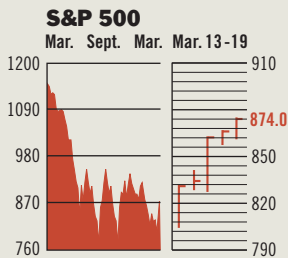


STOCKS

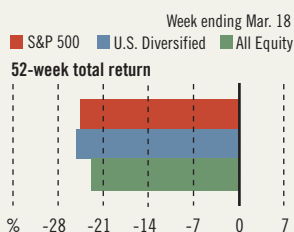
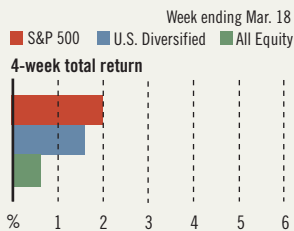


COMMENTARY

Call it rallying around the flag or plain relief that war with Iraq was finally at hand, the markets surged powerfully the week ended Mar. 19. The Dow Jones industrials and the S&P 500 climbed five days in a row, rising 9.4% and 8.7%, respectively. The NASDAQ almost booked a perfect week, too, but slipped the final session. It still came up 9.2%.

Data: Bloomberg Financial Markets, Reuters

MUTUAL FUNDS



Data: Standard & Poor's

U.S. MARKETS

| | MAR. 19 | WEEK | % CHANGE YEAR TO DATE | LAST 12 MONTHS |
|-----------------------|---------|------|-----------------------|----------------|
| S&P 500 | 874.0 | 8.7 | -0.7 | -25.3 |
| Dow Jones Industrials | 8265.5 | 9.4 | -0.9 | -22.3 |
| NASDAQ Composite | 1397.1 | 9.2 | 4.6 | -25.7 |
| S&P MidCap 400 | 412.0 | 7.0 | -4.1 | -24.1 |
| S&P SmallCap 600 | 186.0 | 7.1 | -5.4 | -24.8 |
| Wilshire 5000 | 8258.4 | 8.2 | -1.0 | -24.6 |

SECTORS

| | MAR. 18 | WK. AGO | YR. AGO | |
|--------------------|---------|---------|---------|-------|
| BusinessWeek 50* | 539.8 | 7.5 | -0.5 | -25.4 |
| BW Info Tech 100** | 270.7 | 8.8 | -5.2 | -32 |
| S&P/BARRA Growth | 457.2 | 8.6 | 1.9 | -24.1 |
| S&P/BARRA Value | 414.2 | 8.8 | -3.2 | -26.8 |
| S&P Energy | 184.7 | 3.8 | 0.9 | -20.2 |
| S&P Financials | 289.7 | 10.1 | -2.4 | -22.0 |
| S&P REIT | 89.8 | 4.1 | -1.1 | -9.7 |
| S&P Transportation | 160.7 | 8.2 | -5.4 | -26.8 |
| S&P Utilities | 92.9 | 4.9 | -5.0 | -36.5 |
| GSTI Internet | 84.7 | 14.0 | 13.3 | -16.1 |
| PSE Technology | 478.3 | 9.7 | 4.4 | -31.7 |

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

BEST-PERFORMING GROUPS

| | LAST MONTH % | | LAST 12 MONTHS % |
|-------------------------|--------------|--------------------------|------------------|
| Internet Software | 14.6 | Internet Software | 16.3 |
| Multi-Utilities | 14.3 | Metal & Glass Containers | 9.7 |
| Internet Retail | 14.1 | Casinos | 9.4 |
| Home Improvement Stores | 13.3 | Distillers & Vintners | 6.0 |
| Constr. & Engineering | 12.6 | Homebuilding | 0.1 |

EQUITY FUND CATEGORIES

| 4-WEEK TOTAL RETURN | % | 52-WEEK TOTAL RETURN | % |
|--------------------------|------|----------------------|-------|
| LEADERS | | | |
| Latin America | 4.8 | Precious Metals | 19.2 |
| Technology | 3.9 | Real Estate | -3.3 |
| Health | 3.4 | International Hybrid | -11.7 |
| Mid-cap Growth | 3.0 | Domestic Hybrid | -12.3 |
| LAGGARDS | | | |
| Japan | -7.7 | Technology | -36.1 |
| Precious Metals | -6.9 | Communications | -31.1 |
| Diversified Pacific/Asia | -5.3 | Small-cap Growth | -29.9 |
| Pacific/Asia ex-Japan | -5.2 | Latin America | -29.7 |

EQUITY FUNDS

| 4-WEEK TOTAL RETURN | % | 52-WEEK TOTAL RETURN | % |
|-----------------------------|-------|----------------------------|-------|
| LEADERS | | | |
| ProFunds UltraSmicdr. Inv. | 14.8 | Prudent Bear | 54.3 |
| ProFunds UltraOTC Inv. | 12.6 | ProFunds UlTBear. Inv. | 45.1 |
| Rydex Dynam. Veloc. 100 | 12.4 | Rydex Dyn. Tmpest. 500 | 44.5 |
| Pfunds. Biotech. Ultrasctr. | 11.5 | First EagleGold | 42.0 |
| LAGGARDS | | | |
| Matthews Korea | -15.2 | Frontier Equity | -75.0 |
| Rydex Dynam. Vent. 100 | -14.7 | ProFunds UltraSmicdr. Inv. | -66.7 |
| Fidelity Advsr. Korea A | -14.7 | Van Wagoner Post Vent. | -61.0 |
| Pfunds. UlTSh. OTC Inv. | -14.4 | Van Wagoner Technology | -59.3 |

GLOBAL MARKETS

| | MAR. 19 | WEEK | % CHANGE YEAR TO DATE | LAST 12 MONTHS |
|-----------------------------|---------|------|-----------------------|----------------|
| S&P Euro Plus (U.S. Dollar) | 786.3 | 11.5 | -6.9 | -27.2 |
| London (FT-SE 100) | 3765.4 | 14.6 | -4.4 | -29.2 |
| Paris (CAC 40) | 2837.7 | 18.1 | -7.4 | -38.9 |
| Frankfurt (DAX) | 2615.2 | 18.7 | -9.6 | -52.1 |
| Tokyo (NIKKEI 225) | 8051.0 | 1.4 | -6.2 | -30.2 |
| Hong Kong (Hang Seng) | 9158.6 | 3.2 | -1.7 | -17.0 |
| Toronto (S&P/TSX Composite) | 6453.5 | 3.6 | -2.4 | -18.7 |
| Mexico City (IPC) | 6017.4 | 3.6 | -1.8 | -19.0 |

FUNDAMENTALS

| | MAR. 18 | WK. AGO | YR. AGO |
|--------------------------------------|---------|---------|---------|
| S&P 500 Dividend Yield | 1.86% | 2.01% | 1.34% |
| S&P 500 P/E Ratio (Trailing 12 mos.) | 29.9 | 27.9 | 63.1 |
| S&P 500 P/E Ratio (Next 12 mos.)* | 15.5 | 14.4 | 21.4 |
| First Call Earnings Revision* | -1.68% | -1.82% | -0.52% |

*First Call Corp.

TECHNICAL INDICATORS

| | MAR. 18 | WK. AGO | READING |
|---------------------------------------|---------|---------|----------|
| S&P 500 200-day average | 895.0 | 900.8 | Negative |
| Stocks above 200-day average | 39.0% | 32.0% | Positive |
| Options: Put/call ratio | 0.70 | 0.75 | Positive |
| Insiders: Vickers NYSE Sell/buy ratio | 1.61 | 1.74 | Positive |

WORST-PERFORMING GROUPS

| | LAST MONTH % | LAST 12 MONTHS % | |
|--------------------------|--------------|---------------------|-------|
| Auto Parts & Equipment | -13.0 | Multi-Utilities | -74.2 |
| Tobacco | -9.5 | Tires & Rubber | -72.8 |
| Fertilizers & Ag. Chems. | -8.6 | IT Consulting | -61.0 |
| Gold Mining | -7.5 | Advertising | -58.1 |
| Food Wholesalers | -6.2 | Employment Services | -52.5 |

INTEREST RATES

KEY RATES

| | MAR. 19 | WEEK AGO | YEAR AGO |
|---------------------------------|---------|----------|----------|
| MONEY MARKET FUNDS | 0.86% | 0.87% | 1.56% |
| 90-DAY TREASURY BILLS | 1.15 | 1.08 | 1.83 |
| 2-YEAR TREASURY NOTES | 1.72 | 1.43 | 3.67 |
| 10-YEAR TREASURY NOTES | 3.99 | 3.58 | 5.41 |
| 30-YEAR TREASURY BONDS | 4.93 | 4.61 | 5.82 |
| 30-YEAR FIXED MORTGAGE † | 5.89 | 5.66 | 7.10 |

†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 |
|------------------------------|-------------|-------------|
| GENERAL OBLIGATIONS | 3.61% | 4.70% |
| TAXABLE EQUIVALENT | 5.16 | 6.71 |
| INSURED REVENUE BONDS | 3.73 | 4.90 |
| TAXABLE EQUIVALENT | 5.33 | 7.00 |

THE WEEK AHEAD

CONSUMER CONFIDENCE Tuesday, Mar. 25, 10 a.m. EST ► The Conference Board's March confidence index probably fell to 61.8, from 64 in February. That's according to the median forecast of economists surveyed by MMS International.

EXISTING HOME SALES Tuesday, Mar. 25, 10 a.m. EST ► Existing home sales in February are forecast to have fallen back to an annual rate of 5.88 million, from the 6.1 million pace posted in January.

DURABLE GOODS ORDERS Wednesday, Mar. 26, 8:30 a.m. EST ► New orders for

durable goods are expected to have declined 0.5% in February, after a 2.9% jump in January. Orders could face more downward pressure as auto makers lower production schedules.

NEW RESIDENTIAL SALES Wednesday, Mar. 26, 10 a.m. EST ► New single-family home sales for February most likely inched up to an annual rate of 920,000. In January, sales eased to an annual rate of 914,000 homes.

PERSONAL INCOME Friday, Mar. 28, 8:30 a.m. EST ► Income in February probably

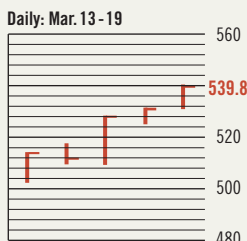
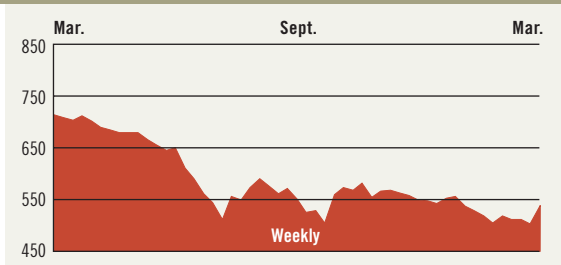
grew by 0.2%, while consumer spending most likely fell 0.2% due to weak auto sales, bad weather, and terrorism worries.

The *BusinessWeek* production index held steady in the week ended Mar. 8 at 193.4 and was up 3.5% from a year ago. More complete information is available at www.businessweek.com.

BusinessWeek online

For the BW 50, more investment data, and the components of the production index visit www.businessweek.com

THE BUSINESSWEEK FIFTY



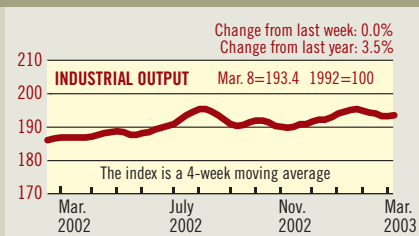
THE BW50 surged 7.5% in the team's final week before a new roster takes over for the coming year. Even more impressive: 48 companies on the list ended the week with gains. The best performers were MBNA, climbing 23.2% following a number of favorable analyst reports, and Calpine, which ran up 20.4%. The only party poopers were Tyco International, down 6.1%, and Apache, off 0.6%.

COMPANY PERFORMANCE

| COMPANY PERFORMANCE | | % CHANGE SINCE 3/1/02 | | COMPANY PERFORMANCE | | % CHANGE SINCE 3/1/02 | |
|---------------------|----------------------|-----------------------|--------------|---------------------|-------------------------------|-----------------------|--------------|
| RANK | COMPANY | WEEK | SINCE 3/1/02 | RANK | COMPANY | WEEK | SINCE 3/1/02 |
| 1 | Johnson & Johnson | 4.8 | -5.9 | 26 | Tenet Healthcare | 5.7 | -54.4 |
| 2 | Freddie Mac | 6.3 | -13.1 | 27 | Household International | 4.3 | -44.8 |
| 3 | Pfizer | 5.6 | -24.8 | 28 | WellPoint Health Networks | 6.5 | 16.7 |
| 4 | MBNA | 23.2 | -33.6 | 29 | Washington Mutual | 6.3 | 7.8 |
| 5 | Altria | -5.3 | -35.8 | 30 | Duke Energy | 15.6 | -56.6 |
| 6 | KLA-Tencor | 16.9 | -32.2 | 31 | Kohl's | 14.2 | -13.8 |
| 7 | Fannie Mae | 10.0 | -15.1 | 32 | Bed Bath & Beyond | 14.4 | 7.5 |
| 8 | Lowe's | 10.9 | -9.5 | 33 | Cardinal Health | 3.7 | -15.4 |
| 9 | Best Buy | 10.5 | -32.7 | 34 | Centex | 8.8 | -8.0 |
| 10 | AmerisourceBergen | 7.4 | -22.7 | 35 | American Electric Power | 4.9 | -48.6 |
| 11 | UnitedHealth Group | 4.9 | 21.1 | 36 | Golden West Financial | 4.8 | 14.6 |
| 12 | Exelon | 3.8 | 1.1 | 37 | Stryker | 6.8 | 12.5 |
| 13 | Home Depot | 10.7 | -50.9 | 38 | Harley-Davidson | 6.3 | -22.3 |
| 14 | Wal-Mart Stores | 11.7 | -14.4 | 39 | PepsiCo | 7.2 | -19.9 |
| 15 | Dynegy | 10.8 | -90.8 | 40 | Merck | 6.2 | -11.2 |
| 16 | General Dynamics | 11.6 | -35.7 | 41 | Apache | -0.6 | 21.5 |
| 17 | ConocoPhillips | 3.4 | -13.1 | 42 | Amerada Hess | 6.0 | -36.2 |
| 18 | Forest Laboratories | 8.4 | 33.6 | 43 | KB Home | 7.6 | 7.9 |
| 19 | Block (H&R) | 10.9 | -17.0 | 44 | First Data | 11.4 | -13.1 |
| 20 | Calpine | 20.4 | -58.2 | 45 | Tyco International | -6.1 | -54.7 |
| 21 | Occidental Petroleum | 4.7 | 14.4 | 46 | International Game Technology | 9.6 | 23.1 |
| 22 | Sysco | 11.8 | -8.8 | 47 | Capital One Financial | 19.5 | -36.3 |
| 23 | Pulte Homes | 8.1 | -3.4 | 48 | Electronic Data Systems | 6.7 | -73.4 |
| 24 | Marathon Oil | 3.8 | -15.2 | 49 | Nabors Industries | 2.2 | 9.8 |
| 25 | Citigroup | 12.0 | -16.4 | 50 | Xcel Energy | 0.4 | -52.6 |

Data: Reuters

BW PRODUCTION INDEX



The **production index** was virtually unchanged in the latest week. Before calculation of the four-week moving average the index slipped to 193.7, from 193.8. On a seasonally adjusted basis, truck assemblies, crude-oil refining, and rail-freight traffic all increased. Electric power production, steel, coal, and lumber declined, while autos dropped sharply. Vehicle output in the first half of 2003 is now expected to be more than 3% lower than the same period last year, according to *Ward's Automotive Reports*.

Information on each of the index components is at www.businessweek.com BW production index. Copyright 2003 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