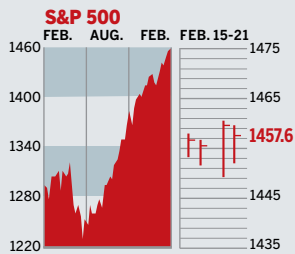


## STOCKS



### COMMENTARY

The markets looked ready to rocket to new highs before petering out at the end of the week, as the Fed's worries over inflation dampened investors' spirits. Profits at Wal-Mart jumped this quarter, pushing shares up 4%. News that Spanish megabank BBVA plans to gobble up Compass Bancshares boosted the stock of the regional player by 13%.

Data: Bloomberg Financial Markets, Reuters

## U.S. MARKETS

	FEB. 21	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P 500</b>	1457.6	0.2	2.8	13.6
<b>Dow Jones Industrials</b>	12,738.4	0.0	2.2	15.1
<b>NASDAQ Composite</b>	2518.4	1.2	4.3	11.3
<b>S&amp;P MidCap 400</b>	866.7	1.3	7.7	12.2
<b>S&amp;P SmallCap 600</b>	422.5	1.8	5.6	12.5
<b>DJ Wilshire 5000</b>	14,723.0	0.4	3.6	14.0

## SECTORS

<b>BusinessWeek 50*</b>	824.7	0.2	3.3	8.5
<b>BW Info Tech 100**</b>	451.8	0.3	1.0	17.5
<b>S&amp;P/Citigroup Growth</b>	667.7	0.2	2.3	10.0
<b>S&amp;P/Citigroup Value</b>	788.7	0.1	3.2	17.3
<b>S&amp;P Energy</b>	446.5	-1.2	-2.0	11.3
<b>S&amp;P Financials</b>	508.1	0.3	2.6	17.1
<b>S&amp;P REIT</b>	221.1	0.9	11.2	32.4
<b>S&amp;P Transportation</b>	279.8	-0.6	6.1	6.9
<b>S&amp;P Utilities</b>	193.3	-0.6	3.6	18.1
<b>GSTI Internet</b>	211.1	0.6	5.7	9.5
<b>PSE Technology</b>	911.0	0.5	4.0	5.2

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

## GLOBAL MARKETS

	FEB. 21	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P Euro Plus (U.S. Dollar)</b>	2056.5	-0.6	3.4	27.3
<b>London (FT-SE 100)</b>	6357.1	-1.0	2.2	8.5
<b>Paris (CAC 40)</b>	5694.6	-0.5	2.8	14.1
<b>Frankfurt (DAX)</b>	6941.7	-0.3	5.2	19.7
<b>Tokyo (NIKKEI 225)</b>	17913.2	0.9	4.0	12.7
<b>Hong Kong (Hang Seng)</b>	20,651.4	2.2	3.4	32.2
<b>Toronto (S&amp;P/TSX Composite)</b>	13,330.3	1.0	3.3	12.7
<b>Mexico City (IPC)</b>	28,716.0	0.6	8.6	55.2

## FUNDAMENTALS

	FEB. 20	WEEK AGO	YEAR AGO
<b>S&amp;P 500 Dividend Yield</b>	1.75%	1.76%	1.78%
<b>S&amp;P 500 P/E Ratio (Trailing 12 mos.)</b>	18.0	17.8	18.0
<b>S&amp;P 500 P/E Ratio (Next 12 mos.)*</b>	15.5	15.3	15.0
<b>First Call Earnings Revision*</b>	-2.62%	-3.08%	-2.00%

\*First Call Corp.

## TECHNICAL INDICATORS

	FEB. 20	WEEK AGO	YEAR AGO
<b>S&amp;P 500 200-day average</b>	1339.9	1337.0	Positive
<b>Stocks above 200-day average</b>	81.0%	80.0%	Negative
<b>Options: Put/call ratio</b>	0.80	0.76	Positive
<b>Insiders: Vickers NYSE Sell/buy ratio</b>	7.26	6.27	Negative

## BEST-PERFORMING GROUPS

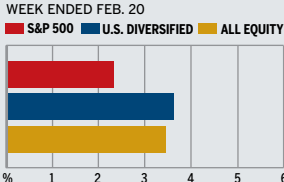
	LAST MONTH %		LAST 12 MONTHS %
<b>Constr. Materials</b>	26.0	<b>Tires &amp; Rubber</b>	75.3
<b>Steel</b>	19.8	<b>Steel</b>	71.8
<b>Constr. &amp; Farm Mchnry.</b>	15.4	<b>Constr. Materials</b>	57.7
<b>IT Consulting</b>	15.3	<b>Department Stores</b>	47.2
<b>Personal Products</b>	13.2	<b>Divsfd. Metals &amp; Mining</b>	44.8

## WORST-PERFORMING GROUPS

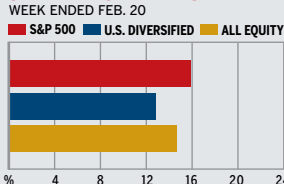
	LAST MONTH %		LAST 12 MONTHS %
<b>Spclzd. Cnsmr. Serv.</b>	-9.1	<b>Homebuilding</b>	-19.0
<b>Food Wholesalers</b>	-4.9	<b>Education Services</b>	-19.0
<b>Biotechnology</b>	-4.0	<b>Gold Mining</b>	-17.3
<b>Broadcasting</b>	-4.0	<b>Electric Mfg. Svcs.</b>	-16.9
<b>Systems Software</b>	-3.9	<b>Spclzd. Cnsmr. Serv.</b>	-11.5

## 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	%
<b>LEADERS</b>			
<b>Real Estate</b>	6.2	<b>Real Estate</b>	36.0
<b>Small-cap Growth</b>	5.5	<b>Pacific/Asia ex-Japan</b>	35.3
<b>Latin America</b>	5.1	<b>Latin America</b>	30.9
<b>Technology</b>	5.0	<b>Europe</b>	28.4
<b>LAGGARDS</b>			
<b>International Hybrid</b>	2.0	<b>Health</b>	5.8
<b>Health</b>	2.1	<b>Japan</b>	7.0
<b>Domestic Hybrid</b>	2.1	<b>Natural Resources</b>	7.3
<b>Natural Resources</b>	2.3	<b>Technology</b>	7.8

## EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
<b>DireXn. Mid Cap Bull 2.5X</b>	13.8	<b>Dreyfus Prem. Grtr. China A</b>	71.7
<b>DireXn. Sm. Cap Bull 2.5X</b>	12.7	<b>Oberweis China Opport.</b>	62.1
<b>ProFunds Internet Inv.</b>	12.4	<b>E.I.I. Int. Property Instl.</b>	60.1
<b>ProFunds UltraMid Cap Inv.</b>	11.0	<b>Old Mut. Clay Finlay Ch. A</b>	59.9
<b>LAGGARDS</b>			
<b>DireXn. Sm. Cap Bear 2.5X</b>	-11.4	<b>DireXn. Emrg. Mkts. Short</b>	-40.7
<b>ProFds. USh. Mid Cap Inv.</b>	-9.8	<b>DireXn. Dev. Mkts. Bear 2X</b>	-36.2
<b>Rydex Dyn. Russell 2000 H</b>	-9.1	<b>DireXn. Sm. Cap Bear 2.5X</b>	-28.4
<b>ProFds. USh. Small Cap Inv.</b>	-9.1	<b>American Heritage Grth.</b>	-25.0

## INTEREST RATES

### KEY RATES

	FEB. 21	WEEK AGO	YEAR AGO
<b>Money Market Funds</b>	4.86%	4.86%	4.03%
<b>90-Day Treasury Bills</b>	5.17	5.15	4.56
<b>2-Year Treasury Notes</b>	4.84	4.87	4.70
<b>10-Year Treasury Notes</b>	4.69	4.74	4.57
<b>30-Year Treasury Bonds</b>	4.79	4.83	4.53
<b>30-Year Fixed Mortgage †</b>	6.14	6.19	6.25

† 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>	3.82%	4.13%
<b>Taxable Equivalent</b>	5.46	5.90
<b>Insured Revenue Bonds</b>	3.96	4.44
<b>Taxable Equivalent</b>	5.66	6.34

## THE WEEK AHEAD

### DURABLE GOODS ORDERS

**Tuesday, Feb. 27, 8:30 a.m., EST** » Durable goods orders probably retreated 2.8%. That's the median forecast of economists surveyed by Action Economics. Orders in December jumped 2.9%.

### GROSS DOMESTIC PRODUCT (REVISED)

**Wednesday, Feb. 28, 8:30 a.m., EST** » Fourth-quarter real GDP is expected to be cut to an annualized growth rate of 2.5%, due mostly to a smaller-

than-expected rise in inventories. The initial increase was 3.5%.

### NEW-HOME SALES

**Wednesday, Feb. 28, 8:30 a.m. EST** » New-home sales are forecast to have remained virtually unchanged at an annual rate of 1.1 million in January from a pace of 1.12 million in December.

### PERSONAL INCOME

**Thursday, Mar. 1, 8:30 a.m., EST** » Personal income most likely grew 0.3% in January, after a 0.5% gain in

December. Consumer spending most likely rose 0.4%, following a solid 0.7% rise in the prior month.

### PURCHASING MANAGERS' INDEX

**Thursday, Mar. 1, 10 a.m., EST** » The Institute for Supply Management's February factory activity index likely edged up to 50%, from 49.3% in January.

### CONSTRUCTION SPENDING

**Thursday, Mar. 1, 10 a.m. EST** » January building outlays probably held steady after falling 0.4%.

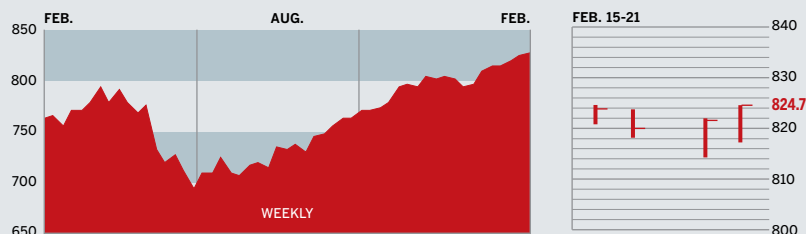
The *BusinessWeek* production index improved to 293.4 for the week ended Feb. 10, an 8.5% gain from a year ago. Before calculation of the four-week moving average, the index edged up to 294.8.

**BusinessWeek .com**

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



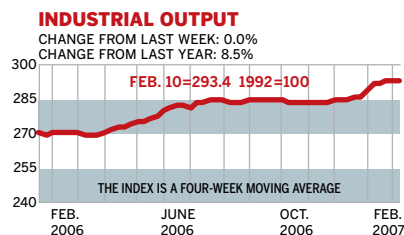
Good news battled bad this week, with the BW50 rising just 0.2% when the dust settled. A stamp of approval from analysts helped propel Qualcomm and Apple higher while investors salivated over the latest sales figures from Caterpillar, up 3%. Despite a fire at a refinery, Valero Energy posted a 4% gain. But Baker Hughes fell by 10% after missing estimates.

### COMPANY PERFORMANCE

RANK	COMPANY	% CHANGE		RANK	COMPANY	% CHANGE	
		WEEK	SINCE 3/1/06			WEEK	SINCE 3/1/06
1	Apple Computer	4.6	30.2	26	D. R. Horton	-0.4	-17.7
2	WellPoint	0.9	6.4	27	National Oilwell Varco	-1.7	11.4
3	Caremark Rx	0.8	28.2	28	JPMorgan Chase	0.4	25.5
4	UnitedHealth Group	3.7	-8.1	29	Merrill Lynch	-1.6	19.5
5	Schlumberger	-1.7	10.5	30	Valero Energy	3.6	7.6
6	Occidental Petroleum	-0.7	4.4	31	ConocoPhillips	-1.7	8.7
7	Halliburton	-1.4	-11.0	32	Marathon Oil	-1.1	30.0
8	Qualcomm	6.0	-10.8	33	Prudential Financial	0.1	20.2
9	Amgen	-2.0	-10.7	34	Microsoft	-0.2	9.2
10	Aetna	5.0	-10.1	35	Freeport-McMoRan	3.3	15.5
11	Lowe's	0.9	-1.1	36	Weatherford International	0.4	-6.3
12	Burlington Northern Santa Fe	1.2	7.7	37	eBay	0.1	-16.4
13	Motorola	-1.6	-11.7	38	Coventry Health Care	3.8	-4.8
14	Yahoo	3.2	-1.3	39	CVS	1.1	16.7
15	Goldman Sachs Group	1.3	55.8	40	FedEx	1.3	11.1
16	Lehman Brothers Holdings	-1.2	13.2	41	Franklin Resources	0.2	22.5
17	Gilead Sciences	3.5	19.2	42	Lennar	-0.1	-12.0
18	Jabil Circuit	1.7	-29.1	43	Coach	1.2	39.8
19	Best Buy	0.6	-6.4	44	Staples	0.4	11.5
20	EMC	0.6	5.5	45	NVIDIA	-3.1	38.0
21	Baker Hughes	-10.3	-5.0	46	Norfolk Southern	-0.4	1.7
22	Texas Instruments	0.1	3.8	47	Caterpillar	3.1	-6.7
23	Cisco Systems	-0.3	35.3	48	McKesson	2.0	6.1
24	Starbucks	-2.8	-10.8	49	Hartford Financial Services	0.3	17.9
25	Intel	-1.2	1.4	50	Home Depot	-1.0	-2.0

Data: Reuters

## BW PRODUCTION INDEX



The Production Index just eked out a gain for the week. Before calculation of the four-week moving average, the index rose to 294.8, from 294.4 in the prior period. After seasonal adjustments, only electric power production and steel output posted increases. Both components moved up modestly. On the downside, truck assemblies fell the most, but the decline was only modest. Smaller declines were registered in autos, crude-oil refining, coal, lumber, and rail-freight traffic.

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.

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

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[BusinessWeek.com](http://BusinessWeek.com)

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