

Stock Selections & Timing

Watercourse Way Holdings, LLC

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

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Volume 2
Issue 15

What Debt Deal?

One can only guess what the politicians are really thinking as they go through the last days' posturing motions to convince constituents of their sincerity in ending the domestic debt crisis. After all, it is not as if most of them haven't been there for many, many years now and could have already done

something about it.

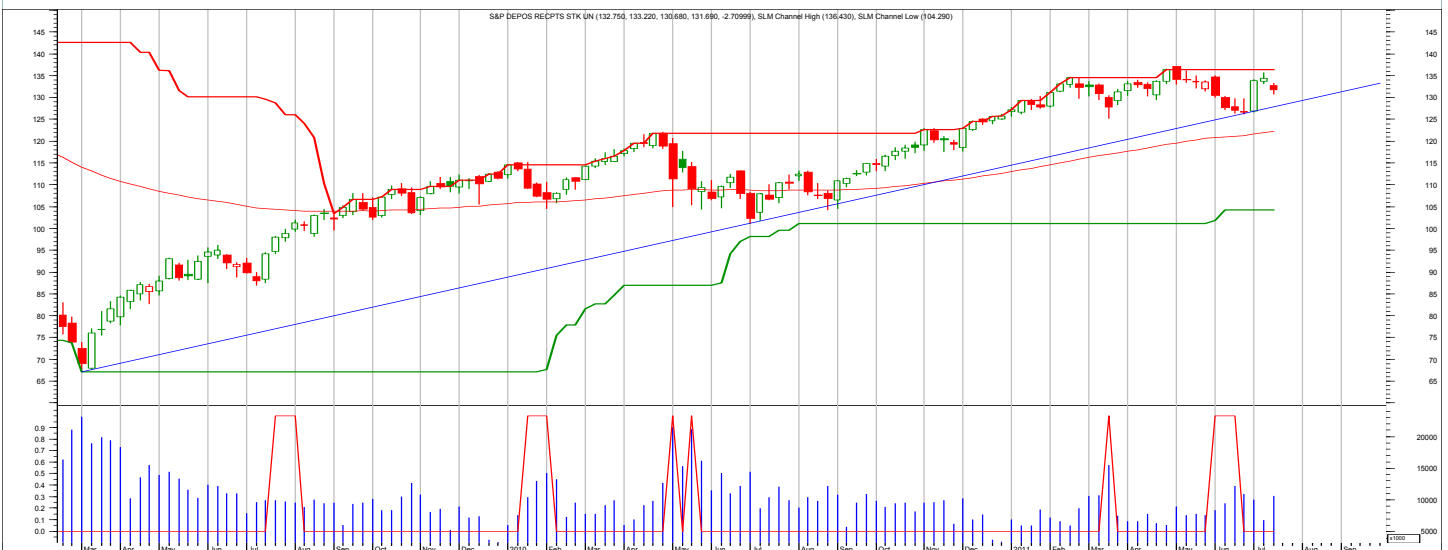
Yet, even though there isn't a viable solution on the table, the markets seem fairly calm in all this.

Stocks haven't fallen apart. Bonds haven't fallen apart. Gold has hit a new high. But for the most part, things are fairly normal. This may signal

either great complacency that is likely to be shattered or US default is a nonevent. These two conditions may actually be related.

In other words, it means that even if the US defaults, no one really believes it actually means anything. There will not

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The chart is the weekly S&P 500 with an 80-day moving average and other objects.

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	15.4%	27.0%	10.5%	1.0%	1.6%	0.6%
Dow30 Portfolio	5.9%	14.9%	4.2%	0.3%	3.7%	0.8%
Wilshire 5000	7.1%	24.9%	5.4%	0.5%	6.0%	2.1%
Dow Industrials	9.5%	21.6%	6.8%	1.4%	6.3%	1.6%

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Stock Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 7/22/2011						
Action Dates	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop	Yield	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
13-Jun	sell	ECGI	>2	3,204									
30-Jun	sold	ECGI	2.02	3,204	6,462								
17-Jun	sell	MRVL	13.210	300	3,953	GENC			7.73	7.67	1,478	11,336.26	8.7%
						SILU			1.41	1.72	7,092	12,198.24	9.4%
21-Jun	sell	GAIN	7.33	1,500	10,985	WTT			0.87	0.80	16,000	12,800.00	9.9%
21-Jun	buy	PSEC	10.15	1,200	12,190								
11-Jul	sell	SNDK	41.77	100	4,167	PSEC		12.0%	10.15	10.15	1,200	12,180.00	9.4%
11-Jul	sell	CSCO	15.43	300	4,619	MCGC		9.3%	6.44	6.10	2,000	12,200.00	9.4%
11-Jul	sell	CLCT	15.550	800	12,430	O		5.4%	32.28	34.54	150	5,181.00	4.0%
25-Jul	buy	SNDK		150									
						Dividends						945.44	0.7%
						Money Market			1.00		62,831	62,831.00	48.5%
								Total Valuation=				129,671.94	100.0%

REVIEW since last issue

7/25 Rebuy SNDK. Their earnings came out better than expected.

7/11 Given we are at an intermediate-term top, it is time to raise some cash and await a better entry point.

6/27 Subscribers should have received the emailed hotline report. Please let me know at smckee@investmentst.com if you didn't.

	2010	ytd 2011
Stock Portfolio	12.5%	15.4
W5000	15.5%	7.1

Dow 30 Portfolio

ACTION FOR						PORTFOLIO DETAILS						Value as of date: 7/22/2011			
Action Date	Action	Symbol	Price	# of Shares	Action Value	Symbol	Closing Stop	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total		
8-Jun	sell	CAT	98.04	50	4,892	DIA			120.07	126.60	300.00	37,980.00	33.4%		
13-Jun	buy	BAC	10.97	500	5,495										
13-Jun	buy	JPM	41.67	150	6,261										
						DIS	38.00		40.93	40.65	100	4,065.00	3.6%		
11-Jul	sell	CSCO	15.62	300	4,676										
11-Jul	sell	BAC	10.35	500	5,165										
11-Jul	sell	JPM	39.43	150	5,905	MCD	88.00		73.76	88.56	70	6,199.20	5.5%		
11-Jul	sell	MSFT	26.63	200	5,316	MRK	35.00		33.40	36.09	200	7,218.00	6.4%		
11-Jul	sell	HPQ	35.29	130	4,578										
						WMT	53.00		51.92	54.52	100	5,452.00	4.8%		
						Money Market						1.00	52,685	52,685.00	46.4%
						Total Valuation=						113,599.20	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
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

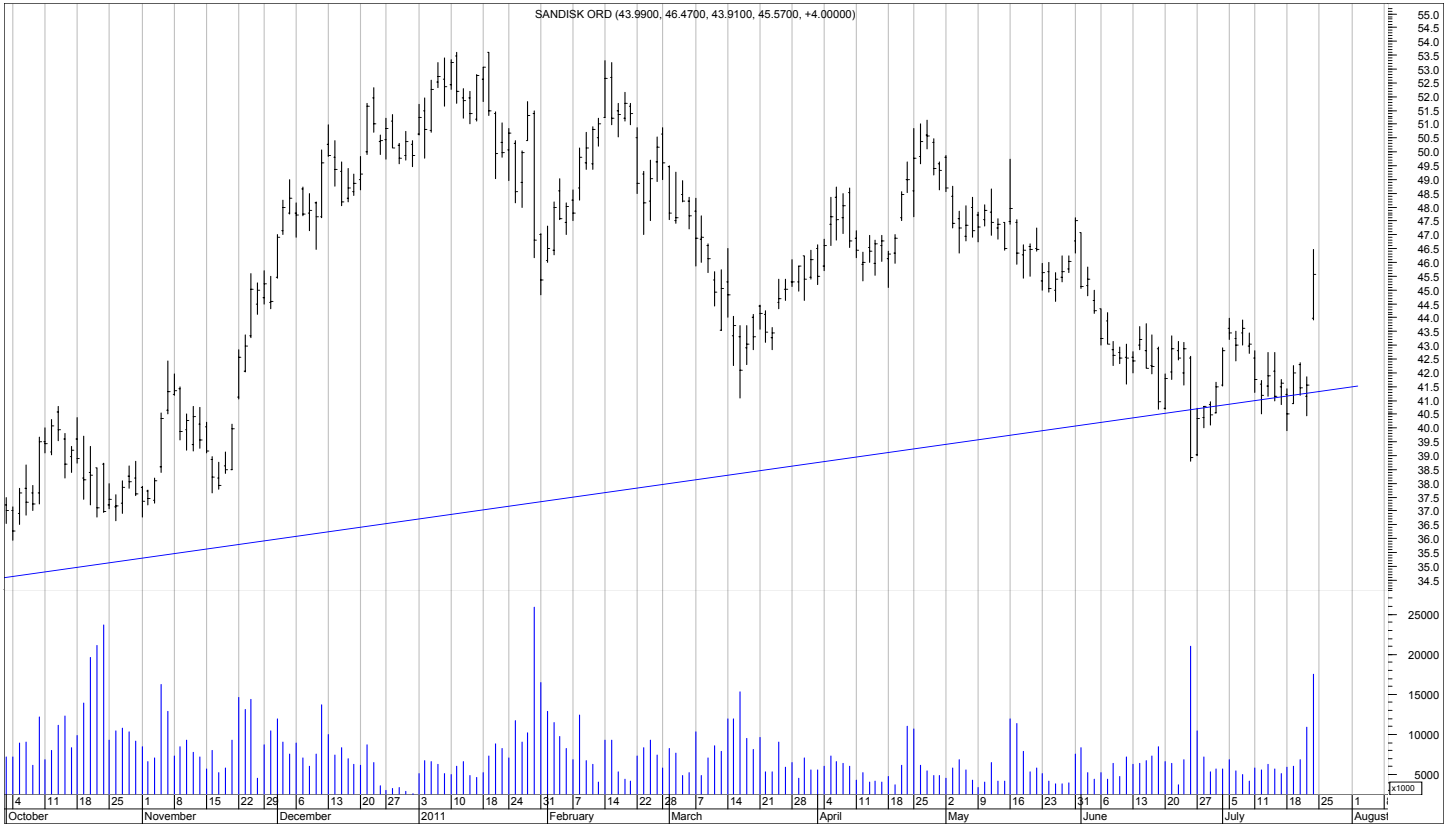
7/25 No changes.

7/11 Time to raise some cash.

6/27 No changes.

6/13/11 The bank stocks are beaten up, but the news appears discounted. Buy as noted.

Feature Company



7/25/11 Rebuy SNDK (Sandisk)

The company reported better than expected earnings. Among other things, they sell flash-memory chips and storage cards.

The company has some

\$5.3 billion in cash to deploy, which I suspect they will, else become a takeover target themselves.

Accumulate up to \$46 with an initial upside target above \$55.

(Continued from page 1)

be any repercussions. They think surely, eventually the US will make its payments in full. Surely they will, like they always have in the past, get it together. That is the complacency. Default today, but tomorrow it will be back to business as usual.

In the meantime, the markets are fairly subdued; they neither

break to the upside or downside. This pattern is what I expect for the next several weeks. It remains a stock picker's market, rather than a throw the dart market. There is no tide right now to lift all boats.

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 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.

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

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