

Stock Selections & Timing

Watercourse Way Holdings, LLC

P.O. Box 830396

Richardson, TX 75083-0396

972-680-2366

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Weak Report Reflects a Trend?

With the jobs report coming in weaker than expected last Friday, the stock market is selling off and bonds are rallying. This is pretty much the opposite of what we've been seeing the last few months. At least for one day, hope for further Fed easing is reviving.

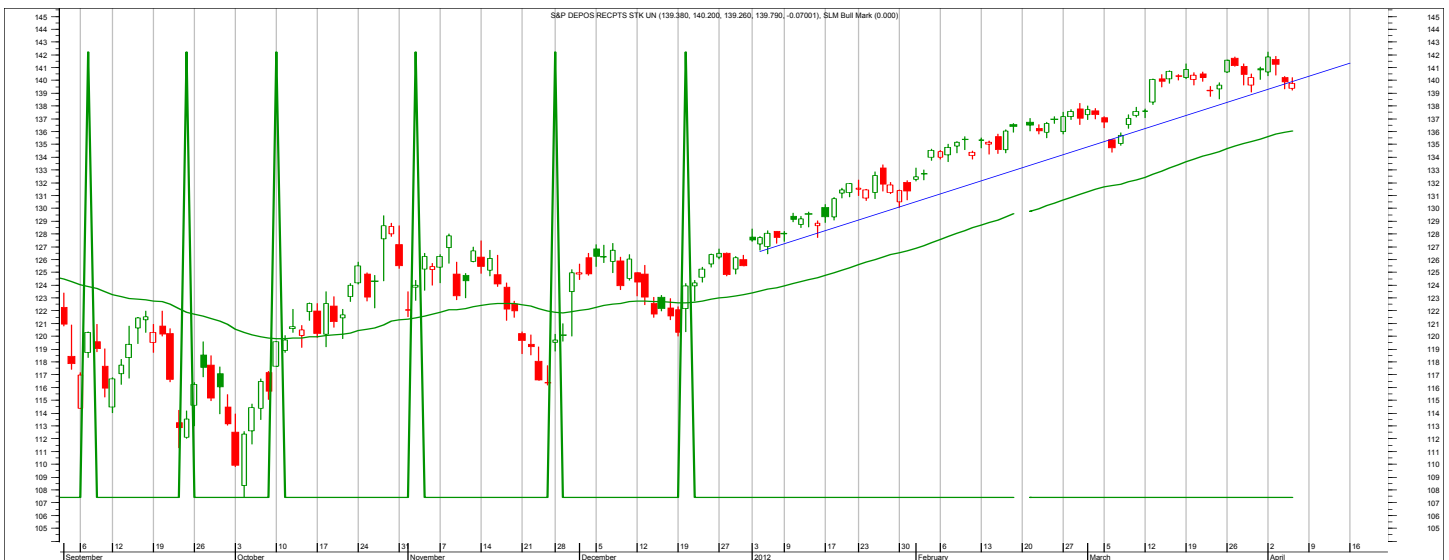
I don't see that one data point will change anything, however. The domestic economy does remain in expansion mode. The leading economic indicators continue to trend higher. And job growth has been taking place. The weakness isn't really domestic, but more international. That market

remains weak.

Europe is still in a recession. While Greece has dodged a bullet with "only" a 50% haircut, what of Spain, Italy, and others? The Spanish stock market is hitting new lows.

China too is slowing. A handful of investors are actually

(Continued on bottom left on page 4)



This is the daily chart of SPY (S&P 500 index). The green spikes show potential buying areas.

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	5.8%	14.4%	20.2%	4.0%	1.1%	-0.7%
Dow30 Portfolio	0.8%	-5.2%	3.7%	0.1%	-1.2%	-0.8%
Wilshire 5000 TR	12.2%	6.2%	23.0%	10.4%	1.8%	-0.7%
Dow Industrials	6.9%	5.5%	17.6%	5.7%	1.1%	-1.2%

CONTENTS

Page 2...Stock
Page 3...Dow 30
Page 4...Featured
Page 5...Disclaimers

Stock Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date:		4/6/2012						
Action Dates	Action Symbol	Action Price	# of Shares	Action Value	Symbol	Closing stop as of 3/19	Yield at buy	Buy Limit	Start Price	End Price	# of Shares	Current Value	Percent of Total		
13-Feb	sell	ANIK	10.92	600	6,542	AOSL	9.00	10.00	9.72	9.39	1,000	9,390.00	6.5%		
			>10.90			DRAD		2.00	1.90	2.10	1,500	3,150.00	2.2%		
13-Feb	buy	SIMG	5.49	1,500	8,245	GENC		8.00	7.53	6.90	2,078	14,338.20	9.9%		
			<5.50			WTT		1.00	0.87	1.27	11,000	13,970.00	9.7%		
13-Feb	buy	DRAD	<2.00			SIMG	5.98						0.0%		
23-Feb	sell	PSEC	11.08	1,200	13,286	PKY	9.40	3.0%	10.00	9.96	10.18	700	7,126.00	4.9%	
29-Feb	sell	MRVL	15.00	900	13,490	FULL	7.00	11.9%	8.00	7.69	7.61	900	6,849.00	4.7%	
12-Mar	buy	MRVL	15.04	900	13,546	USMO	13.00	7.4%	14.00	13.51	13.73	500	6,865.00	4.8%	
12-Mar	buy	USMO	13.51	500	6,765	TAXI	10.00	7.1%	11.50	11.30	11.17	650	7,260.50	5.0%	
12-Mar	buy	PKY	9.96	700	6,982	MRVL	14.00		15.40	15.04	15.14	900	13,626.00	9.4%	
intraday PKY; two others at close						ACAS	8.40		7.40	6.58	8.61	900	7,749.00	5.4%	
19-Mar	buy	AOSL	9.72	1,000	9,730										
			<\$10		about 7%										
19-Mar	watch	SIMG	tight stop												
20-Mar	sell	SIMG	5.890	1,500	8,825										
Dividends												2,763.22	1.9%		
Money Market												1.00	51,137	51,137.00	35.5%
2-Apr	buy	TAXI	11.30	650	7,355	Total Valuation=						144,223.92	100.0%		
			about 5%												

REVIEW since last issue

4/8 The Stock Portfolio has pulled back with the market. Watch the stops.

4/2 WTT reported excellent results and I may increase its buy limit. The Highway Bill was extended 90 days, rather than for the 2 or 5 years hoped for (GENC).

3/26 I've included a new column to show buy limits. SIMG was stopped out last week. No new buys. GENC remains the cheapest stock out there in my estimation. Congress has until 3/31 to pass the new two-year Highway Bill or extend the old one for 3-6 months.

3/19 Note the new buy above and previous entries. Please note that MRVL and USMO were bought at the close, but PKY was bought intraday. When the Letter was posted to the web site, the stock was below the buy limit, but at the close it was above. Apparently my buy limit was too tight for some. But I do this in order to avoid "chasing" and use limits; but I may widen the buy limits going forward.

Also please note the very tight stop on SIMG. If it is a strong break out, it should not trigger the stop.

3/12 Reenter MRVL and buy USMO and PKY as noted above. As we publish this today, GENC has had a nice bounce. Maybe it is finally getting some recognition of the huge spread between value and price.

	2010	2011	ytd 2012	Incptn	SD
Stock Portfolio	12.3%	21.4	5.8	44.2	14.8
W5000 TR	17.7%	0.5	12.2	32.8	10.6

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

Dow 30 Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date:		4/6/2012					
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 3/19	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total	
						DIA							0.0%	
5-Mar	sell	AA	9.87	1,300	12,821									
			stopped out											
12-Mar	buy	HPQ	24.04	500	12,030									
			about 11%											
19-Mar	buy	UTX	85.00	150	12,760	HPQ	23.00		24.04	23.11	500	11,555.00	10.8%	
			about 11%			JNJ	64.00		64.45	65.34	200	13,068.00	12.2%	
5-Apr	sell	VZ	37.66	300	11,288	VZ	38.00						0.0%	
						UTX	81.00		84.62	81.60	150	12,240.00	11.5%	
						Money Market					1.00	69,967	69,967.00	65.5%
												Total Valuation=	106,830.00	100.0%

Company	Symbol
Alcoa	AA
American Express	AXP
Boeing	BA
Bank of America	BAC
Caterpillar	CAT
Cisco	CSCO
Chevron	CVX
DuPont	DD
Disney	DIS
GE	GE
Home Depot	HD
Hewlett Packard	HPQ
IBM	IBM
Intel	INTC
Johnson & Johnson	JNJ

Company	Symbol
JP Morgan	JPM
Kraft	KFT
Coca-Cola	KO
McDonalds	MCD
3M Company	MMM
Merck	MRK
Microsoft	MSFT
Pfizer	PFE
Proctor & Gamble	PG
ATT	T
Travelers	TRV
United Technologies	UTX
Verizon	VZ
Wal-Mart	WMT
Exxon Mobil	XOM

For this portfolio, we seek to outperform the Dow Industrials using proprietary timing and weighting formulas of the underlying thirty stocks of the Dow Industrials. We also will use the ETF that tracks the same. The symbol is DIA.

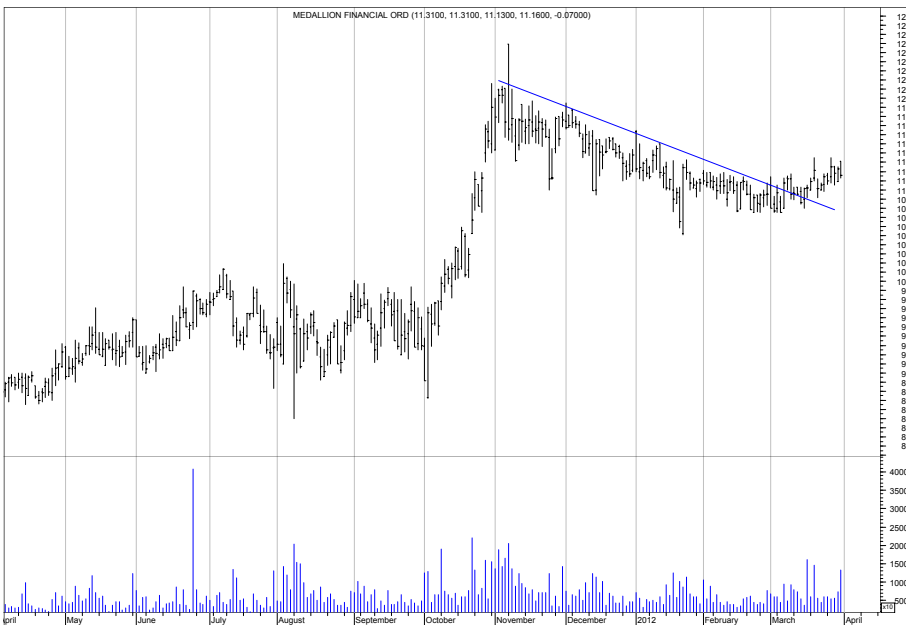
We monitor the underlying individual stocks for buys and sells in order to overweight the portfolio to what is expected to outperform and underweight the portfolio with what is expected to underperform.

REVIEW since last issue

- 4/8 VZ was stopped out on the market's weakness.
- 4/2 No changes.
- 3/26 No changes.
- 3/19 Buy UTX as noted above.
- 3/12 Time to reenter HPQ because it is "cheap".

Feature Company

REITERATION



Medallion Financial (TAXI)

This company issues and finances taxi medallions in New York, Chicago, and other locals. It is a very interesting, stable business. It yields 7.1%. It just increased it.

For 2011, they earned \$1.09 per share, the highest since 1999. But the stock price does not reflect this achievement.

Accumulate below \$11.50.

(Continued from page 1)

looking for China to move into recession. That would be a very big negative surprise.

In the meantime, the Fed is already committed to keeping rates low at least through the end of 2014. A few months of strong job growth didn't change that target, nor will one month's weakness. But if the weakness spreads, then it becomes a different equation. QE III may be revived.

I've mentioned before about the failure of the Dow Transportation Index to climb above its previous recovery highs, to join the Dow Industrials at their recovery highs. But it has continued to lag, to diverge negatively. The Transports are very closely linked to economic trends. Yes it points to the strength of oil and its effect on margins, but more than that, it reflects shipping (ground, sea, and air) and the movement of goods. This weakness bears

keeping in mind. A pullback below Industrials at 12,735 and Transports below 5,029 will be a confirmation of this warning. It may in fact be signaling internal weakness that will spread from international markets to the domestic economy.

In the meantime, we will continue to buy and sell with close stops.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 3)

Our guiding goal is to provide the most return with the least risk.

The two portfolios were started on 1/1/10 with \$100,000. Beginning in 2012, the official portfolio for measuring the newsletter performance is the Stock Portfolio only.

Portfolio changes will usually be made at the close on Monday (the day this eNewsletter is posted), or if a position is stopped out, the close that day, unless otherwise noted.

Portfolios are updated through the preceding Friday's close.

Stock dividends are paid in cash. Interest is assumed to be zero for the money market (cash) position. Commission costs to buy and sell are assumed to be \$10.00 per trade.

The Wilshire 5000 TR (total return) includes dividend reinvestment.

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