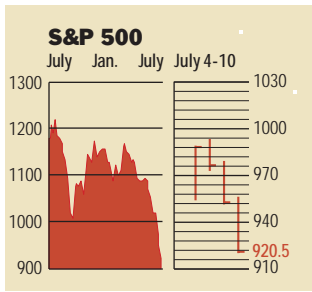


## Stocks



### COMMENTARY

President Bush's speech to Wall Street on July 9 did little to reassure the market. Stocks continued to slide. For the week, the S&P 500 sank 3.5% to its lowest level since August 1997. The Dow Jones industrial average lost 2.7% and the Nasdaq 2.5%. Along with fear of more corporate scandals and fear itself, investors are scared of the start of the new earnings reporting season.

Data: Bloomberg Financial Markets  
Reuters

## U.S. MARKETS

	July 10	Week	Year to date	Last 12 months
S&P 500	920.5	-3.5	-19.8	-22.1
Dow Jones Industrials	8813.5	-2.7	-12.1	-13.4
Nasdaq Composite	1346.0	-2.5	-31.0	-31.4
S&P MidCap 400	447.3	-3.2	-12.0	-10.1
S&P SmallCap 600	212.2	-2.0	-8.6	-3.7
Wilshire 5000	8716.4	-3.1	-18.6	-20.5

## SECTORS

	July 10	Week	Year to date	Last 12 months
BusinessWeek 50*	561.2	-5.9	-23.1	-31.3
BusinessWeek Info Tech 100**	288.8	-2.0	-31.1	-32.9
S&P/BARRA Growth	457.3	-3.8	-23.1	-21.8
S&P/BARRA Value	460.3	-3.2	-16.6	-23.0
S&P Energy	203.7	-4.1	-3.6	-9.5
S&P Financials	314.2	-2.8	-11.6	-14.8
S&P REIT	96.9	-2.3	3.8	4.8
S&P Transportation	189.2	-2.2	-3.9	-5.5
S&P Utilities	107.3	-8.3	-26.4	-44.5
GST Internet	66.3	-2.7	-36.9	-46.0
PSE Technology	458.3	-4.7	-33.3	-29.8

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

## BEST-PERFORMING GROUPS

Group	Last month %	Last 12 months %
Footwear	9.7	67.0
Metal & Glass Containers	0.5	35.7
Airport Services	NA	33.7
Alternate Carriers	NA	33.0
Retail Catalogs	NA	32.0

## GLOBAL MARKETS

	July 10	Week	Year to date	Last 12 months
S&P Euro Plus (U.S. Dollar)	979.8	2.3	-9.5	-10.3
London (FT-SE 100)	4420.1	0.6	-15.3	-18.0
Paris (CAC 40)	3656.4	0.9	-20.9	-25.6
Frankfurt (DAX)	4190.2	1.3	-18.8	-27.8
Tokyo (NIKKEI 225)	10,752.7	-0.6	2.0	-10.4
Hong Kong (Hang Seng)	10,787.5	2.0	-5.3	-13.9
Toronto (TSE 300)	6916.4	-1.5	-10.0	-8.5
Mexico City (IPC)	6371.3	0.7	0.0	-5.1

## FUNDAMENTALS

	July 9	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.67%	1.64%	1.32%
S&P 500 P/E Ratio (Trailing 12 mos.)	40.5	41.2	27.7
S&P 500 P/E Ratio (Next 12 mos.)*	16.7	16.8	20.8
First Call Earnings Surprise*	5.02%	6.47%	2.35%

\*First Call Corp.

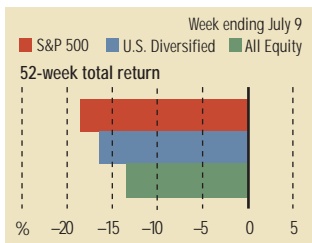
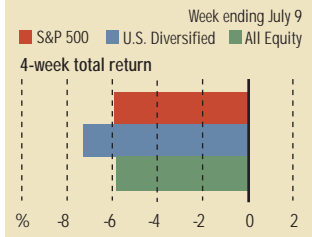
## TECHNICAL INDICATORS

	July 9	Wk. ago	Reading
S&P 500 200-day average	1098.2	1099.9	Negative
Stocks above 200-day average	48.0%	56.0%	Neutral
Options: Put/call ratio	0.88	0.82	Positive
Insiders: Vickers NYSE Sell/buy ratio	3.98	3.86	Negative

## WORST-PERFORMING GROUPS

Group	Last month %	Last 12 months %
Advertising	-32.1	-85.4
IT Consulting	-30.3	-71.4
Broadcasting & Cable TV	-26.9	-56.5
Office Electronics	-26.1	-54.9
Wireless Services	-24.7	-54.6
Multi-Utilities		-85.4
Wireless Services		-71.4
Movies & Entertainment		-56.5
Telecomms. Equipment		-54.9
Application Software		-54.6

## Mutual Funds



Data: Standard & Poor's

## EQUITY FUND CATEGORIES

Category	4-week total return %	52-week total return %
<b>Leaders</b>		
Japan	0.7	76.9
Diversified Pacific/Asia	0.0	15.0
Pacific/Asia ex-Japan	-0.1	12.5
Precious Metals	-1.4	9.4
<b>Laggards</b>		
Technology	-11.3	-45.5
Communications	-10.7	-40.5
Health	-10.1	-29.7
Mid-cap Growth	-9.6	-29.5

## EQUITY FUNDS

Fund	4-week total return %	52-week total return %
<b>Leaders</b>		
Rydex Dynamic Vent. 100	17.4	113.8
ProFunds UltraShort OTC	17.1	103.6
ProFunds UltraBear Inv.	11.3	95.3
Leuthold Grizzly Short	11.2	95.3
<b>Laggards</b>		
ProFunds UltraOTC Inv.	-21.1	-70.9
Van Wagoner Post Venture	-21.1	-66.9
Van Wagoner Technology	-20.1	-66.0
Monterey Mur. N. Wild. Tech.	-19.9	-63.8

## Interest Rates

Instrument	July 10	Week ago	Year ago
<b>KEY RATES</b>			
MONEY MARKET FUNDS	1.46%	1.48%	3.76%
90-DAY TREASURY BILLS	1.71	1.71	3.57
2-YEAR TREASURY NOTES	2.58	2.76	4.07
10-YEAR TREASURY NOTES	4.61	4.73	5.29
30-YEAR TREASURY BONDS	5.34	5.44	5.69
30-YEAR FIXED MORTGAGE†	6.46	6.54	7.18

†BanxQuote, Inc.

## BLOOMBERG MUNI YIELD EQUIVALENTS

Instrument	10-yr. bond	30-yr. bond
Taxable equivalent yields on AAA-rated, tax-exempt municipal bonds, assuming a 30% federal tax rate.		
GENERAL OBLIGATIONS	4.07%	4.95%
TAXABLE EQUIVALENT	5.81	7.07
INSURED REVENUE BONDS	4.24	5.17
TAXABLE EQUIVALENT	6.06	7.39

## THE WEEK AHEAD

**BUSINESS INVENTORIES** Monday, July 15, 8:30 a.m. EDT ► Inventories are forecast to have declined 0.2% in May. That's based on the median forecast of economists surveyed by Standard & Poor's MMS, a unit of The McGraw-Hill Companies. In April, inventories fell 0.2%.

**INDUSTRIAL PRODUCTION** Tuesday, July 16, 9:15 a.m. EDT ► Factory output in June most likely increased 0.5%, after rising 0.2% in May. The average operating rate probably increased to 75.8%.

**NEW RESIDENTIAL CONSTRUCTION** Wednesday, July 17, 8:30 a.m. EDT ► Housing starts most likely fell back to an annual rate of 1.68 million units in June.

**LEADING INDICATORS** Thursday, July 18, 10 a.m. EDT ► The Conference Board's June composite index of leading economic indicators probably rose by 0.1%.

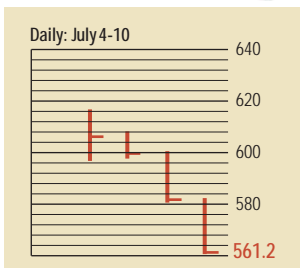
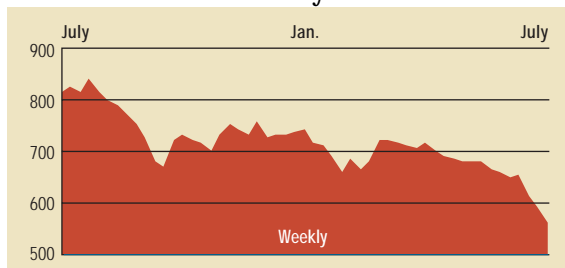
**CONSUMER PRICE INDEX** Friday, July 19, 8:30 a.m. EDT ► Consumer prices for goods and services are expected to have

risen 0.2% in June. Excluding the food and energy components, core prices in June probably rose by 0.2%.

**INTERNATIONAL TRADE** Friday, July 19, 8:30 a.m. EDT ► The trade deficit most likely narrowed slightly to \$35.3 billion in May, from \$35.9 billion in April.

**FEDERAL BUDGET** Friday, July 19, 2 p.m. EDT ► The U.S. Treasury probably ran a \$24 billion surplus in June, compared with a \$31.9 billion surplus in June, 2001.

## The BusinessWeek Fifty

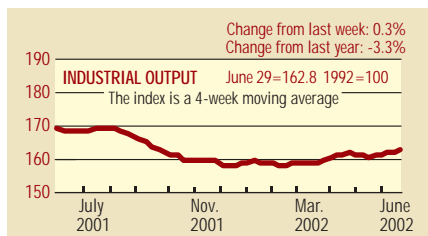


The BW 50 tumbled 5.9% for week ended July 10. Leading the decline were energy providers Calpine, Dynegy, and Duke Energy, which fell 17.8%, 16.0%, and 12.6%, respectively, on profit worries. Merck plunged 7.8% amid an accounting controversy and again postponed an IPO for Medco, which handles employee drug-benefits. Electronic Data Systems, climbing 5.1%, led the only five stocks of the BW 50 to rise for the week.

### COMPANY PERFORMANCE

Rank	Company	% change		Rank	Company	% change	
		Week	Since 3/1/02			Week	Since 3/1/02
1	Johnson & Johnson	-5.0	-17.4	26	Tenet Healthcare	-3.9	18.9
2	Freddie Mac	-4.1	-10.8	27	Household International	-8.3	-14.4
3	Pfizer	-4.5	-24.2	28	WellPoint Health Networks	-2.2	24.7
4	MBNA	-4.1	-11.1	29	Washington Mutual	-6.1	6.5
5	Phillip Morris	-0.2	-14.2	30	Duke Energy	-12.6	-26.3
6	KLA-Tencor	-4.6	-30.0	31	Kohl's	-0.3	3.5
7	Fannie Mae	-3.0	-10.9	32	Bed Bath & Beyond	-10.1	-2.2
8	Lowe's	-2.2	-4.8	33	Cardinal Health	-8.1	-20.5
9	Best Buy	0.8	-21.9	34	Centex	-4.4	-9.9
10	AmerisourceBergen	-9.6	-7.0	35	American Electric Power	-7.7	-19.6
11	UnitedHealth Group	-2.2	21.7	36	Golden West Financial	-4.2	0.8
12	Exelon	-8.0	-5.9	37	Stryker	-7.0	-23.6
13	Home Depot	-9.8	-33.5	38	Harley-Davidson	1.1	-3.9
14	Wal-Mart Stores	-2.3	-13.3	39	PepsiCo	-6.0	-11.7
15	Dynegy	-16.0	-77.9	40	Merck	-7.8	-29.0
16	General Dynamics	-0.6	13.6	41	Apache	-4.2	3.1
17	Phillips Petroleum	-2.6	-5.4	42	Amerada Hess	-3.4	11.4
18	Forest Laboratories	-5.2	-17.0	43	KB Home	-1.0	13.8
19	Block (H&R)	-0.5	-8.8	44	First Data	-10.2	-20.1
20	Calpine	-17.8	-27.2	45	Tyco International	2.7	-55.3
21	Occidental Petroleum	-3.4	3.9	46	International Game Technology	0.8	-16.1
22	Sysco	-3.8	-16.1	47	Capital One Financial	-10.6	4.3
23	Pulte Homes	-2.3	0.0	48	Electronic Data Systems	5.1	-42.4
24	Marathon Oil	-1.7	-6.9	49	Nabors Industries	-4.5	-1.7
25	Citigroup	-1.2	-19.2	50	Xcel Energy	-7.6	-40.8

## BW Production Index



The production index turned in a solid performance. Before calculation of the four-week moving average, the index climbed from 162.3 to 164. On a seasonally adjusted basis, electric power, along with auto and truck assemblies, drove the index higher. Coal and rail-freight traffic were also positive for the week. Steel and lumber output dropped, and crude-oil refining remained virtually unchanged. The production index during June rose to 162.7, from 161 for all of May.

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

## 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).