

# Stock Selections & Timing

## Watercourse Way Holdings, LLC

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

June 28, 2010 (data through previous Friday's close)  
Volume 1  
Issue 12

## Bottomed

Like recurring nightmares, various fears are reentering investor minds. Double dip recession. Unemployment going up. Foreclosures expanding. Sovereign debt implosion. Those are the big ones.

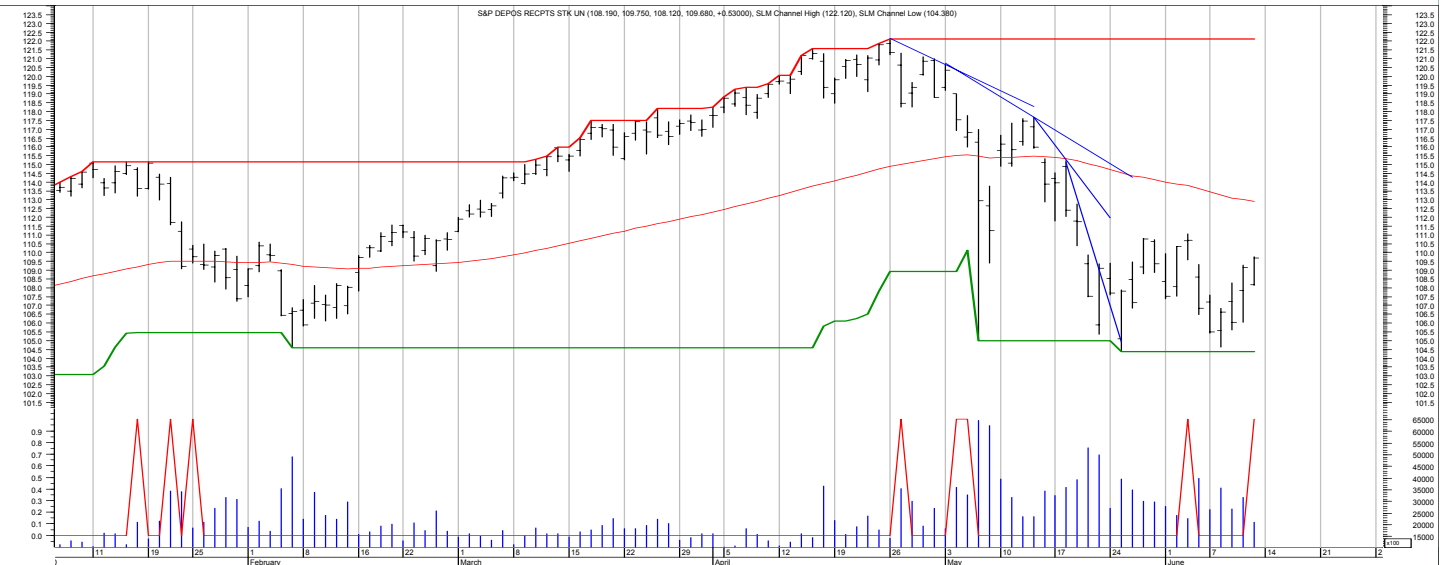
But is there reality there? Maybe, but not likely. Moreover, part of the problem lies with definitions.

We've had numerous recessions. How far apart do they have to be to count as a double-dip? We've had GDP growth since the last recession.

Unemployment is a lagging indicator. But yes, it is still around 10%. This performance is far weaker than in past recoveries. This is a legitimate concern.

Housing is also a legitimate concern. The tax credit program has ended, so we should see weakness at least for awhile.

Sovereign debt is another issue, but really, how likely is it that Greece or the USA would declare bankruptcy? Not very. The good news is that there is a growing awareness to reign in foolish government spending.



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	3.4%			2.4%	0.4%	-1.6%
Dow30 Portfolio	-2.5%			-4.4%	0.1%	-2.5%
Wilshire 5000	-2.1%			-7.3%	-1.3%	-3.6%
Dow Industrials	-2.7%			-6.5%	0.1%	-2.9%

## CONTENTS

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

# Stock Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 6/25/2010						
Action Dates	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
2/8-2/12	buy	TIII	1.28	7,813	10,000	TIII		1.28	1.53	7,813	11,953.89	11.6%
2/22--	buy	DRAD	1.95	5,128	10,000	DRAD		1.95	2.11	5,128	10,820.08	10.5%
4/5 -	buy	ECGI	0.98	10,204	10,010	ECGI		0.98	1.03	10,204	10,510.12	10.2%
6/1 -	buy	GENC	7.82	1,278	10,004	GENC		7.82	7.83	1,278	10,006.74	9.7%
6/14 -	buy	QCC	1.41	7,092	10,010	QCC		1.41	1.43	7,092	10,141.56	9.8%
						Money Market		1.00		50,000	50,000.00	48.3%
								Total Valuation=			103,432.39	100.0%

## REVIEW since last issue

The portfolio holdings are all doing well.

The newest one is QCC. With that purchase, the portfolio is now about 50% in and 50% in cash.

# Dow 30 Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date:		6/25/2010			
Action			Action	# of	Action	Closing	Start	Ending	# of	Current	Percent of	
Date	Action	Symbol	Price	Shares	Value	Symbol	Price	Price	Shares	Value	Total	
3-May	sell	CVX	82.83	43	3,562	DIA	103.83	101.72	771.04	78,430.19	80.4%	
3-May	buy	VZ	29.29	50	1,475							
3-May	buy	PFE	16.91	60	1,025	T	25.18	24.79	120	2,974.80	3.1%	
3-May	buy	AA	13.15	231	3,048	VZ	28.70	28.55	155	4,425.25	4.5%	
						PFE	17.86	14.64	227	3,323.28	3.4%	
						AA	13.15	11.23	231	2,594.13	2.7%	
						XOM	65.11	59.10	46	2,718.60	2.8%	
						Money Market			1.00	3,024	3,024.00	3.1%
								<b>Total Valuation=</b>		<b>97,490.25</b>	<b>100.0%</b>	

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
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

No changes for now. The five oversold and more heavily weighted positions are finally all starting to rally more than the Dow Industrials. This should add to the portfolio's performing better than the market.

# Feature Company

Working on a large-cap dividend strategy. When completed, I will post it

# 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.