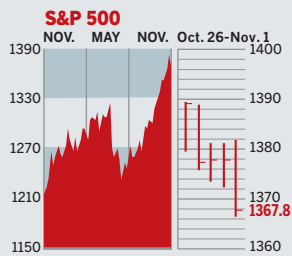


STOCKS



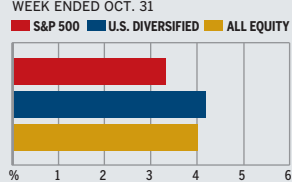
COMMENTARY

A string of softer-than-expected economic results pulled the Dow off its record highs. Word that CVS is going to buy Caremark Rx did not go over well; shares of the drugstore chain tumbled 7.4% and the pharmacy benefits manager fell 2.2% on Nov. 1. Meanwhile, American Power Conversion surged 28% for the week on news it will be bought by France's Schneider Electric.

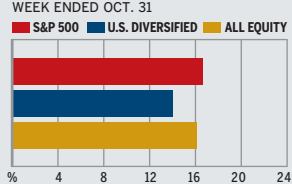
Data: Bloomberg Financial Markets, Reuters

MUTUAL FUNDS

4-WEEK TOTAL RETURN



52-WEEK TOTAL RETURN



Data: Standard & Poor's

U.S. MARKETS

	NOV. 1	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1367.8	-1.0	9.6	13.7
Dow Jones Industrials	12,031.0	-0.9	12.3	15.6
NASDAQ Composite	2334.4	-0.9	5.9	10.4
S&P MidCap 400	775.5	-1.8	5.1	10.7
S&P SmallCap 600	383.8	-2.1	9.4	13.5
DJ Wilshire 5000	13,673.2	-1.1	9.4	13.9

SECTORS

	NOV. 1	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
BusinessWeek 50*	770.9	-1.6	3.9	6.0
BW Info Tech 100**	428.4	0.4	12.6	18.5
S&P/Citigroup Growth	634.6	-1.0	6.4	10.5
S&P/Citigroup Value	731.1	-1.1	12.9	17.1
S&P Energy	426.2	-2.2	14.4	15.7
S&P Financials	472.2	-0.9	10.7	16.1
S&P REIT	192.7	0.2	25.9	31.9
S&P Transportation	266.3	-2.6	6.6	15.0
S&P Utilities	182.8	0.0	14.5	17.1
GSTI Internet	187.7	1.0	-8.5	0.0
PSE Technology	848.5	-0.5	1.4	6.4

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

GLOBAL MARKETS

	NOV. 1	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1863.0	1.3	23.2	31.2
London (FT-SE 100)	6149.6	-1.0	9.4	15.1
Paris (CAC 40)	5370.9	-0.9	13.9	21.1
Frankfurt (DAX)	6291.9	0.4	16.3	27.8
Tokyo (NIKKEI 225)	16,375.3	-1.9	1.6	18.1
Hong Kong (Hang Seng)	18,453.7	1.6	24.0	26.6
Toronto (S&P/TSX Composite)	12,050.4	-2.4	6.9	16.0
Mexico City (IPC)	23,042.3	-1.5	29.4	44.7

FUNDAMENTALS

	OCT. 31	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.78%	1.78%	2.06%
S&P 500 P/E Ratio (Trailing 12 mos.)	17.5	17.8	17.6
S&P 500 P/E Ratio (Next 12 mos.)*	14.9	14.8	14.3
First Call Earnings Surprise*	6.01%	5.25%	1.26%

*First Call Corp.

TECHNICAL INDICATORS

	OCT. 31	WEEK AGO	READING
S&P 500 200-day average	1293.0	1290.7	Positive
Stocks above 200-day average	68.0%	67.0%	Neutral
Options: Put/call ratio	0.82	0.86	Positive
Insiders: Vickers NYSE Sell/buy ratio	4.31	4.13	Negative

BEST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Consumer Electronics	22.6	Steel	94.0
Steel	17.0	Divsfd. Metals & Mining	50.6
Internet Retailers	16.9	Agricultural Products	49.5
IT Consulting	16.8	Department Stores	44.9
Auto Parts & Equip.	13.7	Intgrd. Telecmm. Svcs.	39.1

WORST-PERFORMING GROUPS

	LAST MONTH %		LAST 12 MONTHS %
Education Services	-27.1	Education Services	-43.7
Health-Care Services	-14.5	Homebuilding	-23.0
Airlines	-10.4	Internet Software	-16.3
Home Furnishings	-8.4	Spclzd. Cnsmr. Serv.	-12.3
Drug Chains	-6.8	Internet Retailers	-10.9

EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN		52-WEEK TOTAL RETURN	
	%		%
LEADERS			
Precious Metals	11.0	Precious Metals	49.9
Natural Resources	10.3	Latin America	38.9
Latin America	9.9	Real Estate	36.8
Small-cap Growth	6.3	Pacific/Asia ex-Japan	33.2
LAGGARDS			
Japan	0.8	Large-cap Growth	9.2
Financial	2.1	Health	9.5
Domestic Hybrid	2.4	Japan	10.4
International Hybrid	2.6	Technology	10.7

EQUITY FUNDS

4-WEEK TOTAL RETURN		52-WEEK TOTAL RETURN	
	%		%
LEADERS			
DireXn. Cmtdy. Bull 2X	21.6	U.S. Gtbl. Invs. Prc. Mnls.	76.2
ProFunds Precs. Mtls. Inv.	20.1	U.S. Global Invsr. Gold	74.7
DireXn. Lat. Am. Bull 2X Inv.	18.6	Oberweis China Opport.	71.7
DireXn. Emrg. Mkts. Bull 2X	17.1	Van Eck Invsr. Gold A.	67.6
LAGGARDS			
DireXn. Emrg. Mkts. Short	-15.2	Ameritor Investment	-88.9
DireXn. Sm. Cap Bear 2.5X	-15.1	DireXn. Emrg. Mkts. Short	-46.5
ProFunds UltSh. Emrg. Mkts.	-14.3	DireXn. Sm. Cap Bear 2.5X	-33.2
American Heritage	-12.5	ProFds. UltSh. Sm. Cap Inv.	-29.5

INTEREST RATES

KEY RATES

	NOV. 1	WEEK AGO	YEAR AGO
Money Market Funds	4.81%	4.84%	3.43%
90-Day Treasury Bills	5.06	5.12	3.96
2-Year Treasury Notes	4.65	4.85	4.40
10-Year Treasury Notes	4.57	4.76	4.57
30-Year Treasury Bonds	4.69	4.88	4.76
30-Year Fixed Mortgage †	6.10	6.28	6.12

†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	3.76%	4.17%
Taxable Equivalent	5.37	5.96
Insured Revenue Bonds	3.86	4.35
Taxable Equivalent	5.51	6.21

THE WEEK AHEAD

INSTALLMENT CREDIT *Tuesday, Nov. 7, 3 p.m. EST* » During September, consumers probably accrued another \$5.5 billion of debt, after a gain of \$5 billion in August. That's the median forecast of economists polled by Action Economics. After picking up in May and June, most likely boosted by soaring gasoline prices, gains in revolving credit have slowed.

INTERNATIONAL TRADE *Thursday, Nov. 9, 8:30 a.m.*

EST » The September foreign trade deficit is expected to have narrowed a bit, to \$65.7 billion. The August trade gap swelled to an unexpectedly large \$69.9 billion. Lower energy prices should factor into a lower September deficit. Imports are forecast to have eased and exports most likely grew.

INITIAL UNEMPLOYMENT CLAIMS *Thursday, Nov. 9, 8:30 a.m.* **EST** » New filings for state unemployment claims likely held

pretty stable, around 305,000, in the week ending on Nov. 4, from 308,000 for the week ended Oct. 21.

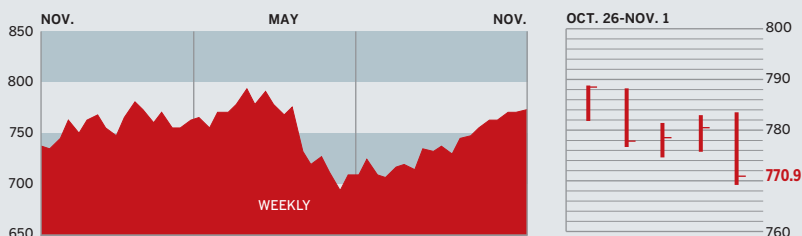
EXPORT-IMPORT PRICES *Thursday, Nov. 9, 8:30 a.m.* **EST** » Import prices probably tumbled 1.1% during October, after a 2.1% plunge in September. Falling oil prices are the main source of the decline. October export prices probably held steady, after a 0.5% drop in the prior month.

The *BusinessWeek* production index slipped to 283.8 for the week ended Oct. 21, up 10% from a year ago. Before calculation of the four-week moving average, the index improved to 283.7.

BusinessWeek online

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

THE BUSINESSWEEK FIFTY



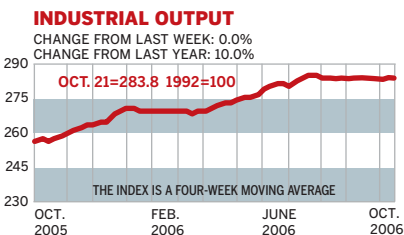
It was a tough week for the BW50. The index fell 1.6% with only six companies eking out gains over the period. Baker Hughes led the retreat, down 8.6% despite strong earnings for the third quarter. Weatherford International dropped 7.5%. The oil equipment and services provider's chief financial officer resigned. Tech stocks fared best with Microsoft and Yahoo! up for the week.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/06			WEEK	SINCE 3/1/06
1	Apple Computer	-3.1	15.6	26	D. R. Horton	-3.3	-32.0
2	WellPoint	-1.8	-2.2	27	National Oilwell Varco	-3.9	-2.6
3	Caremark Rx	-3.1	-3.2	28	JPMorgan Chase	-0.7	14.1
4	UnitedHealth Group	-0.7	-17.1	29	Merrill Lynch	0.1	11.2
5	Schlumberger	-2.1	8.8	30	Valero Energy	-5.3	-4.9
6	Occidental Petroleum	-5.4	1.1	31	ConocoPhillips	-4.9	-2.1
7	Halliburton	-3.4	-7.3	32	Marathon Oil	-1.9	21.8
8	Qualcomm	-4.7	-24.2	33	Prudential Financial	-2.6	-0.9
9	Amgen	-0.2	-0.3	34	Microsoft	1.8	7.2
10	Aetna	4.4	-21.2	35	Freeport-McMoRan	-0.1	17.9
11	Lowe's	-1.3	-13.1	36	Weatherford International	-7.5	-6.1
12	Burlington Northern Santa Fe	-4.5	-2.9	37	eBay	-2.0	-21.5
13	Motorola	-3.4	6.4	38	Coventry Health Care	-4.8	-20.9
14	Yahoo	6.1	-18.9	39	CVS	-5.9	2.6
15	Goldman Sachs Group	-1.9	30.9	40	FedEx	-2.3	4.9
16	Lehman Brothers Holdings	-3.5	2.3	41	Franklin Resources	1.0	7.7
17	Gilead Sciences	-0.5	8.5	42	Lennar	-1.4	-21.8
18	Jabil Circuit	-1.0	-23.4	43	Coach	-0.8	11.0
19	Best Buy	-0.9	0.3	44	Staples	-3.1	2.5
20	EMC	-3.2	-12.9	45	NVIDIA	-1.9	36.6
21	Baker Hughes	-8.6	-0.1	46	Norfolk Southern	-2.2	2.7
22	Texas Instruments	-2.5	0.4	47	Caterpillar	-2.3	-17.2
23	Cisco Systems	-0.8	19.1	48	McKesson	-4.1	-9.5
24	Starbucks	-2.2	3.5	49	Hartford Financial Services	-2.5	5.6
25	Intel	-3.2	2.0	50	Home Depot	2.0	-11.4

Data: Reuters

BW PRODUCTION INDEX



The production index barely moved during the latest period. Before calculation of the four-week moving average, the index nudged up to 283.7, from 283.6. On a seasonally adjusted basis, a majority of the components posted modest declines. Steel and crude-oil refining fell the most, with both auto and truck assemblies deteriorating further. Rail-freight traffic was also down. Electric-power production rebounded, while coal output managed a solid increase and lumber rose slightly.

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.

BUSINESSWEEK INVESTING Real-time market coverage and investment tools in partnership with Standard & Poor's.

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BusinessWeek online

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