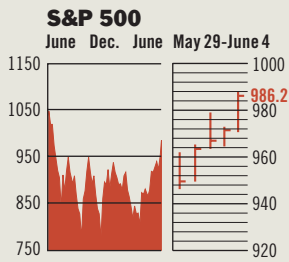


## STOCKS

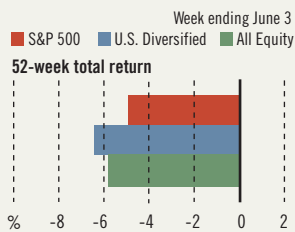
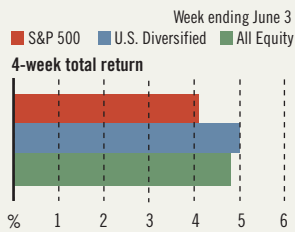


## COMMENTARY

Soothing words from Fed Chairman Greenspan on monetary policy and a hint rates may go lower helped lead stock and bond markets higher. Adding to the improved outlook were fresh signs of life in manufacturing and good productivity numbers. The Dow crossed 9,000 and the NASDAQ 1600, while the S&P 500 is within hail of 1,000.

Data: Bloomberg Financial Markets, Reuters

## MUTUAL FUNDS



Data: Standard & Poor's

U.S. MARKETS	JUNE 4	WEEK	% CHANGE	
			YEAR TO DATE	LAST 12 MONTHS
S&P 500	986.2	3.5	12.1	-5.2
Dow Jones Industrials	9039.0	2.8	8.4	-6.7
NASDAQ Composite	1634.7	4.6	22.4	3.6
S&P MidCap 400	482.5	4.0	12.3	-5.7
S&P SmallCap 600	219.9	4.6	11.8	-6.7
Wilshire 5000	9431.5	3.6	13.0	-4.3
SECTORS				
BusinessWeek 50*	576.3	2.5	6.2	-11.2
BW Info Tech 100**	307.4	3.6	7.7	-5.3
S&P/BARRA Growth	497.2	3.0	10.8	-5.0
S&P/BARRA Value	485.5	3.9	13.4	-5.6
S&P Energy	201.1	2.5	9.8	-5.9
S&P Financials	339.2	4.1	14.3	-1.5
S&P REIT	99.9	1.9	10.0	-1.2
S&P Transportation	180.9	3.5	6.5	-6.8
S&P Utilities	114.2	2.1	16.8	-11.8
GSTI Internet	121.7	2.2	62.9	50.7
PSE Technology	574.8	5.1	25.4	1.2

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

GLOBAL MARKETS	JUNE 4	WEEK	% CHANGE	
			YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	945.3	2.6	11.9	-7.7
London (FT-SE 100)	4126.6	1.3	4.7	-18.8
Paris (CAC 40)	3063.9	3.9	0.0	-24.6
Frankfurt (DAX)	3080.0	5.5	6.5	-33.4
Tokyo (NIKKEI 225)	8557.9	3.9	-0.2	-26.6
Hong Kong (Hang Seng)	9662.8	1.6	3.7	-14.6
Toronto (S&P/TSX Composite)	7001.3	2.4	5.8	-7.5
Mexico City (IPC)	6889.8	3.3	12.4	-1.8

FUNDAMENTALS	JUNE 3	WK. AGO	YR. AGO
S&P 500 Dividend Yield	1.67%	1.70%	1.52%
S&P 500 p-e Ratio (Trailing 12 mos.)	31.1	30.5	42.5
S&P 500 p-e Ratio (Next 12 mos.)*	17.0	16.9	18.3
First Call Earnings Revision*	-0.21%	-0.75%	-0.39%

\*First Call Corp.

TECHNICAL INDICATORS	JUNE 3	WK. AGO	READING
S&P 500 200-day average	886.0	884.7	Positive
Stocks above 200-day average	77.0%	71.0%	Negative
Options: Put/call ratio	0.71	0.80r	Positive
Insiders: Vickers NYSE Sell/buy ratio	3.12	2.89	Negative

BEST-PERFORMING GROUPS	LAST MONTH %		LAST 12 MONTHS %
Commercial Printing	23.3	Homebuilding	41.1
Divsfd. Metals & Mining	22.1	Biotechnology	39.8
Homebuilding	21.7	Comptr. Stge. & Perphs.	38.7
Electric Mfg. Svcs.	20.2	Office Electronics	32.9

WORST-PERFORMING GROUPS	LAST MONTH %		LAST 12 MONTHS %
Hypermarkets	-3.4	Health-Care Facilities	-48.5
Airlines	-1.8	IT Consulting	-42.2
Motorcycles	-1.2	Automobiles	-38.7
Pharmaceuticals	-0.6	Food Chains	-37.2

EQUITY FUND CATEGORIES			
4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS		LEADERS	
Utilities	8.7	Real Estate	5.6
Natural Resources	8.5	Health	2.2
Pacific/Asia ex-Japan	8.3	Domestic Hybrid	0.2
Technology	7.4	International Hybrid	-0.1
LAGGARDS		LAGGARDS	
Japan	2.2	Japan	-23.2
Latin America	2.9	Diversified Pacific/Asia	-16.9
Domestic Hybrid	3.3	Pacific/Asia ex-Japan	-12.5
Large-cap Growth	3.4	Foreign	-11.1

INTEREST RATES			
KEY RATES			
	JUNE 4	WEEK AGO	YEAR AGO
MONEY MARKET FUNDS	0.77%	0.77%	1.53%
90-DAY TREASURY BILLS	1.04	1.09	1.74
2-YEAR TREASURY NOTES	1.21	1.31	3.14
10-YEAR TREASURY NOTES	3.29	3.43	5.05
30-YEAR TREASURY BONDS	4.35	4.41	5.66
30-YEAR FIXED MORTGAGE †	5.31	5.37	6.70

†BaNxQuote, Inc.

EQUITY FUNDS			
4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS		LEADERS	
World GenomicsFund.com	18.6	Fidelity Adv. Lvgd. Co. A	55.1
ProFunds Biotech. Inv.	17.8	Jacob Internet	54.7
Reynolds	17.6	Amerindo Technology D	44.3
Apex Mid Cap Growth	17.5	Legg Mason Focus Trust	35.9
LAGGARDS		LAGGARDS	
Rydex Dynam. Vent. 100	-8.9	Frontier Equity	-72.8
Pfunds. UITSh. OTC Inv.	-8.7	ProFunds Semicdr. Inv.	-41.5
ProFunds UITBear. Inv.	-8.4	American Heritage	-40.0
Rydex Dyn. Tempest 500	-8.3	Pfunds. UITSh. OTC Inv.	-39.0

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	3.20%	4.35%	
TAXABLE EQUIVALENT	4.57	6.21	
INSURED REVENUE BONDS	3.34	4.62	
TAXABLE EQUIVALENT	4.77	6.60	

## THE WEEK AHEAD

**BEIGE BOOK** *Wednesday, June 11, 2 p.m. EDT* ▶ The Federal Reserve will publish its roundup of regional economic activity ahead of its June 24-25 policy meeting.

**BUSINESS INVENTORIES** *Thursday, June 12, 8:30 a.m. EDT* ▶ April inventories are forecast to have risen 0.2%. That's according to the median forecast of economists surveyed by MMS International.

**RETAIL SALES** *Thursday, June 12, 8:30 a.m. EDT* ▶ Retail sales most likely rose 0.3% in May, while sales excluding vehicles probably increased by 0.3%.

**EXPORT-IMPORT PRICES** *Thursday, June 12, 8:30 a.m. EDT* ▶ Both import and export prices in May probably held steady. April import prices fell 2.7%, due in large part to falling oil costs, while export prices slipped 0.1%.

**INTERNATIONAL TRADE** *Friday, June 13, 8:30 a.m. EDT* ▶ The April foreign trade deficit is expected to be the third highest on record at \$43 billion, after a March deficit of \$43.5 billion.

**PRODUCER PRICE INDEX** *Friday, June 13, 8:30 a.m. EDT* ▶ In May, producer prices

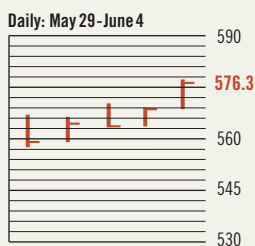
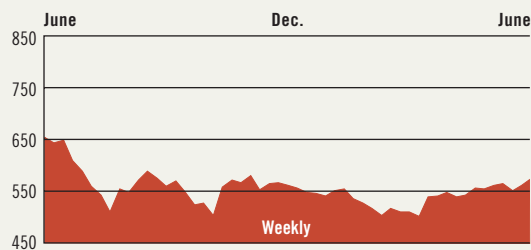
probably held steady. Meanwhile, prices excluding food and energy likely inched up by 0.1%.

The BusinessWeek production index improved to 194.2 for the week ended May 24, up 3.5% from a year ago. Before calculation of the four-week moving average, the index fell to 193.4.

**BusinessWeek online**

For the BW50, more investment data, and the components of the production index, visit [www.businessweek.com](http://www.businessweek.com)

## THE BUSINESSWEEK FIFTY



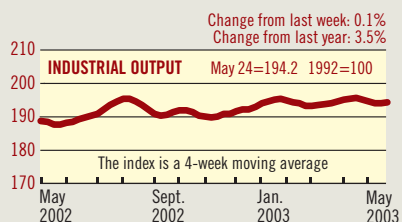
The BW50 rose 2.5% for the week ended June 4. Though that lagged the broader markets, it was a strong performance: 46 of the stocks ended in positive territory. Leading the list was medical-device maker St. Jude Medical, which climbed 10.6% on hopes that Medicare will offer reimbursement on its heart device. Lowe's added 7.3% on the strength of its home improvement sales.

### COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/03			WEEK	SINCE 3/1/03
1	Forest Laboratories	1.8	3.4	26	U.S. Bancorp	2.8	15.6
2	WellPoint Health Networks	-1.4	24.2	27	H&R Block	6.8	9.4
3	UnitedHealth Group	-0.1	15.0	28	Sysco	2.4	14.3
4	Johnson & Johnson	0.7	3.1	29	Procter & Gamble	0.6	12.8
5	Progressive	0.3	37.9	30	eBay	1.5	30.9
6	AmerisourceBergen	5.8	15.9	31	Biomet	1.3	-4.5
7	Lowe's	7.3	13.0	32	Exelon	2.0	21.0
8	Pfizer	2.0	8.7	33	Kohl's	2.7	10.5
9	Dell Computer	1.8	17.8	34	Wachovia	5.2	17.1
10	St. Jude Medical	10.6	25.3	35	3M	1.6	1.3
11	Cardinal Health	5.4	3.9	36	Harley-Davidson	6.2	11.0
12	Bed Bath & Beyond	5.3	30.0	37	Walgreen	5.0	16.0
13	Washington Mutual	4.2	20.9	38	Altria Group	4.5	11.8
14	United Parcel Service	3.3	11.0	39	Mattel	3.2	1.8
15	Microsoft	1.9	4.9	40	AFLAC	-1.2	4.0
16	Freddie Mac	2.5	11.1	41	Abbott Laboratories	2.5	25.4
17	Electronic Arts	0.4	29.1	42	First Data	5.1	25.4
18	International Game Technology	0.9	15.3	43	Dominion Resources	0.2	18.0
19	Pulte Homes	1.6	1.3	44	Coca-Cola	5.5	15.8
20	Merck	2.0	7.8	45	Wrigley (Wm.) Jr.	2.3	6.6
21	Medtronic	0.2	9.6	46	Wal-Mart Stores	1.0	12.1
22	PepsiCo	3.0	17.1	47	Quest Diagnostics	1.3	19.9
23	Wells Fargo	5.2	10.8	48	General Dynamics	5.4	15.9
24	McKesson	5.5	19.4	49	Northrop Grumman	-1.4	-0.5
25	Stryker	4.4	5.7	50	Best Buy	7.6	39.2

Data: Reuters

### BW PRODUCTION INDEX



The production index managed a small increase during the latest week. Before calculation of the four-week moving average, however, the index dropped to 193.4 from 194.6. After seasonal adjustments, lumber output had the biggest increase. Smaller improvements came in rail-freight traffic, steel, and coal. Auto and truck assemblies were down considerably over the period, with another moderate decline in electric-power production. Crude-oil refining was virtually unchanged.

Information on each of the index components is at [www.businessweek.com](http://www.businessweek.com)  
BW production index Copyright 2003 by The McGraw-Hill Companies

### ONLINE RESOURCES

**BW50** 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&As 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)