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TRUMP THREATENS NAFTA

By Gordon Pape, Editor and Publisher

Watching Donald Trump's acceptance speech at last week's Republican convention was rather like sitting through a gruesome horror movie. To hear the candidate tell it, fire and brimstone (and maybe zombies) are about to rain down on the United States. Only he, the self-proclaimed "law and order" candidate, can stop it.

The speech was a summation of all the fears and fantasies he has been feeding the American people since the primaries got under way. Fear of ISIS. Fear of Mexican immigrants. Fear of Muslims. Fear of rising crime rates. He has found the mainstream of mid-American discontent and is exploiting it to the fullest.

Back in January, it may have been possible to dismiss these as the rants of a fringe candidate with no hope of winning the White House. No longer. Mr. Trump has struck a responsive chord with a wide range of voters who feel traditional politicians and their policies have let them down. They strongly believe that Mr. Trump will restore lost manufacturing jobs, raise their income levels, defeat terrorism, and "make American great again".

One of the ways he plans to do that, and this should make all Canadians cringe, is tearing up the North American Free Trade Agreement (NAFTA). In his acceptance speech, he described it as "one of the worst economic deals ever made by our country. Or frankly, any other country. Never, ever again."

He conveniently blamed NAFTA on Bill Clinton, Hillary's husband, hoping to tar her with the same brush. Actually, National Public Radio in the U.S. points out that the deal was negotiated under Republican President George H.W. Bush back in the day when his party was the champion of free trade. It was ratified after Bill Clinton took office.

But whatever the history, Mr. Trump intends to renegotiate NAFTA "to get a much better deal for America". And if he doesn't get that deal "we'll walk away".

This all sounds pretty ominous for Canada and Mexico. But before we get too depressed, let's flash back eight years to the Presidential campaign of 2008. Barack Obama and Hillary Clinton were locked in a tight battle for the Democratic nomination and both were trying to attract primary votes by being harshly critical of NAFTA. (The Democrats have always been more skeptical of free trade than the Republicans because of their strong trade union support.)

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Trump – continued from page 1…

Writing at the time for Opinio Juris, an Internet forum for discussion and debate on international law, Julian Ku, Professor of Law and Associate Dean for Faculty Development at Hofstra University School of Law, noted that both candidates had essentially threatened to withdraw from NAFTA to force Canada and Mexico to renegotiate its terms. Those are exactly the same words we're now hearing from Mr. Trump.

Prof. Ku assumed that Mr. Obama would win the election. He then explained that any country can withdraw from NAFTA with six months' notice under Article 2205. However, he raised the issue of whether a President could act unilaterally or would need support from Congress, which had approved the agreement initially.

"It seems like this is solely the President's call, since NAFTA is an executive agreement and not a treaty," he wrote. "But it does seem odd that the President has such broad unilateral authority on a matter on which Congress has spoken with such excruciating detail. Will critics of executive power protest such unilateral executive active by President Obama?"

Of course, Mr. Obama never followed through on NAFTA so the issue was never tested at the time (although he did come under fire for other executive orders.) However, if Mr. Trump is elected, it will likely be a much different scenario. He has made free trade generally, and NAFTA in particular, one of his central targets. It is hard to imagine him backing away if he wins the White House.

Most probably, he would demand a renegotiation of the agreement within the first few months of taking office. He may not necessarily trigger Article 2205. Just the threat of doing so would force Canada and Mexico to the bargaining table.

What would happen then? I would expect a long period of uncertainty, which would play havoc with Canadian stocks. It took three and half years from the time the three countries agreed to pursue a free trade deal in June 1990 until it came into force in January 1994. A renegotiation may not take that long, but it wouldn't be done in a couple of months.

In the meantime, Canadian companies that depend on U.S. exports to survive would be in limbo, and investors would bail out of their stocks. Think cars and auto parts, electronic equipment, aircraft, lumber, paper, aluminum, machinery, chemicals, and more. Canada exported over US$400 billion worth of products and services in 2015, about three-quarters of which was to America.

Our foreign trade is already suffering, with exports down 13.7% in 2015 compared to the year before. If Mr. Trump gains the White House and follows through on his NAFTA promise, the next few years will be very difficult for us, and our stocks.

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OIL PRICE STUCK IN NEUTRAL

By Michael Corcoran

The oil gods are angry. How else can you explain what oil prices have done for the past year? The past six months alone have been a gut-wrenching ride for producers and investors alike.

At the start of the year, oil prices continued their sickening slide until finally bottoming out in early February and beginning the long climb back to recent highs attained pre-Brexit. What happened? And what can we expect from the oil market for the rest of the year?

In April 2015, U.S. crude oil production reached a high not seen since the 1970s. This pressured OPEC (meaning Saudi Arabia) to respond. The Saudi's belated, and unexpected, response was to open the valves and pump as fast as possible. This accelerated the fall in oil prices, sending the industry into crisis. In what continues to be a much-debated move, the Saudi's were willing to incur tremendous short-term pain in an effort to derive a long-term benefit by driving high-cost producers out of business. The Saudi strategy appears to be working, at least so far.

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Oil – continued from page 2…

Supply growth slowing

Through May of this year, total global oil supply grew by just over 600,000 barrels per day (bpd). That number is much less than would have been the case had oil prices not crashed. The growth came from OPEC, which contributed nearly 1.2 million barrels per day. In contrast, non-OPEC supply declined by over 500,000 bpd.

Year-to-date, Saudi Arabia and Iraq have increased production by a combined one million bpd and Iran has added 500,000 bpd. That is a massive increase in a short period of time. Were it not for serious production outages in Libya, Nigeria, and Venezuela, the oversupply situation would be considerably worse.

Libya is pumping at one-fifth of its peak production levels due to ongoing internal strife, although a recent agreement to merge the eastern and western oil companies may lead to future increased production. Nigeria has seen its production fall by 500,000 bpd due to pipeline attacks, and is currently pumping at its lowest level since 1988. Venezuela has seen production drop by 80,000 bpd but increasing unrest in the country may lead to further production cuts in the future.

Non-OPEC countries have also seen drops in production, especially in the U.S., China, Brazil, and Canada. In June, the International Energy Agency (IEA) projected a decline of 900,000 bpd in non-OPEC production for 2016 versus a previous estimate made in January of a decline of 620,000 bpd. Bucking the trend, Russian supply has increased by 185,000 bpd, although many question the sustainability of this increase given capital expenditure cuts.

Due to the decline in oil prices, U.S. production has dropped by 130,000 bpd from last year, and is down over one million bpd from its peak, validating the Saudi strategy. Research by investment bank KLR Group finds that the median break-even price for U.S. oil is $55 per barrel. That means the oil price has a ways to go yet before we see a revival in U.S. oil production.

Wildfires in Canada cut about one million bpd of production, with fires still burning but reportedly under control. China has seen a bigger than expected production drop of 130,000 bpd year-to-date. That is its largest decline in year-over-year output in 15 years, due to shut-ins of uneconomical production.

In total, unplanned disruptions in oil production took 3.6 million bpd offline in May. That's a huge number and it has helped ease the oversupply. Aiding in this process has been strong global demand.

Year-to-date, global demand has grown by nearly 1.5 million bpd from last year. Looking at the supply and demand numbers in total, according to the IEA, supply stood at 96.5 million bpd at the end of June while demand was expected to be 95.5 million. This indicates a market that is nearing balance, which is why we've seen the recovery in oil prices. And were it not for the inventory situation, there might be reason for hope.

The inventory problem

OECD inventories are above three billion barrels (10% above average) due to the oversupply of 630,000 bpd in the first half. U.S. commercial crude stockpiles were a staggering 520 million barrels in early July, just below record highs. By way of comparison, this is 140 million barrels above average levels for this time of year between 2010-14. There have been nine consecutive weeks of inventory draws but it's not enough.

Further complicating the picture is the size of crude oil product inventories. U.S. gasoline stocks in early July were over 240 million barrels, near the record hit in February. Over the past few weeks, at least five tankers loaded with fuel were turned away from New York harbor. Large gasoline inventories in the U.S. and Europe are putting pressure on refiners, which in turn will pressure producers.

The IEA, in its most recent report, highlighted this issue, noting that first-quarter refinery runs growth were 60% higher than refined product demand growth. The organization said that inventories are now so high as to act as a "major damper on oil prices." While refinery runs are expected to drop in the second quarter, the question is whether that, combined with demand, will be enough to draw down inventories?

In the second quarter, the oil market was nearing a balance. Now, however, the huge inventory of both crude oil and crude oil products are overhanging the market and making investors question whether a balance will be achieved.

U.S. demand has also been smaller than expected and China is cause for concern. Long a dependable driver of demand, China released data for May that indicates that demand only grew 130,000 bpd from last year. There is some thought that China may have filled its strategic oil reserve. Taken together with slowing economic growth, Chinese demand for oil may continue to moderate.

A bright note in the demand picture has been Europe, whose second quarter demand growth reached a five-year high. However, the recent Brexit vote has raised fears that growth will slacken going forward.

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Short positions raised

Another factor to consider is that American money managers raised their short positions in U.S. crude oil futures for the first time in a month in the first week in July, and by the largest amount since mid-January. And consider the fact that producers themselves have increased their bets that prices will fall for a third week in row. Short positions increased by over 8,500, futures and options combined, in early July. Speculators have been bullish on oil prices and if they pull back from their bets, prices could slip.

Finally, there is fear that recent strength in oil prices will encourage U.S. shale producers to increase production. The number of active oil rigs in the U.S. dropped from 1,600 in 2014 to a low of 316 this year. However, the increase in oil prices has seen an increase in the rig count to 447, with the number of rigs rising in six of the last seven weeks. The oil market will be keeping a very close eye on these numbers and any significant and sustained rise in rigs will negatively impact oil prices.

Given the short period of time it takes to increase U.S. shale oil production, the heights to which oil prices can rise will ultimately be capped by the $55 breakeven price for U.S. shale oil producers. We have seen significant deflation in production costs but those have mostly run their course. Thus, break-evens will take a while to drop further, which gives oil producers some breathing room, at least for now. But be aware that any spike in oil prices, that gets anywhere near the breakeven price, will be followed by a rush to increase production. That would effectively limit how high the oil price will be able to rise.

The bottom line: Expect oil prices to hover between $40-$55 through the end of the year.

Michael Corcoran is a New York-based energy analyst who has worked in both Canada and the U.S.

MICHAEL CORCORAN'S UPDATES

Tourmaline Oil Corp. (TSX: TOU, OTC: TRMLF)

Originally recommended on Aug. 10/15 (#21529) at C$31.32, US$23.60. Closed Friday at C$34.14, US$25.98.

Background: Tourmaline is a Canadian intermediate crude oil and natural gas exploration and production (E&P) company focused on long-term growth through an aggressive exploration, development, production, and acquisition program in the Western Canadian Sedimentary Basin.

Stock performance: The shares were recommended in August 2015 at $31.32. They fell as low as $20.83 in December and were trading at $26 at the time of my last review in February. At that time I rated them as a Buy and they have moved up nicely since.

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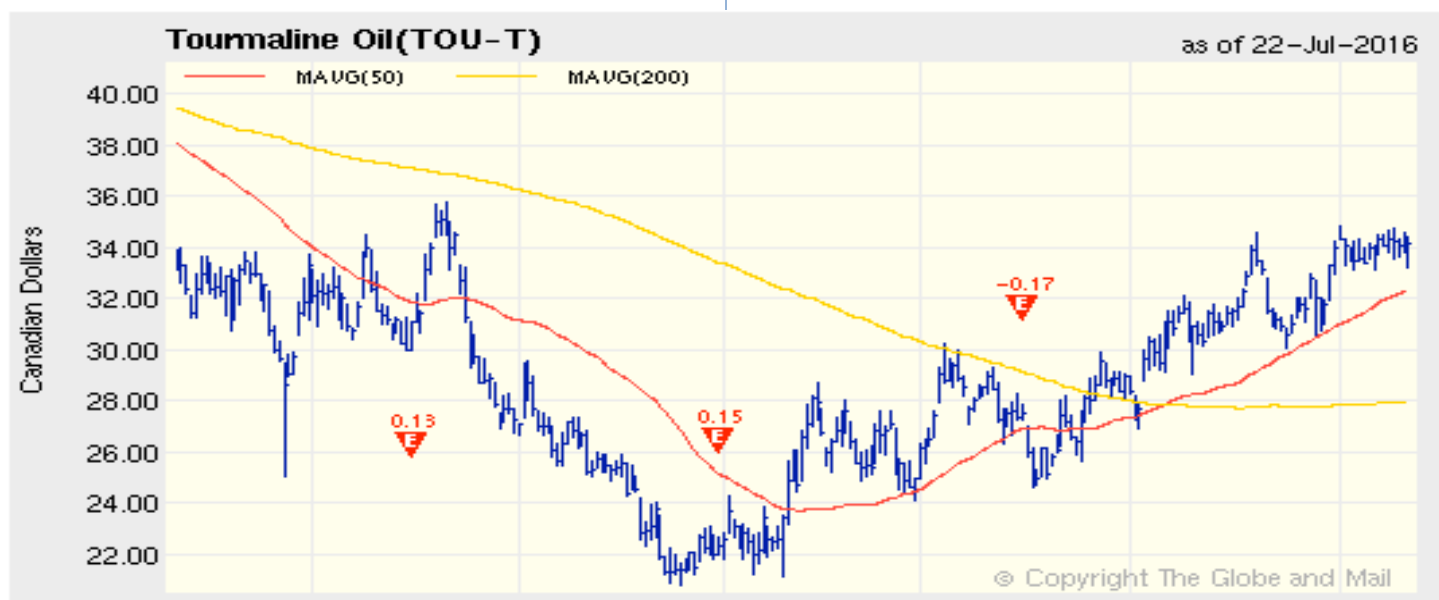

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Michael Corcoran's updates – continued from page 4…

Recent developments: On June 15, TOU provided an operations and financial update to investors. Due to weak natural gas prices and some operational issues related to pipelines and facilities not controlled by the company, it reduced its production forecast for the year to 190,000 bpd from 200,000, with most of the impact of this to be felt in the third quarter. Start-up production of most new wells will be delayed to the fourth quarter. The company plans to finish the year at a production rate of 215,000 bpd, which translates into 5%-10% growth over last year.

TOU's capital expenditure (capex) budget of $725 million remains unchanged and it plans to run nine drilling rigs in the second half of the year and drill 70 wells. It revealed that it has achieved a 10% reduction in drilling and completion costs and is hoping to realize an additional 5%-10% in cost savings per well in the second half of this year. For the year, it expects to realize at least a 15% reduction in expenses with average well costs of $3.5 million compared to their original forecast of $4.1 million. This is excellent operational efficiency.

The company remains in good financial shape. It has a $2.1 billion term loan of which $700 million remains to be drawn if need be. It has extended the maturity of its credit facility and term loans by one year each to 2020 from 2019. TOU also did a financing in April that raised over $280 million. We can expect to see it make some acquisitions going forward with the funds it has available.

On May 4, TOU reported first quarter earnings. Operating cash flow was $0.72 per share. First-quarter production was over 195,000 boe/d (barrels of oil equivalent per day). That was well up from the first quarter of 2015, when it produced over 143,000 boe/d. Operating costs were $3.70 per boe and total cash costs were $6.68 per boe, down 21% and 18%, respectively. That's among the lowest costs in the industry. Cash flow came in at $159 million. First quarter capex was $244 million.

The company announced further revised 2016 spending plans with its earnings report, dropping capex from $775 million down to maintenance levels of $725 million. This is off nearly 35% from its original $1.1 billion 2016 spending plans, reflecting prudent operational caution given weak natural gas prices.

Conclusion: TOU has a solid inventory of high quality assets and some of the lowest cash costs in the region. Insiders own about 25% of the shares outstanding, which is a strong vote of confidence and an alignment of interests with shareholders.

Action Now: Buy. TOU is one of best operators in the industry, with a good balance sheet. It offers strong production growth at a reasonable cost. For an investor looking for exposure to natural gas, TOU is a good option.

Whitecap Resources Inc. (TSX: WCP, OTC: SPGYF)

Originally recommended on Aug. 10/15 (#21529) at C$11.59, US$8.86. Closed Friday at C$9.81, US$7.40.

Background: Whitecap is a Calgary based energy company whose assets are over 70% oil-weighted. The company is focused on Pembina Cardium in Alberta and the Viking play in southeastern Saskatchewan. WCP has a solid track record of growing reserves and has good well economics and low leverage relative to peers.

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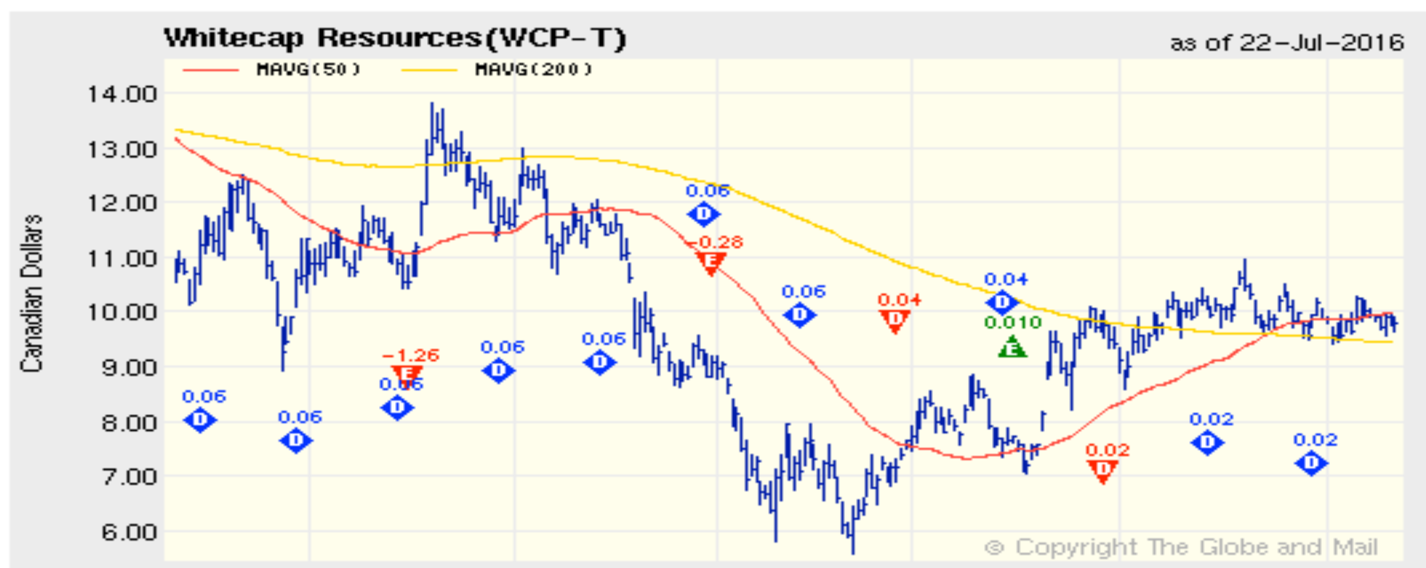

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Stock performance: The shares were originally recommended last August at C$11.59. They briefly moved up to the $14 range but then slide when oil dropped to its lowest point in the current cycle in January. I last reviewed the stock in March when it was trading at $7.80, and advised buying at that time. It is up about 25% since.

Recent developments: On May 10, WCP announced that it had agreed to buy some oil assets in Southwest Saskatchewan from Husky Energy for $595 million, thus establishing a new core operating area for the firm. The purchase adds 11,600 boe/d of production and over 79 million boe of reserves. As a result of the acquisition, production guidance for 2016 has been raised to 45.3 million boe/d from 39.5 million boe/d previously. Capex budget for 2016 is $175 million, up from $148 million previously.

The acquisition cost was about $51,300 per boe/d of production and $7.50 per boe for reserves. Those figures are well below the historic comparables in the region, which are $150,000 boe/d of production and $25 for reserves, so Whitecap got an excellent price. The deal also appears to be 8%-9% accretive to cash flow and production next year.

WCP believes it can eventually reduce its operating costs on the acquired assets by $2.50 per boe. This acquisition is consistent with WCP's strategy of purchasing underdeveloped assets with good recovery potential at a reasonable price.

In order to complete the transaction, WCP sold $470 million worth of shares priced at $9.20. On May 4, WCP announced first-quarter results, reporting operating funds flow of $0.22 per share. Production was 43,000 boe/d, up 12% from the previous year.

WCP's total cash costs were $17.52 per boe, down 13% from the previous quarter and among the lowest of light oil producers. Since the first quarter of 2015, the company has reduced its cash costs by 28%. Cash netbacks were $17.36 per boe, an impressive result given that WTI averaged US$33.45 per barrel in the quarter. The company also sold midstream facilities for $70 million and did an equity bought deal for net proceeds of $91.6 million.

On April 11, the company increased its capex guidance to $148 million from $78 million while reducing its dividend to $0.0233 per share in order to help fund the increase. The reduction in the dividend came after Whitecap had already reduced the monthly dividend by 40% on Jan. 19 to $0.0375 from $0.0625. The increase in capex was due to the recovery in oil prices and was expected to help increase 2016 production by 5,000 boe/d.

In the first quarter, capex of $45 million came in at the low end of guidance and resulted in the drilling of 24 wells with a 100% success rate.

Action now: Buy. WCP is a very well run company and is among the most efficient operators out there. It has solid margins, good growth prospects, a good track record of growing reserves, and low leverage relative to its peers.

GLENN ROGERS LIKES NIKE

We welcome back contributing editor Glenn Rogers, who has spent the last few months successfully coping with a serious illness. We're delighted he has regained his health and can again contribute his valuable insights to the IWB. Glenn is executive chairman of RAEN and a board member of Poler Inc. He has worked with private equity and venture groups on a variety of projects leading to successful exits for the investors. He recently was part of a group that sold a large beverage company to Amway. Glenn has worked in senior positions in both Canada and the U.S. and is a successful investor. He lives with his family in southern California.

Glenn Rogers writes:

With the Olympics only a couple of weeks away, what better time to look at one of the companies whose products will be on display throughout the games?

Nike shoes will be front and centre on the track, the soccer field, the basketball court, and anywhere else where footwear is required (no, they haven't figured out shoes for beach volleyball yet).

The company needs no introduction, given the global impact the brand has had over the last couple of decades. It has dominated many of the team sports by forming relationships with key athletes and has benefited from those associations through product development and endorsements.

Nike's relationship with Michael Jordan was the high water mark for this type of marketing and the gold standard for what a premier athlete can achieve working with a world-class equipment manufacturer. Air Jordan basketball shoes have outsold every other brand for many years, even though it has been a long time since Jordan stepped on a basketball court.

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Nike – continued from page 6…

Phil McKnight started Nike in 1967 when he was a runner at the University of Oregon. He and his coach developed the first Nike shoes and improbably began one of the great corporate stories in American history. Nike started out strictly as a shoe company, beginning with running and track and field footwear before moving on to basketball, soccer, then to action sports and golf. It also entered in to a vast line of products designed for recreational sports: tennis, volleyball, etc.

Nike added apparel to the mix some years ago and has products that fit with most sports activities, professional and amateur. It's difficult to find anything sports related that does not have a Nike swoosh on it and the company has continued to innovate as its sales and distribution has expanded. Nike now has the largest athletic sportswear research and development lab in the world. This gives them a distinct competitive advantage going forward as they are able to innovate and, because of their large volume, produce high quality products at lower prices than most of their competitors.

To be sure they have challengers, one of which is Under Armour, which I recommended last fall (see update below). In addition, Adidas has been making progress this past year and Lululemon has been showing signs of life as well. So there is serious competition, but sportswear is a very large and growing market, particularly in the developing countries around the world. You can see the impact of this competition on North America sales in Nike's most recent quarterly report. They decelerated by 6%, reflecting the gains from under Under Armour and Adidas. However, international markets were solid: China was up 24%, Japan by 15%, emerging markets increased 14%, and Western Europe was up 11%. Of course there were currency headwinds as well with the recent Brexit vote causing exchange rate fluctuations around the world, but that affects everyone else as well.

Overall, the company is forecasting 13% revenue growth year-over-year and the halo effect of the Rio Olympics may help as well. Also, the company's e-commerce business grew at 55%, reaching over a billion dollars in revenue.

Last year the company did over $30 billion in sales (figures in U.S. dollars), up from $27 billion the year before. The company also expanded its gross margins by another 20 basis points and diluted earnings per share by 25%. Return on invested capital increased to 28.1%.

Despite all that, the stock got hit hard after the release of first-quarter results and is currently trading about 17% below its 52-week high. This creates a buying opportunity. You are getting a global brand with solid growth in a competitive but vast global sports market, all at what I consider to be an attractive price.

The stock pays a small dividend of $0.64 per year and is currently yielding 1.1%.

Right now we're dealing with frothy market that seems overdue for a pullback. In that environment, a stock with a strong balance sheet and solid prospects deserves a look.

Action now: Buy with a target of $65. The shares trade under the symbol NKE and closed in New York on Friday at $56.73.

GLENN ROGERS'S UPDATES

Under Armour (NYSE: UA)

Originally recommended on Nov. 29/15 (#21542) at $44.84 (split-adjusted). Closed Friday at $42.85 (A shares), $37.48 (C shares). (All figures in U.S. dollars.)

Background: Under Armour is a sportswear company based in Baltimore. It has a full range of men's and women's clothing, however it is less focused on shoes than Nike.

Stock performance: The shares were trading at $89.68 when I recommended them in late November. In April, the company implemented a complicated stock split, which was designed to give founder Kevin Plank continued control of the company he founded. Investors received one new class C (non-voting) share for each of the class A shares they held. The split was done in this way so that Mr. Plank's control (which he exercises through class B shares) would not be diluted.

The market did not react well to this development and initially the stock fell. However, in recent weeks the A shares have been trading sideways, in part because Nike released somewhat choppy news in the first quarter report. The C shares trade at a significant discount.

Recent developments: Under Armour's growth continues at a rapid pace. The company reported first-quarter sales of $1.05 billion, an increase of 30% over the same period a year ago. Wholesale net revenues grew 28% year-over-year to $744 million compared to $579 million in the prior year's period. Direct-to-Consumer net

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Glenn Rogers's updates – continued from page 7…

revenues grew 33% year-over-year to $266 million compared to $200 million in 2015. North America net revenues for the first quarter grew 26% year-over-year, or 27% on a currency neutral basis. International net revenues, which represented 14% of total for the first quarter, grew 56%, or 65% on a currency neutral basis.

Mr. Plank said he was "incredibly proud" of the first-quarter sales growth. He didn't make any comment about the net income for the quarter, which came in at $19.2 million ($0.04 per share) compared to $11.7 million ($0.03 per share) a year ago. However, it's a safe bet that investors would like to see healthier numbers on the bottom line. The stock's trailing p/e ratio is a whopping 74.5.

In late May, the company released updated guidance in the wake of a court ruling approving the liquidation of one of its customers, The Sports Authority. Under Armour says it expects to recognize an impairment charge of approximately $23 million related to The Sports Authority during the second quarter (results to be released next week). In addition, due to the bankruptcy, the company was only able to recognize $43 million of the originally planned $163 million in revenues from The Sports Authority for 2016. As a result, Under Armour now expects 2016 net revenues of approximately $4.9 billion, representing growth of 24% over 2015. Operating income for 2016 will be approximately $440 million to $445 million.

Dividend: The stock does not pay a dividend.

Action now: The stock is more reasonably priced after the latest pullback and I expect it will resume its upward trajectory this fall. For now, I would consider Under Armour to be a Hold.

Atlas Air Worldwide (NDQ: AAWW)

Originally recommended on Feb. 21/15 (#21508) at $47.23. Closed Friday at $42.01. (All figures in U.S. dollars.)

Background: Atlas Air Worldwide is a leading global provider of leased aircraft and aviation operating services.

Stock performance: The shares were first recommended in February 2015 at $47.23. The price slipped over the summer and the stock was trading at $35.23 at the time of my last review in September, when I advised buying. Since then it spiked up as high of $57.77 before trading down and sideways for the past several months. It closed this week at $42.01 for a gain of 19% since our last update.

Recent developments: The company reported a sharp decline in first quarter income. Adjusted earnings came in at $7.7 million ($0.31 per share, fully diluted) compared to $25.8 million ($1.03 per share) in the same period of 2015. Operating revenue was $418.6 million, down from $444.8 million a year ago. CEO William J. Flynn said the earnings decline was in line with expectations and focused instead on new growth opportunities, including the acquisition of Southern Air Holdings and a new deal with Amazon to provide and operate 20 Boeing 767-300 converted freighters starting later this year. He said the deal would be "meaningfully accretive to our future earnings and cash flows."

Conclusion: Like most airline related stocks, Atlas has been trading poorly for several months and there are no clear catalysts to drive it back to its former highs. There is nothing fundamentally wrong with the company and some analysts rate it a buy, but it is out of favour with the market.

Action now: Take advantage of the recent price rebound and sell.

The Clorox Company (NYSE: CLX)

Originally recommended on Oct. 27/14 (#21438) at $99.47. Closed Friday at $135.18. (All figures in U.S. dollars.)

Background: Clorox is a leading multinational manufacturer and marketer of consumer and professional products with about 7,700 employees worldwide and fiscal year 2015 sales of $5.7 billion. Its products include such names as Pine-Sol, Liquid Plumr, Glad wraps and containers, Kingsford charcoal, etc.

Stock performance: This has been a good one for us. We recommended it in October of 2014 when it traded at $99.47 and updated it in May 2015 as a hold when it was at $108.19. It has been trending higher recently, closing Friday at $135.18 for a gain of almost 36%.

Recent developments: Consumer staples companies have been on a tear these past months as investors have been looking for safety. Clorox has gone along for the ride, boosted by a good third quarter 2016 performance that saw earnings from continuing operations of $159 million ($1.21 per share, fully diluted), compared to $144 million ($1.08 per share) the year before. However, sales grew by only 2%, pulled down by unfavourable foreign currency exchange rates.

Dividend: In May the company announced it is increased its quarterly dividend by 4%, to $0.80 per share ($3.20 per year). The stock yields 2.4% at the current price.

Conclusion: I think the consumer staples trade is now very crowded and Clorox has a p/e of 26 and looks expensive. Plus, we are due for a market pull back and the company has a product recall on liquid plumber. So I'm a reluctant seller and will look at the stock again if it gets cheaper down the road.

Action now: Sell for a gain of 36%.

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