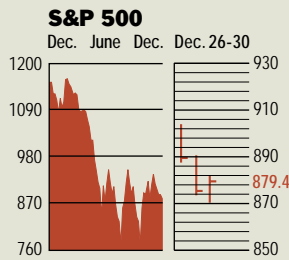


## STOCKS



### COMMENTARY

The holiday cheer did not extend to the equity markets as stocks continued to lose ground in the final week of 2002. Leading the slide was the tech-laden NASDAQ, which slipped 2.4%, followed by the S&P 500, off 1.5%, and the Dow, down another 1.4%. The silver lining is that decline came on very light volume as investors kept to the sidelines ahead of the new year.

Data: Bloomberg Financial Markets, Reuters

### U.S. MARKETS

	DEC. 30	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	879.4	-1.5	-23.4	-24.0
Dow Jones Industrials	8332.9	-1.4	-16.9	-17.8
NASDAQ Composite	1339.5	-2.4	-31.3	-32.6
S&P MidCap 400	427.5	-1.2	-15.9	-16.9
S&P SmallCap 600	196.0	-1.0	-15.6	-16.3
Wilshire 5000	8333.5	-1.4	-22.2	-22.7

### SECTORS

	DEC. 30	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
BusinessWeek 50*	542.8	-1.0	-25.6	-26.7
BusinessWeek Info Tech 100**	286.0	-2.6	-31.8	-32.8
S&P/BARRA Growth	449.9	-1.5	-24.3	-25.5
S&P/BARRA Value	426.6	-1.4	-22.7	-22.8
S&P Energy	182.7	-2.0	-13.5	-14.0
S&P Financials	297.8	-1.3	-16.2	-16.0
S&P REIT	90.7	0.1	-2.9	-2.9
S&P Transportation	170.1	-0.3	-13.7	-14.3
S&P Utilities	97.7	0.4	-33.0	-33.0
GSTI Internet	74.3	-4.9	-29.2	-28.9
PSE Technology	457.8	-3.1	-33.4	-33.9

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

### GLOBAL MARKETS

	DEC. 30	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	839.3	-0.8	-22.4	-22.4
London (FT-SE 100)	3900.6	-1.1	-25.2	-25.6
Paris (CAC 40)	3025.1	-1.8	-34.6	-34.6
Frankfurt (DAX)	2892.6	-3.6	-43.9	-43.9
Tokyo (NIKKEI 225)	8579.0	0.8	-18.6	-18.6
Hong Kong (Hang Seng)	9272.3	-3.0	-18.6	-18.9
Toronto (S&P/TSX Composite)	6617.6	0.1	-13.9	-13.5
Mexico City (IPC)	6124.5	-0.4	-3.9	-4.6

### FUNDAMENTALS

	DEC. 27	WK. AGO	YR. AGO
S&P 500 Dividend Yield	1.81%	1.78%	1.36%
S&P 500 P/E Ratio (Trailing 12 mos.)	28.4	28.9	47.8
S&P 500 P/E Ratio (Next 12 mos.)*	NA	16.4	21.8
First Call Earnings Revision*	-1.40%	-1.11%	-0.71%

\*First Call Corp.

### TECHNICAL INDICATORS

	DEC. 27	WK. AGO	READING
S&P 500 200-day average	961.5	964.2	Negative
Stocks above 200-day average	28.0%	28.0%	Positive
Options: Put/call ratio	0.71	0.72	Positive
Insiders: Vickers NYSE Sell/buy ratio	NA	2.56	Negative

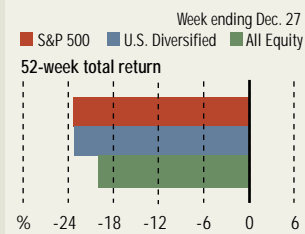
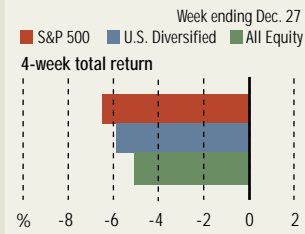
### BEST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Gold Mining	26.6	Metal & Glass Containers	35.2
Tobacco	9.7	Gold Mining	26.9
Paper Products	9.4	Photographic Products	16.3
Fertilizers & Ag. Chems.	7.3	Specialty Chemicals	10.8
Metal & Glass Containers	7.1	Divsfd. Metals & Mining	10.1

### WORST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Semiconductors	-24.9	Multi-Utilities	-69.9
Semiconductor Equip.	-23.7	Wireless Services	-59.0
Employment Services	-21.5	IT Consulting	-57.8
Wireless Services	-20.3	Tires & Rubber	-57.5
Movies & Entertainment	-18.9	Telecomms. Equipment	-53.9

## MUTUAL FUNDS



Data: Standard & Poor's

### EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>		<b>LEADERS</b>	
Precious Metals	24.1	Precious Metals	72.3
Latin America	2.7	Real Estate	3.3
Natural Resources	1.5	Diversified Emerging Mkts.	-4.1
Real Estate	0.2	Natural Resources	-5.8
<b>LAGGARDS</b>		<b>LAGGARDS</b>	
Technology	-12.6	Technology	-42.7
Communications	-9.3	Communications	-41.5
Large-cap Growth	-7.0	Health	-31.5
Small-cap Growth	-6.5	Small-cap Growth	-28.7

### EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>		<b>LEADERS</b>	
Van Eck Intl. Invs. Gold A	32.6	First Eagle SoGen Gold	113.4
Am. Cent. Gl. Gold Inv.	29.4	Monterey OCM Gold	100.4
Fidelity Select Gold	28.2	Van Eck Intl. Invs. Gold A	97.3
Gabelli Gold	28.1	Gabelli Gold	92.9
<b>LAGGARDS</b>		<b>LAGGARDS</b>	
ProFunds UltraSemicdr. Inv.	-32.5	ProFunds UltraWriss. Serv.	-79.8
Apex Mid Cap Growth	-23.2	ProFunds UltraOTC Inv.	-70.3
Reynolds	-22.5	ProFunds UltraSemicdr. Inv.	-69.7
Rydex Electronics Inv.	-22.5	Rydex Dynam. Veloc. 100	-69.4

## INTEREST RATES

### KEY RATES

	DEC. 30	WEEK AGO	YEAR AGO
<b>MONEY MARKET FUNDS</b>	1.04%	1.05%	1.81%
<b>90-DAY TREASURY BILLS</b>	1.19	1.18	1.73
<b>2-YEAR TREASURY NOTES</b>	1.59	1.72	3.20
<b>10-YEAR TREASURY NOTES</b>	3.79	3.92	5.16
<b>30-YEAR TREASURY BONDS</b>	4.75	4.87	5.56
<b>30-YEAR FIXED MORTGAGE†</b>	5.93	5.93	7.21

†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
<b>GENERAL OBLIGATIONS</b>	3.74%	4.70%
<b>TAXABLE EQUIVALENT</b>	5.34	6.71
<b>INSURED REVENUE BONDS</b>	3.90	4.93
<b>TAXABLE EQUIVALENT</b>	5.57	7.04

## THE WEEK AHEAD

**NONMANUFACTURING BUSINESS ACTIVITY** Monday, Jan. 6, 10 a.m. EST ► The Institute for Supply Management's December non-manufacturing-activity index probably edged up to 58%, after jumping to 57.4% in November.

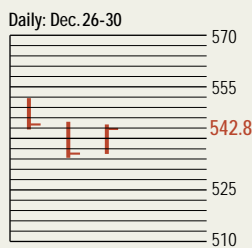
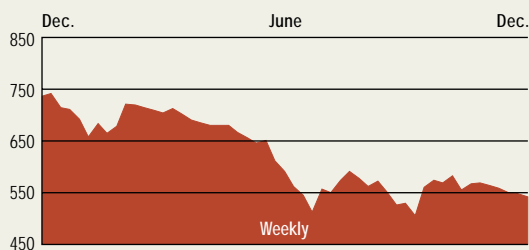
**FACTORY INVENTORIES** Tuesday, Jan. 7, 10 a.m. EST ► Manufacturing inventories in November most likely fell 0.2%, after holding steady in October. Inventories appear to be stabilizing, but the clouded outlook over Iraq and the economy means

a restocking of inventories is unlikely early on in 2003.

**INSTALLMENT CREDIT** Wednesday, Jan. 8, 3 p.m. EST ► Consumers probably assumed another \$3.9 billion of debt in November. That's based on the median forecast of economists surveyed by MMS International. Borrowing in October grew by just \$1.4 billion. Nonrevolving debt declined by \$1 billion in October, as vehicle sales slowed following their torrid incentive-driven pace of the summer.

**EMPLOYMENT** Friday, Jan. 10, 8:30 a.m. EST ► Nonfarm payrolls in December are forecast to have increased by 25,000 positions, while factories very likely reduced payrolls by another 18,000. During November, payrolls were trimmed by 40,000, with 45,000 manufacturing positions eliminated. According to MMS International, the unemployment rate probably remained unchanged, after climbing to 6% in November, and the average work-week is also expected to hold steady at 34.2 hours.

## THE BUSINESSWEEK FIFTY



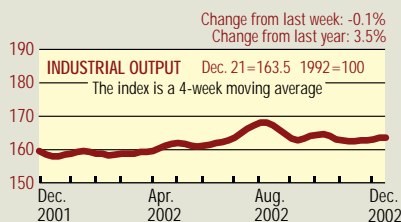
**THE BW 50** fell 1.0% for the week ending Dec. 30. The oil producers such as Occidental Petroleum and Marathon Oil affected results as investors positioned portfolios for a decline in oil prices once the confrontation with Iraq is resolved. KLA-Tencor, which makes semiconductor-monitoring equipment, lost 4.7%, a reflection of the weak performance among tech stocks. Best Buy bucked the trend, shaking off an analyst downgrade to rise 5.3%.

### COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/02			WEEK	SINCE 3/1/02
1	Johnson & Johnson	-2.0	-11.7	26	Tenet Healthcare	1.3	-59.0
2	Freddie Mac	-1.7	-7.4	27	Household International	-0.5	-45.9
3	Pfizer	-1.8	-24.8	28	WellPoint Health Networks	-2.9	15.6
4	MBNA	-1.0	-17.3	29	Washington Mutual	0.0	7.6
5	Philip Morris	-0.2	-21.4	30	Duke Energy	-1.6	-45.1
6	KLA-Tencor	-4.7	-38.6	31	Kohl's	3.6	-16.5
7	Fannie Mae	-2.0	-16.9	32	Bed Bath & Beyond	1.4	5.7
8	Lowe's	2.7	-16.4	33	Cardinal Health	-1.7	-11.8
9	Best Buy	5.3	-47.3	34	Centex	-1.6	-14.2
10	AmerisourceBergen	-0.5	-20.7	35	American Electric Power	1.1	-37.2
11	UnitedHealth Group	-0.8	15.3	36	Golden West Financial	0.1	13.7
12	Exelon	0.8	6.9	37	Stryker	0.1	8.6
13	Home Depot	-2.1	-52.6	38	Harley-Davidson	-1.6	-11.3
14	Wal-Mart Stores	1.9	-18.3	39	PepsiCo	0.1	-16.7
15	Dynegy	0.0	-96.0	40	Merck	-0.2	-7.4
16	General Dynamics	0.2	-13.1	41	Apache	-2.7	8.7
17	ConocoPhillips	-1.2	-17.9	42	Amerada Hess	-0.9	-20.4
18	Forest Laboratories	-1.5	24.0	43	KB Home	-2.3	-2.7
19	Block (H&R)	-2.7	-20.7	44	First Data	-2.2	-12.5
20	Calpine	-1.6	-57.7	45	Tyco International	-4.0	-47.3
21	Occidental Petroleum	-1.5	6.2	46	International Game Technology	0.3	11.3
22	Sysco	0.0	0.6	47	Capital One Financial	-3.6	-38.9
23	Pulte Homes	-2.0	-8.0	48	Electronic Data Systems	-4.3	-70.0
24	Marathon Oil	-1.3	-22.5	49	Nabors Industries	-6.6	-1.8
25	Citigroup	-3.4	-16.9	50	Xcel Energy	1.5	-53.7

Data: Reuters

### BW PRODUCTION INDEX



The production index posted a narrow decline during the latest week. Before calculation of the four-week moving average, the index fell to 163.8, from 164.4. On a seasonally adjusted basis, three components combined to drag the index lower. Autos and trucks showed significant declines, with electric power production also dropping. Crude-oil refining, coal, lumber, and rail-freight traffic all showed gains. Steel output remained unchanged for the week.

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

### 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.

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