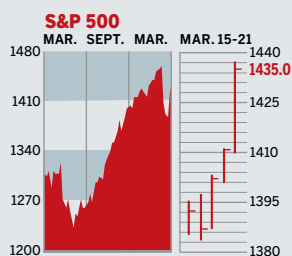


## STOCKS



### COMMENTARY

What a week: The market started rising in anticipation of positive news from the Federal Reserve, and then it took off after the Fed announced a more neutral position on monetary policy and held its target interest rate steady on Mar. 21. Private equity deals for Affiliate Computer Services and ServiceMaster also helped drive prices up.

Data: Bloomberg Financial Markets, Reuters

## U.S. MARKETS

	MAR. 21	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P 500</b>	1435.0	3.5	1.2	10.6
<b>Dow Jones Industrials</b>	12,447.5	2.6	-0.1	10.8
<b>NASDAQ Composite</b>	2455.9	3.5	1.7	7.0
<b>S&amp;P MidCap 400</b>	851.5	3.5	5.9	9.8
<b>S&amp;P SmallCap 600</b>	413.7	4.0	3.4	8.3
<b>DJ Wilshire 5000</b>	14,481.5	3.5	1.9	11.0

## SECTORS

	MAR. 21	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>BusinessWeek 50*</b>	811.5	3.6	1.6	5.9
<b>BW Info Tech 100**</b>	449.1	4.8	0.4	14.5
<b>S&amp;P/Citigroup Growth</b>	656.2	3.1	0.6	7.1
<b>S&amp;P/Citigroup Value</b>	777.8	3.8	1.8	14.2
<b>S&amp;P Energy</b>	451.5	2.8	-0.9	14.9
<b>S&amp;P Financials</b>	489.9	4.6	-1.1	11.0
<b>S&amp;P REIT</b>	208.9	2.8	5.0	20.7
<b>S&amp;P Transportation</b>	267.7	2.5	1.5	-1.7
<b>S&amp;P Utilities</b>	201.7	4.3	8.1	26.5
<b>GSTI Internet</b>	204.8	4.0	2.6	8.9
<b>PSE Technology</b>	897.9	2.8	2.6	3.3

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

## GLOBAL MARKETS

	MAR. 21	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P Euro Plus (U.S. Dollar)</b>	2026.4	4.9	1.8	21.1
<b>London (FT-SE 100)</b>	6256.8	4.3	0.6	4.4
<b>Paris (CAC 40)</b>	5502.2	3.9	-0.7	6.9
<b>Frankfurt (DAX)</b>	6712.1	4.1	1.7	13.5
<b>Tokyo (NIKKEI 225)</b>	17,163.2	2.9	-0.4	3.2
<b>Hong Kong (Hang Seng)</b>	19,516.4	3.6	-2.2	22.6
<b>Toronto (S&amp;P/TSX Composite)</b>	13,155.6	2.7	1.9	10.1
<b>Mexico City (IPC)</b>	28,219.6	5.6	6.7	44.1

## FUNDAMENTALS

	MAR. 20	WEEK AGO	YEAR AGO
<b>S&amp;P 500 Dividend Yield</b>	1.85%	1.86%	1.78%
<b>S&amp;P 500 P/E Ratio (Trailing 12 mos.)</b>	17.2	16.7	18.1
<b>S&amp;P 500 P/E Ratio (Next 12 mos.)*</b>	15.1	14.7	15.1
<b>First Call Earnings Revision*</b>	-0.24%	-0.41%	0.08%

\*First Call Corp.

## TECHNICAL INDICATORS

	MAR. 20	WEEK AGO	YEAR AGO
<b>S&amp;P 500 200-day average</b>	1351.9	1348.9	Positive
<b>Stocks above 200-day average</b>	70.0%	63.0%	Neutral
<b>Options: Put/call ratio</b>	1.11	1.14	Positive
<b>Insiders: Vickers NYSE Sell/buy ratio</b>	6.39	6.72	Negative

## BEST-PERFORMING GROUPS

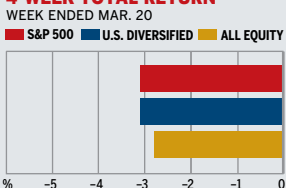
	LAST MONTH %	LAST 12 MONTHS %
<b>Tires &amp; Rubber</b>	17.0	115.3
<b>Gas Utilities</b>	9.5	59.8
<b>Power &amp; Energy Traders</b>	9.5	54.2
<b>Oil &amp; Gas Refining</b>	7.0	42.9
<b>Constr. &amp; Engineering</b>	6.2	40.3
<b>Tires &amp; Rubber</b>		115.3
<b>Divsfd. Metals &amp; Mining</b>		59.8
<b>Steel</b>		54.2
<b>Power &amp; Energy Traders</b>		42.9
<b>Constr. Materials</b>		40.3

## WORST-PERFORMING GROUPS

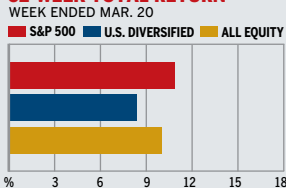
	LAST MONTH %	LAST 12 MONTHS %
<b>Homebuilding</b>	-12.8	-25.2
<b>Motorcycles</b>	-12.5	-22.1
<b>Automobiles</b>	-10.9	-19.9
<b>Distillers &amp; Vintners</b>	-10.4	-17.8
<b>Specialized REIT's</b>	-10.2	-13.3
<b>Homebuilding</b>		-25.2
<b>Distillers &amp; Vintners</b>		-22.1
<b>Electric Mfg. Svcs.</b>		-19.9
<b>Photographic Products</b>		-17.8
<b>Airlines</b>		-13.3

## 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>			
Utilities	1.2	Pacific/Asia ex-Japan	27.7
Natural Resources	0.9	Utilities	27.5
International Hybrid	-1.5	Latin America	26.1
Domestic Hybrid	-1.6	Real Estate	23.0
<b>LAGGARDS</b>			
Real Estate	-5.9	Japan	-1.1
Financial	-5.3	Health	0.1
Latin America	-4.9	Technology	3.0
Health	-4.2	Small-cap Growth	3.9

## EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
DireXn. NASDAQ 100 Bear 2.5X	9.4	Dreyfus Prem. Grtr. China A	55.1
DireXn. Sm. Cap Bear 2.5X	9.2	Old Mut. Clay Finlay Ch. A	49.0
Rydex Dynamic Dow 30 H	8.3	E.I.I. Int. Property Instl	46.3
ProFunds USH. Dow 30 Inv.	8.3	Oberweis China Opport.	46.3
<b>LAGGARDS</b>			
iShares DJ U.S. Home Constr.	-14.6	DireXn. Emrg. Mkts. Short	-38.0
SPDRS&P Homebuilders ETF	-11.6	DireXn. Dev. Mkts. Bear 2X	-26.6
ProFunds Real Est. Inv.	-11.4	American Heritage Grth.	-25.0
ProFunds UltraEmrg. Mkts.	-10.6	SPDRS&P HomebuildersETF	-22.9

## INTEREST RATES

### KEY RATES

	MAR. 21	WEEK AGO	YEAR AGO
<b>Money Market Funds</b>	4.86%	4.86%	4.13%
<b>90-Day Treasury Bills</b>	5.04	5.05	4.68
<b>2-Year Treasury Notes</b>	4.53	4.55	4.73
<b>10-Year Treasury Notes</b>	4.54	4.53	4.72
<b>30-Year Treasury Bonds</b>	4.72	4.70	4.74
<b>30-Year Fixed Mortgage †</b>	6.03	6.01	6.28

† 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>	3.72%	4.08%
<b>Taxable Equivalent</b>	5.31	5.83
<b>Insured Revenue Bonds</b>	3.86	4.35
<b>Taxable Equivalent</b>	5.51	6.21

## THE WEEK AHEAD

**NEW HOME SALES** Monday, Mar. 26, 10 a.m. EDT » New home sales probably inched up to an annual rate of 1 million units in February, after tumbling to a rate of 0.94 million in January, according to the median forecast of economists polled by Action Economics.

### CONSUMER CONFIDENCE

Tuesday, Mar. 27, 10 a.m., EDT » The Conference Board's March consumer confidence index is

forecast to have pulled back to 108.5, after hitting a five-and-a-half year high of 112.5 in February.

### DURABLE GOODS ORDERS

Wednesday, Mar. 28, 8:30 a.m., EDT » February durable goods orders most likely rebounded somewhat, with a 3% increase. In January, there was a broad-based 8.7% plunge in orders.

**PERSONAL INCOME** Friday, Mar. 30, 8:30 a.m., EDT » Personal income probably made a modest gain of

0.3% in February, after a 1% jump in January. Consumer spending is expected to have climbed 0.4%, following a solid 0.5% increase in the previous month.

### CONSTRUCTION SPENDING

Friday, Mar. 30, 10 a.m. EDT » Building outlays in February probably registered a second straight monthly decline with a 0.5% fall. The contraction in spending will most likely be concentrated in the residential sector.

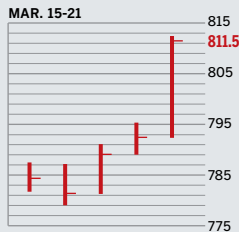
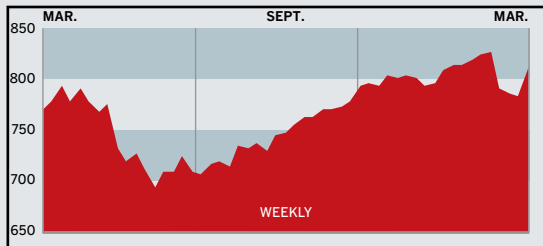
The *BusinessWeek* production index improved to 291.8 for the week ended Mar. 10, an 8.3% gain from a year ago. Before calculation of the four-week moving average, the index held steady at 290.9.

**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



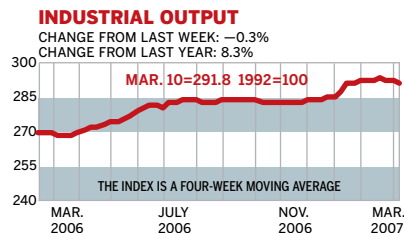
The 2007 BW50 made its debut this week with a bang. News from the Fed bolstered the group. But there was other good news: Morgan Stanley's first-quarter profits jumped 70%, Oracle beat the Street's estimates for profits, and Adobe Systems climbed 10.2% after announcing second-quarter sales would surprise.

### COMPANY PERFORMANCE

RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/06	RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/06
1	Google	1.9	1.6	26	Allegheny Technologies	7.0	6.1
2	Coach	2.9	6.4	27	Oracle	7.6	10.6
3	Gilead Sciences	7.0	4.0	28	Starbucks	10.1	4.4
4	Nucor	3.4	7.6	29	Moody's	10.2	2.5
5	Questar	5.0	5.7	30	Pepsico	2.4	1.6
6	Sunoco	3.2	7.7	31	Stryker	3.5	7.4
7	Verizon Communications	3.9	0.7	32	Best Buy	2.9	6.6
8	Colgate-Palmolive	2.3	-0.9	33	United Parcel Service	1.5	1.6
9	Goldman Sachs Group	5.4	4.6	34	Apple	4.3	10.9
10	Paccar	8.3	11.2	35	T. Rowe Price Group	5.7	5.3
11	Amazon.com	4.5	1.7	36	Valero Energy	0.9	7.4
12	Cognizant Technology Solutions	3.5	3.1	37	Constellation Energy Group	6.3	9.6
13	Avon Products	2.2	3.7	38	TJX	2.6	-3.0
14	Varian Medical Systems	1.9	5.0	39	Morgan Stanley	10.2	8.6
15	Bed Bath & Beyond	4.7	2.1	40	Paychex	3.3	0.7
16	CB Richard Ellis Group	12.0	8.3	41	Coventry Health Care	3.5	3.5
17	Robert Half International	6.3	-0.6	42	United States Steel	7.3	8.0
18	Chicago Mercantile Exchange Hldgs.	-4.2	0.3	43	United Technologies	2.2	0.8
19	Adobe Systems	10.2	10.3	44	Hershey	0.5	1.6
20	EOG Resources	3.5	2.9	45	Black & Decker	3.1	0.7
21	Sempra Energy	2.8	2.9	46	Synovus Financial	3.6	2.8
22	Sherwin-Williams	3.6	2.2	47	Linear Technology	0.6	1.6
23	Lehman Brothers Holdings	3.5	1.2	48	AT&T	4.4	5.6
24	Rockwell Collins	2.3	5.3	49	XTO Energy	3.9	2.9
25	IMS Health	6.3	2.8	50	PNC Financial Services Group	4.0	-1.0

Data: Reuters

## BW PRODUCTION INDEX



The production index declined for a third consecutive week. Before calculation of the four-week moving average, the index was unchanged at 290.9. On a seasonally adjusted basis, the components didn't move much overall. Auto production posted a moderate decline while coal and steel output rose modestly. Rail-freight traffic, crude oil refining, and electric power were also slightly higher. Meanwhile, truck assemblies and lumber were virtually unchanged.

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).