

ETF Selections & Timing

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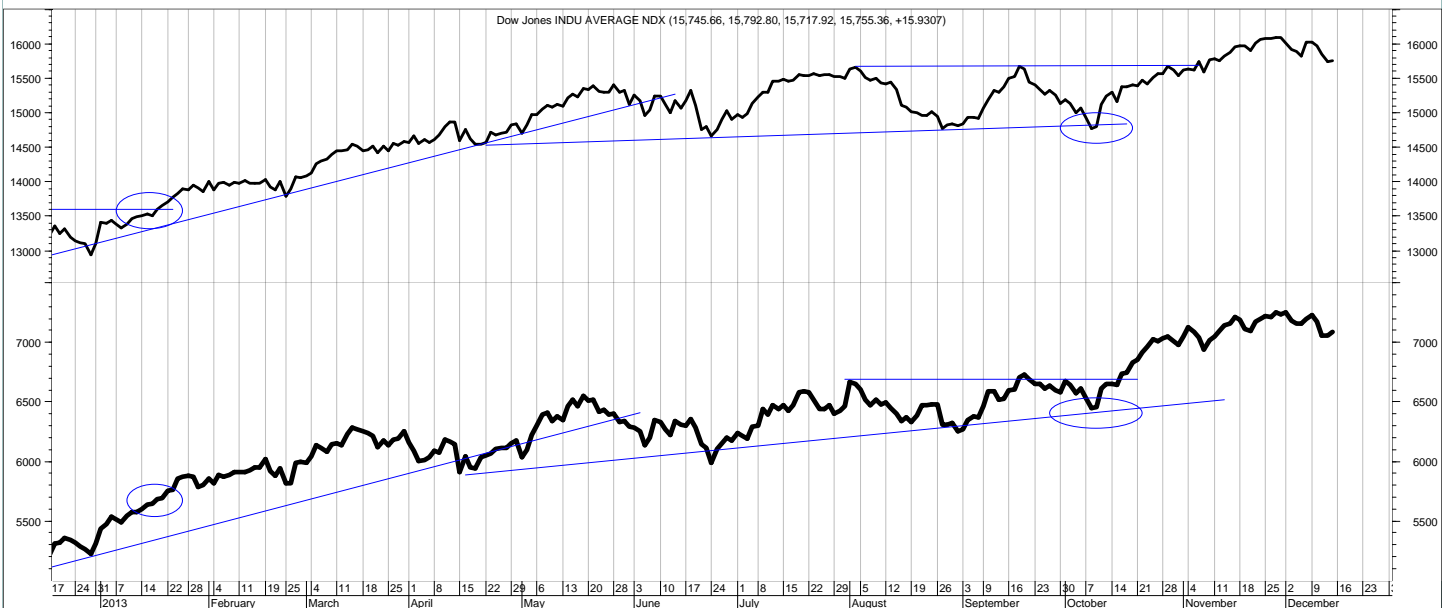
Pricing Sideways

There was more stronger than expected economic news reported today in the form of industrial production rising 1.1%. Estimates were for a 0.6% increase. Combined with other recent strong economic news, the Fed may begin to taper. Just not quite yet, but

probably waiting until quarter one. I doubt Bernanke and company will make a last second change to its policies weeks before he is replaced. Why risk a blemish to his record of solid recovery since March 2009, as stocks would probably take a tank on taper news?

As the Fed has made clear, however, tapering is not the same thing as raising short-term rates. Tapering is suspending their purchase of long-term bonds. So, the yield curve would probably steepen in the

(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	0.9%	0.9%	1.3	2.4	-0.4	-0.1%
ETF Growth Portfolio	23.3%	22.7%	12.1	5.1	-1.7	-1.0%
Index						
Aggrgt Bond (AGG)	-4.2%	-4.3%	-2.0	0.9	-0.7	0.0%
S&P 500 TR (SPY)	27.7%	26.7%	9.1	5.1	-1.1	-1.6%
World Growth Index	25.0%	25.1%	11.3	4.7	-1.2	-1.9%

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Income Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 12/13/2013							
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss as of 12/9	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total	
28-Oct	sell	PCY	27.95	1,300	36,325	AGG	106.50		106.76	106.65	537.0	57,271.05	49.8%	
28-Oct	sell	LQD	115.43	300	34,619									
25-Nov	buy	AGG	107.30	537	57,630									
moves about 50% of total portfolio into AGG														
2-Dec	buy IF	PCY	>\$26.90	1,100										
this might move about 25% of total portfolio														
4-Dec	sell	AGG	106.68	537	57,277	PCY	26.50		26.86	26.87	2,120	56,964.40	49.6%	
9-Dec	buy	AGG	106.76	537	57,340									
9-Dec	buy	PCY	26.86	2,120	56,953									
these two will move the portfolio to fully invested														
										Money Market	1.00	675	675.00	0.6%
												Total Valuation=	114,910.45	100.0%

WEEKLY REVIEW

12/16 No changes.

12/9 We were stopped out of the AGG position, but we'll get back in with another close stop. We will also buy PCY with a close stop.

12/2 As noted on page 5, PCY is potentially setting up for a reversal. I will buy if it closes back above \$26.90 this week. If it doesn't, continue to stand aside.

Watch the close stop on AGG. The economy may be much stronger than expected.

11/25 Partially reentering the bond market using AGG, as noted above.

11/18 The bond market is bouncing off its oversold condition. Will wait for reentry signals.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Income Portfolio	4.8%	3.6	4.8	0.9	14.9	4.5
Aggregate Bond	2.5%	4.3	0.9	-4.2	3.4	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 (pending change)

<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 Infltn	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 Insrđ CA Muni	PWZ	BI	-6.48	-9.21	-8.53	-7.65	-2.25	1.29	22.72	**
PS Insrđ 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	**
Vngrđ Intrmđt Bond	BND	BI	-2.94	-3.28	-2.96	-2.12	-0.86	0.62	79.99	**
Wtree Dryfs Comđty 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 Insrđ 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.

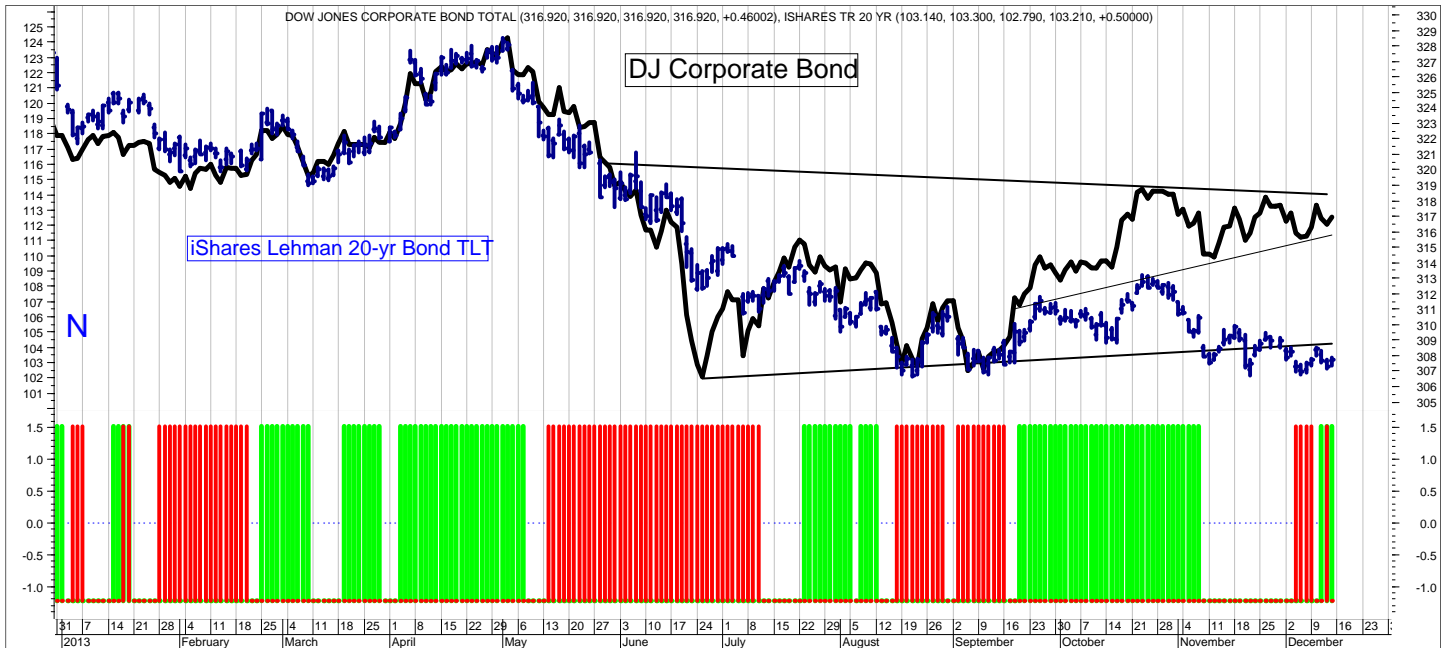
ETF LEGEND for pages 3 (Bond), and 7, 8, 9, and 10 (Equity):

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

12/16 No changes. Watch the close stops noted on page 2.

12/9 Bonds may be at a cross road. If the Fed announces its tapering program, presumably bonds will sell off quickly and sharply. If it doesn't, they should rally for a bit longer.

12/2 No changes.

11/25 Will look to reenter a bond position as noted on page 2.

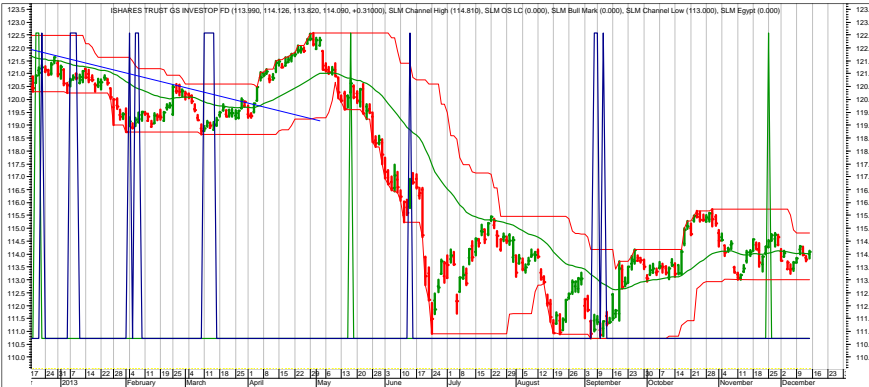
11/18 Bonds are retracing some of their oversold condition. Yellen's speech reaffirmed the possibility that tapering will be pushed out into 2014. So, bonds are rallying, but the underlying fundamental news appears to be suggesting that the top is in place.

11/11 Bonds have sold off sharply the last few weeks on better economic news (leading economic indicators up and employment gains). Talk of Fed tapering has picked up.

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

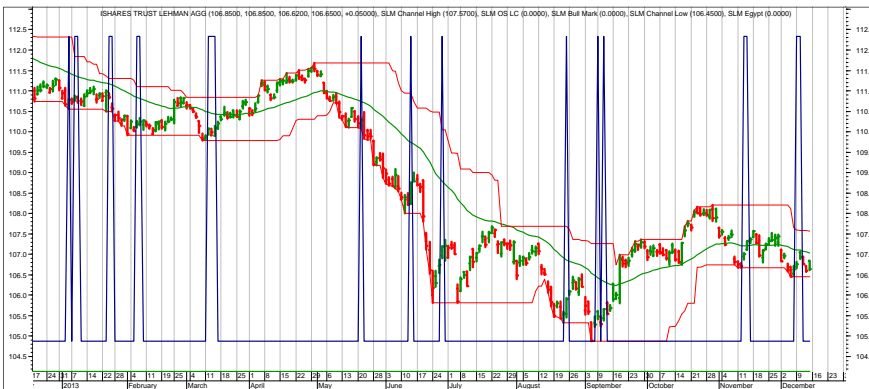
10/28 Taking some profits, as the market looks extended and topy, but will look to reenter on pullbacks.

Income Charts (DAILY)



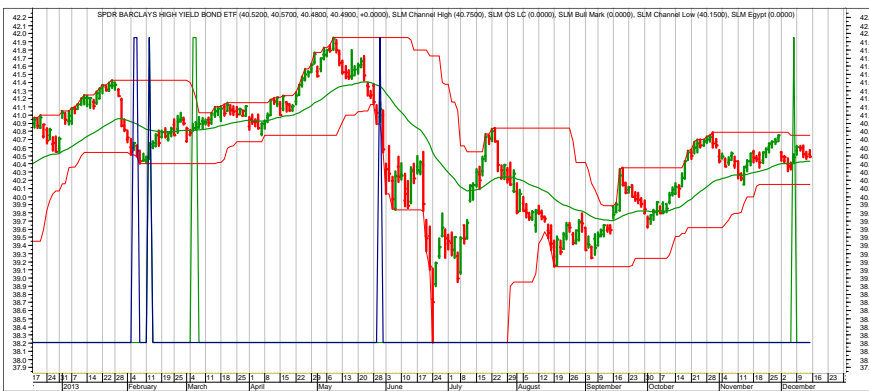
LQD—Investment Grade Corporate

12/16 No changes.
 12/9 No changes.
 11/2 No changes.
 11/25 No change here.
 11/18 Still on the sidelines.
 11/11 Watch for entry points.
 11/4 No changes.
 10/28 Short-term pause and pullback expected.



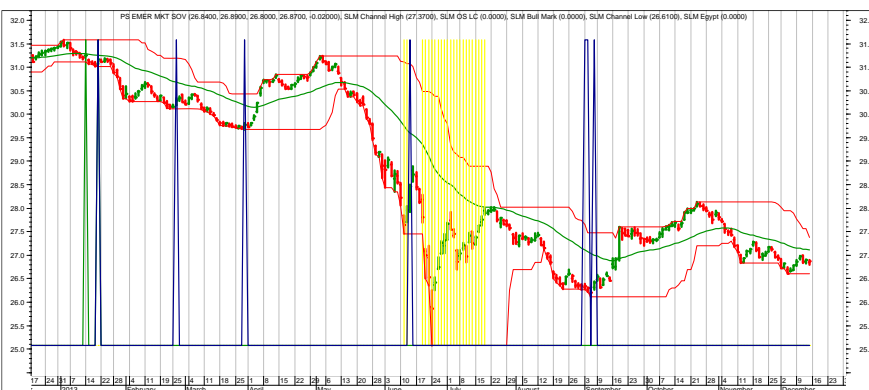
AGG—Aggregate Bond Market

12/16 Monitor stop level on page 2.
 12/9 Buy as noted on page 2.
 11/2 No changes.
 11/25 Looking to buy AGG on the pullback.
 11/18 Holding off.
 11/11 Watch for entry points.
 11/4 No changes.
 10/28 Short-term top expected.



JNK—hi-yield bonds

12/16 No changes.
 12/9 No changes.
 12/2 Missed the pullback (circled area), I had thought it would be deeper. Won't chase here.
 11/25 No changes.
 11/18 No changes.



PCY—International Bonds

12/16 Monitor close stop on page 2.
 12/9 Buy as shown on page 2.
 12/2 Not shown is today's action (Monday). The price has dipped below the 3 pullbacks. Stops are being taken out. So watch for a reversal from here. See page 2.
 11/25 No changes.

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:			12/13/2013			
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
18-Nov	buy	EEM	42.68	17	736	World Growth							
18-Nov	buy	EFA	66.18	11	738	EEM		Emrg Mrkt	43.03	40.89	179.440	7,337.30	5.3%
18-Nov	buy	IWM	110.07	6	670	EFA		Euro Asia	55.55	64.02	116.060	7,430.16	5.3%
18-Nov	buy	QQQ	83.10	8	675	IWM		Rusl 2000	82.54	109.98	70.960	7,804.18	5.6%
18-Nov	buy	SPY	179.42	4	728	QQQ		Nsdq 100	65.12	84.86	96.280	8,170.32	5.9%
18-Nov	buy	DFE	53.74	13	709	SPY		S&P 500	142.47	177.97	44.820	7,976.62	5.7%
18-Nov	buy	EWP	36.99	19	713	C-lect 5							
18-Nov	buy	PGJ	29.70	23	693	DFE			53.54	53.96	145.300	7,840.39	5.6%
18-Nov	buy	PNQI	63.66	11	710	EWP			37.66	36.19	209.000	7,563.71	5.4%
18-Nov	buy	TAN	39.50	17	682	PGJ			27.97	29.05	257.670	7,485.31	5.4%
This is an incremental buy of 5% of total portfolio. (0.5% in each WGM and C-lect 5 position) (about \$709 in each)						PNQI			60.74	65.08	118.000	7,679.44	5.5%
So, the portfolio will be about 56% invested and 44% cash.						TAN			30.50	33.79	230.000	7,771.70	5.6%
16-Dec sell EWP all						Two potential ways to sell: Stop loss is roughly 8% below current level or timing model may signal sell.							
16-Dec buy PSCH 140						Two potential ways to buy: "window" may open or timing model may signal buy.							
						C-lect Short (under construction)							
						Cash from short							
						1.00 - - 0.0%							
						Money Market							
						1.00 62,358 62,358.00 44.7%							
						Total Valuation= 139,417.13 100.0%							

WEEKLY REVIEW

12/16 Make the sell and buy as noted above. The timing model stop is about 8% away. "Window to buy" is closed.

12/9 No changes. The stop is 9% away, so the 'window to buy' is closed.

12/2 No changes. See page 11.

11/25 No portfolio changes. I still expect to continue to accumulate on pullbacks with the expectation thereafter of higher prices. On the other hand, the portfolio may go back 100% to cash on one of two events. It may either be stopped out, at roughly 8% lower prices. Or the timing model itself may signal sell.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	-2.1	23.3	39.4	7.9
World Growth Index	17.2%	-4.2	14.3	25.0	60.4	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>
Guggnhm Solar	TAN	EA	13.92
PS Gldn Drgn USX China	PGJ	EW	9.76
PS NASDAQ Intrnt	PNQI	EA	8.98
W tree Eur SC Div	DFE	EW	8.54
PS S&P SmICap Hlth Care	PSCH	EA	7.60
iShares Spain	EW P	EW	7.31
PS Gbl Clean Enrgy	PBD	EW	6.85
Guggnhm China Sml	HAO	EW R	6.73
Guggnhm Spin Off	CSD	EMC	6.31
Guggnhm China All	YAO	EW R	6.11
iShares South Korea Indx	EW Y	EW	5.98
iShares Slct Div	IDV	ELC	5.52
PS S&P SmICap Energy	PSCE	EA	5.47
PS Dynmc Pharma	PJP	EA	5.47
iShares Italy Indx	EW I	EW	5.33
Guggnhm Shipping	SEA	EA	5.30
PS QQQ	QQQ	ELC	4.97
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	4.91
PS S&P SmICap Indstrils	PSCI	EA	4.69
iShares Germany Indx	EW G	EW	4.68
W tree Intrntl SC Div	DLS	EW	4.49
PS Dynmc Biotech	PBE	EA	4.46
PS S&P SmICap Info Tech	PSCT	EA	4.42
SPDR Euro Stoxx 50	FEZ	EW	4.38
PS WilderHill CIn Enrgy	PBW	EA	4.27
PS Aerospace & Def	PPA	EA	4.21
iShares EMU Indx	EZU	EW	4.20
W tree DEFA Eqty Incm	DTH	EW	4.12
W tree Intrntl Div Ex Fincl	DOO	EW	4.12
SPDR S&P Oil & Gas Expl. & Prod.	XOP	EA	4.08
Guggnhm BRIC	EEB	EW	4.06
iShares China	FXI	EW	3.97
PS FTSE RAFI Asia Pac xJpn	PAF	EW	3.76
PS Dyn Mrkt	PWC	ELC	3.75
PS Cleantech	PZD	EA	3.72
iShares Australia	EW A	EW	3.69
Select SPDR Indl	XLI	EA	3.50
PS S&P SmICap Cnsmr Dis	PSCD	EA	3.43
PS Gbl Water	PIO	EW	3.37
PS Gbl Listd Prvt Eqty	PSP	EW	3.35
PS Dynmc Media	PBS	EA	3.34
PS Dynmc Lrg Cap Grth	PWB	ELC	3.30
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	3.15
PS Dynmc Fncl	PFI	EA	3.11
W tree DEFA	DWM	EW	3.00
PS Dynmc Energy Explor	PXE	EA	2.92
Market Vectors Russia	RSX	EW	2.90
iShares Pacific ex Jpn	EPP	EW	2.78
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	2.73
W tree Intrntl LC Div	DOL	EW	2.69

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 S&P SmICap Mtrls	PSCM	EA	2.48
Market Vectors Oil Services	OIH	EA	2.41
Vngrd European Indx	VGK	EW	2.26
PS Dynmc Healthcare	PTH	EA	2.25
PS Dynmc Energy	PXI	EA	2.24
Wtree Intrntl MC Div	DIM	EW	2.19
iShares Europe 350	IEV	EW	2.18
Select SPDR Cnsmr Disc	XLY	EA	2.15
Vngrd Tech	VGT	EA	2.14
SPDR S&P Regional Banking	KRE	EA	2.12
Select SPDR Matrls	XLB	EA	2.10
Guggnhm Timber	CUT	EA	2.09
Vngrd Consmr Dis	VCR	EA	2.08
PS Dynmc Leisure & Enter	PEJ	EA	2.06
PS BLDR Europe 100 ADR	ADRU	EW	1.90
PS Buyback Achievers	PKW	EGI	1.79
Vngrd Materials	VAW	EA	1.75
Vngrd Europe Pacific	VEA	EW	1.73
Wtree MidCap Earn	EZM	EMC	1.72
PS FTSE RAFI Emrg Mrkt	PXH	EW	1.72
Wtree Glbl Eqty Incm	DEW	EW	1.71
Vngrd Health	VHT	EA	1.64
Select SPDR Health	XLV	EA	1.63
SPDR S&P Metals & Mining	XME	EA	1.58
PS Dynmc Retail	PMR	EA	1.57
PS Dynmc Software	PSJ	EA	1.54
iShares Russell 1000 Grwth Indx	IWF	ELC	1.54
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	1.50
Vngrd TTL Intrntl Stk	VXUS	EW	1.48
PS Water Resources	PHO	EA	1.46
Select SPDR Technlgy	XLK	EA	1.43
PS BLDR Dvlpd Mrkt 100 ADR	ADRD	EW	1.40
PS Dynmc Oil & Gas Srvcs	PXJ	EA	1.40
PS Dynmc Networking	PXQ	EA	1.39
PS S&P SmICap Cnsmr Stpl	PSCC	EA	1.30
Wtree Intrntl Utilities	DBU	EW	1.30
SPDR DJ Glbl Titans	DGT	EW	1.29
iShares EAFE Indx	EFA	EW	1.24
Vngrd Grth	VUG	ELC	1.22
Wtree Emrg Mrkt Eincm	DEM	EW	1.22
PS Dyn OTC	PWO	ESC	1.21
iShares Hong Kong Indx	EW H	EW	1.19
PS FTSE RAFI US 1500 SmI-Mid	PRFZ	EMC	1.17
PS Dynmc Basic MatrI	PYZ	EA	1.17
PS Dyn MagniQuant	PIQ	ELC	1.17
Guggnhm Intrntl A Incm	HGI	EW	1.07
Vngrd Small Cap Grth	VBK	ESC	1.05
Guggnhm RJ All	RYJ	ELC	1.00
Guggnhm Glbl Wtr	CGW	EW	0.99
iShares Emrg Mrkt Stk	EEM	EW	0.99
Wtree S&P 500	EPS	ELC	0.97
SPDR S&P Retail	XRT	EA	0.95
PS Dynmc Semicndctr	PSI	EA	0.82
iShares Taiwan Indx	EW T	EW	0.79
iShares Brazil Indx	EW Z	EW	0.79

ETF Rankings by C to previous week's end

PS Dynmc Technology	PTF	EA	0.74
Wtree Sml Cap Div	DES	ESC	0.68
Guggnhm Gbl Div	LVL	EW	0.67
iShares Core S&P 500	IVV	ELC	0.66
SPDR S&P 500	SPY	ELC	0.64
iShares S&P 100 Indx	OEF	ELC	0.62
iShares Russell 2000	IWM	ESC	0.61
PS Zacks Micro Cap	PZI	ESC	0.56
Vngrd Extnd 4500	VXF	ELC	0.53
Vngrd Large Cap	VV	ELC	0.51
Vngrd Small Cap Value	VBR	ESC	0.50
Wtree Ttl Earn	EXT	ELC	0.48
Vngrd TTL Stock	VTI	ELC	0.43
PS BLDR Asia 50 ADR	ADRA	EW	0.42
Market Vectors Semiconductor	SMH	EA	0.41
PS WilderHill Prgsv Enrgy	PUW	EA	0.38
Guggnhm Frntr	FRN	EW	0.37
Guggnhm MidCap Core	CZA	EMC	0.28
iShares Russell 2000 Value Indx	IWN	ESC	0.22
Vngrd Div Apprctn	VIG	EGI	0.16
iShares DJ Slct Div	DVY	EGI	0.14
PS Dynmc Consmr Discr	PEZ	EA	0.11
SPDR S&P Bank	KBE	EA	0.11
Guggnhm Inscr Sent	NFO	EMC	0.08
PS DWA Tech Ldr	PDP	ELC	0.05
Vngrd Small Cap	VB	ESC	0.05
Vngrd Emrg Mrkt	VWO	EW	-0.02
Wtree Middle East Div	GULF	EW	-0.04
PS S&P SmlCap Fincl	PSCF	EA	-0.11
PS Dynmc Lrg Cap Value	PWV	ELC	-0.11
Wtree LrgCap Div	DLN	ELC	-0.13
Wtree MidCap Div	DON	EMC	-0.15
Vngrd MidCap Val	VO	EMC	-0.15
iShares Russell 1000 Value Indx	IWD	ELC	-0.16
iShares Russel MidVal	IWS	EMC	-0.17
Select SPDR Enrgy	XLE	EA	-0.17
iShares Canada	EW C	EW	-0.19
PS S&P 500 BuyWrite	PBP	ELC	-0.21
PS Hi Yld Eqty Div	PEY	EGI	-0.24
iShares Core S&P Mid Cap	IJH	EMC	-0.32
Vngrd Consmr Stpls	VDC	EA	-0.35
Select SPDR Cnsmr Stpl	XLP	EA	-0.35
SPDR Mid Cap Trust	MDY	EMC	-0.36
Wtree Div Ex Fincl	DTN	ELC	-0.37
Select SPDR Div	SDY	EGI	-0.37
PS Dynmc Bldg Cnstrctn	PKB	EA	-0.44
PS Intrntl Dvdnd	PID	EW	-0.44
PS Dividend Achievers	PFM	EGI	-0.61
iShares Latin Am r	ILF	EW	-0.64
Wtree Eqty Income	DHS	EGI	-0.69
Wtree India	EPI	EW R	-0.73
Guggnhm Multi Ast In	CVY	EV	-0.75
Select SPDR Financs	XLF	EA	-0.77
PS Dynmc Consmr Staples	PSL	EA	-0.85
Vngrd Fincl Srv	VFH	EA	-0.86

ETF Rankings by C to previous week's end

Wtree Japan SC Div	DFJ	EWR	-0.86
SPDR DJ Industrials	DIA	ELC	-0.87
Guggnhm Candn Enrg Incm	ENY	EWR	-0.96
PS Emrg Mrkt Infrastrctr	PXR	EW	-0.98
PS DB Commodity	DBC	EA	-0.99
Guggnhm Dfnsv Eqty	DEF	EV	-1.03
PS S&P 500 Low Volatility Portfolio	SPLV	ELC	-1.05
iShares Prfrd	PFF	EGI	-1.16
Wtree Japan Hedge Eqty	DXJ	EC	-1.17
iShares Malaysia Indx	EWM	EW	-1.18
Alerian MLP	AMLP	EGI	-1.21
PS Fincl Pfd	PGF	EGI	-1.22
PS Dynmc Utilities	PUI	EA	-1.23
PS DB Agriculture	DBA	EA	-1.23
Wtree World Ex US Grth	DNL	EW	-1.25
PS Gbl Agriculture	PAGG	EA	-1.25
PS MENA Frntr Countries	PMNA	EW	-1.35
Wtree Emrg Mrkt SC Div	DGS	EW	-1.36
PS DB Oil	DBO	EA	-1.49
iShares Japan	EWJ	EW	-1.55
PS DB Energy	DBE	EA	-1.59
PS S&P SmICap Ultities	PSCU	EA	-1.61
Wtree Intrntl REIT	DRW	ERE	-1.68
SPDR S&P Homebuilders	XHB	EA	-1.70
Guggnhm China REIT	TAO	EWR	-1.73
iShares Singapore	EW S	EW	-1.74
PS India	PIN	EW	-1.75
PS Dynmc Food & Bev	PBJ	EA	-1.80
PS Lux Nanotech	PXN	EA	-1.89
Select SPDR Utilities	XLU	EA	-2.00
Vngrd Utilities	VPU	EA	-2.07
PS DB Base Metals	DBB	EG	-2.98
PS DWA Emrg Mrkt T Ldrs	PIE	EW	-3.18
Pro Shares Short S&P 500	SH	EC	-3.20
iShares DJ US Home Constr.	ITB	EA	-3.50
US Natural Gas	UNG	EA	-3.77
iShares REIT	IYR	ERE	-4.06
PS US REIT	PSR	ERE	-4.20
Vngrd REIT	VNQ	ERE	-4.22
iShares Gold	IAU	EG	-4.25
SPDR Gold	GLD	EG	-4.26
iShares Mexico	EW W	EW	-4.41
SPDR Wlsh REIT	RWR	ERE	-4.47
PS DB Precious Metals	DBP	EG	-4.55
PS DB Gold	DGL	EG	-4.63
US Oil Fund	USO	EA	-4.66
iShares Cohen&Str REIT	ICF	ERE	-4.69
Pro Shares Short Russell 2000	RWM	ESC	-4.89
iShares Silver	SLV	EG	-5.58
PS DB Silver	DBS	EG	-6.22
PS Gbl Gold Precious Mtls	PSAU	EG	-14.60
Market Vectors Gold Minors	GDX	EG	-21.93
iPath S&P 500 VIX Shrt Trm	VXX	EC	-36.67
Market Vectors Junior Gold Miners	GDXJ	EG	-38.65

Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) **REVIEW**
months ahead.

The only time they would raise short-term rates is if inflation increased above 2% and unemployment fell below 6.5%. The latter may happen sooner than the former. Unemployment in the latest reporting period fell to 7%, which was also a stronger than expected report.

All of this begs the question about the tapering impact on stocks. I think it clear the market is already pricing in strong growth given the current PE is at 20. It is also clear that higher long-term rates will provide some competition for the investor dollar.

At the same time, there is no recession in sight, which is one normal trigger for a stock selloff.

So, perhaps wide swings could be expected in 2014 and 2015. This would be similar to the period from 1978 through 1982, where stocks essentially went broadly sideways, while the economy continued to strengthen. This would reduce the overvalued market, as the economy caught up to the market expectations and set the stage for further advances in the years ahead.

So, right now the market is priced to perfection. Take away the Fed support in the form of tapering and the market should take a sharp decline and then

begin moving sideways. There's no economic reason (recession) to think it might plunge 50%, but simply the reality of its overvaluation.

We'll know more this week. If something substantial happens, I may send an emailed hotline report.

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 World Growth Index, not the individual ETFs. Stops will be emailed when close or if triggered.

12/16 No changes.

12/9 No changes.

12/2 As mentioned on page 11 (on 12/2), a top test timing model is being constructed. This would be more timely than a trend-following approach.

11/25 No newsletter changes.

11/18 No newsletter changes.

11/11 No changes.

11/4 No changes.

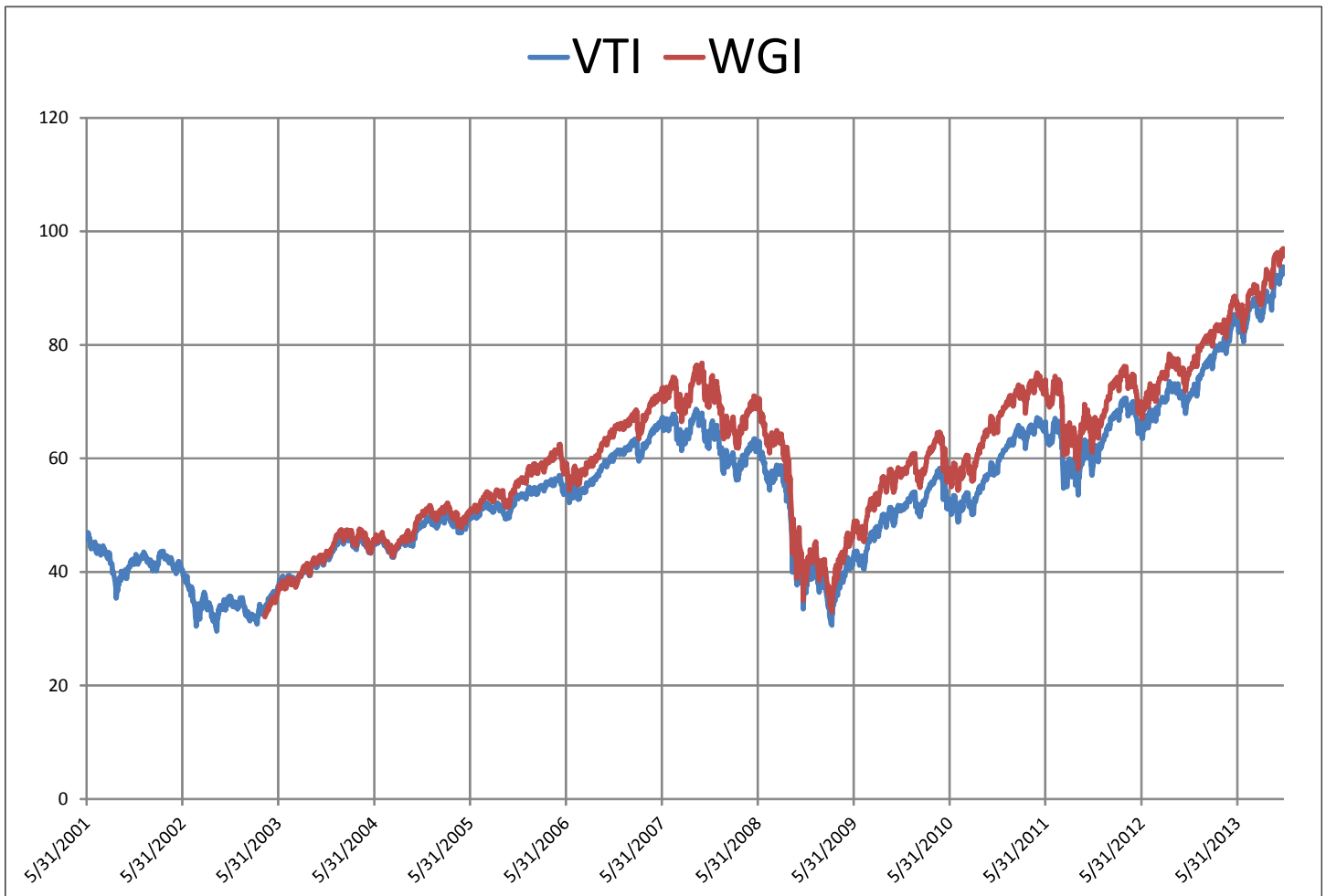
10/28 No changes.

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.

VTI and World Growth Index (reiteration)



The chart shows VTI and WGI from 5/1/2003 to the present. VTI is the Vanguard Total Stock Market ETF. It has less than 2% in non-domestic stocks. It is designed to mimic the US market. WGI is the World Growth Index that is made up of 20% each in EEM, EFA, IWM, QQQ, SPY.

As you can see, the two series track each other fairly closely, but because of the international component the WGI has periods of outperformance. The two are recently back in a neck and neck race because the domestic market is currently stronger than the international markets.

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 (closed stock market) 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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