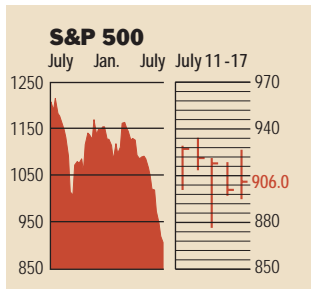


Stocks



COMMENTARY

Stocks fell for seven straight days before recovering on July 17. Worries over corporate misdeeds sent the Dow Jones industrial average plummeting 439 points on July 15, with the market swiftly soaring 394 points to close at 8639, down 45. The S&P 500 was at its lowest level since October, 1997. One bright spot was the Nasdaq Composite index. The dollar sagged.

Data: Bloomberg Financial Markets
Reuters

U.S. MARKETS

	July 17	Week	Year to date	Last 12 months
S&P 500	906.0	-1.6	-21.1	-25.4
Dow Jones Industrials	8542.5	-3.1	-14.8	-19.5
Nasdaq Composite	1397.3	3.8	-28.4	-32.4
S&P MidCap 400	443.6	-0.8	-12.7	-12.6
S&P SmallCap 600	203.2	-4.3	-12.5	-10.6
Wilshire 5000	8595.5	-1.4	-19.7	-23.7

SECTORS

	July 17	Week	Year to date	Last 12 months
BusinessWeek 50*	543.7	-3.1	-25.5	-34.8
BusinessWeek Info Tech 100**	295.5	2.3	-29.5	-33.0
S&P/BARRA Growth	457.0	-0.1	-23.1	-24.7
S&P/BARRA Value	446.2	-3.1	-19.2	-26.6
S&P Energy	190.0	-6.7	-10.1	-13.7
S&P Financials	305.8	-2.7	-13.9	-19.4
S&P REIT	93.7	-3.4	0.3	0.3
S&P Transportation	181.5	-4.1	-7.9	-14.7
S&P Utilities	104.3	-2.9	-28.5	-44.4
GSTI Internet	70.2	5.9	-33.1	-43.7
PSE Technology	481.6	5.1	-29.9	-29.4

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

BEST-PERFORMING GROUPS

Group	Last month %	Group	Last 12 months %
Wireless Services	8.5	Metal & Glass Containers	44.3
Computer Stge. & Perphs.	4.3	Managed Health-Care	26.6
Footwear	1.1	Housewares & Specialties	25.3
Networking Equipment	-2.4	Air Freight & Couriers	20.0
Oil & Gas Refining	-2.6	Gold Mining	20.0

EQUITY FUND CATEGORIES

Category	4-week total return %	Category	52-week total return %
Leaders		Leaders	
Japan	0.9	Precious Metals	63.6
Diversified Pacific/Asia	-0.8	Pacific/Asia ex-Japan	13.9
Pacific/Asia ex-Japan	-0.9	Diversified Emerging Mkts.	9.6
Diversified Emerging Mkts.	-3.7	Real Estate	7.4
Laggards		Laggards	
Health	-14.6	Communications	-46.3
Small-cap Growth	-14.3	Technology	-41.9
Mid-cap Growth	-14.0	Utilities	-32.0
Miscellaneous	-13.1	Health	-30.0

EQUITY FUNDS

Fund	4-week total return %	Fund	52-week total return %
Leaders		Leaders	
ProFunds UltraBear Inv.	29.8	First Eagle SoGen Gold	101.6
Rydex Dynam. Tempest 500	29.7	Van Eck Intl. Invs. Gold A	90.4
Rydex Dynam. Venture 100	20.0	Matthews Korea	87.5
ProFunds UltraShort OTC	19.6	Rydex Dynam. Venture 100	84.5
Laggards		Laggards	
Nevis	-25.2	ProFunds UltraOTC Inv.	-73.0
ProFunds UltraBull Inv.	-25.1	Black Oak Emerging Tech.	-66.3
ProFunds UltraOTC Inv.	-23.1	Van Wagoner Post Venture	-64.7
Elite New Opportunity	-22.3	Van Wagoner Technology	-62.1

Data: Standard & Poor's

GLOBAL MARKETS

	July 17	Week	Year to date	Last 12 months
S&P Euro Plus (U.S. Dollar)	942.6	-3.8	-12.9	-14.3
London (FT-SE 100)	4190.6	-5.2	-19.7	-22.5
Paris (CAC 40)	3440.9	-5.9	-25.6	-29.3
Frankfurt (DAX)	4092.8	-2.3	-20.7	-28.6
Tokyo (NIKKEI 225)	10,296.0	-4.2	-2.3	-13.4
Hong Kong (Hang Seng)	10,335.1	-4.2	-9.3	-16.8
Toronto (TSE 300)	6699.7	-3.1	-12.9	-12.9
Mexico City (IPC)	6403.3	0.5	0.5	0.1

FUNDAMENTALS

	July 16	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.76%	1.67%	1.29%
S&P 500 P/E Ratio (Trailing 12 mos.)	38.2	40.5	28.4
S&P 500 P/E Ratio (Next 12 mos.)*	15.7	16.7	21.5
First Call Earnings Surprise*	1.48%	5.02%	1.61%

*First Call Corp.

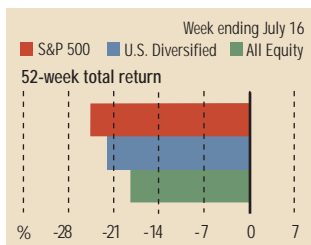
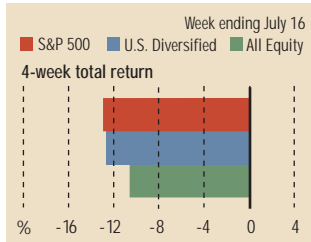
TECHNICAL INDICATORS

	July 16	Wk. ago	Reading
S&P 500 200-day average	1096.1	1098.2	Negative
Stocks above 200-day average	32.0%	48.0%	Positive
Options: Put/call ratio	0.84	0.88	Positive
Insiders: Wickers NYSE Sell/buy ratio	3.61	3.98	Negative

WORST-PERFORMING GROUPS

Group	Last month %	Group	Last 12 months %
Multi-Utilities	-32.0	Multi-Utilities	-86.8
IT Consulting	-26.8	Wireless Services	-68.4
Consumer Finance	-24.4	Application Software	-56.2
Office Electronics	-22.9	Movies & Entertainment	-55.3
Constr. & Engineering	-22.3	Telecomms. Equipment	-52.5

Mutual Funds



Data: Standard & Poor's

Interest Rates

KEY RATES

Instrument	July 17	Week ago	Year ago
MONEY MARKET FUNDS	1.44%	1.46%	3.69%
90-DAY TREASURY BILLS	1.71	1.71	3.52
2-YEAR TREASURY NOTES	2.60	2.58	3.96
10-YEAR TREASURY NOTES	4.68	4.61	5.09
30-YEAR TREASURY BONDS	5.45	5.34	5.52
30-YEAR FIXED MORTGAGE†	6.46	6.46	7.08

†BancQuote, Inc.

BLOOMBERG MUNI YIELD EQUIVALENTS

Taxable equivalent yields on AAA-rated, tax-exempt municipal bonds, assuming a 30% federal tax rate.

Instrument	10-yr. bond	30-yr. bond
GENERAL OBLIGATIONS	3.99%	4.88%
TAXABLE EQUIVALENT	5.70	6.97
INSURED REVENUE BONDS	4.20	5.12
TAXABLE EQUIVALENT	6.00	7.31

THE WEEK AHEAD

DURABLE GOODS ORDERS *Thursday, July 25, 8:30 a.m. EDT* ▶ New orders for durable goods during June probably grew 0.6%, after a 0.9% increase in May. That's based on the median forecast of economists surveyed by Standard & Poor's MMS, a unit of The McGraw-Hill Companies. While new orders are on the rise, factories are still experiencing a decline in the backlog of unfilled orders.

EMPLOYMENT COST INDEX *Thursday, July 25, 8:30 a.m. EDT* ▶ Compensation in the

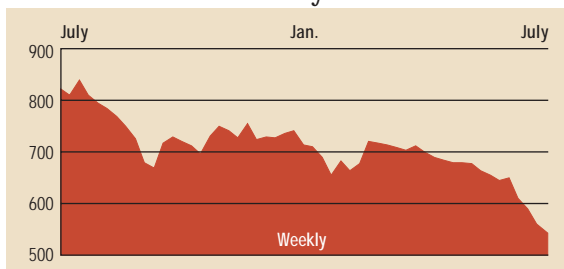
second quarter most likely increased 0.8%, after rising 0.9% over the first quarter. For the year ended in March, compensation rose by 3.9%, compared to a 4% pace a year earlier. Benefits were up by 4.9%, while wage gains increased 3.5%.

NEW RESIDENTIAL SALES *Thursday, July 25, 10 a.m. EDT* ▶ New single-family home sales in May probably retreated to an annual rate of 980,000, according to the median forecast by S&P's MMS. During

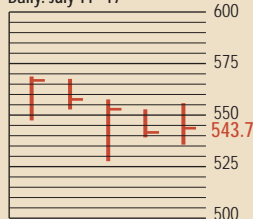
May, sales reached a record level of 1.03 million homes. The decreasing likelihood of an interest-rate hike by the Federal Reserve in the near future is pushing mortgage rates back down to the low levels of last year.

EXISTING HOME SALES *Thursday, July 25, 10 a.m. EDT* ▶ Sales of existing homes in June are forecast to have slipped to an annual pace of 5.7 million. In May, existing-home sales edged down to 5.75 million units.

The BusinessWeek Fifty



Daily: July 11 - 17

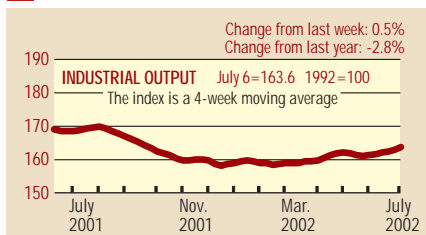


The BW 50 matched the decline in the Dow Jones industrial average, falling 3.1%. The BW stocks were pulled down by Capital One Financial, which plunged 40.7% on July 17 as regulators asked the company to increase its loan loss reserves. Duke Energy, down 13.8% during the week, was pummeled after it admitted it conducted sham energy trades. One bright spot was Forest Laboratories, up 12.9% on a positive earnings surprise.

COMPANY PERFORMANCE

Rank	Company	% change		Rank	Company	% change	
		Week	Since 3/1/02			Week	Since 3/1/02
1	Johnson & Johnson	1.9	-15.9	26	Tenet Healthcare	3.8	23.4
2	Freddie Mac	4.1	-7.1	27	Household International	-3.9	-17.7
3	Pfizer	-5.7	-28.6	28	WellPoint Health Networks	0.8	25.6
4	MBNA	-10.0	-20.0	29	Washington Mutual	-0.4	6.1
5	Philip Morris	-2.3	-16.2	30	Duke Energy	-13.8	-36.5
6	KLA-Tencor	10.1	-22.9	31	Kohl's	-9.8	-6.6
7	Fannie Mae	4.1	-7.2	32	Bed Bath & Beyond	-5.1	-7.2
8	Lowe's	-11.4	-15.6	33	Cardinal Health	4.5	-16.9
9	Best Buy	-8.3	-28.4	34	Centex	-7.2	-16.3
10	AmerisourceBergen	2.4	-4.7	35	American Electric Power	-2.3	-21.4
11	UnitedHealth Group	4.8	27.6	36	Golden West Financial	-3.0	-2.3
12	Exelon	-3.4	-9.1	37	Stryker	8.8	-16.8
13	Home Depot	-7.1	-38.2	38	Harley-Davidson	-1.6	-5.5
14	Wal-Mart Stores	-10.2	-22.2	39	PepsiCo	-5.0	-16.1
15	Dynegy	-7.1	-79.4	40	Merck	2.1	-27.4
16	General Dynamics	-12.7	-0.8	41	Apache	-5.3	-2.4
17	Phillips Petroleum	-7.3	-12.3	42	Amerada Hess	-2.6	8.4
18	Forest Laboratories	12.9	-6.3	43	KB Home	-7.7	5.0
19	Block (H&R)	1.4	-7.5	44	First Data	9.4	-12.6
20	Calpine	-0.9	-27.9	45	Tyco International	-7.8	-58.8
21	Occidental Petroleum	-5.2	-1.5	46	International Game Technology	-2.5	-18.1
22	Sysco	-1.5	-17.3	47	Capital One Financial	-40.7	-38.1
23	Pulte Homes	-10.7	-10.7	48	Electronic Data Systems	-0.2	-42.5
24	Marathon Oil	-5.9	-12.4	49	Nabors Industries	-8.3	-9.9
25	Citigroup	1.0	-18.4	50	Xcel Energy	7.1	-36.5

BW Production Index



The production index rose for a sixth straight week. Before calculation of the four-week moving average, the index climbed to 165.6 from 164. Even after seasonal adjustments, auto and truck assemblies rose despite plant closures for the Independence Day holiday and annual model changeovers. Steel, crude-oil refining, and electric power production posted strong gains, while coal and rail-freight traffic rose at more moderate clips. Lumber was the only component to fall.

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.