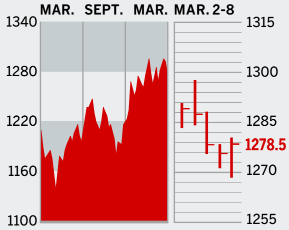
## STOCKS

### S&P 500




### COMMENTARY

Rising bond yields and a slowing real estate sector pressured stocks, but a decline in oil, which dipped below $60 a barrel, and the BellSouth buyout enabled the Dow to finish above 11,000. NASDAQ didn't fare as well: tech stocks were hurt by weakness in Google and Intel. Fed-watchers, meanwhile, were betting on another three rate hikes by the central bank.

**Data:** Bloomberg Financial Markets, Reuters

### U.S. MARKETS

| U.S. MARKETS | MAR. 8 | WEEK | % CHANGE YEAR TO DATE | % CHANGE LAST 12 MONTHS |
|---|---|---|---|---|
| S&P 500 | 1278.5 | -1.0 | 2.4 | 4.8 |
| Dow Jones Industrials | 11,005.7 | -0.4 | 2.7 | 0.9 |
| NASDAQ Composite | 2267.5 | -2.0 | 2.8 | 9.4 |
| S&P MidCap 400 | 763.9 | -2.7 | 3.5 | 12.8 |
| S&P SmallCap 600 | 371.8 | -2.7 | 6.0 | 11.5 |
| DJ Wilshire 5000 | 12,855.0 | -1.3 | 2.9 | 7.1 |

### SECTORS

| SECTORS | MAR. 8 | WEEK | YEAR TO DATE | LAST 12 MONTHS |
|---|---|---|---|---|
| BusinessWeek 50* | 754.6 | -1.2 | 1.7 | 2.9 |
| BW Info Tech 100** | 383.8 | -1.6 | 0.9 | 6.0 |
| S&P/Citigroup Growth | 605.4 | -0.8 | 1.5 | 3.2 |
| S&P/Citigroup Value | 669.4 | -1.2 | 3.4 | 6.5 |
| S&P Energy | 386.1 | -2.5 | 3.6 | 9.4 |
| S&P Financials | 435.8 | -0.7 | 2.2 | 7.8 |
| S&P REIT | 168.5 | 0.2 | 10.1 | 21.1 |
| S&P Transportation | 262.9 | -1.0 | 5.2 | 11.8 |
| S&P Utilities | 159.6 | -2.7 | -0.1 | 6.3 |
| GSTI Internet | 187.7 | -3.5 | -8.5 | 16.7 |
| PSE Technology | 863.0 | -2.4 | 3.2 | 15.6 |

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

### GLOBAL MARKETS

| GLOBAL MARKETS | MAR. 8 | WEEK | % CHANGE YEAR TO DATE | % CHANGE LAST 12 MONTHS |
|---|---|---|---|---|
| S&P Euro Plus (U.S. Dollar) | 1594.8 | 7.8 | 5.5 | 10.8 |
| London (FT-SE 100) | 5812.9 | -0.5 | 3.5 | 16.0 |
| Paris (CAC 40) | 4969.5 | -1.7 | 5.4 | 21.6 |
| Frankfurt (DAX) | 5673.4 | -3.3 | 4.9 | 29.0 |
| Tokyo (NIKKEI 225) | 15,627.5 | -2.1 | -3.0 | 31.5 |
| Hong Kong (Hang Seng) | 15,493.1 | -2.1 | 4.1 | 11.6 |
| Toronto (S&P/TSX Composite) | 11,737.1 | -0.5 | 4.1 | 18.5 |
| Mexico City (IPC) | 18,398.8 | -3.5 | 3.3 | 33.8 |

### FUNDAMENTALS

| FUNDAMENTALS | MAR. 7 | WEEK AGO | YEAR AGO |
|---|---|---|---|
| S&P 500 Dividend Yield | 1.80% | 1.80% | 1.95% |
| S&P 500 P/E Ratio (Trailing 12 mos.) | 17.7 | 17.9 | 20.7 |
| S&P 500 P/E Ratio (Next 12 mos.)* | 14.9 | 14.9 | 16.5 |
| First Call Earnings Revision* | -1.20% | -2.01% | 0.47% |

*First Call Corp.

### TECHNICAL INDICATORS

| TECHNICAL INDICATORS | MAR. 7 | WEEK AGO | READING |
|---|---|---|---|
| S&P 500 200-day average | 1234.6 | 1231.9 | Positive |
| Stocks above 200-day average | 63.0% | 66.0% | Neutral |
| Options: Put/call ratio | 0.80 | 0.73 | Positive |
| Insiders: Vickers NYSE Sell/buy ratio | 5.25 | 4.85 | Negative |

### BEST-PERFORMING GROUPS

| BEST-PERFORMING GROUPS | LAST MONTH % | | LAST 12 MONTHS % |
|---|---|---|---|
| Photographic Products | 17.0 | Oil & Gas Equipment | 45.3 |
| Distillers & Vintners | 8.4 | Specialized Finance | 43.6 |
| Wireless Services | 8.0 | Oil & Gas Refining | 42.6 |
| Consumer Electronics | 7.3 | Steel | 39.1 |
| Metal & Glass Containers | 6.5 | Computer Retailers | 35.9 |

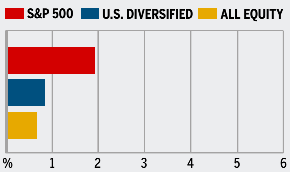
### WORST-PERFORMING GROUPS

| WORST-PERFORMING GROUPS | LAST MONTH % | | LAST 12 MONTHS % |
|---|---|---|---|
| Divsfd. Metals & Mining | -12.5 | Automobiles | -40.0 |
| Educational Services | -11.9 | Home Entrtnmt. Software | -25.2 |
| Gold Mining | -11.0 | Diversified Chemicals | -20.9 |
| Semiconductor Equip. | -10.6 | Home Furnishings | -18.1 |
| Tires & Rubber | -9.3 | Broadcasting | -17.3 |

## MUTUAL FUNDS

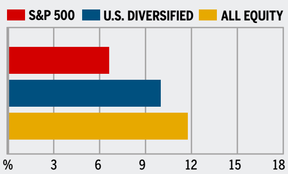
### 4-WEEK TOTAL RETURN

WEEK ENDED MAR. 7




### 52-WEEK TOTAL RETURN

WEEK ENDED MAR. 7




**Data:** Standard & Poor's

### EQUITY FUND CATEGORIES

| 4-WEEK TOTAL RETURN | % | 52-WEEK TOTAL RETURN | % |
|---|---|---|---|
| **LEADERS** | | **LEADERS** | |
| Communications | 4.0 | Latin America | 56.8 |
| Real Estate | 3.2 | Precious Metals | 36.3 |
| Financial | 2.4 | Diversified Emerg. Mkts. | 33.5 |
| Health | 1.9 | Diversified Pacific/Asia | 25.5 |
| **LAGGARDS** | | **LAGGARDS** | |
| Japan | -7.2 | Domestic Hybrid | 5.6 |
| Natural Resources | -4.9 | Miscellaneous | 6.6 |
| Diversified Pacific/Asia | -3.2 | Large-cap Value | 6.9 |
| Precious Metals | -1.4 | Large-cap Blend | 6.9 |

### EQUITY FUNDS

| 4-WEEK TOTAL RETURN | % | 52-WEEK TOTAL RETURN | % |
|---|---|---|---|
| **LEADERS** | | **LEADERS** | |
| ProFds. Mble. Tlcmms. Inv. | 13.0 | ING Russia A | 75.6 |
| ProFds. UltTelcmms. Inv. | 8.8 | ProFunds Ultra Japan Inv. | 68.9 |
| ProFds. Sh. Prec. Mtls. Inv. | 8.3 | T. Rowe Price Latin Am. | 63.8 |
| Quaker Btch. Phrma.-Hthcre. A | 7.1 | Eaton Vance Grtr. India A | 62.7 |
| **LAGGARDS** | | **LAGGARDS** | |
| Fidelity Japan Small Co. | -15.0 | Ameritor Investment | -66.7 |
| Ameritor Investment | -14.3 | American Heritage Grth. | -42.9 |
| ProFunds Precs. Mtls. Inv. | -12.4 | Frontier MicroCap | -26.9 |
| ProFunds Ultra Japan Inv. | -10.9 | Potomac Sm. Cap/Sh. Inv. | -25.0 |

## INTEREST RATES

### KEY RATES

| KEY RATES | MAR. 8 | WEEK AGO | YEAR AGO |
|---|---|---|---|
| Money Market Funds | 4.07% | 4.05% | 2.09% |
| 90-Day Treasury Bills | 4.58 | 4.60 | 2.75 |
| 2-Year Treasury Notes | 4.72 | 4.70 | 3.62 |
| 10-Year Treasury Notes | 4.73 | 4.59 | 4.39 |
| 30-Year Treasury Bonds | 4.72 | 4.56 | 4.71 |
| 30-Year Fixed Mortgage† | 6.30 | 6.10 | 5.83 |

†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 | 3.88% | 4.38% |
| Taxable Equivalent | 5.54 | 6.26 |
| Insured Revenue Bonds | 3.98 | 4.49 |
| Taxable Equivalent | 5.69 | 6.41 |

## THE WEEK AHEAD

**RETAIL SALES** *Tuesday, Mar. 14, 8:30 a.m. EST* » Retail sales are expected to have fallen 0.7% in February after a hefty 2.3% rise in January. That's the median forecast of economists polled by Action Economics. Less auto sales, the January fall was probably 0.4%, after a 2.2% jump.

**BEIGE BOOK** *Wednesday, Mar. 15, 2 p.m. EST* » The Federal Reserve releases its summary of regional economic activity before the Mar. 28 policy meeting. All economists polled by Action Economics expect an interest rate hike to 4.75%, from 4.5%.

**CONSUMER PRICE INDEX** *Thursday, Mar. 16, 8:30 a.m. EST* » February consumer prices for goods and services probably inched up 0.1% following a 0.7% January surge. Excluding food and energy, February prices most likely increased 0.2% for a second straight month.

**RESIDENTIAL CONSTRUCTION** *Thursday, Mar. 16, 8:30 a.m. EST* » February housing starts most likely eased to an annual rate of 2.07 million.

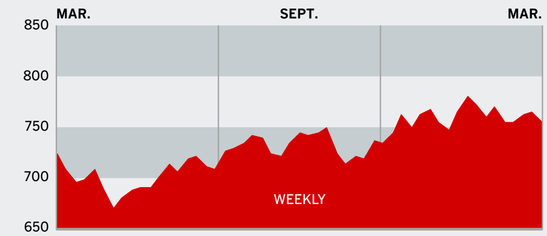
**INDUSTRIAL PRODUCTION** *Friday, Mar. 17, 9:15 a.m. EST* » Factory output probably rose 0.7% in February, after a 0.2% dip in January. Warm weather led to a plunge in the January utility output. The average operating rate likely rose to 81.4% from 80.9%.

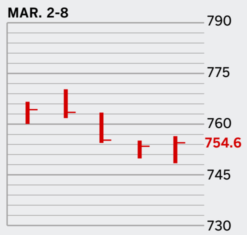
The *BusinessWeek* production index rose to 270.4 for the week ended Feb. 25, and stood 13.8% above the year ago level. Before calculation of the four-week moving average, the index inched up to 269.7.

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 BW 50 fell 1.2% for the week, beating the NASDAQ but trailing the Dow and S&P 500. Energy stocks were weaker on lower prices and greater supplies. Tech shares weren't much stronger: Autodesk, Symantec, and Apple fell 7.4%, 6.9%, and 5%, respectively on little news. But not all tech stocks were hurting: Qualcomm hit a new high after it raised sales and profit targets.

## COMPANY PERFORMANCE

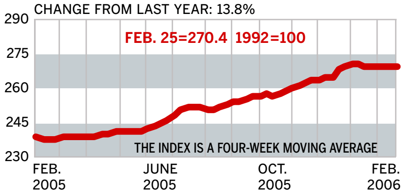
| RANK | COMPANY | % CHANGE WEEK | % CHANGE SINCE 3/1/05 |
|---|---|---|---|
| 1 | **Nucor** | 1.5 | 42.5 |
| 2 | **ConocoPhillips** | –3.6 | 7.4 |
| 3 | **ChevronTexaco** | –3.7 | –11.2 |
| 4 | **Valero Energy** | –2.1 | 51.0 |
| 5 | **UnitedHealth Group** | –2.1 | 25.5 |
| 6 | **Occidental Petroleum** | –2.7 | 28.3 |
| 7 | **Exxon Mobil** | –1.0 | –5.7 |
| 8 | **Yahoo** | –3.7 | –4.0 |
| 9 | **Apache** | –4.8 | 3.3 |
| 10 | **Devon Energy** | –2.8 | 23.0 |
| 11 | **Pulte Homes** | –4.0 | –4.7 |
| 12 | **Qualcomm** | 3.1 | 37.4 |
| 13 | **Apple Computer** | –5.0 | 46.4 |
| 14 | **Dell** | –1.1 | –27.8 |
| 15 | **Paccar** | –2.5 | –8.2 |
| 16 | **Coach** | –1.8 | 26.8 |
| 17 | **Sunoco** | 0.8 | 55.0 |
| 18 | **eBay** | –3.9 | –10.5 |
| 19 | **Burlington Resources** | –1.7 | 79.7 |
| 20 | **Progressive** | –3.3 | 18.9 |
| 21 | **Caremark Rx** | –2.0 | 30.1 |
| 22 | **Caterpillar** | –2.7 | 52.3 |
| 23 | **Phelps Dodge** | –4.5 | 26.8 |
| 24 | **Autodesk** | –7.4 | 29.8 |
| 25 | **Johnson & Johnson** | 1.9 | –10.5 |
| 26 | **Carnival** | –4.6 | –8.6 |
| 27 | **Adobe Systems** | –3.2 | 22.4 |
| 28 | **Cummins** | –4.3 | 42.5 |
| 29 | **Boston Scientific** | –4.3 | –29.7 |
| 30 | **EOG Resources** | –2.3 | 46.5 |
| 31 | **Symantec** | –6.9 | –28.4 |
| 32 | **Starbucks** | –2.6 | 36.5 |
| 33 | **Electronic Arts** | –1.3 | –20.4 |
| 34 | **WellPoint** | 0.7 | 26.4 |
| 35 | **Deere** | –2.8 | 5.4 |
| 36 | **United States Steel** | –2.0 | –10.8 |
| 37 | **Zimmer Holdings** | –1.7 | –20.5 |
| 38 | **FedEx** | 1.2 | 14.3 |
| 39 | **Chubb** | –0.1 | 20.7 |
| 40 | **XTO Energy** | –2.2 | 21.2 |
| 41 | **Microsoft** | 0.4 | 8.3 |
| 42 | **Danaher** | –0.2 | 12.8 |
| 43 | **Dow Chemical** | –3.2 | –22.8 |
| 44 | **Cisco Systems** | –0.9 | 19.7 |
| 45 | **Gilead Sciences** | –0.4 | 75.9 |
| 46 | **Nike** | –1.5 | –2.2 |
| 47 | **Anadarko Petroleum** | –3.0 | 24.9 |
| 48 | **Bank of America** | 0.2 | –2.0 |
| 49 | **Eaton** | –2.7 | –1.0 |
| 50 | **3M** | –1.8 | –13.8 |

**Data:** Reuters

# BW PRODUCTION INDEX

## INDUSTRIAL OUTPUT

CHANGE FROM LAST WEEK: 0.1%
CHANGE FROM LAST YEAR: 13.8%




**The production index** edged up in the latest week. Before calculation of the four-week moving average, the index was an uptick to 269.7 from 269.6. On a seasonally adjusted basis, modest increases in electric-power production, autos, and crude-oil refining lifted the index. Lumber fell the most, followed by steel and rail-freight traffic. Coal output and truck assemblies were virtually unchanged. During February, the index average increased to 270.4 from 269.5 in January.

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


# 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&A's 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