

Stock Selections & Timing

Watercourse Way Holdings, LLC

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

September 7, 2010 (data through previous Friday's close)
Volume 1
Issue 17

Semantics Aside

As of today, it is official. NBER, the non-profit company appointed to determine the starts and ends of recessions, declared that the recent recession ended in June 2009. It began in December 2007. The recession lasted 18 months, which is the longest since WW II.

Since its end, the economy grew 5.0% in the first quarter

thereafter, but has since slowed to 1.6% in the second quarter of 2010.

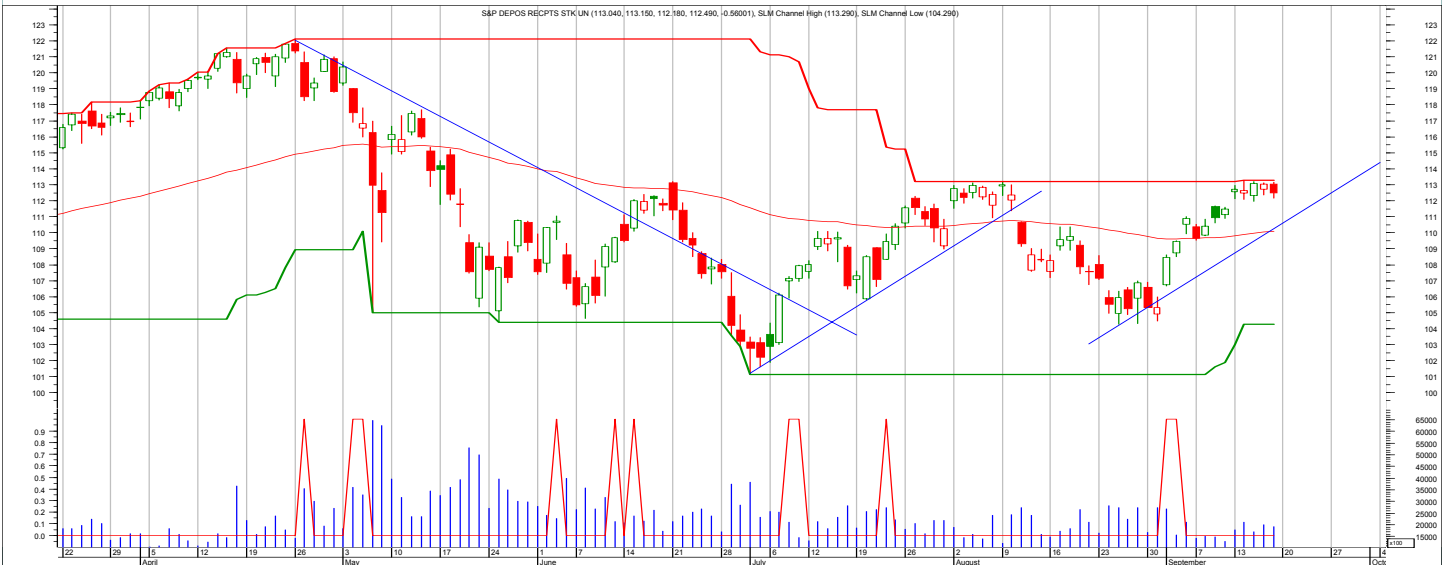
They also made the comment that if the economy goes into another recession, it will not be considered a double-dip.

So, there we have it. There is no double-dip possible, if only because of semantics.

But I would agree. The

economy has recovered and it has been sufficiently long enough not to be classified as a double-dip. The problem though is unemployment. It is still nearly at 10%, which is a 27-year high. If we include Americans in part-time jobs and those who have given up, the rate increases to 16%. There's

(Continued on bottom left on page 4)



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	1.1%		0.1%	-3.8%	1.8%	-0.2%
Dow30 Portfolio	1.8%		-0.2%	1.7%	3.8%	1.3%
Wilshire 5000	2.1%		-2.6%	0.6%	5.3%	1.6%
Dow Industrials	1.7%		-1.2%	1.5%	3.9%	1.4%

CONTENTS

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

Stock Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date:				9/3/2010			
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
2/8-2/12	buy	TIII	1.28	7,813	10,000	TIII			1.28	1.32	7,813	10,313.16	10.2%
2/22--	buy	DRAD	1.95	5,128	10,000	DRAD			1.95	1.95	5,128	9,999.60	9.9%
4/5 -	buy	ECGI	0.98	10,204	10,010	ECGI			0.98	0.89	10,204	9,081.56	9.0%
6/1 -	buy	GENC	7.82	1,278	10,004	GENC			7.82	7.20	1,278	9,201.60	9.1%
6/14 -	buy	QCC	1.41	7,092	10,010	SILU			1.41	1.81	7,092	12,836.52	12.7%
5-Aug	buy	TAXI	7.11	1,406	10,000	TAXI		8.6%	7.11	7.04	1,406	9,898.24	9.8%
23-Aug	buy	ANH	6.86	1,449	9,952								
		buy up to \$6.95											
25-Aug	stop	ANH	6.72	1,449	9,747								
						Money Market			1.00		39,795	39,795.00	39.4%
												Total Valuation=	101,125.68 100.0%

REVIEW since last issue

QCC has changed its symbol to SILU. It has completed its merger agreement. Projected top is to \$2.50.

Dow 30 Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 9/3/2010						
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total	
3-May	sell	CVX	82.83	43	3,562	DIA		103.83	106.07	771.04	81,784.21	80.4%	
3-May	buy	VZ	29.29	50	1,475								
3-May	buy	PFE	16.91	60	1,025								
3-May	buy	AA	13.15	231	3,048								
						PFE		17.86	17.06	227	3,872.62	3.8%	
2-Aug	sell	T	26.69	120	3,213	AA		13.15	11.17	231	2,580.27	2.5%	
2-Aug	sell	VZ	29.56	155	4,592	XOM		65.11	60.78	46	2,795.88	2.7%	
2-Aug	buy	BAC	14.44	200	2,898	BAC		14.44	13.40	200	2,680.00	2.6%	
2-Aug	buy	JNJ	58.72	50	2,946	JNJ		58.72	61.57	50	3,078.50	3.0%	
						Money Market				1.00	4,985	4,985.00	4.9%
											Total Valuation=	101,776.48	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

No changes in this portfolio.

Feature Company

NONE THIS ISSUE

(Continued from page 1)

no double-dip for these people if only because it never recovered at all.

In other news, the Federal Reserve reported that US companies are sitting on a record \$18.4 trillion dollars. Keep in mind that

is earning roughly 0.01% in a typical money market. M&A should pick up, but there is a lot of caution.

As to the stock market, it greeted the economic news today (Monday 9/20/10) with a rally. It appears to be breaking to the up-

side of its recent consolidation pattern. This suggests higher prices ahead.

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.