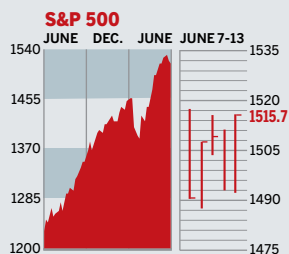


STOCKS



COMMENTARY

It was a roller-coaster week for the markets, which ultimately ended up right where they started. Stocks tumbled after 10-year bond yields hit 5.25%, but they later rallied on surprisingly good retail sales and a less-than-gloomy outlook in the Fed's Beige Book. After cutting prices on chips, Intel rose 5.5%. Worries over the iPhone knocked Apple off 5%.

Data: Bloomberg Financial Markets, Reuters

U.S. MARKETS

	JUNE 13	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1515.7	-0.1	6.9	23.9
Dow Jones Industrials	13,482.4	0.1	8.2	25.9
NASDAQ Composite	2582.3	-0.2	6.9	24.6
S&P MidCap 400	899.7	-1.0	11.8	25.5
S&P SmallCap 600	431.9	-0.9	8.0	22.4
DJ Wilshire 5000	15,259.1	-0.3	7.3	24.4

SECTORS

BusinessWeek 50*	8679	-0.3	8.7	26.7
BW Info Tech 100**	4771	-1.3	6.6	34.9
S&P/Citigroup Growth	694.1	-0.3	6.4	22.2
S&P/Citigroup Value	820.4	0.1	7.3	25.5
S&P Energy	526.1	0.1	15.5	40.1
S&P Financials	503.1	0.4	1.6	18.6
S&P REIT	194.0	-2.9	-2.4	18.4
S&P Transportation	281.3	-0.5	6.6	7.4
S&P Utilities	201.8	-0.8	8.1	24.6
GSTI Internet	217.2	-3.0	8.7	32.7
PSE Technology	943.0	-0.1	7.7	22.8

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

GLOBAL MARKETS

	JUNE 13	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	2142.1	-2.5	7.7	38.7
London (FT-SE 100)	6559.6	0.6	5.4	18.8
Paris (CAC 40)	5934.3	-0.7	7.1	28.5
Frankfurt (DAX)	7680.8	-0.6	16.4	45.1
Tokyo (NIKKEI 225)	17732.8	-1.7	2.9	24.7
Hong Kong (Hang Seng)	20,578.8	-1.2	3.1	35.1
Toronto (S&P/TSX Composite)	13,859.5	-0.6	7.4	27.1
Mexico City (IPC)	31,884.1	0.6	20.6	91.5

FUNDAMENTALS

	JUNE 12	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.79%	1.74%	1.92%
S&P 500 P/E Ratio (Trailing 12 mos.)	17.5	18.0	16.6
S&P 500 P/E Ratio (Next 12 mos.)*	15.3	15.8	13.7
First Call Earnings Revision*	0.77%	0.37%	0.64%

*First Call Corp.

TECHNICAL INDICATORS

	JUNE 12	WEEK AGO	YEAR AGO
S&P 500 200-day average	1415.9	1410.7	Positive
Stocks above 200-day average	66.0%	76.0%	Neutral
Options: Put/call ratio	0.96	0.79	Positive
Insiders: Vickers NYSE Sell/buy ratio	5.68	5.42	Negative

BEST-PERFORMING GROUPS

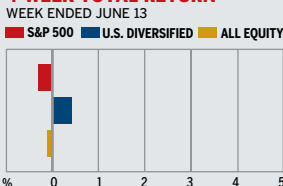
	LAST MONTH %	LAST 12 MONTHS %
Divsfd. Metals & Mining	12.1	213.6
Health-Care Supplies	12.1	113.1
Photographic Products	10.9	72.9
Internet Retailers	9.9	65.8
Oil & Gas Exploration	8.4	62.5
Tires & Rubber		213.6
Divsfd. Metals & Mining		113.1
Internet Retailers		72.9
Constr. Materials		65.8
Fertilizers & Ag. Chems.		62.5

WORST-PERFORMING GROUPS

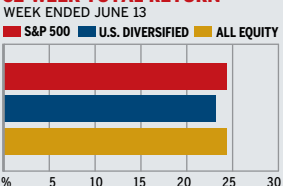
	LAST MONTH %	LAST 12 MONTHS %
Retail REIT's	-11.1	-16.8
Home Furnishings Rtlrs.	-8.5	-10.8
Industrial REIT's	-7.8	-9.6
Leisure Products	-7.7	-7.5
Office REIT's	-6.6	-5.5
Gold Mining		-16.8
Education Services		-10.8
Agricultural Products		-9.6
Electric Mfg. Svcs.		-7.5
Airlines		-5.5

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	%
LEADERS			
Latin America	4.3	Latin America	97.7
Natural Resources	2.1	Pacific/Asia ex-Japan	58.0
Communications	2.1	Diversified Emerging Mkts.	53.6
Pacific/Asia ex-Japan	2.0	Europe	39.7
LAGGARDS			
Utilities	-4.5	Japan	12.1
Real Estate	-4.4	Domestic Hybrid	16.0
Precious Metals	-2.3	Financial	17.5
Europe	-2.2	Health	18.1

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
ProShares UltSh. Utilities	16.0	DireXn. Lat. Am. Bull 2X Inv.	204.2
DireXion HCM Freedom	10.1	ProFunds UltraEmrg. Mkts.	137.0
ProShrs. UltSh. Real Estate	9.7	DireXn. Emrg. Mkts. Bull 2X	109.7
ProFds. Mble. Tlcmms. Inv.	8.4	Dreyfus Prem. Grtr. China A	103.7
LAGGARDS			
ProShares Ultra Utilities	-14.4	ProFunds UltSh. Emrg. Mkts.	-65.6
ProFds. Utilities Ultrasector	-10.9	DireXn. Emrg. Mkts. Short	-61.3
ProShares Ultra Real Estate	-10.3	DireXn. Sm. Cap Bear 2.5X	-41.6
John Hancock Intl. A	-10.0	DireXn. Dev. Mkts. Bear 2X	-41.3

INTEREST RATES

KEY RATES

	JUNE 13	WEEK AGO	YEAR AGO
Money Market Funds	4.86%	4.86%	4.54%
90-Day Treasury Bills	4.65	4.79	4.91
2-Year Treasury Notes	5.07	4.95	5.01
10-Year Treasury Notes	5.20	4.97	4.96
30-Year Treasury Bonds	5.28	5.08	5.01
30-Year Fixed Mortgage †	6.68	6.42	6.50

† 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	4.18%	4.62%
Taxable Equivalent	5.97	6.60
Insured Revenue Bonds	4.25	4.73
Taxable Equivalent	6.07	6.76

THE WEEK AHEAD

RESIDENTIAL CONSTRUCTION

Tuesday, June 19, 8:30 a.m. EDT
 » Housing starts are expected to have fallen back to an annual pace of 1.49 million units in May. That's the consensus forecast among economists surveyed by Action Economics. In April, starts posted a better-than-expected increase, to 1.53 million. The markets also will look at the number of housing permits issued after an April dip. Housing data

have been erratic this year, in part because of volatile weather during the winter and spring.

INITIAL UNEMPLOYMENT CLAIMS

Thursday, June 21, 8:30 a.m. EDT
 » New filings for state unemployment claims probably came in near 310,000 for the week ended June 16. Claims inched down to 309,000 in the week of June 2. The results during May showed scant signs of the labor market weakening.

LEADING INDICATORS

Thursday, June 21, 10 a.m. EDT
 » The Conference Board's leading economic indicators index for May most likely rebounded, with a 0.3% increase. A decline in initial jobless claims and a stock market rally should help overcome a decline in the average workweek for factory workers. In April the index declined 0.5% on weakness in the housing market and a small uptick in unemployment claims.

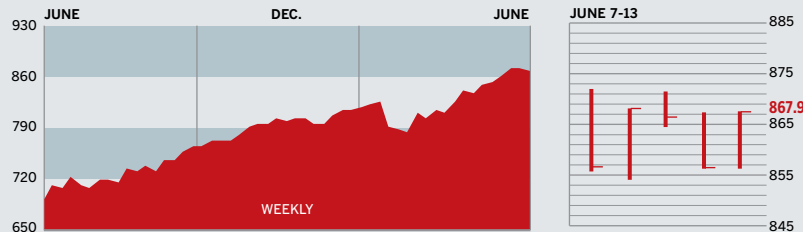
The *BusinessWeek* production index climbed to 303.4 for the week ended June 2, an 8.3% gain from a year ago. Before calculation of the four-week moving average, the index nudged up to 304.6.

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

THE BUSINESSWEEK FIFTY



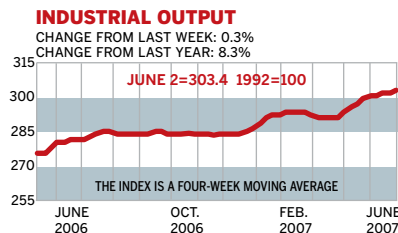
The BW50 fell 0.3% as normally strong steelmakers sank. Nucor dropped 8.3% after cutting estimates for the second-quarter; United States Steel fell 3.2% after rumored interest by German rival ThyssenKrupp turned out to be just that—a rumor. Lehman Brothers surged after profits exceeded estimates, news that rubbed off on Morgan Stanley and Goldman Sachs.

COMPANY PERFORMANCE

RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/06	RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/06
1	Google	-2.5	12.4	26	Allegheny Technologies	-5.0	5.1
2	Coach	-0.5	3.6	27	Oracle	-0.3	17.5
3	Gilead Sciences	-1.3	12.3	28	Starbucks	-1.3	-10.1
4	Nucor	-8.3	1.0	29	Moody's	-5.5	3.2
5	Questar	0.0	28.3	30	Pepsico	-1.0	5.1
6	Sunoco	1.9	26.8	31	Stryker	-2.5	4.7
7	Verizon Communications	0.0	14.7	32	Best Buy	-1.0	3.2
8	Colgate-Palmolive	1.6	0.1	33	United Parcel Service	0.7	2.8
9	Goldman Sachs Group	2.8	15.8	34	Apple	-5.0	38.9
10	Paccar	1.3	27.8	35	T. Rowe Price Group	0.2	10.4
11	Amazon.com	-1.9	81.1	36	Valero Energy	0.5	29.8
12	Cognizant Technology Solutions	2.5	-12.5	37	Constellation Energy Group	0.9	12.1
13	Avon Products	-0.3	5.0	38	TJX	-0.2	3.5
14	Varian Medical Systems	-3.2	-12.7	39	Morgan Stanley	3.7	19.0
15	Bed Bath & Beyond	-0.6	-5.6	40	Paychex	1.2	-0.7
16	CB Richard Ellis Group	2.3	12.6	41	Coventry Health Care	1.8	11.7
17	Robert Half International	1.7	-9.3	42	United States Steel	-3.2	29.6
18	Chicago Mercantile Exchange Hldgs.	1.6	2.2	43	United Technologies	1.2	7.8
19	Adobe Systems	1.1	12.4	44	Hershey	0.6	-3.2
20	EOG Resources	1.3	14.3	45	Black & Decker	-4.7	6.1
21	Sempra Energy	-0.3	-1.4	46	Synovus Financial	-0.5	-1.0
22	Sherwin-Williams	-0.3	-0.9	47	Linear Technology	0.3	7.7
23	Lehman Brothers Holdings	4.9	6.2	48	AT&T	-1.0	8.6
24	Rockwell Collins	1.4	7.6	49	XTO Energy	2.4	18.6
25	IMS Health	-0.5	11.7	50	PNC Financial Services Group	3.0	0.9

Data: Reuters

BW PRODUCTION INDEX



The Production Index grew a little more. Before calculation of the four-week moving average, the index inched up to 304.6, from 304.4 in the prior week. After seasonal adjustments, a minority of the components actually posted gains. Truck assemblies grew the most, followed by electric-power production and a small increase in steel output. Lumber fell sharply, with rail-freight traffic, autos, crude-oil refining, and coal also slipping. In May the index average grew to 302.9, from 300.2 in April.

Information on each of the index components is at 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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