

ETF Selections & Timing

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Close but no Cigar

The Dow Industrials simply refuses to confirm the uptrend. It rose to within 62 points of closing at a record high last week, but has since turned back down. Part of the rest of the market, when measured by the advance/decline line or the Dow Transports, made it

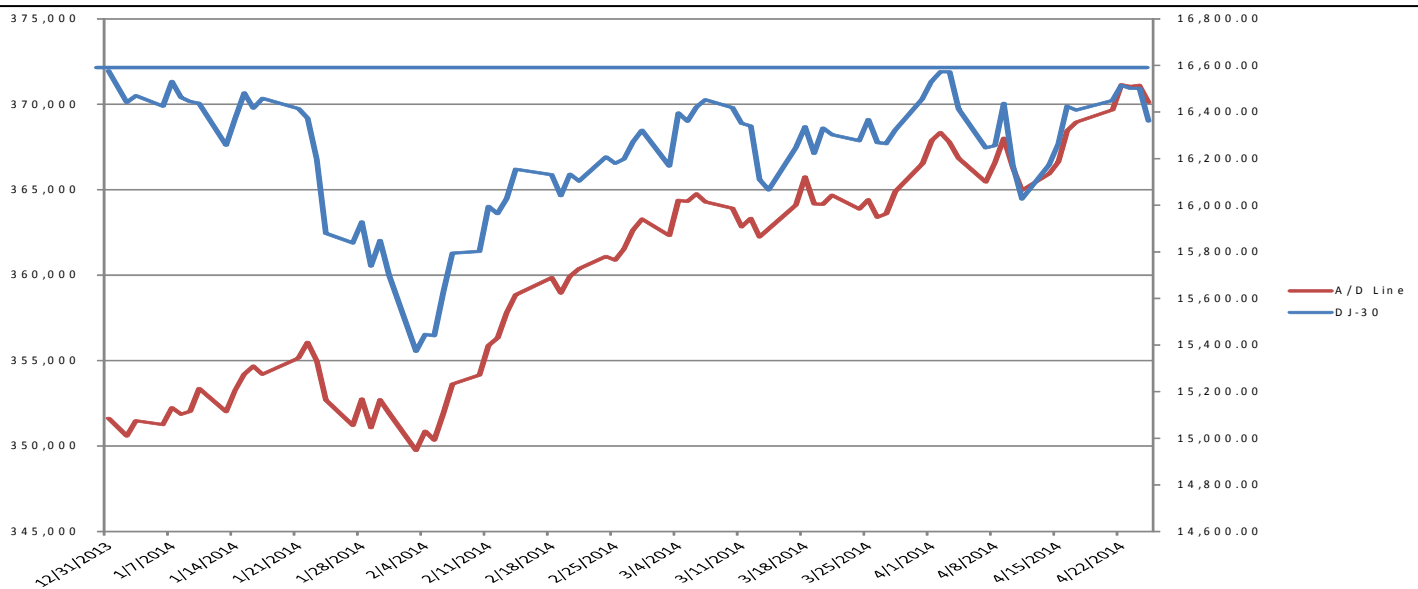
to new highs. So what's the problem?

Maybe there isn't a problem. Maybe it was the reconfiguration of the Dow makeup last year. Maybe it signals nothing. Or maybe it could be signaling the rotation from domestic to international equities. Or maybe

there is more to the story. The S&P 500, QQQ, and Russell 2000 (IWM) also failed last week to reach new highs.

For our purposes, the ongoing negative divergence is an interesting anomaly, but doesn't

*(Continued on page 12
see REVIEW on top)*



This is the daily chart of the close of the Dow Industrials (blue line) and NYSE advance-decline line (red line)

SCOREBOARD (returns year to date and past weeks to date)

Model	YTD	52-week	26-week	13-week	4-week	1-week
ETF Income Portfolio	0.9%	1.5%	0.6	0.9	0.4	0.0%
ETF Growth Portfolio	-0.3%	14.8%	0.5	-0.4	0.2	-0.5%
Index						
Aggrgt Bond (AGG)	1.8%	-1.1%	0.9	0.8	0.5	0.2%
S&P 500 TR (SPY)	1.3%	19.6%	6.4	4.1	0.4	-0.1%
World Growth Index	-0.4%	18.0%	3.3	2.1	-0.4	-0.6%

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Income Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 4/25/2014								
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss as of 4/28	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total	
11-Apr	sell	JNK	41.05	342	14,014	LQD	118.00		116.33	118.12	120,349	14,215.62	12.2%	
21-Apr	sell	AGG	108.18	130	14,080								0.0%	
21-Apr	sell	PCY	28.27	512	14,464								0.0%	
21-Apr	buy	BSV	80.09	362	29,003	BSV			80.09	80.14	362.0	29,010.68	25.0%	
		this new buy w ill be about 25% of total												
28-Apr	LQD may be stopped out today (Monday)													
						Money Market					1.00	72,857	72,857.00	62.8%
												Total Valuation=	116,083.30	100.0%

WEEKLY REVIEW

4/28 There's a good possibility that the LQD position will close below its sell stop level today. Watch it at quarter to the close for a signal. If it's below it, we'll sell back to cash.

4/21 With today's large increase in the leading economic indicators report (see Conference Board), the risk has increased that the current bond counter rally should soon end. Bonds actually peaked last April 2013 or July 2012 (depends on the bond) and then took a large selloff ending last Aug/Sept. Since then, bonds have counter rallied. I expect this rally to end as the economy continues to strengthen through 2014. Plus the Fed is tapering its bond buying program (QE). As to raising short-term rates, that is still projected in 2015. Sell a couple positions and buy BSV (short-term bond ETF) as noted above. I raised the stop on LQD. I will watch for pullbacks to perhaps reenter.

4/14 No changes.

4/7 No changes.

	2010	2011	2012	2013	ytd 2014	Incptn
ETF Income Portfolio	4.8%	3.6	4.8	1.1	0.9	16.1
Aggregate Bond	6.4%	7.7	3.9	-2.2	1.8	18.7

This shows the total returns of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD).

ETF Income Database and Ranking to 8/30/13 (under construction)

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>12m</i>	<i>9m</i>	<i>6m</i>	<i>3m</i>	<i>1m</i>	<i>V</i>	<i>NAV</i>	<i>Rank</i>
iShares 1-3yr Trsry	SHY	BS	0.03	0.03	-0.07	-0.03	-0.10	0.08	84.28	*****
Vngrd ShrtTrm Bond	BSV	BS	-0.19	-0.45	-0.60	-0.38	-0.27	0.23	79.96	*****
iShares 3-7yr Trsry	IEI	BI	-2.51	-2.67	-2.49	-1.82	-0.77	0.51	119.88	****
iShares Agg Bond	AGG	BI	-2.85	-3.32	-3.05	-2.12	-0.83	0.61	106.01	****
iShares Inter Bond	MBB	BI	-3.09	-2.81	-2.91	-1.77	-0.67	0.43	104.17	****
iShares Inter Gov	GVI	BI	-1.51	-2.04	-1.92	-1.35	-0.64	0.46	109.11	****
Wtree Dryfs Chns Yuan	CYB	BF	4.62	2.26	2.23	0.54	0.42	0.42	26.16	****
Currency Euro	FXE	BF	4.69	1.36	1.04	1.60	-0.68	1.85	130.84	***
iShares 10-20yr Trsry	TLH	BL	-8.69	-8.69	-6.33	-4.80	-0.97	1.55	123.42	**
iShares 7-10yr Trsry	IEF	BI	-6.40	-6.61	-5.56	-4.27	-1.42	1.08	100.26	**
iShares High Yld	HYG	BH	5.38	2.88	0.18	-0.17	-1.27	1.56	90.87	**
iShares Intrntl Tbond	IGOV	BW	-1.59	-3.73	-1.85	-0.50	-0.73	1.54	97.93	**
iShares Long Corp Bond	LQD	BL	-2.90	-4.84	-4.30	-3.17	-1.00	1.39	112.68	**
iShares Trsry Inflt	TIP	BI	-7.29	-8.84	-7.78	-4.71	-1.83	1.18	110.64	**
PS 1-30 Ldr Trsry	PLW	BI	-8.64	-8.31	-5.99	-4.31	-0.96	1.45	29.88	**
PS Bld America	BAB	BI	-5.98	-7.40	-8.54	-7.83	-1.41	1.59	27.14	**
PS DB Dollar Bearish	UDN	BF	-1.27	-2.51	0.04	1.65	-0.49	1.29	26.42	**
PS DB Dollar Bullish	UUP	BF	-0.49	1.23	-0.80	-1.86	0.41	1.28	22.19	**
PS DB G10 Currency	DBV	BF	-0.76	-4.00	-7.09	-6.64	-2.44	1.72	24.75	**
PS Fdmntl Hi Yield Corp	PHB	BH	3.25	1.31	-0.10	-0.99	-0.88	1.23	18.71	**
PS Insr CA Muni	PWZ	BI	-6.48	-9.21	-8.53	-7.65	-2.25	1.29	22.72	**
PS Insr NY Muni	PZT	BI	-9.02	-11.54	-10.28	-8.91	-2.61	1.51	21.68	**
PS Prfd	PGX	BF	-0.95	-2.38	-4.30	-4.81	-1.65	1.18	13.68	**
SPDR High Yield	JNK	BH	5.27	2.46	0.00	-0.75	-1.03	1.56	39.46	**
SPDR Intrntl TBond	BWX	BW	-4.13	-5.75	-2.63	-0.53	-1.15	1.48	56.79	**
Vngrd Intrmdt Bond	BND	BI	-2.94	-3.28	-2.96	-2.12	-0.86	0.62	79.99	**
Wtree Dryfs Comdty Cur	CCX	BF	-6.19	-7.08	-8.09	-3.79	-2.15	1.55	19.55	**
Wtree Dryfs Emrg Crrncy	CEW	BF	-3.44	-5.57	-6.78	-3.77	-2.82	1.44	19.65	**
iShares 20+ yr Trsry	TLT	BL	-14.79	-13.35	-9.34	-6.72	-1.34	2.46	105.71	**
PS Emrg Mrkt Svrgn Debt	PCY	BW	-8.80	-13.37	-11.06	-7.86	-3.36	2.67	26.24	**
PS Insr Natl Muni	PZA	BI	-8.56	-11.75	-10.49	-9.01	-1.56	1.56	22.52	**
Wtree Dryfs Brazil Real	BZF	BF	-10.67	-7.36	-15.28	-9.16	-3.29	2.37	16.75	**
Wtree Emrg Mrkt Lcl Debt	ELD	BF	-7.81	-11.12	-12.85	-8.94	-4.35	2.09	45.45	**
Wtree Dryfs Indn Rupee	ICN	BF	-11.22	-13.71	-15.13	-13.34	-5.23	2.58	18.12	*

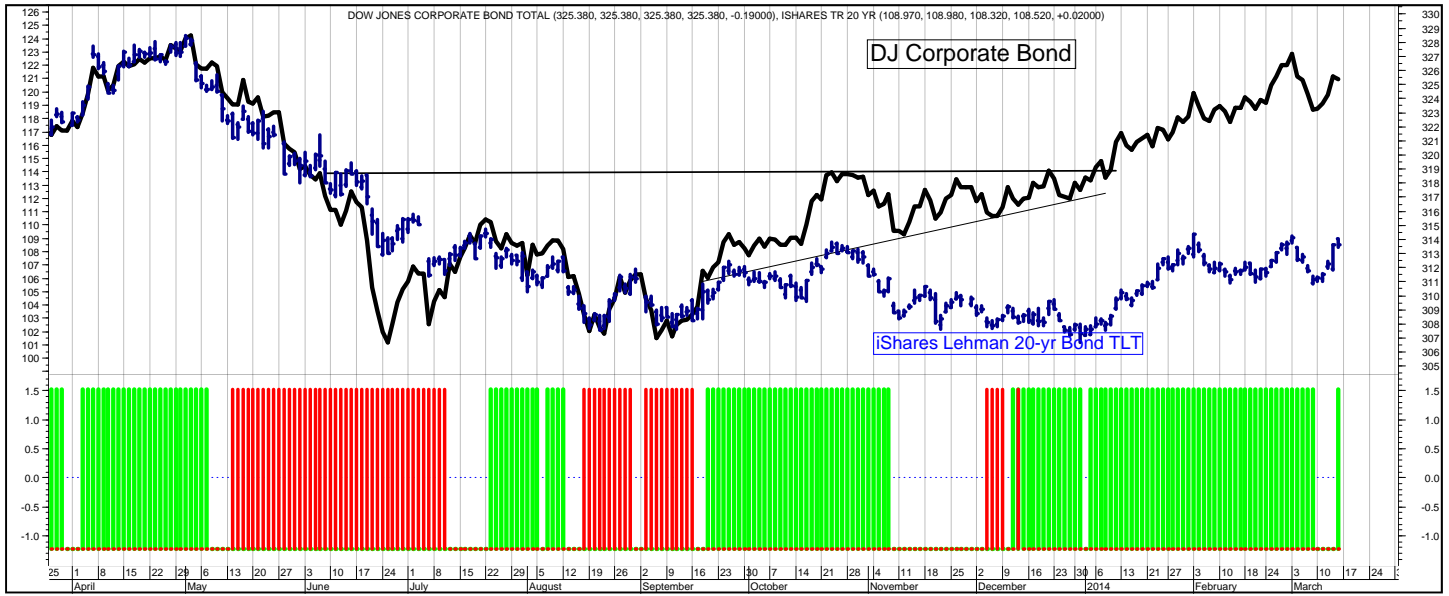
This is the ETF Income Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. CS is Comet Strength (not shown). C is Comet (not shown), which is an ETF's risk-adjusted performance; the higher the better. V, CS, and C are proprietary tools. Rank column shows the number of comets.

ETF LEGEND for pages 3 (Bond), and 7, 8, 9, and 10 (Equity):

Column headings: The first column shows the ETF name, the second column shows its symbol. The third column shows the ETF Style. The first letter is always either B (Bond) or E (Equity) or H (Hybrid). The next letter(s) is the style. So, BS-bond short, BI-bond intermediate, BL-bond long, BF-flexible, BW-world, BH-high yield. And for Equity, EA-equity aggressive, EC-equity contrary, EG-equity gold (precious metals), ESC-small cap, EMC-mid cap, ELC-large cap, EW-world, EGI-growth/income, ERE-real estate, EV-value. Columns 4-8 show percentage returns for the periods shown (12 months, 9, 6, 3, and 1 month). Column 9 is V (volatility); a measure of risk; the lower the V, the less risk. Column 10 is the NAV. Column 11 is the C (comet) ranking. C is the risk-adjusted (V) relative performance (CS). The higher the C indicates the most return for the amount of risk taken.

Generally, our ETF strategy is to own the top ranked ETFs (shown in green) and avoid or short the lower ranked ETFs (shown in red).

SLM Bond Timing Model (under construction)



The SLM Bond Timing Model is based on the expected direction of the Corporate Bond market. The green bars are bullish (expect higher prices and lower yields) and the red bars are bearish (expect lower prices and higher yields). White spaces indicate that the previous signal is still in effect.

WEEKLY REVIEW

4/4 No updates.

3/24 As previously mentioned, I am planning to introduce the new World Income Model ASAP. So, this chart and the charts on the next page are not updated. (Trend is still bullish.)

3/17 No changes. Still trending bullish.

3/10 No changes.

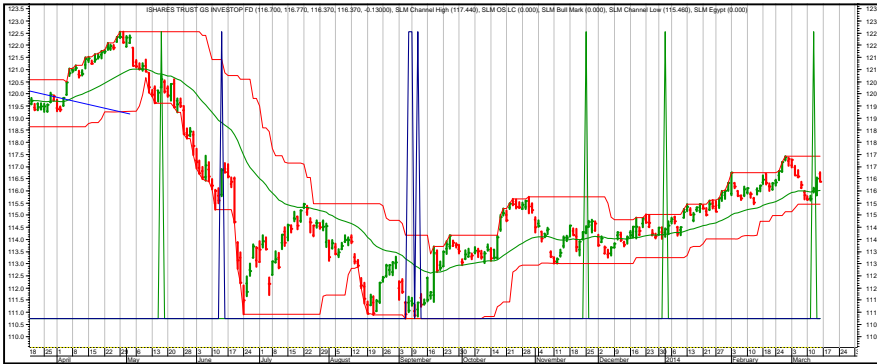
3/3 The bond model is still bullish, unfortunately I'm out. Will try to find a reentry area.

2/24 No changes.

2/18 Consolidation phase. With the economy stronger than expected, even accounting for the horrific winter weather, can't see bonds rallying further.

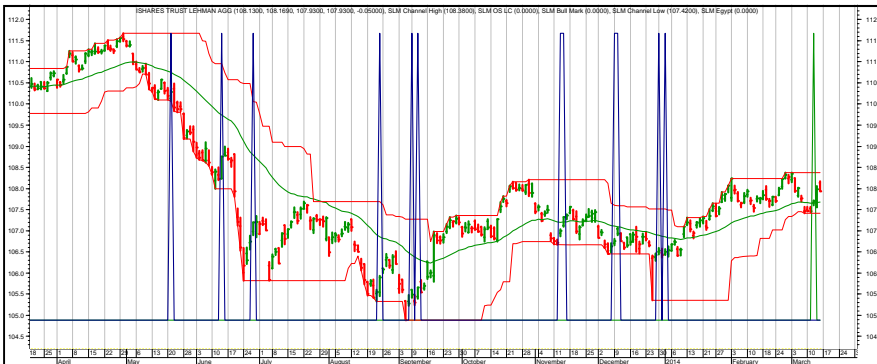
2/10 The bond market has broke its uptrend from what could be a valid breakout zone. This is drawn on the chart above by the last trend lines. Will watch for subsequent action and economic news to decide whether to buy on the pullback or continue to stand aside.

Income Charts (DAILY) (under construction)



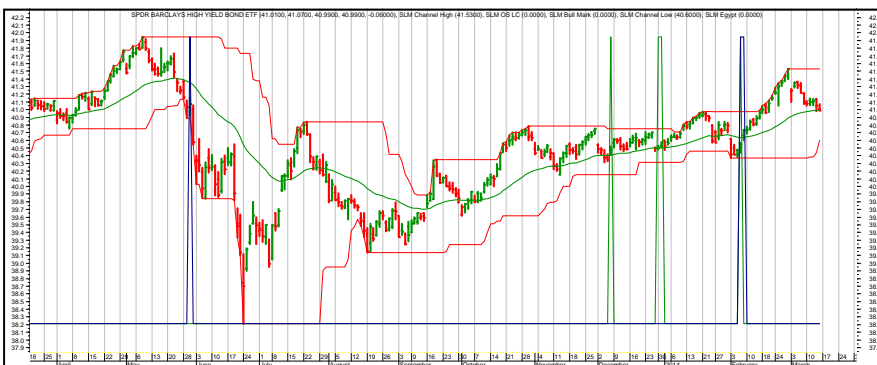
LQD—Investment Grade Corporate

3/17 See page 2.
 3/10 No changes.
 3/3 No changes.
 2/24/ No changes.
 2/18 No changes.
 2/10 No changes.
 2/3 No changes.



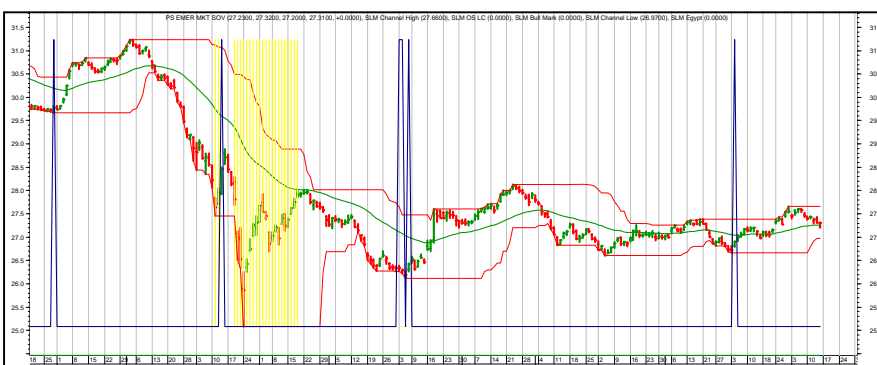
AGG—Aggregate Bond Market

3/17 See page 2.
 3/10 No changes.
 3/3 No changes.
 2/24 No changes.
 2/18 No changes.
 2/10 No changes.
 2/3 No changes.



JNK—hi-yield bonds

3/17 See page 2.
 3/10 No changes.
 3/3 Overextended. Will take profits.
 2/24 No changes.
 2/18 Since JNK is the only bond ETF notching recovery highs here of the 4 shown, I've put a very tight stop on the position. See page 2.



PCY—International Bonds

3/17 See page 2.
 3/10 No changes.
 3/3 No changes.
 2/24 No changes.
 2/18 No changes.
 2/10 The last blue spike is the 'buy' from last week's comment. I am standing aside, however.

Each chart shows daily (or weekly if noted in page title at top) prices, a moving average (smoothed green line on price portion), and blue or green spikes. The spikes show potential buy signals. The red lines are price channels. The charts do not show sell signals.

Growth Portfolio (changed as of 12/10/12, 9/23/13)

ACTION FOR			PORTFOLIO DETAILS			Value as of date:				4/25/2014			
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
3-Mar	sell	PPA	32.64	177	5,767	World Growth							
3-Mar	buy	PBE	45.05	129	5,821	EEM		Emrg Mrkt	39.13	40.82	539.000	22,001.98	15.5%
			this will be about 4% of ttl			EFA		Euro Asia	66.28	67.40	318.000	21,433.20	15.1%
17-Mar	sell	PBE	44.55	129	5,737	IWM		Rusl 2000	113.68	111.61	185.490	20,702.54	14.6%
17-Mar	buy	DBA	28.45	200	5,700	QQQ		Nsdq 100	89.54	86.19	235.540	20,301.19	14.3%
			this will be about 4% of ttl			SPY		S&P 500	182.85	186.29	115.520	21,520.22	15.2%
7-Apr	sell	PJP	55.10	99	5,445	C-lect 5							
7-Apr	buy	PSI	20.46	278	5,698	DFE			60.48	61.66	93.030	5,736.23	4.0%
			this will be about 4% of ttl			PFF			39.00	39.24	144.000	5,650.56	4.0%
14-Apr	sell	PSI	19.91	278	5,525	GULF			22.09	23.98	258.240	6,192.60	4.4%
14-Apr	buy	PGF	17.89	314	5,627	PGF			17.89	17.86	315.580	5,636.26	4.0%
14-Apr	sell	UNG	25.36	215	5,442	DBA			28.45	29.11	200.000	5,822.00	4.1%
14-Apr	buy	PFF	39.00	144	5,626	Two potential ways to sell: stop loss about 7.5% lower or timing model signals sell							
			both buys (above) will be about 4% of ttl			Two potential ways to buy: lower-risk "window to buy" may open or timing model signals buy.							
28-Apr	sell	DFE		all									
28-Apr	buy	ICF		67									
			this buy above will be about 4% of ttl			C-lect Short (under construction)							
						Cash from short			1.00	-	-	-	0.0%
						Money Market			1.00		6,657	6,657.00	4.7%
									Total Valuation=		141,653.78	100.0%	

WEEKLY REVIEW

4/28 There is one sell and buy today as noted above.

4/21 No changes this week.

4/14 With the market pullback, the sell stop distance narrowed to about 6%. The "window to buy" has also reopened. In the portfolio, we will sell and buy the two new positions noted above.

4/7 Make the sell and buy as noted above. Sell stop is still about 8% away.

3/31 No changes. Sell stop is 8% away (as a reminder, the sell stop is not on individual positions, but on the portfolio).

3/24 No changes. The sell stop is about 7% away from current level.

	2010	2011	2012	2013	ytd 2014	Incptn
ETF Growth Portfolio	8.1%	6.9	-2.1	25.7	-0.3	41.7
World Growth Index	17.2%	-4.1	15.1	30.5	-0.4	68.2

The ETF Growth Portfolio changed as of 12/10/12 and again 9/23/13. It is following the new World Growth Model (WGM), which uses the same 5 etfs (EEM, EFA, IWM, QQQ, SPY) as the World Growth Index (WGI). The difference between the two is WGM uses timing and WGI is always fully invested and WGI is rebalanced to 20% in each position daily (this accounts for the different returns when WGM is invested and held). Based on the successful back testing strategy, C-lect 5 was added to the portfolio. Returns are of previous years (to last Friday in year), year to date (ytd) (from last Friday in previous year), and from inception (incptn). It also shows standard deviation (SD). The green highlight (2013, 2014) is to highlight the aforementioned changes.

ETF Rankings by C to previous week's end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>C</i>
W tree Middle East Div	GULF	EW	24.99
PS DB Agriculture	DBA	EA	19.78
PS Fincl Pfd	PGF	EGI	14.54
iShares Prfrd	PFF	EGI	13.73
iShares Cohen&Str REIT	ICF	ERE	13.17
SPDR Wlsh REIT	RWR	ERE	12.69
Vngrd REIT	VNQ	ERE	12.62
iShares Italy Indx	EWI	EW	11.84
W tree Eur SC Div	DFE	EW	11.71
iShares REIT	IYR	ERE	11.64
Select SPDR Utilities	XLU	EA	11.62
Vngrd Utilities	VPV	EA	11.61
PS Dynmc Semicndctr	PSI	EA	11.05
PS US REIT	PSR	ERE	10.33
US Natural Gas	UNG	EA	9.80
PS Dynmc Utilities	PUI	EA	9.27
W tree India	EPI	EW R	9.02
PS Gbl Clean Enrgy	PBD	EW	8.67
Guggnhm Candn Enrg Incm	ENY	EW R	8.46
Market Vectors Semiconductor	SMH	EA	8.36
W tree Intrntl Utilities	DBU	EW	8.08
PS Dynmc Networking	PXQ	EA	8.05
PS Dynmc Pharma	PJP	EA	8.04
PS Gbl Water	PIO	EW	7.78
SPDR S&P Oil & Gas Expl. & Prod.	XOP	EA	7.19
PS Dynmc Biotech	PBE	EA	7.15
PS India	PIN	EW	7.07
Vngrd Health	VHT	EA	7.07
PS Dynmc Energy	PXI	EA	7.03
PS Gbl Gold Precious Mtls	PSAU	EG	7.02
Guggnhm Gbl Wtr	CGW	EW	6.85
Market Vectors Gold Minors	GDX	EG	6.64
PS Aerospace & Def	PPA	EA	6.62
Guggnhm Dfnsv Eqty	DEF	EV	6.44
Select SPDR Health	XLV	EA	6.42
PS S&P SmICap Energy	PSCE	EA	6.35
PS Hi Yld Eqty Div	PEY	EGI	6.32
iShares DJ Slct Div	DVY	EGI	6.09
iShares Russel MidVal	IWS	EMC	6.07
PS Dynmc Energy Explor	PXE	EA	6.04
Alerian MLP	AML	EGI	6.01
iShares Spain	EWSP	EW	6.00
W tree Eqty Income	DHS	EGI	5.85
PS DB Oil	DBO	EA	5.79
Guggnhm Solar	TAN	EA	5.61
Guggnhm Shipping	SEA	EA	5.56
SPDR Gold	GLD	EG	5.40
iShares Gold	IAU	EG	5.39
W tree Intrntl Div Ex Fincl	DOO	EW	5.27
PS DB Gold	DGL	EG	5.26

This page and the next three show the equity ETF database rankings from high to low based on C. C is Comet, which is the risk-adjusted relative performance; the higher the C ranking, the better. Comets, not stars, because comets come into and out of prominence over time. We want the metaphor to match reality.

The first column shows the name. The second column shows the symbol. The third column shows the style; it begins with E for Equity and then the style (A is aggressive, W is world, WR is world regional, SC is small cap, MC is mid cap, LC is large cap, GI is growth/income, V is value). The fourth column shows the C level.

ETF Rankings by C to previous week's end

Guggnhm Shipping	SEA	EA
SPDR Gold	GLD	EG
iShares Gold	IAU	EG
W tree Intrntl Div Ex Fincl	DOO	EW
PS DB Gold	DGL	EG
PS S&P Sm lCap M trls	PSCM	EA
W tree Div Ex Fincl	DTN	ELC
PS WilderHill C ln Enrgy	PBW	EA
US Oil Fund	USO	EA
W tree MidCap Div	DON	EMC
iShares Australia	EW A	EW
Guggnhm Intrntl A Incm	HGI	EW
PS S&P 500 Low Volatility Portfolio	SPLV	ELC
W tree Intrntl SC Div	DLS	EW
PS Dynm c Basic Matrl	PYZ	EA
Vngrd Materials	VAW	EA
Guggnhm G lbl Div	LVL	EW
Select SPDR Enrgy	XLE	EA
PS Dynm c Bldg Cnstrctn	PKB	EA
Vngrd MidCap Val	VO	EMC
Select SPDR Matrls	XLB	EA
Guggnhm Multi Ast ln	CVY	EV
Vngrd Tech	VGT	EA
iShares Slct Div	IDV	ELC
Market Vectors Oil Services	OIH	EA
PS DB Commodity	DBC	EA
W tree DEFA Eqty Incm	DTH	EW
Select SPDR Cnsm r Stpl	XLP	EA
PS DB Precious Metals	DBP	EG
Vngrd Extnd 4500	VXF	ELC
iShares Pacific ex Jpn	EPP	EW
Vngrd Cnsm r Stpls	VDC	EA
PS Dynm c Food & Bev	PBJ	EA
iShares Canada	EW C	EW
PS Dynm c Software	PSJ	EA
PS Dynm c Oil & Gas Srvcs	PXJ	EA
Market Vectors Junior Gold Miners	GDXJ	EG
PS QQQ	QQQ	ELC
PS Cleantech	PZD	EA
iShares Taiwan Indx	EW T	EW
PS Dyn Mrkt	PWC	ELC
Guggnhm RJ All	RYJ	ELC
Vngrd Small Cap Value	VBR	ESC
PS Dynm c Lrg Cap Value	PWV	ELC
iShares DJ US Home Constr.	ITB	EA
PS DW A Dvlpd Mrkt T Ldrs	PIZ	ELC
PS DW A Tech Ldr	PDP	ELC
PS S&P Sm lCap U tilities	PSCU	EA
Vngrd Small Cap Grth	VBK	ESC
W tree Em rg Mrkt SC Div	DGS	EW
PS NASDAQ Intrnt	PNQI	EA
W tree World Ex US Grth	DNL	EW
Vngrd European Indx	VGK	EW
iShares Singapore	EW S	EW
iShares EMU Indx	EZU	EW

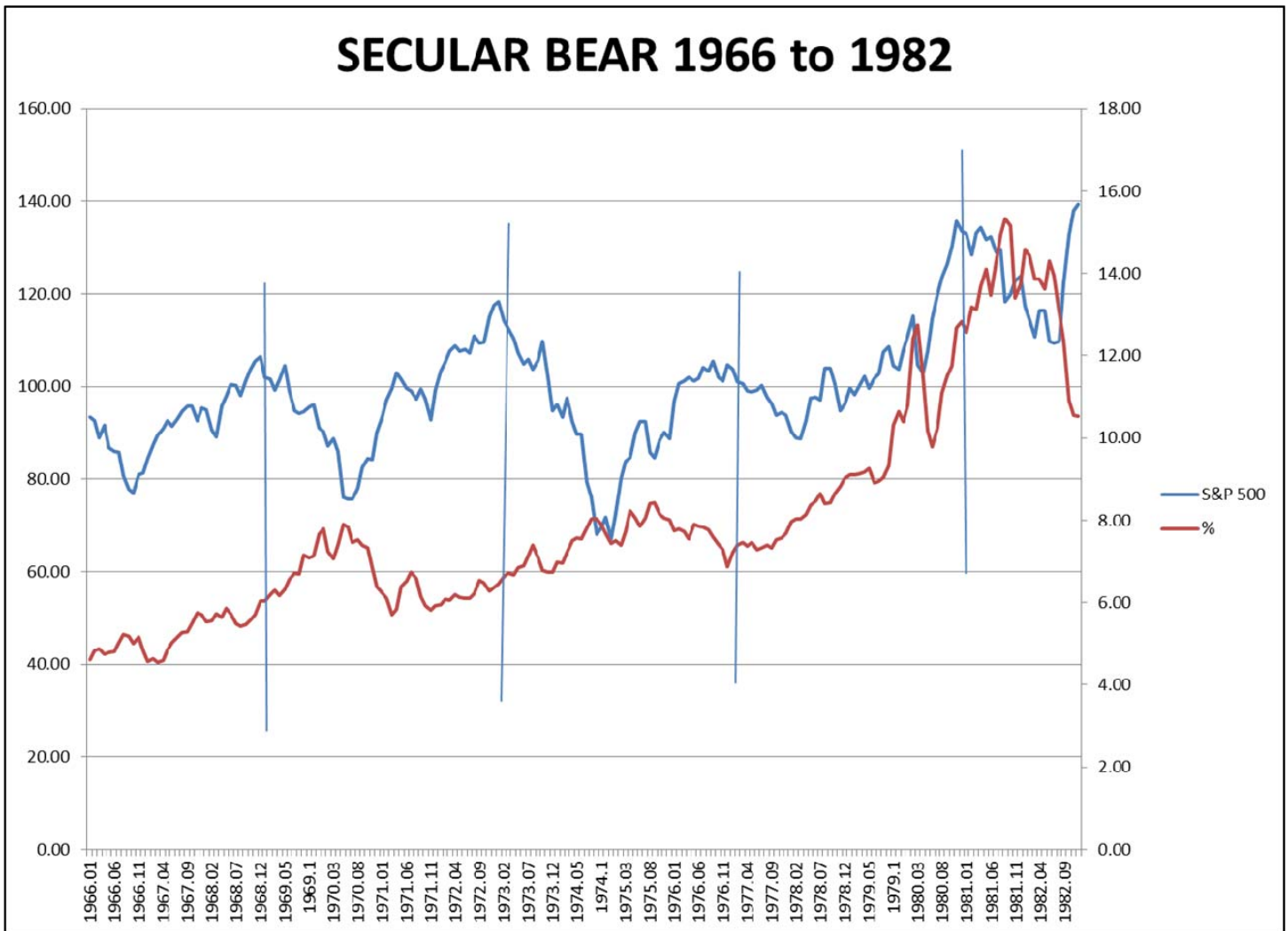
ETF Rankings by C to previous week's end

PS WilderHill Prgsv Enrgy	PUW	EA	3.26
PS Dividend Achievers	PFM	EGI	3.25
Wtree LrgCap Div	DLN	ELC	3.24
Wtree Intrntl REIT	DRW	ERE	3.22
iShares Europe 350	IEV	EW	3.20
PS S&P 500 BuyWrite	PBP	ELC	3.13
PS DB Energy	DBE	EA	3.12
Select SPDR Technlgy	XLK	EA	3.08
iShares Russell 1000 Value Indx	IWD	ELC	3.08
Wtree Intrntl MC Div	DIM	EW	3.06
Vngrd Small Cap	VB	ESC	3.02
PS Dynmc Healthcare	PTH	EA	2.95
PS S&P SmlCap Info Tech	PSCT	EA	2.93
PS Dynmc Lrg Cap Grth	PWB	ELC	2.87
PS Intrntl Dvdnd	PID	EW	2.84
iShares Core S&P Mid Cap	IJH	EMC	2.82
Vngrd Grth	VUG	ELC	2.77
Wtree DEFA	DWM	EW	2.76
Select SPDR Div	SDY	EGI	2.75
PS Gbl Listd Prvt Eqty	PSP	EW	2.74
SPDR Mid Cap Trust	MDY	EMC	2.72
PS S&P SmlCap Cnsmr Stpl	PSCC	EA	2.72
Wtree MidCap Earn	EZM	EMC	2.69
PS Gbl Agriculture	PAGG	EA	2.68
Wtree Intrntl LC Div	DOL	EW	2.67
PS FTSE RAFI Asia Pac xJpn	PAF	EW	2.66
SPDR Euro Stoxx 50	FEZ	EW	2.65
PS Water Resources	PHO	EA	2.60
Wtree S&P 500	EPS	ELC	2.50
Wtree Gbl Eqty Incm	DEW	EW	2.49
Vngrd Emrg Mrkt	VWO	EW	2.45
Select SPDR Indl	XLI	EA	2.44
SPDR S&P Metals & Mining	XME	EA	2.42
Wtree Ttl Earn	EXT	ELC	2.31
iShares Russell 1000 Grwth Indx	IWF	ELC	2.14
Vngrd TTL Stock	VTI	ELC	2.06
iShares Emrg Mrkt Stk	EEM	EW	2.02
PS Zacks Micro Cap	PZI	ESC	1.98
Vngrd Large Cap	VV	ELC	1.95
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	1.86
Guggnhm Insdrr Sent	NFO	EMC	1.84
iShares Core S&P 500	IVV	ELC	1.81
SPDR S&P 500	SPY	ELC	1.78
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	1.73
SPDR S&P Bank	KBE	EA	1.72
Select SPDR Financs	XLF	EA	1.71
Vngrd Div Apprctn	VIG	EGI	1.67
Vngrd TTL Intrntl Stk	VXUS	EW	1.66
iShares Latin Amr	ILF	EW	1.66
Vngrd Fincl Srv	VFH	EA	1.59
Guggnhm MidCap Core	CZA	EMC	1.50
PS Dynmc Leisure & Enter	PEJ	EA	1.50
SPDR DJ Gbl Titans	DGT	EW	1.48
PS FTSE RAFI Emrg Mrkt	PXH	EW	1.48
iShares Russell 2000	IWM	ESC	1.47

ETF Rankings by C to previous week's end

PS BLDR Dvlpd Mrkt 100 ADR	ADR D	EW	1.45
PS Buyback Achievers	PKW	EGI	1.40
Guggnhm Frntr	FRN	EW	1.37
SPDR S&P Regional Banking	KRE	EA	1.37
iShares S&P 100 Indx	OEF	ELC	1.32
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	1.26
Wtree Sml Cap Div	DES	ESC	1.26
PS Gldn Drgn USX China	PGJ	EW	1.26
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	1.22
iShares Russell 2000 Value Indx	IWN	ESC	1.21
iShares Telecomm	IYZ	EA	1.21
SPDR DJ Industrials	DIA	ELC	1.20
iShares EAFE Indx	EFA	EW	1.13
iShares Malaysia Indx	EW M	EW	1.07
PS Emrg Mrkt Infrastrctr	PXR	EW	1.07
Vngrd Europe Pacific	VEA	EW	1.07
iShares Germany Indx	EW G	EW	1.05
PS Dyn MagniQuant	PIQ	ELC	1.04
iShares Hong Kong Indx	EW H	EW	0.99
PS S&P SmlCap Indstrils	PSCI	EA	0.89
iShares Brazil Indx	EW Z	EW	0.86
Pro Shares Short S&P 500	SH	EC	0.67
SPDR S&P Homebuilders	XHB	EA	0.66
Guggnhm Spin Off	CSD	EMC	0.54
Pro Shares Short Russell 2000	RW M	ESC	0.49
Wtree Emrg Mrkt Eincm	DEM	EW	0.46
PS Dynmc Consmr Staples	PSL	EA	0.45
iShares South Korea Indx	EW Y	EW	0.32
iShares Silver	SLV	EG	0.31
PS Dynmc Consmr Discr	PEZ	EA	0.19
Guggnhm Timber	CUT	EA	0.07
PS S&P SmlCap Fincl	PSCF	EA	0.07
PS S&P SmlCap Hlth Care	PSCH	EA	-0.11
Vngrd Consmr Dis	VCR	EA	-0.17
PS DB Silver	DBS	EG	-0.20
PS Dynmc Technology	PTF	EA	-0.23
PS DWA Emrg Mrkt T Ldrs	PIE	EW	-0.24
PS S&P SmlCap Cnsmr Dis	PSCD	EA	-0.28
Select SPDR Cnsmr Disc	XLY	EA	-0.47
PS DB Base Metals	DBB	EG	-0.68
Wtree Japan SC Div	DFJ	EW R	-0.75
PS Dynmc Media	PBS	EA	-0.77
PS Dynmc Fncl	PFI	EA	-0.81
iShares Mexico	EW W	EW	-1.20
Guggnhm China REIT	TAO	EW R	-1.23
Guggnhm China Sml	HAO	EW R	-1.30
SPDR S&P Retail	XRT	EA	-1.35
Wtree Japan Hedge Eqty	DXJ	EC	-1.86
PS Dynmc Retail	PMR	EA	-2.04
Guggnhm BRIC	EEB	EW	-2.08
iShares Japan	EW J	EW	-2.30
Guggnhm China All	YAO	EW R	-2.61
iShares China	FXI	EW	-4.04
Market Vectors Russia	RSX	EW	-8.93

Simultaneous Bond and Stock Bears



The Fed is tapering (cutting back) its bond buying program known as quantitative easing. They have also said they don't plan to raise short-term rates until maybe 2015 into 2016. But they are also monitoring inflation and employment numbers. If they show too much strength, the Fed will compress its timetable for tapering and for raising rates. So, one contrarian, unexpected scenario might be this.

The economy and inflation do pick up more steam in 2014. The stock market should like increased GDP (earnings), but with rates artificially low and a less benign Fed, the scenario may be set for a strong economy, falling stocks, and rising interest rates. The market would react negatively in anticipation of this. It is at record highs because of the strong economy. That is already discounted. What's not expected is too much strength and strong jobs, which thus leads to more sooner rising rates.

At least the last two of the three projections took place during the last secular bear market in the Sixties, as the chart above shows. The blue line is the S&P 500. The red line is interest rates (rising interest rates means falling bond prices). Rates rose either because of inflation or bubbling economic strength, which should be a positive for stocks, but they fell (along with rising rates).

Just something else to keep in mind as the months unfold. How could stocks fall in a strong economy?

Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) **REVIEW**

directly impact the timing model.

What is more important is the trends. As mentioned last week, one of the five trend inputs to the timing model is bearish. Two others are edging closer and closer as the market inches downward. When three of the five inputs turns negative, then the model goes on a sell.

If this sell (or buy) signal happens between issues, we will send you an emailed hotline report. So, the point is, if the market continues to notch lower from here, then monitor your email for an alert.

The background to all of this action remains the same. The

domestic stock market is fundamentally overvalued. I've been posting the various charts like CAPE, PE, ratios like Q and GDP over the last month or two that show this.

Investor sentiment as measured in a variety of ways like margin debt is also negative because it is too bullish. From a contrarian point of view bullish is bearish and vice-versa.

The question is always, well why not sell with this information? The issue with valuation measures is they can get more overvalued at tops, just like they can get more undervalued at bottoms. They are an excellent backdrop to temper investor

greed and fear, but they are not precisely timely. Thus I monitor trends within the periods of over and under valuations.

So, monitor the emails. And see the portfolios for more information.

As a reminder, I will be holding a workshop at the upcoming MoneyShow in Las Vegas next month (May) and will be a participant on an investment panel selected from the top performing newsletters. You may find more information at moneyshow.com. If you register to attend, please mention me. I hope to see you there.

Just to clarify a couple of terms that I use regularly.

Short-term is days to weeks.

Intermediate-term is weeks to months.

Long-term is months to years.

Cyclical is 1-5 years.

Secular is 5 years to decades.

Bull market is a series of higher highs and higher lows.

Bear market is a series of lower lows and lower highs.

Neutral market is sideways without a discernible pattern.

Oddly, bull and bear markets may occur simultaneously, but only over different time periods. For example, we may be in a secular bear market, but there are cyclical bull and bear markets within that.

Closing stops are "mental". I look at the position at quarter to the close. If it is trading below the stop (or above if short), then I act with the assumption the security will trigger that closing stop on that day. I sell (or cover) at the close that day.

Portfolio stops for the World Growth Model are internally maintained; they are based on the World Growth Index, not the individual ETFs. Stops will be emailed when close or if triggered.

4/28 I deleted two ETFs this past week due to their low volumes. The bid/ask spread is too great.

4/21 No changes. Work continues on the models in the background.

4/7 No changes.

3/31 No changes.

3/24 Planning to introduce the World Income Model shortly.

3/17 No changes (comment added).

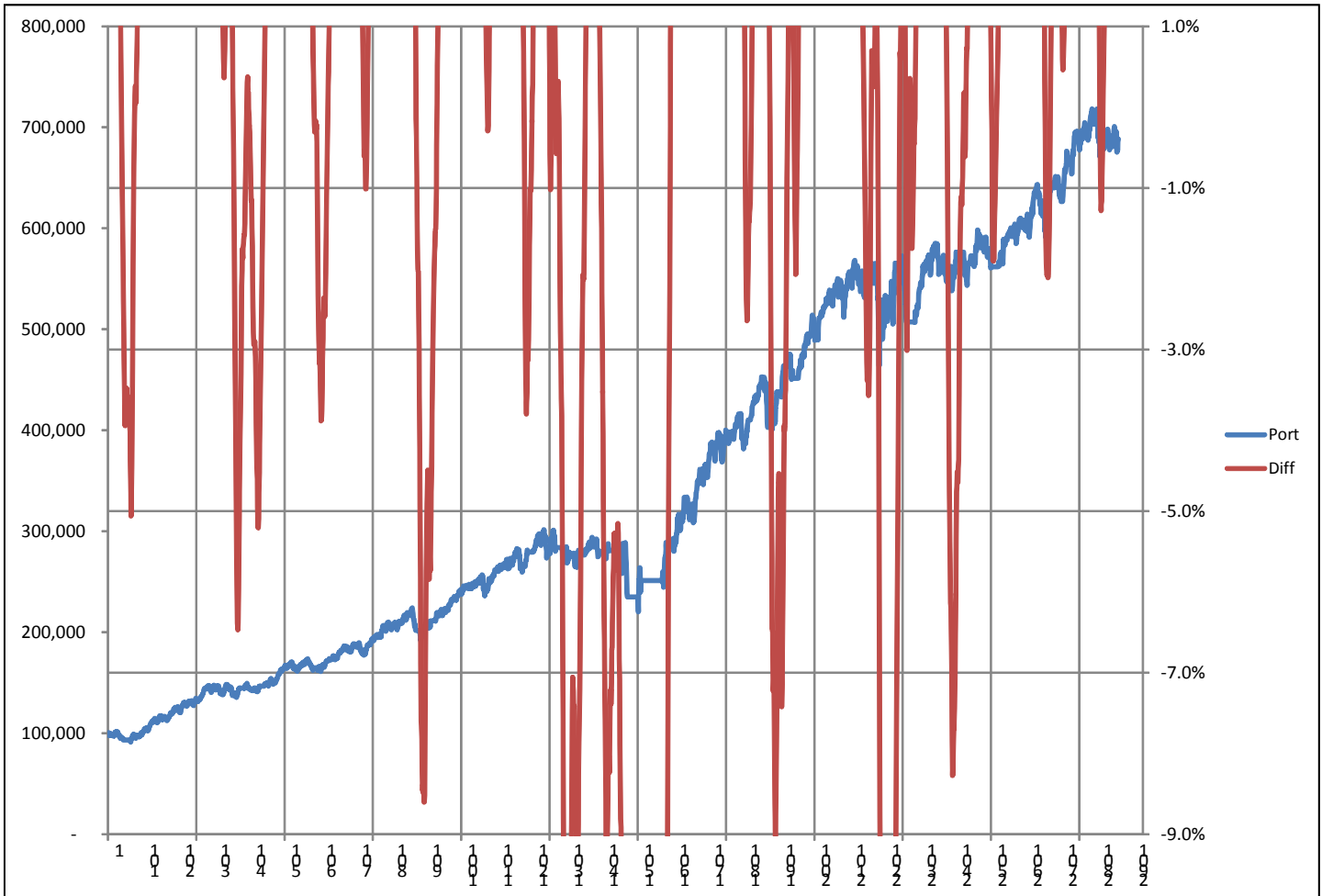
3/10 The "window to buy" chart is updates. See also the new charts on page 11.

3/3 No changes.

2/24 Couple of database changes. Deleted PXN that suspended trading. Deleted another that changed symbols, but was not very liquid. Deleted VXX too volatile (doesn't trend well).

2/18 Still working on the World Income Model.

Window to Buy (closed as of 4/28/14)



The chart above shows the World Growth Model (WGM-blue line) and the Window to buy (Window-red spikes). The chart covers the period from 12/5/2002 through the present. The vertical lines mark off about 1 year increments.

The Window to Buy is to answer the question if I missed the initial timing model buy signal, then when do I either buy my initial position or increase my position with additional money?

Being risk-averse, I wanted a way to answer this sensibly, which is try to buy on measured corrections, rather than chase the market higher and higher. The Window to Buy is the answer. The caveat is that in a strong, early bull market, this approach may miss the early gains, unless you are already following the World Growth Model strategy. But the rest of the time, the Window is a solid approach to managing portfolio risk.

The base line for the Window is 0%. The chart shows +1% to -15%. When the base line is above zero, the Window is closed. It doesn't mean the market can't or won't go higher. It just means that the downside risk to the potential stop or sell signal is fairly wide. When the WGM drops enough, then the Window to buy opens.

When the Window opens, it represents a lower-risk entry period. If the market recovers, the Window will close again. If the market continues lower, either the sell stop will be triggered or the timing model will signal a sell. The timing model sell signal overrides the Window to buy.

What ideally happens in up markets is the timing model remains on a buy, while the market corrects and opens the Window to buy. It then reverses and heads higher with more investment dollars on board for the rally.

Descriptions & Disclosures

PORTFOLIO DESCRIPTIONS (pages 2 and 6)

Our guiding goal is to provide the most return with the least risk consistently through bull and bear markets.

Income Portfolio, page 2: Uses a proprietary selection methodology on all of the monitored bond-oriented ETFs to pick the top ETFs. I then use a proprietary timing model to decide whether to buy, sell, hold, or avoid. From time to time, timing considerations may take precedence over selections; in other words, we may own lower ranked funds because of anticipated timing changes.

Growth Portfolio, page 6: As of 12/10/12, it is based on the World Growth Index (WGI), which is made up of a static fully invested 20% in each of five ETFs (EEM, EFA, IWM, QQQ, SPY). The Portfolio will buy and sell the WGI based on proprietary timing signals. On 9/23/13, the new C-lect 5 is also part of this portfolio. It too uses timing.

Both portfolios were started on 1/1/10 with \$100,000. As mentioned, the Growth Portfolio strategy was changed on 12/10/12 to the World Growth Model and again on 9/23/13 to incorporate the C-lect 5 model.

Portfolio changes will usually be made at the close on Monday, unless otherwise noted in any emailed hotline update or triggered stop orders. Issues are normally posted on Mondays by 1:35pm cst (Tuesday if Monday is a holiday, defined as market closed).

Portfolios are updated through the Friday close the week before.

Dividends are reinvested in additional shares.

Commissions of \$10 per trade are applied. Interest is currently zero for the money market (cash) position.

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Unless otherwise noted, the weekly eNewsletter is posted by 1:35 PM central time each Monday, except for holidays (closed stock market) and then on Tuesday. It may contain actionable, specific buy or sell advice to take that day at the Monday (or Tuesday) close in each portfolio. We may also use stop orders. For stops, check the ETF at quarter to the close. If it is below (or above) a stop level, assume it will close there and act on that. Portfolio data will be updated through the previous Friday's close. Fund symbols, rather than names, are the official identification used for activity.

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