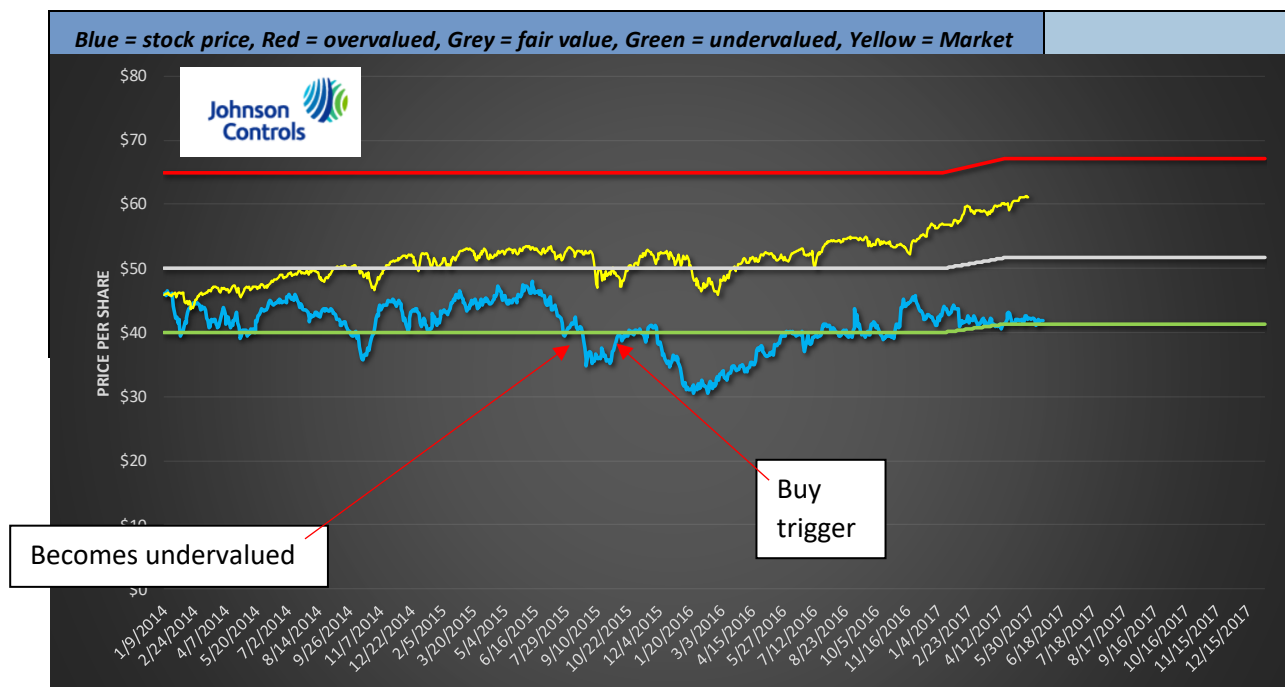


Figure 4: Johnson Controls [JCI] chart from ISN Research Manager

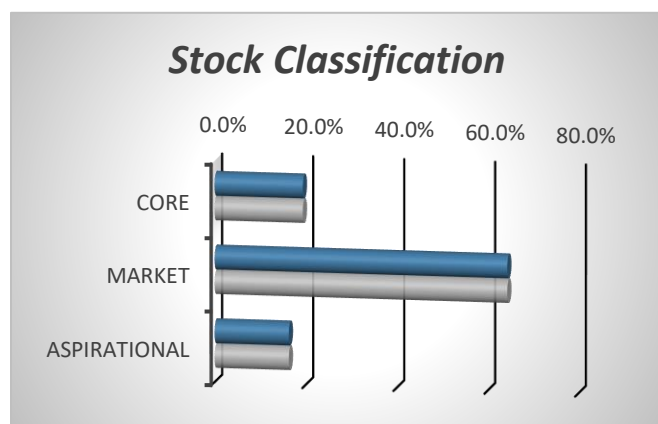


Figure 5: Market Capitalization Classification of The Portfolio from ISN Research Manager

Adding Coty, Inc. and Johnson Controls to the portfolio moves the overall characteristics closer on the Market target by 0.7 percentage points, closer to large cap target by 0.3 percentage points, and closer to the Consumer Staples sector target by 1.6 percentage points.

The next series of graphs compare the overall portfolio, with recent changes, with the market. In the first chart, you can see the favorable tilt to small and mid cap market capitalization classifications.

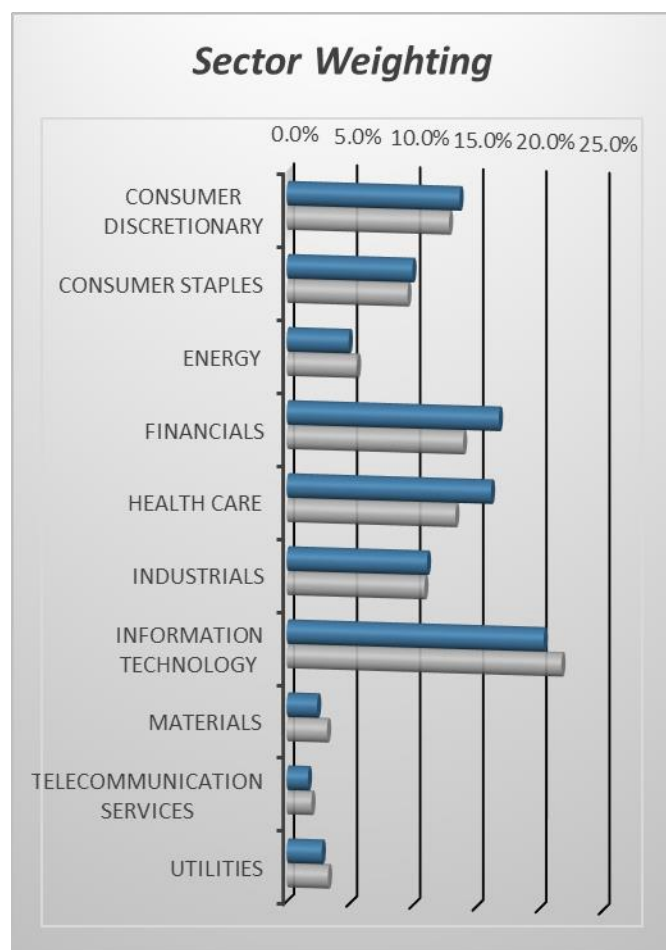


Figure 6: Sector Weightings of The Portfolio from ISN Research Manager

The portfolio is compared to overall sector weights and includes all market capitalizations. There is an overweighting to Consumer Discretionary, Financials, and Health Care. There are underweight positions in Consumer Staples, Energy, Industrials, Information Technology, Materials, Telecommunications Services and Utilities. The largest overweight position is in the Consumer Discretionary.

Specific model portfolio considerations are shown in the following tables. This is a continuing group of considerations that has existed for over 15 years and reflects conditions that take place over time. Managing portfolios that have a history is much different than constantly creating new portfolios that have short lifespans. The considerations provided in the table have used the asset allocation that appears in other parts of this site as well as the specific stock considerations shown in the stocks evaluation.

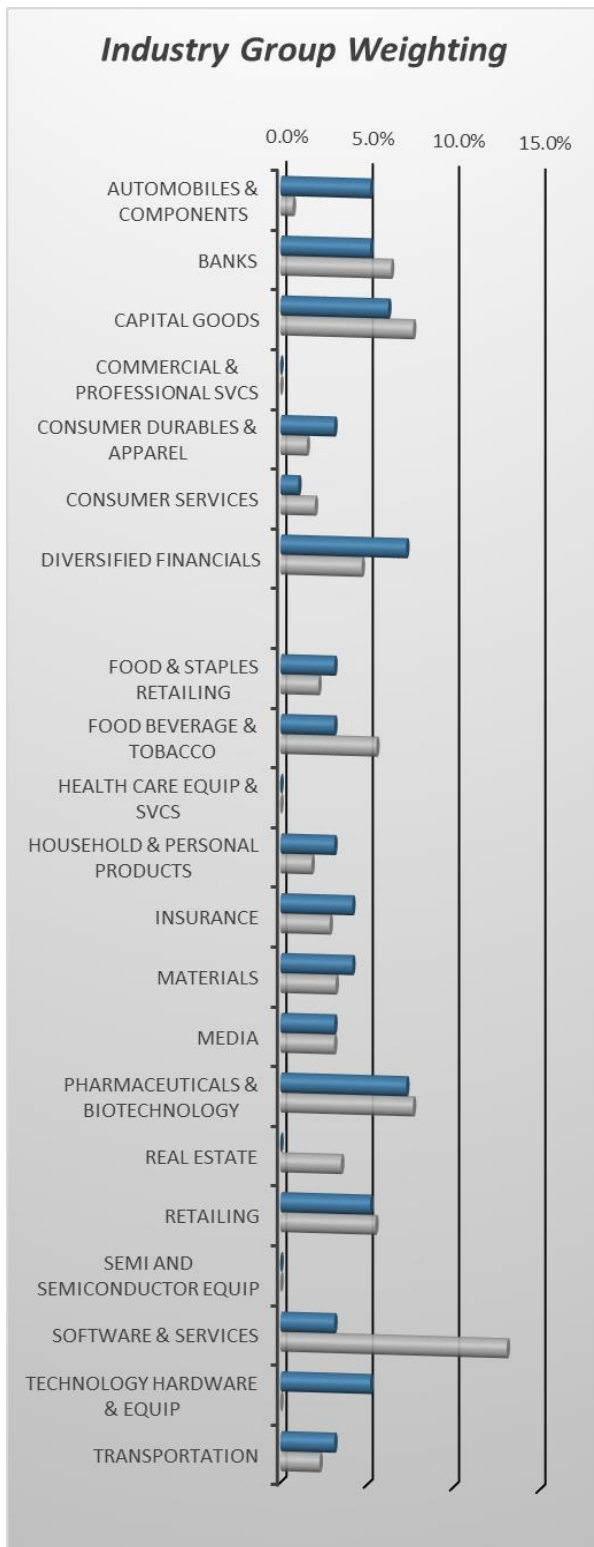


Figure 7: Industry Group Weighting for The Portfolio from ISN Research Manager

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Ticker	Shares	Name	Pr/Share	Value	Index	Sector	Industry	%ofPort	Yield	B/H/S	CMA
BWA	1189	BorgWarner Inc.	\$ 40.99	\$ 48,737	S&P500	Consumer Discretionary	Automobiles & Components	2.33%	1.37	B	ASPIRATIONAL
DAN	938	Dana Incorporated	\$ 21.98	\$ 20,617	S&P400	Consumer Discretionary	Automobiles & Components	0.98%	1.09	H	ASPIRATIONAL
F	726	Ford Motor Company	\$ 11.22	\$ 8,146	S&P500	Consumer Discretionary	Automobiles & Components	0.39%	5.35	B	MARKET
HOG	205	Harley-Davidson, Inc.	\$ 55.49	\$ 11,375	S&P500	Consumer Discretionary	Automobiles & Components	0.54%	2.63	H	MARKET
COH	300	Coach Inc.	\$ 46.23	\$ 13,869	S&P500	Consumer Discretionary	Consumer Durables & Apparel	0.66%	2.92	H	MARKET
HBI	295	Hanesbrands, Inc.	\$ 22.61	\$ 6,670	S&P500	Consumer Discretionary	Consumer Durables & Apparel	0.32%	2.65	B	MARKET
VFC	679	V.F. Corporation	\$ 56.33	\$ 38,248	S&P500	Consumer Discretionary	Consumer Durables & Apparel	1.83%	2.98	B	MARKET
CBS	295	CBS Corp. cl B	\$ 62.23	\$ 18,358	S&P500	Consumer Discretionary	Media	0.88%	1.16	H	MARKET
DISCA	293	Discovery Communications A	\$ 26.52	\$ 7,770	S&P500	Consumer Discretionary	Media	0.37%	-	B	MARKET
TWX	209	Time Warner Inc	\$ 99.20	\$ 20,733	S&P500	Consumer Discretionary	Media	0.99%	1.62	H	MARKET
BKE	408	Buckle Inc.	\$ 17.35	\$ 7,079	S&P600	Consumer Discretionary	Retailing	0.34%	5.76	B	MARKET
GPS	408	Gap Inc.	\$ 22.89	\$ 9,339	S&P500	Consumer Discretionary	Retailing	0.45%	4.02	B	MARKET
M	269	Macy's Inc.	\$ 22.93	\$ 6,168	S&P500	Consumer Discretionary	Retailing	0.29%	6.52	B	MARKET
GM	670	General Motors Company	\$ 34.29	\$ 22,974	S&P500	Consumer Discretionary	Automobiles & Components	1.10%	4.43	B	MARKET
HRB	1000	H&R Block Inc.	\$ 29.92	\$ 29,920	S&P500	Consumer Discretionary	Consumer Services	1.43%	3.21	B	MARKET
JWN	164	Nordstrom, Inc.	\$ 47.50	\$ 7,790	S&P500	Consumer Discretionary	Retailing	0.37%	3.12	H	MARKET
WSM	190	Williams-Sonoma Inc.	\$ 47.97	\$ 9,114	S&P400	Consumer Discretionary	Retailing	0.44%	3.25	B	MARKET
				\$ 286,908		Consumer Discretionary Total		13.70%			
CVS	575	CVS Health Corporation	\$ 77.06	\$ 44,310	S&P500	Consumer Staples	Food & Staples Retailing	2.12%	2.60	B	CORE
XLP	7	SPDR Cons Staples Sct	\$ 55.95	\$ 392		Consumer Staples	Food & Staples Retailing	0.02%			
SVU	1000	SUPERVALU, Inc.	\$ 3.22	\$ 3,220	S&P600	Consumer Staples	Food & Staples Retailing	0.15%	-	B	ASPIRATIONAL
ADM	253	Archer Daniels Midland	\$ 42.56	\$ 10,768	S&P500	Consumer Staples	Food Beverage & Tobacco	0.51%	3.01	H	MARKET
KO	247	Coca-Cola Company	\$ 45.31	\$ 11,192	S&P500	Consumer Staples	Food Beverage & Tobacco	0.53%	3.27	H	CORE
FLO	1588	Flowers Foods Inc	\$ 17.67	\$ 28,060	S&P400	Consumer Staples	Food Beverage & Tobacco	1.34%	3.85	BW	CORE
COTY	3900	Coty, Inc.	\$ 19.05	\$ 74,295	S&P500	Consumer Staples	Household & Personal Products	3.55%	0.66	B	MARKET
CLX	36	Clorox Company	\$ 139.50	\$ 5,022	S&P500	Consumer Staples	Household & Personal Products	0.24%	2.41	H	CORE
PG	350	Procter & Gamble Co.	\$ 89.66	\$ 31,381	S&P500	Consumer Staples	Household & Personal Products	1.50%	3.08	H	CORE
				\$ 208,638		Consumer Staples Total		9.97%			
APC	108	Anadarko Petroleum Corp	\$ 47.04	\$ 5,080	S&P500	Energy	Energy	0.24%	0.43	BW	ASPIRATIONAL
CVX	19	Chevron Corp	\$ 108.35	\$ 2,079	S&P500	Energy	Energy	0.10%	3.99	H	MARKET
COP	727	ConocoPhillips	\$ 46.53	\$ 33,827	S&P500	Energy	Energy	1.62%	2.28	B	ASPIRATIONAL
DO	68	Diamond Offshore Drilling Inc.	\$ 11.70	\$ 796	S&P400	Energy	Energy	0.04%	-	BW	MARKET
ESV	86	Enso plc cl A	\$ 5.71	\$ 492	S&P400	Energy	Energy	0.02%	0.70	BW	ASPIRATIONAL
HP	32	Helmerich & Payne Inc	\$ 55.00	\$ 1,760	S&P500	Energy	Energy	0.08%	5.09	BW	ASPIRATIONAL
HES	108	Hess Corporation	\$ 43.62	\$ 4,711	S&P500	Energy	Energy	0.23%	2.29	H	ASPIRATIONAL
MPC	470	Marathon Petroleum Corp	\$ 53.77	\$ 25,272	S&P500	Energy	Energy	1.21%	2.68	H	ASPIRATIONAL
NOV	437	National Oilwell Varco Inc	\$ 33.66	\$ 14,695	S&P500	Energy	Energy	0.70%	0.59	BW	MARKET
NE	126	Noble Corporation plc (UK)	\$ 3.76	\$ 474	S&P600	Energy	Energy	0.02%	-	B	ASPIRATIONAL
OXY	27	Occidental Petroleum Corp	\$ 61.83	\$ 1,669	S&P500	Energy	Energy	0.08%	4.92	H	MARKET
VLO	185	Valero Energy Corp.	\$ 65.80	\$ 12,173	S&P500	Energy	Energy	0.58%	4.26	H	MARKET
				\$ 103,028		Energy Total		4.92%			
BBT	544	BB&T Corp	\$ 44.33	\$ 24,116	S&P500	Financials	Banks	1.15%	2.71	H	MARKET
FITB	1257	Fifth Third Bancorp	\$ 25.47	\$ 32,016	S&P500	Financials	Banks	1.53%	2.20	H	ASPIRATIONAL
KEY	1667	KeyCorp	\$ 18.54	\$ 30,906	S&P500	Financials	Banks	1.48%	2.05	H	ASPIRATIONAL
OFG	2144	OFG Bancorp	\$ 10.10	\$ 21,654	S&P600	Financials	Banks	1.03%	2.38	B	ASPIRATIONAL
USB	569	U.S. Bancorp	\$ 52.27	\$ 29,742	S&P500	Financials	Banks	1.42%	2.14	H	MARKET
AXP	361	American Express Co.	\$ 81.45	\$ 29,403	S&P500	Financials	Diversified Financials	1.40%	1.57	H	MARKET
AMP	62	Ameriprise Financial, Inc.	\$ 130.35	\$ 8,019	S&P500	Financials	Diversified Financials	0.38%	2.55	H	ASPIRATIONAL
FII	523	Federated Investors Inc.	\$ 27.57	\$ 14,419	S&P400	Financials	Diversified Financials	0.69%	3.63	H	MARKET
GHL	1169	Greenhill & Co Inc.	\$ 20.55	\$ 24,023	S&P600	Financials	Diversified Financials	1.15%	8.76	BW	MARKET
IVZ	288	Invesco Ltd.	\$ 34.61	\$ 9,968	S&P500	Financials	Diversified Financials	0.48%	3.35	H	ASPIRATIONAL
LM	622	Legg Mason Inc.	\$ 39.74	\$ 24,718	S&P400	Financials	Diversified Financials	1.18%	2.82	B	ASPIRATIONAL
STT	165	State Street Corp	\$ 88.25	\$ 14,561	S&P500	Financials	Diversified Financials	0.70%	1.72	H	ASPIRATIONAL
AFL	202	AFLAC Inc.	\$ 78.38	\$ 15,833	S&P500	Financials	Insurance	0.76%	2.19	H	MARKET
ALL	462	Allstate Corporation	\$ 89.82	\$ 41,497	S&P500	Financials	Insurance	1.98%	1.65	H	CORE
HIG	243	Hartford Financial Services	\$ 52.41	\$ 12,736	S&P500	Financials	Insurance	0.61%	1.76	H	MARKET
MET	347	MetLife, Inc.	\$ 53.52	\$ 18,571	S&P500	Financials	Insurance	0.89%	2.99	H	ASPIRATIONAL
				\$ 352,182		Financials Total		16.82%			
ABT	428	Abbott Laboratories	\$ 48.21	\$ 20,634	S&P500	Health Care	Health Care Equipment & Services	0.99%	2.20	H	MARKET
KND	588	Kindred Healthcare Inc.	\$ 10.60	\$ 6,233	S&P600	Health Care	Health Care Equipment & Services	0.30%	4.53	B	MARKET
AMGN	116	Amgen Inc.	\$ 162.42	\$ 18,841	S&P500	Health Care	Pharmaceuticals & Biotechnology	0.90%	2.83	B	MARKET
BMJ	606	Bristol-Myers Squibb Co.	\$ 54.46	\$ 33,003	S&P500	Health Care	Pharmaceuticals & Biotechnology	1.58%	2.86	B	MARKET
GILD	304	Gilead Sciences Inc.	\$ 64.12	\$ 19,492	S&P500	Health Care	Pharmaceuticals & Biotechnology	0.93%	3.24	BW	MARKET
JNJ	622	Johnson & Johnson	\$ 134.35	\$ 83,566	S&P500	Health Care	Pharmaceuticals & Biotechnology	3.99%	2.50	SW	CORE
MRK	766	Merck & Co. Inc.	\$ 62.97	\$ 48,235	S&P500	Health Care	Pharmaceuticals & Biotechnology	2.30%	2.99	H	MARKET
PFE	2734	Pfizer Inc.	\$ 32.97	\$ 90,140	S&P500	Health Care	Pharmaceuticals & Biotechnology	4.31%	3.88	H	MARKET
VRTX	154	Vertex Pharmaceuticals	\$ 123.14	\$ 18,964	S&P500	Health Care	Pharmaceuticals & Biotechnology	0.91%	-	H	ASPIRATIONAL
				\$ 339,107		Health Care Total		16.20%			

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Ticker	Shares	Name	P/Share	Value	Index	Sector	Industry	%ofPort	Yield	B/H/S	CMA	
ETN	24	Eaton Corporation, plc	\$ 76.80	\$ 1,861	S&P500	Industrials	Capital Goods	0.09%	3.13	H	MARKET	14.47
EMR	24	Emerson Electric Co.	\$ 60.68	\$ 1,470	S&P500	Industrials	Capital Goods	0.07%	3.16	H	MARKET	8.84
GE	871	General Electric Company	\$ 29.00	\$ 25,259	S&P500	Industrials	Capital Goods	1.21%	3.31	H	MARKET	-8.23
IR	24	Ingersoll-Rand Plc	\$ 92.34	\$ 2,216	S&P500	Industrials	Capital Goods	0.11%	1.73	H	MARKET	23.05
JCI	1580	Johnson Controls, Inc.	\$ 41.86	\$ 66,139	S&P500	Industrials	Capital Goods	3.16%	2.39	B	MARKET	1.63
UTX	24	United Technologies Corp	\$ 120.43	\$ 2,908	S&P500	Industrials	Capital Goods	0.14%	2.19	H	MARKET	9.86
ARCB	529	ArcBest Corporation	\$ 19.90	\$ 10,527	S&P600	Industrials	Transportation	0.50%	1.61	BW	ASPIRATIONAL	-28.03
CHRW	493	C.H. Robinson Worldwide, Inc.	\$ 70.04	\$ 34,530	S&P500	Industrials	Transportation	1.65%	2.57	H	CORE	-4.40
UPS	795	United Parcel Service Inc.	\$ 110.59	\$ 87,919	S&P500	Industrials	Transportation	4.20%	3.00	H	MARKET	-3.53
				\$ 232,829		Industrials Total		11.12%				
ADI	1423	Analog Devices Inc.	\$ 80.04	\$ 113,897	S&P500	Information Technology	Semiconductors and Semiconductor Equipment	5.44%	2.25	SW	MARKET	10.22
QCOM	504	Qualcomm Inc.	\$ 56.82	\$ 28,637	S&P500	Information Technology	Semiconductors and Semiconductor Equipment	1.37%	4.01	B	MARKET	-12.85
GPJ	362	Global Payments Inc.	\$ 89.55	\$ 32,417	S&P500	Information Technology	Software & Services	1.55%	0.06	H	MARKET	29.02
IBM	320	IBM Corp	\$ 155.38	\$ 49,722	S&P500	Information Technology	Software & Services	2.37%	3.86	H	MARKET	-6.39
WU	959	Western Union	\$ 19.08	\$ 18,298	S&P500	Information Technology	Software & Services	0.87%	3.67	BW	MARKET	-12.15
AAPL	138	Apple Inc.	\$ 142.27	\$ 19,633	S&P500	Information Technology	Technology Hardware & Equipment	0.94%	1.77	H	MARKET	22.84
CMTL	1904	Comtech Telecommunications	\$ 19.01	\$ 36,195	S&P600	Information Technology	Technology Hardware & Equipment	1.73%	2.10	B	MARKET	60.42
NTAP	1080	NetApp, Inc.	\$ 37.98	\$ 41,018	S&P500	Information Technology	Technology Hardware & Equipment	1.96%	2.11	H	MARKET	7.68
PKE	2976	Park Electrochemical	\$ 18.24	\$ 54,282	S&P600	Information Technology	Technology Hardware & Equipment	2.59%	2.19	B	CORE	-2.20
PLT	604	Plantronics Inc.	\$ 53.92	\$ 32,568	S&P400	Information Technology	Technology Hardware & Equipment	1.56%	1.11	H	MARKET	-1.53
				\$ 426,667		Information Technology Total		20.38%				
ATI	437	Allegheny Technologies, Inc.	\$ 16.28	\$ 7,114	S&P400	Materials	Materials	0.34%	-	B	ASPIRATIONAL	2.20
BMS	289	Bemis Company Inc.	\$ 45.55	\$ 13,164	S&P400	Materials	Materials	0.63%	2.63	H	CORE	-4.75
MON	190	Monsanto Co	\$ 117.88	\$ 22,397	S&P500	Materials	Materials	1.07%	1.83	H	MARKET	12.04
MOS	352	Mosaic Co. (The)	\$ 22.71	\$ 7,994	S&P500	Materials	Materials	0.38%	2.64	B	MARKET	-22.57
				\$ 50,669		Materials Total		2.42%				
T	418	AT&T Inc.	\$ 38.96	\$ 16,285	S&P500	Telecommunication Services	Telecommunication Services	0.78%	5.03	H	CORE	-8.39
CTL	634	CenturyLink, Inc.	\$ 25.72	\$ 16,306	S&P500	Telecommunication Services	Telecommunication Services	0.78%	8.40	B	MARKET	8.16
FTR	1940	Frontier Communications Corp.	\$ 1.39	\$ 2,697	S&P400	Telecommunication Services	Telecommunication Services	0.13%	11.51	BW	MARKET	-58.88
				\$ 35,288		Telecommunication Services Total		1.69%				
ED	196	Consolidated Edison, Inc.	\$ 84.85	\$ 16,631	S&P500	Utilities	Utilities	0.79%	3.25	SW	CORE	15.16
ETR	74	Entergy Corp	\$ 80.01	\$ 5,921	S&P500	Utilities	Utilities	0.28%	4.35	H	CORE	8.90
EXC	267	Exelon Corp	\$ 37.08	\$ 9,900	S&P500	Utilities	Utilities	0.47%	3.53	H	CORE	4.48
FE	195	FirstEnergy Corporation	\$ 29.93	\$ 5,836	S&P500	Utilities	Utilities	0.28%	4.81	B	CORE	-3.36
NRG	937	NRG Energy Inc	\$ 16.91	\$ 15,845	S&P500	Utilities	Utilities	0.76%	0.71	H	MARKET	37.93
PCG	105	PPL Corporation	\$ 39.49	\$ 4,146	S&P500	Utilities	Utilities	0.20%	4.00	H	CORE	15.98
PPL				\$ 58,279		Utilities Total		2.78%				

Figure 8: The U.S. Stock Only Portfolio from ISN Research Manager