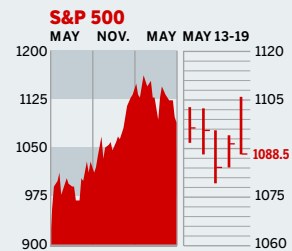


## STOCKS



### COMMENTARY

Stocks struggled to end the week in positive territory, but fears of rising interest rates, surging oil prices, and creeping inflation derailed the comeback. On May 19, tech stocks rose early in the day on the back of a strong profit report from Applied Materials, the chip-equipment maker, as well as bullish talk from Hewlett-Packard. Investors, however, lost nerve and took to the sideline.

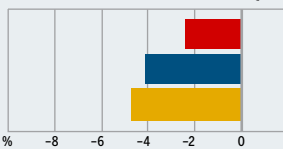
Data: Bloomberg Financial Markets, Reuters

## MUTUAL FUNDS

### 4-WEEK TOTAL RETURN

WEEK ENDED MAY 18

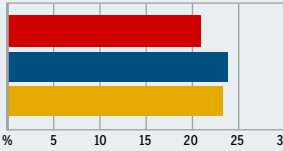
■ S&P 500 ■ U.S. DIVERSIFIED ■ ALL EQUITY



### 52-WEEK TOTAL RETURN

WEEK ENDED MAY 18

■ S&P 500 ■ U.S. DIVERSIFIED ■ ALL EQUITY



Data: Standard & Poor's

## U.S. MARKETS

	MAY 19	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1088.7	-0.8	-2.1	18.2
Dow Jones Industrials	9937.7	-1.1	-4.9	17.0
NASDAQ Composite	1898.2	-1.4	-5.3	27.2
S&P MidCap 400	565.1	-0.7	-1.9	27.2
S&P SmallCap 600	268.0	-1.3	-0.9	33.5
Dow Jones Wilshire 5000	10,573.3	-0.8	-2.1	20.4

## SECTORS

	MAY 19	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
BusinessWeek 50*	622.3	-1.2	0.0	12.3
BW Info Tech 100**	329.4	-0.6	-6.0	15.3
S&P/BARRA Growth	543.7	-1.2	-2.2	15.5
S&P/BARRA Value	541.1	-0.4	-2.0	21.0
S&P Energy	235.1	-1.2	4.9	25.2
S&P Financials	370.2	-0.3	-2.5	17.8
S&P REIT	107.3	1.3	-7.3	10.7
S&P Transportation	188.3	-0.3	-6.8	8.4
S&P Utilities	113.2	0.3	-4.4	8.2
GSTI Internet	146.9	-0.4	1.5	34.4
PSE Technology	682.8	-1.2	-2.1	33.4

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

## GLOBAL MARKETS

	MAY 19	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1143.2	2.6	-3.0	27.9
London (FT-SE 100)	4471.8	1.3	-0.1	13.5
Paris (CAC 40)	3643.3	2.2	2.4	27.1
Frankfurt (DAX)	3872.3	2.5	-2.3	35.8
Tokyo (NIKKEI 225)	10,967.7	-1.7	2.7	36.1
Hong Kong (Hang Seng)	11,469.4	-0.5	-8.8	26.7
Toronto (S&P/TSX Composite)	8196.8	0.1	-0.3	21.6
Mexico City (IPC)	9767.6	0.8	11.1	51.0

## FUNDAMENTALS

	MAY 18	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.67%	1.64%	1.76%
S&P 500 P/E Ratio (Trailing 12 mos.)	20.6	20.7	29.5
S&P 500 P/E Ratio (Next 12 mos.)*	16.5	16.6	16.3
First Call Earnings Revision*	2.12%	2.21%	-1.68%

\*First Call Corp.

## TECHNICAL INDICATORS

	MAY 18	WEEK AGO	READING
S&P 500 200-day average	1080.3	1077.7	Positive
Stocks above 200-day average	49.0%	51.0%	Neutral
Options: Put/call ratio	0.88	0.90	Positive
Insiders: Vickers NYSE Sell/buy ratio	2.93	3.53	Negative

## BEST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Personal Products	6.6	Internet Software	116.0
Internet Retail	4.3	Wireless Services	97.5
Drug Chains	3.4	Fertilizers & Ag. Chems.	76.4
Health-Care Facilities	3.1	Divsfd. Metals & Mining	73.5
Regional Banks	1.8	Health-Care Supplies	68.4

## WORST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Forest Products	-14.8	Photographic Products	-13.9
Casinos	-14.6	Airlines	-11.2
Comptr. Stge. & Perphs.	-13.9	Insurance Brokers	-7.0
Footwear	-13.5	Broadcasting	-4.4
Divsfd. Metals & Mining	-13.1	Biotechnology	-1.2

## EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
Real Estate	-0.5	Japan	41.0
Health	-2.3	Diversified Emerg. Mkts.	36.8
Domestic Hybrid	-2.6	Small-cap Value	34.9
Financial	-2.7	Pacific/Asia ex-Japan	33.8
<b>LAGGARDS</b>			
Pacific/Asia ex-Japan	-16.5	Domestic Hybrid	12.1
Diversified Emerg. Mkts.	-15.6	Utilities	13.7
Diversified Pacific/Asia	-14.4	Large-cap Growth	17.7
Japan	-14.3	Miscellaneous	18.2

## EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
Credit Sse. Inst. Sm. C. Gr.	9.5	ProFds. Wriss. Ultsr. Inv.	97.2
Rydx. Invs. Dyn. Dow 30 H	6.0	Pacific Adv. Sm. Cap A	90.7
Oppenheimer Real Asst. A	5.8	American Heritage	83.3
ProFunds Sh. Sm. Cap Inv.	5.8	Gartmore Micro Cap Eq. A	71.1
<b>LAGGARDS</b>			
iShares MSCI S. Kor. Idx.	-23.2	ProFunds UltSh. OTC Inv.	-44.1
Fidelity Adv. Korea A	-22.9	Rydx Dynam. Vent. 100	-44.0
Eaton Vance Grtr. India A	-22.3	Rydx Dyn. Tempest 500	-33.7
Fidelity Adv. Emg. Asia A	-20.9	ProFunds UltraBear Inv.	-33.6

## INTEREST RATES

### KEY RATES

	MAY 19	WEEK AGO	YEAR AGO
Money Market Funds	0.59%	0.58%	0.78%
90-Day Treasury Bills	1.04	1.03	1.07
2-Year Treasury Notes	2.58	2.58	1.36
10-Year Treasury Notes	4.79	4.80	3.40
30-Year Treasury Bonds	5.50	5.51	4.35
30-Year Fixed Mortgage †	6.30	6.30	5.28

†BarxQuote, 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	4.21%	5.06%
Taxable Equivalent	6.01	7.23
Insured Revenue Bonds	4.39	5.26
Taxable Equivalent	6.27	7.51

## THE WEEK AHEAD

### CONSUMER CONFIDENCE

Tuesday, May 25, 10 a.m. EDT » The Conference Board's May confidence index probably edged up to 93, from 92.9 in April. That's based on the median forecast of economists surveyed by Action Economics. Any gains from a stronger labor market may be offset by higher energy prices and troubles in Iraq.

### DURABLE GOODS ORDERS

Wednesday, May 26, 8:30

a.m. EDT » New orders for durable goods are forecast to have retreated by 0.5% in April, following a big 5% gain in March.

### NEW RESIDENTIAL SALES

Wednesday, May 26, 10 a.m.

EDT » New single-family home sales in April most likely eased to an annual rate of 1.18 million, after climbing to a pace of 1.23 million for March.

### GROSS DOMESTIC PRODUCT

Thursday, May 27, 8:30 a.m.

EDT » The economy probably grew at an annual rate of 4.2% over the first quarter, unrevised from the earlier estimate reported in April.

### PERSONAL INCOME

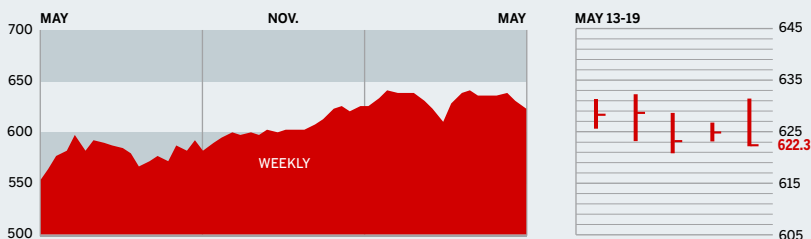
Friday, May 28, 8:30 a.m. EDT » Personal income in April most likely grew by 0.5%, after a 0.4% gain in March. But consumer expenditures probably advanced by a smaller 0.3%, after a 0.4% increase in the previous month.

The BusinessWeek production index held steady at 219.1 for the week ended May 8 but was still up 12.9% from the previous year. Before calculation of the four-week moving average, the index fell to 218.3.

**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



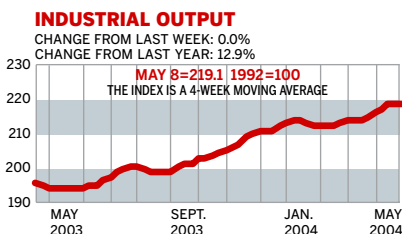
The BW50 lost 1.2%. Leading the losers was Dell, off 6.6%—despite a 22% rise in profits—on concerns that the battle with Hewlett-Packard for market share will hit the bottom line. Electronic Arts fell 5.3% after a key retailer projected declining same-store sales. But Staples climbed 7.2% after profits soared, and St. Jude Medical added 4.8% on hopes of increased Medicare spending.

### COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/04			WEEK	SINCE 3/1/04
1	Progressive	-0.9	-0.5	26	Procter & Gamble	-0.6	2.9
2	Cendant	-1.3	-2.0	27	Yahoo	3.2	26.1
3	WellPoint Health Networks	-0.6	1.5	28	Apache	-1.4	-3.9
4	UnitedHealth Group	2.1	1.9	29	Sears, Roebuck	0.2	-19.1
5	Forest Laboratories	-1.1	-17.4	30	Stryker	1.5	14.4
6	ACE	-2.0	-10.2	31	Sysco	0.4	-4.1
7	Best Buy	-1.5	-3.8	32	Dollar General	1.8	-19.5
8	ConocoPhillips	-2.5	3.5	33	Bed Bath & Beyond	-1.3	-11.8
9	Lowe's	2.1	-9.6	34	Quest Diagnostics	-0.9	-1.4
10	Electronic Arts	-5.3	1.7	35	Nike	-2.1	-9.2
11	Pulte Homes	-1.2	-12.3	36	Devon Energy	-2.1	4.5
12	Centex	-2.1	-17.9	37	Intel	-1.7	-7.2
13	eBay	-1.8	15.4	38	Johnson Controls	1.5	-10.3
14	ChevronTexaco	-2.1	1.8	39	Staples	7.2	2.3
15	Symantec	0.0	15.0	40	American International Group	-2.4	-6.0
16	Dell	-6.6	4.3	41	Ambac Financial Group	0.8	-16.5
17	Qualcomm	-0.5	0.7	42	Express Scripts	2.3	4.6
18	International Game Technology	1.8	-3.2	43	Harley-Davidson	2.8	3.5
19	MBNA	2.7	-10.9	44	PepsiCo	-1.4	1.9
20	Marathon Oil	-4.9	-8.3	45	Burlington Resources	-1.2	11.8
21	St. Jude Medical	4.8	3.0	46	Carnival	-1.6	-9.3
22	Home Depot	1.5	-6.3	47	3M	-3.6	5.5
23	Exxon Mobil	-0.9	1.0	48	Apollo Group	-0.4	17.1
24	Johnson & Johnson	-1.7	0.7	49	KB Home	-2.2	-15.6
25	Starbucks	-0.6	0.4	50	Humana	0.2	-26.4

Data: Reuters

## BW PRODUCTION INDEX



The production index didn't budge over the latest period. Before calculation of the four-week moving average, however, the index dropped to 218.3, from 219.8. On a seasonally adjusted basis, a majority of the components were lower. Auto and truck assemblies had the biggest declines, followed by more moderate decreases in rail-freight traffic, electric power production, coal, and steel. Lumber posted a big increase, while crude-oil refining was up slightly for the week.

Information on each of the index components is at [www.businessweek.com](http://www.businessweek.com).  
BW production index Copyright 2004 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)