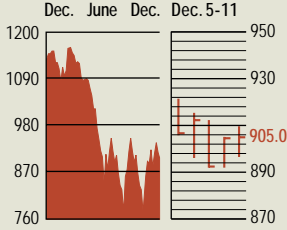


## STOCKS

### S&P 500

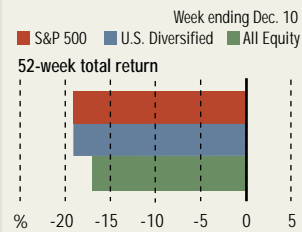
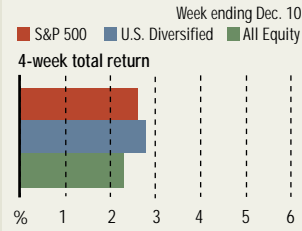


## COMMENTARY

The equity markets are on track to end the year not with a bang, but a groan. Adding to investor gloom was a Dec. 6 report from the Labor Dept. that the unemployment rate rose to 6% in November as the economy shed another 40,000 jobs. For the week, the S&P 500, the Dow, and NASDAQ fell 1.4%, 1.7%, and 2.4%, respectively.

Data: Bloomberg Financial Markets (Reuters)

## MUTUAL FUNDS



Data: Standard & Poor's

## U.S. MARKETS

	DEC. 11	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	905.0	-1.4	-21.2	-20.4
Dow Jones Industrials	8589.1	-1.7	-14.3	-13.2
NASDAQ Composite	1396.6	-2.4	-28.4	-30.6
S&P MidCap 400	437.5	-0.8	-13.9	-11.7
S&P SmallCap 600	200.9	-0.6	-13.5	-10.2
Wilshire 5000	8562.7	-1.3	-20.0	-19.0

## SECTORS

BusinessWeek 50*	558.1	-0.9	-23.5	-22.7
BusinessWeek Info Tech 100**	298.1	-3.4	-28.9	-31.0
S&P/BARRA Growth	467.0	-1.6	-21.5	-21.1
S&P/BARRA Value	434.8	-1.2	-21.2	-20.2
S&P Energy	185.4	0.7	-12.2	-7.4
S&P Financials	305.2	-1.1	-14.1	-12.7
S&P REIT	90.6	-0.4	-3.0	-2.5
S&P Transportation	172.7	0.5	-12.3	-10.5
S&P Utilities	94.3	2.5	-35.4	-31.4
GSTI Internet	79.3	-3.4	-24.4	-27.6
PSE Technology	476.3	-2.5	-30.7	-32.9

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

## BEST-PERFORMING GROUPS

Group	Last Month %	Last 12 Months %
Paper Packaging	29.1	33.4
Computer Stores	27.8	23.4
Telecomms. Equipment	21.1	21.4
Computer Stge. & Perphs.	18.2	15.8
Office Electronics	17.7	15.7

## EQUITY FUND CATEGORIES

Category	4-WEEK TOTAL RETURN %	52-WEEK TOTAL RETURN %
<b>LEADERS</b>		
Natural Resources	5.6	54.0
Technology	4.8	4.5
Small-cap Value	4.7	0.1
Small-cap Blend	4.4	-2.9
<b>LAGGARDS</b>		
Japan	-0.8	-41.3
Europe	-0.8	-39.9
Foreign	-0.3	-26.9
Precious Metals	-0.3	-24.5

## EQUITY FUNDS

Fund	4-WEEK TOTAL RETURN %	52-WEEK TOTAL RETURN %
<b>LEADERS</b>		
Firsthand Tech. Innovators	15.3	89.7
Nevis	14.9	73.8
Strong Multi Cap Value	13.7	71.9
New York Equity	13.3	69.4
<b>LAGGARDS</b>		
American Heritage	-30.0	-76.5
ProFunds UltraSh. OTC Inv.	-9.7	-69.7
Rydex Dynam. Vent. 100	-9.6	-68.7
Frontier Equity	-8.7	-67.1

## GLOBAL MARKETS

	DEC. 11	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	855.5	-1.5	-20.9	-19.8
London (FT-SE 100)	3974.9	-1.8	-23.8	-22.4
Paris (CAC 40)	3190.1	-0.3	-31.0	-29.3
Frankfurt (DAX)	3196.1	-3.8	-38.1	-36.9
Tokyo (NIKKEI 225)	8727.7	-3.1	-17.2	-19.2
Hong Kong (Hang Seng)	9784.6	-2.1	-14.1	-17.4
Toronto (S&P/TSX Composite)	6587.3	-0.4	-14.3	-13.1
Mexico City (IPC)	6135.4	-0.8	-3.7	-0.2

## FUNDAMENTALS

	DEC. 10	WK. AGO	YR. AGO
S&P 500 Dividend Yield	1.75%	1.72%	1.37%
S&P 500 P/E Ratio (Trailing 12 mos.)	29.5	29.9	45.8
S&P 500 P/E Ratio (Next 12 mos.)*	16.4	16.7	21.7
First Call Earnings Revision*	-2.02%	-2.40%	-2.24%

\*First Call Corp.

## TECHNICAL INDICATORS

	DEC. 10	WK. AGO	READING
S&P 500 200-day average	976.7	982.3	Negative
Stocks above 200-day average	28.0%	28.0%	Positive
Options: Put/call ratio	0.76	0.70	Positive
Insiders: Vickers NYSE Sell/buy ratio	1.97	1.70	Positive

## WORST-PERFORMING GROUPS

Group	Last Month %	Last 12 Months %
Agricultural Products	-9.6	-70.2
Distillers & Vintners	-8.4	-56.9
Health-Care Services	-7.0	-56.9
Environmental Services	-6.2	-56.7
Tobacco	-4.3	-53.8

## INTEREST RATES

### KEY RATES

	DEC. 11	WEEK AGO	YEAR AGO
<b>MONEY MARKET FUNDS</b>	1.11%	1.14%	2.01%
<b>90-DAY TREASURY BILLS</b>	1.19	1.21	1.67
<b>2-YEAR TREASURY NOTES</b>	1.85	1.98	2.94
<b>10-YEAR TREASURY NOTES</b>	4.02	4.15	4.98
<b>30-YEAR TREASURY BONDS</b>	4.88	5.00	5.46
<b>30-YEAR FIXED MORTGAGE†</b>	6.02	6.08	7.07

†BancQuote, 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
<b>GENERAL OBLIGATIONS</b>	3.91%	4.77%
<b>TAXABLE EQUIVALENT</b>	5.59	6.81
<b>INSURED REVENUE BONDS</b>	4.05	5.00
<b>TAXABLE EQUIVALENT</b>	5.79	7.14

## THE WEEK AHEAD

**CONSUMER PRICE INDEX** *Tuesday, Dec. 17, 8:30 a.m. EST* ▶ Consumer prices for goods and services very likely rose 0.2% in November. That's based on the median forecast of economists surveyed by MMS International. Minus food and energy, core inflation probably grew 0.2% as well.

**NEW RESIDENTIAL CONSTRUCTION** *Tuesday, Dec. 17, 8:30 a.m. EST* ▶ Housing starts during November very likely picked back up to an annual rate of 1.66 million.

**INDUSTRIAL PRODUCTION** *Tuesday, Dec. 17, 9:15 a.m. EST* ▶ Factory output in Novem-

ber is forecast to have slipped 0.1%, after a 0.8% fall in the prior month. The average operating rate most likely inched up to 75.4% from 75.2% in October.

**INTERNATIONAL TRADE** *Wednesday, Dec. 18, 8:30 a.m. EST* ▶ The foreign trade deficit probably narrowed to \$37.8 billion in October, from \$38 billion in September.

**LEADING INDICATORS** *Thursday, Dec. 19, 10 a.m. EST* ▶ The Conference Board's index of leading indicators most likely rose 0.4% in November.

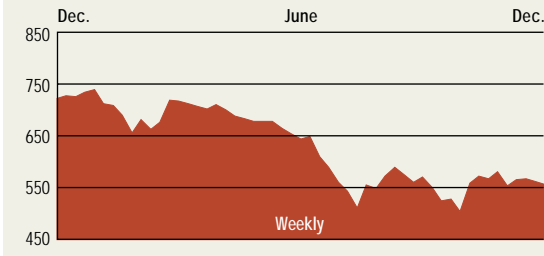
**FEDERAL BUDGET** *Thursday, Dec. 19, 2 p.m. EST* ▶ The federal government is expected to report a deficit of \$60 billion for November.

The BusinessWeek production index held steady in the week ended Nov. 30 at 162.9, up 2.1% from a year ago. More complete information is available at [www.businessweek.com](http://www.businessweek.com).

**BusinessWeek** online

For the BW 50, more investment data, and the components of the production index visit [www.businessweek.com](http://www.businessweek.com)

## THE BUSINESSWEEK FIFTY



Daily: Dec. 5-11

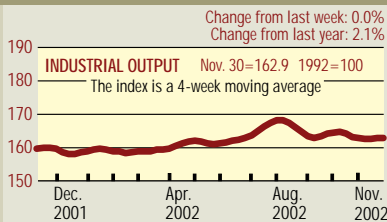


**THE BW 50** managed to edge out the broader indexes, falling 0.9% for the week. Although led nominally by Electronic Data Systems' 10.1% rise, oil companies such as Marathon Oil, rising 5.1%, and Occidental Petroleum, up 2.1%, fueled performance, helped along by nonbank financials, Freddie Mac and Fannie Mae. Forest Laboratories, the best-performing stock since Mar. 1, fell 12.8% after the FDA asked for additional data on its new hypertension drug.

### COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/02			WEEK	SINCE 3/1/02
1	Johnson & Johnson	-1.0	-7.8	26	Tenet Healthcare	-7.7	-55.1
2	Freddie Mac	2.0	-7.3	27	Household International	-0.5	-45.7
3	Pfizer	2.2	-22.8	28	WellPoint Health Networks	2.6	16.4
4	MBNA	-4.8	-13.5	29	Washington Mutual	2.7	11.8
5	Philip Morris	3.1	-22.5	30	Duke Energy	-1.8	-45.2
6	KLA-Tencor	-2.4	-32.5	31	Kohl's	-0.5	-9.1
7	Fannie Mae	2.5	-16.1	32	Bed Bath & Beyond	-4.3	-0.7
8	Lowe's	-4.4	-12.1	33	Cardinal Health	-3.5	-6.5
9	Best Buy	-4.7	-43.1	34	Centex	-1.2	-17.9
10	AmerisourceBergen	-9.5	-15.6	35	American Electric Power	-4.1	-40.2
11	UnitedHealth Group	0.0	14.6	36	Golden West Financial	3.4	11.7
12	Exelon	4.4	5.5	37	Stryker	1.3	6.2
13	Home Depot	2.9	-46.5	38	Harley-Davidson	2.8	-5.2
14	Wal-Mart Stores	-4.5	-16.1	39	PepsiCo	-0.5	-14.6
15	Dynegy	-13.3	-96.2	40	Merck	-0.8	-4.8
16	General Dynamics	-2.6	-11.1	41	Apache	3.5	7.6
17	ConocoPhillips	0.7	-16.1	42	Amerada Hess	2.6	-16.3
18	Forest Laboratories	-12.8	17.6	43	KB Home	-2.3	-5.4
19	Block (H&R)	-0.8	-22.1	44	First Data	2.2	-10.8
20	Calpine	-5.9	-52.2	45	Tyco International	-0.3	-41.6
21	Occidental Petroleum	2.1	4.7	46	International Game Technology	-1.1	10.7
22	Sysco	1.0	0.9	47	Capital One Financial	-6.6	-34.6
23	Pulte Homes	0.0	-13.4	48	Electronic Data Systems	10.1	-68.2
24	Marathon Oil	5.1	-23.1	49	Nabors Industries	-4.0	0.9
25	Citigroup	-4.2	-14.5	50	Xcel Energy	1.4	-56.5

### BW PRODUCTION INDEX



The **production index** was unchanged for the week. Before calculation of the four-week moving average, the index fell to 162.6 from 164.2. On a seasonally adjusted basis, lumber output and rail-freight traffic showed significant declines, possibly skewed by the late Thanksgiving holiday. Coal and steel were also lower. Autos and trucks had the largest gains, followed by crude-oil refining and electric power. The index in November fell to 162.8 from 163.1 for October.

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.