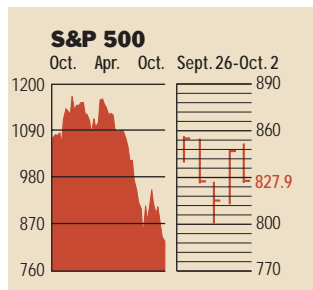


## Stocks



### COMMENTARY

On Sept. 30, the Dow and NASDAQ hit 52-week lows before rebounding the next day on positive comments from Verizon and Dell, and the hope that the worst may be over. But on Oct. 2, stocks fell once again. For the week, the NASDAQ, S&P 500, and Dow lost 2.9%, 1.4%, and 1.1%, respectively, on war worries, weak manufacturing numbers, and profits warnings.

Data: Bloomberg Financial Markets  
Reuters

### U.S. MARKETS

	Oct. 2	Week	Year to date	Last 12 months
S&P 500	827.9	-1.4	-27.9	-21.3
Dow Jones Industrials	7755.6	-1.1	-22.6	-13.4
Nasdaq Composite	1187.3	-2.9	-39.1	-20.4
S&P MidCap 400	404.9	-2.2	-20.3	-5.8
S&P SmallCap 600	187.6	-0.3	-19.2	-1.8
Wilshire 5000	7859.7	-1.4	-26.6	-18.4

### SECTORS

	Oct. 2	Week	Year to date	Last 12 months
BusinessWeek 50*	528.7	0.8	-27.6	-24.8
BusinessWeek Info Tech 100**	244.3	-2.4	-41.7	-28.4
S&P/BARRA Growth	429.7	-1.9	-27.7	-19.4
S&P/BARRA Value	395.3	-0.9	-28.4	-23.7
S&P Energy	176.5	1.3	-16.5	-13.8
S&P Financials	279.2	0.1	-21.4	-17.1
S&P REIT	90.6	-2.4	-3.0	0.7
S&P Transportation	164.8	-0.1	-16.3	1.6
S&P Utilities	94.3	2.9	-35.4	-40.1
GST Internet	61.5	-2.4	-41.4	-18.3
PSE Technology	391.4	-3.1	-43.1	-23.9

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

### GLOBAL MARKETS

	Oct. 2	Week	Year to date	Last 12 months
S&P Euro Plus (U.S. Dollar)	779.9	4.6	-27.9	-18.5
London (FT-SE 100)	3905.2	5.7	-25.2	-20.0
Paris (CAC 40)	2940.8	5.6	-36.4	-26.9
Frankfurt (DAX)	2926.7	-1.2	-43.3	-34.0
Tokyo (NIKKEI 225)	9049.3	-1.3	-14.2	-8.8
Hong Kong (Hang Seng)	9109.4	-1.0	-20.1	-8.0
Toronto (TSE 300)	6100.7	-1.0	-20.7	-10.8
Mexico City (IPC)	5827.7	0.3	-8.5	8.7

### FUNDAMENTALS

	Oct. 1	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.84%	1.90%	1.47%
S&P 500 P/E Ratio (Trailing 12 mos.)	30.4	29.1	34.6
S&P 500 P/E Ratio (Next 12 mos.)*	NA	15.4	19.5
First Call Earnings Surprise*	-2.69%	0.94%	-0.75%

\*First Call Corp.

### TECHNICAL INDICATORS

	Oct. 1	Wk. ago	Reading
S&P 500 200-day average	1035.9	1043.4	Negative
Stocks above 200-day average	29.0%	24.0%	Positive
Options: Put/call ratio	0.80	1.00	Positive
Insiders: Vickers NYSE Sell/buy ratio	1.27	1.22	Positive

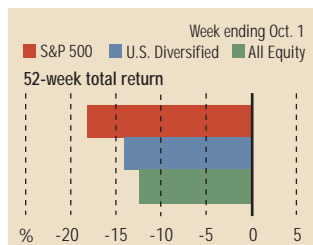
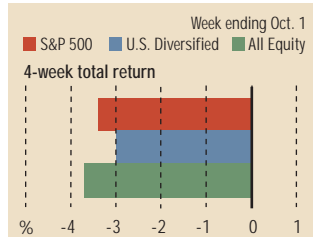
### BEST-PERFORMING GROUPS

Group	Last month %	Last 12 months %
Health-Care Facilities	4.9	67.2
Casinos	4.1	46.0
Health-Care Supplies	3.6	36.8
Agricultural Products	2.4	29.1
Oil & Gas Exploration	1.3	28.0

### WORST-PERFORMING GROUPS

Group	Last month %	Last 12 months %
IT Consulting	-46.4	-87.2
Multi-Utilities	-32.6	-73.2
Tires & Rubber	-31.2	-57.1
Networking Equipment	-27.3	-55.1
Office Electronics	-25.8	-54.3

## Mutual Funds



Data: Standard & Poor's

### EQUITY FUND CATEGORIES

Category	4-week total return %	52-week total return %
<b>Leaders</b>		
Health	2.0	47.3
Natural Resources	-0.9	12.9
Mid-cap Growth	-1.5	11.9
Domestic Hybrid	-2.1	8.9
<b>Laggards</b>		
Latin America	-9.4	-41.0
Technology	-8.2	-30.3
Pacific/Asia ex-Japan	-8.2	-29.1
Europe	-8.1	-24.1

### EQUITY FUNDS

Fund	4-week total return %	52-week total return %
<b>Leaders</b>		
Oppenheimer Real Asset A	7.7	75.4
Fidelity Sel. Medcl. Del.	6.4	65.8
Live Oak Health Sciences	6.1	64.6
Fidelity Sel. Multimedia	5.8	63.2
<b>Laggards</b>		
Frontier Equity	-24.1	-57.3
Apex Mid Cap Growth	-23.8	-55.8
Corbin Small Cap Value	-21.5	-54.7
Black Oak Emerging Tech.	-19.1	-51.9

## Interest Rates

	Oct. 2	Week ago	Year ago
<b>KEY RATES</b>			
MONEY MARKET FUNDS	1.38%	1.37%	2.97%
90-DAY TREASURY BILLS	1.56	1.64	2.22
2-YEAR TREASURY NOTES	1.71	1.95	2.75
10-YEAR TREASURY NOTES	3.67	3.75	4.48
30-YEAR TREASURY BONDS	4.72	4.72	5.30
30-YEAR FIXED MORTGAGE†	6.00	5.98	6.51

†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	3.41%	4.59%
TAXABLE EQUIVALENT	4.87	6.56
INSURED REVENUE BONDS	3.61	4.83
TAXABLE EQUIVALENT	5.16	6.90

## THE WEEK AHEAD

**INSTALLMENT CREDIT** *Monday, Oct. 7, 3 p.m. EDT* ► Consumers are forecast to have taken on an additional \$9.8 billion of new debt in August. That's based on the median prediction of economists surveyed by MMS International. In July, consumer debt rose by \$10.8 billion. The accumulation of nonrevolving debt slowed in July, despite continued interest-free financing programs for vehicles. Revolving debt, consisting largely of credit-card debt, jumped by \$6.5 billion, the largest rise since November, 2001.

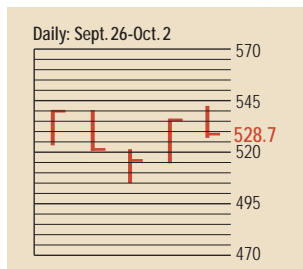
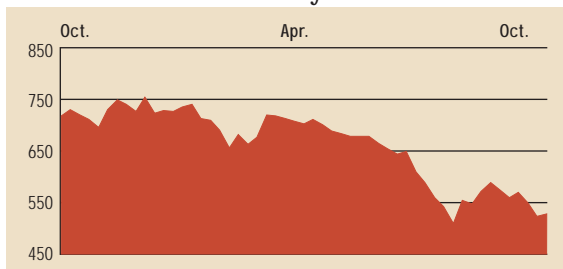
**EXPORT-IMPORT PRICES** *Thursday, Oct. 10, 8:30 a.m. EDT* ► Import prices in September most likely increased by 0.3% for a second straight month, while export prices probably edged up 0.2%. Uncertainty over Iraq is pushing up the price of crude-oil imports. In July, petroleum prices climbed 2.1% from June. They were up 5.6% from a year ago.

**RETAIL SALES** *Friday, Oct. 11, 8:30 a.m. EDT* ► Because of a fallback in auto sales, total retail sales are expected to have

dropped 0.2% in September, after three strong monthly gains. Excluding vehicles, sales most likely grew by 0.3%, after increasing 0.4% in August.

**PRODUCER PRICE INDEX** *Friday, Oct. 11, 8:30 a.m. EDT* ► Producer prices of finished goods probably rose 0.2% in September after holding steady in August. Excluding food and energy, core prices most likely increased 0.1%, after a 0.1% fall in August. So far, oil prices are having a minimal effect on overall inflation.

## The BusinessWeek Fifty

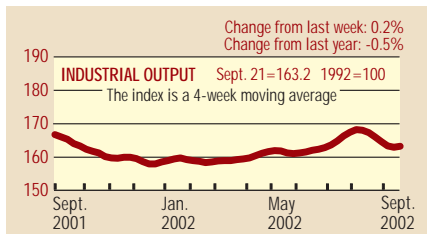


The BW 50 ended the week in healthy territory, in contrast to the broader market. Drugmaker Forest Laboratories set the pace, rising 11.3% after announcing it would handily beat profit estimates. Tenet Healthcare rose 7.4%; it reported net income had doubled. In addition, financial stocks and oil companies were strong. The laggards: retailers Best Buy and Kohl's, which fell on a report of weakening U.S. retail sales.

### COMPANY PERFORMANCE

Rank	Company	% change		Rank	Company	% change	
		Week	Since 3/1/02			Week	Since 3/1/02
1	Johnson & Johnson	8.7	-4.3	26	Tenet Healthcare	7.4	33.9
2	Freddie Mac	3.1	-7.4	27	Household International	-2.9	-47.0
3	Pfizer	2.4	-26.8	28	WellPoint Health Networks	4.2	25.9
4	MBNA	-1.3	-19.9	29	Washington Mutual	2.1	-2.8
5	Philip Morris	-4.8	-25.0	30	Duke Energy	4.5	-45.7
6	KLA-Tencor	-1.9	-49.1	31	Kohl's	-10.5	-12.0
7	Fannie Mae	2.2	-17.4	32	Bed Bath & Beyond	-7.2	-6.4
8	Lowe's	-1.1	-9.0	33	Cardinal Health	-0.7	-4.7
9	Best Buy	-12.8	-52.9	34	Centex	1.1	-23.8
10	AmerisourceBergen	-0.4	4.9	35	American Electric Power	6.2	-34.5
11	UnitedHealth Group	2.5	23.5	36	Golden West Financial	0.3	-2.5
12	Exelon	7.0	-1.0	37	Stryker	2.5	-6.9
13	Home Depot	-9.6	-50.1	38	Harley-Davidson	0.2	-8.7
14	Wal-Mart Stores	-1.4	-17.2	39	PepsiCo	2.0	-25.2
15	Dynegy	-10.3	-95.9	40	Merck	-1.6	-23.4
16	General Dynamics	1.4	-8.5	41	Apache	2.6	11.1
17	ConocoPhillips	-1.5	-20.0	42	Amerada Hess	4.2	-0.9
18	Forest Laboratories	11.3	12.2	43	KB Home	2.8	13.7
19	Block (H&R)	-3.5	-14.9	44	First Data	-1.7	-30.7
20	Calpine	-11.0	-66.9	45	Tyco International	-10.3	-53.8
21	Occidental Petroleum	3.6	7.9	46	International Game Technology	0.7	0.8
22	Sysco	-2.0	-3.6	47	Capital One Financial	-5.0	-31.8
23	Pulte Homes	0.2	-17.5	48	Electronic Data Systems	9.9	-77.4
24	Marathon Oil	1.7	-17.8	49	Nabors Industries	2.4	-8.7
25	Citigroup	5.4	-30.2	50	Xcel Energy	5.8	-59.6

## BW Production Index



The production index managed a small increase during the latest week. Before calculation of the four-week moving average, the index jumped to 165.1 from 163.4. The seasonally adjusted output of both auto and truck assemblies led the index higher, showing strong gains for a second straight week. Steel and lumber were also up. All three energy components—electric power production, crude oil refining, and coal—declined. Rail-freight traffic was nearly unchanged.

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.

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For more investment data and the components of the production index, visit [www.businessweek.com](http://www.businessweek.com).