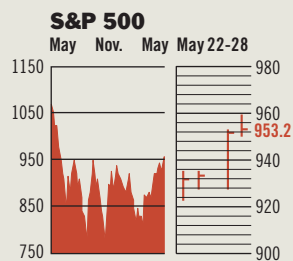


STOCKS

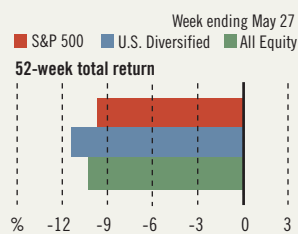
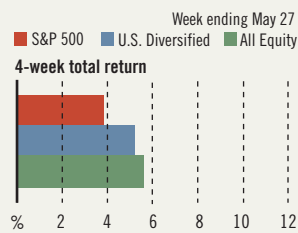


COMMENTARY

Improving consumer confidence, strength in housing, tax cuts, and falling gas prices sent stocks surging after the long weekend. Good earnings from Costco on May 27 reinforced investors' belief that consumer spending is intact. Still, weak capital spending and a soft jobs market remain worrisome. For the week, though, all indexes advanced.

Data: Bloomberg Financial Markets, Reuters

MUTUAL FUNDS



Data: Standard & Poor's

U.S. MARKETS	MAY 28	WEEK	% CHANGE	
			YEAR TO DATE	LAST 12 MONTHS
S&P 500	953.2	3.2	8.3	-11.3
Dow Jones Industrials	8793.1	3.2	5.4	-11.9
NASDAQ Composite	1563.2	4.9	17.1	-5.4
S&P MidCap 400	464.1	3.8	8.0	-12.7
S&P SmallCap 600	210.3	4.2	7.0	-14.5
Wilshire 5000	9103.9	3.3	9.1	-10.5

SECTORS	MAY 28	WEEK	YEAR TO DATE	LAST 12 MONTHS
BW Info Tech 100**	296.8	3.7	4.0	-12.7
S&P/BARRA Growth	482.5	2.7	7.5	-10.4
S&P/BARRA Value	467.4	3.7	9.2	-12.3
S&P Energy	196.2	1.9	7.1	-10.4
S&P Financials	325.8	3.3	9.7	-8.1
S&P REIT	98.1	-0.1	8.0	-2.2
S&P Transportation	174.8	1.1	2.9	-11.4
S&P Utilities	111.9	6.6	14.4	-19.9
GSTL Internet	119.0	9.4	59.4	42.5
PSE Technology	547.0	6.3	19.4	-7.8

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

GLOBAL MARKETS	MAY 28	WEEK	% CHANGE	
			YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	920.9	3.8	9.0	-13.7
London (FT-SE 100)	4071.9	3.4	3.3	-19.8
Paris (CAC 40)	2949.6	2.4	-3.7	-32.0
Frankfurt (DAX)	2919.5	3.3	0.9	-40.6
Tokyo (NIKKEI 225)	8234.2	2.7	-4.0	-30.5
Hong Kong (Hang Seng)	9510.6	5.0	2.0	-16.8
Toronto (S&P/TSX Composite)	6836.2	1.6	3.4	-10.8
Mexico City (IPC)	6667.4	4.0	8.8	-8.7

FUNDAMENTALS	MAY 27	WK. AGO	YR. AGO
S&P 500 P/E Ratio (Trailing 12 mos.)	30.5	29.5	43.9
S&P 500 P/E Ratio (Next 12 mos.)*	16.9	16.3	19.2
First Call Earnings Revision*	-0.75%	-1.68%	0.11%

*First Call Corp.

TECHNICAL INDICATORS	MAY 27	WK. AGO	READING
Stocks above 200-day average	71.0%	65.0%	Negative
Options: Put/call ratio	0.77	0.65	Positive
Insiders: Vickers NYSE Sell/buy ratio	2.89	2.47	Negative

BEST-PERFORMING GROUPS	LAST MONTH %	LAST 12 MONTHS %	
			Tobacco
Fertilizers & Ag. Chems.	29.7	Homebuilding	27.3
Employment Services	23.8	Office Electronics	23.4
Commercial Printing	22.5	Comptr. Stge. & Perphs.	23.4
Internet Software	18.1	Biotechnology	21.8

WORST-PERFORMING GROUPS	LAST MONTH %	LAST 12 MONTHS %	
			Metal & Glass Containers
Motorcycles	-4.9	Multi-Utilities	-47.3
Broadcasting	-3.0	Health-Care Facilities	-47.2
Automobiles	-2.1	IT Consulting	-46.8
Leisure Products	-1.8	Automobiles	-43.8

EQUITY FUND CATEGORIES			
4-WEEK TOTAL RETURN		52-WEEK TOTAL RETURN	
	%		%
LEADERS			
Precious Metals	14.8	Real Estate	6.3
Natural Resources	12.0	Domestic Hybrid	-2.8
Utilities	9.1	International Hybrid	-3.0
Health	8.8	Health	-3.7
LAGGARDS			
Latin America	1.8	Japan	-25.7
Large-cap Growth	3.3	Diversified Pacific/Asia	-19.8
Miscellaneous	3.4	Pacific/Asia ex-Japan	-16.6
Domestic Hybrid	3.6	Foreign	-14.5

EQUITY FUNDS			
4-WEEK TOTAL RETURN		52-WEEK TOTAL RETURN	
	%		%
LEADERS			
Apex Mid Cap Growth	27.0	Fidelity Adv. Lvgd. Co. A	44.7
World GenomicsFund.com	24.7	Jacob Internet	43.0
Reynolds	21.0	Amerindo Technology D	36.6
Polynous Growth A	21.0	Legg Mason Focus Trust	26.6
LAGGARDS			
Frontier Equity	-12.1	Frontier Equity	-73.9
Rydex Dynam. Vent. 100	-10.7	American Heritage	-45.5
Potomac Sm. Cap/Sh. Inv.	-7.8	Van Wagoner Post Vent.	-44.4
ProFunds UltBear. Inv.	-7.7	Van Wagoner Technology	-42.2

INTEREST RATES

KEY RATES	MAY 28	WEEK AGO	YEAR AGO
90-DAY TREASURY BILLS	1.09	1.07	1.74
2-YEAR TREASURY NOTES	1.31	1.36	3.16
10-YEAR TREASURY NOTES	3.43	3.40	5.07
30-YEAR TREASURY BONDS	4.41	4.35	5.63
30-YEAR FIXED MORTGAGE†	5.37	5.28	6.76

†BancQuote, Inc.

BLOOMBERG MUNI YIELD EQUIVALENTS

Taxable equivalent yields on AAA-rated, tax-exempt municipal bonds, assuming a 30% federal tax rate.

GENERAL OBLIGATIONS	10-YR. BOND		30-YR. BOND	
	Yield	Yield	Yield	Yield
TAXABLE EQUIVALENT	3.22%	4.60	4.34%	6.20
INSURED REVENUE BONDS	3.34	4.62		
TAXABLE EQUIVALENT	4.77	6.60		

THE WEEK AHEAD

PURCHASING MANAGERS' INDEX Monday, June 2, 10 a.m. EDT ▶ The Institute for Supply Management's May industrial-activity index is expected to have improved to 47.5%, from 45.4% in April. That's based on the median forecast of economists surveyed by MMS International.

CONSTRUCTION SPENDING Monday, June 2, 10 a.m. EDT ▶ Building outlays likely held steady in April, after a 1% drop in March.

VEHICLE SALES Tuesday, June 3 ▶ Sales of U.S.-made and imported cars and light trucks during May most likely slipped to an

annual pace of 15.8 million, after April sales inched up to 16.4 million.

EMPLOYMENT Friday, June 6, 8:30 a.m. EDT ▶ Nonfarm payrolls in May are forecast to have declined by 25,000, after falling by 48,000 in April. Factories most likely slashed 40,000 more jobs in May. The unemployment rate probably climbed to 6.1%, while the average workweek likely inched up to 34.1 hours. The May report will include annual benchmark revisions as well as seasonal factor updates and revisions due to a switch to the North American Industry Classification System.

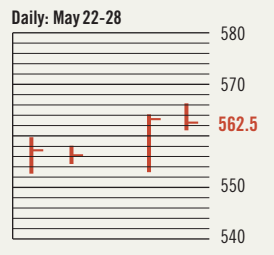
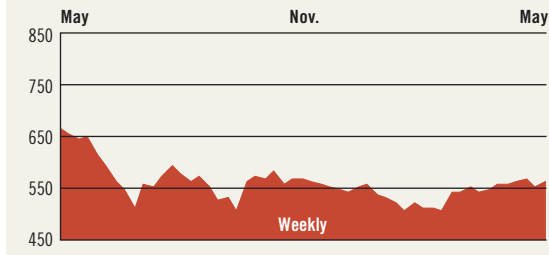
INSTALLMENT CREDIT Friday, June 6, 3 p.m. EDT ▶ Consumers probably added \$2.5 billion in new debt in April.

The *BusinessWeek* production index held steady at 194 in the week ended May 17, up 3.3% from the previous year. Before calculation of the four-week moving average, the index rose to 194.6.

BusinessWeek online

For the BW50, more investment data, and the components of the production index visit www.businessweek.com

THE BUSINESSWEEK FIFTY



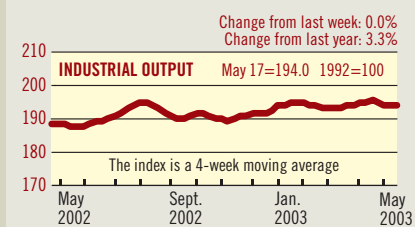
The BW50, rising 1.8%, lagged the market for the week ended May 28. Helping to pull down results were such health-care stocks as UnitedHealth Group, down 2.5% and Cardinal Health, which fell 0.7%. Freddie Mac declined 1.4%, despite positive recommendations. On the plus side, H&R Block rose 9.1%; while Electronic Arts added 9.0%, after a study suggested that playing video games can improve visual and attention skills.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/03			WEEK	SINCE 3/1/03
1	Forest Laboratories	4.0	1.5	26	U.S. Bancorp	3.3	12.5
2	WellPoint Health Networks	0.0	25.9	27	H&R Block	9.1	2.4
3	UnitedHealth Group	-2.5	15.2	28	Sysco	1.6	11.5
4	Johnson & Johnson	0.4	2.3	29	Procter & Gamble	2.6	12.1
5	Progressive	2.0	37.5	30	eBay	4.2	29.0
6	AmerisourceBergen	2.2	9.6	31	Pharmacia	0.0	9.1
7	Lowe's	2.8	5.3	32	Biomet	1.8	-5.7
8	Pfizer	0.8	6.5	33	Exelon	3.0	18.7
9	Dell Computer	4.5	15.7	34	Kohl's	3.1	7.6
10	St. Jude Medical	5.3	19.3	35	Wachovia	2.8	11.3
11	Cardinal Health	-0.7	-1.4	36	3M	1.4	-0.3
12	Bed Bath & Beyond	4.9	23.5	37	Harley-Davidson	-3.2	4.5
13	Washington Mutual	2.7	16.0	38	Walgreen	2.8	10.4
14	United Parcel Service	0.1	7.5	39	Altria Group	7.9	6.9
15	Microsoft	1.6	3.0	40	Mattel	-0.5	-1.4
16	Freddie Mac	-1.4	8.4	41	AFLAC	2.4	5.2
17	Electronic Arts	9.0	28.6	42	Abbott Laboratories	5.2	22.3
18	International Game Technology	4.2	14.2	43	First Data	5.4	19.3
19	Pulte Homes	1.4	-0.3	44	Dominion Resources	3.1	17.8
20	Merck	0.7	5.7	45	Coca-Cola	0.0	9.8
21	Medtronic	1.4	9.4	46	Wrigley (Wm.) Jr.	1.8	4.2
22	PepsiCo	0.6	13.6	47	Wal-Mart Stores	1.4	11.0
23	Wells Fargo	1.0	5.3	48	Quest Diagnostics	3.8	18.4
24	McKesson	5.8	13.1	49	General Dynamics	3.9	9.9
25	Stryker	1.2	1.2	50	Northrop Grumman	0.7	0.9

Data: Reuters

BW PRODUCTION INDEX



The production index was unchanged over the latest period. Before calculation of the four-week moving average, however, the index inched up to 194.6, from 194.2. On a seasonally adjusted basis, all but two components managed to show increased output. Autos rebounded strongly, followed by more moderate gains in lumber, rail-freight traffic, truck assemblies, and coal. Crude-oil refining was little changed. Steel fell, as did electric power, in part due to below average temperatures in the Northeast and Northwest.

Information on each of the index components is at www.businessweek.com
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ONLINE RESOURCES

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