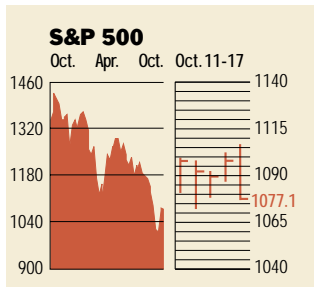


### Stocks



#### COMMENTARY

The equity markets ended the week on an ominous note as stocks fell on concerns that the anthrax scare will further disrupt an already weak U.S. economy. On Oct. 17, the Nasdaq Composite fell 75.7 points, while the Dow Jones Industrials and S&P 500 dropped 151.3 and 20.5 respectively. Adding to the unease were weak earnings from AOL Time Warner and EMC.

Data: Bloomberg Financial Markets  
Bridge Information Systems, Inc.

#### U.S. MARKETS

	Oct. 17	% change		
		Year to date	Last 12 months	
S&P 500	1077.1	-0.4	-18.4	-20.2
Dow Jones Industrials	9233.0	-0.1	-14.4	-8.5
Nasdaq Composite	1646.3	1.2	-33.4	-48.8
S&P MidCap 400	447.3	-0.5	-13.5	-9.3
S&P SmallCap 600	201.3	0.2	-8.3	0.2
Wilshire 5000	9916.3	-0.2	-18.6	-21.2

#### SECTORS

	Oct. 17	% change		
		Year to date	Last 12 months	
BusinessWeek 50*	720.4	-1.2	-25.7	-32.4
BusinessWeek Info Tech 100**	367.2	0.4	-35.1	-52.9
S&P/BARRA Growth	548.7	-0.5	-20.2	-29.2
S&P/BARRA Value	528.6	-0.2	-16.9	-10.8
S&P Energy	833.2	-2.2	-10.6	-10.7
S&P Financials	138.5	1.4	-15.9	-4.7
S&P REIT	90.1	-0.3	2.4	10.1
S&P Transportation	582.3	-2.8	-16.5	1.0
S&P Utilities	266.1	0.1	-24.1	-18.9
GST Internet	86.3	5.2	-52.5	-72.2
PSE Technology	578.3	2.0	-29.0	-37.1

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

#### BEST-PERFORMING GROUPS

	Last month %		Last 12 months %
Insurance Brokers	19.7	Engineering & Constr.	90.2
Multiline Insurers	17.6	Toys	61.4
Genl. Merchandise Chains	16.2	Tobacco	57.3
Leisure Time	15.1	Pollution Control	49.2
Communications Equip.	15.0	Gold Mining	47.4

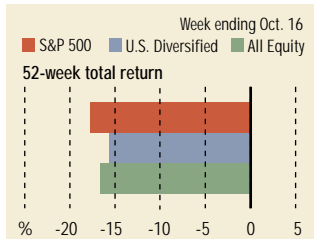
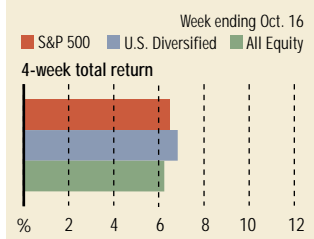
#### EQUITY FUND CATEGORIES

4-week total return %		52-week total return %	
<b>Leaders</b>		<b>Leaders</b>	
Technology	11.8	Precious Metals	30.3
Health	10.5	Real Estate	13.8
Large-cap Growth	9.3	Small-cap Value	13.1
Mid-cap Growth	8.3	Mid-cap Value	11.5
<b>Laggards</b>		<b>Laggards</b>	
Precious Metals	-0.9	Technology	-55.8
Real Estate	1.2	Communications	-50.3
Utilities	1.4	Japan	-37.6
Latin America	2.4	Mid-cap Growth	-34.1

#### EQUITY FUNDS

4-week total return %		52-week total return %	
<b>Leaders</b>		<b>Leaders</b>	
ProFunds UltraOTC Inv.	540.7	ProFunds UltraBull Inv.	193.8
ProFunds UltraBull Inv.	458.6	Potomac Internet Short	110.9
Conseco Science & Tech. A	26.6	Rydex Dynamic Vent. 100	84.9
World GenomicsFund.com	23.5	Schroder Ultra	81.8
<b>Laggards</b>		<b>Laggards</b>	
Rydex Dynamic Vent. 100	-28.8	Berkshire Focus	-85.3
ProFunds UltraShort OTC	-28.7	Berkshire Technology	-85.3
Potomac Internet Short	-21.5	Merrill Lynch Focus 20 B	-82.9
Oppenheimer Real Asset A	-14.6	Van Wagoner Post Venture	-82.1

### Mutual Funds



Data: Standard & Poor's

#### GLOBAL MARKETS

	Oct. 17	% change		
		Year to date	Last 12 months	
S&P Euro Plus (U.S. Dollar)	1017.7	1.0	-28.6	-19.0
London (FT-SE 100)	5203.4	1.0	-16.4	-15.4
Paris (CAC 40)	4411.5	2.1	-25.6	-25.7
Frankfurt (DAX)	4644.8	0.7	-27.8	-28.4
Tokyo (NIKKEI 225)	10,755.5	7.9	-22.0	-27.7
Hong Kong (Hang Seng)	10,260.8	-0.4	-32.0	-29.0
Toronto (TSE 300)	6956.8	0.1	-22.1	-31.3
Mexico City (IPC)	5541.9	-2.5	-2.0	-2.9

#### FUNDAMENTALS

	Oct. 16	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.42%	1.47%	1.18%
S&P 500 P/E Ratio (Trailing 12 mos.)	36.1	34.9	26.7
S&P 500 P/E Ratio (Next 12 mos.)*	20.6	19.7	21.5
First Call Earnings Surprise*	1.89%	0.09%	2.30%

\*First Call Corp.

#### TECHNICAL INDICATORS

	Oct. 16	Wk. ago	Reading
S&P 500 200-day average	1214.8	1219.8	Negative
Stocks above 200-day average	41.0%	35.0%	Neutral
Options: Put/call ratio	0.65	0.73	Neutral
Insiders: Vickers Sell/buy ratio	1.92	2.59	Positive

#### WORST-PERFORMING GROUPS

	Last month %		Last 12 months %
Conglomerates	-18.4	Communications Equip.	-77.5
Photography/Imaging	-16.0	Computer Systems	-56.9
Metals	-10.8	Oil & Gas Drilling	-44.2
Savings & Loans	-10.9	Instrumentation	-41.2
Office Equip. & Supplies	-10.6	Oil-Well Equip. & Svcs.	-40.1

### Interest Rates

KEY RATES	Oct. 17	Week ago	Year ago
<b>MONEY MARKET FUNDS</b>	2.74%	2.84%	6.14%
<b>90-DAY TREASURY BILLS</b>	2.21	2.21	6.29
<b>2-YEAR TREASURY NOTES</b>	2.77	2.76	5.82
<b>10-YEAR TREASURY NOTES</b>	4.57	4.60	5.66
<b>30-YEAR TREASURY BONDS</b>	5.31	5.36	5.77
<b>30-YEAR FIXED MORTGAGE†</b>	6.57	6.55	7.86

†BancQuote, Inc.

#### BLOOMBERG MUNI YIELD EQUIVALENTS

	10-yr. bond	30-yr. bond
Taxable equivalent yields on AAA-rated, tax-exempt municipal bonds, assuming a 31% federal tax rate.		
<b>GENERAL OBLIGATIONS</b>	4.00%	4.95%
<b>TAXABLE EQUIVALENT</b>	5.80	7.17
<b>INSURED REVENUE BONDS</b>	4.22	5.22
<b>TAXABLE EQUIVALENT</b>	6.12	7.57

### THE WEEK AHEAD

**LEADING INDICATORS** *Monday, Oct. 22, 10 a.m. EDT* ► The Conference Board's composite index of leading indicators likely fell 0.4% in September. That's based on the median forecast of economists surveyed by Standard & Poor's MMS, a division of The McGraw-Hill Companies.

**FEDERAL BUDGET** *Monday, Oct. 22, 2:00 p.m. EDT* ► The U.S. Treasury will probably report a September surplus of \$29 billion, after registering a deficit of \$80 billion in August.

**BEIGE BOOK** *Wednesday, Oct. 24, 2 p.m. EDT* ► The Federal Reserve Bank will release its compilation of regional economic activity in advance of the policy meeting scheduled for Nov. 6.

**EMPLOYMENT COST INDEX** *Thursday, Oct. 25, 8:30 a.m. EDT* ► Compensation in the third quarter likely rose by 0.9%, after a 0.9% gain in the second quarter.

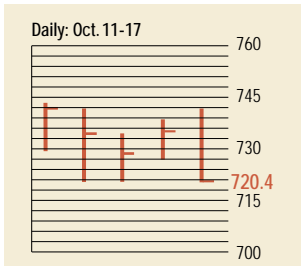
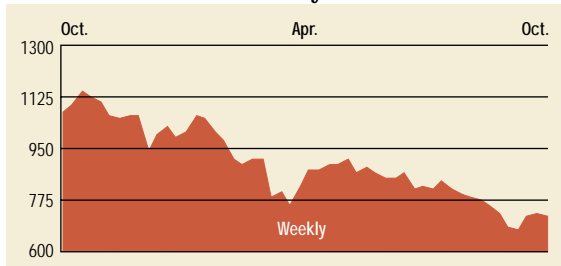
**DURABLE GOODS ORDERS** *Thursday, Oct. 25, 8:30 a.m. EDT* ► New orders for durable

goods probably dropped 1% in September, after falling 0.3% in August.

**EXISTING HOME SALES** *Thursday, Oct. 25, 10 a.m. EDT* ► Sales of existing homes are forecast to have dropped to an annual rate of 5.23 million in September, from 5.5 million in August.

**NEW RESIDENTIAL SALES** *Friday, Sept. 26, 10 a.m. EDT* ► New single-family home sales likely fell to an annual rate of 883,000 during September.

## The BusinessWeek Fifty

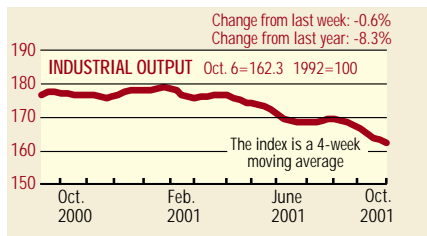


The BW 50 ended the week down 1.2% as weak earnings reports began piling up. Providian Financial fell 35.1% this week; it's down nearly 74% in a little more than six months. Financials such as Citigroup, Morgan Stanley, Merrill Lynch, and Lehman provided small pockets of strength. Semiconductor manufacturer Texas Instruments was up 4.8%, on hopes the chip market may be bottoming.

### COMPANY PERFORMANCE

Rank	Company	% change		Rank	Company	% change	
		Week	Since 3/1/01			Week	Since 3/1/01
1	Tyco International	3.1	-11.5	26	Verizon Communications	-2.7	8.7
2	Anadarko Petroleum	0.7	-12.7	27	Citigroup	5.1	-4.3
3	Calpine	0.7	-39.9	28	Sun Microsystems	-3.2	-56.1
4	Dynegy	4.3	-5.5	29	Merck	0.8	-13.4
5	Applied Materials	-0.8	-29.1	30	El Paso	0.2	-25.6
6	Providian Financial	-35.1	-74.0	31	Altera	-7.6	-23.8
7	Occidental Petroleum	-1.7	8.1	32	Marsh & McLennan	-0.5	-2.8
8	Apache	0.5	-17.8	33	Household International	-1.8	-2.1
9	Kerr-McGee	1.1	-13.0	34	ChevronTexaco	-4.7	2.6
10	Oracle	-4.4	-36.1	35	SBC Communications	-8.0	-5.1
11	Lehman Brothers Holdings	1.7	-10.9	36	Mercury Interactive	-15.0	-61.1
12	EMC	-8.6	-73.9	37	AOL Time Warner	-4.7	-30.0
13	AES	4.1	-73.7	38	Washington Mutual	-7.1	-2.0
14	Forest Laboratories	-3.3	10.6	39	General Dynamics	-6.9	24.8
15	FleetBoston Financial	0.9	-19.2	40	Comcast	-0.7	-16.4
16	Micron Technology	-2.7	-42.5	41	Morgan Stanley Dean Witter	3.8	-17.4
17	Xilinx	-6.4	-33.8	42	Tellabs	0.0	-69.9
18	Amerada Hess	-1.3	-8.2	43	Exxon Mobil	-2.0	1.8
19	Duke Energy	2.4	-3.8	44	Scientific-Atlanta	-2.4	-61.7
20	ADC Telecommunications	7.8	-57.6	45	U.S. Bancorp	0.2	-23.1
21	Capital One Financial	-0.2	-14.2	46	Paychex	-3.0	-18.5
22	Phillips Petroleum	-0.9	6.4	47	Merrill Lynch	3.7	-26.3
23	Analog Devices	0.8	-3.5	48	Bed Bath & Beyond	0.3	8.6
24	EOG Resources	0.0	-22.1	49	Texas Instruments	4.8	-7.7
25	Cardinal Health	0.1	11.3	50	Teradyne	-7.0	-31.5

## BW Production Index



The production index continued its downward slide during the latest week. Before calculation of the four-week moving average, the index dropped to 161.3, from 163. On a seasonally adjusted basis, electric power, coal, lumber, autos, and truck assemblies were all lower. Steel production was virtually unchanged. Rail-freight traffic, due primarily to a large increase in grain traffic, and crude-oil refining were the only components higher for the week.

Information on each of the index components is at [www.businessweek.com](http://www.businessweek.com). BW production index Copyright 2000 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).