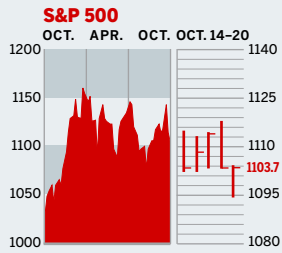


STOCKS



COMMENTARY

It was a mixed week for equities, despite strong earnings from such bellwether tech outfits as IBM and Texas Instruments, which reported record results on surging sales of cell-phone chips. Financial stocks fared less well: J.P. Morgan Chase reported a 13% drop in earnings due to merger costs. Uncertainty about the elections and rising oil prices are worrying investors.

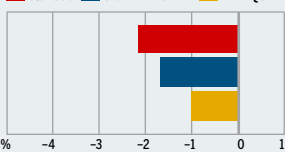
Data: Bloomberg Financial Markets, Reuters

MUTUAL FUNDS

4-WEEK TOTAL RETURN

WEEK ENDED OCT. 19

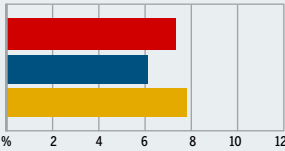
■ S&P 500 ■ U.S. DIVERSIFIED ■ ALL EQUITY



52-WEEK TOTAL RETURN

WEEK ENDED OCT. 19

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



Data: Standard & Poor's

U.S. MARKETS

	OCT. 20	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1103.7	-0.9	-0.7	5.6
Dow Jones Industrials	9886.9	-1.2	-5.4	1.1
NASDAQ Composite	1933.0	0.6	-3.5	0.4
S&P MidCap 400	586.4	-0.2	1.8	9.0
S&P SmallCap 600	288.9	-0.1	6.8	14.6
DJ Wilshire 5000	10,804.3	-0.7	0.0	6.5

SECTORS

	OCT. 20	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
BusinessWeek 50*	643.5	-0.8	3.4	6.7
BW Info Tech 100**	335.0	0.9	-4.4	-1.4
S&P/BARRA Growth	536.0	0.0	-3.6	1.2
S&P/BARRA Value	563.6	-1.7	2.1	10.2
S&P Energy	279.6	1.5	24.7	37.9
S&P Financials	370.3	-4.1	-2.5	2.2
S&P REIT	131.3	0.9	13.4	18.5
S&P Transportation	215.5	2.0	6.7	13.1
S&P Utilities	129.0	0.4	9.0	15.6
GSTI Internet	152.1	-0.3	5.1	6.7
PSE Technology	686.8	1.0	-1.5	4.5

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

BEST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Gold Mining	10.7	Oil & Gas Refining	71.9
Fertilizers & Ag. Chems.	8.8	Internet Software	62.8
Oil & Gas Refining	7.8	Fertilizers & Ag. Chems.	61.7
Oil & Gas Drilling	6.8	Internet Retail	61.5
Oil & Gas Exploration	6.6	Steel	59.8

EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
Precious Metals	5.9	Natural Resources	36.8
Real Estate	3.6	Latin America	29.6
Communications	2.5	Real Estate	25.3
Europe	2.0	Europe	21.3
LAGGARDS			
Health	-5.2	Technology	-7.0
Financial	-2.9	Japan	1.1
Large-cap Value	-2.4	Large-cap Growth	1.1
Large-cap Blend	-2.1	Small-cap Growth	1.5

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
U.S. Gl. Invs. Prec. Mnls.	12.5	iShares MSCI Austria Idx.	61.4
U.S. Global Invs. Gold	11.7	ProFunds Energy Ustr. Inv	57.1
Oppenheimer Real Asst. A	9.9	State St. Rsch. Rsrcs. A	53.8
Midas	9.1	ProFds. Wrss. Ultrs. Inv.	50.8
LAGGARDS			
American Heritage Growth	-14.3	ProFds. Smicdr. Ultrs. Inv.	-43.0
ProFds. Phmcis. Ustr. Inv.	-13.3	GMO Emerg. Mkts. Qty. III	-41.3
Fidelity Select Insurance	-10.3	Thurlow Growth	-37.7
ProFds. Hlthcre. Ustr. Inv.	-10.1	Ameritor Investment	-31.4

GLOBAL MARKETS

	OCT. 20	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1215.9	2.0	3.2	18.1
London (FT-SE 100)	4616.4	-0.4	3.1	6.2
Paris (CAC 40)	3665.7	-0.8	3.0	9.1
Frankfurt (DAX)	3912.4	-1.6	-1.3	9.9
Tokyo (NIKKEI 225)	10,882.2	-2.8	1.9	-1.4
Hong Kong (Hang Seng)	12,970.9	-1.5	3.1	5.9
Toronto (S&P/TSX Composite)	8788.1	0.7	6.9	13.8
Mexico City (IPC)	11,076.9	1.2	25.9	40.6

FUNDAMENTALS

	OCT. 19	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.72%	1.71%	1.62%
S&P 500 P/E Ratio (Trailing 12 mos.)	19.3	19.8	28.1
S&P 500 P/E Ratio (Next 12 mos.)*	15.6	15.9	17.6
First Call Earnings Surprise*	2.17%	2.27%	6.24%

*First Call Corp.

TECHNICAL INDICATORS

	OCT. 19	WEEK AGO	READING
S&P 500 200-day average	1120.0	1119.9	Negative
Stocks above 200-day average	54.0%	60.0%	Neutral
Options: Put/call ratio	0.86	0.84	Positive
Insiders: Vickers NYSE Sell/buy ratio	4.51	4.17	Negative

WORST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Insurance Brokers	-41.7	Insurance Brokers	-40.3
Multi-line Insurers	-17.9	IT Consulting	-31.2
Health-Care Distribtr.	-16.6	Airlines	-30.2
Tires & Rubber	-14.3	Health-Care Distribtr.	-29.9
Homebuilding	-12.1	Semiconductor Equip.	-27.4

INTEREST RATES

KEY RATES

	OCT. 20	WEEK AGO	YEAR AGO
Money Market Funds	1.29%	1.26%	0.61%
90-Day Treasury Bills	1.83	1.71	0.95
2-Year Treasury Notes	2.50	2.49	1.76
10-Year Treasury Notes	3.98	4.06	4.25
30-Year Treasury Bonds	4.77	4.87	5.14
30-Year Fixed Mortgage†	5.62	5.70	5.89

†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	3.46%	4.49%
Taxable Equivalent	4.94	6.41
Insured Revenue Bonds	3.66	4.73
Taxable Equivalent	5.23	6.76

THE WEEK AHEAD

CONSUMER CONFIDENCE

Tuesday, Oct 26, 10 a.m.

EDT » The Conference Board's October confidence index probably dipped to 94.3, after falling to 96.8 in September. That's according to the median forecast of economists surveyed by Action Economics.

DURABLE GOODS ORDERS

Wednesday, Oct. 27, 8:30 a.m.

EDT » New durable-goods orders for September are forecast to have rebounded by 0.4%, after

a 0.5% decline in August.

BEIGE BOOK Wednesday, Oct. 27, 2 p.m.

EDT » The Federal Reserve will release its roundup on regional economic activity ahead of the Nov. 10 monetary policy meeting. Respondents to the latest Action Economics survey expect that at the upcoming meeting the Fed will lift interest rates to 2%, from the current 1.75%.

GROSS DOMESTIC PRODUCT

Friday, Oct. 29, 8:30 a.m.

EDT » The economy probably grew at an annual rate of 4.2% in the third quarter. In the second quarter, growth stood at 3.3%.

EMPLOYMENT COST INDEX

Friday, Oct. 29, 8:30 a.m.

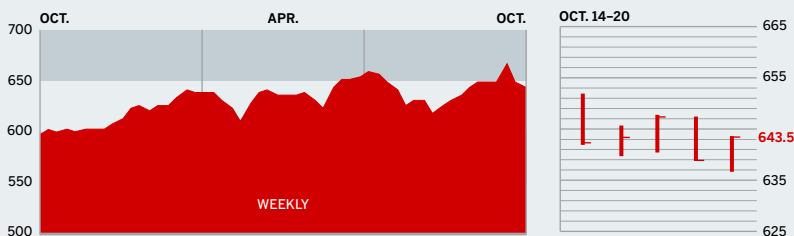
EDT » Compensation in the third quarter most likely climbed by 1%, after a 0.9% increase in the second quarter. Benefit costs, such as health care, should continue to outpace wage gains, driving the overall index higher.

The *BusinessWeek* production index climbed to 228.5 for the week ended Oct. 9, a 12.5% improvement from a year ago. Before calculation of the four-week moving average, the index rose to 230.

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 fell 0.8% for the week ended Oct. 20. Hardest hit were insurers AIG and ACE, off 14.0% and 15.7%, respectively. The two are reeling due to an investigation into insurance-industry practices. Health insurers WellPoint Health and Humana sank, too. Tech issues stayed strong: Qualcomm rose 4.5% and after the closing bell on Oct. 20, eBay reported stellar results.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/04
1	Progressive	2.9	5.8
2	Cendant	-3.1	-3.6
3	WellPoint Health Networks	-9.2	-15.9
4	UnitedHealth Group	-3.0	12.7
5	Forest Laboratories	-6.5	-41.9
6	ACE	-15.7	-24.4
7	Best Buy	1.3	4.9
8	ConocoPhillips	0.7	21.3
9	Lowe's	2.0	0.1
10	Electronic Arts	-1.2	-5.0
11	Pulte Homes	-2.1	-8.8
12	Centex	-1.8	-13.3
13	eBay	-3.4	33.0
14	ChevronTexaco	0.1	20.8
15	Symantec	2.7	32.9
16	Dell	0.0	8.3
17	Qualcomm	4.5	37.6
18	International Game Technology	-2.8	-20.4
19	MBNA	-1.4	-11.9
20	Marathon Oil	2.7	14.9
21	St. Jude Medical	-0.7	4.0
22	Home Depot	-0.8	8.7
23	Exxon Mobil	0.8	15.9
24	Johnson & Johnson	1.8	6.7
25	Starbucks	5.5	34.4

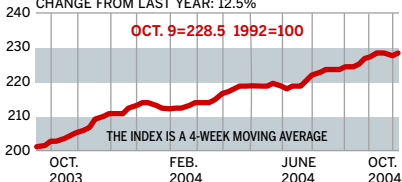
RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/04
26	Procter & Gamble	1.0	4.5
27	Yahoo	-1.3	55.6
28	Apache	3.8	27.5
29	Sears, Roebuck	-1.9	-21.5
30	Stryker	-1.6	-2.3
31	Sysco	1.1	-23.0
32	Dollar General	-2.1	-15.6
33	Bed Bath & Beyond	-0.2	-4.5
34	Quest Diagnostics	0.4	3.1
35	Nike	2.7	8.7
36	Devon Energy	2.8	30.8
37	Intel	2.2	-26.5
38	Johnson Controls	-3.2	-6.3
39	Staples	-1.5	10.3
40	American International Group	-14.0	-22.2
41	Ambac Financial Group	-5.9	-6.0
42	Express Scripts	-6.0	-16.3
43	Harley-Davidson	-3.8	6.3
44	PepsiCo	1.6	-5.9
45	Burlington Resources	3.0	40.7
46	Carnival	2.6	12.1
47	3M	-1.5	-1.6
48	Apollo Group	3.7	-7.5
49	KB Home	-1.6	5.2
50	Humana	-6.6	-18.0

Data: Reuters

BW PRODUCTION INDEX

INDUSTRIAL OUTPUT

CHANGE FROM LAST WEEK: 0.3%
CHANGE FROM LAST YEAR: 12.5%



The production index managed to rebound. Before calculation of the four-week moving average, the index hit 230, from 228. On a seasonally adjusted basis truck assemblies had the biggest gain, followed by rail-freight traffic and electric-power production. The number of trailers and containers hauled during the week by U.S. railroads was the second highest on record, says the American Association of Railroads. Moderate gains were made in steel, crude-oil refining, and coal. Autos and lumber were both lower.

Information on each of the index components is at 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