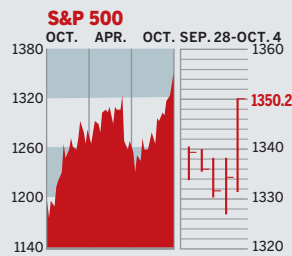


## STOCKS



### COMMENTARY

After downbeat reports of moderate employment growth hung over stocks at the start of the week, the Dow Jones Industrial Average surged to eclipse its 2000 record on lower crude oil prices, improved consumer spending, and the prospect of lower interest rates. eBay and retail stocks were the big winners. Oil-field issues suffered.

Data: Bloomberg Financial Markets, Reuters

## U.S. MARKETS

	OCT. 4	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P 500</b>	1350.2	1.0	8.2	11.2
Dow Jones Industrials	11,850.6	1.4	10.6	13.5
NASDAQ Composite	2291.0	1.2	3.9	7.1
S&P MidCap 400	760.0	0.2	3.0	6.6
S&P SmallCap 600	375.0	-0.3	6.9	7.7
DJ Wilshire 5000	13,450.9	0.8	7.6	10.6

## SECTORS

	OCT. 4	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>BusinessWeek 50*</b>	762.1	1.0	2.7	3.4
BW Info Tech 100**	411.1	0.9	8.1	12.4
S&P/Citigroup Growth	626.4	0.9	5.0	7.9
S&P/Citigroup Value	721.7	1.1	11.5	14.6
S&P Energy	399.9	-2.4	7.3	3.1
S&P Financials	474.3	1.9	11.2	21.1
S&P REIT	186.9	1.5	22.2	24.0
S&P Transportation	262.8	2.6	5.2	19.2
S&P Utilities	175.1	0.2	9.6	3.4
GSTI Internet	179.7	3.0	-12.4	1.3
PSE Technology	839.0	1.1	0.3	3.0

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

## GLOBAL MARKETS

	OCT. 4	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P Euro Plus (U.S. Dollar)</b>	1795.2	0.2	18.8	23.0
London (FT-SE 100)	5966.5	0.6	6.2	8.6
Paris (CAC 40)	5256.6	0.3	11.5	13.0
Frankfurt (DAX)	6046.4	0.9	11.8	17.7
Tokyo (NIKKEI 225)	16,082.6	0.8	-0.2	17.1
Hong Kong (Hang Seng)	17,629.2	0.6	18.5	14.6
Toronto (S&P/TSX Composite)	11,618.1	-1.1	3.1	6.0
Mexico City (IPC)	22,106.0	1.6	24.2	38.7

## FUNDAMENTALS

	OCT. 3	WEEK AGO	YEAR AGO
<b>S&amp;P 500 Dividend Yield</b>	1.83%	1.82%	2.05%
S&P 500 P/E Ratio (Trailing 12 mos.)	17.6	17.6	18.0
S&P 500 P/E Ratio (Next 12 mos.)*	14.3	14.7	14.4
First Call Earnings Surprise*	9.41%	4.83%	10.49%

\*First Call Corp.

## TECHNICAL INDICATORS

	OCT. 3	WEEK AGO	READING
<b>S&amp;P 500 200-day average</b>	1283.6	1281.8	Positive
Stocks above 200-day average	55.0%	57.0%	Neutral
Options: Put/call ratio	0.95	0.87	Positive
Insiders: Vickers NYSE Sell/buy ratio	3.91	3.68	Negative

## BEST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Computer Stores	17.6	Steel	66.9
Home Furnishings Rtlrs.	17.4	Fertilizers & Ag. Chems.	54.9
Genl. Merchandise Chains	16.5	Agricultural Products	48.2
Auto Retail	14.7	Department Stores	41.6
Casinos	14.2	Investmt. Bnkg. & Brkrge.	38.3

## WORST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Coal	-20.7	Homebuilding	-25.1
Gold Mining	-20.3	Internet Retailers	-22.2
Divsfd. Metals & Mining	-14.9	Educational Services	-18.1
Oil & Gas Refining	-14.0	IT Consulting	-14.5
Agricultural Products	-11.8	Health-Care Supplies	-14.4

## EQUITY FUND CATEGORIES

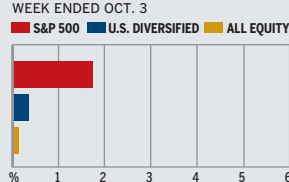
4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>		<b>LEADERS</b>	
Financial	3.1	Precious Metals	29.9
Real Estate	2.1	Real Estate	26.4
Communications	1.9	Latin America	25.8
Large-cap Value	1.3	Pacific/Asia ex-Japan	21.4
<b>LAGGARDS</b>		<b>LAGGARDS</b>	
Precious Metals	-14.6	Natural Resources	0.7
Natural Resources	-11.8	Health	2.3
Latin America	-3.1	Small-cap Growth	2.9
Japan	-2.9	Mid-cap Growth	4.0

## EQUITY FUNDS

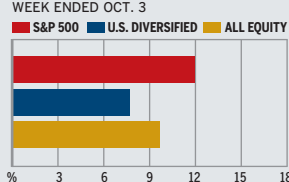
4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>		<b>LEADERS</b>	
ProFds. Sh. Prc. Mtls. Inv.	23.3	Oberweis China Opport.	57.4
American Heritage	14.3	U.S. Global Invs. Gold	49.1
ProFds. Sh. Oil & Gas Inv.	10.7	Midas	44.7
iShares D.J. U.S. Bkr. Dir.	8.6	U.S. Gbl. Invs. Prc. Mnls.	44.0
<b>LAGGARDS</b>		<b>LAGGARDS</b>	
Ameritor Investment	-50.0	Ameritor Investment	-90.9
Rydex Precious Metals	-21.2	American Heritage Grth.	-40.0
DireXion Cmmnty Bull 2X	-20.6	Rydex Commodities H	-25.7
Midas	-20.0	Merrill Lynch Rl. Invmt. C	-23.6

## MUTUAL FUNDS

### 4-WEEK TOTAL RETURN



### 52-WEEK TOTAL RETURN



Data: Standard & Poor's

## INTEREST RATES

### KEY RATES

	OCT. 4	WEEK AGO	YEAR AGO
<b>Money Market Funds</b>	4.85%	4.84%	3.25%
90-Day Treasury Bills	4.90	4.88	3.61
2-Year Treasury Notes	4.58	4.68	4.21
10-Year Treasury Notes	4.55	4.60	4.37
30-Year Treasury Bonds	4.71	4.74	4.60
30-Year Fixed Mortgage †	6.12	6.05	5.84

†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>	3.79%	4.27%
Taxable Equivalent	5.41	6.10
<b>Insured Revenue Bonds</b>	3.85	4.28
Taxable Equivalent	5.50	6.11

## THE WEEK AHEAD

**FEDERAL BUDGET** *Wednesday, Oct. 11, 2 p.m. EDT* » The federal government probably ran a surplus of \$38.5 billion in September, say economists polled by Action Economics. The August shortfall was \$64.6 billion.

**INTERNATIONAL TRADE** *Thursday, Oct. 12, 8:30 a.m. EDT* » The August foreign trade deficit is forecast to have narrowed to \$66 billion, after a July trade gap of \$68 billion.

**BEIGE BOOK** *Thursday, Oct. 12, 2 p.m. EDT* » The Federal Reserve releases its summary of economic conditions ahead of the two-day monetary policy meeting on Oct. 24 and 25. Every economist polled by Action Economics expects the Fed to keep interest rates at 5.25%.

**RETAIL SALES** *Friday, Oct. 13, 8:30 a.m. EDT* » Retail sales probably improved 0.3% during September, after drifting up 0.2%

in August. Minus autos, sales most likely fell 0.2%, after a 0.2% rise. **EXPORT-IMPORT PRICES** *Friday, Oct. 13, 8:30 a.m. EDT* » September export prices probably climbed 0.3%, after a 0.4% gain in August. Import prices very likely plunged 1.2% on lower oil prices. August import prices rose 0.8%.

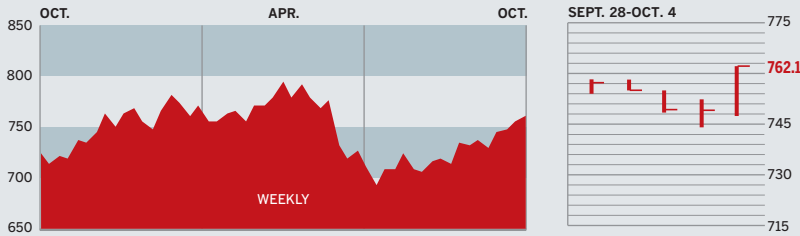
**BUSINESS INVENTORIES** *Friday, Oct. 13, 10 a.m. EDT* » In August inventories probably grew 0.4%, after a 0.6% gain in July.

The *BusinessWeek* production index held at 284.8 for the week ended Sept. 23, an 11% rise from the previous year. Before calculation of the four-week moving average, the index declined to 284.1.

**BusinessWeek online**

For the BW50, more investment data, and the components of the production index visit [www.businessweek.com/extras](http://www.businessweek.com/extras)

# THE BUSINESSWEEK FIFTY



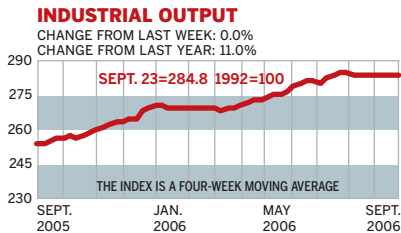
The BusinessWeek 50 rose 1% this week on news of lower crude oil prices and improved consumer spending. Tech company eBay, retailer Staples, and Starbucks rose 10.3%, 5.2%, and 4.3%, respectively. Goldman Sachs increased 4.5%. Oil-field issues National Oilwell Varco and Occidental Petroleum fell 9.7% and 6.1%. Copper explorer Freeport-McMoRan plunged 9.5%.

## COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE WEEK	% CHANGE SINCE 3/1/06	RANK	COMPANY	% CHANGE WEEK	% CHANGE SINCE 3/1/06
1	Apple Computer	-1.3	10.1	26	D. R. Horton	-2.5	-29.7
2	WellPoint	0.8	1.3	27	National Oilwell Varco	-9.7	-13.2
3	Caremark Rx	1.3	13.7	28	JPMorgan Chase	1.4	15.4
4	UnitedHealth Group	1.0	-14.9	29	Merrill Lynch	3.3	5.3
5	Schlumberger	-2.4	2.8	30	Valero Energy	-3.4	-6.9
6	Occidental Petroleum	-6.1	-2.2	31	ConocoPhillips	-3.9	-6.9
7	Halliburton	-6.8	-20.9	32	Marathon Oil	-3.1	4.7
8	Qualcomm	-6.1	-24.0	33	Prudential Financial	1.9	0.2
9	Amgen	1.2	-3.3	34	Microsoft	1.8	4.0
10	Aetna	4.6	-20.8	35	Freeport-McMoRan	-9.5	-3.1
11	Lowe's	5.6	-12.1	36	Weatherford International	-3.3	-7.6
12	Burlington Northern Santa Fe	3.3	-4.1	37	eBay	10.3	-25.4
13	Motorola	3.3	18.6	38	Coventry Health Care	0.0	-13.9
14	Yahoo	2.3	-21.4	39	CVS	-0.6	13.5
15	Goldman Sachs Group	4.5	25.0	40	FedEx	1.1	3.9
16	Lehman Brothers Holdings	3.6	4.1	41	Franklin Resources	3.0	5.0
17	Gilead Sciences	-5.0	2.7	42	Lennar	-0.5	-23.3
18	Jabil Circuit	5.1	-19.6	43	Coach	3.2	-0.6
19	Best Buy	3.9	5.1	44	Staples	5.2	5.9
20	EMC	3.2	-12.8	45	NVIDIA	3.1	31.9
21	Baker Hughes	0.2	0.0	46	Norfolk Southern	4.2	-11.1
22	Texas Instruments	-3.3	7.7	47	Caterpillar	-0.2	-10.3
23	Cisco Systems	2.5	18.2	48	McKesson	1.4	-1.5
24	Starbucks	4.3	-1.0	49	Hartford Financial Services	2.3	8.7
25	Intel	2.1	1.1	50	Home Depot	2.8	-11.1

Data: Reuters

## BW PRODUCTION INDEX



The production index didn't go anywhere. Before calculation of the four-week moving average, the index slipped to 284.1, from 284.9. On a seasonally adjusted basis, only three of the components managed gains. Crude-oil refining, electric-power production, and steel rose modestly. Truck and auto assemblies both declined. After trimming production in the third quarter, further cuts were also announced for the fourth quarter, according to WardsAuto.com. Coal, lumber, and rail freight traffic were also down.

Information on each of the index components is at [www.businessweek.com](http://www.businessweek.com).  
BW production index Copyright 2006 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.

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