Stock Selections & Timing

Watercourse Way Holdings, LLC P.O. Box 830396 Richardson, TX 75083-0396 972-680-2366

> May 3, 2010 (data through previous Friday's close Volume 1 Issue 8

Update

After surging for about 11 weeks in a row, stocks have entered into a short-term saw tooth patter where one day rallies and sell offs are the norm.

The strong up trend line has been broken and it is now consolidating with that pattern. I expect it will continue through the end of May.

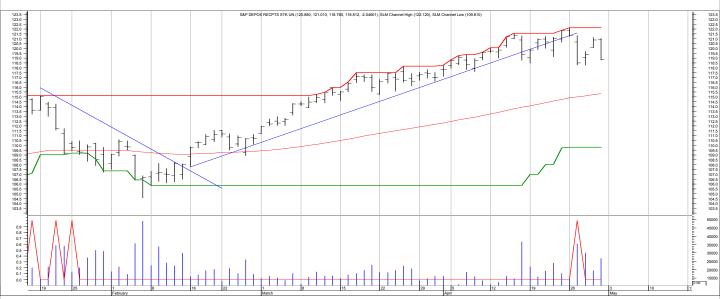
In the meantime, the funda-

mental background remains strong and is getting stronger. The two main engines driving the market higher remain in gear. Fed policy is still accommodative and Gov fiscal policy is still expansive.

The main input to those policies is a lagging indicator, job growth. It is slowly beginning to turn higher. The Fed

and Gov won't change their policies until the unemployment rate drops substantially, back into at most the 7% area. Job growth is moving in the right direction, but with it still about 9.7%, it has a long way to go before support changes.

Expect consolidation, maybe a brief sell off, and then a higher market.



The chart is the daily S&P 500 with an 80-day moving average.

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	3.1%			3.1%	1.7%	0.6%
Dow30 Portfolio	5.5%			8.3%	0.5%	-1.4%
Wilshire 5000	7.9%			11.3%	2.0%	-2.6%
Dow Industrials	5.6%			9.4%	0.8%	-1.7%

CONTENTS

	Page 2Portfolio
	Page 3Dow 30
	Page 4Featured
	Page 5Disclaimers
- 1	

Stock Portfolio

ACTION F	OR				PORTFOLI	O DETAILS	3				Value as of	date:	4/30/2010
Action			Action	# of	Action		Closing		Start	Ending	# of	Current	Percent of
Dates	Action	Symbol	Price	Shares	Value	Symbol	Stop	Description	Price	Price	Shares	Value	Total
2/8-2/12	buy	TIII	1.28	7,813	10,000	TIII			1.28	1.40	7,813	10,938.20	10.6%
						DRAD			1.95	2.21	5,128	11,332.88	11.0%
2/22	buy	DRAD	1.95	5,128	10,000	ECGI			0.98	1.06	10,204	10,816.24	10.5%
4/5 -	buy	ECGI	0.98	10,204	10,010								
						Manaria	Analos A			4.00	70.000	70 000 00	67.00/
						Money N	viarket			1.00	70,000	70,000.00	67.9%
										ıotai	Valuation=	103,087.32	100.0%

REVIEW since last issue

DRAD was the big news over the last two weeks. The stock gapped up to \$3 on the news of FDA approval to market its general-purpose portable imaging system. Since then it has retraced back to \$2.20. Another excellent entry point.

I mentioned MACE as a watch candidate. No news from them, although their recent quarterly update made it to the Seeking Alpha web site. That should help the company gain some positive exposure as an undervalued company.

Dow 30 Portfolio

ACTION FOR PORTFOLK			O DETAIL:	S			Value as of date:			4/30/2010			
Action			Action	# of	Action		Closing		Start	Ending	# of	Current	Percent of
Date	Action	Symbol	Price	Shares	Value	Symbol	Stop	Description	Price	Price	Shares	Value	Total
3-May	sell	CVX		43		DIA			103.83	110.10	771.04	84,891.50	80.5%
3-May	buy	VZ		50									
3-May	buy	PFE		60		Т			25.18	26.06	120	3,127.20	3.0%
3-May	buy	AA		231		VZ			28.70	28.90	105	3,034.50	2.9%
						PFE			17.86	16.72	167	2,792.24	2.6%
						CVX			70.89	81.44	43	3,501.92	3.3%
						XOM			65.11	67.77	46	3,117.42	3.0%
						Money I	Market			1.00	5,010	5,010.00	4.7%
											_	105,474.78	100.0%

Company	Symbol			
Alcoa	AA			
American Express	AXP			
Boeing	BA			
Bank of America	BAC			
Catepillar	CAT			
Cisco	CSCO			
Chevron	CVX			
DuPont	DD			
Disney	DIS			
GE	GE			
Home Depot	HD			
Hewlitt 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	Т
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

I'll take profits in CVX because it has rallied back to a resistance area. With the proceeds and with some of the cash, I'll buy a new position in AA and increase a couple of positions.

Feature Company



MACE (Nasdaq, \$0.90).

No change here, but I thought I'd bring the information forward from two weeks ago—

I am putting this company on our watch list, but I don't have an official buy yet.

They are the makers of the well-known MACE brand, but over the years the company moved away from its "knitting" into all sorts of distractions.

A new CEO is moving the company back on track however.

But there are still legacy problems, not the least of which is a settlement pending with the former CEO who was dismissed. This suit should wrap up in the next 6 weeks. Depending on the outcome, I may or may not issue a buy. In the meantime, keep a watch out on this one.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 3)

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

The portfolios were started on 1/1/10 with \$100,000.

Portfolio changes will usually be made either at the close on Monday (the day this eNewsletter is posted), unless otherwise noted.

Portfolios are updated through the preceding Friday's close.

Dividends are paid in cash. Interest is zero for the money market (cash) position.

SUBSCRIPTIONS: To receive *Stock Selections & Timing*, you may subscribe in one of three ways. You may subscribe on the web site InvestmentST.com using PayPal or call 1-800-800-6563 for Visa or MasterCard orders or send a check to the address on the front page. Subscriptions may be tax deductible.

The recurring monthly subscription is \$49.00. An annual subscription is \$395.00. Subscribers receive this weekly eNewsletter. There is no mailed issue. Subscribers retrieve the current issue at the web site InvestmentST.com by logging in using a log in name and password. There may be emailed hotline reports between issues.

Unless otherwise noted, the weekly eNewsletter is posted by 2:30 PM central time every other Monday, except for holidays and then on Tuesday. It may contain actionable, specific buy or sell advice to take that day or during the week. Symbols, rather than names, are the official identification used for activity.

GUARANTEE: Subscriptions may be cancelled at any time. Annual subscriptions are refundable for the weekly term remaining with a four-week minimum charge, using a 52-week count. A monthly subscription just expires.

PUBLISHER: Watercourse Way Holdings, LLC publishes this newsletter.

REPRINTS: This eNewsletter is intended for subscribers only, reprints are not permitted.

DISCLAIMER: The information contained herein is assembled from sources who are believed reliable, but the accuracy of data or advice cannot be guaranteed. Past performance does not guarantee future performance. Portfolio values include a commission of \$10/trade, dividends in cash. The Wilshire 5000 is a broad based equity index and may or may not be useful in comparing returns. Security values fluctuate. Information is provided without consideration for your personal situation. Watercourse Way Holdings, LLC its members and associates may or may not invest identically to or at the same time as portfolios or advice shown herein. They may or may not own company shares mentioned herein and may or may not buy and sell at any time.

COPYRIGHT: Copyright, 2010, Watercourse Way Holdings, LLC. All rights reserved.