

# Bull and Bear Portfolio Update: 5.18.18

## Model Guidance: Close Your Positions

I want you to close out your longs and shorts in the short-term Bull-Bear Portfolio model. Through last night's close, the model is up 2.80% (total return) compared to a gain of 1.30% for the Dow (assumes \$60K in capital)—a strong return for a portfolio that takes 40% less stock market risk than the Dow as a whole. And a nice boost to a balanced portfolio that may be feeling some temporary drag from rising interest rates.

With a nice profit in the bank, it is time to move on from this round of the short-term bull-bear portfolio and come back when conditions are more favorable.

I will have more on bull-bear investing and many more compelling enhancements to *Young's World Money Forecast* over coming weeks and months.

Symbol	Description	L / S	Initial Investment	Starting Price	Qty L/S	Prior Day Close	Current Price	Current Value	% Chg. Day	% Chg. Inception
AAPL US	Apple Inc	Long	10,000.00	165.70	60.34	187.00	187.00	11,283.49	0.00	12.83
CSCO US	Cisco Systems Inc	Long	10,000.00	44.10	226.81	43.50	43.50	9,857.11	0.00	-1.43
HD US	Home Depot Inc	Long	10,000.00	177.00	56.49	185.30	185.30	10,470.03	0.00	4.70
INTC US	Intel Corp	Long	10,000.00	51.50	194.06	54.80	54.20	10,523.97	-1.06	5.24
JPM US	Jpmorgan Chase & Co	Long	10,000.00	111.50	89.71	113.00	113.00	10,133.67	0.00	1.34
TRV US	Travelers Cos Inc/The	Long	10,000.00	136.80	73.08	130.70	130.70	9,552.76	0.00	-4.47
UNH US	Unitedhealth Group Inc	Long	10,000.00	235.10	42.54	243.00	243.00	10,336.08	0.00	3.36
UTX US	United Technologies Corp	Long	10,000.00	123.10	81.25	124.60	124.60	10,124.31	0.00	1.24

Symbol	Description	L / S	Initial Investment	Starting Price	Qty L/S	Prior Day Close	Current Price	Current Value	% Chg. Day	% Chg. Inception
WMT US	Walmart Inc	Long	10,000.00	87.00	114.97	84.50	84.20	9,683.84	-0.31	-3.16
VZ US	Verizon Communications Inc	Long	10,000.00	47.90	208.77	47.90	47.90	9,989.56	0.00	-0.10
KO US	Coca-Cola Co/The	Short	-8,000.00	43.70	-182.90	42.30	42.30	-7,736.63	0.00	3.40
CVX US	Chevron Corp	Short	-8,000.00	122.30	-65.41	129.50	129.50	-8,467.66	0.00	-5.52
DWDP US	Dowdupont Inc	Short	-8,000.00	66.04	-121.14	68.16	68.16	-8,256.81	0.00	-3.11
MRK US	Merck & Co. Inc.	Short	-8,000.00	58.83	-135.99	59.07	59.07	-8,032.64	0.00	-0.41
IBM US	Intl Business Machines Corp	Short	-8,000.00	144.90	-55.21	144.50	144.50	-7,977.92	0.00	0.28
	Longs		100,000.00					101,955.00	-0.14	1.95
	Shorts		-40,000.00					-40,471.66	0.00	-1.17

# Bull and Bear Portfolio Update 5.11.18



**Model Guidance: No Changes for the Week**

My short-term Bull & Bear Portfolio consists of 10 equally-weighted long positions and 5 equally-weighted short positions. Both the long and short stocks are selected from the Dow Jones Industrial Average. If the Dow advances over the period in which my 15-Dow stock portfolio is open, the model will make money with the stocks that advance and will lose money with the stocks that decline. And the opposite will prevail for the short stocks. Each week, I will review the model portfolio for potential changes. If no changes are required, I'll simply post no changes for the week. You can read more about my Bull & Bear Portfolio [here](#).

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### **Featured Company: Verizon Communications Inc. (NYSE: VZ)**

Like all telephone companies in America, Verizon's history starts back in July of 1877 when Alexander Graham Bell formed the Bell Telephone Company. Soon Bell telephone systems were popping up in all the major cities in America, which were linked by Bell's long distance calling operation. By 1910 the federal government stepped in to regulate what was fast becoming a monopoly on long-distance telephone services.

By 1944 the Bell system of telephone companies, controlled by parent company AT&T, owned all the local phone companies in every major city in America. In 1974, the monopoly's power would spark a fight between AT&T and the Department of Justice, eventually forcing the parent company to sell the 22 local phone companies in the Bell system. In 1996 the FCC deregulated local markets, allowing competition and setting the stage for what would become Verizon.

Two of the previously regulated Bell system companies, Nynex and Bell Atlantic, merged in 1999, and then joined with Vodafone in 2000 to create a wireless telephone service they named Verizon Wireless. Only months later, Bell Atlantic merged with GTE Corp, expanding its wireless footprint across the country. The merged companies took on the name Verizon, creating the major telecommunications business that survives today.

Since then, Verizon introduced America's first 3G network in 2002, started building a fiber optic internet system known as FiOS in 2004, deployed America's first large scale 4G LTE network in 2010, became the first service provider to deploy 100Gbps technology to parts of its network in 2011, and then

quickly doubled that in 2013 with the rollout of 200G speeds.

In 2014 Verizon made what may have been its most important acquisition ever by buying Vodafone's 45% interest in Verizon Wireless. With Vodafone out of the joint venture, Verizon gained full control of America's largest wireless company.

Today Verizon is continuing to work on its network by rolling out 5G wireless technology. Verizon describes the benefits of the 5G system as "about 50 times the throughput of current 4G LTE, latency in the single milliseconds, and the ability to handle exponentially more Internet-connected devices to accommodate the expected explosion of the Internet of Everything." The 5G systems will be so fast it won't just connect smartphones to the Internet, it will even compete with cable-based home broadband systems to connect TVs, desktop computers, streaming devices and all other connected machines. In 2018, Verizon plans on rolling out residential broadband services using 5G in three to five markets in America.

Verizon and its predecessors have paid investors dividends each year since 1984. The company is also a Mergent dividend achiever that has been raising its dividend each year for 12 consecutive years. Verizon shares yield 4.85% today.

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## **Bull and Bear Portfolio Update 5.4.2018**



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### Featured Company:Walmart (NYSE: WMT)

In July of 1962, Sam Walton opened the first Walmart in Rogers, Arkansas. After growing rapidly through the 1960s, Walmart went public in 1970, and Walton took his strategy of “the lowest prices anytime, anywhere,” national. In 1980, Walmart reached \$1 billion in annual sales for the first time, faster than any company before it. By that time, the store had 276 locations and employed 21,000 associates. In 1983 the company opened its first Sam’s Club location in Midwest City, Oklahoma. In 1988, Walmart opened its first “Supercenter,” combining a full-scale supermarket with its general merchandise store for shopper convenience.

In the 1990s Walmart began its quest to go global. The first step was opening a Sam’s Club in Mexico City via a joint venture with the Mexican retail company Cifra. By 1993, only 23 years

after its first \$1 billion year, Walmart recorded its first \$1-billion-week of sales. Walmart would continue to expand globally in the 90s, opening stores near and abroad in places like Canada and China.

By 2000, Walmart had 3,989 stores and had created its first online shopping experience, Walmart.com. In 2002 Walmart topped the Fortune 500 for the first time. By 2009 Walmart had reached \$400 billion in annual sales.

Over the last eight years Walmart has made large expansions in India, South Africa and online. In China, Walmart purchased all of Yihaodian, an e-commerce business it had partially owned. During 2016, Walmart bought Jet.com, an American e-commerce website. Walmart also created a strategic alliance with JD.com, one of China's largest e-commerce retailers. Recent news reports have said Walmart is attempting to buy India's largest e-commerce business, Flipkart. The retailer's directors have agreed to the deal, but it hasn't been fully approved yet. Successful completion of the deal would give Walmart an advantage in the Indian market.

Today Walmart employs 2.3 million people in 28 countries. The company runs more than 11,700 stores and serves nearly 270 million customers each week. A recent initiative has expanded online grocery pickup to over 1,100 stores in the U.S., and will add another 1,000 in 2018, as well as locations in Canada, Mexico, and China. To better compete with online retailer Amazon.com, Walmart has also added free 2-day shipping to Walmart.com. Walmart has been paying its shareholders a dividend every year since 1973, and has been increasing those dividends every year for 41 years. Over the last ten years the average dividend growth rate at Walmart has been 11.56%. Shares yield 2.37% today.