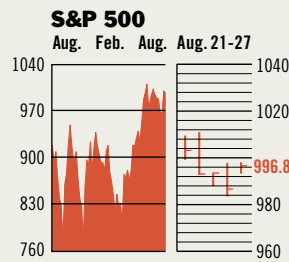


## STOCKS

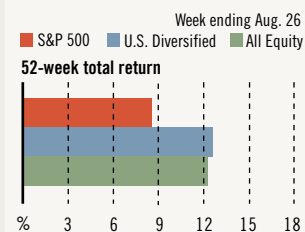
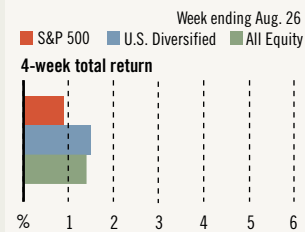


### COMMENTARY

The market ended on a mixed note, with only the Nasdaq Composite Index finishing in positive turf. Semiconductor stocks propelled the tech-laden index to a 16-month high on Aug. 27, on optimism that personal computer demand is increasing. The Dow lost 0.7% and the S&P 500 fell 0.4%. Weak volume prevailed as investors wrap up summer vacations.

Data: Bloomberg Financial Markets, Reuters

## MUTUAL FUNDS



Data: Standard & Poor's

## U.S. MARKETS

	AUG. 27	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	996.8	-0.4	13.3	6.6
Dow Jones Industrials	9333.8	-0.7	11.9	5.8
NASDAQ Composite	1782.1	1.2	33.4	32.2
S&P MidCap 400	509.2	0.3	18.5	13.0
S&P SmallCap 600	239.8	-0.6	22.0	18.2
Wilshire 5000	9651.7	-0.2	15.7	9.5

### SECTORS

	AUG. 27	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
BusinessWeek 50*	570.9	-0.8	5.2	-1.8
BW Info Tech 100**	312.1	0.1	9.3	8.5
S&P/BARRA Growth	505.5	0.2	12.6	5.7
S&P/BARRA Value	487.8	-0.9	14.0	7.6
S&P Energy	197.5	0.1	7.8	1.6
S&P Financials	336.0	-2.1	13.2	5.1
S&P REIT	104.6	0.4	15.2	9.2
S&P Transportation	177.1	-1.0	4.2	-0.6
S&P Utilities	105.8	0.0	8.2	-5.5
GSTI Internet	132.2	0.7	77.0	94.7
PSE Technology	623.0	1.7	35.9	34.3

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

## GLOBAL MARKETS

	AUG. 27	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	945.1	-3.0	11.9	5.0
London (FT-SE 100)	4206.4	-0.3	6.8	-5.5
Paris (CAC 40)	3280.0	0.0	7.1	-8.1
Frankfurt (DAX)	3483.1	-0.5	20.4	-9.6
Tokyo (NIKKEI 225)	10,309.0	0.2	20.2	5.6
Hong Kong (Hang Seng)	10,678.6	1.9	14.6	5.4
Toronto (S&P/TSX Composite)	7500.6	0.1	13.4	12.9
Mexico City (IPC)	7502.1	0.6	22.4	21.8

### FUNDAMENTALS

	AUG. 26	WK. AGO	YR. AGO
S&P 500 Dividend Yield	1.66%	1.65%	1.65%
S&P 500 P/E Ratio (Trailing 12 mos.)	28.0	28.5	32.9
S&P 500 P/E Ratio (Next 12 mos.)*	17.0	17.1	16.7
First Call Earnings Revision*	-0.20%	-0.32%	-2.15%

\*First Call Corp.

### TECHNICAL INDICATORS

	AUG. 26	WK. AGO	READING
S&P 500 200-day average	918.7	916.5	Positive
Stocks above 200-day average	78.0%	75.0%	Negative
Options: Put/call ratio	0.82	0.66	Positive
Insiders: Vickers NYSE Sell/buy ratio	4.03	3.68	Negative

### BEST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Comptr. Stge. & Perphs.	19.5	202.9
Computer Stores	16.4	94.9
Health-Care Facilities	15.5	85.5
Tires & Rubber	14.6	64.9
Semiconductors	13.9	61.0
Internet Software		202.9
Internet Retailers		94.9
Computer Retailers		85.5
Comptr. Stge. & Perphs.		64.9
Wireless Services		61.0

### WORST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Commercial Printing	-12.2	-41.1
Health-Care Distributors	-11.4	-37.7
Managed Health Care	-8.6	-20.8
Housewares & Specialties	-8.5	-17.7
Multi-line Insurers	-7.3	-16.3
Tires & Rubber		-41.1
Health-Care Facilities		-37.7
Multi-Utilities		-20.8
IT Consulting		-17.7
Tobacco		-16.3

### EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
Precious Metals	8.0	Technology	35.6
Japan	6.9	Precious Metals	34.8
Pacific/Asia ex-Japan	5.3	Communications	26.5
Natural Resources	5.2	Latin America	25.3
<b>LAGGARDS</b>			
Health	-3.8	Japan	3.4
Europe	-0.9	Utilities	4.5
Financial	-0.7	Europe	4.6
International Hybrid	0.3	Foreign	4.7

### EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
PFds. Smicdr. Ultsr. Inv.	17.0	PFs. Intnet. Ultsr. Inv.	161.1
ING Russia A	14.7	Jacob Internet	125.4
Scudder Gld. & Pr. Mts. S	13.9	Amerindo Technology D	100.3
Profunds Ultra Japan Inv.	12.0	RS Internet Age	86.3
<b>LAGGARDS</b>			
Apex Mid Cap Growth	-13.6	Frontier Equity	-71.1
Jundt Science & Tech. A	-9.0	Rydex Dynam. Vent. 100	-59.7
PFds. Wrss. Ultsr. Inv.	-7.5	PFds. UltSh. OTC Inv.	-59.6
PFs. Pharms. Ultsr. Inv.	-7.1	Potomac OTC/Short Inv.	-34.6

## INTEREST RATES

### KEY RATES

	AUG. 27	WEEK AGO	YEAR AGO
<b>MONEY MARKET FUNDS</b>	0.61%	0.63%	1.37%
<b>90-DAY TREASURY BILLS</b>	0.99	0.95	1.66
<b>2-YEAR TREASURY NOTES</b>	1.97	1.80	2.17
<b>10-YEAR TREASURY NOTES</b>	4.53	4.44	4.21
<b>30-YEAR TREASURY BONDS</b>	5.31	5.29	5.02
<b>30-YEAR FIXED MORTGAGE†</b>	6.45	6.37	6.27

†BanQuote, 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>	4.11%	4.91%
<b>TAXABLE EQUIVALENT</b>	5.87	7.01
<b>INSURED REVENUE BONDS</b>	4.23	5.07
<b>TAXABLE EQUIVALENT</b>	6.04	7.24

## THE WEEK AHEAD

**PURCHASING MANAGERS' INDEX** *Tuesday, Sept. 2, 10 a.m. EDT* ► The Institute for Supply Management's industrial-activity index for August is forecast to have climbed to 53%, after rising to 51.8% in July. That's according to the median forecast of economists surveyed by MMS International.

**CONSTRUCTION SPENDING** *Wednesday, Sept. 3, 10 a.m. EDT* ► Building outlays in July probably grew by 0.3% for a second straight month.

**BEIGE BOOK** *Wednesday, Sept. 3, 2 p.m. EDT* ► The Federal Reserve will release

its summary of regional economic activity in preparation for its Sept. 16 policy meeting.

**FACTORY INVENTORIES** *Thursday, Sept. 4, 10 a.m. EDT* ► Manufacturing inventories are forecast to have fallen by 0.6% in July, following a 0.2% decline in June.

**EMPLOYMENT** *Friday, Sept. 5, 8:30 a.m. EDT* ► Nonfarm payrolls in August are expected to have risen by 13,000 jobs. It would be the first increase since January. Manufacturers most likely cut 30,000 jobs, after slashing 71,000 positions in July. The un-

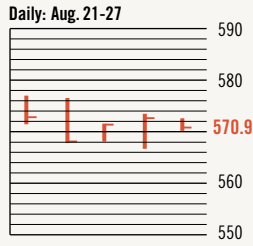
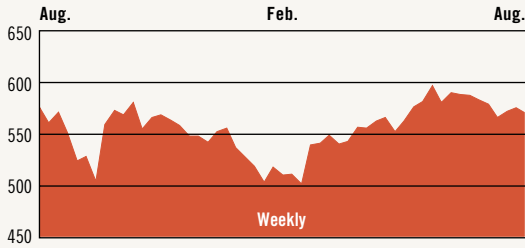
employment rate probably rose to 6.3% from 6.2%, and the average workweek likely inched up to 33.7 hours.

The *BusinessWeek* production index slipped to 199.1 in the week ended Aug. 16 at, up 2.4% from a year ago. Before calculation of the four-week moving average, the index rose to 198.1.

**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



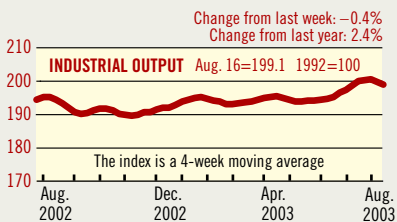
The BW50 was down 0.8% this week, almost mimicking the Dow. Pulling the index south were Amerisource-Bergen and Wachovia, down 6.3% and 3.5% respectively, on profit-taking. Putting in positive performances: Best Buy, up almost 4% on signs that consumer spending is gaining momentum, and H&R Block, up over 3% after it posted a first-quarter profit, citing that low-interest rates led to robust growth in its mortgage division.

### COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/03			WEEK	SINCE 3/1/03
1	Forest Laboratories	5.6	-8.9	26	U.S. Bancorp	-2.5	12.1
2	WellPoint Health Networks	0.0	12.9	27	H&R Block	3.2	6.4
3	UnitedHealth Group	-2.7	18.1	28	Sysco	-0.3	13.9
4	Johnson & Johnson	-1.5	-6.1	29	Procter & Gamble	-0.1	6.6
5	Progressive	0.6	34.6	30	eBay	1.0	42.2
6	AmerisourceBergen	-6.3	2.2	31	Biomet	1.8	-2.8
7	Lowe's	0.3	35.5	32	Exelon	-0.7	19.1
8	Pfizer	-2.7	0.3	33	Kohl's	-1.8	26.3
9	Dell Computer	-1.9	17.5	34	Wachovia	-3.5	18.8
10	St. Jude Medical	-3.2	13.4	35	3M	-0.6	14.0
11	Cardinal Health	-3.7	-1.0	36	Harley-Davidson	0.2	25.8
12	Bed Bath & Beyond	1.6	29.1	37	Walgreen	0.7	11.1
13	Washington Mutual	-3.4	10.9	38	Altria Group	0.9	4.2
14	United Parcel Service	-1.5	9.3	39	Mattel	-3.2	-8.8
15	Microsoft	-0.1	11.5	40	AFLAC	-1.6	2.2
16	Freddie Mac	2.9	-5.1	41	Abbott Laboratories	1.8	11.5
17	Electronic Arts	-2.3	64.5	42	First Data	-1.3	11.2
18	International Game Technology	-2.9	27.6	43	Dominion Resources	-0.7	12.3
19	Pulte Homes	-0.6	14.0	44	Coca-Cola	0.2	9.3
20	Merck	-3.5	0.6	45	Wrigley (Wm.) Jr.	-0.6	-1.5
21	Medtronic	-2.5	11.9	46	Wal-Mart Stores	0.6	23.0
22	PepsiCo	-0.4	14.9	47	Quest Diagnostics	-0.3	10.8
23	Wells Fargo	-0.9	9.2	48	General Dynamics	1.9	43.9
24	McKesson	-1.4	23.3	49	Northrop Grumman	0.5	9.2
25	Stryker	-1.6	14.0	50	Best Buy	3.9	77.0

Data: Reuters

### BW PRODUCTION INDEX



The production index declined during the latest week. Before calculation of the four-week moving average, however, the index managed to rise to 198.1, from 197.7. On a seasonally adjusted basis, the electrical blackout that stretched from New York to Michigan caused large disruptions in auto and truck assemblies. Steel output was also lower. Ironically, electric-power production posted an increase for the week. Lumber showed the biggest gain, followed by increases in crude-oil refining, rail-freight traffic, and coal.

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 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)