
Walmart Inc.
WMT -\$58.65 – NYSE

Recommendation: Cover 1/2 of Remaining Short Position

1st Short recommendation: February 25, 2015 @ \$83.93 Bears In Hibernation Conference, Miami, FL.

2nd Short recommendation: August 19, 2015 @ \$69.00

Average Short Price: \$76.47

Cover 1/2 of Short position: August 24, 2015 @ \$63.93 **Profit: \$20.00, +23.83%**, Profit: \$5.07, +7.35%

Cover 1/2 of Short position: October 21, 2015 @ \$58.65 **Profit: \$25.28, +30.12%**, Profit: \$10.35, +15.0%

Average Short close out price: \$61.29 **Profit: \$15.18, +19.85%, 8 months**

Walmart has gone below are long term price target of \$60. Therefore, per our policy, we are closing out the remaining one half of our original short position. We are now completely out of the position. WMT has performed exactly as we expected, the have-nots in our society are hurting financially. Companies that rely on these customers are going to be under pressure.

An interesting side note on on stock buybacks and dividends:

WMT has increased their dividend for 42 CONSECUTIVE YEARS!!!! The dividend is going to be \$1.92 in 2015. The dividend is going to be increased again to \$1.96 next year.

Walmart has repurchased shares worth more than \$15 billion over fiscal 2012 to fiscal 2015. This year, it has bought back shares worth \$1.7 billion year-to-date.

Yet, the stock went down 14% in 2014 and another 23% in 2015.

It is a Wall Street myth that a 3% dividend and stock buybacks offer an investor downside protection!

We believe that the stock is dead money for the next year and will probably drift lower but they announced a \$20 billion stock buyback that will offer some sort of lower floor. The risk/reward ratio for a short position from here is not as favorable as we require. Take Profit!