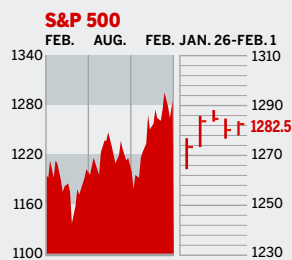


STOCKS



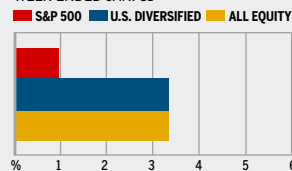
COMMENTARY

Stocks advanced in the face of yet another Fed rate hike. Record earnings from Exxon and strong forecasts from Honeywell and Caterpillar sent the Dow and S&P 500-stock indexes up 2.3% and 1.4%. The NASDAQ Composite added 2.2%, especially impressive given the sharp drop in Google shares on Feb. 1 after the search giant's earnings disappointed investors.

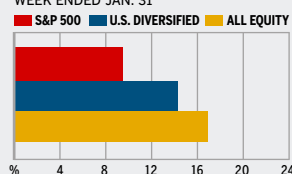
Data: Bloomberg Financial Markets, Reuters

MUTUAL FUNDS

4-WEEK TOTAL RETURN



52-WEEK TOTAL RETURN



Data: Standard & Poor's

U.S. MARKETS

	FEB. 1	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P 500	1282.5	1.4	2.7	7.8
Dow Jones Industrials	10,954.0	2.3	2.2	3.8
NASDAQ Composite	2310.6	2.2	4.8	11.7
S&P MidCap 400	781.9	2.5	5.9	20.1
S&P SmallCap 600	380.0	2.7	8.4	17.3
DJ Wilshire 5000	12,944.8	1.5	3.6	10.6

SECTORS

	FEB. 1	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
BusinessWeek 50*	770.0	1.6	3.8	10.2
BW Info Tech 100**	391.9	1.7	3.0	9.4
S&P/BARRA Growth	610.9	1.3	2.4	6.9
S&P/BARRA Value	667.5	1.5	3.1	8.8
S&P Energy	416.3	1.6	11.7	37.5
S&P Financials	429.4	1.1	0.7	5.7
S&P REIT	165.0	2.0	7.8	24.3
S&P Transportation	256.7	0.0	2.7	15.6
S&P Utilities	163.8	-0.6	2.6	12.6
GSTI Internet	207.6	0.2	1.2	24.9
PSE Technology	881.1	2.4	5.3	18.0

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

GLOBAL MARKETS

	FEB. 1	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1613.5	2.2	6.7	18.5
London (FT-SE 100)	5801.6	1.7	3.3	18.3
Paris (CAC 40)	4999.4	4.3	6.0	26.9
Frankfurt (DAX)	5726.5	5.5	5.9	33.8
Tokyo (NIKKEI 225)	16,480.1	5.3	2.3	44.8
Hong Kong (Hang Seng)	15,742.3	1.4	5.8	15.9
Toronto (S&P/TSX Composite)	11952.1	2.4	6.0	28.9
Mexico City (IPC)	19,162.4	1.6	7.6	43.6

FUNDAMENTALS

	JAN. 31	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.77%	1.79%	1.93%
S&P 500 P/E Ratio (Trailing 12 mos.)	18.1	18.2	20.0
S&P 500 P/E Ratio (Next 12 mos.)*	14.9	14.8	16.2
First Call Earnings Surprise*	3.29%	3.81%	4.19%

*First Call Corp.

TECHNICAL INDICATORS

	JAN. 31	WEEK AGO	READING
S&P 500 200-day average	1221.4	1218.1	Positive
Stocks above 200-day average	68.0%	67.0%	Neutral
Options: Put/call ratio	0.66	0.75	Neutral
Insiders: Vickers NYSE Sell/buy ratio	3.84	3.88	Negative

BEST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Steel	27.8	86.9
Oil & Gas Refining	23.1	77.2
Oil & Gas Extraction	22.4	77.2
Agricultural Products	18.2	69.3
Automobiles	16.2	67.4
Oil & Gas Refining	16.2	67.4

WORST-PERFORMING GROUPS

	LAST MONTH %	LAST 12 MONTHS %
Internet Software	-11.8	-33.7
Automobiles	-8.9	-24.5
Tires & Rubber	-8.9	-24.5
Photographic Products	-7.5	-21.8
Educational Services	-6.6	-14.2
Auto Parts & Equipment	-6.6	-14.2
IT Consulting	-5.7	-16.6
Commercial Printing	-5.7	-16.6
Brewers	-5.7	-16.6

EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
Latin America	13.4	Latin America	80.8
Precious Metals	12.5	Precious Metals	64.8
Natural Resources	9.5	Natural Resources	56.5
Diversified Emerg. Mkts.	8.9	Diversified Emerg. Mkts.	48.3
LAGGARDS			
Financial	0.9	Domestic Hybrid	8.2
Domestic Hybrid	1.3	Large-cap Blend	10.2
Large-cap Value	1.5	Miscellaneous	10.4
Japan	1.5	Financial	10.6

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
ProFunds Precs. Mtls. Inv.	18.9	ProFunds. Ult. Japan Inv.	105.7
iShares MSCI Brazil Idx.	18.9	ProFunds Precs. Mtls. Inv.	103.1
U.S. Gl. Invs. Prec. Mnls.	17.3	iShares MSCI Brazil Idx.	93.6
U.S. Global Invs. Gold	16.5	T. Rowe Price Latin Am.	89.8
LAGGARDS			
Potomac Sm. Cap/Sh. Inv.	-12.9	Ameritor Investment	-63.2
ProFds. USh. Sm. Cap Inv.	-12.8	American Heritage Grth.	-42.9
ProFds. Sh. Oil & Gas Inv.	-8.3	ProFds. USh. Mid Cap Inv.	-30.3
ProFds. USh. Mid Cap Inv.	-7.7	ProFds. USh. Sm. Cap Inv.	-28.5

INTEREST RATES

KEY RATES

	FEB. 1	WEEK AGO	YEAR AGO
Money Market Funds	3.94%	3.88%	1.90%
90-Day Treasury Bills	4.47	4.42	2.52
2-Year Treasury Notes	4.58	4.46	3.28
10-Year Treasury Notes	4.56	4.48	4.14
30-Year Treasury Bonds	4.71	4.66	4.60
30-Year Fixed Mortgage†	6.14	5.90	5.62

†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	3.82%	4.41%
Taxable Equivalent	5.46	6.30
Insured Revenue Bonds	3.91	4.48
Taxable Equivalent	5.59	6.40

THE WEEK AHEAD

INSTALLMENT CREDIT Tuesday, Feb. 7, 3 p.m. EST »

Consumers are forecast to have accumulated \$4.9 billion of additional debt during the month of December. That's according to the median forecast of economists surveyed by Action Economics. In November the outstanding amount of consumer credit shrank by \$0.6 billion. The slight slowdown in car sales along with deep discounts are set to cause the

smallest annual increase in non-revolving credit since 1997.

INTERNATIONAL TRADE Friday, Feb. 10, 8:30 a.m. EST »The foreign trade deficit most likely posted a slightly smaller deficit of \$63.5 billion during December. Lower crude oil and natural gas prices, along with a rebound in exports, especially in civilian aircraft, caused the November trade gap to narrow to \$64.2 billion.

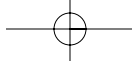
FEDERAL BUDGET Friday, Feb. 10, 2 p.m. EST »

The federal government probably rang up a \$12 billion surplus in January, after an \$11 billion surplus in December. If the January report is also positive, it would mark the first back-to-back monthly surpluses since January, 2003. There is some uncertainty due to the size and timing of outlays for hurricane victims along the Gulf Coast region and Florida.

The *BusinessWeek* production index slipped to 270.1 for the week ended Jan. 21, but it stood 12.2% above the year-ago reading. Before calculation of the four-week moving average, the index rose to 270.4.

BusinessWeek online

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



BusinessWeek

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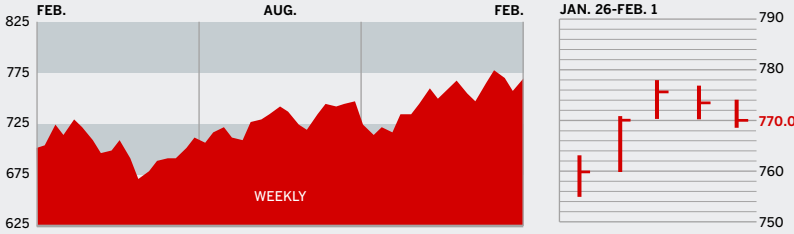
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THE BUSINESSWEEK FIFTY



The BW50 rose 1.6% thanks to moves from steelmakers U.S. Steel and Nucor, which jumped 8% and 79%, respectively. Caterpillar leaped 11.6% on a strong 2006 earnings forecast, and Exxon Mobil reported spectacular profits for the quarter, sending its shares higher. Meanwhile Microsoft added 6.2%; investors are looking ahead to the intro of Vista, its new operating system.

COMPANY PERFORMANCE

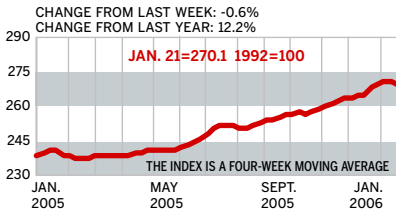
RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/05			WEEK	SINCE 3/1/05
1	Nucor	79	33.8	26	Carnival	-1.3	-3.9
2	ConocoPhillips	1.4	16.2	27	Adobe Systems	4.0	31.2
3	ChevronTexaco	-4.2	-5.4	28	Cummins	6.3	36.1
4	Valero Energy	2.2	67.4	29	Boston Scientific	-7.0	-33.0
5	UnitedHealth Group	2.6	30.5	30	EOG Resources	2.1	82.1
6	Occidental Petroleum	5.2	33.7	31	Symantec	-1.2	-22.2
7	Exxon Mobil	2.9	-2.1	32	Starbucks	3.3	21.1
8	Yahoo	1.5	8.5	33	Electronic Arts	-0.3	-15.1
9	Apache	4.6	17.5	34	WellPoint	6.6	27.3
10	Devon Energy	1.4	41.0	35	Deere	4.9	5.6
11	Pulte Homes	-1.1	-0.4	36	United States Steel	8.0	-4.9
12	Qualcomm	0.7	33.0	37	Zimmer Holdings	1.8	-20.5
13	Apple Computer	1.6	68.1	38	FedEx	-1.1	2.0
14	Dell	1.0	-25.8	39	Chubb	1.6	22.0
15	Paccar	-0.3	-5.8	40	XTO Energy	0.7	40.2
16	Coach	2.6	30.5	41	Microsoft	6.2	11.4
17	Sunoco	5.4	87.4	42	Danaher	4.5	4.8
18	eBay	-1.4	0.0	43	Dow Chemical	-2.3	-23.3
19	Burlington Resources	0.4	83.6	44	Cisco Systems	0.1	6.7
20	Progressive	-1.6	19.9	45	Gilead Sciences	7.2	78.0
21	Caremark Rx	-2.2	29.0	46	Nike	-1.3	-4.4
22	Caterpillar	11.6	45.7	47	Anadarko Petroleum	-0.5	36.0
23	Phelps Dodge	5.9	52.0	48	Bank of America	-1.5	-5.8
24	Autodesk	-5.2	32.5	49	Eaton	1.4	-4.7
25	Johnson & Johnson	-1.1	-11.8	50	3M	0.3	-12.8

Data: Reuters

BW PRODUCTION INDEX

ONLINE RESOURCES

INDUSTRIAL OUTPUT



The production index slipped for the first time in 14 weeks. Before calculation of the four-week moving average, however, the index rose to 270.4, from 269.4. After seasonal adjustments, lumber production was off the most for the period. Steel output was also down modestly, while crude oil refining edged lower. Automobile and electric power production posted decent increases, followed by coal and rail freight traffic. Truck assemblies were virtually unchanged.

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

BW50 More information about BW50 companies is available online.

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BusinessWeek online

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

February 13, 2006 | BusinessWeek

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