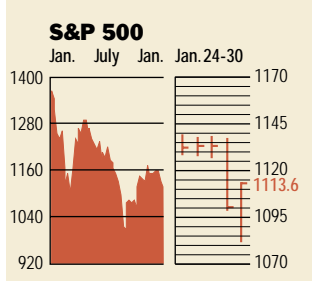


**Stocks**



**COMMENTARY**

Investors responded positively to the Federal Reserve's decision to forgo a rate cut on Jan. 30, sending the Dow Jones industrial average soaring 145 points, or 1.5%. The jump, however, came on the heels of a 2.5% drop a day earlier, despite signs the economy is improving. For the week, Dow rose 0.3%, while the S&P 500 and Nasdaq slid 1.3% and 0.5%, respectively.

Data: Bloomberg Financial Markets  
Bridge Information Systems, Inc.

U.S. MARKETS	Jan. 30	% change		
		Week	Year to date	Last 12 months
S&P 500	1113.6	-1.3	-3.0	-18.9
Dow Jones Industrials	9762.9	0.3	-2.6	-10.3
Nasdaq Composite	1913.4	-0.5	-1.9	-32.6
S&P MidCap 400	503.8	0.5	-0.9	-4.8
S&P SmallCap 600	230.7	0.9	-0.6	0.7
Wilshire 5000	10,425.4	-0.9	-2.6	-18.0

SECTORS	Jan. 29	Wk. ago	Yr. ago	Last 12 months
BusinessWeek 50*	690.2	-2.8	-5.4	-34.6
BusinessWeek Info Tech 100**	398.9	-1.5	-4.9	-39.8
S&P/BARRA Growth	585.6	-0.6	-1.5	-17.9
S&P/BARRA Value	527.3	-2.0	-4.5	-20.6
S&P Energy	204.2	-0.4	-3.4	-11.1
S&P Financials	342.9	-3.4	-3.5	-14.3
S&P REIT	93.4	0.0	-0.1	5.6
S&P Transportation	207.5	2.4	5.3	1.8
S&P Utilities	134.9	-3.7	-7.5	-31.1
GSTI Internet	98.9	-1.9	-5.8	-57.7
PSE Technology	676.7	0.1	-1.6	-27.4

BEST-PERFORMING GROUPS	Last month %	Last 12 months %	Last 12 months %
Trucking	10.8	63.3	63.3
Food Wholesalers	10.1	41.9	41.9
Gold Mining	10.0	41.4	41.4
Computer Stge. & Perphs.	9.9	34.6	34.6
Office Electronics	9.8	31.2	31.2

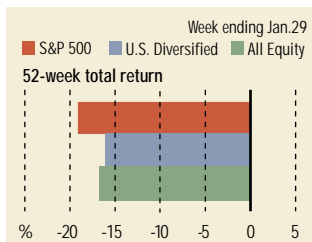
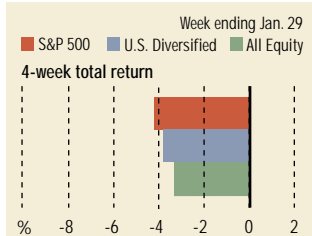
GLOBAL MARKETS	Jan. 30	% change		
		Week	Year to date	Last 12 months
S&P Euro Plus (U.S. Dollar)	1006.8	-2.5	-7.0	-29.6
London (FT-SE 100)	5089.3	-1.8	-2.5	-19.2
Paris (CAC 40)	4407.3	-1.0	-4.7	-26.5
Frankfurt (DAX)	5052.2	-2.1	-2.1	-25.7
Tokyo (NIKKEI 225)	9919.5	-1.2	-5.9	-28.3
Hong Kong (Hang Seng)	10,757.0	0.0	-5.6	-33.2
Toronto (TSE 300)	7548.8	-0.7	-1.8	-19.3
Mexico City (IPC)	6750.8	-0.5	5.9	3.6

FUNDAMENTALS	Jan. 29	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.42%	1.40%	1.15%
S&P 500 P/E Ratio (Trailing 12 mos.)	53.7	55.1	28.2
S&P 500 P/E Ratio (Next 12 mos.)*	21.0	21.5	23.2
First Call Earnings Surprise*	1.10%	3.28%	0.55%

TECHNICAL INDICATORS	Jan. 29	Wk. ago	Reading
S&P 500 200-day average	1166.4	1166.4	Negative
Stocks above 200-day average	55.0%	55.0%	Neutral
Options: Put/call ratio	0.64	0.73	Neutral
Insiders: Vickers Sell/buy ratio	2.72	2.72	Negative

WORST-PERFORMING GROUPS	Last month %	Last 12 months %	Last 12 months %
Wireless Services	-27.0	-81.4	-81.4
Multi-Utilities	-20.6	-74.8	-74.8
Computer Stge. & Perphs.	-15.8	-71.4	-71.4
Gas Utilities	-14.8	-62.1	-62.1
Entertainment	-14.2	-61.2	-61.2

**Mutual Funds**



Data: Standard & Poor's

**EQUITY FUND CATEGORIES**

4-week total return %	52-week total return %
<b>Leaders</b>	<b>Leaders</b>
Precious Metals 10.0	Precious Metals 32.6
Pacific/Asia ex-Japan 4.1	Real Estate 8.7
Diversified Emerging Mkts. 3.7	Small-cap Value 8.5
Real Estate -0.4	Mid-cap Value 1.0
<b>Laggards</b>	<b>Laggards</b>
Communications -8.7	Communications -47.2
Health -8.5	Technology -44.3
Japan -6.3	Japan -33.5
Utilities -5.9	Large-cap Growth -27.7

**EQUITY FUNDS**

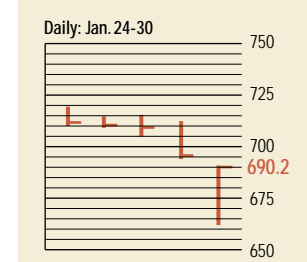
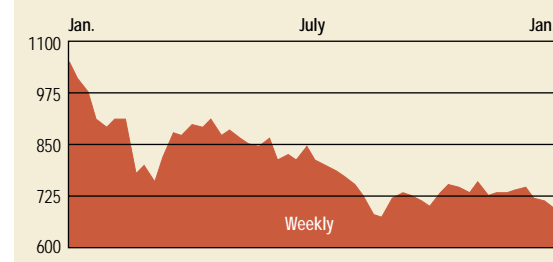
4-week total return %	52-week total return %
<b>Leaders</b>	<b>Leaders</b>
American Heritage 87.5	CGM Focus 117.2
U.S. Glob. Inv. World Gold 15.3	Pilgrim Russia A 67.2
First Eagle SoGen Gold 14.7	Schroder Capital Ultra Inv. 65.0
Tocqueville Gold 14.1	Matthews Korea 61.2
<b>Laggards</b>	<b>Laggards</b>
World GenomicsFund.com -24.6	ProFunds UltraOTC Inv. -77.1
Amerindo Hlth. & Biotech. D -23.0	Merrill Lynch Focus 20 B -73.6
Fidelity Select Wireless -21.0	Berkshire Focus -73.5
Montry. M. N. Wrld. Biotech. -19.0	Berkshire Technology -73.1

**Interest Rates**

KEY RATES	Jan. 30	Week ago	Year ago
MONEY MARKET FUNDS	1.66%	1.69%	5.84%
90-DAY TREASURY BILLS	1.75	1.69	4.97
2-YEAR TREASURY NOTES	3.09	3.01	4.62
10-YEAR TREASURY NOTES	5.01	5.03	5.15
30-YEAR TREASURY BONDS	5.43	5.47	5.53
30-YEAR FIXED MORTGAGE†	6.96	6.96	6.99

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.		
GENERAL OBLIGATIONS	4.31%	5.04%
TAXABLE EQUIVALENT	6.25	7.30
INSURED REVENUE BONDS	4.44	5.20
TAXABLE EQUIVALENT	6.43	7.54

**The BusinessWeek Fifty**

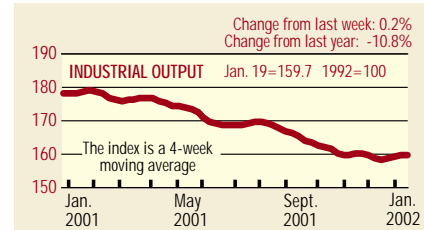


A scent of scandal clung to the BW 50: Tyco International's revelation that it paid \$20 million to a director in connection with its CIT Group acquisition and news that Merrill Lynch execs invested in a limited partnership used to hide debt from Enron's shareholders, sent shares of the companies tumbling 22.9% and 10.4%, respectively. Meanwhile weak earnings stung AOL Time Warner, down 8.3%. For the week, the BW 50 fell 2.8%.

**COMPANY PERFORMANCE**

Rank	Company	% change		Rank	Company	% change	
		Week	Since 3/1/01			Week	Since 3/1/01
1	Tyco International	-22.9	-36.4	26	Verizon Communications	-6.2	-4.9
2	Anadarko Petroleum	-1.6	-26.2	27	Citigroup	-4.0	-2.4
3	Calpine	-14.9	-75.2	28	Sun Microsystems	-3.5	-45.8
4	Dynegy	-2.9	-49.1	29	Merck	1.0	-26.2
5	Applied Materials	4.7	-4.8	30	El Paso	-6.4	-50.0
6	Provident Financial	-2.0	-92.0	31	Altera	9.7	0.4
7	Occidental Petroleum	-0.4	5.1	32	Marsh & McLennan	-3.8	-6.6
8	Apache	-0.6	-12.9	33	Household International	-7.5	-15.5
9	Kerr-McGee	-1.0	-19.6	34	ChevronTexaco	-5.3	-4.3
10	Oracle	-0.8	-22.2	35	SBC Communications	-0.1	-20.2
11	Lehman Brothers Holdings	-0.6	-7.0	36	Mercury Interactive	7.8	-34.5
12	EMC	13.3	-61.5	37	AOL Time Warner	-8.3	-40.0
13	AES	-8.6	-74.7	38	Washington Mutual	-0.6	2.1
14	Forest Laboratories	-0.8	23.1	39	General Dynamics	7.8	27.2
15	FleetBoston Financial	-5.2	-19.5	40	Comcast	-0.1	-18.4
16	Micron Technology	2.4	-9.7	41	Morgan Stanley Dean Witter	-5.2	-17.3
17	Xilinx	9.5	7.1	42	Tellabs	-2.8	-65.5
18	Amerada Hess	2.0	-18.0	43	Exxon Mobil	-0.5	-4.9
19	Duke Energy	-3.8	-17.2	44	Scientific-Atlanta	4.7	-44.3
20	ADC Telecommunications	3.7	-54.7	45	U.S. Bancorp	-2.7	-12.5
21	Capital One Financial	-7.9	-14.2	46	Paychex	0.1	-9.0
22	Phillips Petroleum	-0.6	9.3	47	Merrill Lynch	-10.4	-18.0
23	Analog Devices	3.6	5.6	48	Bed Bath & Beyond	4.4	34.4
24	EOG Resources	-2.0	-24.6	49	Texas Instruments	18.2	-5.2
25	Cardinal Health	-3.9	-1.7	50	Teradyne	5.1	-4.1

**BW Production Index**



The production index posted its fourth consecutive gain. Before calculation of the four-week moving average, the index reached 160.2, from 159.2. After seasonal adjustments, all but two components ended the week higher. Truck assemblies posted the largest increase, as vehicle manufacturers restore inventories. Also finishing higher were steel, lumber, crude-oil refining, autos, and rail-freight traffic. Only coal and electric power production finished the week lower.

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

**THE WEEK AHEAD**

**FACTORY INVENTORIES** *Tuesday, Feb. 5, 10 a.m. EST* ► Manufacturing inventories probably fell 0.8% in December, after a 0.9% reduction in November. That's indicated by the drop in factory output.

**PURCHASING MANAGERS' INDEX** *Tuesday, Feb. 5, 10 a.m. EST* ► The Institute for Supply Management's index of nonmanufacturing activity likely rose to 55 in January, from 54.2 in December. The gain suggests that the service sector is turning around more quickly than manufacturing.

**PRODUCTIVITY & COSTS** *Wednesday, Feb. 6, 8 a.m. EST* ► Output per hour worked during the fourth quarter is projected to have risen at an annual rate of 1.3%, while unit labor costs are forecast to have grown by 2.5%. That's according to the median forecast of economists surveyed by Standard & Poor's MMS, a division of The McGraw-Hill Companies. During the third quarter, productivity rose 1.5%, while unit labor costs increased 2.3%. Productivity is proving resilient during this recession.

**INSTALLMENT CREDIT** *Thursday, Feb. 7, 3 p.m. EST* ► Consumers likely piled up an additional \$9.5 billion of debt in December, after a record increase of \$19.8 billion during November. A fourth-quarter surge in vehicle sales prompted by auto makers' 0% financing offers pushed non-revolving debt up by \$14.4 billion in November on top of the \$14.7 billion borrowed in October. Revolving credit—consisting primarily of credit-card debt—rose \$5.4 billion in November, the largest increase since April, 2001.