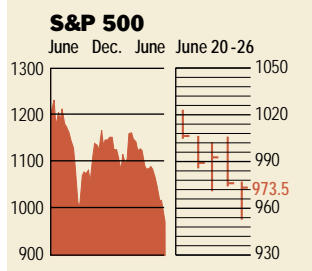


Stocks



COMMENTARY

The U.S. stock market, already down for most of the week, was pushed lower by the scandal at WorldCom. U.S. Treasury yields of two-year notes fell to a two-month low on June 26, as investors fled to safety. The dollar fell to a 28-month low after the scandal hit the news. The Standard & Poor's 500-stock index fell to 973.5, its lowest level since September. European shares tumbled.

Data: Bloomberg Financial Markets
Reuters

U.S. MARKETS

	June 26	% change		
	Week	Year to date	Last 12 months	
S&P 500	973.5	-4.6	-15.2	-20.0
Dow Jones Industrials	9120.1	-4.6	-9.0	-12.9
Nasdaq Composite	1429.3	-4.5	-26.7	-30.8
S&P MidCap 400	479.8	-4.6	-5.6	-5.0
S&P SmallCap 600	226.0	-2.6	-2.6	2.4
Wilshire 5000	9222.3	-4.5	-13.9	-18.1

SECTORS

	June 26	% change		
	Week	Year to date	Last 12 months	
BusinessWeek 50*	611.1	-5.9	-16.3	-28.1
BusinessWeek Info Tech 100**	293.1	-4.6	-30.1	-35.4
S&P/BARRA Growth	489.4	-4.2	-17.7	-19.7
S&P/BARRA Value	481.1	-5.0	-12.9	-20.8
S&P Energy	212.3	0.1	0.5	-10.8
S&P Financials	327.0	-5.4	-8.0	-14.1
S&P REIT	101.6	0.8	8.7	8.2
S&P Transportation	190.3	-4.1	-3.4	0.7
S&P Utilities	120.3	-5.1	-17.5	-34.4
GST Internet	70.5	-11.1	-32.8	-46.3
PSE Technology	501.1	-6.4	-27.1	-28.9

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

BEST-PERFORMING GROUPS

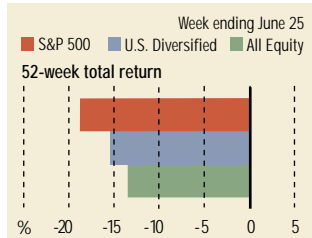
	Last month %		Last 12 months %
Railroads	2.1	Metal & Glass Containers	68.9
Oil & Gas Refining	1.6	Homebuilding	46.4
Managed Health-Care	1.4	Managed Health-Care	40.2
Homebuilding	1.4	Air Freight & Couriers	39.1
Specialty Chemicals	0.3	Housewares & Specialties	38.8

EQUITY FUND CATEGORIES

4-week total return	%	52-week total return	%
Leaders			
Real Estate	2.0	Precious Metals	71.1
International Hybrid	-4.5	Real Estate	15.5
Domestic Hybrid	-5.1	Pacific/Asia ex-Japan	6.6
Financial	-5.2	Small-cap Value	5.3
Laggards			
Technology	-17.7	Communications	-44.8
Communications	-17.1	Technology	-42.5
Latin America	-17.1	Health	-26.5
Health	-12.7	Utilities	-24.4

EQUITY FUNDS

4-week total return	%	52-week total return	%
Leaders			
Rydex Dynamic Vent. 100	43.6	U.S. Glob.Wld. Prec. Mins.	107.3
ProFunds UltraShort OTC	43.4	First Eagle SoGen Gold	102.7
Potomac OTC Short	20.5	U.S. Global Investors Gold	97.9
Rydex Arktos Investor	20.5	Van Eck Intl. Invs. Gold A	93.1
Laggards			
ProFunds UltraOTC Inv.	-33.9	ProFunds UltraOTC Inv.	-73.1
Black Oak Emerging Tech.	-29.9	Black Oak Emerging Tech.	-69.1
iShares Gold. Sachs Netwkg.	-28.2	Van Wagoner Post Venture	-65.1
iShares Gold. Sachs Semicr.	-25.2	Van Wagoner Technology	-63.8



Data: Standard & Poor's

GLOBAL MARKETS

	June 26	% change		
	Week	Year to date	Last 12 months	
S&P Euro Plus (U.S. Dollar)	968.8	-2.3	-10.5	-14.0
London (FT-SE 100)	4531.0	-2.6	-13.2	-19.2
Paris (CAC 40)	3701.1	-6.0	-20.0	-26.8
Frankfurt (DAX)	4099.1	-5.9	-20.6	-29.7
Tokyo (NIKKEI 225)	10,074.6	-3.8	-4.4	-21.5
Hong Kong (Hang Seng)	10,355.9	-3.0	-9.1	-20.4
Toronto (TSE 300)	7021.0	-3.1	-8.7	-7.8
Mexico City (IPC)	6171.6	-7.8	-3.1	-6.2

FUNDAMENTALS

	June 25	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.62%	1.52%	1.29%
S&P 500 P/E Ratio (Trailing 12 mos.)	41.9	44.0	28.6
S&P 500 P/E Ratio (Next 12 mos.)*	17.3	18.3	21.6
First Call Earnings Revision*	-0.84%	-0.68%	-5.32%

*First Call Corp.

TECHNICAL INDICATORS

	June 25	Wk. ago	Reading
S&P 500 200-day average	1102.6	1106.4	Negative
Stocks above 200-day average	56.0%	64.0%	Neutral
Options: Put/call ratio	0.95	0.88	Positive
Insiders: Vickers NYSE Sell/buy ratio	4.02	4.10	Negative

WORST-PERFORMING GROUPS

	Last month %		Last 12 months %
Wireless Services	-39.9	Multi-Utilities	-80.8
Advertising	-35.2	Wireless Services	-72.5
Semiconductors	-30.2	Computer Stge. & Perphs.	-65.8
Broadcasting & Cable TV	-27.6	Telecomms. Equipment	-56.5
Telecomms. Equipment	-27.0	Application Software	-55.2

THE WEEK AHEAD

CONSTRUCTION SPENDING *Monday, July 1, 10 a.m. EDT* Building outlays are forecast to have inched up 0.3% in May after a 0.2% gain in April. That's based on the median forecast of economists surveyed by Standard & Poor's MMS, a division of The McGraw-Hill Companies.

PURCHASING MANAGERS' INDEX *Monday, July 1, 10 a.m. EDT* The Institute for Supply Management's industrial activity index probably slipped to 55% in June, from 55.7% in May. While production and

new orders are increasing, only a few sectors are hiring additional workers.

VEHICLE SALES *Tuesday, July 2* Sales of U.S.-made and imported cars and light trucks probably totaled an annual rate of 16.4 million units for June, after falling to an annual rate of 15.5 million in May. Through May, vehicle sales are on a healthy yearly pace of 16.3 million units.

FACTORY INVENTORIES *Wednesday, July 3, 10 a.m. EDT* Manufacturing inventories

most likely fell 0.4% in May, following a 0.2% decline in April.

EMPLOYMENT *Friday, July 5, 8:30 a.m. EDT* Nonfarm payrolls in June most likely increased by 68,000 jobs, after adding 41,000 positions during May. Factory payrolls are forecast to have fallen by an additional 10,000 jobs. The unemployment rate is expected to inch back up to 5.9%, from 5.8% in May. The average workweek probably remained unchanged at 34.2 hours.

Interest Rates

KEY RATES

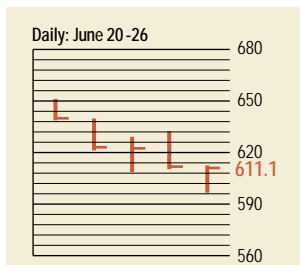
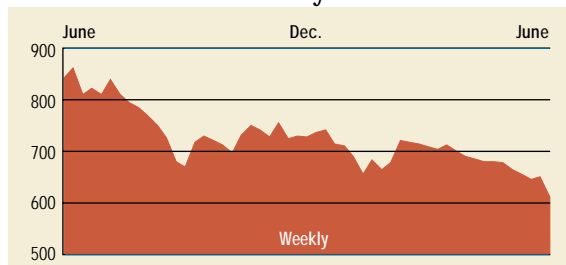
	June 26	Week ago	Year ago
MONEY MARKET FUNDS			
90-DAY TREASURY BILLS	1.47%	1.51%	3.88%
2-YEAR TREASURY NOTES	2.75	2.77	4.06
10-YEAR TREASURY NOTES	4.74	4.73	5.24
30-YEAR TREASURY BONDS	5.43	5.39	5.61
30-YEAR FIXED MORTGAGE†	6.54	6.55	7.08

†BanxQuote, Inc.

BLOOMBERG MUNI YIELD EQUIVALENTS

	10-yr. bond	30-yr. bond
Taxable equivalent yields on AAA-rated, tax-exempt municipal bonds, assuming a 30% federal tax rate.		
GENERAL OBLIGATIONS		
TAXABLE EQUIVALENT	4.09%	5.01%
TAXABLE EQUIVALENT		
INSURED REVENUE BONDS	5.84	7.16
TAXABLE EQUIVALENT	4.27	5.16
TAXABLE EQUIVALENT	6.10	7.37

The BusinessWeek Fifty



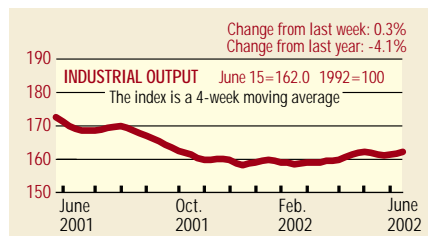
A dreary week for the BW 50, whose 5.9% decline lagged the major market indexes by a full percentage point. Philip Morris tumbled 18.1% on liability concerns, and scandal-wracked Tyco International plummeted 22.6%. Independent energy producer Calpine slid 33.6% after a rating downgrade. Citigroup, troubled by loans to WorldCom, tumbled 12%. Such losers easily outweighed the few bright spots, such as Bed Bath & Beyond.

COMPANY PERFORMANCE

Rank	Company	% change	
		Week	Since 3/1/02
1	Johnson & Johnson	-4.0	-11.1
2	Freddie Mac	-7.3	-5.2
3	Pfizer	-2.1	-14.6
4	MBNA	-5.1	-8.2
5	Philip Morris	-18.1	-14.5
6	KLA-Tencor	-8.0	-24.7
7	Fannie Mae	-6.9	-6.8
8	Lowe's	-2.1	-1.9
9	Best Buy	-7.6	-20.3
10	AmerisourceBergen	-6.9	13.1
11	UnitedHealth Group	-6.5	25.5
12	Exelon	-4.8	4.8
13	Home Depot	-2.9	-26.9
14	Wal-Mart Stores	-3.1	-10.3
15	Dynegy	-19.1	-75.6
16	General Dynamics	-4.1	13.4
17	Phillips Petroleum	0.9	-2.9
18	Forest Laboratories	-2.2	-11.5
19	Block (H&R)	-2.4	-10.7
20	Calpine	-33.6	-20.5
21	Occidental Petroleum	0.1	11.3
22	Sysco	-3.9	-10.3
23	Pulte Homes	2.5	10.9
24	Marathon Oil	-1.6	-4.1
25	Citigroup	-12.0	-18.2

Rank	Company	% change	
		Week	Since 3/1/02
26	Tenet Healthcare	-8.0	24.4
27	Household International	-5.6	-5.5
28	WellPoint Health Networks	-8.1	30.3
29	Washington Mutual	0.6	15.7
30	Duke Energy	-4.7	-11.4
31	Kohl's	-5.3	3.2
32	Bed Bath & Beyond	7.4	10.5
33	Cardinal Health	-4.2	-6.7
34	Centex	-1.1	-4.3
35	American Electric Power	-4.3	-8.7
36	Golden West Financial	-2.1	5.6
37	Stryker	-3.2	-14.6
38	Harley-Davidson	-4.2	-2.5
39	PepsiCo	-5.1	-2.5
40	Merck	-4.2	-17.9
41	Apache	3.1	8.3
42	Amerada Hess	1.6	14.5
43	KB Home	2.6	18.3
44	First Data	-6.9	-8.6
45	Tyco International	-22.6	-58.8
46	International Game Technology	-6.1	-18.5
47	Capital One Financial	-3.3	15.3
48	Electronic Data Systems	-10.3	-26.5
49	Nabors Industries	-5.5	1.7
50	Xcel Energy	-16.3	-34.1

BW Production Index



The production index rose during the latest week. Before calculation of the four-week moving average, the index inched up to 162.6 from 162.5. On a seasonally adjusted basis, steel output showed the strongest increase. Coal and railfreight traffic were also positive, while truck assemblies were nearly unchanged. Lumber fell back sharply, followed by a sizable drop in autos and smaller declines in electric-power production and crude-oil refining.

Information on each of the index components is at www.businessweek.com. BW production index Copyright 2002 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.

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