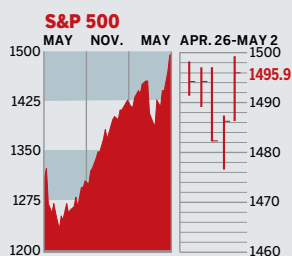


STOCKS



COMMENTARY

Following recent records, the market looked pretty tame this week. News Corp.'s bid for Dow Jones was big news for DJ stockholders, with shares leaping 55%. Meanwhile, the Supreme Court patent rulings were a mixed bag, sending Microsoft up 5.5% and AT&T down 1.2%. Liz Claiborne dropped 21% after its quarterly profits disappointed the Street.

Data: Bloomberg Financial Markets, Reuters

U.S. MARKETS

	MAY 2	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1495.9	0.0	5.5	13.9
Dow Jones Industrials	13,211.9	0.9	6.0	15.7
NASDAQ Composite	2557.8	0.4	5.9	10.7
S&P MidCap 400	886.1	-0.2	10.2	10.1
S&P SmallCap 600	429.6	0.2	7.4	8.3
DJ Wilshire 5000	15,066.5	0.0	6.0	13.5

SECTORS

BusinessWeek 50*	836.9	-0.3	4.8	8.2
BW Info Tech 100**	467.6	0.3	4.5	16.8
S&P/Citigroup Growth	686.1	0.1	5.1	12.6
S&P/Citigroup Value	808.5	0.0	5.8	15.2
S&P Energy	492.8	-0.2	8.2	11.8
S&P Financials	501.0	-0.3	1.1	11.0
S&P REIT	204.1	-2.2	2.7	24.6
S&P Transportation	277.0	-2.5	5.0	-2.3
S&P Utilities	214.2	-0.5	14.8	33.9
GSTI Internet	218.9	1.1	9.6	15.5
PSE Technology	941.9	0.1	7.6	8.3

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

GLOBAL MARKETS

	MAY 2	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	2211.1	-0.1	11.1	25.2
London (FT-SE 100)	6484.5	0.3	4.2	6.6
Paris (CAC 40)	5990.1	0.7	8.1	14.3
Frankfurt (DAX)	7455.9	1.5	13.0	23.2
Tokyo (NIKKEI 225)	17394.9	0.9	1.0	1.4
Hong Kong (Hang Seng)	20,388.5	-0.7	2.1	20.9
Toronto (S&P/TSX Composite)	13,578.7	-0.7	5.2	10.6
Mexico City (IPC)	29,259.9	-0.6	10.6	38.8

FUNDAMENTALS

	MAY 1	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.75%	1.77%	1.76%
S&P 500 P/E Ratio (Trailing 12 mos.)	17.5	17.6	17.9
S&P 500 P/E Ratio (Next 12 mos.)*	15.3	15.3	14.9
First Call Earnings Surprise*	6.80%	6.31%	5.02%

*First Call Corp.

TECHNICAL INDICATORS

	MAY 1	WEEK AGO	YEAR AGO
S&P 500 200-day average	1380.8	1375.1	Positive
Stocks above 200-day average	73.0%	78.0%	Negative
Options: Put/call ratio	0.86	0.81	Positive
Insiders: Vickers NYSE Sell/buy ratio	5.57	5.38	Negative

BEST-PERFORMING GROUPS

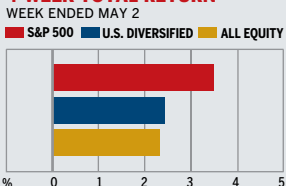
	LAST MONTH %		LAST 12 MONTHS %
Internet Retailers	32.7	Tires & Rubber	141.7
Consumer Electronics	22.5	Internet Retailers	57.1
Health-Care Supplies	18.3	Office REIT's	50.5
Household Appliances	18.1	Leisure Products	49.8
Health-Care Facilities	17.2	Retail REIT's	41.9

WORST-PERFORMING GROUPS

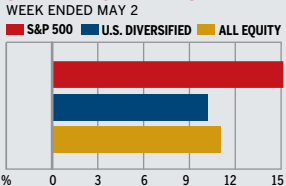
	LAST MONTH %		LAST 12 MONTHS %
Employment Services	-8.2	Gold Mining	-27.6
Residential REIT's	-6.2	Electric Mfg. Svcs.	-27.0
Specialized REIT's	-3.6	Homebuilding	-20.5
Computer Retailers	-3.2	Employment Services	-19.5
IT Consulting	-2.9	Computer Retailers	-13.9

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			
Health	4.8	Utilities	33.2
Europe	4.1	Real Estate	25.8
Natural Resources	3.8	Pacific/Asia ex-Japan	24.8
Large-cap Value	3.2	Latin America	24.1
LAGGARDS			
Real Estate	-1.8	Japan	-9.0
Japan	-1.4	Precious Metals	-1.3
Precious Metals	-0.8	Small-cap Growth	3.3
Small-cap Blend	1.1	Technology	4.5

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
ProShrs. Ult. Semiconductors	16.3	iShares MSCI Malaysia Idx.	51.1
ProFunds Biotech. Inv.	14.3	Dreyfus Prem. Grtr. China A	50.7
Eaton Vance Greater India A	13.5	ProFds. Utilities Ultrasector	50.5
ProFunds Semicdr. Inv.	12.1	AIM China A	47.1
LAGGARDS			
ProShrs. UltSh. Semiconductors	-14.2	American Heritage Grth.	-40.0
DireXn. NASDAQ 100 Bear 2.5X	-9.2	ProFunds UltSh. Emrg. Mkts.	-32.9
ProShares UltSh. Health Care	-9.1	DireXn. Emrg. Mkts. Short	-32.6
ProFunds USh. Dow 30 Inv.	-8.7	ProFunds Precs. Mths. Inv.	-30.2

INTEREST RATES

KEY RATES

	MAY 2	WEEK AGO	YEAR AGO
Money Market Funds	4.86%	4.85%	4.34%
90-Day Treasury Bills	4.88	4.95	4.81
2-Year Treasury Notes	4.64	4.63	4.92
10-Year Treasury Notes	4.64	4.65	5.11
30-Year Treasury Bonds	4.82	4.83	5.20
30-Year Fixed Mortgage †	6.13	6.09	6.48

† 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	3.81%	4.21%
Taxable Equivalent	5.44	6.01
Insured Revenue Bonds	3.98	4.46
Taxable Equivalent	5.69	6.37

THE WEEK AHEAD

FOMC MEETING *Wednesday, May 9, 9 a.m. EDT* » The Federal Open Market Committee meets to discuss monetary policy. Federal Reserve watchers queried by Action Economics are unanimous in their expectation of the Fed keeping interest rates at 5.25%.

INTERNATIONAL TRADE *Thursday, May 10, 8:30 a.m. EDT* » The March trade deficit probably widened to \$59.7 billion, after narrowing to \$58.4

billion in February. Higher energy prices likely boosted the dollar value of imports.

EXPORT-IMPORT PRICES *Thursday, May 10, 8:30 a.m. EDT* » Import prices most likely rose 0.8% in April, after a March surge of 1.7%. Export prices probably grew 0.4%, after a 0.7% increase.

FEDERAL BUDGET *Thursday, May 10, 2 p.m. EDT* » The federal government probably ran a \$132.5 billion surplus in April.

RETAIL SALES *Friday, May 11, 8:30 a.m. EDT* » April retail sales are expected to have risen 0.5%, after a jump of 0.7% in March. Minus motor vehicles, sales likely grew 0.5%, after climbing 0.8%.

PRODUCER PRICE INDEX *Friday, May 11, 8:30 a.m. EDT* » Producer prices likely grew 0.6% in April on further energy price gains, after a 1% leap. Less food and energy, prices probably edged up 0.2%, after holding steady in March.

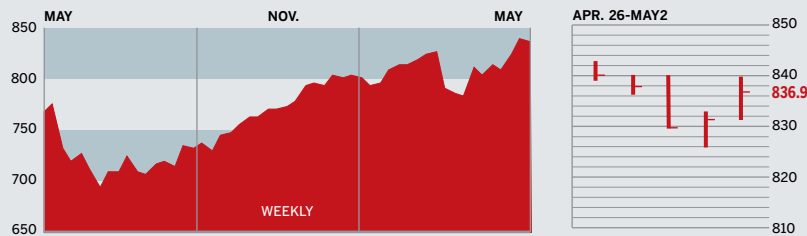
The *BusinessWeek* production index climbed to 297.9 for the week ended Apr. 21, a 9.1% increase from a year ago. Before calculation of the four-week moving average, the index retreated to 300.2.

BusinessWeek.com

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

THE BUSINESSWEEK FIFTY



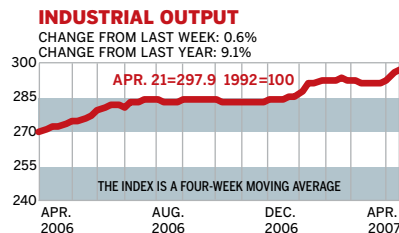
The BW50 fell 0.3%, with 32 of the 50 companies losing ground this week. Cognizant Technology Solutions fell 5.8% after its full-year growth forecast failed to wow analysts. UPS reported a decline in first-quarter profits, sending shares down by 3.1%. CB Richard Ellis and Avon Products rose nicely after their quarterly results trumped expectations.

COMPANY PERFORMANCE

RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/06	RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/06
1	Google	-2.6	3.6	26	Allegheny Technologies	-3.1	6.9
2	Coach	-4.2	3.0	27	Oracle	-0.2	14.8
3	Gilead Sciences	-1.0	16.6	28	Starbucks	-1.9	1.1
4	Nucor	-3.3	6.2	29	Moody's	-3.4	2.1
5	Questar	2.9	17.8	30	Pepsico	0.1	6.1
6	Sunoco	3.7	20.6	31	Stryker	-2.4	5.0
7	Verizon Communications	5.2	5.9	32	Best Buy	-3.6	0.3
8	Colgate-Palmolive	0.8	0.9	33	United Parcel Service	-3.1	0.8
9	Goldman Sachs Group	-2.7	8.8	34	Apple	5.3	18.7
10	Paccar	1.5	24.4	35	T. Rowe Price Group	-2.1	6.2
11	Amazon.com	7.7	56.3	36	Valero Energy	3.7	26.7
12	Cognizant Technology Solutions	-5.8	-6.5	37	Constellation Energy Group	-0.5	18.0
13	Avon Products	2.9	11.9	38	TJX	0.2	3.2
14	Varian Medical Systems	-5.2	-6.1	39	Morgan Stanley	-0.2	12.6
15	Bed Bath & Beyond	-1.0	3.3	40	Paychex	1.9	-7.1
16	CB Richard Ellis Group	7.6	15.3	41	Coventry Health Care	0.9	7.3
17	Robert Half International	-0.9	-13.5	42	United States Steel	-1.2	16.8
18	Chicago Mercantile Exchange Hldgs.	-2.9	-4.4	43	United Technologies	0.5	4.2
19	Adobe Systems	-2.8	5.8	44	Hershey	0.2	4.4
20	EOG Resources	2.7	14.3	45	Black & Decker	-0.7	8.9
21	Sempra Energy	-4.6	5.3	46	Synovus Financial	-1.2	-1.7
22	Sherwin-Williams	-0.5	-3.2	47	Linear Technology	-2.5	13.7
23	Lehman Brothers Holdings	-2.2	3.0	48	AT&T	-1.2	5.1
24	Rockwell Collins	-2.2	0.7	49	XTO Energy	-1.8	7.7
25	IMS Health	2.8	6.4	50	PNC Financial Services Group	-0.6	1.5

Data: Reuters

BW PRODUCTION INDEX



The Production Index kept climbing, but the latest numbers are on the soft side. Before calculation of the four-week moving average, the index declined to 300.2, from a level of 302 in the prior week. After rising across the board last period, there was a broad-based pullback this week. The biggest retreat was in coal, followed closely by sizable drops in both auto and truck assemblies. More modest falls came in electric power production, steel, crude-oil refining, rail-freight traffic, and lumber.

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.

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