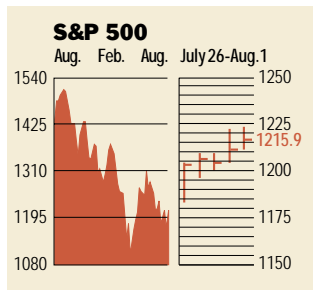


### Stocks



#### COMMENTARY

The U.S. markets shrugged off disappointing economic reports, including a weak manufacturing survey from the National Association of Purchasing Management, and bounded ahead for the week ending Aug. 1. Nasdaq led the way, rising 6.2% on optimism that the tech sector has bottomed. Positive comments from Merrill Lynch on chipmakers added to the cheer.

Data: Bloomberg Financial Markets  
Bridge Information Systems, Inc.

U.S. MARKETS	Aug. 1	% change		
		Week	Year to date	Last 12 months
S&P 500	1215.93	2.0	-8.0	-15.5
Dow Jones Industrials	10,510.0	1.0	-2.6	-0.9
Nasdaq Composite	2068.4	3.8	-16.6	-44.1
S&P MidCap 400	513.5	2.7	-0.8	4.2
S&P SmallCap 600	229.4	2.8	4.4	11.8
Wilshire 5000	11,259.7	2.1	-7.7	-15.9

#### SECTORS

BusinessWeek 50*	838.3	3.7	-13.6	-31.5
BusinessWeek Info Tech 100**	442.5	3.8	-21.8	-50.3
S&P/BARRA Growth	608.7	1.5	-11.7	-29.9
S&P/BARRA Value	607.9	2.5	-4.4	1.7
S&P Energy	873.7	0.8	-5.6	3.8
S&P Financials	157.4	2.7	-4.4	8.3
S&P REIT	92.4	-0.1	4.9	3.9
S&P Transportation	713.1	2.0	2.0	11.3
S&P Utilities	291.5	3.4	-1.7	3.3
GSTI Internet	118.5	6.0	-35.1	-70.3
PSE Technology	702.9	6.6	-13.9	-31.0

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

BEST-PERFORMING GROUPS	Last month %	Last 12 months %
Shoes	12.3	79.2
Genl. Merchandise Chain	12.0	78.7
Paper Containers	11.8	72.3
Long-Dist. Telecomms.	11.1	68.7
Furnishings & Appliances	11.1	68.2

GLOBAL MARKETS	Aug. 1	% change		
		Week	Year to date	Last 12 months
S&P Euro Plus (U.S. Dollar)	1150.0	5.4	-19.3	-22.3
London (FT-SE 100)	5546.9	5.1	-10.9	-13.2
Paris (CAC 40)	5112.5	7.1	-13.7	-21.7
Frankfurt (DAX)	5835.2	4.5	-9.3	-18.0
Tokyo (NIKKEI 225)	11,959.3	0.6	-13.2	-26.2
Hong Kong (Hang Seng)	12,478.7	2.2	-17.3	-27.8
Toronto (TSE 300)	7741.4	1.4	-13.5	-25.3
Mexico City (IPC)	6573.1	2.3	16.0	0.7

#### FUNDAMENTALS

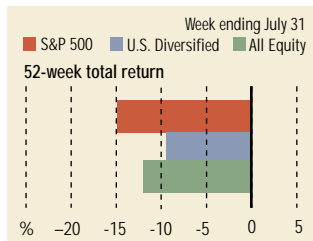
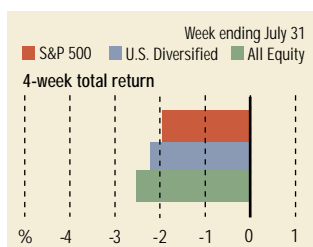
	July 31	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.29%	1.33%	1.10%
S&P 500 P/E Ratio (Trailing 12 mos.)	32.2	29.0	29.1
S&P 500 P/E Ratio (Next 12 mos.)*	21.6	21.0	23.1
First Call Earnings Surprise*	-6.81%	-5.63%	-1.15%

#### TECHNICAL INDICATORS

	July 31	Wk. ago	Reading
S&P 500 200-day average	1277.2	1281.6	Negative
Stocks above 200-day average	64.0%	59.0%	Neutral
Options: Put/call ratio	0.55	0.73	Negative
Insiders: Vickers Sell/buy ratio	3.81	3.91	Negative

WORST-PERFORMING GROUPS	Last month %	Last 12 months %
Engineering & Constr.	-17.1	-75.1
Oil & Gas Drilling	-16.6	-48.3
Electrical Equipment	-11.6	-46.8
Broadcasting	-9.9	-46.7
Entertainment	-9.9	-40.0

### Mutual Funds



Data: Standard & Poor's

#### EQUITY FUND CATEGORIES

4-week total return	%	52-week total return	%
<b>Leaders</b>		<b>Leaders</b>	
Small-cap Value	0.0	Financial	22.8
Mid-cap Value	-0.2	Small-cap Value	22.5
Miscellaneous	-0.5	Mid-cap Value	20.3
Domestic Hybrid	-0.5	Precious Metals	11.2
<b>Laggards</b>		<b>Laggards</b>	
Japan	-8.8	Technology	-50.8
Technology	-8.1	Communications	-48.1
Latin America	-6.7	Japan	-33.9
Diversified Pacific/Asia	-6.2	Diversified Pacific/Asia	-30.6

#### EQUITY FUNDS

4-week total return	%	52-week total return	%
<b>Leaders</b>		<b>Leaders</b>	
Potomac Internet Short	14.1	Potomac Internet Short	116.7
iShares MSCI Malaysia Indx.	12.4	CGM Focus	93.2
Rydex Dynamic Vent. 100	12.2	Schroder Ultra	86.6
ProFunds UltraShort OTC	12.1	Rydex Dynamic Vent. 100	67.2
<b>Laggards</b>		<b>Laggards</b>	
Van Wagoner Mid-Cap Gr.	-20.7	ProFunds UltraShort Inv.	-85.4
Van Wagoner Technology	-19	Jacob Internet	-78.7
Amerindo Technology D	-19	Berkshire Focus	-75.8
Van Wagoner Emerging Gr.	-18.3	Berkshire Technology	-75.8

### Interest Rates

KEY RATES	Aug. 1	Week ago	Year ago
MONEY MARKET FUNDS	3.55%	3.59%	6.16%
90-DAY TREASURY BILLS	3.51	3.54	6.23
1-YEAR TREASURY BILLS	3.48	3.46	6.10
10-YEAR TREASURY NOTES	5.07	5.17	5.98
30-YEAR TREASURY BONDS	5.52	5.58	5.76
30-YEAR FIXED MORTGAGE†	6.97	7.01	8.15

†BancQuote, 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	4.26%	4.98%
TAXABLE EQUIVALENT	6.17	7.22
INSURED REVENUE BONDS	4.37	5.22
TAXABLE EQUIVALENT	6.33	7.57

### THE WEEK AHEAD

**PRODUCTIVITY & COSTS** *Tuesday, Aug. 7, 8:30 a.m. EDT* ▶ Output per hour worked in the second quarter likely grew at an annual rate of 1.5%, says the median forecast of economists surveyed by Standard & Poor's MMS, a unit of The McGraw-Hill Companies. First-quarter productivity slipped 1.2%, on a 1% increase in output and a 2.2% jump in hours worked. It was the first decline in productivity since the first quarter of 1995. Unit labor costs probably advanced 2%, after jumping 6.3% in the first quarter.

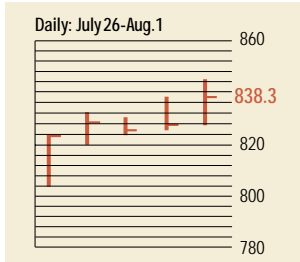
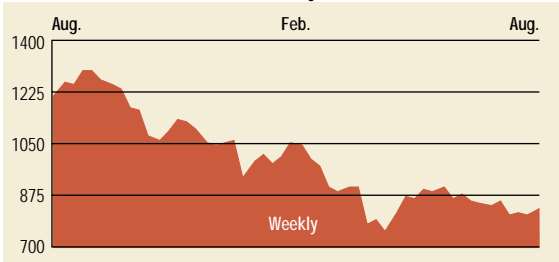
**INSTALLMENT CREDIT** *Tuesday, Aug. 7, 3 p.m. EDT* ▶ Consumers probably added \$7.1 billion of debt in June, after taking on \$6.5 billion in May. The June forecast would put the monthly average in 2001 at \$10.6 billion, after averaging \$11.7 billion per month in 2000.

**BEIGE BOOK** *Wednesday, Aug. 8, 2 p.m. EDT* ▶ The Federal Reserve Bank will release its compilation of regional economic activity in advance of the policy meeting scheduled for Aug. 21.

**EXPORT-IMPORT PRICES** *Thursday, Aug. 9, 8:30 a.m. EDT* ▶ Export prices in July are expected to have fallen 0.2%, while import prices probably declined 0.4%. In June, export prices moved 0.3% lower and import prices fell 0.5%.

**PRODUCER PRICE INDEX** *Friday, Aug. 10, 8:30 a.m. EDT* ▶ Producer prices of finished goods in July likely dipped 0.2% due to falling energy prices, especially for gasoline. Excluding food and energy, core prices probably rose 0.1%.

## The BusinessWeek Fifty

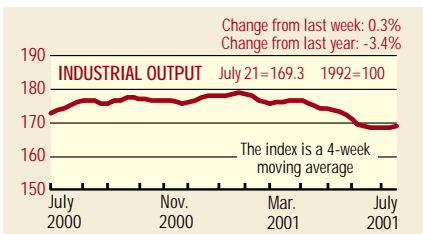


A strong showing for the BW 50, which rose 3.7% for the week. Semiconductor companies such as Texas Instruments and Xilinx, up 15.9% and 14.9%, respectively, and equipment maker Applied Materials, up 10.3%, led the way. Among the list, a mere six stocks showed declines.

### COMPANY PERFORMANCE

Rank	Company	% change		Rank	Company	% change	
		Week	Since 3/1/01			Week	Since 3/1/01
1	Tyco International	3.2	-2.5	26	Verizon Communications	-0.2	15.1
2	Anadarko Petroleum	0.3	-12.0	27	Citigroup	2.6	4.1
3	Calpine	0.5	-19.2	28	Sun Microsystems	11.7	-13.5
4	Dynegy	4.2	1.0	29	Merck	4.6	-14.7
5	Applied Materials	10.3	6.6	30	El Paso	6.3	-26.5
6	Provident Financial	6.3	1.0	31	Altera	16.6	27.0
7	Occidental Petroleum	2.5	14.9	32	Marsh & McLennan	2.5	-4.9
8	Apache	0.7	-14.1	33	Household International	-1.5	12.6
9	Kerr-McGee	3.9	-3.8	34	Chevron	2.2	5.0
10	Oracle	-4.9	-14.3	35	SBC Communications	3.6	-1.3
11	Lehman Brothers Holdings	1.0	7.7	36	Mercury Interactive	10.6	-33.1
12	EMC	15.0	-51.3	37	AOL Time Warner	5.3	4.7
13	AES	11.2	-28.9	38	Washington Mutual	1.5	21.2
14	Forest Laboratories	2.6	16.2	39	General Dynamics	4.0	24.2
15	FleetBoston Financial	1.5	-7.8	40	Comcast	5.9	-12.4
16	Micron Technology	13.9	21.7	41	Morgan Stanley Dean Witter	9.2	-1.9
17	Xilinx	14.9	1.2	42	Tellabs	1.8	-60.6
18	Amerada Hess	3.1	6.0	43	Exxon Mobil	-1.3	2.2
19	Duke Energy	4.2	-5.5	44	Scientific-Atlanta	8.8	-43.9
20	ADC Telecommunications	-2.2	-55.3	45	U.S. Bancorp	6.9	2.3
21	Capital One Financial	5.5	17.7	46	Paychex	0.1	-0.9
22	Phillips Petroleum	2.4	6.5	47	Merrill Lynch	7.4	-6.3
23	Analog Devices	15.3	21.4	48	Bed Bath & Beyond	-0.8	27.1
24	EOG Resources	2.2	-20.7	49	Texas Instruments	15.9	13.1
25	Cardinal Health	3.3	11.4	50	Teradyne	12.9	13.2

## BW Production Index



The production index rose for a second straight week. Before calculation of the four-week moving average, the index advanced to 170.4 from 169.2. After seasonal adjustments, auto and truck assemblies accounted for most of the rise in the unaveraged index. Steel and coal production rose as well, while lumber was virtually unchanged. Crude-oil refining declined significantly for a second consecutive week, with rail-freight traffic and electric power also lower.

Information on each of the index components is at [www.businessweek.com](http://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](http://www.businessweek.com).