

ETF Selections & Timing

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Positive Feedback Loops

After inching higher all last week, the Dow Industrials finally managed to make it to record highs and join the Transports in their ascent. Right now, from a technical point of view, things are back in gear.

But there is more to the

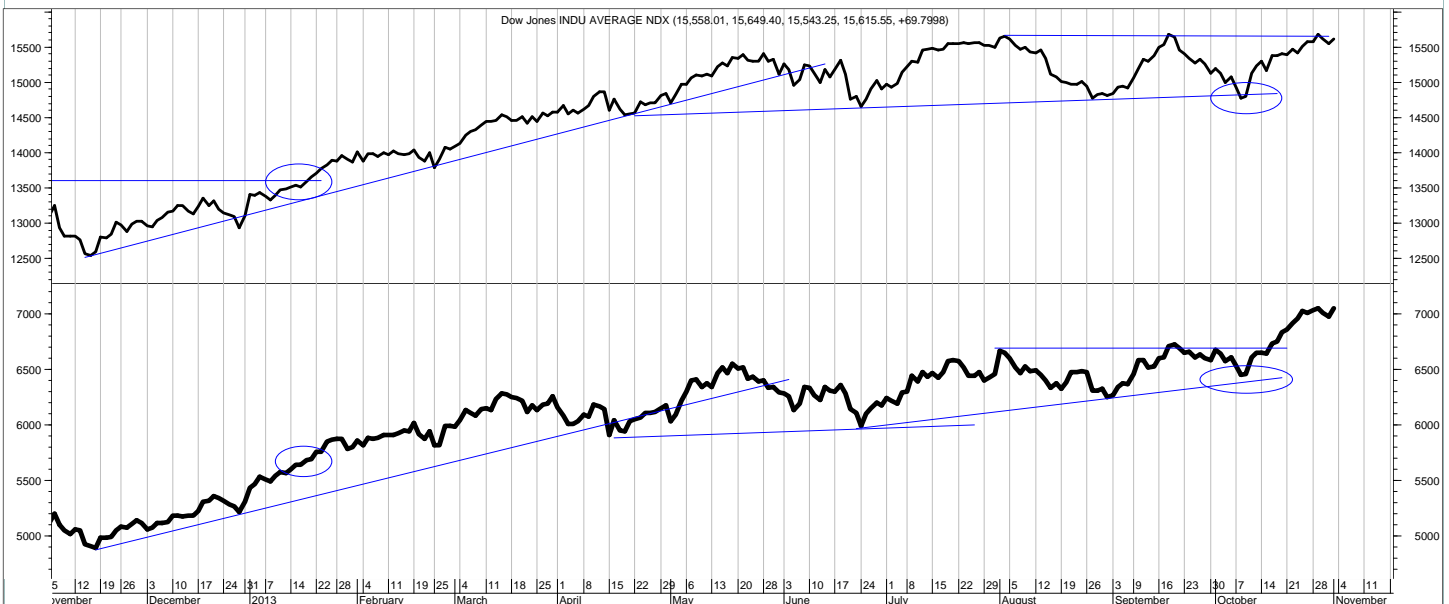
market's main trend than technical readings alone. There is sentiment and there are fundamentals to consider. Plus there is the Federal Reserve's impact.

Sentiment is a contrary indicator. When investors are too bullish, the reading is bearish. And vice-versa. Readings are

made by noting both the percentage of bears or bulls. Currently, investor sentiment is far too bullish based on a number of separate readings. For example, the percentage of bears at AAI

(American Association of Indi-

*(Continued on bottom right on page 12
see REVIEW on top)*



This is the daily chart of the Dow Industrials (upper) and Dow Transports (lower)

SCOREBOARD (returns year to date and past weeks to date)

Model	YTD	52-week	26-week	13-week	4-week	1-week
ETF Income Portfolio	1.3%	1.1%	1.1	1.4	1.2	0.0%
ETF Growth Portfolio	24.0%	24.3%	10.8	6.7	0.7	-0.6%
Index						
Aggrgt Bond (AGG)	-3.5%	-4.0%	-3.2	0.5	0.4	-0.6%
S&P 500 TR (SPY)	26.2%	25.8%	9.1	2.9	4.2	0.1%
World Growth Index	24.4%	26.3%	10.3	4.6	3.1	-0.8%

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Income Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 11/1/2013							
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss as of 10/21	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total
26-Aug	buy	LQD	112.36	300	33,718								0.0%
26-Aug	buy	PCY	26.64	1,300	34,642								
26-Aug	buy	AGG	106.09	320	33,959								
28-Aug	sell	PCY	26.32	1,300	34,206								
5-Sep	sell	AGG	104.89	320	33,555								0.0%
5-Sep	sell	LQD	110.91	300	33,263								0.0%
9-Sep	buy	LQD	111.63	300	33,499								
9-Sep	buy	PCY	26.54	1,300	34,512								
28-Oct	sell	PCY	27.95	1,300	36,325								
28-Oct	sell	LQD	115.43	300	34,619								
						Money Market				1.00	115,321	115,321.00	100.0%
												Total Valuation=	115,321.00 100.0%

WEEKLY REVIEW

11/4 No changes. Will wait for signals to reenter.

10/28 Time to take short-term profits in both positions as they look to have 'rolled over'. Will watch for reentry points in the weeks ahead.

10/21 Raised the stop levels again to follow the market as it climbs.

10/14 Please note the raised stop levels.

10/7 No changes.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Income Portfolio	4.8%	3.6	4.8	1.3	15.3	4.5
Aggregate Bond	2.5%	4.3	0.9	-3.5	4.1	2.5

This shows the returns of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD).

ETF Income Database and Ranking to 8/30/13

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>12m</i>	<i>9m</i>	<i>6m</i>	<i>3m</i>	<i>1m</i>	<i>V</i>	<i>NAV</i>	<i>Rank</i>
iShares 1-3yr Trsry	SHY	BS	0.03	0.03	-0.07	-0.03	-0.10	0.08	84.28	*****
Vngrd ShrtTrm Bond	BSV	BS	-0.19	-0.45	-0.60	-0.38	-0.27	0.23	79.96	*****
iShares 3-7yr Trsry	IEI	BI	-2.51	-2.67	-2.49	-1.82	-0.77	0.51	119.88	****
iShares Agg Bond	AGG	BI	-2.85	-3.32	-3.05	-2.12	-0.83	0.61	106.01	****
iShares Inter Bond	MBB	BI	-3.09	-2.81	-2.91	-1.77	-0.67	0.43	104.17	****
iShares Inter Gov	GVI	BI	-1.51	-2.04	-1.92	-1.35	-0.64	0.46	109.11	****
Wtree Dryfs Chns Yuan	CYB	BF	4.62	2.26	2.23	0.54	0.42	0.42	26.16	****
Currency Euro	FXE	BF	4.69	1.36	1.04	1.60	-0.68	1.85	130.84	***
iShares 10-20yr Trsry	TLH	BL	-8.69	-8.69	-6.33	-4.80	-0.97	1.55	123.42	**
iShares 7-10yr Trsry	IEF	BI	-6.40	-6.61	-5.56	-4.27	-1.42	1.08	100.26	**
iShares High Yld	HYG	BH	5.38	2.88	0.18	-0.17	-1.27	1.56	90.87	**
iShares Intrntl Tbond	IGOV	BW	-1.59	-3.73	-1.85	-0.50	-0.73	1.54	97.93	**
iShares Long Corp Bond	LQD	BL	-2.90	-4.84	-4.30	-3.17	-1.00	1.39	112.68	**
iShares Trsry Inflt	TIP	BI	-7.29	-8.84	-7.78	-4.71	-1.83	1.18	110.64	**
PS 1-30 Ldr Trsry	PLW	BI	-8.64	-8.31	-5.99	-4.31	-0.96	1.45	29.88	**
PS Bld America	BAB	BI	-5.98	-7.40	-8.54	-7.83	-1.41	1.59	27.14	**
PS DB Dollar Bearish	UDN	BF	-1.27	-2.51	0.04	1.65	-0.49	1.29	26.42	**
PS DB Dollar Bullish	UUP	BF	-0.49	1.23	-0.80	-1.86	0.41	1.28	22.19	**
PS DB G10 Currency	DBV	BF	-0.76	-4.00	-7.09	-6.64	-2.44	1.72	24.75	**
PS Fdmntl Hi Yield Corp	PHB	BH	3.25	1.31	-0.10	-0.99	-0.88	1.23	18.71	**
PS Insr CA Muni	PWZ	BI	-6.48	-9.21	-8.53	-7.65	-2.25	1.29	22.72	**
PS Insr NY Muni	PZT	BI	-9.02	-11.54	-10.28	-8.91	-2.61	1.51	21.68	**
PS Prfd	PGX	BF	-0.95	-2.38	-4.30	-4.81	-1.65	1.18	13.68	**
SPDR High Yield	JNK	BH	5.27	2.46	0.00	-0.75	-1.03	1.56	39.46	**
SPDR Intrntl TBond	BWX	BW	-4.13	-5.75	-2.63	-0.53	-1.15	1.48	56.79	**
Vngrd Intrmdt Bond	BND	BI	-2.94	-3.28	-2.96	-2.12	-0.86	0.62	79.99	**
Wtree Dryfs Comdty Cur	CCX	BF	-6.19	-7.08	-8.09	-3.79	-2.15	1.55	19.55	**
Wtree Dryfs Emrg Crrncy	CEW	BF	-3.44	-5.57	-6.78	-3.77	-2.82	1.44	19.65	**
iShares 20+ yr Trsry	TLT	BL	-14.79	-13.35	-9.34	-6.72	-1.34	2.46	105.71	**
PS Emrg Mrkt Svrgn Debt	PCY	BW	-8.80	-13.37	-11.06	-7.86	-3.36	2.67	26.24	**
PS Insr Natl Muni	PZA	BI	-8.56	-11.75	-10.49	-9.01	-1.56	1.56	22.52	**
Wtree Dryfs Brazil Real	BZF	BF	-10.67	-7.36	-15.28	-9.16	-3.29	2.37	16.75	**
Wtree Emrg Mrkt Lcl Debt	ELD	BF	-7.81	-11.12	-12.85	-8.94	-4.35	2.09	45.45	**
Wtree Dryfs Indn Rupee	ICN	BF	-11.22	-13.71	-15.13	-13.34	-5.23	2.58	18.12	*

This is the ETF Income Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. CS is Comet Strength (not shown). C is Comet (not shown), which is an ETF's risk-adjusted performance; the higher the better. V, CS, and C are proprietary tools. Rank column shows the number of comets.

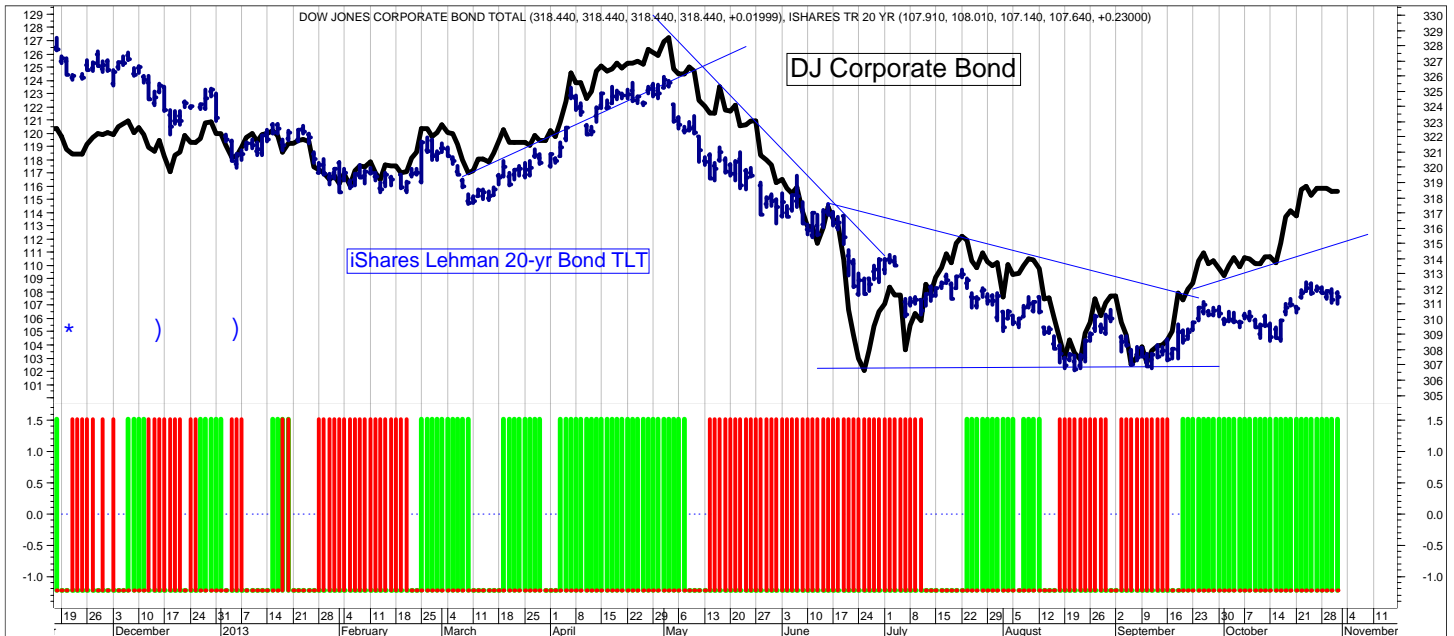
ETF LEGEND for pages 3 (Bond), and 7, 8, 9, and 10 (Equity):

Column headings: The first column shows the ETF name, the second column shows its symbol. The third column shows the ETF Style. The first letter is always either B (Bond) or E (Equity) or H (Hybrid). The next letter(s) is the style. So, BS-bond short, BI-bond intermediate, BL-bond long, BF-flexible, BW-world, BH-high yield. And for Equity, EA-equity aggressive, EC-equity contrary, EG-equity gold (precious metals), ESC-small cap, EMC-mid cap, ELC-large cap, EW-world, EGI-growth/income, ERE-real estate, EV-value.

Columns 4-8 show percentage returns for the periods shown (12 months, 9, 6, 3, and 1 month). Column 9 is V (volatility); a measure of risk; the lower the V, the less risk. Column 10 is the NAV. Column 11 is the C (comet) ranking. C is the risk-adjusted (V) relative performance (CS). The higher the C indicates the most return for the amount of risk taken.

Generally, our ETF strategy is to own the top ranked ETFs (shown in green) and avoid or short the lower ranked ETFs (shown in red).

SLM Bond Timing Model



The SLM Bond Timing Model is based on the expected direction of the Corporate Bond market. The green bars are bullish (expect higher prices and lower yields) and the red bars are bearish (expect lower prices and higher yields). White spaces indicate that the previous signal is still in effect.

WEEKLY REVIEW

11/4 Will watch for reentry points on pullbacks to recent trend line.

10/28 Taking some profits, as the market looks extended and topy, but will look to reenter on pullbacks.

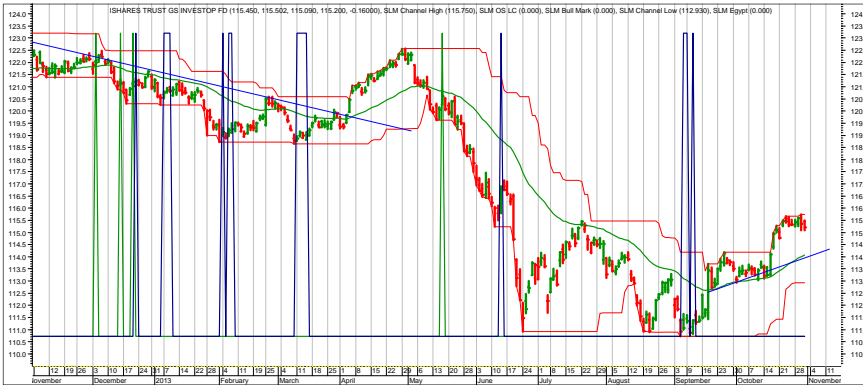
10/21 Rally still on, as market starts to focus on new Chairman Yellen policies to maintain accommodative Fed.

10/14 Intermediate-term trend is still up.

10/7 Consolidating the recent jump, as bonds move sideways. Economy is muddling along and taper talk is off, so may see some further gains.

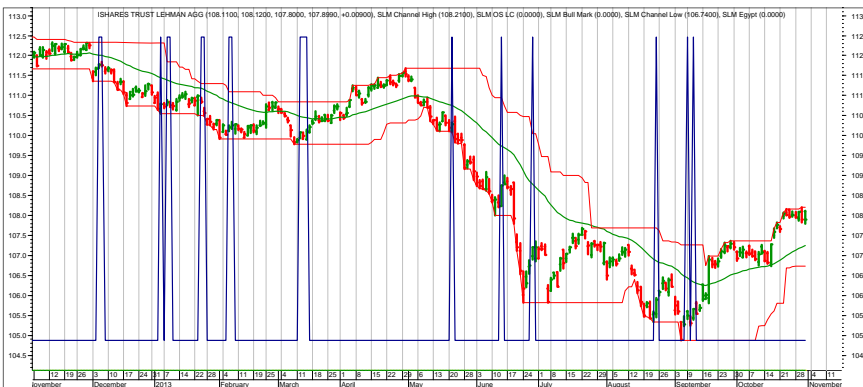
9/30 Bonds popped up through the short-term down trend line. Expect some pullback and consolidation and then we'll see.

Income Charts (DAILY)



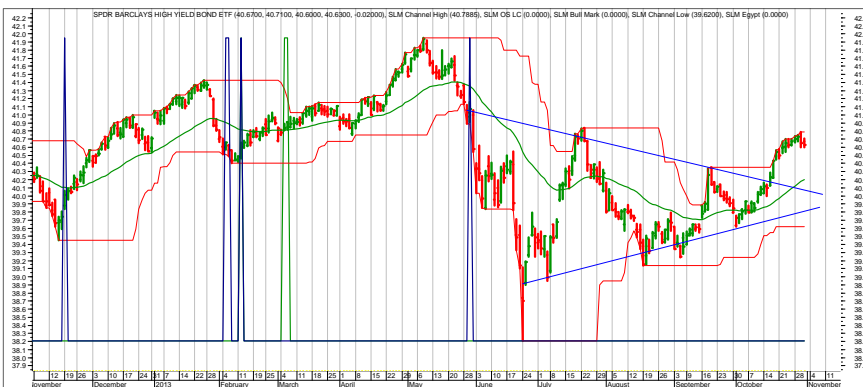
LQD—Investment Grade Corporate

11/4 No changes.
 10/28 Short-term pause and pullback expected.
 10/21 No changes.
 10/14 No changes.
 10/7 No changes.
 9/30 Popped through resistance.



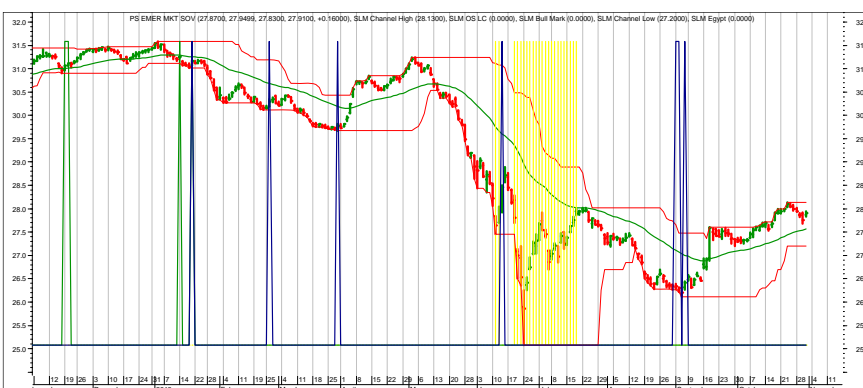
AGG—Aggregate Bond Market

11/4 No changes.
 10/28 Short-term top expected.
 10/21 No changes.
 10/14 No changes.
 10/7 No changes.
 9/30 Popped through resistance.
 9/23 No changes.
 9/16 Holding.
 9/9 Stopped out. Will watch to reenter.



JNK—hi-yield bonds

11/4 Watch for pullback on which to buy.
 10/28 Short-term pause expected.
 10/21 Pop on through its “triangle pattern”. Will watch for pullbacks for potential entry points.
 10/14 No changes.
 10/7 No changes.
 9/30 No changes.



PCY—International Bonds

11/4 No changes.
 10/28 Short-term top expected. Will watch for a pullback to reenter.
 10/21 No changes.
 10/14 Moving higher.
 10/7 No changes.
 9/30 No changes.
 9/23 No changes. Holding for now.

Each chart shows daily (or weekly if noted in page title at top) prices, a moving average (smoothed green line on price portion), and blue or green spikes. The spikes show potential buy signals. The red lines are price channels. The charts do not show sell signals.

Growth Portfolio (changed as of 12/10/12, 9/23/13)

ACTION FOR			PORTFOLIO DETAILS				Value as of date:			11/1/2013			
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
14-Oct	sell	EEM	43.08	163	7,012	World Growth							
14-Oct	sell	EFA	64.63	106	6,841	EEM		Emrg Mrkt	43.03	42.48	162.440	6,900.45	4.9%
14-Oct	sell	IWM	108.19	64	6,914	EFA		Euro Asia	55.55	65.50	105.060	6,881.43	4.9%
14-Oct	sell	QQQ	79.82	88	7,014	IWM		Rusi 2000	82.54	108.66	64.740	7,034.65	5.0%
14-Oct	sell	SPY	170.99	41	7,001	QQQ		Nsdq 100	65.12	82.70	88.280	7,300.76	5.2%
14-Oct	sell	PBE	34.48	185	6,369	SPY		S&P 500	142.47	175.98	40.820	7,183.50	5.1%
14-Oct	sell	PGJ	29.52	235	6,927	C-lect 5							
14-Oct	sell	PNQI	61.24	108	6,604	DFE			53.54	53.25	132.000	7,029.00	5.0%
14-Oct	sell	PSCH	49.87	135	6,722	PGJ			27.97	28.65	234.000	6,704.10	4.8%
14-Oct	sell	TAN	37.26	213	7,926	PNQI			60.74	62.67	107.000	6,705.69	4.8%
The sells will raise cash from 0% to 50% of total portfolio.						PSCH			48.35	50.65	134.000	6,787.10	4.8%
21-Oct	sell	PBE	34.38	185	6,350	TAN			30.50	37.67	213.000	8,023.71	5.7%
21-Oct	buy	DFE	53.54	132	7,092	Two potential ways to sell: Stop loss is roughly 10% below current level, or timing model may also signal sell.							
This is a lateral trade.						C-lect Short							
4-Nov	sell	PSCH		134									
4-Nov	buy	EWP		190									
This is a lateral trade.													
Cash from short									1.00				0.0%
Money Market									1.00	69,658	69,658.00	49.7%	
Total Valuation=											140,208.39	100.0%	

WEEKLY REVIEW

11/4 Time to make a lateral move in which we sell a fund (PSCH) and buy a different fund (EWP) for roughly the same dollar amount (which is the same percentage amount of the total portfolio, currently about 5%).

10/28 No changes to the portfolio.

10/21 Two things. One is to make the lateral trade from PBE to DFE. A lateral trade is where the percentage invested remains about the same. Two is the stop loss is now about 10% away from current prices. The window to buy new positions has been closed for a couple of months now, so what about buying back the positions from the sell last week? As mentioned last week, the question would become whether or not it is worthwhile in terms of risk and reward to get back in? Given the closed window and the negative divergence and sentiment issues (see page 1 article), a wait and see position is best.

Plus TAN is looking like it is going "exponential", which is when the price rate of change increases to unsustainable levels. This signals a top, not opportunity. We will see what happens here.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	-2.1	24.0	40.2	7.9
World Growth Index	17.2%	-4.2	14.3	24.4	59.6	15.1

The ETF Growth Portfolio changed as of 12/10/12. It is following the new World Growth Model (WGM), which uses the same 5 etfs (EEM, EFA, IWM, QQQ, SPY) as the World Growth Index (WGI). The difference between the two is WGM uses timing and WGI is always fully invested and WGI is rebalanced to 20% in each position daily (this accounts for the different returns when WGM is invested and held).

Based on the successful back testing strategy, C-lect 5 was added to the portfolio on 9/23/13.

Returns are of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD).

ETF Rankings by C to previous week's end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>C</i>
PS Gldn Drgn USX China	PGJ	EW	18.29
Guggnhm Solar	TAN	EA	15.65
PS NASDAQ Intrnt	PNQI	EA	14.05
Wtree Eur SC Div	DFE	EW	11.40
iShares Spain	EW P	EW	10.79
PS S&P SmICap Hlth Care	PSCH	EA	9.68
Guggnhm Shipping	SEA	EA	9.11
PS Gbl Clean Enrgy	PBD	EW	8.75
iShares Italy Indx	EW I	EW	8.65
PS Dynmc Networking	PXQ	EA	8.10
PS Dynmc Biotech	PBE	EA	8.01
PS S&P SmICap Info Tech	PSCT	EA	7.95
iShares EMU Indx	EZU	EW	7.44
iShares Slct Div	IDV	ELC	7.42
SPDR Euro Stoxx 50	FEZ	EW	7.26
PS S&P SmICap Energy	PSCE	EA	7.10
PS WilderHill Cln Enrgy	PBW	EA	7.04
Wtree Intrntl SC Div	DLS	EW	6.52
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	6.38
Guggnhm China All	YAO	EW R	6.36
PS Aerospace & Def	PPA	EA	6.24
SPDR S&P Oil & Gas Expl. & Prod.	XOP	EA	6.13
Wtree DEFA Eqty Incm	DTH	EW	5.85
iShares South Korea Indx	EW Y	EW	5.80
Wtree Intrntl Div Ex Fincl	DOO	EW	5.63
PS Cleantech	PZD	EA	5.59
PS FTSE RAFI Dvlp Mrkt xUSA SmI	PDN	EW	5.56
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	5.27
PS S&P SmICap Cnsmr Stpl	PSCC	EA	5.03
Wtree DEFA	DW M	EW	4.92
PS S&P SmICap Indstrils	PSCI	EA	4.89
PS Dynmc Leisure & Enter	PEJ	EA	4.88
Vngrd European Indx	VGK	EW	4.80
Guggnhm China SmI	HAO	EW R	4.78
Guggnhm BRIC	EEB	EW	4.69
iShares Europe 350	IEV	EW	4.66
Market Vectors Russia	RSX	EW	4.58
Guggnhm Spin Off	CSD	EMC	4.57
Wtree Intrntl LC Div	DOL	EW	4.53
iShares Germany Indx	EW G	EW	4.49
Wtree Intrntl MC Div	DIM	EW	4.43
PS Gbl Water	PIO	EW	4.11
iShares China	FXI	EW	4.07
SPDR S&P Regional Banking	KRE	EA	4.06
PS Dynmc Media	PBS	EA	3.97
PS FTSE RAFI Asia Pac xJpn	PAF	EW	3.92
PS Dynmc Pharma	PJP	EA	3.86
Guggnhm Timber	CUT	EA	3.81
iShares Australia	EW A	EW	3.77
PS Gbl Listd Prvt Eqty	PSP	EW	3.74

This page and the next three show the equity ETF database rankings from high to low based on C. C is Comet, which is the risk-adjusted relative performance; the higher the C ranking, the better. Comet, not stars, because comets come into and out of prominence over time.

The first column shows the name. The second column shows the symbol. The third column shows the style; it begins with E for Equity and then the style (A is aggressive, W is world, WR is world regional, SC is small cap, MC is mid cap, LC is large cap, GI is growth/income, V is value). The fourth column shows the C level.

ETF Rankings by C to previous week's end

PS Dynmc Consmr Discr	PEZ	EA	3.71
PS QQQ	QQQ	ELC	3.68
PS Buyback Achievers	PKW	EGI	3.67
PS BLDR Europe 100 ADR	ADRU	EW	3.66
SPDR S&P Bank	KBE	EA	3.63
Guggnhm RJ All	RYJ	ELC	3.63
Vngrd Europe Pacific	VEA	EW	3.55
Vngrd Small Cap Grth	VBK	ESC	3.52
PS Dynmc Software	PSJ	EA	3.50
PS FTSE RAFI US 1500 SmI-Mid	PRFZ	EMC	3.49
Market Vectors Oil Services	OIH	EA	3.38
PS BLDR Dvlpd Mrkt 100 ADR	ADRD	EW	3.36
iShares Russell 2000	IWM	ESC	3.32
iShares EAFE Indx	EFA	EW	3.15
PS Dynmc Retail	PMR	EA	3.09
iShares Pacific ex Jpn	EPP	EW	3.06
SPDR DJ Gbl Titans	DGT	EW	2.94
Wtree MidCap Earn	EZM	EMC	2.94
Wtree Gbl Eqty Incm	DEW	EW	2.93
Vngrd Extnd 4500	VXF	ELC	2.92
PS S&P SmICap Mtris	PSCM	EA	2.86
Vngrd TTL Intrntl Stk	VXUS	EW	2.76
Select SPDR MatrIs	XLB	EA	2.74
Select SPDR Indl	XLI	EA	2.70
PS Zacks Micro Cap	PZI	ESC	2.65
PS Dynmc Technology	PTF	EA	2.61
Guggnhm Intrntl A Incm	HGI	EW	2.44
Wtree SmI Cap Div	DES	ESC	2.44
Vngrd Health	VHT	EA	2.42
Vngrd Materials	VAW	EA	2.41
Vngrd Small Cap	VB	ESC	2.39
PS Dynmc Healthcare	PTH	EA	2.31
PS BLDR Asia 50 ADR	ADRA	EW	2.26
PS Dynmc Semicndctr	PSI	EA	2.26
Vngrd Tech	VGT	EA	2.24
PS Dynmc Lrg Cap Grth	PWB	ELC	2.19
PS Dynmc Oil & Gas Srvcs	PXJ	EA	2.02
Wtree Intrntl Utilities	DBU	EW	1.98
PS Dyn MagniQuant	PIQ	ELC	1.97
Vngrd Consmr Dis	VCR	EA	1.92
PS Dynmc Fncl	PFI	EA	1.90
PS Dyn Mrkt	PWC	ELC	1.86
Vngrd Grth	VUG	ELC	1.84
PS Dynmc Basic Matrl	PYZ	EA	1.83
Select SPDR Health	XLV	EA	1.75
iShares Russell 2000 Value Indx	IWN	ESC	1.74
PS Dyn OTC	PWO	ESC	1.73
Wtree Emrg Mrkt Eincm	DEM	EW	1.68
iShares Hong Kong Indx	EW H	EW	1.62
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	1.56
iShares Russell 1000 Grwth Indx	IWF	ELC	1.52
Select SPDR Cnsmr Disc	XLY	EA	1.51
Vngrd Small Cap Value	VBR	ESC	1.45
PS S&P SmICap Cnsmr Dis	PSCD	EA	1.43
Guggnhm MidCap Core	CZA	EMC	1.39

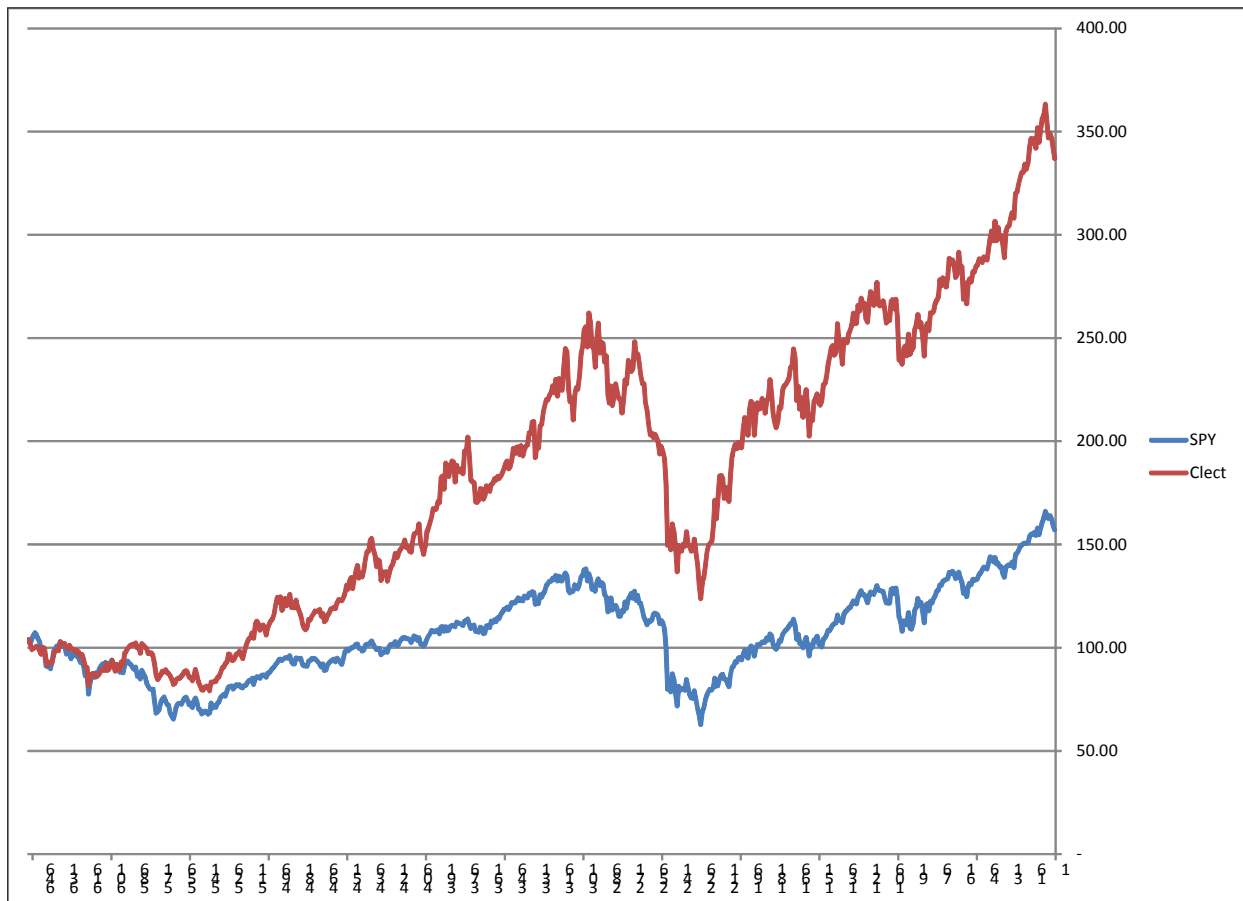
ETF Rankings by C to previous week's end

Vngrd MidCap Val	VO	EMC	1.35
PS Dynmc Energy Explor	PXE	EA	1.31
SPDR S&P Metals & Mining	XME	EA	1.27
Guggnhm Gbl Div	LVL	EW	1.26
PS FTSE RAFI Emrg Mrkt	PXH	EW	1.23
PS WilderHill Prgsv Enrgy	PUW	EA	1.11
PS Dynmc Energy	PXI	EA	1.08
US Oil Fund	USO	EA	1.08
iShares Emrg Mrkt Stk	EEM	EW	1.04
Select SPDR Enrgy	XLE	EA	1.01
Guggnhm Gbl Wtr	CGW	EW	0.98
PS Dynmc Food & Bev	PBJ	EA	0.97
iShares Core S&P Mid Cap	IJH	EMC	0.88
PS DWA Tech Ldr	PDP	ELC	0.85
SPDR Mid Cap Trust	MDY	EMC	0.81
Vngrd TTL Stock	VTI	ELC	0.75
Wtree MidCap Div	DON	EMC	0.72
iShares Taiwan Indx	EWT	EW	0.72
Guggnhm Insdr Sent	NFO	EMC	0.68
iShares Canada	EW C	EW	0.67
Market Vectors Semiconductor	SMH	EA	0.66
SPDR S&P Retail	XRT	EA	0.63
PS DB Oil	DBO	EA	0.50
iShares Russel MidVal	IW S	EMC	0.47
Wtree Ttl Earn	EXT	ELC	0.45
Vngrd Large Cap	VV	ELC	0.44
PS S&P SmICap Fincl	PSCF	EA	0.41
PS Intrntl Dvdnd	PID	EW	0.39
PS Water Resources	PHO	EA	0.37
SPDR S&P 500	SPY	ELC	0.19
iShares Core S&P 500	IVV	ELC	0.18
PS Hi Yld Eqty Div	PEY	EGI	0.15
Wtree S&P 500	EPS	ELC	0.14
Select SPDR Technlgy	XLK	EA	0.04
iShares Russell 1000 Value Indx	IW D	ELC	(0.04)
Guggnhm Candn Enrg Incm	ENY	EW R	(0.05)
Vngrd Div Apprctn	VIG	EGI	(0.06)
PS Dynmc Consmr Staples	PSL	EA	(0.09)
Vngrd Emrg Mrkt	VW O	EW	(0.11)
iShares DJ Slct Div	DVY	EGI	(0.12)
Wtree Japan SC Div	DFJ	EW R	(0.15)
iShares S&P 100 Indx	OEF	ELC	(0.20)
Select SPDR Financls	XLF	EA	(0.31)
PS S&P 500 BuyWrite	PBP	ELC	(0.35)
PS DB Commodity	DBC	EA	(0.39)
Guggnhm Multi Ast In	CVY	EV	(0.42)
Vngrd Fincl Srv	VFH	EA	(0.46)
Guggnhm Frntr	FRN	EW	(0.55)
PS DB Energy	DBE	EA	(0.63)
iShares Brazil Indx	EW Z	EW	(0.65)
Select SPDR Div	SDY	EGI	(0.66)
PS Dynmc Lrg Cap Value	PW V	ELC	(0.67)
Wtree World Ex US Grth	DNL	EW	(0.73)
Wtree Middle East Div	GULF	EW	(0.79)
PS Emrg Mrkt Infrastrctr	PXR	EW	(0.85)

ETF Rankings by C to previous week's end

Wtree LrgCap Div	DLN	ELC	(0.90)
PS Dynmc Utilities	PUI	EA	(0.92)
Wtree Div Ex Fincl	DTN	ELC	(0.92)
PS DB Agriculture	DBA	EA	(0.94)
PS Dividend Achievers	PFM	EGI	(1.01)
Guggnhm Dfnsv Eqty	DEF	EV	(1.05)
PS MENA Frntr Countries	PMNA	EW	(1.05)
Guggnhm China REIT	TAO	EW R	(1.13)
Wtree Eqty Income	DHS	EGI	(1.28)
SPDR DJ Industrials	DIA	ELC	(1.29)
PS Dynmc Bldg Cnstrctn	PKB	EA	(1.29)
Alerian MLP	AML P	EGI	(1.31)
PS DB Base Metals	DBB	EG	(1.35)
Vngrd Consmr Stpls	VDC	EA	(1.39)
iShares Latin Am r	ILF	EW	(1.45)
PS S&P 500 Low Volatility Portfolio	SPLV	ELC	(1.52)
Select SPDR Cnsmr Stpl	XLP	EA	(1.57)
Wtree Emrg Mrkt SC Div	DGS	EW	(1.60)
iShares Japan	EWJ	EW	(1.64)
iShares Silver	SLV	EG	(1.75)
iShares Prfrd	PFF	EGI	(1.78)
PS S&P SmICap Utilties	PSCU	EA	(1.79)
PS Fincl Pfd	PGF	EGI	(1.84)
PS Lux Nanotech	PXN	EA	(1.84)
iShares Singapore	EWS	EW	(1.89)
Wtree Intrntl REIT	DRW	ERE	(1.93)
iShares Malaysia Indx	EW M	EW	(2.14)
PS DB Silver	DBS	EG	(2.16)
Vngrd Utilities	VPU	EA	(2.17)
Select SPDR Utilities	XLU	EA	(2.22)
PS DB Precious Metals	DBP	EG	(2.35)
SPDR Gold	GLD	EG	(2.49)
iShares Gold	IAU	EG	(2.50)
PS DB Gold	DGL	EG	(2.79)
PS Gbl Agriculture	PAGG	EA	(3.43)
Pro Shares Short S&P 500	SH	EC	(3.50)
Wtree Japan Hedge Eqty	DXJ	EC	(4.07)
PS DWA Emrg Mrkt T Ldrs	PIE	EW	(4.07)
SPDR S&P Homebuilders	XHB	EA	(4.20)
iShares Mexico	EW W	EW	(4.50)
Vngrd REIT	VNQ	ERE	(4.77)
SPDR Wlsh REIT	RWR	ERE	(4.87)
iShares REIT	IYR	ERE	(5.03)
iShares Cohen&Str REIT	ICF	ERE	(5.20)
PS India	PIN	EW	(5.32)
PS US REIT	PSR	ERE	(5.32)
Pro Shares Short Russell 2000	RWM	ESC	(5.38)
Wtree India	EPI	EW R	(6.26)
PS Gbl Gold Precious Mtls	PSAU	EG	(6.96)
iShares DJ US Home Constr.	ITB	EA	(8.66)
US Natural Gas	UNG	EA	(11.11)
Market Vectors Gold Minors	GDX	EG	(12.44)
Market Vectors Junior Gold Miners	GDXJ	EG	(19.71)
iPath S&P 500 VIX Shrt Trm	VXX	EC	(37.27)

C-lect 5 (reiteration)



The new selecting and timing model is completed under the name of C-lect 5.

The chart above shows only the C-lect 5 without any market timing. The point with this is to show that staying with the leading ETFs is a winning strategy over time, even without employing market timing.

With market timing, the huge bear market downdrafts should be avoided.

Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) *REVIEW*

vidual Investors) is near 21%. These things are bearish.

For their part, fundamentals could be broken into readings from two camps. Value and growth.

The growth component is bullish, the economy is growing at a moderate pace. There is no recession on the horizon. Leading economic indicators are still trending higher.

From a value perspective, however, the relationship of fundamentals to the stock market is bearish. As mentioned last week, the CAPE (10 year inflation adjusted PE ratio) is in overvalued territory. Another fundamental

indicator is the Q-ratio. It measures the market's price in comparison to its replacement cost. It too is overvalued. As well, earnings have rolled over; comparisons are dropping. All of these things are bearish.

And now to look at the Fed policy. It remains a bullish force. It will keep interest rates low at least through 2015. As for tapering its bond purchases, expectations of this are slowly diminishing. Fed policies remain bullish, albeit within a weak economy.

So, all of these things continue to paint a mixed picture within a positive feedback loop.

The market is bullishly trending higher, which turns in-

vestors bullish, but that is bearish. As it continues upward, it is now overvalued from a fundamental view, but growth remains intact. The Fed continues to support it with low interest rates and quantitative easing (bond buying).

So, goes the feedback loop. A higher market results in a higher market because there are no viable alternatives to earn a decent return, even though it is fundamentally overvalued.

At some point, the market pops from overconfidence and overvaluation.

Please see the individual portfolio pages for any updates and changes.

Just to clarify a couple of terms that I use regularly.

Short-term is days to weeks.

Intermediate-term is weeks to months.

Long-term is months to years.

Cyclical is 1-5 years.

Secular is 5 years to decades.

Bull market is a series of higher highs and higher lows.

Bear market is a series of lower lows and lower highs.

Neutral market is sideways without a discernible pattern.

Oddly, bull and bear markets may occur simultaneously, but only over different time periods. For example, we may be in a secular bear market, but there are cyclical bull and bear markets within that.

Closing stops are "mental". I look at the position at quarter to the close. If it is trading below the stop (or above if short), then I act with the assumption the security will trigger that closing stop on that day. I sell (or cover) at the close that day.

Portfolio stops for the World Growth Model are internally maintained; they are based on the Wrl'd Grth Index, not the individual ETFs. They will be emailed when close or if triggered.

11/4 No changes.

10/28 No changes.

10/21 Work continues on the "shorting/inverse" portfolio and will begin on the new World Income Index (WII).

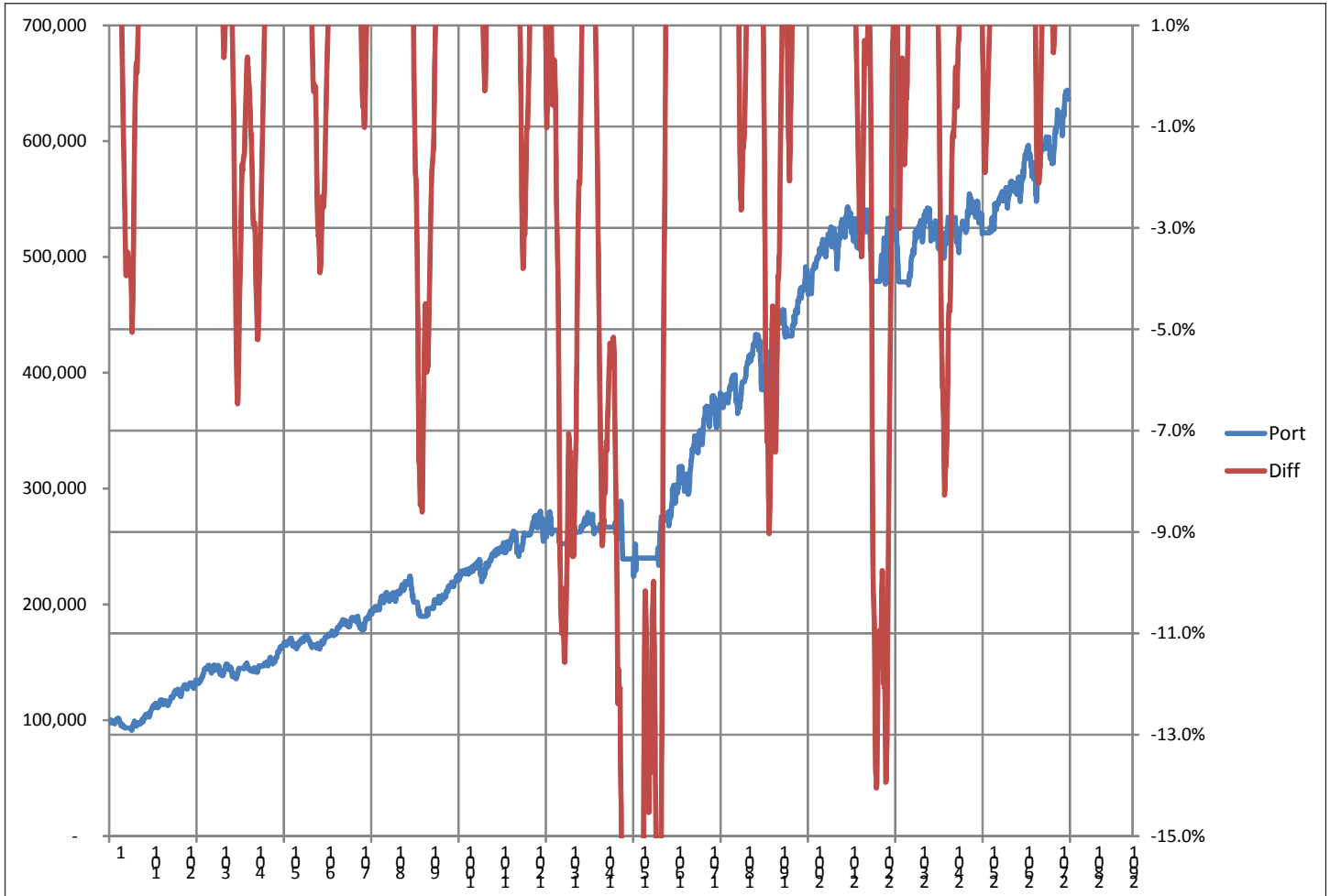
10/15 Again to clarify, the equity ETF rankings shown on pages 7-10 are now based on weekly C data. The bond ETF rankings are still based on monthly C data.

Plans are underway to investigate a new bond model based on a similar approach as the World Growth Index.

10/7 Just to clarify what was said last week, the ETF rankings in this newsletter are now based on their weekly C. Previously they were based on monthly numbers. On my NLMFS&T Newsletter, fund (and ETF) rankings are still determined by monthly data (no changes planned there). This means that the two C numbers between the two newsletters will not match. The C selection rankings should be somewhat close, but will not be identical. The process of determining C, however, is the same with both. C is the risk-adjusted relative strength number. The higher the number, the better.

I still plan to introduce a portfolio based on shorting the weakest ETFs based on the weakest C, if the back testing shows good results. The weak C ETFs are shown in red on page 10.

Buy Window for WGM Open or Closed (closed currently)



The chart above shows the World Growth Model (Port, blue line) and “Diff” (red line; the windows for potential buying opportunities after an initial timing model buy). The “x” axis shows data points, rather than dates, but it is from 9/3/2002 through the present. The potential window to buy is when the red line drops below 1%.

“Diff” is measuring the difference between where the World Growth Model is priced and where the potential sell stop price is. The idea is not to chase the market higher, but wait for lower risk entry points when the market pulls back.

This window is also important because it shows subsequent potential entry points after an initial buy.

Currently the window is closed, suggesting that the market is overextended. This is not to say, however, that the market is at a top. “Diff” does not measure this. It only measures the opportunities of buying on pullbacks at lower risk entry points.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 6)

Our guiding goal is to provide the most return with the least risk consistently over time through bull and bear markets.

Income Portfolio, page 2: Uses a proprietary selection methodology on all of the monitored bond-oriented ETFs to pick the top ETFs. I then use a proprietary timing model to decide whether to buy, sell, hold, or avoid. From time to time, timing considerations may take precedence over selections; in other words, we may own lower ranked funds because of anticipated timing changes.

Growth Portfolio, page 6: As of 12/10/12, it is based on the World Growth Index (WGI), which is made up of a static fully invested 20% in each of five ETFs (EEM, EFA, IWM, QQQ, SPY). The Portfolio will buy and sell the WGI based on proprietary timing signals. On 9/23/13, the new C-lect 5 is also part of this portfolio. It too uses timing.

Both portfolios were started on 1/1/10 with \$100,000. As mentioned, the Growth Portfolio strategy was changed on 12/10/12 to the World Growth Model and again on 9/23/13 to incorporate the C-lect 5 model.

Portfolio changes will usually be made at the close on Monday, unless otherwise noted in any emailed hotline update or triggered stop orders. Issues are normally posted on Mondays by 1:35pm cst (Tuesday if Monday is a holiday, defined as market closed).

Portfolios are updated through the Friday close the week before.

Dividends are reinvested in additional shares.

Commissions of \$10 per trade are applied. Interest is currently zero for the money market (cash) position.

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Unless otherwise noted, the weekly eNewsletter is posted by 1:35 PM central time each Monday, except for holidays and then on Tuesday. It may contain actionable, specific buy or sell advice to take that day at the Monday (or Tuesday) close in each portfolio. We may also use stop orders. For stops, check the ETF at quarter to the close. If it is below (or above) a stop level, assume it will close there and act on that. Portfolio data will be updated through the previous Friday's close. Fund symbols, rather than names, are the official identification used for activity.

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