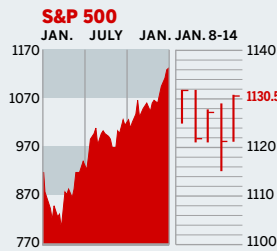


## STOCKS

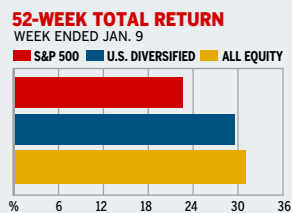
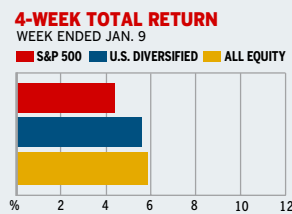


### COMMENTARY

Equities held on to their gains despite bad news on the U.S. jobs front. The reason? Soothing words from Fed Chairman Greenspan on the outlook for interest rates and inflation, along with strong earnings and a pickup in M&A. After the bell on Jan. 14, Intel reported that profits doubled in the fourth quarter on record sales. And AT&T Wireless soared on buyout rumors.

Data: Bloomberg Financial Markets, Reuters

## MUTUAL FUNDS



Data: Standard & Poor's

## U.S. MARKETS

	JAN. 14	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P 500</b>	1130.52	0.4	1.7	21.3
Dow Jones Industrials	10,538.4	0.1	0.8	19.2
NASDAQ Composite	2111.1	1.6	5.4	44.5
S&P MidCap 400	587.9	0.7	2.1	32.7
S&P SmallCap 600	279.7	1.5	3.4	39.0
Wilshire 5000	11,023.0	0.6	2.1	25.4

## SECTORS

<b>BusinessWeek 50*</b>	619.4	-1.0	-0.4	10.2
<b>BW Info Tech 100**</b>	327.4	-9.8	-6.6	4.6
<b>S&amp;P/BARRA Growth</b>	564.5	0.0	1.5	19.0
<b>S&amp;P/BARRA Value</b>	561.9	0.7	1.8	23.7
<b>S&amp;P Energy</b>	224.9	0.1	0.3	22.6
<b>S&amp;P Financials</b>	384.2	0.6	1.1	20.3
<b>S&amp;P REIT</b>	114.2	-0.9	0.5	27.2
<b>S&amp;P Transportation</b>	197.7	-0.8	-2.1	13.7
<b>S&amp;P Utilities</b>	119.0	0.1	0.5	17.8
<b>GSTI Internet</b>	153.8	2.6	6.3	86.7
<b>PSE Technology</b>	730.0	1.4	4.7	45.2

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

## GLOBAL MARKETS

	JAN. 14	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P Euro Plus (U.S. Dollar)</b>	1222.4	2.2	3.7	36.6
<b>London (FT-SE 100)</b>	4461.4	-0.3	-0.3	13.1
<b>Paris (CAC 40)</b>	3612.6	1.4	1.5	13.8
<b>Frankfurt (DAX)</b>	4055.2	1.3	2.3	30.9
<b>Tokyo (NIKKEI 225)</b>	10,863.00	1.0	1.7	27.0
<b>Hong Kong (Hang Seng)</b>	13,320.88	1.2	5.9	36.0
<b>Toronto (S&amp;P/TSX Composite)</b>	8403.8	0.2	2.2	23.4
<b>Mexico City (IPC)</b>	9171.7	0.8	4.3	43.2

## FUNDAMENTALS

	JAN. 13	WEEK AGO	YEAR AGO
<b>S&amp;P 500 Dividend Yield</b>	1.55%	1.54%	1.71%
<b>S&amp;P 500 P/E Ratio (Trailing 12 mos.)</b>	28.1	28.2	29.8
<b>S&amp;P 500 P/E Ratio (Next 12 mos.)*</b>	18.1	18.8r	16.7
<b>First Call Earnings Surprise*</b>	5.45%	7.27%	6.99%

\*First Call Corp.

## TECHNICAL INDICATORS

	JAN. 13	WEEK AGO	READING
<b>S&amp;P 500 200-day average</b>	1002.8	996.4	Positive
<b>Stocks above 200-day average</b>	90.0%	90.0%	Negative
<b>Options: Put/call ratio</b>	0.56	0.57	Negative
<b>Insiders: Vickers NYSE Sell/buy ratio</b>	5.55	5.98	Negative

## BEST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
<b>Wireless Services</b>	26.9	144.9
<b>Employment Services</b>	18.7	114.7
<b>Communication Equip.</b>	17.3	82.8
<b>Tires &amp; Rubber</b>	15.8	81.4
<b>Electric Mfg. Svcs.</b>	15.3	77.8
<b>Internet Software</b>		144.9
<b>Divsfd. Metals &amp; Mining</b>		114.7
<b>Semiconductors</b>		82.8
<b>Employment Services</b>		81.4
<b>Internet Retail</b>		77.8

## WORST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
<b>Trading Cos. &amp; Distribs.</b>	-7.3	-34.3
<b>Health-Care Services</b>	-6.7	-11.2
<b>Gold Mining</b>	-5.0	-7.4
<b>Divsfd. Metals &amp; Mining</b>	-4.2	-2.0
<b>Homebuilding</b>	-2.9	-1.9
<b>Photographic Products</b>		-34.3
<b>Trading Cos. &amp; Distribs.</b>		-11.2
<b>Intgrd. Telecomms. Svcs.</b>		-7.4
<b>Home Furnishings</b>		-2.0
<b>Motorcycles</b>		-1.9

## EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>		<b>LEADERS</b>	
<b>Latin America</b>	16.6	<b>Latin America</b>	65.4
<b>Communications</b>	13.7	<b>Diversified Emerg. Mkts.</b>	57.7
<b>Technology</b>	12.2	<b>Precious Metals</b>	57.4
<b>Diversified Emerg. Mkts.</b>	9.7	<b>Technology</b>	51.2
<b>LAGGARDS</b>		<b>LAGGARDS</b>	
<b>Real Estate</b>	1.8	<b>Domestic Hybrid</b>	17.5
<b>Miscellaneous</b>	2.8	<b>Utilities</b>	19.0
<b>Domestic Hybrid</b>	3.4	<b>Miscellaneous</b>	20.9
<b>Financial</b>	3.7	<b>Large-cap Blend</b>	21.1

## EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>		<b>LEADERS</b>	
<b>TCW Galileo Europ. Eq. I</b>	33.7	<b>Apex Mid Cap Growth</b>	136.3
<b>iShares Gold. Sachs Nwkg.</b>	25.7	<b>Eaton Vce. Grtr. India A</b>	125.0
<b>Fidelity Sel. Dev. Comms.</b>	24.1	<b>Pfds. Smicdr. Ultsr. Inv.</b>	123.1
<b>Reynolds</b>	23.9	<b>iShares MSCI Brazil Idx.</b>	109.6
<b>LAGGARDS</b>		<b>LAGGARDS</b>	
<b>ProFunds UltSh. OTC Inv.</b>	-15.7	<b>Rydex Dynam. Vent. 100</b>	-57.0
<b>Rydex Dynam. Vent. 100</b>	-15.7	<b>ProFunds UltSh. OTC Inv.</b>	-56.8
<b>J.P. Morgan Value Opps.</b>	-14.9	<b>Frontier Equity</b>	-38.0
<b>Rydex Dyn. Tempest 500</b>	-8.5	<b>ProFunds UltraBear Inv.</b>	-37.7

## INTEREST RATES

### KEY RATES

	JAN. 14	WEEK AGO	YEAR AGO
<b>Money Market Funds</b>	0.62%	0.62%	1.01%
<b>90-Day Treasury Bills</b>	0.88	0.89	1.18
<b>2-Year Treasury Notes</b>	1.62	1.81	1.72
<b>10-Year Treasury Notes</b>	3.99	4.25	4.06
<b>30-Year Treasury Bonds</b>	4.89	5.08	4.96
<b>30-Year Fixed Mortgage†</b>	5.66	5.77	6.02

†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>	3.39%	4.42%
<b>Taxable Equivalent</b>	4.84	6.31
<b>Insured Revenue Bonds</b>	3.54	4.75
<b>Taxable Equivalent</b>	5.06	6.79

## THE WEEK AHEAD

### RESIDENTIAL CONSTRUCTION

**Wednesday, Jan. 21, 8:30 a.m. EST** » December housing starts probably stayed strong at an annual rate of 2 million. That's according to the median forecast of economists surveyed by Informa Global Markets. November starts hit a pace of 2.1 million, the best since 1984. But new and existing home sales are slowing, and the number of available homes for sale is on the rise. That suggests the

pace of construction will ease even if mortgage rates remain near the 6% level.

### INITIAL UNEMPLOYMENT CLAIMS

**Thursday, Jan. 22, 8:30 a.m. EST** » New filings for state unemployment claims are forecast to have increased to about 360,000 for the week ending Jan. 17. January figures are typically more volatile following the holiday season, due partly to the retail sector. However, recent claims

data, along with national purchasing managers' indexes for both the factory and non-manufacturing sectors, point to an improving job market.

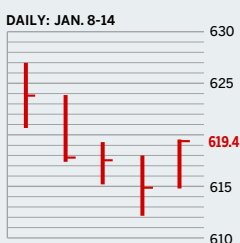
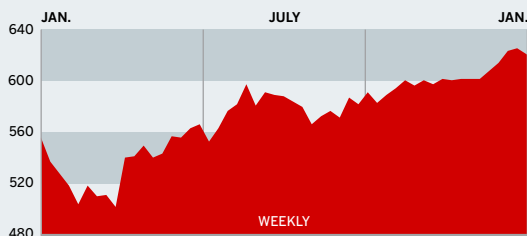
**LEADING INDICATORS Thursday, Jan. 22, 10 a.m. EST** » The Conference Board's index of leading economic indicators likely improved by 0.3% for a second straight month, although the weak December jobs report presents some downside risk for the index.

The *BusinessWeek* production index kept rising, to 213.5 for the week ended Jan. 3, and up 10.1% from a year ago. Before calculation of the four-week moving average, the index slipped to 214.6.

**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



Given its relative dearth of tech stocks, the BW50 lagged the broader market, losing 1.0% for the week ended Jan. 14. Specialty retailer Bed Bath & Beyond sank 7.7%, while Kohl's lost 6.1%. Also dragging down results was weakness in health care, where Abbott Labs fell 5.1% and Pfizer declined 4.5%. But diagnostic-kit-maker Quest Diagnostics bucked the trend, climbing 3.0%.

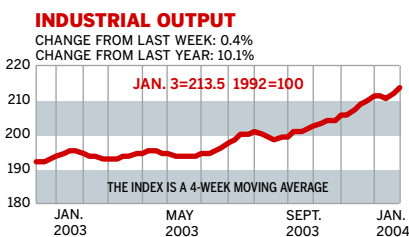
### COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/03
1	Forest Laboratories	-1.1	40.0
2	WellPoint Health Networks	1.5	44.2
3	UnitedHealth Group	1.2	39.9
4	Johnson & Johnson	0.5	-0.9
5	Progressive	3.0	63.9
6	AmerisourceBergen	-1.6	0.5
7	Lowe's	-4.3	34.7
8	Pfizer	-4.5	17.9
9	Dell Computer	1.5	33.4
10	St. Jude Medical	1.2	39.1
11	Cardinal Health	-1.8	4.1
12	Bed Bath & Beyond	-7.7	18.9
13	Washingt Mutual	1.5	17.8
14	United Parcel Service	-1.1	25.9
15	Microsoft	-1.8	16.9
16	Freddie Mac	0.2	8.8
17	Electronic Arts	-1.0	82.5
18	International Game Technology	-1.6	77.6
19	Pulte Homes	-1.6	73.1
20	Merck	-3.2	-7.4
21	Medtronic	1.8	10.0
22	PepsiCo	-2.6	19.4
23	Wells Fargo	-2.3	24.2
24	McKesson	-1.6	11.4
25	Stryker	1.7	31.3

RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/03
26	U.S. Bancorp	-3.0	33.7
27	H&R Block	2.1	40.1
28	Sysco	-2.1	33.1
29	Procter & Gamble	2.0	22.2
30	eBay	1.2	68.2
31	Biomet	2.5	21.1
32	Exelon	-0.6	33.9
33	Kohl's	-6.1	-12.6
34	Wachovia	1.3	33.3
35	3M	0.6	33.5
36	Harley-Davidson	0.3	21.9
37	Walgreen	0.7	23.2
38	Altria Group	1.4	39.4
39	Mattel	2.2	-10.1
40	AFLAC	0.1	13.4
41	Abbott Laboratories	-5.1	24.9
42	First Data	-2.1	15.8
43	Dominion Resources	-0.1	16.5
44	Coca-Cola	-0.2	23.8
45	Wrigley (Wm.) Jr.	1.2	6.2
46	Wal-Mart Stores	-0.6	10.6
47	Quest Diagnostics	3.0	43.8
48	General Dynamics	2.3	57.0
49	Northrop Grumman	2.3	13.9
50	Best Buy	2.8	84.6

Data: Reuters

## BW PRODUCTION INDEX



The production index managed another increase over the latest period. However, before calculation of the four-week moving average, the index slipped to 214.6, from 216.6. After seasonal adjustments, steel production and crude oil refining showed a gain. Coal, electric power, and lumber output were lower. Nearly all U.S. auto and truck plants were closed between the Christmas and New Year holidays. For the month of December, the average index level rose to 213, from 210.2 in November.

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.

**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)