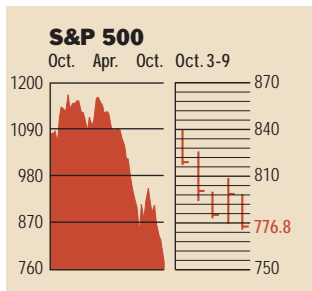


Stocks



COMMENTARY

Markets continued to fall, setting new lows for the year. On Oct. 9, the Dow, S&P 500, and NASDAQ sank 2.9%, 2.7%, and 1.3%, respectively, on profit worries. Among the Dow Jones Industrials, only two stocks—Procter & Gamble and Coca Cola—are in positive territory for the year, while the worst performer, J.P. Morgan Chase, has fallen 57.5%.

Data: Bloomberg Financial Markets
Reuters

U.S. MARKETS

		% change		
	Oct. 9	Week	Year to date	Last 12 months
S&P 500	776.8	-6.2	-32.3	-26.5
Dow Jones Industrials	7286.3	-6.1	-27.3	-19.5
Nasdaq Composite	1114.1	-6.2	-42.9	-29.0
S&P MidCap 400	372.9	-7.9	-26.6	-14.8
S&P SmallCap 600	170.7	-9.0	-26.5	-12.0
Wilshire 5000	7342.9	-6.6	-31.4	-24.4

SECTORS

		% change		
	Oct. 9	Week	Year to date	Last 12 months
BusinessWeek 50*	504.3	-4.6	-30.9	-29.3
BusinessWeek Info Tech 100**	236.4	-3.2	-43.6	-33.7
S&P/BARRA Growth	412.7	-4.0	-30.6	-23.5
S&P/BARRA Value	361.1	-8.6	-34.6	-30.2
S&P Energy	170.7	-3.3	-19.2	-19.7
S&P Financials	250.2	-10.4	-29.6	-22.7
S&P REIT	82.7	-8.7	-11.5	-7.8
S&P Transportation	156.7	-4.9	-20.5	-3.5
S&P Utilities	77.3	-18.0	-47.0	-52.0
GST Internet	58.1	-5.6	-44.7	-26.1
PSE Technology	367.1	-6.2	-46.6	-33.0

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

BEST-PERFORMING GROUPS

	Last month %	Last 12 months %
Soft Drinks	4.4	59.1
Health-Care Facilities	1.6	31.9
Agricultural Products	0.3	28.2
Packaged Foods	-0.7	19.6
Health-Care Equipment	-1.8	17.7

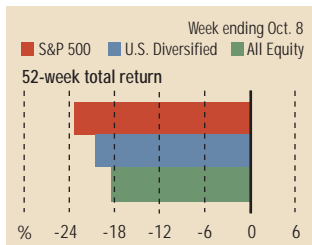
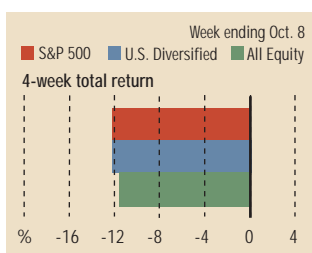
EQUITY FUND CATEGORIES

4-week total return	%	52-week total return	%
Leaders			
Health	-4.8	Precious Metals	39.9
Domestic Hybrid	-7.2	Diversified Emerging Mkts.	7.0
International Hybrid	-7.8	Pacific/Asia ex-Japan	5.3
Diversified Pacific/Asia	-8.3	Real Estate	2.7
Laggards			
Technology	-19.8	Communications	-46.4
Communications	-14.0	Technology	-41.1
Financial	-13.9	Utilities	-34.4
Large-cap Value	-13.5	Health	-25.4

EQUITY FUNDS

4-week total return	%	52-week total return	%
Leaders			
Rydex Dynam. Venture 100	32.4	First Eagle SoGen Gold	66.9
ProFunds UltraShort OTC	32.2	Van Eck Troika Dialog A	65.8
Rydex Dynam. Tempest 500	26.7	ING Russia A	65.7
ProFunds UltraBear Inv.	26.6	Tocqueville Gold	56.8
Laggards			
Red Oak Tech. Select	-34.0	ProFunds UltraOTC Inv.	-66.9
Berkshire Focus	-33.0	Rydex Dynam. Velocity 100	-65.6
Black Oak Emerging Tech.	-32.9	Black Oak Emerging Tech.	-64.0
Conseco Science & Tech. A	-32.2	Berkshire Focus	-60.1

Mutual Funds



Data: Standard & Poor's

GLOBAL MARKETS

		% change		
	Oct. 9	Week	Year to date	Last 12 months
S&P Euro Plus (U.S. Dollar)	715.3	-8.3	-33.9	-29.0
London (FT-SE 100)	3742.4	-4.2	-28.3	-27.4
Paris (CAC 40)	2656.5	-9.7	-42.6	-38.5
Frankfurt (DAX)	2597.9	-11.2	-49.7	-43.7
Tokyo (NIKKEI 225)	8539.3	-5.6	-19.0	-14.3
Hong Kong (Hang Seng)	8977.4	-1.4	-21.2	-12.8
Toronto (S&P/TSX Composite)	5695.3	-6.6	-25.9	-17.1
Mexico City (IPC)	5762.4	-1.1	-9.6	3.7

FUNDAMENTALS

	Oct. 8	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.96%	1.84%	1.47%
S&P 500 P/E Ratio (Trailing 12 mos.)	28.6	30.4	34.9
S&P 500 P/E Ratio (Next 12 mos.)*	14.1	NA	19.7
First Call Earnings Surprise*	-1.95%	-2.69%	0.09%

*First Call Corp.

TECHNICAL INDICATORS

	Oct. 8	Wk. ago	Reading
S&P 500 200-day average	1027.6	1035.9	Negative
Stocks above 200-day average	21.0%	29.0%	Positive
Options: Put/call ratio	0.89	0.80	Positive
Insiders: Vickers NYSE Sell/buy ratio	1.35	1.27	Positive

WORST-PERFORMING GROUPS

	Last month %	Last 12 months %	
IT Consulting	-53.5	Multi-Utilities	-90.5
Multi-Utilities	-41.3	Wireless Services	-78.0
Tires & Rubber	-39.4	IT Consulting	-63.7
Office Electronics	-37.7	Telecomms. Equip.	-59.9
Group	-33.0	Multi-Utilities	-58.1

Interest Rates

KEY RATES	Oct. 9	Week ago	Year ago
MONEY MARKET FUNDS	1.36%	1.38%	2.84%
90-DAY TREASURY BILLS	1.56	1.56	2.21
2-YEAR TREASURY NOTES	1.68	1.71	2.76
10-YEAR TREASURY NOTES	3.57	3.67	4.60
30-YEAR TREASURY BONDS	4.66	4.72	5.36
30-YEAR FIXED MORTGAGE†	5.97	6.00	6.55

†BanxQuote, Inc.

BLOOMBERG MUNI YIELD EQUIVALENTS

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

	10-yr. bond	30-yr. bond
GENERAL OBLIGATIONS	3.46%	4.60%
TAXABLE EQUIVALENT	4.94	6.57
INSURED REVENUE BONDS	3.65	4.87
TAXABLE EQUIVALENT	5.21	6.96

THE WEEK AHEAD

BUSINESS INVENTORIES Tuesday, Oct. 15, 8:30 a.m. EDT ► Inventories probably rose 0.1% in August, according to the median forecast of economists surveyed by MMS International. July inventories rose 0.4%.

NEW RESIDENTIAL CONSTRUCTION Thursday, Oct. 17, 8:30 a.m. EDT ► Housing starts in September likely edged up to an annual rate of 1.62 million.

INDUSTRIAL PRODUCTION Thursday, Oct. 17, 9:15 a.m. EDT ► Factory output in Sep-

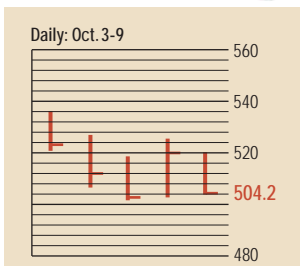
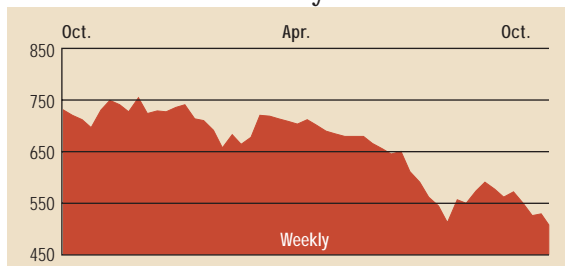
tember probably remained unchanged, following a 0.3% decline in August. The average operating rate most likely eased to 75.9%, after slipping to 76% during August. After a broad global rebound in manufacturing in the first half of the year, the recovery is losing steam.

CONSUMER PRICE INDEX Friday, Oct. 18, 8:30 a.m. EDT ► Consumer prices for goods and services most likely grew by 0.2% in September, following a 0.3% increase in August. Excluding the food and

energy components, core inflation probably grew by a similar 0.2%, after a 0.3% rise. Despite the recent rise in crude oil prices, energy costs are still a damper on annual inflation, with fuel prices down 3% from a year ago.

INTERNATIONAL TRADE Friday, Oct. 18, 8:30 a.m. EDT ► The foreign-trade deficit is expected to have widened to \$35 billion during August, from \$34.6 billion in July. Imports in August probably grew by a larger amount than exports did.

■ The BusinessWeek Fifty

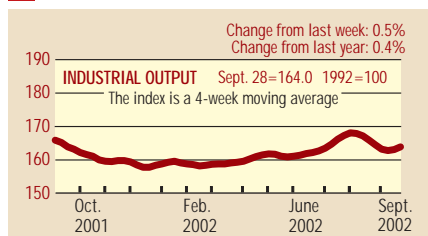


The BW 50 fell 4.6% for the week ending Oct. 9, a bit better than the broader indexes. PepsiCo helped pace the list, rising 10.2% on analyst upgrades. And health-care related companies, including Stryker and Forest Laboratories, up 7.1% and 2.5%, respectively, again added a glow. Among the losers was KB Home, which fell 15.1%, on concerns of a possible housing bubble.

COMPANY PERFORMANCE

Rank	Company	% change		Rank	Company	% change	
		Week	Since 3/1/02			Week	Since 3/1/02
1	Johnson & Johnson	-3.6	-7.7	26	Tenet Healthcare	-2.4	30.6
2	Freddie Mac	-8.5	-15.3	27	Household International	-23.1	-59.2
3	Pfizer	-2.5	-28.6	28	WellPoint Health Networks	1.3	27.6
4	MBNA	-17.3	-33.8	29	Washington Mutual	-9.6	-12.1
5	Philip Morris	-7.2	-30.4	30	Duke Energy	-13.7	-53.1
6	KLA-Tencor	-11.2	-54.8	31	Kohl's	-8.6	-19.5
7	Fannie Mae	-4.5	-21.2	32	Bed Bath & Beyond	-0.1	-6.5
8	Lowe's	-8.9	-17.1	33	Cardinal Health	-2.1	-6.7
9	Best Buy	-15.1	-60.0	34	Centex	-13.9	-34.3
10	AmerisourceBergen	1.2	6.1	35	American Electric Power	-38.4	-59.7
11	UnitedHealth Group	1.7	25.5	36	Golden West Financial	-6.8	-9.2
12	Exelon	-12.0	-12.9	37	Stryker	7.1	-0.3
13	Home Depot	-5.2	-52.7	38	Harley-Davidson	-0.5	-9.2
14	Wal-Mart Stores	-1.1	-18.2	39	PepsiCo	10.2	-17.6
15	Dynegy	-34.6	-97.3	40	Merck	-2.8	-25.6
16	General Dynamics	-8.9	-16.6	41	Apache	-7.7	2.5
17	ConocoPhillips	-5.6	-24.4	42	Amerada Hess	-9.2	-10.0
18	Forest Laboratories	2.5	15.0	43	KB Home	-15.1	-3.6
19	Block (H&R)	-12.7	-25.8	44	First Data	-5.9	-34.7
20	Calpine	-31.7	-77.4	45	Tyco International	-8.6	-57.7
21	Occidental Petroleum	-2.3	5.4	46	International Game Technology	-1.9	-1.1
22	Sysco	1.3	-2.4	47	Capital One Financial	-21.1	-46.2
23	Pulte Homes	-14.6	-29.6	48	Electronic Data Systems	-15.6	-80.9
24	Marathon Oil	-9.6	-25.7	49	Nabors Industries	-5.6	-13.7
25	Citigroup	-9.2	-36.6	50	Xcel Energy	-20.8	-68.0

■ BW Production Index



The production index increased, putting the index above its year-ago level. Before calculation of the four-week moving average, the index climbed to 165.7, from 165.1. After seasonal adjustments, autos and trucks once again had the biggest gains, along with gains in coal and rail-freight traffic. Lumber posted the largest decline, followed by electric power production, crude-oil refining, and steel. The production index for all of September slipped to 164, from 165.4 for all of August.

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.