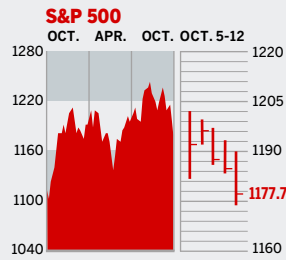


STOCKS



COMMENTARY

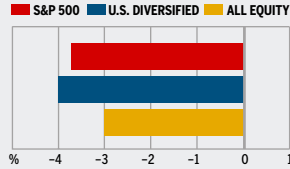
Tech stocks rattled the market on Oct. 12, and fell to their lowest level since May. Hardest hit were Apple Computer, which reported disappointing revenues, and Intel, which analysts downgraded on worries about future results. The downdraft fueled investors' high anxiety about more Federal Reserve interest-rate hikes and persistently high energy costs.

Data: Bloomberg Financial Markets, Reuters

MUTUAL FUNDS

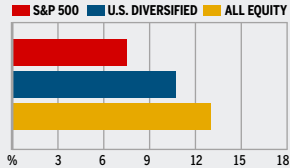
4-WEEK TOTAL RETURN

WEEK ENDED OCT. 11



52-WEEK TOTAL RETURN

WEEK ENDED OCT. 11



Data: Standard & Poor's

U.S. MARKETS

	OCT. 12	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P 500	1177.7	-1.6	-2.8	5.0
Dow Jones Industrials	10,216.9	-1.0	-5.2	1.4
NASDAQ Composite	2037.5	-3.1	-6.3	5.8
S&P MidCap 400	675.0	-3.0	1.8	13.9
S&P SmallCap 600	327.1	-3.4	-0.5	11.7
DJ Wilshire 5000	11,724.1	-1.9	-1.9	6.9

SECTORS

	OCT. 12	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
BusinessWeek 50*	714.0	-1.3	1.3	9.4
BW Info Tech 100**	354.4	-2.1	-5.0	6.5
S&P/BARRA Growth	566.4	-1.0	-2.7	5.1
S&P/BARRA Value	607.1	-2.1	-2.9	4.8
S&P Energy	371.1	-1.0	28.6	31.8
S&P Financials	384.4	-1.4	-6.5	-1.1
S&P REIT	141.0	-4.7	-2.4	7.7
S&P Transportation	219.0	1.0	-9.3	2.7
S&P Utilities	158.3	-3.7	11.8	21.7
GSTI Internet	172.3	-1.9	-3.4	13.8
PSE Technology	774.8	-3.2	-0.6	13.6

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

GLOBAL MARKETS

	OCT. 12	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1444.7	-0.6	3.4	21.4
London (FT-SE 100)	5342.2	-1.6	11.0	14.9
Paris (CAC 40)	4515.1	-1.7	18.2	22.4
Frankfurt (DAX)	4981.8	-1.7	17.1	25.6
Tokyo (NIKKEI 225)	13,463.7	-1.7	17.2	20.2
Hong Kong (Hang Seng)	14,575.0	-3.9	2.4	10.0
Toronto (S&P/TSX Composite)	10,493.1	-2.4	13.5	19.4
Mexico City (IPC)	15,103.2	-3.9	16.9	37.0

FUNDAMENTALS

	OCT. 11	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	2.10%	2.05%	1.71%
S&P 500 P/E Ratio (Trailing 12 mos.)	18.3	18.9	19.2
S&P 500 P/E Ratio (Next 12 mos.)*	14.0	14.4	15.9
First Call Earnings Surprise*	10.81%	10.49%	2.27%

*First Call Corp.

TECHNICAL INDICATORS

	OCT. 11	WEEK AGO	READING
S&P 500 200-day average	1199.8	1200.1	Negative
Stocks above 200-day average	47.0%	59.0%	Neutral
Options: Put/call ratio	0.92	0.73	Positive
Insiders: Vickers NYSE Sell/buy ratio	4.12	4.33	Negative

BEST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Divsfd. Metals & Mining	11.8	100.5
Airlines	11.1	64.6
Gold Mining	10.6	58.8
Insurance Brokers	6.0	58.5
Railroads	5.9	52.4
Oil & Gas Refining		100.5
Managed Health Care		64.6
Oil & Gas Exploration		58.8
Fertilizers & Ag. Chem.		58.5
Health-Care Distribtr.		52.4

WORST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Educational Services	-19.3	-37.8
Home Furnishings	-19.0	-32.8
Aluminum	-14.8	-31.6
Specialized Cnsmr. Serv.	-12.2	-30.4
Tires & Rubber	-11.6	-30.2
IT Consulting		-37.8
Automobiles		-32.8
Aluminum		-31.6
Photographic Products		-30.4
Home Furnishings		-30.2

EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
Precious Metals	8.1	Latin America	66.2
Latin America	5.9	Natural Resources	40.6
Japan	3.8	Diversified Emerg. Mkts.	39.5
Diversified Pacific/Asia	2.8	Europe	26.5
LAGGARDS			
Real Estate	-5.7	Financial	4.6
Small-cap Growth	-5.3	Domestic Hybrid	6.8
Technology	-5.2	Large-cap Blend	7.8
Small-cap Value	-4.8	Large-cap Growth	8.9

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
ProFunds Precs. Mtls. Inv.	16.4	T. Rowe Price Emg. Europe	73.3
ProFds. USh. Sm. Cap Inv.	13.8	iShares S&P L. Am. 40 Idx.	72.1
Potomac Sm. Cap/Sh. Inv.	13.6	T. Rowe Price Lat. Am.	71.9
ProFunds Ultra Japan Inv.	10.8	Merrill Lynch Lat. Am. C	68.7
LAGGARDS			
American Heritage Grth.	-16.7	Ameritor Investment	-58.3
ProFunds. Semicdr. Inv.	-12.9	American Heritage Grth.	-28.6
ProFds. Mble. Tlcmms. Inv.	-12.4	ProFds. USh. Mid Cap Inv.	-25.8
Alpine U.S. RI. Est. Eq. Y	-11.4	ProFds. USh. Sm. Cap Inv.	-19.4

INTEREST RATES

KEY RATES

	OCT. 12	WEEK AGO	YEAR AGO
Money Market Funds	3.27%	3.25%	1.26%
90-Day Treasury Bills	3.70	3.55	1.68
2-Year Treasury Notes	4.24	4.18	2.55
10-Year Treasury Notes	4.45	4.34	4.10
30-Year Treasury Bonds	4.66	4.57	4.88
30-Year Fixed Mortgage †	5.96	5.94	5.80

†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	3.81%	4.50%
Taxable Equivalent	5.44	6.43
Insured Revenue Bonds	3.95	4.59
Taxable Equivalent	5.64	6.56

THE WEEK AHEAD

PRODUCER PRICE INDEX

Tuesday, Oct. 18, 8:30 a.m. EDT » September producer prices are expected to have jumped 0.9% because of lofty energy prices. That's according to the median forecast of economists polled by Action Economics. In August higher oil prices lifted the index by 0.6%. Excluding food and energy, the index probably rose 0.2%, after holding steady in the previous period.

RESIDENTIAL CONSTRUCTION

Wednesday, Oct. 19, 8:30 a.m. EDT » Housing starts during September most likely edged down to an annual rate of 2 million. The August pace of starts stood at 2.01 million. **BEIGE BOOK** Wednesday, Oct. 19, 2 p.m. EDT » The Federal Reserve releases its review of regional economic activity before the Nov. 1 monetary policy meeting. Every economist polled

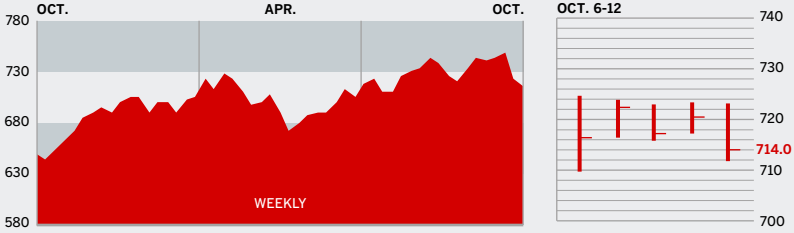
by Action Economics is forecasting another hike in interest rates, to 4%, up from 3.75%. In addition, most economists no longer believe the Fed will pause in December and expect rates to stand at 4.5% after the January policy meeting. **LEADING INDICATORS** Thursday, Oct. 20, 10 a.m. EDT » The Conference Board's September index of leading economic indicators most likely fell 0.7%, after slipping 0.2% in August.

The *BusinessWeek* production index edged up to 257 for the week ended Oct. 1 and stood 12.7% above the previous-year level. Before calculation of the four-week moving average, the index slid to 255.8.

BusinessWeek online

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

THE BUSINESSWEEK FIFTY



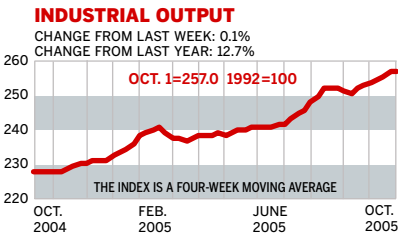
The BW 50 fell 1.3% about in tandem with the broader stock market. Tech stocks such as Apple Computer, down 6.7% and Electronic Arts, down 5.7% led the way. Other poor performers were United States Steel, Coach, and Pulte Homes. Companies that managed to buck the market trend included Starbucks and FedEx, both up 1.8%, as well as Dow Chemical, up 2.6% for the week.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/05			WEEK	SINCE 3/1/05
1	Nucor	-0.9	-12.7	26	Carnival	-3.6	-14.0
2	ConocoPhillips	0.3	14.5	27	Adobe Systems	-3.4	-8.4
3	ChevronTexaco	-1.7	-1.8	28	Cummins	-3.7	9.6
4	Valero Energy	-1.7	46.0	29	Boston Scientific	-1.3	-28.1
5	UnitedHealth Group	-2.5	20.7	30	EOG Resources	-4.4	49.9
6	Occidental Petroleum	-2.9	9.5	31	Symantec	-2.7	-0.1
7	Exxon Mobil	0.0	-6.9	32	Starbucks	1.8	-2.1
8	Yahoo	1.3	5.1	33	Electronic Arts	-5.7	-20.2
9	Apache	-4.9	4.5	34	WellPoint	-2.9	17.9
10	Devon Energy	0.2	35.2	35	Deere	-0.4	-15.8
11	Pulte Homes	-7.1	-7.1	36	United States Steel	-6.2	-42.7
12	Qualcomm	-6.2	17.5	37	Zimmer Holdings	-2.1	-23.8
13	Apple Computer	-6.7	9.8	38	FedEx	1.8	-10.9
14	Dell	0.2	-18.6	39	Chubb	-2.8	6.7
15	Paccar	-1.5	-13.8	40	XTO Energy	-4.0	20.9
16	Coach	-5.7	4.2	41	Microsoft	-1.5	-3.4
17	Sunoco	0.8	48.4	42	Danaher	-0.6	-3.6
18	eBay	-1.9	-8.0	43	Dow Chemical	2.6	-23.1
19	Burlington Resources	-4.2	43.1	44	Cisco Systems	-0.4	0.1
20	Progressive	1.8	21.0	45	Gilead Sciences	0.0	33.6
21	Caremark Rx	-1.9	26.3	46	Nike	0.5	-5.8
22	Caterpillar	-2.6	15.2	47	Anadarko Petroleum	2.2	17.5
23	Phelps Dodge	-2.4	17.6	48	Bank of America	-0.2	-10.2
24	Autodesk	-4.1	44.6	49	Eaton	-2.6	-14.8
25	Johnson & Johnson	-0.7	-5.8	50	3M	-1.1	-16.2

Data: Reuters

BW PRODUCTION INDEX



The production index rose again, but just barely. Before calculation of the four-week moving average, the index dropped to 255.8, from 258.4. After seasonal adjustments, only coal, lumber, and rail-freight traffic showed improvement. Hurricane Rita affected the index, with crude-oil refining registering the biggest drop. Auto and truck assemblies, along with electric power production, fell moderately, with steel down the least. The average index level for September was 257, up from 253.4 in August.

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

BW50 More information about BW50 companies is available online.

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/extras