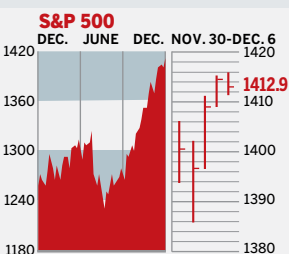


STOCKS



COMMENTARY

Markets made merry, with the S&P 500 hitting a six-year record before pulling back on Wednesday. Gloomy news came earlier in the week from Pfizer. The drugmaker's stock fell 8.4% after it announced it would stop testing its new cholesterol lowering drug. Good news came from Bank of New York, which rose 10.7% after agreeing to merge with Mellon Financial.

Data: Bloomberg Financial Markets, Reuters

U.S. MARKETS

	DEC. 6	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1412.9	1.0	13.2	11.8
Dow Jones Industrials	12,309.3	0.7	14.9	13.4
NASDAQ Composite	2445.9	0.6	10.9	8.2
S&P MidCap 400	819.6	1.6	11.1	10.5
S&P SmallCap 600	406.3	1.7	15.9	12.9
DJ Wilshire 5000	14,209.3	1.1	13.7	12.4

SECTORS

	DEC. 6	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
BusinessWeek 50*	802.6	1.1	8.2	4.8
BW Info Tech 100**	446.0	1.2	17.2	15.3
S&P/Citigroup Growth	654.5	0.6	9.7	8.2
S&P/Citigroup Value	756.4	1.3	16.8	15.6
S&P Energy	465.0	1.0	24.8	20.4
S&P Financials	484.6	1.2	13.6	13.3
S&P REIT	202.4	0.6	32.3	31.0
S&P Transportation	273.8	1.0	9.6	11.1
S&P Utilities	186.6	1.2	16.9	17.4
GSTI Internet	203.0	0.7	-1.1	-4.0
PSE Technology	888.3	0.9	6.2	3.8

*March 19, 1999=1000 **February 7, 2000=1000

GLOBAL MARKETS

	DEC. 6	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1943.4	1.0	28.6	30.8
London (FT-SE 100)	6090.3	0.1	8.4	10.0
Paris (CAC 40)	5350.6	-0.6	13.5	14.4
Frankfurt (DAX)	6369.5	0.1	17.8	20.2
Tokyo (NIKKEI 225)	16,371.3	1.8	1.6	6.1
Hong Kong (Hang Seng)	19,026.4	1.3	27.9	26.9
Toronto (S&P/TSX Composite)	12,889.8	1.7	14.4	16.2
Mexico City (IPC)	25,615.9	3.4	43.9	47.0

FUNDAMENTALS

	DEC. 5	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.75%	1.79%	1.80%
S&P 500 P/E Ratio (Trailing 12 mos.)	17.8	17.6	18.4
S&P 500 P/E Ratio (Next 12 mos.)*	15.3	15.0	15.1
First Call Earnings Revision*	-0.47%	-0.65%	-1.83%

*First Call Corp.

TECHNICAL INDICATORS

	DEC. 5	WEEK AGO	YEAR AGO
S&P 500 200-day average	1307.2	1304.1	Positive
Stocks above 200-day average	76.0%	69.0%	Negative
Options: Put/call ratio	0.76	0.90	Positive
Insiders: Vickers NYSE Sell/buy ratio	6.40	5.55	Negative

BEST-PERFORMING GROUPS

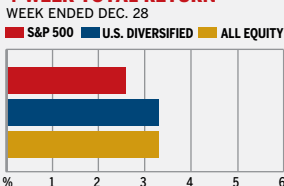
	LAST MONTH %	LAST 12 MONTHS %
Homebuilding	17.5	88.8
Tires & Rubber	14.6	51.5
Divsfd. Metals & Mining	13.3	45.0
Office REIT's	12.6	41.5
Steel	11.7	40.2
Steel	11.7	40.2
Department Stores		40.2

WORST-PERFORMING GROUPS

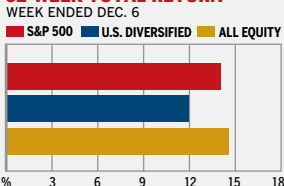
	LAST MONTH %	LAST 12 MONTHS %
Automobiles	-15.2	-44.7
Home Entertnmt. Sftwre.	-8.7	-18.8
Health-Care Supplies	-6.7	-17.9
Distillers & Vintners	-3.6	-17.2
Health-Care Technology	-3.0	-16.1
Education Services		-18.8
Homebuilding		-18.8
Internet Software		-17.9
Health-Care Supplies		-17.2
Internet Retailers		-16.1

MUTUAL FUNDS

4-WEEK TOTAL RETURN



52-WEEK TOTAL RETURN



Data: Standard & Poor's

EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
Real Estate	8.1	Precious Metals	45.1
Natural Resources	7.1	Pacific/Asia ex-Japan	37.8
Precious Metals	6.9	Real Estate	35.3
Pacific/Asia ex-Japan	6.6	Latin America	34.6
LAGGARDS			
Health	0.0	Japan	3.7
Japan	1.1	Health	6.1
Financial	1.9	Large-cap Growth	6.6
Domestic Hybrid	2.3	Technology	7.4

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
iShares DJ U.S. Home Constr.	17.8	Oberweis China Opport.	81.6
DireXn. Cmtdy. Bull 2X	16.0	Dreyfus Prem. Grtr. China A	74.2
DireXn. Emrg. Mkts. Bull 2X	15.7	U.S. Global Invrs. Gold	70.8
SPDR Homebuilders ETF	14.8	U.S. Gbl. Inv. Prc. Mnl. s.	70.8
LAGGARDS			
DireXn. Emrg. Mkts. Short	-13.8	Ameritor Investment	-87.5
ProFunds UltSh. Emrg. Mkts.	-12.6	DireXn. Emrg. Mkts. Short	-50.7
DireXn. Sm. Cap Bear 2.5X	-10.2	DireXn. Sm. Cap Bear 2.5X	-30.6
DireXn. NASDAQ 100 Bear 2.5X	-8.4	ProFds. URSh. Sm. Cap Inv.	-25.4

INTEREST RATES

KEY RATES

	DEC. 6	WEEK AGO	YEAR AGO
Money Market Funds	4.85%	4.86%	3.63%
90-Day Treasury Bills	4.98	5.04	4.02
2-Year Treasury Notes	4.58	4.68	4.40
10-Year Treasury Notes	4.48	4.52	4.49
30-Year Treasury Bonds	4.60	4.61	4.68
30-Year Fixed Mortgage †	5.83	5.95	6.19

† 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	3.64%	4.03%
Taxable Equivalent	5.20	5.76
Insured Revenue Bonds	3.74	4.21
Taxable Equivalent	5.34	6.01

THE WEEK AHEAD

INTERNATIONAL TRADE Tuesday, Dec. 12, 8:30 a.m. EST » The October trade deficit was likely \$63.6 billion, say economists polled by Action Economics. The September gap was \$64.3 billion.
FOMC MEETING Tuesday, Dec. 12, 9 a.m. EST » The Federal Open Market Committee meets to set monetary policy. Economists queried by Action Economics unanimously expect the Fed will hold interest rates at 5.25%.

RETAIL SALES Wednesday, Dec. 13, 8:30 a.m. EST » November retail sales most likely rose 0.3%, after an October fall of 0.4%. Excluding autos, sales probably edged up 0.2%, after a 0.1% dip.
BUSINESS INVENTORIES Wednesday, Dec. 13, 10 a.m. EST » Inventory levels most likely grew 0.3% in October, following a 0.4% rise in September.
CONSUMER PRICE INDEX Friday, Dec. 15, 8:30 a.m. EST » In

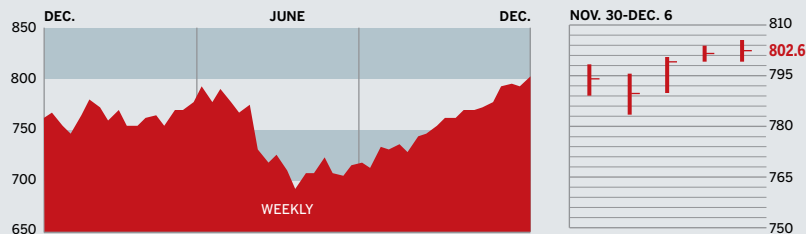
November, consumer prices likely rose 0.2%, after lower gasoline prices led the October index to fall 0.5%. Less energy and food, the index is forecast to have climbed 0.2%, after inching up 0.1%.
INDUSTRIAL PRODUCTION Friday, Dec. 15, 9:15 a.m. EST » November factory output probably improved 0.3%, after a 0.2% October gain. The utilization rate probably climbed back to 82.4%, from 82.2% in October.

The *BusinessWeek* production index slipped to 283.6 for the week ended Nov. 25, a 7.6% gain from a year ago. Before calculation of the four-week moving average, the index declined to 283.7.

BusinessWeek .com

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

THE BUSINESSWEEK FIFTY



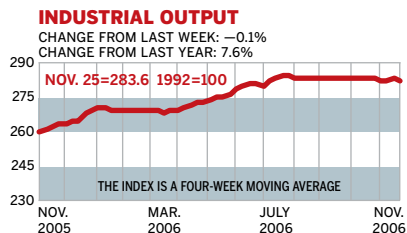
After last week's dip, the BW50 rose 1.1% this week. Homebuilders D.R. Horton and Lennar led the way with 8.5% and 8.4% increases, as 30-year mortgage rates fell to the lowest level in 10 months. Of course, after that news, a lot of non-BW50 homebuilder stocks rose last week as well; maybe the negative aura surrounding the industry is finally dispelling.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/06			WEEK	SINCE 3/1/06
1	Apple Computer	-2.1	31.2	26	D. R. Horton	8.4	-19.3
2	WellPoint	4.0	-1.1	27	National Oilwell Varco	0.5	10.0
3	Caremark Rx	5.6	-0.3	28	JPMorgan Chase	0.3	13.8
4	UnitedHealth Group	3.0	-15.8	29	Merrill Lynch	-0.3	15.7
5	Schlumberger	-1.4	16.7	30	Valero Energy	2.6	4.6
6	Occidental Petroleum	0.2	9.5	31	ConocoPhillips	3.7	13.0
7	Halliburton	-1.4	-2.4	32	Marathon Oil	1.3	35.7
8	Qualcomm	6.9	-16.9	33	Prudential Financial	7.9	12.4
9	Amgen	-3.5	-7.4	34	Microsoft	-2.0	7.9
10	Aetna	4.2	-16.8	35	Freeport-McMoRan	0.6	22.5
11	Lowe's	5.1	-7.2	36	Weatherford International	1.3	3.0
12	Burlington Northern Santa Fe	2.0	-3.3	37	eBay	-0.5	-19.7
13	Motorola	0.1	2.7	38	Coventry Health Care	6.9	-16.0
14	Yahoo	-0.7	-16.2	39	CVS	5.3	6.0
15	Goldman Sachs Group	4.5	45.1	40	FedEx	0.4	8.6
16	Lehman Brothers Holdings	1.6	4.6	41	Franklin Resources	5.7	9.0
17	Gilead Sciences	2.0	9.4	42	Lennar	8.5	-9.5
18	Jabil Circuit	0.6	-24.0	43	Coach	2.0	22.5
19	Best Buy	-2.3	0.1	44	Staples	1.8	6.8
20	EMC	4.1	-4.4	45	NVIDIA	0.1	55.1
21	Baker Hughes	-1.1	7.5	46	Norfolk Southern	4.2	-0.9
22	Texas Instruments	3.1	0.7	47	Caterpillar	1.6	-13.7
23	Cisco Systems	0.0	33.8	48	McKesson	2.1	-7.6
24	Starbucks	3.2	1.5	49	Hartford Financial Services	1.0	4.9
25	Intel	-1.6	1.5	50	Home Depot	6.1	-5.3

Data: Reuters

BW PRODUCTION INDEX



The Production Index declined slightly during the latest period. Before calculation of the four-week moving average, the index dropped to 283.7, from 284.7. On a seasonally adjusted basis, the index was pulled down by a large drop in lumber output. Rail-freight traffic and crude-oil refining were also down modestly. Auto and truck assemblies were the leading components among the gainers. Coal and steel production were up slightly, while electric power production was nearly 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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