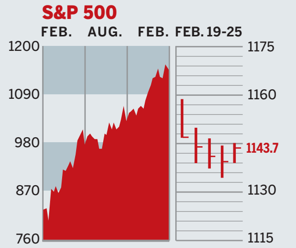
STOCKS



COMMENTARY

Markets fell four days in a row before finally turning up on Feb. 25. Adding to the unease were falling January consumer confidence numbers. Federal Reserve Chairman Alan Greenspan, predicting lively growth, gave a thumbs-up to tax cuts and a thumbs-down to deficits. His advice? Cut the government's massive entitlement spending.

Data: Bloomberg Financial Markets, Reuters

U.S. MARKETS

U.S. MARKETS	FEB. 25	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1143.7	–0.7	2.9	36.4
Dow Jones Industrials	10,601.6	–0.7	1.4	34.0
NASDAQ Composite	2023.0	–2.6	1.0	52.2
S&P MidCap 400	594.2	–1.9	3.2	46.6
S&P SmallCap 600	280.3	–1.5	3.7	52.8
Wilshire 5000	11,133.6	–0.9	3.1	40.1

SECTORS

SECTORS	FEB. 25	WEEK	YEAR TO DATE	LAST 12 MONTHS
BusinessWeek 50*	636.9	–0.1	2.4	23.8
BW Info Tech 100**	356.3	–1.9	1.7	35.4
S&P/BARRA Growth	569.7	–0.8	2.5	31.2
S&P/BARRA Value	569.7	–0.6	3.2	41.8
S&P Energy	235.8	1.6	5.2	30.3
S&P Financials	399.3	–0.5	5.1	42.5
S&P REIT	122.2	1.1	5.5	38.8
S&P Transportation	189.7	–1.6	–6.1	22.6
S&P Utilities	120.6	–0.7	1.8	32.9
GSTI Internet	138.9	–5.1	–4.0	86.1
PSE Technology	721.1	–3.2	3.4	58.3

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

GLOBAL MARKETS

GLOBAL MARKETS	FEB. 25	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1224.5	–3.3	3.9	60.3
London (FT-SE 100)	4507.5	1.5	0.7	24.5
Paris (CAC 40)	3702.6	–0.2	4.1	38.0
Frankfurt (DAX)	3995.3	–2.4	0.8	60.7
Tokyo (NIKKEI 225)	10,658.7	–0.2	–0.2	27.5
Hong Kong (Hang Seng)	13,599.5	–2.4	8.1	49.2
Toronto (S&P/TSX Composite)	8637.3	–0.9	5.1	32.8
Mexico City (IPC)	9926.7	–2.0	12.9	69.1

FUNDAMENTALS

FUNDAMENTALS	FEB. 24	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.55%	1.52%	1.92%
S&P 500 P/E Ratio (Trailing 12 mos.)	23.4	23.8	28.8
S&P 500 P/E Ratio (Next 12 mos.)*	18.2	18.5	15.1
First Call Earnings Revision*	0.76%	0.72%	–3.88%

*First Call Corp.

TECHNICAL INDICATORS

TECHNICAL INDICATORS	FEB. 24	WEEK AGO	READING
S&P 500 200-day average	1037.1	1031.7	Positive
Stocks above 200-day average	86.0%	89.0%	Negative
Options: Put/call ratio	0.69	0.60	Neutral
Insiders: Vickers NYSE Sell/buy ratio	6.23	6.05	Negative

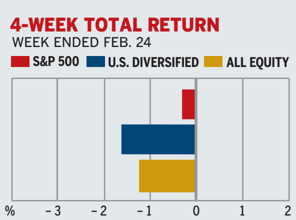
BEST-PERFORMING GROUPS

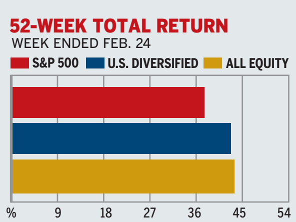
	LAST MONTH %		LAST 12 MONTHS %
Health-Care Supplies	12.1	Divsfd. Metals & Mining	136.1
Wireless Services	11.9	Internet Software	116.7
Fertilizers & Ag. Chems.	11.7	Wireless Services	109.1
Motorcycles	11.5	Instrumentation	102.3
Hypermarkets & Suprcntrs.	10.0	Fertilizers & Ag. Chems.	94.3

WORST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Employment Services	–16.2	Photographic Products	–1.5
Tires & Rubber	–14.2	Health-Care Facilities	–0.1
Broadcasting	–12.8	Trading Cos. & Distribs.	3.2
Automobiles	–12.3	Health-Care Distributors	9.5
Airlines	–11.1	Brewers	12.8

MUTUAL FUNDS





Data: Standard & Poor's

EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS		**LEADERS**	
Europe	1.7	Latin America	84.5
Real Estate	1.6	Diversified Emerg. Mkts.	70.7
Natural Resources	0.6	Europe	64.7
Financial	0.5	Pacific/Asia ex-Japan	63.4
LAGGARDS		**LAGGARDS**	
Technology	–6.0	Domestic Hybrid	24.8
Small-cap Growth	–5.1	Miscellaneous	29.3
Latin America	–4.9	Utilities	33.8
Japan	–4.0	Large-cap Growth	35.0

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS		**LEADERS**	
ProFds. Wrlss. Ultsr. Inv.	11.0	Apex Mid Cap Growth	156.4
Rydex Dynam. Vent. 100	7.4	Reynolds	148.4
ProFunds UltSh. OTC Inv.	7.4	PFds. Ult. Sm. Cap Inv.	137.5
Henderson Europ. Focus A	6.6	ProFds. Wrlss. Ultsr. Inv.	131.2
LAGGARDS		**LAGGARDS**	
Grand Prix A	–17.7	Rydex Dynam. Vent. 100	–60.1
Thurlow Growth	–14.6	ProFunds UltSh. OTC Inv.	–60.1
Navellier Perf. Aggr. Gr	–13.2	Rydex Dyn. Tempest 500	–50.6
Van Wagoner Emerging Gr.	–12.0	ProFunds UltraBear Inv.	–50.5

INTEREST RATES

KEY RATES

KEY RATES	FEB. 25	WEEK AGO	YEAR AGO
Money Market Funds	0.59%	0.60%	0.90%
90-Day Treasury Bills	0.95	0.92	1.20
2-Year Treasury Notes	1.60	1.67	1.53
10-Year Treasury Notes	4.01	4.05	3.77
30-Year Treasury Bonds	4.89	4.91	4.74
30-Year Fixed Mortgage†	5.48	5.45	5.79

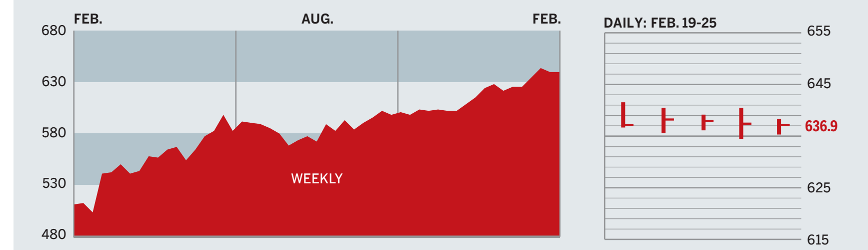
†BanxQuote, Inc.

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	3.34%	4.30%
Taxable Equivalent	4.77	6.14
Insured Revenue Bonds	3.48	4.68
Taxable Equivalent	4.97	6.69

THE BUSINESSWEEK FIFTY



The BW 50 ended down slightly for the week ended Feb. 25, outperforming the broader indices. Managed-care provider UnitedHealth Group rose 2.6% on analyst recommendations, but WellPoint Health Networks, an acquisition target, rose 1.8% as a result of arbitrage activity. H&R Block declined 9.6% after reporting declining profits in its latest quarter.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE WEEK	SINCE 3/1/03
1	Forest Laboratories	–0.3	48.2
2	WellPoint Health Networks	1.8	57.2
3	UnitedHealth Group	2.6	49.3
4	Johnson & Johnson	0.3	3.1
5	Progressive	–0.3	60.0
6	AmerisourceBergen	0.5	4.0
7	Lowe's	–3.4	41.3
8	Pfizer	–0.4	24.9
9	Dell Computer	–2.5	23.5
10	St. Jude Medical	–1.2	58.8
11	Cardinal Health	–0.3	13.1
12	Bed Bath & Beyond	–3.9	20.8
13	Washington Mutual	0.2	30.3
14	United Parcel Service	–1.9	21.4
15	Microsoft	–0.3	12.7
16	Freddie Mac	–2.5	14.7
17	Electronic Arts	–0.2	76.4
18	International Game Technology	–2.2	89.4
19	Pulte Homes	0.9	85.1
20	Merck	–2.4	–4.2
21	Medtronic	–1.9	5.9
22	PepsiCo	1.6	36.0
23	Wells Fargo	0.5	26.2
24	McKesson	–3.5	4.1
25	Stryker	–1.1	36.7
26	U.S. Bancorp	2.3	36.5
27	H&R Block	–9.6	34.1
28	Sysco	0.1	40.4
29	Procter & Gamble	–0.3	25.4
30	eBay	–1.9	71.4
31	Biomet	–1.2	29.7
32	Exelon	–1.1	34.5
33	Kohl's	–0.7	1.3
34	Wachovia	1.1	35.6
35	3M	–1.4	25.3
36	Harley-Davidson	0.7	35.4
37	Walgreen	2.4	26.2
38	Altria Group	2.6	46.4
39	Mattel	–1.8	–11.4
40	AFLAC	–1.5	29.5
41	Abbott Laboratories	–2.4	22.1
42	First Data	2.0	17.7
43	Dominion Resources	–1.0	16.4
44	Coca-Cola	–3.1	23.4
45	Wrigley (Wm.) Jr.	–0.5	4.0
46	Wal-Mart Stores	4.7	24.6
47	Quest Diagnostics	–0.4	55.2
48	General Dynamics	–3.1	56.5
49	Northrop Grumman	–1.8	17.6
50	Best Buy	–3.7	76.9

Data: Reuters

THE WEEK AHEAD

PERSONAL INCOME *Monday, Mar. 1, 8:30 a.m. EST* » Personal income in January is expected to have jumped by 0.7%, following a 0.2% gain in December. That's based on the median forecast of economists polled by Informa Global Markets. Consumer expenditures most likely grew by 0.7% as well, after a 0.4% increase in the prior month.

PURCHASING MANAGERS' INDEX *Monday, Mar. 1, 10 a.m. EST* » The Institute for Supply Management's industrial-activity index for January most likely moderated to 60%, from 63.6%.

BEIGE BOOK *Wednesday, Mar. 3, 2:00 p.m. EST* » The Federal Reserve will issue its overview of regional economic activity ahead of its Mar. 16 policy meeting.

FACTORY INVENTORIES *Thursday, Mar. 4, 10 a.m. EST* » January manufacturing inventories probably fell by 0.1%. That's suggested by the sluggish gain in factory output for the month. Factory inventories were unchanged in December.

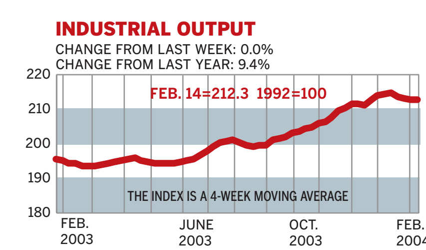
EMPLOYMENT *Friday, Mar. 5, 8:30 a.m. EST* » February nonfarm payrolls are forecast to have increased by 110,000, after adding 112,000 positions in January. The unemployment rate probably held steady at 5.6%, while average hourly wages very likely ticked up by 0.2%.

The *BusinessWeek* production index held steady at 212.3 for the week ended Feb. 14, but stood 9.4% above its previous-year level. Before calculation of the four-week moving average, the index climbed to 213.2.

BusinessWeek online

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

BW PRODUCTION INDEX



The production index was unchanged over the latest period. Before calculation of the four-week moving average, however, the index zipped ahead to 213.2 from 211.2. After seasonal adjustments, auto assemblies showed the biggest increase, followed by a strong rebound in rail-freight traffic. Trucks, electric-power production, crude-oil refining, and coal were also higher. Lumber output was virtually unchanged on the week, while steel was the only component to post a decline.

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

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