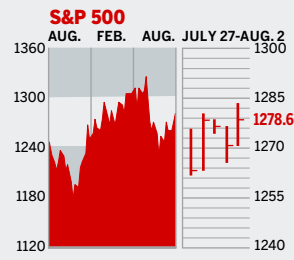


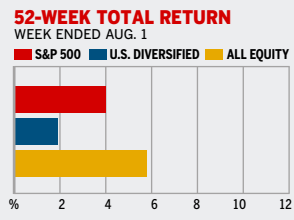
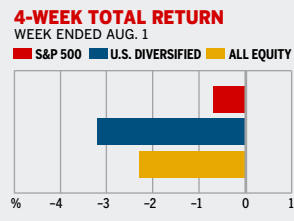
STOCKS



COMMENTARY
The markets were desultory last week, with the major indexes gyrating wildly before finishing less than a percentage point from where they began. Strong earnings results sent Procter & Gamble's stock up 4%, while Starbucks missed its sales estimates and shed 8%. Interest rates will be on traders' minds leading up to the next meeting of Fed policymakers on Aug. 8.

Data: Bloomberg Financial Markets, Reuters

MUTUAL FUNDS



Data: Standard & Poor's

	AUG. 2	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P 500	1278.6	0.8	2.4	2.8
Dow Jones Industrials	11,199.9	0.9	4.5	4.8
NASDAQ Composite	2078.8	0.4	-5.7	-6.3
S&P MidCap 400	741.2	0.6	0.4	2.2
S&P SmallCap 600	361.0	0.5	2.9	0.9
DJ Wilshire 5000	12,788.4	0.7	2.3	2.8

	AUG. 2	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
BusinessWeek 50*	717.8	0.2	-3.2	-3.3
BW Info Tech 100**	370.2	1.6	-2.7	-0.9
S&P/Citigroup Growth	588.3	0.6	-1.4	-1.5
S&P/Citigroup Value	688.9	1.0	6.4	7.3
S&P Energy	444.0	1.5	19.1	19.4
S&P Financials	443.6	0.9	4.0	9.7
S&P REIT	173.9	0.1	13.7	8.0
S&P Transportation	244.0	0.7	-2.3	8.9
S&P Utilities	173.4	0.4	8.6	5.0
GSTl Internet	156.3	2.1	-23.8	-13.1
PSE Technology	770.1	1.9	-7.9	-5.2

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

	AUG. 2	WEEK	% CHANGE YEAR TO DATE	% CHANGE LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1707.6	3.0	13.0	19.4
London (FT-SE 100)	5932.1	0.9	5.6	11.3
Paris (CAC 40)	5026.3	1.7	6.6	11.6
Frankfurt (DAX)	5680.8	1.8	5.0	15.2
Tokyo (NIKKEI 225)	15,464.3	3.9	-4.0	29.5
Hong Kong (Hang Seng)	17,032.8	2.5	14.5	12.5
Toronto (S&P/TSX Composite)	11,969.9	0.8	6.2	12.7
Mexico City (IPC)	20,145.1	1.2	13.2	37.3

	AUG. 1	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.85%	1.88%	1.97%
S&P 500 P/E Ratio (Trailing 12 mos.)	16.8	16.7	19.6
S&P 500 P/E Ratio (Next 12 mos.)*	13.9	13.9	15.6
First Call Earnings Surprise*	5.28%	4.66%	4.34%

	AUG. 1	WEEK AGO	READING
S&P 500 200-day average	1267.6	1265.4	Positive
Stocks above 200-day average	50.0%	50.0%	Neutral
Options: Put/call ratio	0.90	0.85	Positive
Insiders: Vickers NYSE Sell/buy ratio	2.52	2.63	Negative

	LAST MONTH %	LAST 12 MONTHS %
Home Entertainment	16.2	Agricultural Products 95.4
Gas Utilities	11.9	Steel 74.6
Health-Care Equip.	9.4	Divsfd. Metals & Mining 58.5
Tobacco	9.1	Oil & Gas Refining 45.6
Health-Care Facilities	8.7	Gold Mining 38.4

	LAST MONTH %	LAST 12 MONTHS %
Internet Retail	-32.6	Internet Retailers -44.3
IT Consulting	-19.6	Homebuilding -40.9
Photographic Products	-17.5	Educational Services -39.6
Trading Cos. & Distribs.	-17.1	Tires & Rubber -36.9
Internet Software	-16.4	Home Furnishings Rtlrs. -26.7

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS		LEADERS	
Utilities	4.0	Precious Metals	70.8
Real Estate	1.2	Latin America	42.5
Health	0.9	Japan	25.6
Large-cap Value	-0.2	Diversified Emrg. Mkts.	25.5
LAGGARDS		LAGGARDS	
Technology	-7.8	Technology	-5.8
Small-cap Growth	-7.3	Large-cap Growth	-1.6
Mid-cap Growth	-6.2	Small-cap Growth	-1.5
Small-cap Blend	-4.8	Mid-cap Growth	-0.3

INTEREST RATES

	AUG. 2	WEEK AGO	YEAR AGO
Money Market Funds	4.80%	4.78%	2.86%
90-Day Treasury Bills	5.11	5.10	3.47
2-Year Treasury Notes	4.95	5.07	4.04
10-Year Treasury Notes	4.97	5.03	4.34
30-Year Treasury Bonds	5.05	5.10	4.55
30-Year Fixed Mortgage †	6.46	6.54	5.73

	10-YR. BOND	30-YR. BOND
General Obligations	4.04%	4.45%
Taxable Equivalent	5.77	6.36
Insured Revenue Bonds	4.12	4.57
Taxable Equivalent	5.89	6.53

THE WEEK AHEAD

INSTALLMENT CREDIT Monday, Aug. 7, 3 p.m. EDT » In June consumers probably took on \$4 billion more of debt, after a May rise of \$4.4 billion. That's the median forecast of economists polled by Action Economics.

PRODUCTIVITY & COSTS Tuesday, Aug. 8, 8:30 a.m. EDT » Gains in output per hour worked probably cooled to a 1.6% annualized rate in the second quarter, after a 3.7% rise in the first

period. Unit labor costs likely grew 3.3%, following a 1.6% gain.

FOMC MEETING Tuesday, Aug. 8, 9 a.m. EDT » The Federal Reserve's Open Market Committee meets to discuss monetary policy. A narrow majority of economists surveyed by Action Economics expect the Fed will hold interest rates at 5.25%.

INTERNATIONAL TRADE Thursday, Aug. 10, 8:30 a.m. EDT » The foreign trade deficit is

expected to have widened slightly, to \$64 billion in June.

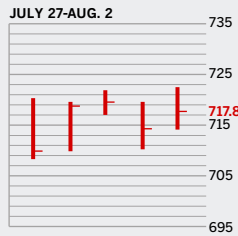
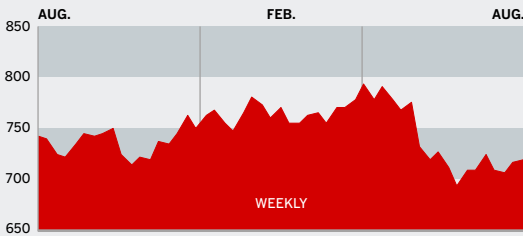
RETAIL SALES Friday, Aug. 11, 8:30 a.m. EDT » Retail sales probably grew 0.5% in July, after slipping 0.1% in June. Excluding autos, July sales likely increased by 0.4%, after a 0.3% rise.

EXPORT-IMPORT PRICES Friday, Aug. 11, 8:30 a.m. EDT » July export prices are forecast to have climbed 0.3%, while import prices most likely jumped 0.8%.

The *BusinessWeek* production index rose to 285.1 for the week ended July 22, a 12.9% increase from a year ago. Before calculation of the four-week moving average, the index declined to 284.4.

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

THE BUSINESSWEEK FIFTY



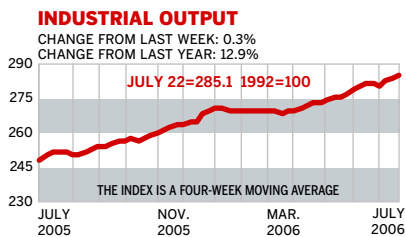
The BW50 gained 0.2% last week, a small fraction of the S&P 500's 0.8% rise. Blame health-care companies. Aetna tumbled 18.7% and UnitedHealth Group fell 3.9%. But Apple Computer jumped 6.7% and graphics processor producer NVIDIA rose 13%, thanks to a tech stock rally spurred by Adobe Systems Inc.'s reaffirmation of its financial targets.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/06			WEEK	SINCE 3/1/06
1	Apple Computer	6.7	-0.5	26	D.R. Horton	0.9	-37.2
2	WellPoint	-1.9	-0.9	27	National Oilwell Varco	6.4	9.9
3	Caremark Rx	-0.4	7.3	28	JPMorgan Chase	1.9	10.6
4	UnitedHealth Group	-3.9	-16.6	29	Merrill Lynch	2.0	-6.8
5	Schlumberger	0.8	17.0	30	Valero Energy	1.4	24.9
6	Occidental Petroleum	1.0	17.6	31	ConocoPhillips	0.6	13.2
7	Halliburton	5.4	-0.8	32	Marathon Oil	-2.5	25.5
8	Qualcomm	-1.7	-27.1	33	Prudential Financial	0.4	1.6
9	Amgen	1.7	-6.2	34	Microsoft	-0.3	-9.6
10	Aetna	-18.7	-36.3	35	Freeport-McMoRan	7.8	11.2
11	Lowe's	-0.9	-16.4	36	Weatherford International	3.2	12.1
12	Burlington Northern Santa Fe	3.7	-13.1	37	eBay	-5.9	-42.6
13	Motorola	6.2	8.4	38	Coventry Health Care	-3.7	-8.6
14	Yahoo!	-1.7	-16.9	39	CVS	0.6	17.2
15	Goldman Sachs Group	1.7	6.1	40	FedEx	-3.1	-3.7
16	Lehman Brothers Holdings	2.8	-12.0	41	Franklin Resources	8.6	-10.8
17	Gilead Sciences	-1.2	-1.1	42	Lennar	-0.3	-24.7
18	Jabil Circuit	0.0	-38.8	43	Coach	7.4	-17.9
19	Best Buy	3.3	-15.7	44	Staples	-5.3	-12.4
20	EMC	-5.4	-31.0	45	NVIDIA	13.0	-2.9
21	Baker Hughes	-1.5	17.0	46	Norfolk Southern	3.2	-16.5
22	Texas Instruments	-0.1	-1.4	47	Caterpillar	0.9	-3.2
23	Cisco Systems	-2.6	-13.6	48	McKesson	2.2	-5.1
24	Starbucks	-2.1	-8.3	49	Hartford Financial Services	-1.6	1.6
25	Intel	0.5	-14.6	50	Home Depot	-1.7	-19.1

Data: Reuters

BW PRODUCTION INDEX



The production index pulled out another increase during the latest period. Before calculation of the four-week moving average, the index slipped to 284.4, from 285.7. Following seasonal adjustments, only steel output, electric-power production, and lumber managed modest increases during the week. Automobile and truck assemblies suffered sizable declines, while coal output and rail freight traffic showed small retreats. Crude-oil refining was virtually unchanged.

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.

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BusinessWeek online

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