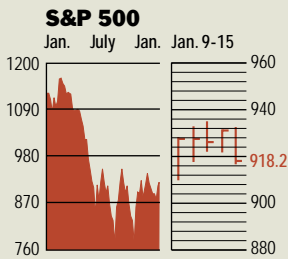


STOCKS

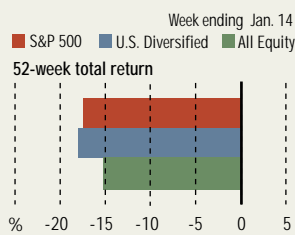
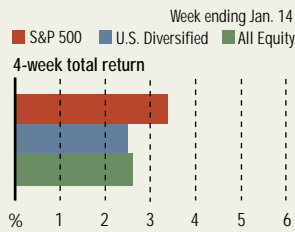


COMMENTARY

The major indexes all gained ground for the week, despite the sell-off that occurred on Jan. 15. The positive performance was impressive given a slew of weak economic news, ranging from falling December payrolls to rising oil prices to weak consumer spending. Investors may have been encouraged by Intel and Bank America, which reported better numbers than had been expected.

Data: Bloomberg Financial Markets, Reuters

MUTUAL FUNDS



Data: Standard & Poor's

U.S. MARKETS

	JAN. 15	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	918.2	0.9	4.4	-19.3
Dow Jones Industrials	8723.2	1.5	4.6	-11.8
NASDAQ Composite	1438.8	2.7	7.7	-27.7
S&P MidCap 400	439.6	0.9	2.3	-12.2
S&P SmallCap 600	199.6	0.4	1.5	-13.0
Wilshire 5000	8680.0	1.0	4.0	-18.2

SECTORS

BusinessWeek 50*	555.5	0.5	2.4	-23.7
BusinessWeek Info Tech 100**	308.6	2.3	8.1	-26.9
S&P/BARRA Growth	466.7	0.7	4.0	-21.5
S&P/BARRA Value	448.3	1.1	4.7	-17.4
S&P Energy	182.9	0.4	-0.2	-9.9
S&P Financials	314.4	1.4	5.9	-10.4
S&P REIT	89.3	-1.6	-1.7	-5.2
S&P Transportation	172.0	-0.7	1.2	-11.5
S&P Utilities	100.9	-2.6	3.2	-30.1
GSTI Internet	81.5	4.0	9.1	-23.6
PSE Technology	493.5	2.0	7.7	-29.2

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

BEST-PERFORMING GROUPS

Group	LAST MONTH %	Group	LAST 12 MONTHS %
Broadcasting	19.4	Photographic Products	44.4
Office Electronics	16.5	Metal & Glass Containers	38.5
Constr. & Engineering	13.2	Divsfd. Metals & Mining	17.5
Networking Equipment	13.1	Specialty Chemicals	13.9
Computer Stge. & Perphs.	13.0	Gold Mining	11.1

GLOBAL MARKETS

	JAN. 15	WEEK	% CHANGE YEAR TO DATE
S&P Euro Plus (U.S. Dollar)	885.6	1.9	4.9
London (FT-SE 100)	3887.8	-0.9	-1.3
Paris (CAC 40)	3134.7	1.3	2.3
Frankfurt (DAX)	3049.4	1.9	5.4
Tokyo (NIKKEI 225)	8611.8	1.1	0.4
Hong Kong (Hang Seng)	9873.5	1.9	5.9
Toronto (S&P/TSX Composite)	6801.4	1.2	2.8
Mexico City (IPC)	6398.9	2.1	4.4

FUNDAMENTALS

	JAN. 14	WK. AGO
S&P 500 Dividend Yield	1.71%	1.72%
S&P 500 P/E Ratio (Trailing 12 mos.)	29.8	29.5
S&P 500 P/E Ratio (Next 12 mos.)*	16.7	17.0
First Call Earnings Surprise*	6.99%	11.21%

TECHNICAL INDICATORS

	JAN. 14	WK. AGO
S&P 500 200-day average	948.4	953.9
Stocks above 200-day average	39.0%	38.0%
Options: Put/call ratio	0.72	0.64
Insiders: Vickers NYSE Sell/buy ratio	2.28	2.28

EQUITY FUND CATEGORIES

Category	4-WEEK TOTAL RETURN %	Category	52-WEEK TOTAL RETURN %
LEADERS		LEADERS	
Latin America	7.6	Precious Metals	53.0
Communications	6.5	Real Estate	3.1
Technology	6.1	Natural Resources	-0.6
Japan	3.7	Diversified Emerging Mkts.	-3.3
LAGGARDS		LAGGARDS	
Natural Resources	-2.8	Technology	-37.8
Real Estate	0.5	Communications	-30.4
Miscellaneous	1.7	Health	-24.5
Small-cap Blend	1.8	Small-cap Growth	-24.4

EQUITY FUNDS

Fund	4-WEEK TOTAL RETURN %	Fund	52-WEEK TOTAL RETURN %
LEADERS		LEADERS	
OPTI-flex Dynamic	17.9	First Eagle SoGen Gold	87.0
iShares Gold. Sachs Netwkg.	17.4	Monterey OCM Gold	72.8
American Heritage Growth	16.7	Gabelli Gold	69.6
iShares MSCI Brazil Index	16.5	Van Eck Intl. Invsr. Gold A	68.7
LAGGARDS		LAGGARDS	
Frontier Equity	-13.8	ProFunds UltraSemicdr. Inv.	-66.9
Fidelity Sel. Energy Serv.	-12.0	ProFunds UltraWrlls. Serv.	-64.1
ProFunds UltraShort OTC	-11.6	ProFunds UltraOTC Inv.	-63.9
Rydex Dynam. Vent. 100	-11.4	Rydex Dynam. Veloc. 100	-62.8

INTEREST RATES

KEY RATES

	JAN. 15	WEEK AGO	YEAR AGO
MONEY MARKET FUNDS	1.01%	1.03%	1.7%
90-DAY TREASURY BILLS	1.18	1.18	1.6
2-YEAR TREASURY NOTES	1.72	1.73	2.7
10-YEAR TREASURY NOTES	4.06	4.02	4.8
30-YEAR TREASURY BONDS	4.96	4.94	5.3
30-YEAR FIXED MORTGAGE†	6.02	6.01	6.8

†BankQuote, 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	3.82%	4.7%
TAXABLE EQUIVALENT	5.46	6.8
INSURED REVENUE BONDS	3.99	5.0
TAXABLE EQUIVALENT	5.70	7.1

THE WEEK AHEAD

NEW RESIDENTIAL CONSTRUCTION *Tuesday, Jan. 21, 8:30 a.m. EST* ► Housing starts during December are forecast to have slipped by 1.2%, to an annual rate of 1.68 million. That's according to the median forecast of economists surveyed by MMS International. In November, construction rebounded to a pace of 1.7 million homes.

FEDERAL BUDGET *Wednesday, Jan. 22, 2 p.m. EST* ► The federal government is expected to report a surplus of \$10 billion for December, far short of the \$26.6 bil-

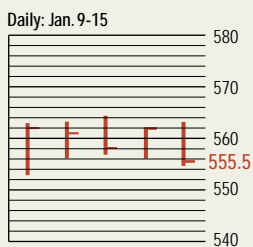
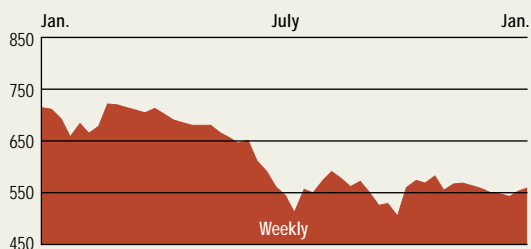
lion surplus posted during the same month in 2001. In November, the deficit was \$59.1 billion. While President George W. Bush's new stimulus package will likely be altered in Congress, early forecasts show the fiscal year 2003 deficit could hit \$300 billion. The Congressional Budget Office will issue new projections for the current fiscal year at the end of January.

UNEMPLOYMENT CLAIMS *Thursday, Jan. 23, 8:30 a.m. EST* ► New filings for state unemployment insurance most likely totaled

about 400,000 for the week ended Jan. 18. Claims fell back to 389,000 over the first week of January. Recent claims data have been volatile because of difficulty adjusting for seasonal variations, a trend that could continue through the end of January.

LEADING INDICATORS *Thursday, Jan. 23, 10 a.m. EST* ► The Conference Board's index of leading indicators probably held steady in December, following a significant 0.7% jump in November.

THE BUSINESSWEEK FIFTY



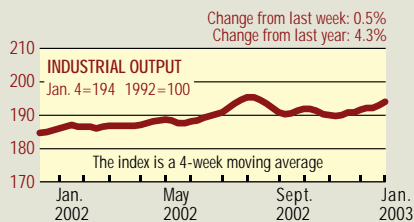
The BW 50 eked out a 0.5% gain for the week ended Jan. 15. Best Buy climbed 14.6%, bucking the trend among retailers after announcing strong holiday sales and raising its earnings forecast. Energy providers were split: Shares of Duke Energy sank 15.0% after saying that 2002 profits fell more sharply than expected, while Dynegy continued to improve, rising 10.5%.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/02			WEEK	SINCE 3/1/02
1	Johnson & Johnson	-1.3	-9.7	26	Tenet Healthcare	11.5	-51.1
2	Freddie Mac	1.6	0.3	27	Household International	0.1	-44.7
3	Pfizer	-1.5	-25.7	28	WellPoint Health Networks	-3.9	11.3
4	MBNA	-2.4	-14.3	29	Washington Mutual	-1.6	8.6
5	Philip Morris	1.5	-21.9	30	Duke Energy	-15.0	-48.8
6	KLA-Tencor	-2.4	-33.6	31	Kohl's	10.1	-13.9
7	Fannie Mae	0.9	-11.6	32	Bed Bath & Beyond	-0.8	5.7
8	Lowe's	2.2	-16.0	33	Cardinal Health	-4.0	-9.3
9	Best Buy	14.6	-37.8	34	Centex	1.3	-9.7
10	AmerisourceBergen	-2.6	-20.0	35	American Electric Power	-8.4	-37.7
11	UnitedHealth Group	-3.0	13.1	36	Golden West Financial	0.7	16.4
12	Exelon	2.0	11.4	37	Stryker	-0.3	9.3
13	Home Depot	3.4	-56.3	38	Harley-Davidson	1.8	-5.9
14	Wal-Mart Stores	1.2	-18.4	39	PepsiCo	0.6	-15.0
15	Dynegy	10.5	-90.5	40	Merck	0.5	-3.3
16	General Dynamics	-2.9	-15.2	41	Apache	9.0	16.3
17	ConocoPhillips	0.3	-19.3	42	Amerada Hess	2.5	-18.6
18	Forest Laboratories	2.6	37.4	43	KB Home	-1.2	1.0
19	Block (H&R)	-0.8	-18.4	44	First Data	2.9	-11.1
20	Calpine	-2.8	-44.2	45	Tyco International	5.9	-38.5
21	Occidental Petroleum	0.8	6.6	46	International Game Technology	3.6	14.2
22	Sysco	-1.5	1.3	47	Capital One Financial	4.3	-25.0
23	Pulte Homes	0.7	-1.1	48	Electronic Data Systems	-1.7	-66.1
24	Marathon Oil	2.3	-21.1	49	Nabors Industries	3.6	-5.0
25	Citigroup	2.1	-11.7	50	Xcel Energy	-3.3	-48.5

Data: Reuters

BW PRODUCTION INDEX



The revised production index increased. Before calculation of the four-week moving average, the index rose to 195.9 from 194.3. After seasonal adjustments, autos and lumber saw the biggest gains, with steel, crude-oil refining, and rail-freight traffic also up. Trucks, electric power, and coal all posted declines. The index has been revised back to 1992 to reflect the impact of the new North American Industry Classification System on certain components. To request the new data, please e-mail business_outlook@businessweek.com.

Information on each of the index components is at www.businessweek.com
BW production index Copyright 2002 by The McGraw-Hill Companies

ONLINE RESOURCES

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