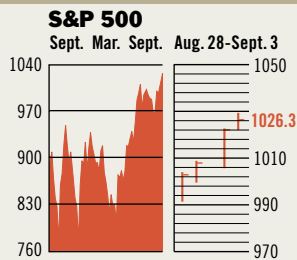


STOCKS

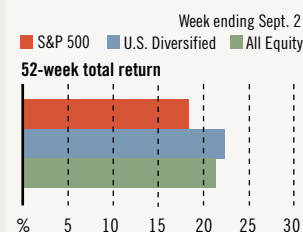
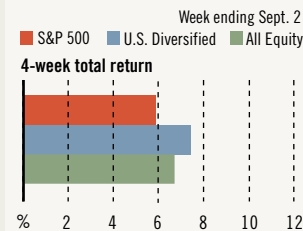


COMMENTARY

Investors returned from vacation and sent stocks soaring, brushing aside warnings from those who say that historically the month of September is a weak one for equities. Good news in tech is lifting all boats: Cisco's CEO said August sales were better than expected. For the week, the NASDAQ, S&P 500, and the Dow rose 4.0%, 3.0%, 2.5%, respectively.

Data: Bloomberg Financial Markets, Reuters

MUTUAL FUNDS



Data: Standard & Poor's

U.S. MARKETS	SEPT. 3	WEEK	% CHANGE	
			YEAR TO DATE	LAST 12 MONTHS
S&P 500	1026.3	3.0	16.6	16.9
Dow Jones Industrials	9568.5	2.5	14.7	15.2
NASDAQ Composite	1852.9	4.0	38.7	46.6
S&P MidCap 400	525.7	3.2	22.3	22.3
S&P SmallCap 600	248.9	3.8	26.6	28.2
Wilshire 5000	9947.1	3.1	19.2	19.6
SECTORS				
BusinessWeek 50*	586.8	2.8	8.2	6.3
BW Info Tech 100**	323.8	3.8	13.4	21.6
S&P/BARRA Growth	520.5	3.0	16.0	15.3
S&P/BARRA Value	502.2	3.0	17.3	18.6
S&P Energy	202.4	2.5	10.5	12.4
S&P Financials	346.3	3.1	16.6	15.4
S&P REIT	107.4	2.7	18.3	12.4
S&P Transportation	181.6	2.5	6.9	6.5
S&P Utilities	108.7	2.7	11.2	3.5
GSTI Internet	134.4	1.7	80.0	112.1
PSE Technology	642.7	3.2	40.2	50.1

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

GLOBAL MARKETS	SEPT. 3	WEEK	% CHANGE	
			YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	980.9	3.8	16.2	16.4
London (FT-SE 100)	4262.1	1.3	8.2	5.8
Paris (CAC 40)	3422.8	4.4	11.7	9.5
Frankfurt (DAX)	3647.5	4.7	26.1	7.3
Tokyo (NIKKEI 225)	10,715.7	3.9	24.9	18.1
Hong Kong (Hang Seng)	11,102.4	4.0	19.1	13.1
Toronto (S&P/TSX Composite)	7580.4	1.1	14.6	17.5
Mexico City (IPC)	7719.1	2.9	26.0	26.7

FUNDAMENTALS	SEPT. 2	WK. AGO	YR. AGO
S&P 500 Dividend Yield	1.62%	1.66%	1.76%
S&P 500 P/E Ratio (Trailing 12 mos.)	28.7	28.0	31.2
S&P 500 P/E Ratio (Next 12 mos.)*	17.2	17.0	15.5
First Call Earnings Revision*	0.02%	-0.20%	-1.61%

*First Call Corp.

TECHNICAL INDICATORS	SEPT. 2	WK. AGO	READING
S&P 500 200-day average	921.8	918.7	Positive
Stocks above 200-day average	81.0%	78.0%	Negative
Options: Put/call ratio	0.76	0.82	Positive
Insiders: Vickers NYSE Sell/buy ratio	4.29	4.03	Negative

BEST-PERFORMING GROUPS	LAST MONTH %	LAST 12 MONTHS %
Comptr. Stge. & Perphs.	22.7	Internet Software 246.4
Computer Retailers	21.3	Wireless Services 106.1
Tires & Rubber	18.7	Computer Retailers 103.0
Application Software	17.8	Comptr. Stge. & Perphs. 100.4
Fertilizers & Ag. Chems.	17.6	Internet Retailers 92.7

WORST-PERFORMING GROUPS	LAST MONTH %	LAST 12 MONTHS %
Multi-line Insurers	-3.6	Health-Care Facilities -34.1
Managed Health Care	-3.0	Tires & Rubber -28.1
Pharmaceuticals	-1.8	Tobacco -15.6
Biotechnology	-1.7	Multi-Utilities -9.8
Soft Drinks	-1.4	Housewares & Specialties -8.2

EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS		LEADERS	
Japan	15.6	Technology	53.9
Precious Metals	12.7	Communications	41.6
Technology	12.6	Precious Metals	34.7
Diversified Pacific/Asia	11.1	Small-cap Growth	34.6
LAGGARDS		LAGGARDS	
Europe	1.1	Utilities	11.9
Real Estate	3.7	Domestic Hybrid	12.0
Domestic Hybrid	3.8	Miscellaneous	13.4
Health	4.1	Foreign	13.9

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS		LEADERS	
PFds. Smicdr. Ultrs. Inv.	28.9	PFs. Intnet. Ultrs. Inv.	218.8
Rydex Large Cap Japan	23.8	Jacob Internet	162.1
PFds. Ult. Sm. Cap Inv.	23.2	Amerindo Technology D	116.2
ProFunds UltraOTC Inv.	22.1	RS Internet Age	115.2
LAGGARDS		LAGGARDS	
American Heritage	-33.3	Frontier Equity	-68.7
Rydex Dynamic Vent. 100	-18.9	Rydex Dynamic Vent. 100	-67.9
PFds. UltSh. OTC Inv.	-18.8	PFds. UltSh. OTC Inv.	-67.8
Rydex Dyn. Tempest 500	-11.4	Potomac OTC/Short Inv.	-41.8

INTEREST RATES

KEY RATES

	SEPT. 3	WEEK AGO	YEAR AGO
MONEY MARKET FUNDS	0.62%	0.61%	1.39%
90-DAY TREASURY BILLS	0.97	0.99	1.62
2-YEAR TREASURY NOTES	2.00	1.97	2.00
10-YEAR TREASURY NOTES	4.60	4.53	3.96
30-YEAR TREASURY BONDS	5.35	5.31	4.80
30-YEAR FIXED MORTGAGE†	6.49	6.45	6.12

†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
GENERAL OBLIGATIONS	4.09%	4.91%
TAXABLE EQUIVALENT	5.84	7.01
INSURED REVENUE BONDS	4.22	5.07
TAXABLE EQUIVALENT	6.03	7.24

THE WEEK AHEAD

INSTALLMENT CREDIT Monday, Sept. 8, 3 p.m. EDT ► Consumers are forecast to have tacked on an additional \$3.5 billion of debt in July, following a small \$400 million decline during June. That's according to the median forecast of economists surveyed by MMS International.

INTERNATIONAL TRADE Thursday, Sept. 11, 8:30 a.m. EDT ► The foreign-trade deficit probably rose to \$40.5 billion in July. Both exports and imports are expected to have increased, with imports posting a larger gain. In June, the trade deficit declined to \$39.5 billion.

EXPORT-IMPORT PRICES Thursday, Sept. 11, 8:30 a.m. EDT ► Export prices probably rose 0.3% in August, following a small 0.1% fall in July. Import prices very likely climbed 0.2%, after a 0.5% jump in July.

RETAIL SALES Friday, Sept. 12, 8:30 a.m. EDT ► August retail sales are expected to have increased 0.4%, after surging 1.4% in July. Minus vehicles, sales probably rose 0.5%, following a 0.8% gain in July.

PRODUCER PRICE INDEX Friday, Sept. 12, 8:30 a.m. EDT ► Producer prices most likely increased 0.3% in August, after a

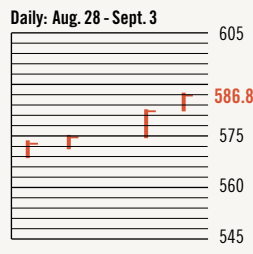
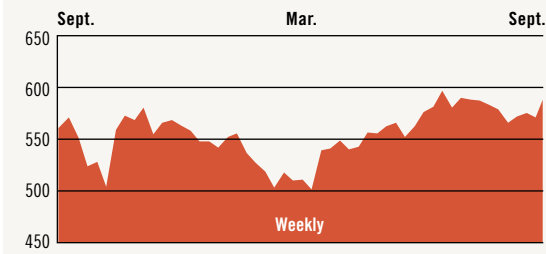
small 0.1% rise in July. Excluding food and energy, prices probably rose 0.2% for a second straight month.

The *BusinessWeek* production index fell to 199 in the week ended Aug. 23, up 2.9% from a year ago. Before calculation of the four-week moving average, the index moved up to 200.3.

BusinessWeek online

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

THE BUSINESSWEEK FIFTY



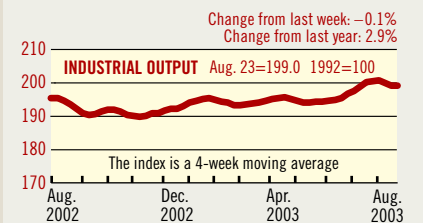
The BW50 kept pace with the broader market, climbing 2.8% for the week ending Sept. 3. Dell Computer led all gainers, adding 7.9%, while Microsoft rose 7.1%, reflecting the growing belief among investors that technology companies will benefit in the coming rebound. Retailers Best Buy and Kohl's rang up 3.2% and 2.0%, respectively, on strong consumer spending. However, eBay, which is up 33.9% since the list debuted, sank 5.8%.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/03			WEEK	SINCE 3/1/03
1	Forest Laboratories	3.4	-5.8	26	U.S. Bancorp	2.8	15.2
2	WellPoint Health Networks	3.3	16.6	27	H&R Block	1.2	7.6
3	UnitedHealth Group	1.2	19.5	28	Sysco	3.8	18.1
4	Johnson & Johnson	2.0	-4.2	29	Procter & Gamble	1.8	8.5
5	Progressive	3.5	39.2	30	eBay	-5.8	33.9
6	AmerisourceBergen	1.1	3.3	31	Biomet	2.9	0.0
7	Lowe's	3.4	40.1	32	Exelon	3.0	22.7
8	Pfizer	3.2	3.6	33	Kohl's	2.0	28.8
9	Dell Computer	7.9	26.7	34	Wachovia	1.4	20.4
10	St. Jude Medical	0.7	14.2	35	3M	-0.2	13.8
11	Cardinal Health	0.7	-0.3	36	Harley-Davidson	-3.1	22.0
12	Bed Bath & Beyond	0.2	29.4	37	Walgreen	3.0	14.4
13	Washington Mutual	3.4	14.7	38	Altria Group	4.0	8.4
14	United Parcel Service	0.7	10.1	39	Mattel	2.4	-6.6
15	Microsoft	7.1	19.4	40	AFLAC	0.6	2.8
16	Freddie Mac	7.4	1.9	41	Abbott Laboratories	5.2	17.2
17	Electronic Arts	4.9	72.6	42	First Data	6.4	18.4
18	International Game Technology	2.8	31.2	43	Dominion Resources	1.2	13.6
19	Pulte Homes	-0.2	13.8	44	Coca-Cola	-0.6	8.7
20	Merck	0.8	1.4	45	Wrigley (Wm.) Jr.	1.9	0.4
21	Medtronic	-1.2	10.5	46	Wal-Mart Stores	1.5	24.8
22	PepsiCo	2.1	17.3	47	Quest Diagnostics	4.0	15.3
23	Wells Fargo	4.0	13.5	48	General Dynamics	2.3	47.1
24	McKesson	5.5	30.0	49	Northrop Grumman	1.4	10.7
25	Stryker	2.3	16.6	50	Best Buy	3.2	82.7

Data: Reuters

BW PRODUCTION INDEX



The production index suffered a third straight decline. Before calculation of the four-week moving average, however, the index jumped to 200.3, from 198. After seasonal adjustments, steel, lumber, and coal output, along with crude-oil refining, were down moderately. Rail-freight traffic was slightly lower as well. Vehicle assemblies rebounded strongly, most likely to make up for lost output during the mid-August blackout. Weekly electric-power production was the second-highest ever recorded by the Edison Electric Institute.

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

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BusinessWeek online

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