

Stock Selections & Timing

Watercourse Way Holdings, LLC

P.O. Box 830396

Richardson, TX 75083-0396

972-680-2366

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Rebounding — (chart and writing as of 2/4/2008)

The market remains in rebound mode. I expect the S&P 500 to eventually make it back into the circled area or roughly 144 on the cash SPY, which is shown below on the chart.

Once it hits that area, I then expect another sell off to begin that eventually carries the market back down to lows seen last

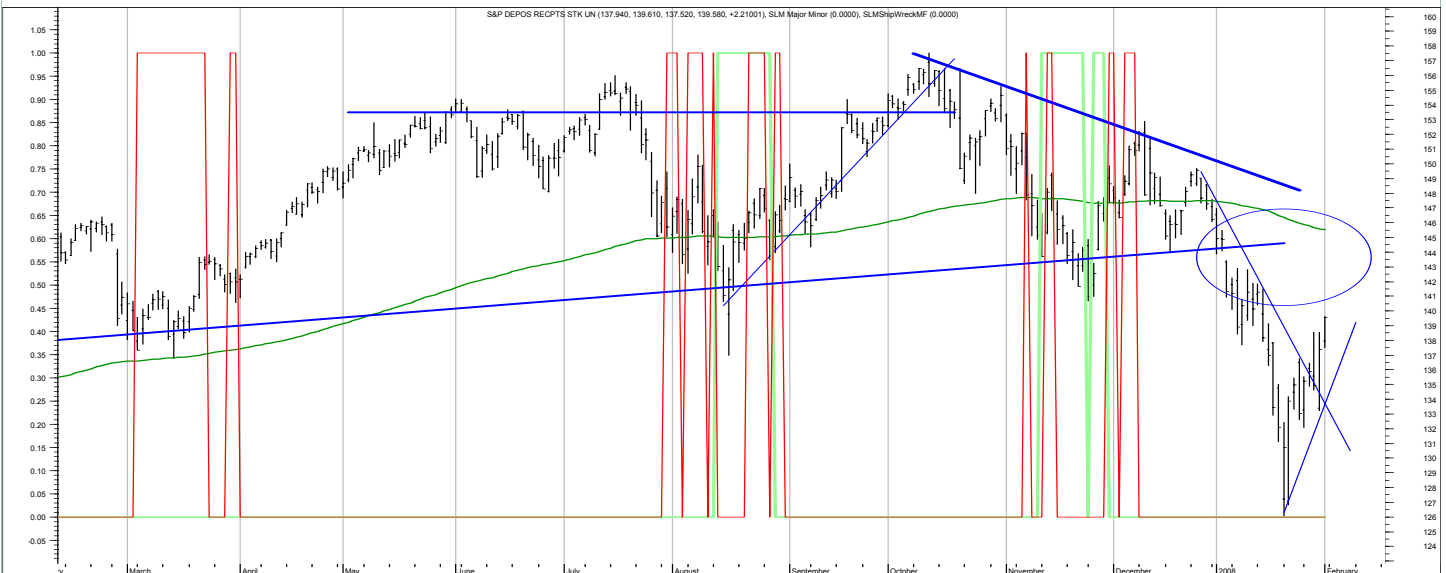
week.

The fundamentals still appear very negative, but more than that, they do not yet appear to have hit bottom.

On the plus side of the equation are two very strong indicators. One is the economic stimulus package Congress is talking

about and two is the reduction in interest rates. Both of these things should help to prop up the consumer.

The negative result, however, is the continued deterioration of the dollar. Our standard of living is declining while we buy knock knacks from foreign countries.



The chart is the daily S&P 500 with green line a 200-day moving average. The spikes are assorted potential buy signals.

SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
Stock Portfolio	-100.0%					-100.0%
Wilshire 5000						

CONTENTS

Page 2.....	Income
Page 3.....	Growth
Page 4.....	Database
Page 5.....	
Page 6.....	Disclaimers

Stock Portfolio

ACTION FOR					PORTFOLIO DETAILS					Value as of date:		12/31/2009
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	
											0.0%	
					Money Market				1.00 100,000	100,000.00	100.0%	
										Total Valuation=	100,000.00 100.0%	

WEEKLY REVIEW

no changes.

Portion of Stock Database

We track the Dow Thirty and the other stocks in the OEX (top 100 stocks by market cap).

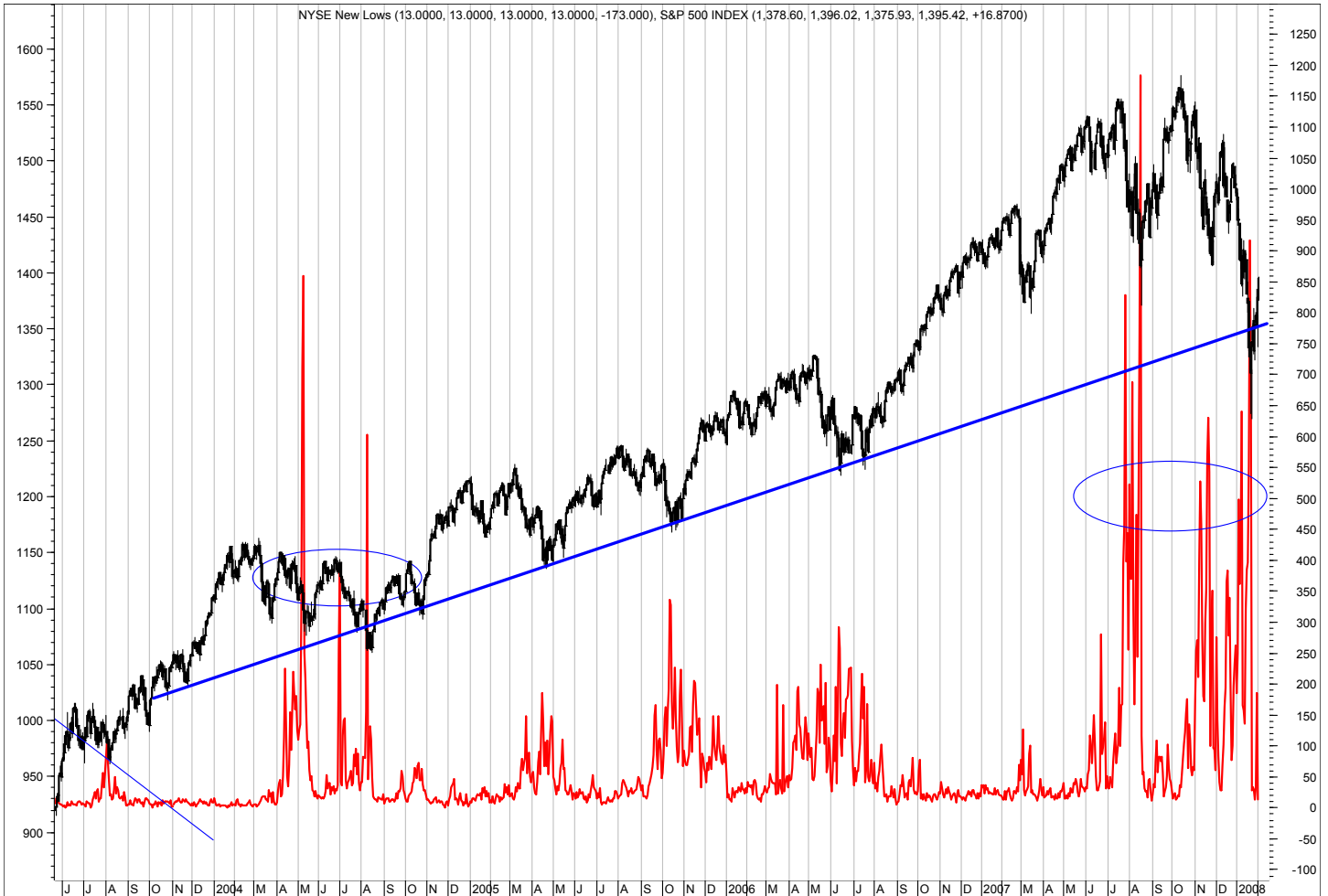
In addition, using proprietary screens, we monitor another 10,000 stocks. The screens are based on valuations, growth, and timing.

Company	Symbol	Long-term trend	New High	New Low
Alcoa	AA	up	x	
American Express	AXP	up		
Boeing	BA	up		
Bank of America	BAC			
Catepillar	CAT			
Cisco	CSCO			
Chevron	CVX			
DuPont	DD			
Disney	DIS		x	
GE	GE			
Home Depot	HD			
Hewlitt Packard	HPQ		x	
IBM	IBM		x	
Intel	INTC			
Johnson & Johnson	JNJ		x	
JP Morgan	JPM			
Kraft	KFT			
Coca-Cola	KO			
McDonalds	MCD			
3M Company	MMM		x	
Merck	MRK			
Microsoft	MSFT		x	
Pfizer	PFE			
Proctor & Gamble	PG			
ATT	T		x	
Travelers	TRV			
United Technologies	UTX		x	
Verizon	VZ			
Wal-Mart	WMT			
Exxon Mobil	XOM			

Sum

9 | -

S&P 500 and number of new NYSE lows



The number of new NYSE lows continues to spike higher on each sell off, but thereafter the market does rally.

As long as this trend line holds, we should give the benefit of the doubt to the bulls, not the bears.

This pattern should continue through the first half of 2008.

The other thing to notice on this chart is that the market has rebounded off of its multi year up trend line that dates back to the bull market beginnings in 2003.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 3)

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

Stock Portfolio, page2: Uses a proprietary selection methodology on roughly 10,000 stocks

The portfolio was started on 1/1/10 with \$100,000.

Portfolio changes will usually be made either at the close on Friday (the day this eNewsletter is posted) or on Mondays at the open, unless otherwise noted in the email hotline update.

Portfolios are updated through the Thursday close (normally the day before posting).

Dividends are paid in cash. Commissions of \$10/trade, if any, are applied. Interest is zero for the money market (cash) position.

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Unless otherwise noted, the weekly eNewsletter is posted by 1:30 PM central time each Friday, except for holidays and then on Monday. It may contain actionable, specific buy or sell advice to take that day at the Friday close in each portfolio. Portfolio data will be updated through the previous Thursday's close. Symbols, rather than names, are the official identification used for activity.

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