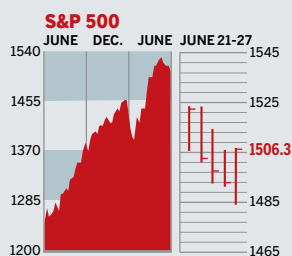


## STOCKS



### COMMENTARY

Even a late rally couldn't lift the markets. Lennar and Pulte Homes fell by more than 6% on disappointing house sales. Subprime jitters hit Lehman Brothers (-4.6%), Citigroup (-3.0%), Morgan Stanley (-2.3%), and Goldman Sachs (-2.9%). Rising energy prices boosted Exxon 0.8%, while J.M. Smucker was up 10.9%, aided by strong peanut butter sales.

Data: Bloomberg Financial Markets, Reuters

## U.S. MARKETS

	JUNE 27	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P 500</b>	1506.3	-0.4	6.2	21.6
<b>Dow Jones Industrials</b>	13,427.7	-0.5	7.7	22.9
<b>NASDAQ Composite</b>	2605.4	0.2	7.9	24.0
<b>S&amp;P MidCap 400</b>	897.3	-0.2	11.6	21.5
<b>S&amp;P SmallCap 600</b>	433.7	-0.3	8.4	20.5
<b>DJ Wilshire 5000</b>	15,187.1	-0.4	6.8	21.9

## SECTORS

	JUNE 27	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>BusinessWeek 50*</b>	858.4	-0.6	7.5	22.2
<b>BW Info Tech 100**</b>	488.6	0.2	9.2	34.0
<b>S&amp;P/Citigroup Growth</b>	691.8	-0.3	6.0	20.6
<b>S&amp;P/Citigroup Value</b>	813.1	-0.6	6.4	22.5
<b>S&amp;P Energy</b>	528.7	0.3	16.1	31.4
<b>S&amp;P Financials</b>	489.8	-1.5	-1.1	15.3
<b>S&amp;P REIT</b>	186.3	-0.4	-6.3	13.7
<b>S&amp;P Transportation</b>	282.3	0.1	7.0	3.5
<b>S&amp;P Utilities</b>	199.9	0.5	7.1	24.5
<b>GSTI Internet</b>	NA	NA	NA	NA
<b>PSE Technology</b>	951.4	0.3	8.7	24.3

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

## GLOBAL MARKETS

	JUNE 27	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P Euro Plus (U.S. Dollar)</b>	2165.7	-2.8	8.8	35.8
<b>London (FT-SE 100)</b>	6527.6	-1.8	4.9	15.5
<b>Paris (CAC 40)</b>	5941.7	-2.5	7.2	24.5
<b>Frankfurt (DAX)</b>	7801.2	-3.6	18.3	42.9
<b>Tokyo (NIKKEI 225)</b>	17,849.3	-2.0	3.6	17.6
<b>Hong Kong (Hang Seng)</b>	21,705.6	0.1	8.7	37.6
<b>Toronto (S&amp;P/TSX Composite)</b>	13,741.9	-1.7	6.5	21.7
<b>Mexico City (IPC)</b>	30,804.2	-2.4	16.5	70.9

## FUNDAMENTALS

	JUNE 26	WEEK AGO	YEAR AGO
<b>S&amp;P 500 Dividend Yield</b>	1.80%	1.75%	1.91%
<b>S&amp;P 500 P/E Ratio (Trailing 12 mos.)</b>	17.6	18.1	16.8
<b>S&amp;P 500 P/E Ratio (Next 12 mos.)*</b>	15.3	15.8	13.9
<b>First Call Earnings Revision*</b>	0.14%	0.31%	1.33%

\*First Call Corp.

## TECHNICAL INDICATORS

	JUNE 26	WEEK AGO	YEAR AGO
<b>S&amp;P 500 200-day average</b>	1426.6	1421.5	Positive
<b>Stocks above 200-day average</b>	61.0%	69.0%	Neutral
<b>Options: Put/call ratio</b>	0.97	0.78	Positive
<b>Insiders: Vickers NYSE Sell/buy ratio</b>	5.37	5.38	Negative

## BEST-PERFORMING GROUPS

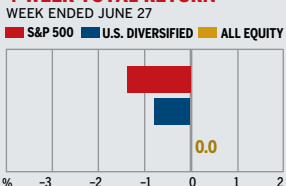
	LAST MONTH %	LAST 12 MONTHS %
<b>Automobiles</b>	16.5	Tires & Rubber 215.6
<b>Photographic Products</b>	12.1	Divsfd. Metals & Mining 102.7
<b>Divsfd. Metals &amp; Mining</b>	10.0	Fertilizers & Ag. Chems. 70.8
<b>Fertilizers &amp; Ag. Chems.</b>	9.1	Internet Retailers 55.3
<b>Trading Cos. &amp; Distribs.</b>	9.0	Constr. Materials 53.6

## WORST-PERFORMING GROUPS

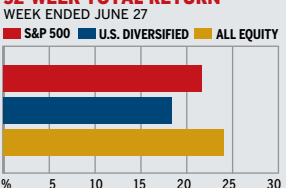
	LAST MONTH %	LAST 12 MONTHS %
<b>Homebuilding</b>	-14.8	Gold Mining -21.5
<b>Coal</b>	-9.7	Agricultural Products -18.0
<b>Home Furnishings</b>	-9.1	Homebuilding -14.7
<b>Agricultural Products</b>	-8.6	Home Furnishings -10.2
<b>Leisure Products</b>	-7.9	Airlines -8.3

## MUTUAL FUNDS

### 4-WEEK TOTAL RETURN



### 52-WEEK TOTAL RETURN



Data: Morningstar Inc.

## EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
Pacific/Asia ex-Japan Stk.	6.8	Latin America Stock	70.2
Diversified Emerging Mkts.	3.8	Pacific/Asia ex-Japan Stk.	64.3
Diversified Pacific/Asia	3.5	Diversified Emerging Mkts.	53.7
Latin America Stock	2.4	Foreign Small/Mid Growth	36.4
<b>LAGGARDS</b>			
Specialty-Real Estate	-4.7	Bear Market	-17.2
Specialty-Health	-3.4	Muni Single State Short	3.0
Specialty-Utilities	-3.0	Muni National Short	3.2
Long Government	-2.6	Inflation-Protected Bond	3.7

## EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
iShares FTSE Xha. Ch. 25 Ixd.	12.5	DireXn. Lat. Am. Bull 2X Inv.	148.8
Columbia Greater China Z	11.5	ProFds. UltraEmrg. Mkts. Inv.	112.1
Columbia Greater China A	11.5	ProFds. UltraEmrg. Mkts. Svc.	109.9
Columbia Greater China C	11.4	Dreyfus Prem. Grtr. China I	103.8
<b>LAGGARDS</b>			
iShares DJ U.S. Home Constr.	-15.3	Ameritor Investment	-66.7
SPDR S&P Homebuilders ETF	-13.9	ProFds. UltSh. Emrg. Mkts. Svc.	-61.0
ProFunds Real Est. Svc.	-8.1	ProFds. UltSh. Emrg. Mkts. Svc.	-60.6
ProFunds Real Est. Inv.	-8.0	DireXn. Emrg. Mkts. Bear 2X	-58.3

## INTEREST RATES

### KEY RATES

	JUNE 27	WEEK AGO	YEAR AGO
<b>Money Market Funds</b>	4.87%	4.87%	4.60%
<b>90-Day Treasury Bills</b>	4.77	4.74	5.04
<b>2-Year Treasury Notes</b>	4.88	4.96	5.23
<b>10-Year Treasury Notes</b>	5.07	5.12	5.20
<b>30-Year Treasury Bonds</b>	5.19	5.23	5.23
<b>30-Year Fixed Mortgage †</b>	6.59	6.57	6.67

† 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>	4.15%	4.59%
<b>Taxable Equivalent</b>	5.93	6.56
<b>Insured Revenue Bonds</b>	4.34	4.75
<b>Taxable Equivalent</b>	6.20	6.79

## THE WEEK AHEAD

### PURCHASING MANAGERS' INDEX

**Monday, July 2, 10 a.m., EDT** » The Institute for Supply Management's June manufacturing activity index is expected to hold steady at 55.1%, after rising to 55% in May. That's the median forecast among economists queried by Action Economics. New orders have picked up considerably in the past two months.

### FACTORY INVENTORIES

**Tuesday, July 3, 10 a.m. EDT**

» Manufacturing inventories probably increased by 0.3% during May, after a 0.5% jump in April. Inventory growth should rise at a faster pace now that stockpiles are more in line with sales and stronger demand.

### NONMANUFACTURERS' INDEX

**Thursday, July 5, 10 a.m. EDT**

» The Institute for Supply Management's June nonmanufacturing activity report probably eased to 58% after

jumping to a better-than-expected 59.7% in May.

### EMPLOYMENT Friday, July 6,

**8:30 a.m., EDT** » June nonfarm payrolls are forecast to have increased by 135,000 workers, although manufacturers probably cut payrolls. Businesses added 157,000 jobs in May. The jobless rate most likely held at 4.5% for a third consecutive month, and June average hourly earnings most likely grew by 0.3%.

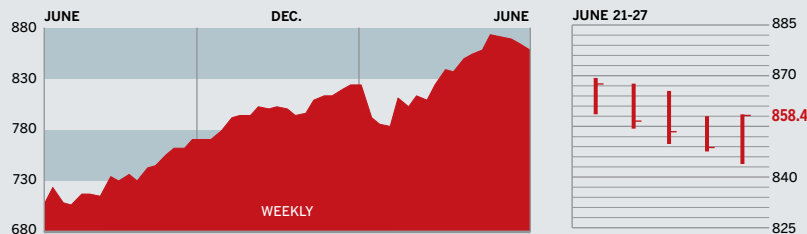
The *BusinessWeek* production index improved to 307.4 for the week ended June 16, a 9% gain from a year ago. Before calculation of the four-week moving average, the index fell to 309.7.

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

**ONLINE:** The Company Insight Center lets you dig into data on more than 350,000 companies—public and private—worldwide. Find the best company resource on the free Web at [investing.businessweek.com](http://investing.businessweek.com).

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

## THE BUSINESSWEEK FIFTY



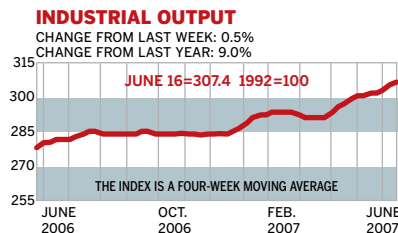
The BW50 dropped 0.6% percent this week. Nucor and U.S. Steel both slipped more than 4%. Although the mania over the iPhone lifted AT&T, which will sell the device, by 1.1%, Verizon Communications, which won't have a hand in the much-hyped device, lost 3.8%. Tech companies Google (+3.2%), Linear Technology (+2.9%), and Oracle (0.8%) all fared well.

### COMPANY PERFORMANCE

RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/07	RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/07
1	Google	3.2	171	26	Allegheny Technologies	-4.5	1.0
2	Coach	-1.6	0.1	27	Oracle	0.8	19.8
3	Gilead Sciences	0.6	11.2	28	Starbucks	-4.4	-15.4
4	Nucor	-6.3	-5.2	29	Moody's	-2.6	-3.3
5	Questar	-1.9	26.0	30	PepsiCo	-0.5	3.2
6	Sunoco	-3.7	23.0	31	Stryker	-1.5	3.8
7	Verizon Communications	-3.8	9.4	32	Best Buy	3.9	0.4
8	Colgate-Palmolive	-3.0	-4.4	33	United Parcel Service	0.9	4.8
9	Goldman Sachs Group	-2.9	8.7	34	Apple	0.3	44.1
10	Paccar	-1.0	26.3	35	T. Rowe Price Group	-1.3	11.7
11	Amazon.com	-1.4	74.1	36	Valero Energy	-1.0	28.8
12	Cognizant Technology Solutions	-0.7	-15.7	37	Constellation Energy Group	0.7	11.0
13	Avon Products	-1.7	0.0	38	TJX	-1.3	-1.0
14	Varian Medical Systems	3.4	-8.8	39	Morgan Stanley	-2.3	13.9
15	Bed Bath & Beyond	0.2	-5.8	40	Paychex	0.0	-1.0
16	CB Richard Ellis Group	-3.4	10.4	41	Coventry Health Care	1.5	9.8
17	Robert Half International	2.3	-6.0	42	U.S. Steel	-4.2	21.5
18	Chicago Mercantile Exchange Hldgs.	-0.3	0.6	43	United Technologies	-0.5	8.9
19	Adobe Systems	-2.2	3.1	44	Hershey	1.3	-3.2
20	EOG Resources	-3.8	9.0	45	Black & Decker	0.3	5.7
21	Sempra Energy	-2.1	-1.6	46	Synovus Financial	-2.1	-4.1
22	Sherwin-Williams	-2.2	-0.5	47	Linear Technology	2.9	10.1
23	Lehman Brothers Holdings	-4.6	3.9	48	AT&T	1.1	8.6
24	Rockwell Collins	-1.9	6.8	49	XTO Energy	-2.5	17.1
25	IMS Health	-0.5	12.2	50	PNC Financial Services Group	-1.9	-1.7

Data: Reuters

## BW PRODUCTION INDEX



The Production Index improved a little more during the latest period. Before calculation of the four-week moving average the index slipped a little to 309.7, from 310.7 in the prior week. On a seasonally adjusted basis, only three components rose, with autos leading the pack. Coal and steel output also increased modestly. Among the decliners, truck assemblies and lumber dropped off considerably. Electric power production, crude oil refining, and rail-freight traffic were off slightly.

Information on each of the index components is at [businessweek.com](http://businessweek.com). BW production index Copyright 2007 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.

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