

Several Equity Income Trades: NTR, LMT, WERN, HON, PANW, LHX, NLY, EVRG, ORCL, UNH, AMZN



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On Tuesday, the Equity Income strategy made several trades listed below. Hyperlinks will take you to the one-pagers written by the ISM analyst team.

Buys:

- [Lockheed Martin \(LMT\)](#): Maintains exposure to defense industry and better Empirical ranking compared to LHX.
- [Nutrien \(NTR\)](#): Weakness in natural gas prices and stock price have presented an attractive entry point to establish a position.
- [Werner Enterprises \(WERN\)](#): A great company that provides exposure to the industrial complex

Increases:

- [Honeywell \(HON\)](#): Brings Industrial sector back to equal weight from underweight last year. 2023 should be a year that companies that make "things" will perform better than services companies.
- [Palo Alto Networks \(PANW\)](#): Adding to position on recent share price weakness. Entire security industry has been weak but still want a long-term position in cybersecurity software. This will be the third increase to position that moves weight to 2%.

Sales:

- L3Harris Technologies (LHX): After long holding period, Empirical ranking deteriorated meaningfully, and the market has reacted poorly to a recently announced acquisition of Aerojet Rocketdyne (AJRD)
- Annaly Capital (NLY): Quick trade with a significant rally in share price. Empirical ranking has deteriorated as stock price rose. Wish the position was bigger but taking profits.

Trims:

- Amazon (AMZN): Already underweight but trimming further after short period of outperformance to start the year.
- Evergy (EVRG): Trimming after recent strength. Also brings sector exposure back to underweight after strong run in 2022.
- Oracle (ORCL): Trimming after strong rally since late 2022. Empirical ranking has deteriorated as well. May look to sell if rally continues and ranking deteriorates further.
- UnitedHealth (UNH): Reducing after massive outperformance versus the market. Stock has underperformed year-to-date despite a good recent earnings report.

Cash remains at 5% after all trades are made.