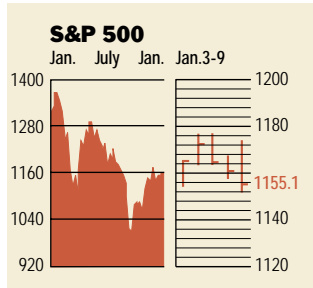


Stocks



COMMENTARY

The markets sank abruptly on Jan. 9, after spending most of the day in positive territory. Better-than-expected sales by SAP sparked the surge, but stocks then fizzled as investors worried that the rally that began in the aftermath of September 11 might not be sustained. For the week, Nasdaq rose 3.3%, while the Dow Jones industrial average and S&P 500 index were flat.

Data: Bloomberg Financial Markets
Bridge Information Systems, Inc.

U.S. MARKETS	Jan. 9	% change		
		Week	Year to date	Last 12 months
S&P 500	1155.1	0.0	0.6	-11.2
Dow Jones Industrials	10,094.1	0.2	0.7	-4.5
Nasdaq Composite	2044.9	3.3	4.8	-16.2
S&P MidCap 400	512.9	1.3	0.9	5.1
S&P SmallCap 600	235.3	1.6	1.3	11.9
Wilshire 5000	10,782.4	0.3	0.7	-9.4

SECTORS	Jan. 9	% change		
		Week	Year to date	Last 12 months
BusinessWeek 50*	740.6	0.7	1.5	-23.7
BusinessWeek Info Tech 100**	431.6	1.5	2.9	-26.3
S&P/BARRA Growth	599.2	-0.1	0.8	-10.5
S&P/BARRA Value	554.6	0.2	0.5	-12.5
S&P Energy	818.4	1.4	0.0	-8.0
S&P Financials	147.4	1.1	0.0	-6.8
S&P REIT	93.5	0.1	0.1	7.1
S&P Industrials	260.6	-2.1	-1.9	-4.9
S&P Utilities	236.6	2.9	0.0	-8.0
GSTI Internet	110.5	4.8	5.3	-36.8
PSE Technology	719.2	3.4	4.6	-11.4

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

BEST-PERFORMING GROUPS	Last month %	Group	Last 12 months %
Internet Software & Svcs.	14.6	Casinos & Gaming	52.5
Computer Stores	12.5	Motorcycles	45.9
Air Freight & Couriers	11.2	Metal & Glass Containers	45.1
Office Electronics	11.1	Specialty Retailers	45.0

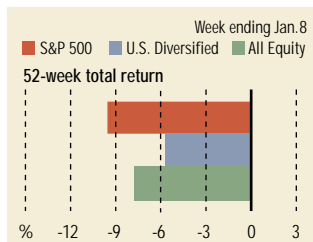
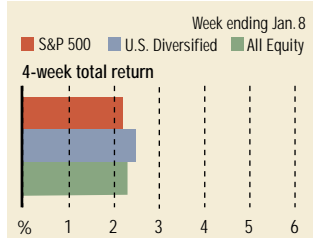
GLOBAL MARKETS	Jan. 9	% change		
		Week	Year to date	Last 12 months
S&P Euro Plus (U.S. Dollar)	1069.7	-1.4	-1.1	-22.5
London (FT-SE 100)	5228.5	0.2	0.2	-13.7
Paris (CAC 40)	4587.0	0.1	-0.8	-18.9
Frankfurt (DAX)	5288.2	2.3	2.5	-16.3
Tokyo (NIKKEI 225)	10,664.0	2.0	1.2	-20.6
Hong Kong (Hang Seng)	11,440.7	0.8	0.4	-25.9
Toronto (TSE 300)	7775.8	1.7	1.1	-9.3
Mexico City (IPC)	6560.6	2.3	3.0	11.0

FUNDAMENTALS	Jan. 8	Wk. ago	Yr. ago
S&P 500 P/E Ratio (Trailing 12 mos.)	48.9	47.8	25.0
S&P 500 P/E Ratio (Next 12 mos.)*	22.1	21.8	21.5
First Call Earnings Surprise*	8.19%	8.13%	-0.93%

TECHNICAL INDICATORS	Jan. 8	Wk. ago	Reading
Stocks above 200-day average	61.0%	56.0%	Neutral
Options: Put/call ratio	0.67	0.67	Neutral
Insiders: Vickers Sell/buy ratio	2.45	2.39	Neutral

WORST-PERFORMING GROUPS	Last month %	Group	Last 12 months %
Food Chains	-12.3	Computer Stge. & Perphs.	-66.9
Agricultural Products	-11.7	Telecomms. Equip.	-62.3
Photographic Products	-10.9	Instrumentation	-44.3
Telecomms. Equip.	-10.5	Network Equipment	-42.9

Mutual Funds



Data: Standard & Poor's

EQUITY FUND CATEGORIES

4-week total return	%	52-week total return	%
Leaders		Leaders	
Precious Metals	6.7	Precious Metals	25.5
Diversified Emerging Mkts.	6.7	Small-cap Value	18.7
Latin America	5.6	Real Estate	11.3
Pacific/Asia ex-Japan	5.3	Mid-cap Value	9.3
Laggards		Laggards	
Japan	-2.3	Communications	-34.4
Health	-1.0	Technology	-29.2
Communications	0.9	Japan	-26.7
International Hybrid	1.1	Europe	-20.1

EQUITY FUNDS

4-week total return	%	52-week total return	%
Leaders		Leaders	
Frontier Equity	16.3	Pilgrim Russia A	91.0
Pilgrim Russia A	15.5	Schroder Capital Ultra Inv.	76.0
Van Eck Troika Dialog A	11.5	CGM Focus	65.3
Matthews Korea	11.1	Wasatch Micro Cap	56.9
Laggards		Laggards	
TCW Galileo Opportunity N	-38.1	Merrill Lynch Focus 20 B	-65.4
TCW Galileo Incm. & Gr. N	-23.6	Berkshire Focus	-65.4
World GenomicsFund.com	-10.4	Berkshire Technology	-64.8
Reg. Opport. Ohio-Ind.-Ky. B	-6.6	ProFunds UltraOTC Inv.	-62.8

Interest Rates

KEY RATES	Jan. 9	Week ago	Year ago
MONEY MARKET FUNDS	1.76%	1.81%	6.04%
90-DAY TREASURY BILLS	1.66	1.73	5.29
2-YEAR TREASURY NOTES	2.98	3.20	4.64
10-YEAR TREASURY NOTES	5.04	5.16	5.09
30-YEAR TREASURY BONDS	5.49	5.56	5.48
30-YEAR FIXED MORTGAGE†	7.21	7.21	6.92

†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	4.48%	5.08%
TAXABLE EQUIVALENT	6.49	7.36
INSURED REVENUE BONDS	4.67	5.34
TAXABLE EQUIVALENT	6.77	7.74

THE WEEK AHEAD

RETAIL SALES *Tuesday, Jan. 15, 8:30 a.m. EST* ▶ Retail sales likely dropped 1.2% in December. That's based on the median forecast of economists surveyed by Standard & Poor's MMS, a unit of The McGraw-Hill Companies. Sales excluding autos probably posted a 0.1% gain.

CONSUMER PRICE INDEX *Wednesday, Jan. 16, 8:30 a.m. EST* ▶ Consumer prices for goods and services were likely unchanged in December. Excluding food and energy, core prices probably increased 0.2%.

BUSINESS INVENTORIES *Wednesday, Jan. 16, 8:30 a.m. EST* ▶ Inventories in November are projected to have fallen 0.2%, after tumbling 1.4% in October.

INDUSTRIAL PRODUCTION *Wednesday, Jan. 16, 9:15 a.m. EST* ▶ Factory output in December probably held steady, while the capacity utilization rate likely slipped to 74.6%, from 74.7% in November.

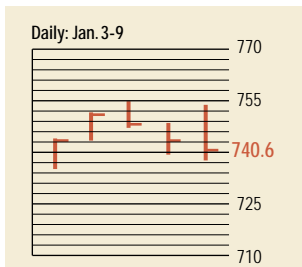
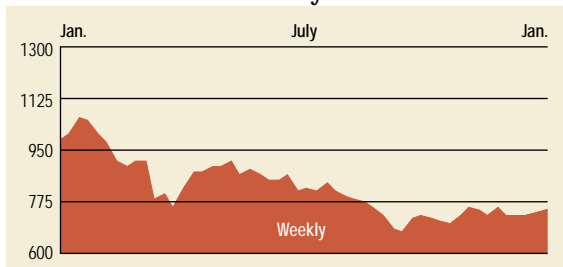
BEIGE BOOK *Wednesday, Jan. 16, 2 p.m. EST* ▶ The Federal Reserve Bank will re-

lease its report on regional economic activity in advance of the policy meeting scheduled for Jan. 29-30.

NEW RESIDENTIAL CONSTRUCTION *Thursday, Jan. 17, 8:30 a.m. EST* ▶ Housing starts in December are forecast to have fallen 3%, to an annual rate of 1.6 million.

INTERNATIONAL TRADE *Friday, Jan. 18, 8:30 a.m. EST* ▶ The trade deficit probably widened to \$30 billion in November, from \$29.4 billion in October.

The BusinessWeek Fifty



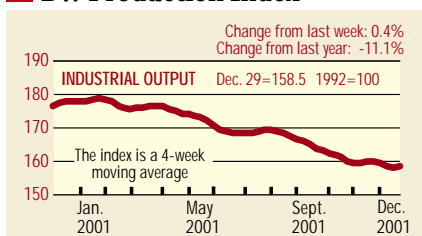
The BW 50 rose 0.7% for the week, led by technology. Oracle, the software giant, propelled the group, rising 19.7%, followed by ADC Telecommunications and EMC, up 17.5% and 17.4%, respectively. Applied Materials, the biggest semiconductor equipment maker, also climbed 12.0% and is up 3% since March, 2001, when the current BW 50 were chosen. Brokerage stocks were strong, with Merrill Lynch up 11.5%.

COMPANY PERFORMANCE

Rank	Company	% change	
		Week	Since 3/1/01
1	Tyco International	-5.3	-0.7
2	Anadarko Petroleum	-4.2	-16.9
3	Calpine	-6.5	-64.7
4	Dynegy	-0.4	-44.6
5	Applied Materials	12.0	3.0
6	Providian Financial	1.4	-92.7
7	Occidental Petroleum	-1.7	9.1
8	Apache	-1.4	-9.5
9	Kerr-McGee	-0.1	-16.4
10	Oracle	19.7	-21.7
11	Lehman Brothers Holdings	4.8	-0.2
12	EMC	17.4	-59.5
13	AES	3.0	-68.3
14	Forest Laboratories	-1.1	17.6
15	FleetBoston Financial	-3.1	-15.1
16	Micron Technology	5.3	-2.5
17	Xilinx	7.2	7.3
18	Amerada Hess	-1.7	-15.6
19	Duke Energy	-2.7	-6.4
20	ADC Telecommunications	17.5	-50.3
21	Capital One Financial	2.0	-2.9
22	Phillips Petroleum	-1.9	10.3
23	Analog Devices	4.4	14.9
24	EOG Resources	-1.5	-14.1
25	Cardinal Health	-3.8	-7.7

Rank	Company	% change	
		Week	Since 3/1/01
26	Verizon Communications	0.8	0.9
27	Citigroup	-2.4	2.3
28	Sun Microsystems	4.1	-32.3
29	Merck	-1.6	-26.2
30	El Paso	-4.4	-38.5
31	Altera	13.0	-0.3
32	Marsh & McLennan	-4.1	-2.9
33	Household International	0.0	-2.2
34	ChevronTexaco	-0.4	2.6
35	SBC Communications	-4.3	-16.1
36	Mercury Interactive	5.4	-38.6
37	AOL Time Warner	-0.2	-28.3
38	Washington Mutual	6.3	2.4
39	General Dynamics	1.2	20.7
40	Comcast	1.8	-15.6
41	Morgan Stanley Dean Witter	5.7	-8.2
42	Tellabs	6.0	-60.9
43	Exxon Mobil	-0.9	-3.6
44	Scientific-Atlanta	6.6	-42.1
45	U.S. Bancorp	0.9	-10.8
46	Paychex	2.3	-10.3
47	Merrill Lynch	11.5	-3.3
48	Bed Bath & Beyond	0.5	33.9
49	Texas Instruments	-2.1	-12.9
50	Teradyne	12.7	11.8

BW Production Index



The production index rose over the latest week. Before calculation of the four-week moving average, the index jumped to 160.5, from 159.0. After seasonal adjustments, steel and crude-oil refining led the index higher. Electric power and rail-freight traffic also posted gains. Lumber production fell sharply, while coal fell narrowly. Auto and truck plants were closed for the week in observance of the seasonal holidays. The index in December slipped to 158.4, from 159.9 in November.

Information on each of the index components is at www.businessweek.com. BW production index Copyright 2002 by The McGraw-Hill Companies

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