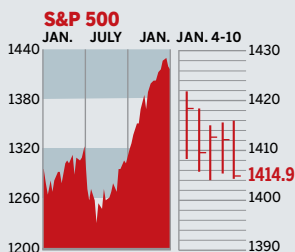


STOCKS



COMMENTARY

Stocks drooped a bit in the year's first full week of trading. While Apple's shares rose on its iPhone introduction, that news wasn't so good for cell-phone maker Motorola, which fell 11.7%. Goodyear Tire & Rubber rose after it settled its strike. Earnings season also started to warm up; Sprint Nextel shares fell as its 2007 sales forecast was below expectations.

Data: Bloomberg Financial Markets, Reuters

U.S. MARKETS

	JAN. 10	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1414.9	-0.1	-0.2	9.7
Dow Jones Industrials	12,442.2	-0.3	-0.2	13.0
NASDAQ Composite	2459.3	1.5	1.8	6.0
S&P MidCap 400	806.1	-0.1	0.2	4.5
S&P SmallCap 600	395.1	-1.0	-1.2	7.0
DJ Wilshire 5000	14,187.0	-0.1	-0.2	9.5

SECTORS

BusinessWeek 50*	796.3	0.3	-0.3	2.5
BW Info Tech 100**	446.4	-1.6	-0.2	11.0
S&P/Citigroup Growth	652.9	0.3	0.1	5.8
S&P/Citigroup Value	760.2	-0.5	-0.5	13.8
S&P Energy	421.8	-3.9	-7.4	5.7
S&P Financials	494.2	-0.5	-0.2	12.8
S&P REIT	200.9	1.0	1.0	23.3
S&P Transportation	260.2	-1.6	-1.4	4.6
S&P Utilities	183.7	-2.0	-1.6	12.9
GSTI Internet	201.2	0.4	0.7	-7.1
PSE Technology	898.7	2.6	2.7	2.0

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

GLOBAL MARKETS

	JAN. 10	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	1941.4	-3.5	-2.4	23.8
London (FT-SE 100)	6160.7	-2.5	-1.0	8.3
Paris (CAC 40)	5502.0	-1.9	-0.7	13.2
Frankfurt (DAX)	6566.6	-1.9	-0.5	19.5
Tokyo (NIKKEI 225)	16,942.4	-1.6	-1.6	5.1
Hong Kong (Hang Seng)	19,568.3	-4.1	-2.0	25.7
Toronto (S&P/TSX Composite)	12,457.6	-1.9	-3.5	7.4
Mexico City (IPC)	25,885.8	-2.8	-2.1	36.9

FUNDAMENTALS

	JAN. 9	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.79%	1.79%	1.75%
S&P 500 P/E Ratio (Trailing 12 mos.)	17.7	17.8	18.2
S&P 500 P/E Ratio (Next 12 mos.)*	14.7	15.4	15.0
First Call Earnings Surprise*	8.37%	8.10%	9.13%

*First Call Corp.

TECHNICAL INDICATORS

	JAN. 9	WEEK AGO	YEAR AGO
S&P 500 200-day average	1321.0	1318.3	Positive
Stocks above 200-day average	67.0%	74.0%	Neutral
Options: Put/call ratio	0.78	0.79	Positive
Insiders: Vickers NYSE Sell/buy ratio	6.41	6.47	Negative

BEST-PERFORMING GROUPS

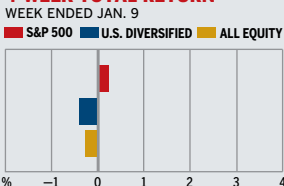
	LAST MONTH %	LAST 12 MONTHS %
Tires & Rubber	40.1	61.7
Real Estate Mgt. & Dvpt.	8.5	40.0
Forest Products	7.0	37.4
Computer Hardware	6.2	37.2
Health-Care Supplies	5.4	35.6
Steel		40.0
Tires & Rubber		40.0
Investmt. Bnkg. & Brkrge.		37.4
Broadcasting		37.2
Intgrd. Telecmmns. Svcs.		35.6

WORST-PERFORMING GROUPS

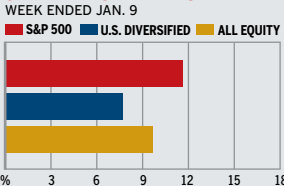
	LAST MONTH %	LAST 12 MONTHS %
Coal	-19.6	-35.0
Oil & Gas Equipment	-14.1	-32.5
Oil & Gas Refining	-12.7	-27.3
Steel	-12.4	-23.8
Oil & Gas Exploration	-11.6	-19.9
Education Services		-35.0
Homebuilding		-32.5
Gold Mining		-27.3
Internet Software		-23.8
Oil & Gas Refining		-19.9

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			
Pacific/Asia ex-Japan	4.4	Pacific/Asia ex-Japan	32.6
Diversified Pacific/Asia	1.0	Latin America	28.1
Technology	0.9	Europe	26.4
Japan	0.8	Real Estate	24.8
LAGGARDS			
Natural Resources	-7.3	Japan	-5.3
Precious Metals	-6.4	Natural Resources	1.0
Utilities	-2.1	Health	1.6
Small-cap Value	-1.2	Technology	2.3

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
Dreyfus Prem. Grtr. China A	13.3	Dreyfus Prem. Grtr. China A	76.8
iShares FTSE Xha. Ch. 25 Idx.	10.3	Oberweis China Opport.	69.4
PowerShares Gldn Drgn China	10.0	Old Mut. Clay Finlay Ch. A	68.3
Matthews China	9.4	iShares FTSE Xha. Ch. 25 Idx.	64.5
LAGGARDS			
Dunham Real Estate Stock C	-21.1	Ameritor Investment	-85.7
Dunham Small Cap Value C	-17.0	DireXn. Emrg. Mkts. Short	-37.2
ProFunds Oil Equip., Svcs.	-16.0	Fidelity Japan Small Co.	-26.1
Dunham Emrg. Mkts. Stock C	-15.0	American Heritage Grth.	-25.0

INTEREST RATES

KEY RATES

	JAN. 10	WEEK AGO	YEAR AGO
Money Market Funds	4.86%	4.87%	3.83%
90-Day Treasury Bills	5.09	5.05	4.29
2-Year Treasury Notes	4.81	4.76	4.40
10-Year Treasury Notes	4.69	4.66	4.43
30-Year Treasury Bonds	4.77	4.76	4.61
30-Year Fixed Mortgage†	6.02	6.04	6.08

†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	3.77%	4.14%
Taxable Equivalent	5.39	5.91
Insured Revenue Bonds	3.94	4.44
Taxable Equivalent	5.63	6.34

THE WEEK AHEAD

PRODUCER PRICE INDEX

Wednesday, Jan. 17, 8:30 a.m. EST

» Producer prices are forecast to have grown 0.5% in December, after a 2% surge in November. That's the consensus among economists surveyed by Action Economics. Minus food and energy, prices likely inched up 0.1%, following a 1.3% jump.

INDUSTRIAL PRODUCTION

Wednesday, Jan. 17, 9:15 a.m. EST

» December factory output

probably rose 0.2% for a second straight month. The utilization rate very likely edged up to 81.9%, from 81.8% in November.

BEIGE BOOK Wednesday, Jan. 17, 2 p.m. EST

» Federal Reserve releases its overview of economic conditions before the Jan. 31 monetary policy meeting. Economists fully expect the Fed to hold interest rates at 5.25%.

CONSUMER PRICE INDEX

Thursday, Jan. 18, 8:30 a.m. EST

» In December, consumer prices most likely increased 0.3%, after holding steady in November. Minus energy and food, the index probably climbed 0.2% after no change in the prior month.

RESIDENTIAL CONSTRUCTION

Thursday, Jan. 18, 8:30 a.m. EST

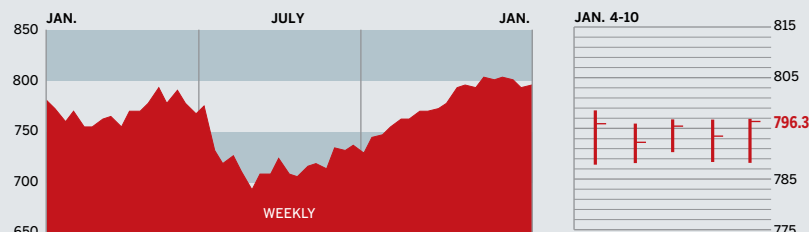
» December housing starts probably eased to an annual rate of 1.55 million. Starts in November rebounded slightly, to an annual pace of 1.59 million.

The *BusinessWeek* production index improved to 286.2 for the week ended Dec. 30, a 6% increase from a year ago. Before calculation of the four-week moving average, the index eased to 289.3.

BusinessWeek .com

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

THE BUSINESSWEEK FIFTY



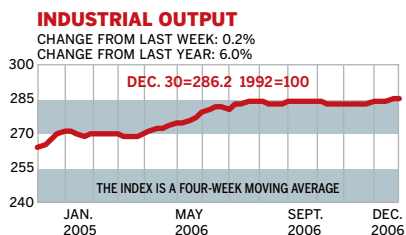
The BW50 eked out an 0.3% increase as iPhone-mania caused Apple shares to leap 15.8%. The phone will use some software from Yahoo!, whose stock rose 12.1%. Motorola's phones will have to compete with the iPhone; its shares fell 11.7%. Energy and energy-services shares fell as oil prices declined.

COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/06			WEEK	SINCE 3/1/06
1	Apple Computer	15.8	41.6	26	D. R. Horton	-2.3	-25.4
2	WellPoint	-2.4	-0.6	27	National Oilwell Varco	-5.3	-9.4
3	Caremark Rx	-1.7	11.7	28	JPMorgan Chase	0.1	16.9
4	UnitedHealth Group	0.5	-9.3	29	Merrill Lynch	0.9	22.3
5	Schlumberger	-6.2	-0.8	30	Valero Energy	-3.7	-10.4
6	Occidental Petroleum	-7.7	-5.8	31	ConocoPhillips	-5.4	5.9
7	Halliburton	-5.1	-16.6	32	Marathon Oil	-2.8	20.3
8	Qualcomm	2.9	-18.3	33	Prudential Financial	0.8	12.9
9	Amgen	3.9	-5.9	34	Microsoft	-0.7	10.4
10	Aetna	-4.4	-19.6	35	Freeport-McMoRan	5.3	5.1
11	Lowe's	1.3	-4.8	36	Weatherford International	-2.6	-12.6
12	Burlington Northern Santa Fe	-1.0	-7.1	37	eBay	-2.9	-26.9
13	Motorola	-11.7	-15.1	38	Coventry Health Care	1.3	-15.3
14	Yahoo	12.1	-10.5	39	CVS	1.6	10.6
15	Goldman Sachs Group	3.7	47.3	40	FedEx	-2.0	0.3
16	Lehman Brothers Holdings	1.2	9.0	41	Franklin Resources	4.2	15.1
17	Gilead Sciences	2.4	3.9	42	Lennar	-3.2	-18.1
18	Jabil Circuit	-2.0	-35.3	43	Coach	1.4	24.4
19	Best Buy	0.7	-8.3	44	Staples	0.1	7.7
20	EMC	8.8	2.4	45	NVIDIA	-3.3	48.1
21	Baker Hughes	-6.5	-1.6	46	Norfolk Southern	-2.1	-5.8
22	Texas Instruments	2.7	-1.7	47	Caterpillar	-1.4	-17.5
23	Cisco Systems	3.4	41.7	48	McKesson	0.8	-4.2
24	Starbucks	-1.4	-4.3	49	Hartford Financial Services	-3.2	10.3
25	Intel	5.7	4.5	50	Home Depot	-3.1	-5.6

Data: Reuters

BW PRODUCTION INDEX



The Production Index ended the year on a positive note. Before calculation of the four-week moving average, however, the index inched down to 289.3, from 289.4. After seasonal adjustments, coal production posted another large increase. More modest gains came in crude-oil refining, autos, and truck assemblies. Rail-freight traffic was unchanged on the period, while steel and lumber were down. In December, the index average rebounded to 286.2, from 284.2 in November.

Information on each of the index components is at 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.

MUTUAL FUNDS Search for funds, view BW ratings, and read Q&As with fund managers.

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BusinessWeek .com

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