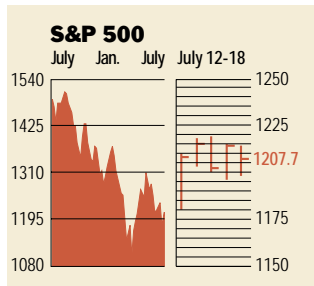


Stocks



COMMENTARY

On July 18, Fed Chairman Alan Greenspan went before Congress to present the Federal Reserve's outlook on the economy, and the markets were not reassured by the message. By the end of the day, Nasdaq was down about 2%, and the S&P 500 and the Dow were both fractionally lower. A weaker-than-expected earnings report from AOL Time Warner contributed to the gloom.

Data: Bloomberg Financial Markets
Bridge Information Systems, Inc.

U.S. MARKETS

| | July 18 | Week | Year to date | Last 12 months |
|-----------------------|----------|------|--------------|----------------|
| S&P 500 | 1207.7 | 2.3 | -8.5 | -19.1 |
| Dow Jones Industrials | 10,569.8 | 3.2 | -2.0 | -1.6 |
| Nasdaq Composite | 2016.2 | 2.2 | -18.4 | -51.7 |
| S&P MidCap 400 | 506.1 | 2.0 | -2.1 | -1.1 |
| S&P SmallCap 600 | 225.2 | 2.5 | 2.6 | 3.1 |
| Wilshire 5000 | 11,184.5 | 2.2 | -8.1 | -20.4 |

SECTORS

| | | | | |
|------------------------------|-------|------|-------|-------|
| BusinessWeek 50* | 820.5 | 1.3 | -15.4 | -36.8 |
| BusinessWeek Info Tech 100** | 427.0 | -0.5 | -24.5 | -57.2 |
| S&P/BARRA Growth | 605.2 | 3.3 | -12.0 | -34.4 |
| S&P/BARRA Value | 603.0 | 1.3 | -5.2 | 0.0 |
| S&P Energy | 843.3 | -2.3 | -9.5 | -0.7 |
| S&P Financials | 157.7 | 3.7 | -4.3 | 12.2 |
| S&P REIT | 93.3 | 1.6 | 6.0 | 11.8 |
| S&P Transportation | 739.5 | 2.1 | 6.0 | 16.7 |
| S&P Utilities | 301.3 | -2.5 | -14.1 | 9.8 |
| GSTI Internet | 117.0 | -1.5 | -35.6 | -75.5 |
| PSE Technology | 665.0 | 1.4 | -18.3 | -41.5 |

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

BEST-PERFORMING GROUPS

| | Last month % | | Last 12 months % |
|-----------------------|--------------|-----------------------|------------------|
| Homebuilding | 23.2 | Homebuilding | 95.7 |
| Long-Dist. Telecomms. | 15.9 | Savings & Loans | 89.5 |
| Auto Parts & Equip. | 13.7 | Tobacco | 89.4 |
| Shoes | 13.6 | Pollution Control | 69.1 |
| Heavy-Duty Trucks | 13.4 | Engineering & Constr. | 68.3 |

GLOBAL MARKETS

| | July 18 | Week | Year to date | Last 12 months |
|-----------------------------|----------|------|--------------|----------------|
| S&P Euro Plus (U.S. Dollar) | 1100.0 | 0.7 | -22.8 | -27.6 |
| London (FT-SE 100) | 5404.6 | 0.2 | -13.1 | -16.4 |
| Paris (CAC 40) | 4867.5 | -1.0 | -17.9 | -25.1 |
| Frankfurt (DAX) | 5728.4 | -1.3 | -11.0 | -22.2 |
| Tokyo (NIKKEI 225) | 11,892.6 | -0.9 | -13.7 | -30.0 |
| Hong Kong (Hang Seng) | 12,427.2 | -0.8 | -17.7 | -29.8 |
| Toronto (TSE 300) | 7620.5 | 0.7 | -14.7 | -29.0 |
| Mexico City (IPC) | 6388.3 | -2.7 | 13.0 | -11.5 |

FUNDAMENTALS

| | July 17 | Wk. ago | Yr. ago |
|--------------------------------------|---------|---------|---------|
| S&P 500 Dividend Yield | 1.29% | 1.32% | 1417.8% |
| S&P 500 P/E Ratio (Trailing 12 mos.) | 28.4 | 27.7 | 59.0 |
| S&P 500 P/E Ratio (Next 12 mos.)* | 21.5 | 20.8 | 0.43 |
| First Call Earnings Surprise* | 1.61% | 2.35% | 1.54% |

*First Call Corp.

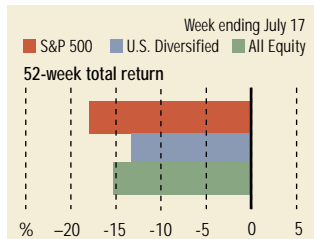
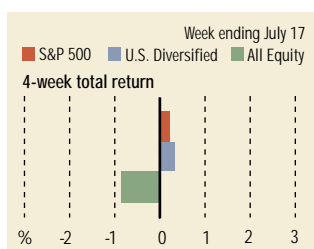
TECHNICAL INDICATORS

| | July 17 | Wk. ago | Reading |
|----------------------------------|---------|---------|----------|
| S&P 500 200-day average | 1287.5 | 1293.4 | Negative |
| Stocks above 200-day average | 66.0% | 64.0% | Neutral |
| Options: Put/call ratio | 0.66 | 0.82 | Neutral |
| Insiders: Vickers Sell/buy ratio | 3.82 | 3.96 | Negative |

WORST-PERFORMING GROUPS

| | Last month % | | Last 12 months % |
|-------------------------|--------------|-----------------------|------------------|
| Oil & Gas Drilling | -33.7 | Communications Equip. | -79.9 |
| Engineering & Constr. | -25.9 | Semiconductors | -59.3 |
| Drug Chains | -22.8 | Instrumentation | -59.3 |
| Oil-Well Equip. & Svcs. | -22.4 | Computer Systems | -50.2 |
| Defense Electronics | -18.6 | Long-Dist. Telecomms. | -49.1 |

Mutual Funds



Data: Standard & Poor's

EQUITY FUND CATEGORIES

| 4-week total return % | 52-week total return % |
|---------------------------------|--------------------------------|
| Leaders | Leaders |
| Small-cap Value 2.9 | Financial 25.5 |
| Small-cap Blend 2.1 | Small-cap Value 19.6 |
| Communications 1.9 | Mid-cap Value 18.4 |
| Financial 1.7 | Real Estate 16.6 |
| Laggards | Laggards |
| Natural Resources -10.0 | Technology -55.4 |
| Diversified Emerging Mkts. -5.9 | Communications -53.2 |
| Pacific/Asia ex-Japan -5.9 | Japan -36.4 |
| Precious Metals -5.2 | Diversified Pacific/Asia -33.1 |

EQUITY FUNDS

| 4-week total return % | 52-week total return % |
|----------------------------------|------------------------------|
| Leaders | Leaders |
| CGM Focus 16.0 | Potomac Internet Short 137.2 |
| Ameristock Focused Value 12.9 | CGM Focus 106.7 |
| Rydex Transportation Inv. 10.5 | ProFunds UltraShort OTC 85.0 |
| SMT 10.3 | Schroder Ultra 81.6 |
| Laggards | Laggards |
| Rydex Energy Svcs. Inv. -24.7 | ProFunds UltraOTC Inv. -87.9 |
| Fidelity Sel. Energy Serv. -24.0 | Jacob Internet -82.8 |
| Monument EuroNet A -18.5 | Potomac Internet Plus -78.7 |
| iShares MSCI Taiwan Indx. -14.1 | ING Internet A -78.4 |

Interest Rates

| | July 18 | Week ago | Year ago |
|--------------------------------|---------|----------|----------|
| KEY RATES | | | |
| MONEY MARKET FUNDS | 3.69% | 3.76% | 6.15% |
| 90-DAY TREASURY BILLS | 3.52 | 3.58 | 6.18 |
| 1-YEAR TREASURY BILLS | 3.42 | 3.60 | 6.15 |
| 10-YEAR TREASURY NOTES | 5.09 | 5.31 | 6.16 |
| 30-YEAR TREASURY BONDS | 5.52 | 5.69 | 5.92 |
| 30-YEAR FIXED MORTGAGE† | 7.08 | 7.18 | 8.24 |

†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 | 4.33% | 5.07% |
| TAXABLE EQUIVALENT | 6.28 | 7.35 |
| INSURED REVENUE BONDS | 4.50 | 5.31 |
| TAXABLE EQUIVALENT | 6.52 | 7.70 |

THE WEEK AHEAD

EXISTING HOME SALES *Wednesday, July 25, 10 a.m. EDT* ▶ Sales of existing homes probably came in at an annual rate of 5.26 million for June, down from the May rate of 5.37 million. That's based on the median forecast of economists surveyed by Standard & Poor's MMS, a division of The McGraw-Hill Companies.

EMPLOYMENT COST INDEX *Thursday, July 26, 8:30 a.m. EDT* ▶ Compensation in the second quarter likely rose 1%, after advancing 1.1% in the first quarter. For the

year ended March, 2001, benefits costs grew by 4.7%, far outpacing wage gains over the same period.

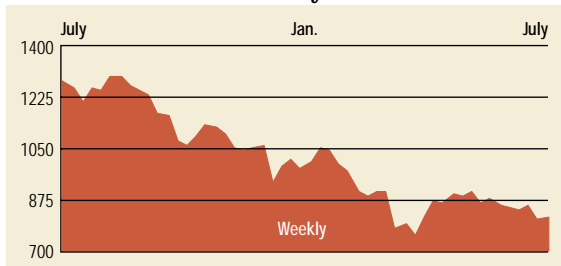
DURABLE GOODS ORDERS *Thursday, July 26, 8:30 a.m. EDT* ▶ New orders for durable goods are expected to have fallen 1% in June, following a jump of 2.9% in May, helped by a rebound in semiconductors.

GROSS DOMESTIC PRODUCT *Friday, July 27, 8:30 a.m. EDT* ▶ The economy probably grew at an annual rate of 0.6% in the

second quarter, after increasing by 1.2% in the first quarter. The continued slide was likely caused by further efforts to pare down inventories and weak demand for durable goods.

NEW RESIDENTIAL SALES *Friday, July 27, 10 a.m. EDT* ▶ New single-family homes in June probably sold at an annual rate of 920,000, according to the median forecast by S&P's MMS. In May, sales were 928,000, helped by strong sales in both the West and Midwest.

The BusinessWeek Fifty

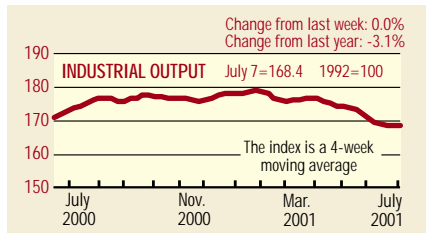


The BW 50 rose 1.3% for the week, in spite of continued weakness among the tech stocks. Helping to lift the BW 50 were the financials led by Washington Mutual and Capital One Financial, up 11.7% and 11.1%, respectively. Drugmakers Merck, up 8.3%, and Forest Laboratories, up 9.7%, added to the BW 50's healthy glow.

COMPANY PERFORMANCE

| Rank | Company | % change | | Rank | Company | % change | |
|------|--------------------------|----------|--------------|------|----------------------------|----------|--------------|
| | | Week | Since 3/1/01 | | | Week | Since 3/1/01 |
| 1 | Tyco International | 5.0 | -2.9 | 26 | Verizon Communications | 0.7 | 16.0 |
| 2 | Anadarko Petroleum | -4.8 | -23.9 | 27 | Citigroup | 6.3 | 4.0 |
| 3 | Calpine | -4.7 | -6.7 | 28 | Sun Microsystems | 0.1 | -30.3 |
| 4 | Dynegy | -3.1 | -2.6 | 29 | Merck | 8.3 | -15.3 |
| 5 | Applied Materials | -1.1 | -3.9 | 30 | El Paso | -1.9 | -26.6 |
| 6 | Provident Financial | 8.0 | 19.4 | 31 | Altera | 1.2 | 15.3 |
| 7 | Occidental Petroleum | -4.1 | 7.5 | 32 | Marsh & McLennan | 1.4 | -6.1 |
| 8 | Apache | -5.5 | -23.3 | 33 | Household International | 6.5 | 19.0 |
| 9 | Kerr-McGee | -4.8 | -9.6 | 34 | Chevron | -1.0 | 0.0 |
| 10 | Oracle | 4.3 | -12.1 | 35 | SBC Communications | 5.0 | -3.1 |
| 11 | Lehman Brothers Holdings | 6.0 | 9.2 | 36 | Mercury Interactive | -11.8 | -42.1 |
| 12 | EMC | -11.1 | -57.9 | 37 | AOL Time Warner | -7.9 | 1.5 |
| 13 | AES | -13.3 | -33.3 | 38 | Washington Mutual | 11.7 | 26.7 |
| 14 | Forest Laboratories | 9.7 | 21.0 | 39 | General Dynamics | 8.1 | 20.7 |
| 15 | FleetBoston Financial | 4.9 | -5.4 | 40 | Comcast | -2.3 | -13.7 |
| 16 | Micron Technology | -3.2 | 6.5 | 41 | Morgan Stanley Dean Witter | 1.9 | -7.4 |
| 17 | Xilinx | 5.6 | -5.0 | 42 | Tellabs | 4.5 | -62.8 |
| 18 | Amerada Hess | -5.7 | -1.5 | 43 | Exxon Mobil | -0.8 | 3.5 |
| 19 | Duke Energy | 1.8 | 2.2 | 44 | Scientific-Atlanta | -6.2 | -22.7 |
| 20 | ADC Telecommunications | -3.1 | -46.9 | 45 | U.S. Bancorp | 2.7 | 1.7 |
| 21 | Capital One Financial | 11.1 | 17.3 | 46 | Paychex | 7.6 | 5.8 |
| 22 | Phillips Petroleum | -5.1 | -0.7 | 47 | Merrill Lynch | 0.1 | -12.8 |
| 23 | Analog Devices | -0.4 | -5.2 | 48 | Bed Bath & Beyond | 7.4 | 29.6 |
| 24 | EOG Resources | -7.2 | -28.2 | 49 | Texas Instruments | 0.2 | -7.1 |
| 25 | Cardinal Health | 7.8 | 9.4 | 50 | Teradyne | 0.6 | 0.6 |

BW Production Index



The production index remained unchanged in the latest week. Before calculation of the four-week moving average, the index dropped to 168.2, from 169.5. Even after seasonal adjustments, auto and truck production fell, as plants closed for the Independence Day holiday and the annual model changeovers. Lumber, coal, and electric power were also lower during the week. Crude-oil refining was up strongly, with steel and rail-freight traffic posting increases as well.

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

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