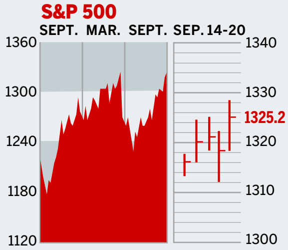
STOCKS



COMMENTARY

Stockholders had occasions to smile this week. The S&P 500 reached a five-year high of 1328.53. The Dow traded within 110 points of its all-time high and tech stocks lifted the NASDAQ 1.1%. Credit upbeat earnings, a calm Federal Reserve and falling oil prices. But energy speculators turned lachrymose as a hedge fund imploded and oil, gas, and coal stocks fell.

Data: Bloomberg Financial Markets, Reuters

U.S. MARKETS

	SEPT. 20	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1325.2	0.5	6.2	8.5
Dow Jones Industrials	11,613.2	0.6	8.4	10.8
NASDAQ Composite	2252.9	1.1	2.2	5.7
S&P MidCap 400	753.4	−0.5	2.1	6.8
S&P SmallCap 600	376.1	0.3	7.2	8.9
DJ Wilshire 5000	13,241.4	0.4	6.0	8.6

SECTORS

BusinessWeek 50*	745.9	0.4	0.6	0.2
BW Info Tech 100**	405.0	1.9	6.5	10.7
S&P/Citigroup Growth	616.2	0.6	3.3	5.7
S&P/Citigroup Value	706.8	0.5	9.2	11.5
S&P Energy	390.4	-3.2	4.7	-2.9
S&P Financials	462.6	1.3	8.5	16.3
S&P REIT	184.1	−0.1	20.3	20.7
S&P Transportation	252.2	−0.4	1.0	19.4
S&P Utilities	170.8	−0.6	7.0	0.9
GSTI Internet	171.5	−1.6	−16.4	−1.5
PSE Technology	829.8	1.3	−0.8	2.0

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

GLOBAL MARKETS

	SEPT. 20	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1770.4	1.1	17.1	21.9
London (FT-SE 100)	5866.2	−0.4	4.4	8.3
Paris (CAC 40)	5192.7	1.1	10.1	14.6
Frankfurt (DAX)	5954.4	0.8	10.1	20.0
Tokyo (NIKKEI 225)	15,718.7	−0.2	−2.4	19.5
Hong Kong (Hang Seng)	17,513.0	1.8	17.7	14.9
Toronto (S&P/TSX Composite)	11,635.4	−1.2	3.2	6.7
Mexico City (IPC)	21,841.5	2.4	22.7	40.3

FUNDAMENTALS

	SEPT. 19	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.84%	1.84%	2.04%
S&P 500 P/E Ratio (Trailing 12 mos.)	17.4	17.3	19.1
S&P 500 P/E Ratio (Next 12 mos.)*	14.4	14.4	15.0
First Call Earnings Revision*	−0.80%	−1.42%	1.28%

*First Call Corp.

TECHNICAL INDICATORS

	SEPT. 19	WEEK AGO	READING
S&P 500 200-day average	1280.2	1278.8	Positive
Stocks above 200-day average	53.0%	55.0%	Neutral
Options: Put/call ratio	0.81	0.93	Positive
Insiders: Vickers NYSE Sell/buy ratio	3.46	3.29	Negative

BEST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Tires & Rubber	25.7	Agricultural Products	72.9
Food Wholesalers	13.5	Steel	68.4
IT Consulting	11.5	Fertilizers & Ag. Chems.	53.3
Department Stores	10.6	Divsfd. Metals & Mining	36.9
Genl. Merchandise Chains	10.4	Department Stores	36.4

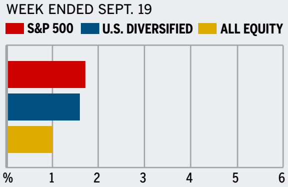
WORST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Coal	-26.0	Homebuilding	-27.0
Oil & Gas Refining	-22.0	Educational Services	-24.6
Oil & Gas Equip.	-15.3	Internet Retailers	-16.4
Gold Mining	-14.8	Internet Software	-15.1
Constr. & Engineering	-13.2	IT Consulting	-14.7

MUTUAL FUNDS

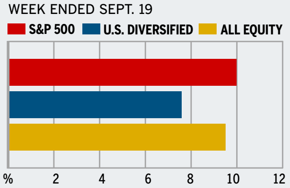
4-WEEK TOTAL RETURN

WEEK ENDED SEPT. 19



52-WEEK TOTAL RETURN

WEEK ENDED SEPT. 19



Data: Standard & Poor's

EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS		**LEADERS**	
Communications	4.3	Precious Metals	34.2
Technology	4.1	Latin America	32.1
Real Estate	3.6	Real Estate	25.9
Pacific/Asia ex-Japan	2.4	Diversified Emrg. Mkts.	24.1
LAGGARDS		**LAGGARDS**	
Precious Metals	−9.9	Health	2.8
Natural Resources	−8.8	Natural Resources	3.3
Japan	−3.8	Large-cap Growth	4.6
Diversified Pacific/Asia	−1.7	Technology	5.0

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS		**LEADERS**	
ProFds. Sh. Prc. Mtls. Inv.	18.9	U.S. Global Invrs. Gold	59.8
ProFds. Sh. Oil & Gas Inv.	10.4	ING Russia A	59.5
ProFds. Mble. Tlcmms. Inv.	10.4	U.S. Glbl. Invs. Prc. Mnls.	55.8
Ehrenkrantz Growth	9.2	Midas	54.3
LAGGARDS		**LAGGARDS**	
ProFunds Prc. Mtls. Inv.	−24.2	Ameritor Investment	−81.8
DireXion Cmmdty. Bull 2X	−15.4	American Heritage Grth.	−50.0
Rydex Commodities H	−15.2	American Heritage	−22.2
Merrill Lynch Rl. Invmt. C	−14.6	Rydex Commodities H	−22.0

INTEREST RATES

KEY RATES

	SEPT. 20	WEEK AGO	YEAR AGO
Money Market Funds	4.84%	4.84%	3.15%
90-Day Treasury Bills	4.92	4.90	3.60
2-Year Treasury Notes	4.82	4.79	3.98
10-Year Treasury Notes	4.73	4.76	4.24
30-Year Treasury Bonds	4.85	4.89	4.53
30-Year Fixed Mortgage†	6.20	6.16	5.68

†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	3.80%	4.26%
Taxable Equivalent	5.43	6.09
Insured Revenue Bonds	3.88	4.35
Taxable Equivalent	5.54	6.21

THE WEEK AHEAD

EXISTING HOME SALES *Monday, Sept. 25, 10 a.m. EDT* » Existing home sales in August are forecast to have edged down a little more, to an annual rate of 6.3 million units. That's the median forecast of economists surveyed by Action Economics. In July, sales slowed to a rate of 6.33 million.

CONSUMER CONFIDENCE *Tuesday, Sept. 26, 10 a.m. EDT* » The Conference Board's September consumer confidence index most likely rebounded to 102.1, from 99.6 in August. Early readings on September consumer sentiment revealed a sense of relief over lower gasoline prices.

DURABLE GOODS ORDERS *Wednesday, Sept. 27, 8:30 a.m. EDT* » Durable goods orders in August probably bounced back with a 1% increase. New orders fell 2.5% in July as orders of civilian aircraft and fabricated metal products dropped.

NEW HOME SALES *Wednesday, Sept. 27, 10 a.m. EDT* » New-home sales likely inched down to an annual pace of 1.06 million units in August, from 1.07 million in July.

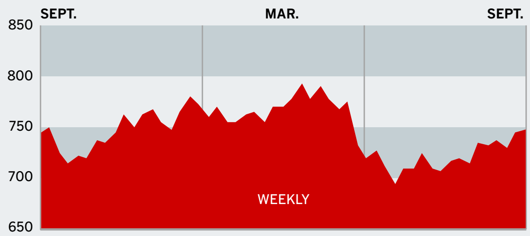
PERSONAL INCOME *Friday, Sept. 29, 8:30 a.m. EDT* » August personal income is expected to have climbed 0.4%, following a 0.5% gain in July. Consumer spending probably rose 0.3%, on slower auto sales, after jumping 0.8% in the prior period.

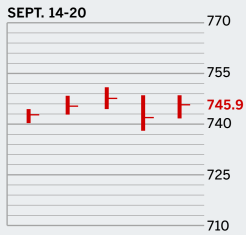
The *BusinessWeek* production index rose to 284.4 for the week ended Sept. 9 and stood 11.8% above the year-ago level. Before calculation of the four-week moving average, the index eased to 284.9.

BusinessWeek online

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

THE BUSINESSWEEK FIFTY





That strange noise from BW50 stocks this week was the sound of shareholders screaming Yahoo! backwards. Its stock plunged 12.1% on news that advertising growth is slowing and will hold down third-quarter results. But other BW50 techs did well, with NVIDIA, Motorola, and Microsoft up 6.4%, 5.2%, and 4.6%, respectively. Halliburton and other energy issues dropped with oil prices.

COMPANY PERFORMANCE

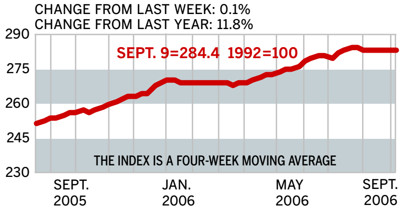
RANK	COMPANY	% CHANGE WEEK	% CHANGE SINCE 3/1/06
1	**Apple Computer**	1.4	9.9
2	**WellPoint**	-2.3	1.2
3	**Caremark Rx**	-0.5	18.8
4	**UnitedHealth Group**	-1.0	-11.5
5	**Schlumberger**	-0.8	-2.5
6	**Occidental Petroleum**	-3.3	-3.0
7	**Halliburton**	-6.6	-18.1
8	**Qualcomm**	2.2	-19.2
9	**Amgen**	2.6	-6.0
10	**Aetna**	-1.2	-23.6
11	**Lowe's**	-2.2	-17.0
12	**Burlington Northern Santa Fe**	-0.2	-10.5
13	**Motorola**	5.2	18.0
14	**Yahoo**	-12.1	-20.0
15	**Goldman Sachs Group**	3.6	17.9
16	**Lehman Brothers Holdings**	2.5	-1.6
17	**Gilead Sciences**	2.0	4.3
18	**Jabil Circuit**	2.2	-26.7
19	**Best Buy**	4.7	1.8
20	**EMC**	-0.2	-18.0
21	**Baker Hughes**	-3.5	-7.8
22	**Texas Instruments**	0.9	8.3
23	**Cisco Systems**	2.7	15.0
24	**Starbucks**	5.0	-4.5
25	**Intel**	-1.7	-5.4
26	**D. R. Horton**	-0.3	-30.9
27	**National Oilwell Varco**	-5.5	-6.4
28	**JPMorgan Chase**	1.8	14.8
29	**Merrill Lynch**	3.1	0.6
30	**Valero Energy**	-7.7	-10.0
31	**ConocoPhillips**	-3.2	-6.1
32	**Marathon Oil**	-6.3	0.2
33	**Prudential Financial**	2.9	-2.8
34	**Microsoft**	4.6	1.2
35	**Freeport-McMoRan**	-6.7	0.2
36	**Weatherford International**	-6.6	-11.6
37	**eBay**	-6.6	-34.7
38	**Coventry Health Care**	-2.0	-9.8
39	**CVS**	1.6	25.1
40	**FedEx**	0.9	0.3
41	**Franklin Resources**	1.6	3.0
42	**Lennar**	1.0	-23.7
43	**Coach**	2.8	-3.1
44	**Staples**	-0.2	1.7
45	**NVIDIA**	6.4	31.4
46	**Norfolk Southern**	-2.7	-16.9
47	**Caterpillar**	-0.7	-9.9
48	**McKesson**	-0.3	-0.3
49	**Hartford Financial Services**	0.1	5.4
50	**Home Depot**	-2.1	-13.7

Data: Reuters

BW PRODUCTION INDEX

INDUSTRIAL OUTPUT

CHANGE FROM LAST WEEK: 0.1%
CHANGE FROM LAST YEAR: 11.8%



The production index barely eked out a gain in the latest week. Before calculation of the four-week moving average, however, the index slipped to 248.9, from 285.4. On a seasonally adjusted basis, auto and truck assemblies drove the index higher. Coal production also managed a modest increase. Rail-freight traffic held steady. Lumber output posted a sizeable decline over the week. Electric power production cooled off for the fourth time in five weeks. Steel and crude-oil refining also fell slightly.

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

ONLINE RESOURCES

BW50 More information about BW50 companies is available online.

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