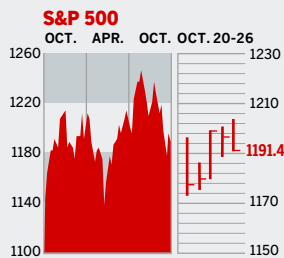


STOCKS



COMMENTARY

George Bush's pick of Ben Bernanke to succeed Alan Greenspan overshadowed good earnings from Boeing and AmEx and spectacular results from Google. While the Street cheered, some of the rise in stocks was a bounceback from options and futures contract expirations. Not everyone is pleased: Bernanke has little street cred in the bond market and none with gold bugs.

Data: Bloomberg Financial Markets, Reuters

U.S. MARKETS

	OCT. 26	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P 500	1191.4	-0.4	-1.7	7.2
Dow Jones Industrials	10,345.0	-0.7	-4.1	4.6
NASDAQ Composite	2100.1	0.4	-3.5	8.9
S&P MidCap 400	690.4	0.8	4.1	16.5
S&P SmallCap 600	334.5	-0.3	1.7	13.8
DJ Wilshire 5000	11,889.5	-0.2	-0.5	9.2

SECTORS

	OCT. 26	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
BusinessWeek 50*	717.2	-0.5	1.8	10.7
BW Info Tech 100**	359.4	0.4	-3.7	8.0
S&P/BARRA Growth	571.5	-0.8	-1.8	6.7
S&P/BARRA Value	615.7	0.1	-1.6	7.8
S&P Energy	363.2	0.6	25.8	28.1
S&P Financials	401.7	1.4	-2.3	6.6
S&P REIT	145.7	0.3	0.9	9.4
S&P Transportation	227.7	1.7	-5.7	3.7
S&P Utilities	156.1	0.0	10.2	16.6
GSTI Internet	181.4	0.9	1.7	18.3
PSE Technology	795.8	0.2	2.1	15.4

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

GLOBAL MARKETS

	OCT. 26	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1419.7	2.0	1.6	16.9
London (FT-SE 100)	5227.8	1.2	8.6	14.1
Paris (CAC 40)	4412.7	0.9	15.5	21.9
Frankfurt (DAX)	4900.8	1.1	15.1	26.9
Tokyo (NIKKEI 225)	13,395.0	2.0	16.6	25.5
Hong Kong (Hang Seng)	14,458.1	0.6	1.6	12.5
Toronto (S&P/TSX Composite)	10,283.7	-1.4	11.2	16.6
Mexico City (IPC)	15,666.2	3.7	21.3	38.1

FUNDAMENTALS

	OCT. 25	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	2.09%	2.12%	1.72%
S&P 500 P/E Ratio (Trailing 12 mos.)	18.1	18.1	19.1
S&P 500 P/E Ratio (Next 12 mos.)*	14.1	13.9	15.5
First Call Earnings Surprise*	1.60%	2.74%	2.18%

*First Call Corp.

TECHNICAL INDICATORS

	OCT. 25	WEEK AGO	READING
S&P 500 200-day average	1199.1	1199.0	Negative
Stocks above 200-day average	49.0%	44.0%	Neutral
Options: Put/call ratio	0.82	0.93	Positive
Insiders: Vickers NYSE Sell/buy ratio	3.52	3.77	Negative

BEST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Internet Software	10.2	Oil & Gas Refining	92.1
Airlines	8.0	Managed Health Care	69.6
Metal & Glass Containers	7.1	Health-Care Distribrtrs.	60.3
Air Freight & Couriers	7.1	Tobacco	52.2
Hypermkts. & Supcntrns.	6.4	Oil & Gas Exploration	48.2

WORST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
IT Consulting	-22.2	IT Consulting	-50.1
Photographic Products	-15.0	Home Furnishings	-30.2
Tires & Rubber	-13.5	Automobiles	-28.3
Integrated Oil & Gas	-11.9	Photographic Products	-27.9
Building Products	-11.7	Aluminum	-27.8

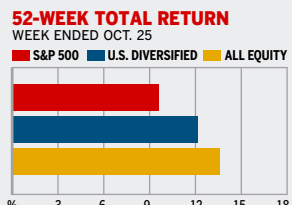
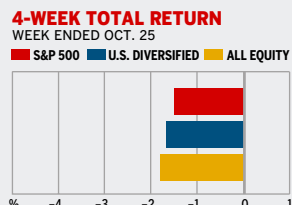
EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN		52-WEEK TOTAL RETURN	
	%		%
LEADERS			
Financial	0.6	Latin America	62.3
Japan	0.2	Natural Resources	37.1
Technology	-0.1	Diversified Emerg. Mkts.	33.2
Large-cap Growth	-0.5	Diversified Pacific/Asia	24.7
LAGGARDS			
Natural Resources	-6.4	Precious Metals	5.8
Diversified Emerg. Mkts.	-5.0	Domestic Hybrid	7.2
Utilities	-4.9	Miscellaneous	9.0
Pacific/Asia ex-Japan	-4.8	Financial	9.0

EQUITY FUNDS

4-WEEK TOTAL RETURN		52-WEEK TOTAL RETURN	
	%		%
LEADERS			
Berkshire Focus	6.5	T. Rowe Price Lat. Am.	67.8
ProFunds Internet Inv.	6.2	iShares MSCI Brazil Idx.	67.3
Rydex Transportation Inv.	4.8	iShares S&P L. Am. 40 Idx.	67.1
Forward Emerald Tech. A	4.7	Merrill Lynch Lat. Am. C	63.3
LAGGARDS			
Ameritor Investment	-18.2	Ameritor Investment	-60.9
American Heritage Grth.	-16.7	American Heritage Grth.	-28.6
ProFunds Oil & Gas Inv.	-13.7	ProFds. USh. Mid Cap Inv.	-28.1
U.S. Gbl. Accde. E. Erpn.	-9.5	ProFds. USh. Sm. Cap Inv.	-22.2

MUTUAL FUNDS



Data: Standard & Poor's

INTEREST RATES

KEY RATES			
	OCT. 26	WEEK AGO	YEAR AGO
Money Market Funds	3.36%	3.31%	1.30%
90-Day Treasury Bills	3.89	3.85	1.91
2-Year Treasury Notes	4.35	4.24	2.53
10-Year Treasury Notes	4.58	4.46	4.00
30-Year Treasury Bonds	4.79	4.69	4.77
30-Year Fixed Mortgage †	6.12	6.06	5.64

†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	3.89%	4.54%
Taxable Equivalent	5.56	6.49
Insured Revenue Bonds	3.97	4.61
Taxable Equivalent	5.67	6.59

THE WEEK AHEAD

PERSONAL INCOME Monday, Oct. 31, 8:30 a.m. EST » September personal income is forecast to have risen 0.4%, after slipping 0.1% in August. That's the consensus estimate of economists surveyed by Action Economics. Consumer spending most likely rose 0.5%, after a fall of 0.5%.

FOMC MEETING Tuesday, Nov. 1, 9 a.m. EST » The Federal Reserve's Open Market Committee meets to set monetary policy. The

universal expectation is that the central bank will hike the Fed funds rate by a quarter-point, to 4%.

PURCHASING MANAGERS' INDEX Tuesday, Nov. 1, 10 a.m. EST » The Institute for Supply Management's October factory activity index probably eased to 57.3%. The September index made an unexpected jump to 59.4%.

PRODUCTIVITY & COSTS Thursday, Nov. 3, 8:30 a.m. EST » Output per hour worked

very likely edged up to a 2% annual rate in the third quarter, after a 1.8% rise in the prior period. Unit labor costs probably grew 2.3%, following a first-quarter gain of 2.5%.

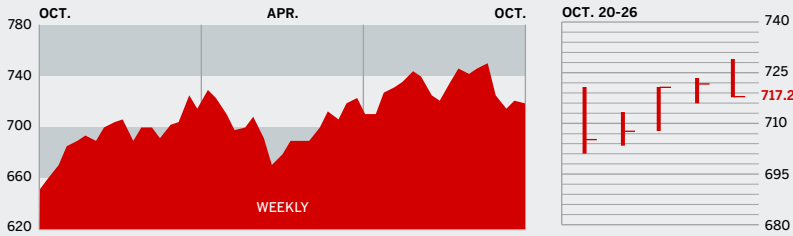
EMPLOYMENT Friday, Nov. 4, 8:30 a.m. EST » October nonfarm payrolls most likely grew by 120,000, after hurricanes led to a reported decline of 35,000 jobs in September. A rebound in jobs is not expected to lower the jobless rate of 5.1%.

The *BusinessWeek* production index edged down to 257.3 for the week ended Oct. 15, 12.4% above the year-ago level. Before calculation of the four-week moving average, the index also stood at 257.3.

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 0.5%, thanks in part to arb-related pressure on United Healthcare and WellPoint, both of which are acquiring other companies. Nucor rose 6.8% despite a 30% decline in third-quarter profits; the steelmaker gave investors guidance that demand and pricing are improving. Autodesk and Adobe climbed 6.6% and 6.2%, respectively, while Apple, up 3.8%, hit a new high.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE WEEK	% CHANGE SINCE 3/1/05
1	Nucor	6.8	-4.9
2	ConocoPhillips	2.0	13.3
3	ChevronTexaco	-1.2	-7.1
4	Valero Energy	2.0	41.7
5	UnitedHealth Group	-7.3	18.4
6	Occidental Petroleum	2.8	7.6
7	Exxon Mobil	-1.7	-11.2
8	Yahoo	-1.3	9.9
9	Apache	-1.5	-0.3
10	Devon Energy	0.2	29.8
11	Pulte Homes	-2.5	-6.7
12	Qualcomm	1.9	24.4
13	Apple Computer	3.8	27.1
14	Dell	-1.9	-20.8
15	Paccar	5.2	-9.0
16	Coach	2.3	16.6
17	Sunoco	2.3	45.5
18	eBay	-8.8	-10.6
19	Burlington Resources	2.7	43.0
20	Progressive	1.0	29.0
21	Caremark Rx	-5.0	24.1
22	Caterpillar	-8.8	6.4
23	Phelps Dodge	4.7	18.7
24	Autodesk	6.6	56.1
25	Johnson & Johnson	-2.3	-4.3

RANK	COMPANY	% CHANGE WEEK	% CHANGE SINCE 3/1/05
26	Carnival	3.4	-9.1
27	Adobe Systems	6.2	6.5
28	Cummins	-0.9	10.4
29	Boston Scientific	2.5	-25.5
30	EOG Resources	-0.4	45.0
31	Symantec	2.2	5.3
32	Starbucks	1.1	6.8
33	Electronic Arts	2.7	-13.9
34	WellPoint	-6.1	17.5
35	Deere	0.6	-16.8
36	United States Steel	2.5	-42.0
37	Zimmer Holdings	0.8	-25.8
38	FedEx	1.8	-7.5
39	Chubb	6.5	15.8
40	XTO Energy	7.2	28.1
41	Microsoft	0.1	-0.2
42	Danaher	-3.5	-6.6
43	Dow Chemical	5.3	-18.7
44	Cisco Systems	-0.6	-1.8
45	Gilead Sciences	1.7	35.4
46	Nike	1.7	-3.6
47	Anadarko Petroleum	0.4	17.4
48	Bank of America	1.8	-7.4
49	Eaton	-3.9	-17.0
50	3M	-0.6	-10.4

Data: Reuters

BW PRODUCTION INDEX

INDUSTRIAL OUTPUT

CHANGE FROM LAST WEEK: -0.1%
CHANGE FROM LAST YEAR: 12.4%



The production index slipped for the first time since August. Before calculating the four-week moving average, the index eased to 257.3, from 257.5. On a seasonally adjusted basis, the components were evenly split. Autos, electric power production, coal, and rail freight traffic were all lower for the week. Crude oil refining showed the biggest increase. Refining capacity put offline from Hurricanes Rita and Katrina is gradually returning. Steel output, lumber, and truck assemblies also rose.

Information on each of the index components is at www.businessweek.com.
BW production index. Copyright 2005 by The McGraw-Hill Companies

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/magazine/extra.htm