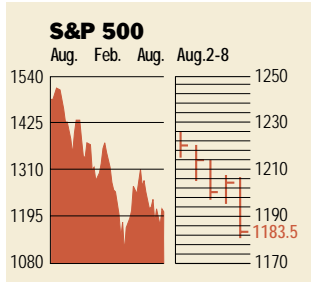


Stocks



COMMENTARY

Stocks wilted on a spate of bad news. First, on Aug. 6, reports of future chip price cuts by Intel sent chipmaker stocks lower. Next, on Aug. 7, Cisco released its quarterly results: Profits fell 99% from a year ago. Then on Aug. 8, the Federal Reserve's survey of the economy pointed to more weakness. The good news? Bond yields fell in expectation of further Fed loosening.

Data: Bloomberg Financial Markets
Bridge Information Systems, Inc.

| U.S. MARKETS | Aug. 8 | % change | | |
|-----------------------|----------|----------|--------------|----------------|
| | | Week | Year to date | Last 12 months |
| S&P 500 | 1183.5 | -2.7 | -10.4 | -20.2 |
| Dow Jones Industrials | 10,293.5 | -2.1 | -4.6 | -6.2 |
| Nasdaq Composite | 1966.4 | -4.9 | -20.4 | -48.9 |
| S&P MidCap 400 | 496.8 | -3.3 | -3.9 | -2.9 |
| S&P SmallCap 600 | 222.5 | -3.0 | 1.3 | 6.4 |
| Wilshire 5000 | 10,949.0 | -2.8 | -10.1 | -20.6 |

| SECTORS | Aug. 7 | % change | | |
|------------------------------|--------|----------|--------------|----------------|
| | | Week | Year to date | Last 12 months |
| BusinessWeek 50* | 809.7 | -3.4 | -16.5 | -35.6 |
| BusinessWeek Info Tech 100** | 423.0 | -4.4 | -25.2 | -54.3 |
| S&P/BARRA Growth | 592.4 | -2.7 | -13.8 | -33.6 |
| S&P/BARRA Value | 591.7 | -2.7 | -7.0 | -4.2 |
| S&P Energy | 848.6 | -2.9 | -8.9 | -1.7 |
| S&P Financials | 154.9 | -1.6 | -6.0 | 0.6 |
| S&P REIT | 92.8 | 0.5 | 5.5 | 7.2 |
| S&P Transportation | 701.9 | -1.6 | 0.6 | 7.9 |
| S&P Utilities | 277.7 | -4.7 | -20.8 | -8.0 |
| GSTI Internet | 112.0 | -5.5 | -38.3 | -73.8 |
| PSE Technology | 666.4 | -5.2 | -18.2 | -36.8 |

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

| BEST-PERFORMING GROUPS | Last month % | Last 12 months % | |
|--------------------------|--------------|-----------------------|------|
| | | Group | % |
| Genl. Merchandise Chains | 14.8 | Engineering & Constr. | 59.6 |
| Shoes | 13.6 | Tobacco | 58.8 |
| Furnishings & Appliances | 10.9 | Savings & Loans | 57.9 |
| Paper Containers | 9.5 | Toys | 57.3 |
| Semiconductors | 9.1 | Food Wholesalers | 43.8 |

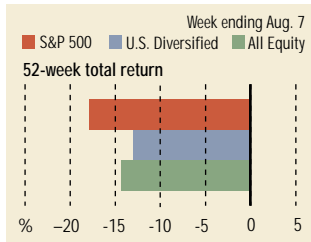
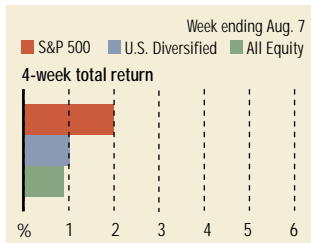
| GLOBAL MARKETS | Aug. 8 | % change | | |
|-----------------------------|----------|----------|--------------|----------------|
| | | Week | Year to date | Last 12 months |
| S&P Euro Plus (U.S. Dollar) | 1126.1 | -2.1 | -21.0 | -23.2 |
| London (FT-SE 100) | 5476.5 | -1.3 | -12.0 | -14.6 |
| Paris (CAC 40) | 4986.2 | -2.5 | -15.9 | -24.1 |
| Frankfurt (DAX) | 5614.5 | -3.8 | -12.7 | -22.3 |
| Tokyo (NIKKEI 225) | 12,163.7 | 1.7 | -11.8 | -24.1 |
| Hong Kong (Hang Seng) | 11,958.0 | -4.2 | -20.8 | -30.4 |
| Toronto (TSE 300) | 7654.2 | -0.5 | -14.3 | -29.5 |
| Mexico City (IPC) | 6651.4 | 1.2 | 17.7 | -0.3 |

| FUNDAMENTALS | Aug. 7 | Wk. ago | Yr. ago |
|--------------------------------------|--------|---------|---------|
| | | | |
| S&P 500 P/E Ratio (Trailing 12 mos.) | 32.8 | 32.2 | 30.2 |
| S&P 500 P/E Ratio (Next 12 mos.)* | 21.4 | 21.6 | 23.5 |
| First Call Earnings Revision* | -6.33% | -6.81% | -1.17% |

| TECHNICAL INDICATORS | Aug. 7 | Wk. ago | Reading |
|----------------------------------|--------|---------|----------|
| | | | |
| Stocks above 200-day average | 62.0% | 64.0% | Neutral |
| Options: Put/call ratio | 0.64 | 0.55 | Neutral |
| Insiders: Vickers Sell/buy ratio | 3.75 | 3.81 | Negative |

| WORST-PERFORMING GROUPS | Last month % | Last 12 months % | |
|---------------------------|--------------|--------------------------|-------|
| | | Group | % |
| Oil & Gas Drilling | -21.4 | Communications Equip. | -77.6 |
| Aluminum | -11.9 | Computer Systems | -51.9 |
| Property-Casual. Insurers | -11.4 | Semiconductors | -49.3 |
| Engineering & Constr. | -11.3 | Metal & Glass Containers | -48.1 |
| Oil-Well Equip. & Svcs. | -11.3 | Long-Dist. Telecomms. | -41.0 |

Mutual Funds



Data: Standard & Poor's

EQUITY FUND CATEGORIES

| 4-week total return % | | 52-week total return % | |
|-----------------------|------|------------------------|-------|
| Leaders | | Leaders | |
| Technology | 3.1 | Small-cap Value | 19.2 |
| Financial | 2.6 | Mid-cap Value | 16.4 |
| Europe | 1.9 | Financial | 16.1 |
| Mid-cap Value | 1.8 | Real Estate | 13.0 |
| Laggards | | Laggards | |
| Utilities | -5.3 | Technology | -52.6 |
| Natural Resources | -2.3 | Communications | -49.1 |
| Precious Metals | -2.2 | Japan | -31.0 |
| Pacific/Asia ex-Japan | -2.2 | Large-cap Growth | -30.9 |

EQUITY FUNDS

| 4-week total return % | | 52-week total return % | |
|-----------------------------|-------|-------------------------|-------|
| Leaders | | Leaders | |
| Fidelity Select Electronics | 16.1 | Potomac Internet Short | 130.5 |
| Red Oak Tech. Select | 14.2 | Schroder Ultra | 84.6 |
| Conseco Science & Tech. A | 12.9 | Rydex Dynamic Vent. 100 | 80.6 |
| Rydex Electronics Inv | 12.8 | CGM Focus | 79.8 |
| Laggards | | Laggards | |
| Investec Mainland China | -14.5 | ProFunds UltraOTC Inv. | -86.4 |
| Matthews China | -11.4 | Jacob Internet | -80.1 |
| Rydex Dynamic Vent. 100 | -11.0 | Potomac Internet Plus | -77.7 |
| ProFunds UltraShort OTC | -11.0 | Berkshire Focus | -77.5 |

Interest Rates

| KEY RATES | Aug. 8 | Week ago | Year ago |
|--------------------------------|--------|----------|----------|
| | | | |
| 90-DAY TREASURY BILLS | 3.48 | 3.51 | 6.25 |
| 1-YEAR TREASURY BILLS | 3.46 | 3.48 | 6.15 |
| 10-YEAR TREASURY NOTES | 5.05 | 5.07 | 5.91 |
| 30-YEAR TREASURY BONDS | 5.51 | 5.52 | 5.72 |
| 30-YEAR FIXED MORTGAGE† | 7.01 | 6.97 | 8.04 |

†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 | |
|------------------------------|-------------|-------|-------------|-------|
| | Yield | Yield | Yield | Yield |
| GENERAL OBLIGATIONS | 4.26% | 4.98% | | |
| TAXABLE EQUIVALENT | 6.17 | 7.22 | | |
| INSURED REVENUE BONDS | 4.35 | 5.20 | | |
| TAXABLE EQUIVALENT | 6.30 | 7.54 | | |

THE WEEK AHEAD

RETAIL SALES *Tuesday, Aug. 14, 8:30 a.m. EDT* ▶ Retail sales likely slipped 0.1% in July, after rising 0.2% in June. That's according to the median forecast of economists surveyed by Standard & Poor's MMS, a unit of The McGraw-Hill Companies. Excluding vehicles, July sales probably rose 0.2%, as auto makers already announced an unexpected 6% year-over-year decline in July.

BUSINESS INVENTORIES *Wednesday, Aug. 15, 8:30 a.m. EDT* ▶ Business inventories

in June probably fell 0.2%, after remaining unchanged in May.

INDUSTRIAL PRODUCTION *Wednesday, Aug. 15, 9:15 a.m. EDT* ▶ Factory output is expected to have dropped 0.2% in July, with capacity utilization likely falling to 76.6%. In June, production declined 0.7%, at a utilization rate of 77%.

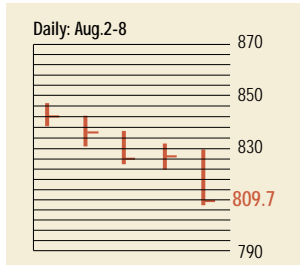
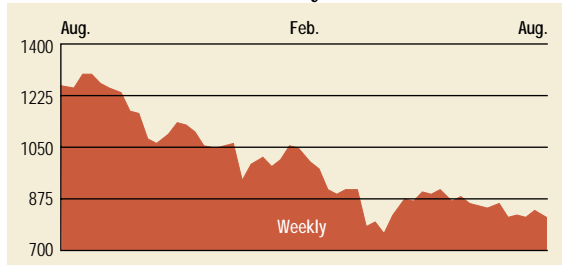
CONSUMER PRICE INDEX *Thursday, Aug. 16, 8:30 a.m. EDT* ▶ Consumer prices for goods and services probably edged up

just 0.1% in July. Excluding food and energy, core prices probably rose 0.2%.

NEW RESIDENTIAL CONSTRUCTION *Thursday, Aug. 16, 8:30 a.m. EDT* ▶ Housing starts likely fell to an annual rate of 1.62 million in July, from 1.66 million in June.

INTERNATIONAL TRADE *Friday, Aug. 17, 8:30 a.m. EDT* ▶ The June trade deficit probably widened to \$29.1 billion, due primarily to a pickup in imports. In May, the deficit narrowed to \$28.3 billion.

The BusinessWeek Fifty

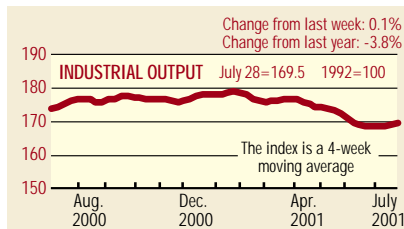


The BW 50 fell 3.4% as almost all the stocks ended the week in the red. Hit especially hard were such technology companies as Oracle and Mercury Interactive, down 11.0% and 13.7%, respectively, and EMC, which has lost more than half its value since the list appeared on Mar. 1. The only safe haven was in the banking sector, where U.S. Bancorp rose 5.1%, followed by FleetBoston Financial, up 1.2%.

COMPANY PERFORMANCE

| Rank | Company | % change | | Rank | Company | % change | |
|------|--------------------------|----------|--------------|------|----------------------------|----------|--------------|
| | | Week | Since 3/1/01 | | | Week | Since 3/1/01 |
| 1 | Tyco International | -0.5 | -2.9 | 26 | Verizon Communications | -4.8 | 9.5 |
| 2 | Anadarko Petroleum | -3.9 | -15.5 | 27 | Citigroup | -2.1 | 2.0 |
| 3 | Calpine | -16.4 | -32.4 | 28 | Sun Microsystems | -0.6 | -14.0 |
| 4 | Dynegy | -9.1 | -8.2 | 29 | Merck | -0.2 | -14.9 |
| 5 | Applied Materials | -7.4 | -1.3 | 30 | El Paso | -13.5 | -36.4 |
| 6 | Provident Financial | -5.4 | -4.5 | 31 | Altera | -8.4 | 16.3 |
| 7 | Occidental Petroleum | -2.4 | 12.1 | 32 | Marsh & McLennan | -0.1 | -5.0 |
| 8 | Apache | -5.7 | -19.0 | 33 | Household International | 0.2 | 12.8 |
| 9 | Kerr-McGee | -4.1 | -7.8 | 34 | Chevron | -1.3 | 3.7 |
| 10 | Oracle | -11.0 | -23.7 | 35 | SBC Communications | -4.6 | -5.8 |
| 11 | Lehman Brothers Holdings | -5.3 | 2.0 | 36 | Mercury Interactive | -13.7 | -42.3 |
| 12 | EMC | -12.4 | -57.4 | 37 | AOL Time Warner | -2.2 | 2.5 |
| 13 | AES | -7.7 | -34.3 | 38 | Washington Mutual | -0.5 | 20.6 |
| 14 | Forest Laboratories | -1.8 | 14.1 | 39 | General Dynamics | -1.6 | 22.2 |
| 15 | FleetBoston Financial | 1.2 | -6.7 | 40 | Comcast | -0.5 | -12.9 |
| 16 | Micron Technology | -10.2 | 9.3 | 41 | Morgan Stanley Dean Witter | -6.7 | -8.4 |
| 17 | Xilinx | -7.8 | -6.7 | 42 | Tellabs | -9.3 | -64.3 |
| 18 | Amerada Hess | -2.1 | 3.7 | 43 | Exxon Mobil | -0.8 | 1.4 |
| 19 | Duke Energy | -5.5 | -10.7 | 44 | Scientific-Atlanta | 0.5 | -43.6 |
| 20 | ADC Telecommunications | -3.8 | -57.1 | 45 | U.S. Bancorp | 5.1 | 7.5 |
| 21 | Capital One Financial | -4.8 | 12.1 | 46 | Paychex | -1.5 | -2.4 |
| 22 | Phillips Petroleum | 0.1 | 6.5 | 47 | Merrill Lynch | -4.6 | -10.7 |
| 23 | Analog Devices | -8.0 | 11.7 | 48 | Bed Bath & Beyond | -6.4 | 18.9 |
| 24 | EOG Resources | -7.0 | -26.3 | 49 | Texas Instruments | -8.1 | 3.9 |
| 25 | Cardinal Health | -2.0 | 9.2 | 50 | Teradyne | -8.3 | 3.9 |

BW Production Index



The production index edged higher for the week. Before calculation of the four-week moving average, the index slipped to 170.3, from 170.4. After seasonal adjustments, autos led the advancing components, with electric power, lumber and rail-freight traffic also higher. Steel, trucks, and coal were all down for the week. Crude-oil refining was virtually unchanged, while OPEC announced its third production cut this year. The July index increased to 169.5, from 168.6 in June.

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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