

## STOCKS



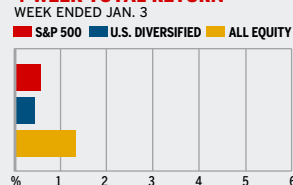
### COMMENTARY

Energized by signals that the Fed's string of rate hikes might soon end, stocks roared out of the box on Jan. 3, the first trading session of 2006. In a single day, the NASDAQ beat its return for all of 2005. But investors shouldn't get too excited just yet: some market mavens believe the Fed has three quarter-point increases left, which would put fed funds at 5%, from 4.25% now.

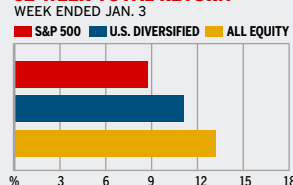
Data: Bloomberg Financial Markets, Reuters

## MUTUAL FUNDS

### 4-WEEK TOTAL RETURN



### 52-WEEK TOTAL RETURN



Data: Standard & Poor's

## U.S. MARKETS

	JAN. 4	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P 500	1273.5	1.2	2.0	7.2
Dow Jones Industrials	10,880.2	0.8	1.5	2.3
NASDAQ Composite	2263.5	1.5	2.6	7.4
S&P MidCap 400	754.1	1.3	2.2	17.5
S&P SmallCap 600	358.2	1.2	2.2	12.9
DJ Wilshire 5000	12,756.9	1.3	2.1	9.2

## SECTORS

	JAN. 4	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
BusinessWeek 50*	764.6	2.3	3.1	10.9
BW Info Tech 100**	394.8	2.8	3.8	8.6
S&P/BARRA Growth	609.3	1.2	2.1	6.6
S&P/BARRA Value	659.7	1.2	1.9	7.7
S&P Energy	390.8	4.5	4.9	40.7
S&P Financials	432.6	0.9	1.5	6.7
S&P REIT	157.1	1.5	2.7	11.6
S&P Transportation	250.4	-0.6	0.2	6.4
S&P Utilities	162.9	1.5	2.0	17.4
GSTI Internet	207.8	-0.4	1.3	22.7
PSE Technology	856.4	1.2	2.4	14.0

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

## GLOBAL MARKETS

	JAN. 4	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1575.8	3.6	4.2	14.8
London (FT-SE 100)	5714.6	1.6	1.7	17.9
Paris (CAC 40)	4838.5	1.7	2.6	25.2
Frankfurt (DAX)	5523.6	1.4	2.1	28.7
Tokyo (NIKKEI 225)	16,361.5	1.0	1.6	42.1
Hong Kong (Hang Seng)	15,200.1	0.7	2.2	8.2
Toronto (S&P/TSX Composite)	11,501.5	2.1	2.0	25.8
Mexico City (IPC)	18,669.2	5.5	4.9	46.1

## FUNDAMENTALS

	JAN. 3	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.78%	1.78%r	1.93%
S&P 500 P/E Ratio (Trailing 12 mos.)	18.4	18.4	20.0
S&P 500 P/E Ratio (Next 12 mos.)*	14.7	15.1	16.1
First Call Earnings Surprise*	9.51%	1.58%	7.90%

\*First Call Corp.

## TECHNICAL INDICATORS

	JAN. 3	WEEK AGO	READING
S&P 500 200-day average	1210.9	1209.6	Positive
Stocks above 200-day average	64.0%	62.0%	Neutral
Options: Put/call ratio	0.72	0.70	Positive
Insiders: Vickers NYSE Sell/buy ratio	3.92	3.96r	Negative

## BEST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Gold Mining	24.9	97.9
Divsfd. Metals & Mining	11.6	81.4
Oil & Gas Refining	9.4	74.4
Oil & Gas Exploration	9.4	74.4
Divsfd. Metals & Mining	8.5	72.1
Agricultural Products	8.5	72.1
Oil & Gas Drilling	7.7	65.2
Pharmaceuticals	7.7	65.2
Oil & Gas Equipment		

## WORST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Home Furnishings Rtlrs.	-15.8	-48.0
Automobiles	-15.8	-48.0
Educational Services	-14.0	-38.2
IT Consulting	-14.0	-38.2
Health-Care Supplies	-7.8	-25.3
Photographic Products	-7.8	-25.3
Computer Stores	-7.3	-20.2
Internet Retailers	-7.3	-20.2
Wireless Services	-6.9	-18.7
Auto Parts & Equipment	-6.9	-18.7

## EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
Precious Metals	12.2	Latin America	67.0
Japan	10.0	Natural Resources	52.8
Diversified Pacific/Asia	7.3	Precious Metals	46.1
Foreign	5.3	Diversified Emerg. Mkts.	40.2
<b>LAGGARDS</b>			
Communications	-0.7	Domestic Hybrid	7.3
Small-cap Blend	-0.3	Miscellaneous	8.6
Small-cap Growth	-0.2	Large-cap Blend	9.1
Small-cap Value	-0.1	Financial	9.4

## EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
ProFunds Precs. Mtis. Inv.	18.4	ProFunds Ultra Japan Inv.	101.3
Glenmede International	17.2	Gartmore Gl. Ntrl. Rscs. A	78.8
Fidelity Japan Small Co	16.9	Fidelity Advisor Korea A	77.9
U.S. Global Invr. Gold	16.1	Guinness Atkn. Gl. Energy	76.8
<b>LAGGARDS</b>			
STI Sm. Cap Val. Eq. C	-18.6	Ameritor Investment	-65.0
Bridgeway Micro Cap Ltd.	-16.7	American Heritage Grth.	-42.9
Ameritor Investment	-12.5	American Heritage	-33.3
Guardian UBS Sm. Cap Val. A	-11.2	Frontier MicroCap	-30.8

## INTEREST RATES

### KEY RATES

	JAN. 4	WEEK AGO	YEAR AGO
<b>Money Market Funds</b>			
90-Day Treasury Bills	4.19	3.95	2.35
2-Year Treasury Notes	4.30	4.36	3.20
10-Year Treasury Notes	4.34	4.38	4.29
30-Year Treasury Bonds	4.54	4.53	4.89
30-Year Fixed Mortgage †	6.08	6.11	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
<b>General Obligations</b>		
	3.83%	4.36%
<b>Taxable Equivalent</b>		
	5.47	6.23
<b>Insured Revenue Bonds</b>		
	3.92	4.49
<b>Taxable Equivalent</b>		
	5.60	6.41

## THE WEEK AHEAD

### INTERNATIONAL TRADE

Thursday, Jan. 12, 8:30 a.m. EST » The foreign trade deficit probably narrowed to \$66.3 billion for November. That's the median forecast of economists surveyed by Action Economics. A jump in imports and decline in exports led to a record trade gap of \$68.9 billion in October.

### EXPORT-IMPORT PRICES

Thursday, Jan. 12, 8:30 a.m. EST » Both export and import

prices are forecast to have held steady in December. In November export prices fell 0.9%, while a decline in energy prices led to a 1.7% drop in import prices.

**RETAIL SALES** Friday, Jan. 13, 8:30 a.m. EST » December retail sales probably climbed 0.7%, and a smaller 0.4% when excluding vehicle sales. In November sales rose 0.3% but were down 0.3% when the rebound in autos was excluded.

### PRODUCER PRICE INDEX

Friday, Jan. 13, 8:30 a.m. EST » December producer prices are expected to have increased 0.2%, following a 0.7% energy-related decline in November. Excluding food and energy, prices probably grew 0.2%, after a 0.1% rise.

### BUSINESS INVENTORIES

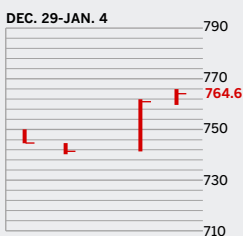
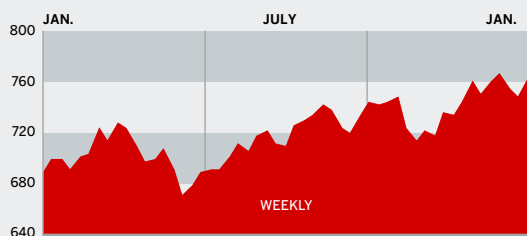
Friday, Jan. 13, 10 a.m. EST » November inventory levels most likely grew by 0.4%, after a 0.3% climb during October.

The BusinessWeek production index improved to 268.5 for the week ended Dec. 24, a 13.5% rise from a year ago. Before calculation of the four-week moving average, the index climbed to 276.9.

## 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



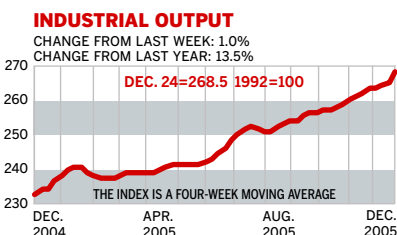
Thanks to a rise in oil and natural gas prices, the BW50 got a jumpstart on the broader indexes, rising 2.3% for the week. EOG Resources, up 6.5%, enjoyed the biggest jump, but all of the energy companies on the list saw strong gains. Tech stocks, including Qualcomm, Apple, and Yahoo!, did well, too. On the downside, Coach and Nike fell 2.8% and 2.3%, respectively.

## COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/05			WEEK	SINCE 3/1/05
1	Nucor	4.8	13.0	26	Carnival	1.8	0.0
2	ConocoPhillips	2.9	8.2	27	Adobe Systems	4.2	24.4
3	ChevronTexaco	3.9	-5.1	28	Cummins	4.3	30.1
4	Valero Energy	5.9	54.2	29	Boston Scientific	2.1	-22.5
5	UnitedHealth Group	-2.5	35.8	30	EOG Resources	6.5	73.5
6	Occidental Petroleum	5.4	20.9	31	Symantec	4.1	-18.1
7	Exxon Mobil	4.1	-7.5	32	Starbucks	3.6	22.3
8	Yahoo	1.8	27.0	33	Electronic Arts	3.9	-15.4
9	Apache	3.3	12.4	34	WellPoint	0.9	30.3
10	Devon Energy	4.8	41.0	35	Deere	-1.2	-4.2
11	Pulte Homes	2.4	4.8	36	United States Steel	3.6	-20.1
12	Qualcomm	4.1	26.0	37	Zimmer Holdings	0.9	-19.5
13	Apple Computer	1.9	67.1	38	FedEx	0.6	7.2
14	Dell	0.4	-23.3	39	Chubb	1.0	25.0
15	Paccar	2.3	-4.9	40	XTO Energy	1.8	32.7
16	Coach	-2.8	17.8	41	Microsoft	2.2	7.2
17	Sunoco	6.1	70.1	42	Danaher	2.1	4.5
18	eBay	0.3	3.9	43	Dow Chemical	-1.8	-21.3
19	Burlington Resources	1.5	76.1	44	Cisco Systems	3.2	2.5
20	Progressive	-2.1	33.2	45	Gilead Sciences	3.8	60.5
21	Caremark Rx	-1.0	34.5	46	Nike	-2.3	-1.6
22	Caterpillar	2.5	24.7	47	Anadarko Petroleum	4.5	27.9
23	Phelps Dodge	5.2	46.0	48	Bank of America	0.7	-0.2
24	Autodesk	-3.8	43.1	49	Eaton	-0.5	-4.0
25	Johnson & Johnson	3.6	-4.6	50	3M	0.7	-6.2

Data: Reuters

## BW PRODUCTION INDEX



The production index turned in a strong week with the Christmas holiday falling on the weekend. Before calculation of the four-week moving average, the index zoomed to 276.9, up from 267. On a seasonally adjusted basis, lumber output showed a substantial increase, with rail-freight traffic and coal also registering big gains. Steel was up modestly. Auto and truck assemblies, along with electric power production, were all lower. Crude oil refining was unchanged.

Information on each of the index components is at [www.businessweek.com](http://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](http://www.businessweek.com/magazine/extra.htm)