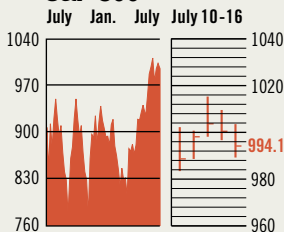


## STOCKS

### S&P 500

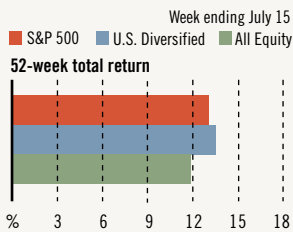
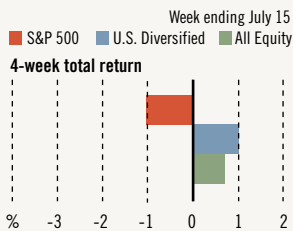


## COMMENTARY

The stock market stalled despite good earnings reports from such blue chips as J.P. Morgan Chase, Merrill Lynch, and Intel. The cause? A sell-off in bonds, where 10-year Treasury yields rose 24 basis points in the face of Fed Chairman Greenspan's determination to reflate the economy. Still, what may be bad for the coupon clipper could be good for equity buyers.

Data: Bloomberg Financial Markets, Reuters

## MUTUAL FUNDS



Data: Standard & Poor's

U.S. MARKETS	JULY 16	WEEK	% CHANGE	
			YEAR TO DATE	LAST 12 MONTHS
S&P 500	994.1	-0.8	13.0	10.3
Dow Jones Industrials	9094.6	-0.7	9.0	7.3
NASDAQ Composite	1748.0	0.0	30.9	27.1
S&P MidCap 400	496.4	-0.7	15.5	12.6
S&P SmallCap 600	231.0	-1.1	17.5	14.1
Wilshire 5000	9579.3	-0.8	14.8	12.1

SECTORS		JULY 16	WEEK	% CHANGE	
				YEAR TO DATE	LAST 12 MONTHS
BusinessWeek 50*	587.2	-0.3	8.2	8.4	
BW Info Tech 100**	320.3	-0.9	12.2	9.9	
S&P/BARRA Growth	507.0	-0.4	13.0	12.2	
S&P/BARRA Value	483.8	-1.2	13.0	8.4	
S&P Energy	188.2	-3.1	2.8	0.3	
S&P Financials	346.1	0.5	16.6	12.3	
S&P REIT	103.3	0.0	13.7	9.1	
S&P Transportation	179.0	-0.9	5.3	-0.7	
S&P Utilities	105.2	-4.6	7.6	-0.3	
GST Internet	130.8	-3.9	75.1	87.2	
PSE Technology	595.1	-0.8	29.8	25.2	

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

## GLOBAL MARKETS

	JULY 16	WEEK	% CHANGE	
			YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	944.8	0.0	11.9	3.4
London (FT-SE 100)	4077.1	0.6	3.5	1.4
Paris (CAC 40)	3150.7	0.3	2.8	-5.0
Frankfurt (DAX)	3387.6	2.0	17.1	-14.8
Tokyo (NIKKEI 225)	9736.0	-2.6	13.5	-5.4
Hong Kong (Hang Seng)	10,207.2	1.8	9.5	-1.2
Toronto (S&P/TSX Composite)	7082.0	-0.5	7.1	5.8
Mexico City (IPC)	7023.9	-2.1	14.6	11.2

## FUNDAMENTALS

	JULY 15	WK. AGO	YR. AGO
S&P 500 Dividend Yield	1.63%	1.61%	1.76%
S&P 500 P/E Ratio (Trailing 12 mos.)	32.5	32.7	38.2
S&P 500 P/E Ratio (Next 12 mos.)*	17.3	17.5	15.7
First Call Earnings Surprise*	4.27%	6.54%	1.48%

\*First Call Corp.

## TECHNICAL INDICATORS

	JULY 15	WK. AGO	READING
S&P 500 200-day average	899.7	895.7	Positive
Stocks above 200-day average	85.0%	87.0%	Negative
Options: Put/call ratio	0.68	0.73	Neutral
Insiders: Vickers NYSE Sell/buy ratio	4.08	4.20	Negative

## BEST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Semiconductor Equip.	16.1	Internet Software 131.5
Wireless Services	14.0	Biotechnology 100.4
Semiconductors	11.1	Office Electronics 72.4
Internet Retail	11.0	Wireless Services 59.2
Electric Mfg. Svcs.	10.9	Homebuilding 41.4

## WORST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Photographic Products	-15.7	Tires & Rubber -48.3
Tires & Rubber	-13.6	Health-Care Facilities -45.6
Homebuilding	-13.5	Food Chains -24.2
Oil & Gas Drilling	-11.2	Steel -19.9
Conglomerates	-10.1	Automobiles -16.7

## EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN		52-WEEK TOTAL RETURN	
	%		%
<b>LEADERS</b>		<b>LEADERS</b>	
Japan	9.5	Health	28.8
Pacific/Asia ex-Japan	6.8	Communications	24.1
Technology	6.5	Technology	22.5
Diversified Pacific/Asia	6.3	Small-cap Growth	20.1
<b>LAGGARDS</b>		<b>LAGGARDS</b>	
Precious Metals	-7.2	Japan	-7.0
Europe	-5.6	Diversified Pacific/Asia	-2.3
Natural Resources	-4.9	Foreign	1.9
Utilities	-3.9	Pacific/Asia ex-Japan	2.0

## EQUITY FUNDS

4-WEEK TOTAL RETURN		52-WEEK TOTAL RETURN	
	%		%
<b>LEADERS</b>		<b>LEADERS</b>	
Apex Mid Cap Growth	20.1	Jacob Internet	121.0
PFds. Smicdr. Usctr. Inv.	17.5	PFds. Biotech. UITS. Inv.	107.8
Matthews Asian Tech.	15.9	Fidelity Adv. Lvgd. Co. A	92.1
Pacific Adv. Sm. Cap A	15.7	Amerindo Technology D	88.8
<b>LAGGARDS</b>		<b>LAGGARDS</b>	
Driehaus Europ. Oppy.	-60.0	Rydex Dynam. Vent. 100	-59.6
PFds. Pr. Mtls. U. Inv.	-13.8	PFds. UITS. OTC Inv.	-59.6
PFds. UITS. OTC Inv.	-9.5	Frontier Equity	-58.2
Rydex Dynam. Vent. 100	-9.4	Driehaus Europ. Oppy.	-49.6

## INTEREST RATES

KEY RATES	JULY 16	WEEK AGO	YEAR AGO
<b>MONEY MARKET FUNDS</b>	0.67%	0.68%	1.44%
<b>90-DAY TREASURY BILLS</b>	0.89	0.88	1.71
<b>2-YEAR TREASURY NOTES</b>	1.43	1.33	2.60
<b>10-YEAR TREASURY NOTES</b>	3.92	3.68	4.68
<b>30-YEAR TREASURY BONDS</b>	4.90	4.70	5.45
<b>30-YEAR FIXED MORTGAGE†</b>	5.86	5.55	6.46

†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>	3.56%	4.62%
<b>TAXABLE EQUIVALENT</b>	5.09	6.60
<b>INSURED REVENUE BONDS</b>	3.65	4.78
<b>TAXABLE EQUIVALENT</b>	5.21	6.83

## THE WEEK AHEAD

**LEADING INDICATORS** Monday, July 21, 10 a.m. EDT ► The Conference Board's index of leading indicators for June is forecast to have increased by 0.2%. That's according to the median forecast of economists surveyed by MMS International. In May, the index jumped 1%.

**FEDERAL BUDGET** Monday, July 21, 2 p.m. EDT ► The federal government will probably report a June surplus of \$20.5 billion, after a \$90.5 billion deficit in May. The Bush Administration revised its fiscal 2003 forecast budget shortfall to \$455

billion, from \$304 billion. The deficit for fiscal 2004 was upped to \$475 billion.

**DURABLE GOODS ORDERS** Friday, July 25, 8:30 a.m. EDT ► New orders for durable goods most likely increased by 0.7% in June, following a 0.4% decline in May.

**NEW RESIDENTIAL SALES** Friday, July 25, 10 a.m. EDT ► New single-family home sales in June probably eased to 1.07 million, from a record 1.16 million during May.

**EXISTING HOME SALES** Friday, July 25, 10 a.m. EDT ► Existing home sales in June are

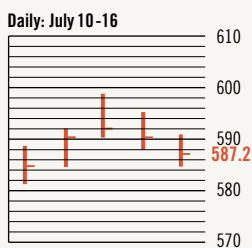
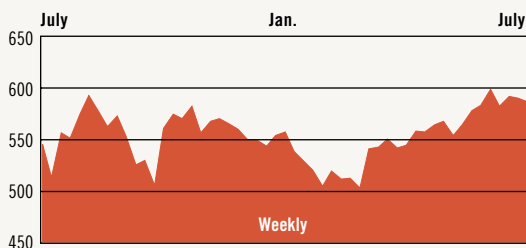
expected to have fallen slightly, to an annual rate of 5.9 million. In May, sales picked up to a pace of 5.92 million.

The BusinessWeek production index improved to 197.5 for the week ended July 5, up 3.4% from a year ago. Before calculation of the four-week moving average, the index held steady at 199.4.

**BusinessWeek** online

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

## THE BUSINESSWEEK FIFTY



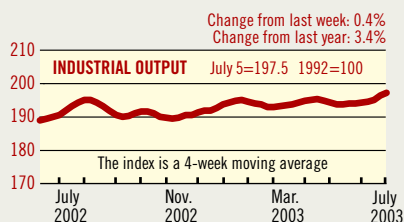
The BW50 slid 0.3% for the week ended July 16. Leading the list downward was Forest Laboratories, whose forecast of lower sales of its anti-depressant drug depressed its shares 10.4%. UnitedHealth Group and WellPoint Health lost around 7% each in a sickly health-care sector. On a positive front, Harley-Davidson roared ahead 19.1% after announcing record motorcycle sales, and PepsiCo climbed 7.2% on strong earnings.

### COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/03			WEEK	SINCE 3/1/03
1	Forest Laboratories	-10.4	-1.5	26	U.S. Bancorp	0.9	19.9
2	WellPoint Health Networks	-6.9	17.1	27	H&R Block	-1.5	8.0
3	UnitedHealth Group	-7.0	17.3	28	Sysco	-1.4	8.7
4	Johnson & Johnson	1.3	0.3	29	Procter & Gamble	0.1	8.2
5	Progressive	-1.7	40.7	30	eBay	-1.8	43.8
6	AmerisourceBergen	-2.6	25.8	31	Biomet	-0.3	-4.1
7	Lowe's	4.7	19.8	32	Exelon	-5.2	11.4
8	Pfizer	-2.5	11.8	33	Kohl's	6.6	17.7
9	Dell Computer	2.5	26.1	34	Wachovia	-0.1	16.4
10	St. Jude Medical	-3.9	12.0	35	3M	-1.3	1.8
11	Cardinal Health	-3.2	13.1	36	Harley-Davidson	19.1	15.9
12	Bed Bath & Beyond	-3.2	16.3	37	Walgreen	2.3	10.7
13	Washington Mutual	-0.9	20.4	38	Altria Group	-9.1	3.5
14	United Parcel Service	-1.1	11.0	39	Mattel	2.1	-4.9
15	Microsoft	0.2	16.1	40	AFLAC	0.9	2.4
16	Freddie Mac	-2.3	-2.5	41	Abbott Laboratories	-2.9	19.0
17	Electronic Arts	-1.4	48.9	42	First Data	0.6	23.4
18	International Game Technology	0.6	34.9	43	Dominion Resources	-4.9	10.6
19	Pulte Homes	-1.3	1.8	44	Coca-Cola	-2.2	6.7
20	Merck	0.6	17.0	45	Wrigley (Wm.) Jr.	-0.5	3.4
21	Medtronic	3.5	8.8	46	Wal-Mart Stores	1.6	17.9
22	PepsiCo	7.2	24.6	47	Quest Diagnostics	-4.8	23.6
23	Wells Fargo	2.2	14.5	48	General Dynamics	3.1	30.8
24	McKesson	-0.9	35.6	49	Northrop Grumman	1.3	0.6
25	Stryker	4.1	12.9	50	Best Buy	-0.5	55.8

Data: Reuters

### BW PRODUCTION INDEX



The production index improved for a fifth straight week. Before calculation of the four-week moving average, however, the index remained unchanged at 199.4. After seasonal adjustments, crude-oil refining shot up. Moderate increases were posted in steel and electric-power production, along with a small uptick in coal output. Amid plant closures on account of the Independence Day holiday and annual model changeover, auto and truck assemblies were lower. Lumber and rail-freight traffic also declined.

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&A's with fund managers.

**COLUMNS** Hot stocks, takeover plays, and the latest strategies for managing your money.

**BusinessWeek** online

For the BW 50, more investment data, and the components of the production index visit [www.businessweek.com/magazine/extra.htm](http://www.businessweek.com/magazine/extra.htm)