

Stock Selections & Timing

Watercourse Way Holdings, LLC

P.O. Box 830396
Richardson, TX 75083-0396
972-680-2366

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Unresolved Issues

Europe once again has spoiled the rally party. Over the weekend signs of recession and political weakness and liquidity concerns again surfaced. Greece issues were settled, but now there is Spain, Italy, and others to deal with. Sovereign debt with a high yield of 7% that might be

on its way to a 50% haircut of principal loss is still no bargain. They sneeze and we catch a cold. It used to be the other way around.

It's not just European issues, however, that remain unresolved that continue to suppress the bull market.

There's new stuff too, like

the new bribery charges against Wal-Mart. It, being a part of the Dow 30, will make this all very interesting. If the charges hold, damages could exceed \$1 billion.

There's also the ongoing question about China. Is it in an actual recession, or is it rather in

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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	4.3%	10.8%	13.1%	0.4%	-2.3%	-0.1%
Dow30 Portfolio	0.6%	-5.8%	2.8%	-1.8%	-0.8%	0.0%
Wilshire 5000 TR	10.7%	4.0%	12.9%	5.4%	-1.4%	0.6%
Dow Industrials	6.6%	4.2%	10.3%	2.4%	-0.4%	1.4%

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Stock Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date:				4/20/2012			
Action Dates	Action Symbol	Action Price	# of Shares	Action Value	Symbol	Closing stop as of 4/18	Yield at buy	Buy Limit	Start Price	End Price	# of Shares	Current Value	Percent of Total	
12-Mar	buy	MRVL	15.04	900	13,546	AOSL	9.00						0.0%	
12-Mar	buy	USMO	13.51	500	6,765	DRAD		2.00	1.90	2.07	1,500	3,105.00	2.2%	
12-Mar	buy	PKY	9.96	700	6,982	GENC		8.00	7.53	7.00	2,078	14,546.00	10.2%	
intraday PKY; two others at close						WTT		1.00	0.87	1.24	11,000	13,640.00	9.6%	
						SIMG	5.98						0.0%	
19-Mar	buy	AOSL	9.72	1,000	9,730									
		<\$10			about 7%									
19-Mar	watch	SIMG	tight stop			PKY	9.40	3.0%	10.00	9.96	10.03	700	7,021.00	4.9%
20-Mar	sell	SIMG	5.890	1,500	8,825	FULL	7.00	11.9%	8.00	7.69	7.47	900	6,723.00	4.7%
						USMO	12.65	7.5%	14.00	13.32	12.89	1,000	12,890.00	9.1%
2-Apr	buy	TAXI	11.30	650	7,355	TAXI	10.00	7.1%	11.50	11.30	10.85	650	7,052.50	5.0%
					about 5%									
10-Apr	sell	ACAS	8.16	900	7,334	MRVL	14.00		15.40	15.04	15.20	900	13,680.00	9.6%
						ACAS	8.40							
13-Apr	sell	AOSL	8.89	1,000	8,880									
16-Apr	buy	USMO	13.13	500	6,575									
					about 5%									
Dividends											2,763.22	1.9%		
Money Market											1.00	60,776	60,776.00	42.7%
Total Valuation=											142,196.72	100.0%		

REVIEW since last issue

4/23 USMO is at 3.3x earnings. This should be enough to discount nearly anything bad, but the company is transitioning and the market doesn't like uncertainty. Certainty over cheap I suppose wins out, at least for awhile. Please note the stop, but I'll maintain this company, like ACAS, on the watch list. Eventually fundamentals will win out over uncertainty.

4/16 ACAS was stopped out. I'm buying more of USMO; it yields 7.6% and recent earnings suggest it is undervalued.

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.

	2010	2011	ytd 2012	Incptn	SD
Stock Portfolio	12.3%	21.4	4.3	42.2	14.8
W5000 TR	17.7%	0.5	10.7	31.0	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:		4/20/2012					
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	24.51	500	12,255.00	11.5%	
			about 11%			JNJ	64.00						0.0%	
5-Apr	sell	VZ	37.66	300	11,288	VZ	38.00						0.0%	
						UTX	81.00						0.0%	
10-Apr	sell	UTX	78.48	150	11,762									
13-Apr	sell	JNJ	63.54	200	12,698									
						Money Market					1.00	94,427	94,427.00	88.5%
												Total Valuation=	106,682.00	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

4/23 No changes as the market takes a short-term dip. But I will be watching to buy.

4/16 No changes.

4/8 VZ was stopped out on the market's weakness.

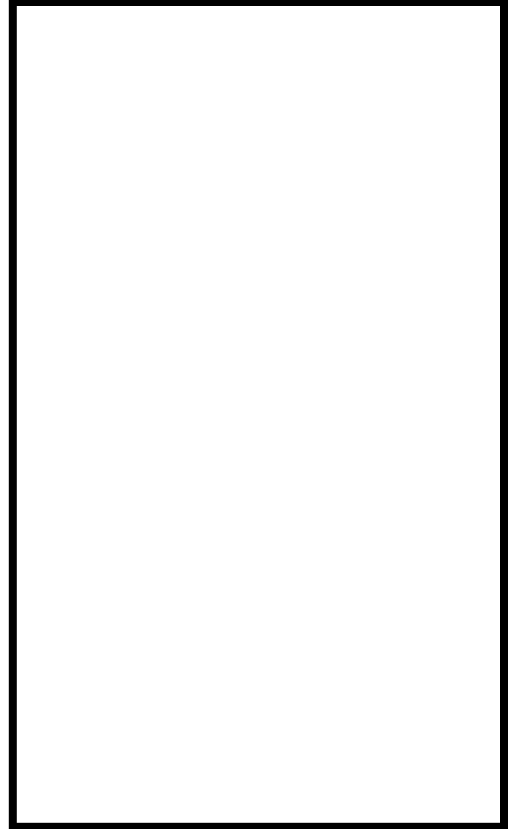
4/2 No changes.

3/26 No changes.

3/19 Buy UTX as noted above.

Feature Company

No new buys at this time. I'll wait for the market to sell off, find it's footing, and then consider new positions.



(Continued from page 1)

a slowing expansion? The Chinese manufacturing index recently came in at 49.1, which is still below 50, indicating contraction.

Lastly, leading the list of unresolved concerns is still the negative divergence between the Dow Industrials and Dow Transportation Indexes. As I've mentioned before, while the Industrials recently made it to recovery highs in March, the Transports are still below where they were in June, 2011. This signals an ongoing top, an ending to the bull market that began in March, 2009.

To confirm this, however, the Industrials will need to close and stay below 12,735, and the Transports below 5,047.

In the meantime, on the positive side of the equation is still the powerful and ongoing Fed easing. There's no question about that.

And investor sentiment is not yet contrarily bullish. In other words, even though we've been in a decent rally, investors and advisors are not too bullish. In fact individual investors are nearer to bearish sentiment, which would be bullish, than they are to bullish sentiment. Remark-

able really.

So, the market has really been going sideways for a few months now as it deals with these unresolved issues. There are lots of bullish and bearish crosscurrents to ponder. I don't expect any huge moves one way or the other for the next few weeks as these things continue to be sorted out and cancel each other's impact.

See the individual portfolio pages for any specific actions to take.

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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