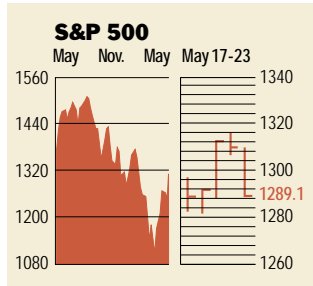


Stocks



COMMENTARY

Every streak must end. The Nasdaq, on a six-day tear, finally struck out on May 23, falling 3% that day. For the week, however, the index was still up 3.6%. The broader market took a breather: The S&P 500 was flat, while the Dow Jones Industrials fell 1%. The real surprise, though, is the continued strength of the MidCap 400 and SmallCap 600, up 1.6% and 2.2%, respectively.

Data: Bloomberg Financial Markets Bridge Information Systems, Inc.

U.S. MARKETS	May 23	% change		
		Week	Year to date	Last 12 months
S&P 500	1289.1	0.3	-2.4	-6.2
Dow Jones Industrials	11,105.5	-1.0	3.0	6.6
Nasdaq Composite	2243.5	3.6	-9.2	-29.1
S&P MidCap 400	532.9	1.6	3.1	17.0
S&P SmallCap 600	231.5	2.2	5.4	19.9
Wilshire 5000	11,922.6	0.8	-2.1	-5.5

SECTORS

	May 23	Week	Year to date	Last 12 months
BusinessWeek 50*	908.7	0.2	-6.3	-18.0
BusinessWeek Info Tech 100**	522.0	3.5	-7.7	-35.7
S&P/BARRA Growth	641.9	0.4	-6.6	-19.4
S&P/BARRA Value	647.2	0.2	1.7	8.2
S&P Energy	953.9	-1.3	2.4	5.4
S&P Financials	161.1	0.8	-2.2	18.0
S&P REIT	89.9	2.2	2.2	13.2
S&P Transportation	746.7	-0.3	7.0	27.4
S&P Utilities	339.8	2.5	-3.1	26.9
GSTI Internet	149.5	5.5	-17.7	-62.4
PSE Technology	795.3	2.5	-2.4	-13.3

*Mar. 19, 1999 = 1000 **Feb. 7, 2000 = 1000

BEST-PERFORMING GROUPS

Group	Last month %	Last 12 months %
Engineering & Constr.	32.9	136.5
Gold Mining	21.4	80.7
Specialty Appr. Retailers	19.7	76.6
Office Equip. & Supplies	16.5	76.5
Insurance Brokers	15.1	57.1

GLOBAL MARKETS	May 23	% change		
		Week	Year to date	Last 12 months
S&P Euro Plus (U.S. Dollar)	1234.6	-1.1	-13.4	-12.9
London (FT-SE 100)	5897.4	0.2	-5.2	-3.6
Paris (CAC 40)	5630.7	2.0	-5.0	-6.6
Frankfurt (DAX)	6215.3	1.1	-3.4	-9.1
Tokyo (NIKKEI 225)	14,067.7	2.7	2.0	-12.3
Hong Kong (Hang Seng)	13,839.1	3.8	-8.3	-0.7
Toronto (TSE 300)	8348.6	3.8	-6.6	-7.1
Mexico City (IPC)	6782.5	12.4	20.0	21.3

FUNDAMENTALS

	May 22	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.20%	1.26%	1.18%
S&P 500 P/E Ratio (Trailing 12 mos.)	29.6	28.1	27.9
S&P 500 P/E Ratio (Next 12 mos.)*	23.0	21.9	22.2
First Call Earnings Revision*	-2.25%	-3.72%	0.30%

*First Call Corp.

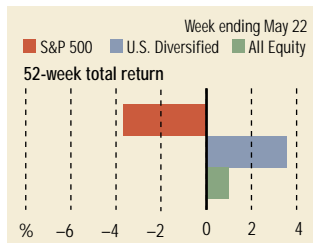
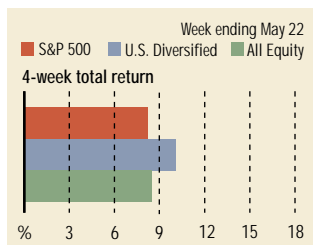
TECHNICAL INDICATORS

	May 22	Wk. ago	Reading
S&P 500 200-day average	1334.4	1338.0	Negative
Stocks above 200-day average	74.0%	68.0%	Negative
Options: Put/call ratio	0.55	0.67	Negative
Insiders: Vickers Sell/buy ratio	2.64	2.51	Negative

WORST-PERFORMING GROUPS

Group	Last month %	Last 12 months %
HMOs	-9.7	-60.0
Automobiles	-9.7	-49.4
Transportation Services	-3.8	-47.0
Natural Gas	-3.6	-43.7
Drug Chains	-2.5	-40.6

Mutual Funds



Data: Standard & Poor's

EQUITY FUND CATEGORIES

Category	4-week total return %	52-week total return %
Leaders		
Precious Metals	17.8	32.7
Small-cap Growth	15.0	29.8
Technology	14.8	26.3
Health	14.7	23.4
Laggards		
International Hybrid	2.4	-29.5
Europe	2.8	-29.0
Utilities	2.9	-24.5
Foreign	3.3	-20.4

EQUITY FUNDS

Fund	4-week total return %	52-week total return %
Leaders		
World GenomicsFund com	39.7	103.3
ProFunds UltraOTC Inv.	31.6	76.3
Potomac Internet Plus	31.0	75.6
ING Internet A	30.4	74.0
Laggards		
ProFunds UltraShort OTC	-28.8	-71.2
Rydex Dynamic Vent. 100	-28.5	-68.1
Potomac Internet Short	-22.4	-60.9
Potomac OTC Short	-16.2	-60.4

Interest Rates

KEY RATES	May 23	Week ago	Year ago
MONEY MARKET FUNDS	4.28%	4.41%	5.89%
90-DAY TREASURY BILLS	3.64	3.57	5.90
1-YEAR TREASURY BILLS	3.69	3.72	6.17
10-YEAR TREASURY NOTES	5.40	5.48	6.47
30-YEAR TREASURY BONDS	5.79	5.86	6.19
30-YEAR FIXED MORTGAGE†	7.20	7.21	8.66

†BanxQuote, Inc.

BLOOMBERG MUNI YIELD EQUIVALENTS

Taxable equivalent yields on AAA-rated, tax-exempt municipal bonds, assuming a 31% federal tax rate.

	10-yr. bond	30-yr. bond
GENERAL OBLIGATIONS	4.47%	5.22%
TAXABLE EQUIVALENT	6.48	7.57
INSURED REVENUE BONDS	4.58	5.40
TAXABLE EQUIVALENT	6.64	7.83

THE WEEK AHEAD

PERSONAL INCOME Tuesday, May 29, 8:30 a.m. EDT ► Personal income in April likely rose 0.3%, after a 0.5% gain in March. That's the median forecast of economists polled by Standard & Poor's MMS, a unit of The McGraw-Hill Companies. Consumer spending likely grew by 0.4% in April on top of a 0.6% jump in March.

CONSUMER CONFIDENCE Tuesday, May 29, 10 a.m. EDT ► The Conference Board's index of consumer confidence likely rose to 111.3 in May, from 109.2 in April.

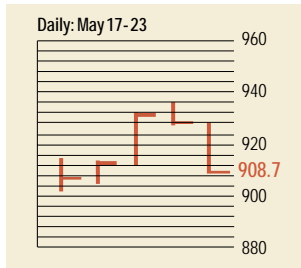
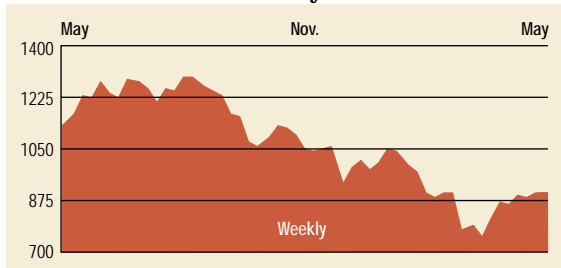
EMPLOYMENT Friday, June 1, 8:30 a.m. EDT ► Nonfarm payrolls probably lost 23,000 jobs in May, after a decline of 223,000 jobs in April. The drop will likely push the unemployment rate to 4.6%, from 4.5% in April. According to the S&P MMS median forecast, hourly earnings probably rose 0.3% in May, after advancing 0.4% in April.

PURCHASING MANAGERS' INDEX Friday, June 1, 10 a.m. EDT ► The National Association of Purchasing Management's index

of May industrial activity likely rose for a fourth straight month, to 44%, from 43.2% in April. Even so, the index still shows that manufacturing is in recession.

CONSTRUCTION SPENDING Friday, June 1, 10 a.m. EDT ► Building outlays in April are forecasted to rise 0.5%, after a surprisingly strong 1.3% increase in March. Lower interest rates, caused by the Federal Reserve's aggressive easing in monetary policy, have especially helped residential construction.

The BusinessWeek Fifty

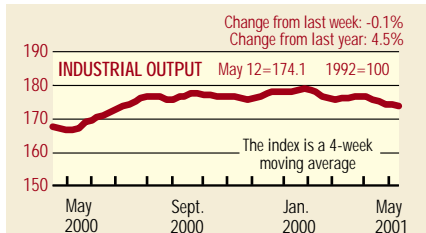


The more things change, the more they remain the same. The BW 50 wound up in positive terrain, but just barely: plus 0.2%. The biggest movers included global power company AES, which surged 13.6% and Sun Microsystems, up 15.1%. Both stocks gained on positive analyst reports. The hardest hit stock was EMC, down 8.3%. EMC hinted at new cost-cutting measures, including layoffs. Energy companies across the board also posted losses.

COMPANY PERFORMANCE

Rank	Company	% change		Rank	Company	% change	
		Week	Since 3/1/01			Week	Since 3/1/01
1	Tyco International	4.1	6.2	26	Verizon Communications	-2.2	10.9
2	Anadarko Petroleum	-1.7	2.4	27	Alza	-2.2	23.5
3	Calpine	0.7	19.4	28	Citigroup	0.4	6.9
4	Dynegy	1.2	17.0	29	Sun Microsystems	15.1	7.1
5	Applied Materials	-2.1	16.8	30	Merck	-5.2	-7.2
6	Provident Financial	5.4	18.4	31	El Paso	5.0	-8.5
7	Occidental Petroleum	-1.4	26.0	32	Altera	2.0	8.7
8	Apache	-0.6	2.5	33	Marsh & McLennan	4.1	3.6
9	Kerr-McGee	0.2	9.3	34	Household International	-3.1	13.8
10	Oracle	2.6	-21.3	35	Chevron	-1.1	8.5
11	Lehman Brothers Holdings	0.3	16.0	36	SBC Communications	-4.6	-5.8
12	EMC	-8.3	-11.0	37	Mercury Interactive	2.3	16.5
13	AES	13.6	-12.8	38	AOL Time Warner	4.2	25.6
14	Forest Laboratories	8.0	3.6	39	Washington Mutual	0.1	8.5
15	FleetBoston Financial	2.4	1.7	40	General Dynamics	0.0	19.2
16	Micron Technology	2.7	12.1	41	Comcast	-3.8	-3.9
17	Xilinx	2.9	9.5	42	Morgan Stanley Dean Witter	3.5	12.4
18	Amerada Hess	-2.3	18.5	43	Tellabs	5.0	-6.8
19	Duke Energy	1.0	12.7	44	Exxon Mobil	0.0	10.0
20	ADC Telecommunications	4.9	-12.1	45	Scientific-Atlanta	5.4	36.0
21	Capital One Financial	4.4	24.6	46	U.S. Bancorp	1.8	-4.0
22	Phillips Petroleum	3.4	24.0	47	Paychex	2.2	0.8
23	Analog Devices	5.7	21.0	48	Merrill Lynch	-2.4	13.8
24	EOG Resources	-1.1	7.2	49	Bed Bath & Beyond	3.0	19.5
25	Cardinal Health	-2.5	2.3	50	Texas Instruments	2.8	22.2

BW Production Index



The production index fell for the sixth straight week. Before calculation of the four-week moving average, the index fell to 173.1, from 174.4. After seasonal adjustments, auto and truck assemblies were lower as plant capacity utilization is expected to fall for the fourth straight time in the second quarter. Steel, crude-oil refining, and electricity were also lower for the week. Coal was up sharply, with rail-freight traffic and lumber also higher.

Information on each of the index components is at www.businessweek.com. BW production index Copyright 2001 by The McGraw-Hill Companies

Online Resources

BW 50 Track the index and the companies in it all day long. Plus: our exclusive Info Tech 100 index.

BUSINESSWEEK INVESTING Real-time market coverage and investment tools in partnership with Standard & Poor's.

MUTUAL FUNDS Search for funds, view BW ratings, and read Q&A's with fund managers.

COLUMNS Hot stocks, takeover plays, and the latest strategies for managing your money.

BusinessWeek online

For more investment data and the components of the production index, visit www.businessweek.com.