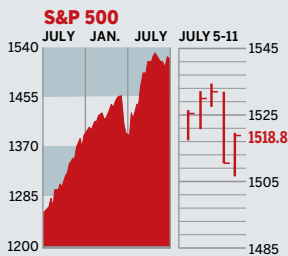


STOCKS



COMMENTARY

The markets gyrated yet again. Shares of Hilton Hotels rocketed 26% after it agreed to a buyout by Blackstone Group. And Huntsman's stock price rose 13% after it received a new bid from Apollo Management. Tech stalwarts JDS Uniphase and Micron Technologies jumped 10% and 9%, respectively, but shares of Compuware fell 19% after it lowered quarterly estimates.

Data: Bloomberg Financial Markets, Reuters

U.S. MARKETS

	JULY 11	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P 500	1518.8	-0.4	7.1	19.4
Dow Jones Industrials	13,577.9	0.0	8.9	21.9
NASDAQ Composite	2651.8	0.3	9.8	24.6
S&P MidCap 400	908.3	-0.3	12.9	20.3
S&P SmallCap 600	436.3	-0.5	9.1	17.2
DJ Wilshire 5000	15,331.4	-0.3	7.8	19.8

SECTORS

	JULY 10	WEEK AGO	YEAR AGO
BusinessWeek 50*	871.2	-0.3	9.1
BW Info Tech 100**	504.3	0.1	12.7
S&P/Citigroup Growth	700.3	0.2	7.3
S&P/Citigroup Value	816.7	-0.9	6.9
S&P Energy	552.1	2.0	21.2
S&P Financials	482.1	-2.4	-2.7
S&P REIT	185.2	-1.8	-6.9
S&P Transportation	288.0	1.4	9.2
S&P Utilities	201.1	-1.4	7.8
S&P GSTI Internet	228.4	0.5	14.3
PSE Technology	960.9	0.2	9.8

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

GLOBAL MARKETS

	JULY 11	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
S&P Euro Plus (U.S. Dollar)	2249.6	0.2	13.1	35.2
London (FT-SE 100)	6615.1	-0.9	6.3	12.9
Paris (CAC 40)	6001.1	-1.6	8.3	22.1
Frankfurt (DAX)	7898.5	-2.2	19.7	40.6
Tokyo (NIKKEI 225)	18,049.5	-0.7	4.8	16.6
Hong Kong (Hang Seng)	22,607.0	1.7	13.2	37.1
Toronto (S&P/TSX Composite)	14,166.1	0.8	9.7	20.1
Mexico City (IPC)	31,916.3	-0.6	20.7	63.1

FUNDAMENTALS

	JULY 10	WEEK AGO	YEAR AGO
S&P 500 Dividend Yield	1.79%	1.76%	1.86%
S&P 500 P/E Ratio (Trailing 12 mos.)	17.8	17.9	17.0
S&P 500 P/E Ratio (Next 12 mos.)*	15.0	15.1	13.9
First Call Earnings Surprise*	3.81%	3.52%	8.63%

*First Call Corp.

TECHNICAL INDICATORS

	JULY 10	WEEK AGO	YEAR AGO
S&P 500 200-day average	1435.7	1431.6	Positive
Stocks above 200-day average	61.0%	65.0%	Neutral
Options: Put/call ratio	0.77	0.88	Positive
Insiders: Vickers NYSE Sell/buy ratio	4.96	5.10	Negative

BEST-PERFORMING GROUPS

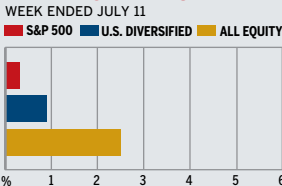
	LAST MONTH %	LAST 12 MONTHS %
Education Services	26.0	234.1
Divsfd. Metals & Mining	17.5	102.6
Automobiles	11.2	61.7
Constr. & Engineering	10.6	57.0
Footwear	9.5	52.2
Tires & Rubber		
Divsfd. Metals & Mining		
Internet Retailers		
Fertilizers & Ag. Chems.		
Computer Hardware		

WORST-PERFORMING GROUPS

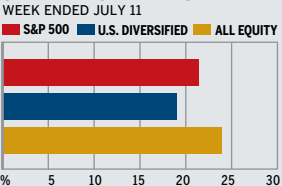
	LAST MONTH %	LAST 12 MONTHS %
Homebuilding	-14.0	-27.6
Retail REIT's	-8.8	-19.5
Publishing & Printing	-7.9	-17.7
Home Furnishings	-7.4	-8.4
Industrial REIT's	-6.5	-8.2
Gold Mining		
Homebuilding		
Agricultural Products		
Airlines		
Home Furnishings		

MUTUAL FUNDS

4-WEEK TOTAL RETURN



52-WEEK TOTAL RETURN



Data: Morningstar Inc.

EQUITY FUND CATEGORIES

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
Pacific/Asia ex-Japan Stk.	11.4	Latin America Stock	66.8
Diversified Emerging Mkts.	9.2	Pacific/Asia ex-Japan Stk.	64.6
Latin America Stock	7.5	Diversified Emerging Mkts.	51.0
Specialty-Precious Metals	6.9	Specialty-Communications	39.0
LAGGARDS			
Specialty-Real Estate	-4.1	Bear Market	-17.8
Specialty-Financial	-2.0	Muni Single State Short	3.1
High Yield Bond	-1.2	Muni National Short	3.2
Bear Market	-1.1	Inflation-Protected Bond	3.5

EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
LEADERS			
iShares FTSE Xha. Ch. 25 Ixd.	18.5	DireXn. Lat. Am. Bull 2X Inv.	138.4
Eaton Vance Grtr. China Gr. A	17.5	ProFds. UltraEmrg. Mkts. Inv.	108.9
Eaton Vance Grtr. China Gr. B	17.5	ProFds. UltraEmrg. Mkts. Svc.	106.6
Eaton Vance Grtr. China Gr. C	17.5	Dreyfus Prem. Grtr. China I	101.2
LAGGARDS			
DireXn. Emrg. Mkts. Bear 2X	-14.8	Ameritor Investment	-66.7
iShares DJ U.S. Home Constr.	-14.7	ProFds. UIHSh. Emrg. Mkts. Svc.	-59.6
ProFds. UIHSh. Emrg. Mkts. Svc.	-14.0	ProFds. UIHSh. Emrg. Mkts. Inv.	-59.1
ProFds. UIHSh. Emrg. Mkts. Inv.	-14.0	DireXn. Emrg. Mkts. Bear 2X	-55.8

INTEREST RATES

KEY RATES

	JULY 11	WEEK AGO	YEAR AGO
Money Market Funds	4.87%	4.88%	4.73%
90-Day Treasury Bills	4.95	4.96	5.06
2-Year Treasury Notes	4.88	4.89	5.15
10-Year Treasury Notes	5.08	5.05	5.10
30-Year Treasury Bonds	5.18	5.15	5.15
30-Year Fixed Mortgage †	6.64	6.59	6.72

† 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	4.12%	4.55%
Taxable Equivalent	5.89	6.50
Insured Revenue Bonds	4.25	4.70
Taxable Equivalent	6.07	6.71

THE WEEK AHEAD

PRODUCER PRICE INDEX Tuesday, July 17, 8:30 a.m. EDT » June producer prices are expected to have ticked up by 0.2%, after a 0.9% jump in May. That's the consensus forecast of economists surveyed by Action Economics. Not counting food and energy, prices probably rose 0.2% for a second straight month.

INDUSTRIAL PRODUCTION Tuesday, July 17, 9:15 a.m. EDT » Factory output probably picked

up with a 0.4% gain in June, after holding steady in May. Capacity utilization most likely inched up to 81.4%, after slipping to 81.3% in the previous month.

CONSUMER PRICE INDEX Wednesday, July 18, 8:30 a.m. EDT » Prices most likely grew 0.2% in June, following a leap of 0.7% in May. Excluding food and energy, consumer prices probably rose 0.2%, after a 0.1% gain in May.

RESIDENTIAL CONSTRUCTION

Wednesday, July 18, 8:30 a.m. EDT » Housing starts probably eased to an annual pace of 1.46 million units in June. Starts in May slowed to a pace of 1.47 million.

LEADING INDICATORS Thursday, July 19, 10 a.m. EDT » The Conference Board's leading economic indicators index for June is forecast to have edged up by 0.1%, following a 0.3% increase in May.

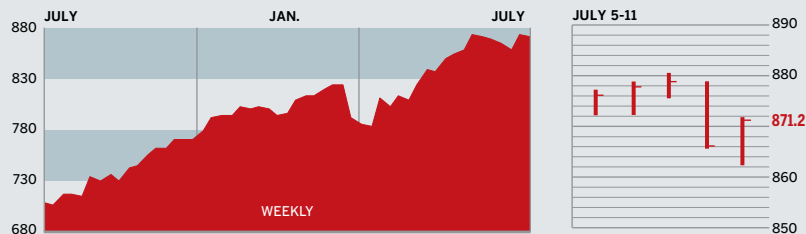
The *BusinessWeek* production index improved to 310.1 for the week ended June 30, up 10.2% from a year ago. Before calculation of the four-week moving average, the index grew to 310.3.

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.

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

THE BUSINESSWEEK FIFTY



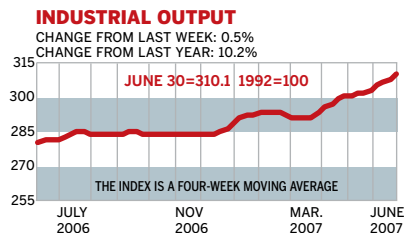
The BW50 fell 0.3%, with the financial sector leading the retreat. T. Rowe Price Group dropped the most (4.7%), but Lehman Brothers Holdings, Morgan Stanley, and Goldman Sachs Group were close behind. Chicago Mercantile Exchange shares rose 7.5% after preliminary results showed that shareholders approved its merger with CBOT Holdings (which operated the Chicago Board of Trade).

COMPANY PERFORMANCE

RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/07	RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/07
1	Google	1.9	21.1	26	Allegheny Technologies	1.1	7.4
2	Coach	2.4	3.2	27	Oracle	-0.4	21.6
3	Gilead Sciences	1.7	11.0	28	Starbucks	-1.4	-15.9
4	Nucor	4.2	1.3	29	Moody's	0.0	-5.9
5	Questar	3.0	30.7	30	PepsiCo	0.8	4.7
6	Sunoco	1.6	27.9	31	Stryker	2.0	5.1
7	Verizon Communications	-3.1	9.1	32	Best Buy	0.9	2.1
8	Colgate-Palmolive	2.0	-0.8	33	United Parcel Service	1.5	5.9
9	Goldman Sachs Group	-3.5	7.4	34	Apple	4.1	56.5
10	Paccar	1.8	31.5	35	T. Rowe Price Group	-4.7	9.6
11	Amazon.com	1.8	80.7	36	Valero Energy	4.3	34.9
12	Cognizant Technology Solutions	8.9	-8.9	37	Constellation Energy Group	-0.6	13.8
13	Avon Products	1.8	4.9	38	TJX	1.5	1.8
14	Varian Medical Systems	3.0	-2.5	39	Morgan Stanley	-3.5	13.6
15	Bed Bath & Beyond	-1.1	-10.7	40	Paychex	5.2	0.9
16	CB Richard Ellis Group	5.2	16.6	41	Coventry Health Care	-0.6	9.2
17	Robert Half International	0.4	-4.5	42	U.S. Steel	-0.5	25.3
18	Chicago Mercantile Exchange Hldgs.	7.5	7.6	43	United Technologies	0.7	11.2
19	Adobe Systems	0.3	4.1	44	Hershey	-0.1	-4.4
20	EOG Resources	-0.3	9.9	45	Black & Decker	1.1	6.6
21	Sempra Energy	-3.3	-3.0	46	Synovus Financial	-2.9	-5.6
22	Sherwin-Williams	-2.0	-0.6	47	Linear Technology	-0.2	11.0
23	Lehman Brothers Holdings	-4.3	-2.6	48	AT&T	-4.1	8.2
24	Rockwell Collins	1.0	10.5	49	XTO Energy	-2.2	16.2
25	IMS Health	1.2	12.8	50	PNC Financial Services Group	-3.2	-2.9

Data: Reuters

BW PRODUCTION INDEX



The Production Index kept on climbing. Before calculation of the four-week moving average, the index increased to 310.3, up from 309.4 in the prior week. On a seasonally adjusted basis, auto and truck assemblies revved higher, followed by crude-oil refining, lumber output, and steel. Coal and electric power were both down slightly. Rail-freight traffic was nearly unchanged. For the month of June the index average jumped up to 310.1, after a modest rise to 302.9 in May.

Information on each of the index components is at businessweek.com.
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ONLINE RESOURCES

BW50 More information about BW50 companies is available online.

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