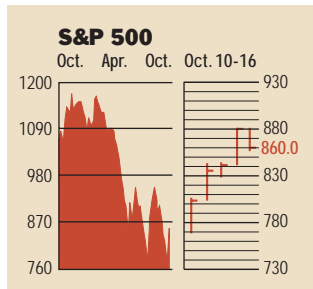


Stocks



COMMENTARY

A rally that contributed to the largest four-day gains in almost 70 years ended on Oct. 16 with a 219-point drop in the Dow. The upward momentum was lost after the largest chipmaker, Intel, said it expected lower sales. It didn't help that Motorola, Boeing, and Coca-Cola cut profit forecasts. Still, the Dow, NASDAQ, and the S&P 500 gained more than 10% for the week.

Data: Bloomberg Financial Markets
Reuters

U.S. MARKETS

	Oct. 16	Week	% change	
			Year to date	Last 12 months
S&P 500	860.0	10.7	-25.1	-20.2
Dow Jones Industrials	8036.0	10.3	-19.8	-13.0
Nasdaq Composite	1232.4	10.6	-36.8	-25.1
S&P MidCap 400	409.5	9.8	-19.4	-8.5
S&P SmallCap 600	183.5	7.5	-21.0	-8.9
Wilshire 5000	8091.0	10.2	-24.4	-18.4

SECTORS

	Oct. 16	Week	% change	
			Year to date	Last 12 months
BusinessWeek 50*	559.2	10.9	-23.4	-23.9
BusinessWeek Info Tech 100**	261.9	10.7	-37.6	-30.3
S&P/BARRA Growth	450.0	9.0	-24.3	-18.0
S&P/BARRA Value	406.9	12.7	-26.3	-23.0
S&P Energy	184.5	8.1	-12.7	-14.8
S&P Financials	294.1	17.5	-17.2	-12.6
S&P REIT	86.5	4.7	-7.4	-3.9
S&P Transportation	167.9	7.2	-14.7	-1.4
S&P Utilities	80.7	4.4	-44.7	-51.3
GSTI Internet	71.9	23.9	-31.5	-21.3
PSE Technology	410.6	11.8	-40.3	-29.0

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

BEST-PERFORMING GROUPS

Group	Last month %	Last 12 months %
Internet Software	46.7	46.7
Motorcycles	12.3	36.7
Biotechnology	12.1	32.1
Photographic Products	9.9	31.8
Distillers & Vintners	6.6	29.4

EQUITY FUND CATEGORIES

Category	4-week total return %	52-week total return %
Leaders		
Health	3.4	40.2
Large-cap Growth	1.4	5.0
Natural Resources	1.2	4.0
Large-cap Blend	0.6	4.0
Laggards		
Precious Metals	-13.3	-41.9
Latin America	-9.6	-36.7
Pacific/Asia ex-Japan	-8.7	-33.8
Diversified Emerging Mkts.	-7.6	-24.7

EQUITY FUNDS

Fund	4-week total return %	52-week total return %
Leaders		
Fidelity Sel. Energy Serv.	9.3	67.9
Smith Barney Telcms. Income	9.1	57.0
Strong Advisor Select A	7.7	56.1
Fidelity Select Multimedia	7.5	54.7
Laggards		
Frontier Equity	-26.0	-65.3
Apex Mid Cap Growth	-23.2	-62.9
Corbin Small Cap Value	-22.0	-62.5
U.S. Glob. Wrld. Prec. Minls.	-17.8	-61.2

GLOBAL MARKETS

	Oct. 16	Week	% change	
			Year to date	Last 12 months
S&P Euro Plus (U.S. Dollar)	801.4	12.0	-25.9	-21.3
London (FT-SE 100)	4057.7	8.4	-22.2	-22.0
Paris (CAC 40)	3067.7	15.5	-33.7	-30.5
Frankfurt (DAX)	3008.9	15.8	-41.7	-35.2
Tokyo (NIKKEI 225)	8884.9	2.0	-15.7	-17.4
Hong Kong (Hang Seng)	9459.1	5.4	-17.0	-7.8
Toronto (S&P/TSX Composite)	6157.1	5.6	-19.9	-11.5
Mexico City (IPC)	5924.9	2.8	-7.0	6.9

FUNDAMENTALS

	Oct. 15	Wk. ago	Yr. ago
S&P 500 Dividend Yield	1.78%	1.96%	1.42%
S&P 500 P/E Ratio (Trailing 12 mos.)	31.4	28.6	36.1
S&P 500 P/E Ratio (Next 12 mos.)*	15.9	14.1	20.6
First Call Earnings Surprise*	1.68%	-1.95%	1.89%

*First Call Corp.

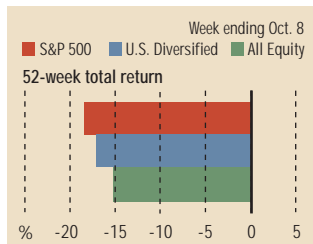
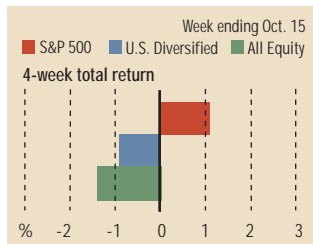
TECHNICAL INDICATORS

	Oct. 15	Wk. ago	Reading
S&P 500 200-day average	1019.5	1027.6	Negative
Stocks above 200-day average	24.0%	21.0%	Positive
Options: Put/call ratio	0.81	0.89	Positive
Insiders: Vickers NYSE Sell/buy ratio	1.37	1.35	Positive

WORST-PERFORMING GROUPS

Group	Last month %	Last 12 months %
IT Consulting	-42.9	-89.1
Tires & Rubber	-30.7	-67.1
Office Electronics	-24.7	-60.9
Multi-Utilities	-24.0	-60.6
Constr. & Engineering	-23.0	-59.7

Mutual Funds



Data: Standard & Poor's

Interest Rates

KEY RATES

	Oct. 16	Week ago	Year ago
MONEY MARKET FUNDS	1.36%	1.36%	2.74%
90-DAY TREASURY BILLS	1.64	1.56	2.21
2-YEAR TREASURY NOTES	2.01	1.68	2.77
10-YEAR TREASURY NOTES	4.04	3.57	4.57
30-YEAR TREASURY BONDS	5.01	4.66	5.31
30-YEAR FIXED MORTGAGE†	6.16	5.97	6.57

†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	3.62%	4.75%
TAXABLE EQUIVALENT	5.17	6.79
INSURED REVENUE BONDS	3.79	5.04
TAXABLE EQUIVALENT	5.41	7.20

THE WEEK AHEAD

LEADING INDICATORS *Monday, Oct. 21, 10 a.m. EDT* ▶ The Conference Board's index of leading indicators probably fell 0.2% in September, the same decline as in August. That's the median forecast of economists polled by mms International.

FEDERAL BUDGET *Tuesday, Oct. 22, 2 p.m. EDT* ▶ The federal government will probably post a surplus of \$37 billion in September. If so, the deficit for fiscal 2002, which ended on Sept. 30, totaled \$163 billion, compared with a surplus of \$127

billion in 2001. Both higher spending and lower taxes contributed to the sharp turnaround in federal finances.

BEIGE BOOK *Wednesday, Oct. 23, 2 p.m. EDT* ▶ The Federal Reserve will publish its roundup of regional economic activity to gauge how businesses are performing. The Beige Book is prepared in advance of the Nov. 6 monetary policy meeting.

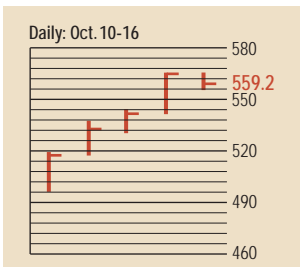
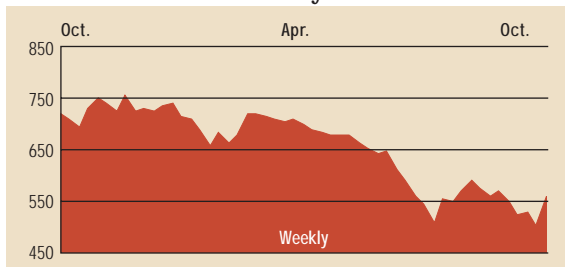
DURABLE GOODS ORDERS *Friday, Oct. 25, 8:30 a.m. EDT* ▶ New orders for durable

goods very likely fell 1% in September, after a 0.6% slip in August.

NEW RESIDENTIAL SALES *Friday, Oct. 25, 10 a.m. EDT* ▶ New single-family homes probably sold at an annual rate of 978,000 in September, down from 996,000 in August.

EXISTING HOME SALES *Friday, Oct. 25, 10 a.m. EDT* ▶ Existing home sales were probably little changed in September, at a 5.3 million annual pace.

The BusinessWeek Fifty

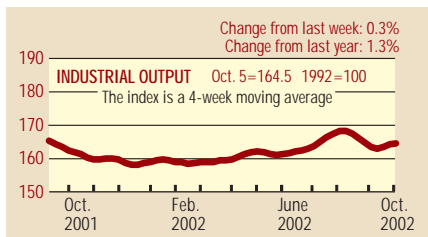


The BW50 soared along with the broader stock market, up 10.9% for the week. Not a single company in the index posted losses, with financial stocks' double-digit returns leading the way: Citigroup, Washington Mutual, and Golden West Financial, were among the top performers. Subprime lender Household International was the biggest gainer, up 32%, despite a 54% drop in third-quarter net income.

COMPANY PERFORMANCE

Rank	Company	% change		Rank	Company	% change	
		Week	Since 3/1/02			Week	Since 3/1/02
1	Johnson & Johnson	4.8	-3.3	26	Tenet Healthcare	0.5	31.3
2	Freddie Mac	15.1	-2.6	27	Household International	32.1	-46.1
3	Pfizer	9.1	-22.1	28	WellPoint Health Networks	11.8	42.7
4	MBNA	19.5	-20.9	29	Washington Mutual	15.7	1.7
5	Philip Morris	5.4	-26.7	30	Duke Energy	12.6	-47.2
6	KLA-Tencor	12.2	-49.4	31	Kohl's	5.2	-15.4
7	Fannie Mae	12.8	-11.1	32	Bed Bath & Beyond	8.1	1.1
8	Lowe's	11.6	-7.5	33	Cardinal Health	10.1	2.8
9	Best Buy	7.7	-56.9	34	Centex	14.2	-25.1
10	AmerisourceBergen	2.4	8.7	35	American Electric Power	3.9	-58.1
11	UnitedHealth Group	7.7	35.2	36	Golden West Financial	13.8	3.3
12	Exelon	4.9	-8.6	37	Stryker	1.5	1.1
13	Home Depot	20.2	-43.1	38	Harley-Davidson	15.1	4.5
14	Wal-Mart Stores	11.9	-8.5	39	PepsiCo	4.7	-13.8
15	Dynegy	19.1	-96.8	40	Merck	9.4	-18.6
16	General Dynamics	3.7	-13.5	41	Apache	5.1	7.8
17	ConocoPhillips	7.6	-18.7	42	Amerada Hess	5.5	-5.0
18	Forest Laboratories	6.8	22.8	43	KB Home	8.3	4.5
19	Block (H&R)	17.5	-12.8	44	First Data	18.7	-22.5
20	Calpine	35.5	-69.4	45	Tyco International	4.6	-55.8
21	Occidental Petroleum	5.7	11.4	46	International Game Technology	4.2	3.1
22	Sysco	3.6	1.1	47	Capital One Financial	5.1	-43.5
23	Pulte Homes	14.6	-19.2	48	Electronic Data Systems	21.6	-76.8
24	Marathon Oil	6.7	-20.7	49	Nabors Industries	11.9	-3.4
25	Citigroup	25.9	-20.2	50	Xcel Energy	17.2	-62.5

BW Production Index



The production index continued to climb in the latest week. However, before calculation of the four-week moving average, the index slipped to 164, from 165.7. On a seasonally adjusted basis, the output of autos, trucks, and crude-oil refining fell sharply. Rail-freight traffic was down, as were coal, steel, and lumber. Electric power production was the only component to post an increase. Part of the production weakness may reflect difficulty getting supplies because of the West Coast dock shutdown.

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.