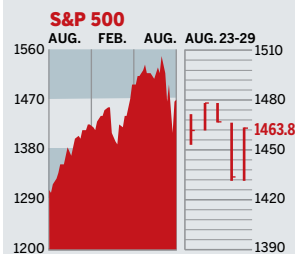


## STOCKS



### COMMENTARY

The market climbed out of its hole with a 247-point gain in the final hours. Tech provided a big boost, with Hewlett-Packard, IBM, Intel, and Microsoft all showing gains. Home Depot jumped 5% on news the sale of its wholesale business would go through. Exxon Mobil increased 2% on rising oil prices while discounter Big Lots gained 9% after a 444% hike in profits.

Data: Bloomberg Financial Markets, Reuters

## U.S. MARKETS

	AUG. 29	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P 500</b>	1463.8	0.0	3.2	12.2
<b>Dow Jones Industrials</b>	13,289.3	0.4	6.6	16.9
<b>NASDAQ Composite</b>	2563.2	0.4	6.1	18.0
<b>S&amp;P MidCap 400</b>	854.9	-0.2	6.3	14.7
<b>S&amp;P SmallCap 600</b>	413.9	-1.3	3.5	12.7
<b>DJ Wilshire 5000</b>	14,693.5	-0.1	3.4	12.7

## SECTORS

	AUG. 29	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>BusinessWeek 50*</b>	838.8	-0.1	5.0	13.9
<b>BW Info Tech 100**</b>	501.2	2.0	12.0	29.7
<b>S&amp;P/Citigroup Growth</b>	679.2	0.5	4.1	12.1
<b>S&amp;P/Citigroup Value</b>	782.4	-0.6	2.4	12.3
<b>S&amp;P Energy</b>	531.9	2.5	16.8	22.7
<b>S&amp;P Financials</b>	450.7	-2.7	-9.0	0.8
<b>S&amp;P REIT</b>	173.8	-3.2	-12.6	-3.1
<b>S&amp;P Transportation</b>	277.5	-1.4	5.2	14.6
<b>S&amp;P Utilities</b>	196.7	-1.3	5.4	12.5
<b>S&amp;P GSTI Internet</b>	206.3	-0.1	3.3	20.8
<b>PSE Technology</b>	935.3	0.7	6.8	16.8

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

## GLOBAL MARKETS

	AUG. 29	WEEK	% CHANGE YEAR TO DATE	LAST 12 MONTHS
<b>S&amp;P Euro Plus (U.S. Dollar)</b>	16670	-20.2	-16.2	-4.9
<b>London (FT-SE 100)</b>	6132.2	-1.0	-1.4	4.1
<b>Paris (CAC 40)</b>	5520.0	0.0	-0.4	7.0
<b>Frankfurt (DAX)</b>	7439.2	-0.8	12.8	27.2
<b>Tokyo (NIKKEI 225)</b>	16,012.8	0.7	-7.0	0.8
<b>Hong Kong (Hang Seng)</b>	23,020.6	3.0	15.3	34.8
<b>Toronto (S&amp;P/TSX Composite)</b>	13,490.1	0.2	4.5	11.9
<b>Mexico City (IPC)</b>	29,710.8	1.5	12.3	39.6

## FUNDAMENTALS

	AUG. 28	WEEK AGO	YEAR AGO
<b>S&amp;P 500 Dividend Yield</b>	1.90%	1.89%	1.84%
<b>S&amp;P 500 P/E Ratio (Trailing 12 mos.)</b>	16.6	16.7	17.4
<b>S&amp;P 500 P/E Ratio (Next 12 mos.)*</b>	14.3	14.4	14.2
<b>First Call Earnings Revision*</b>	-1.32%	-1.06%	-0.90%

\*First Call Corp.

## TECHNICAL INDICATORS

	AUG. 28	WEEK AGO	YEAR AGO
<b>S&amp;P 500 200-day average</b>	1457.2	1455.1	Positive
<b>Stocks above 200-day average</b>	34.0%	36.0%	Positive
<b>Options: Put/call ratio</b>	1.02	1.09	Positive
<b>Insiders: Vickers NYSE Sell/buy ratio</b>	1.55	1.74	Positive

## BEST-PERFORMING GROUPS

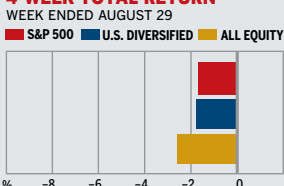
	LAST MONTH %	LAST 12 MONTHS %
<b>Food Wholesalers</b>	11.7	110.5
<b>Distillers &amp; Vintners</b>	10.3	103.7
<b>Constr. &amp; Engineering</b>	8.9	80.7
<b>Fertilizers &amp; Ag. Chems.</b>	6.8	57.6
<b>Retail REIT's</b>	6.8	45.0
<b>Tires &amp; Rubber</b>		110.5
<b>Internet Retailers</b>		103.7
<b>Divsfd. Metals &amp; Mining</b>		80.7
<b>Auto Parts &amp; Equip.</b>		57.6
<b>Constr. &amp; Engineering</b>		45.0

## WORST-PERFORMING GROUPS

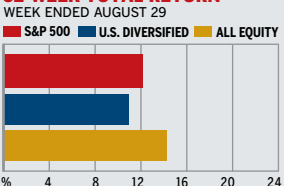
	LAST MONTH %	LAST 12 MONTHS %
<b>Real Estate Mgt. &amp; Dvpt.</b>	-16.2	-38.1
<b>Commercial Printing</b>	-14.6	-20.2
<b>Homebuilding</b>	-14.1	-18.4
<b>Health-Care Facilities</b>	-13.5	-18.2
<b>IT Consulting</b>	-11.3	-12.2
<b>Homebuilding</b>		-38.1
<b>Agricultural Products</b>		-20.2
<b>Electric Mfg. Svcs.</b>		-18.4
<b>Gold Mining</b>		-18.2
<b>Home Furnishings</b>		-12.2

## 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>			
<b>Bear Market</b>	2.0	<b>Pacific/Asia ex-Japan Stk.</b>	58.4
<b>Long Government</b>	1.9	<b>Latin America Stock</b>	40.8
<b>High Yield Bond</b>	1.5	<b>Diversified Emerging Mkts.</b>	35.8
<b>Intermediate Government</b>	1.2	<b>Specialty-Communications</b>	26.4
<b>LAGGARDS</b>			
<b>Specialty-Precious Metals</b>	-8.8	<b>Bear Market</b>	-9.9
<b>Latin America Stock</b>	-8.1	<b>Japan Stock</b>	-2.6
<b>Japan Stock</b>	-5.4	<b>High Yield Muni</b>	-0.9
<b>Foreign Small/Mid Growth</b>	-5.3	<b>Specialty-Precious Metals</b>	-0.2

## EQUITY FUNDS

4-WEEK TOTAL RETURN	%	52-WEEK TOTAL RETURN	%
<b>LEADERS</b>			
<b>ProFds. UltraShort Japan Inv.</b>	13.6	<b>AIM China I</b>	109.5
<b>ProFds. UltraShort Japan Svc.</b>	13.4	<b>AIM China A</b>	108.9
<b>DireXn. NASDAQ 100 Bear 2.5X</b>	6.8	<b>AIM China B</b>	107.3
<b>ProFds. Sh. Prec. Mtls. Inv.</b>	6.6	<b>AIM China C</b>	107.2
<b>LAGGARDS</b>			
<b>Regions Morg. Kgn. S. Hi Inc. C</b>	-279	<b>ProFds. UltSh. Emrg. Mkts. Svc.</b>	-51.9
<b>Regions Morg. Kgn. S. Hi Inc. A</b>	-279	<b>ProFds. UltSh. Emrg. Mkts. Inv.</b>	-51.4
<b>Regions Morg. Kgn. S. Hi Inc. I</b>	-279	<b>DireXn. Emrg. Mkts. Bear 2X</b>	-45.1
<b>iShares DJ U.S. Home Constr.</b>	-170	<b>iShares DJ U.S. Home Constr.</b>	-36.0

## INTEREST RATES

### KEY RATES

	AUG. 29	WEEK AGO	YEAR AGO
<b>Money Market Funds</b>	4.93%	4.90%	4.85%
<b>90-Day Treasury Bills</b>	3.97	3.66	5.07
<b>2-Year Treasury Notes</b>	4.14	4.12	4.86
<b>10-Year Treasury Notes</b>	4.55	4.62	4.78
<b>30-Year Treasury Bonds</b>	4.88	4.96	4.93
<b>30-Year Fixed Mortgage †</b>	6.30	6.43	6.25

† 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>	4.14%	4.71%
<b>Taxable Equivalent</b>	5.91	6.73
<b>Insured Revenue Bonds</b>	4.31	4.87
<b>Taxable Equivalent</b>	6.16	6.96

## THE WEEK AHEAD

### PURCHASING MANAGERS' INDEX

**Tuesday, Sept. 4, 10 a.m., EDT** » The Institute for Supply Management's manufacturing activity index probably eased to 53% in August, after slipping to 53.8% in July. That's the median forecast of economists polled by Action Economics.

### CONSTRUCTION SPENDING

**Tuesday, Sept. 4, 10 a.m. EDT** » July building outlays most likely edged up 0.1%. Spending in June decreased 0.3%, dragged down

by continuing weakness in the housing market.

**BEIGE BOOK Wednesday, Sept. 5, 2 p.m. EDT** » The Federal Reserve issues its overview of economic conditions ahead of the Sept. 18 monetary policy meeting. Most economists polled by Action Economics expect the Fed to trim interest rates to 5%, down from 5.25%, in a move meant to prevent turmoil in the financial markets from hurting the economy.

### NONMANUFACTURERS' INDEX

**Thursday, Sept. 6, 10 a.m. EDT** » The ISM's nonmanufacturing activity report for August most likely slowed to 55%, following a July easing to 55.8%.

**EMPLOYMENT Friday, Sept. 7, 8:30 a.m., EDT** » Nonfarm payrolls are forecast to have grown 125,000 workers in July, a bit better than the 92,000 jobs added in June. The jobless rate probably held at 4.6% for a second straight month.

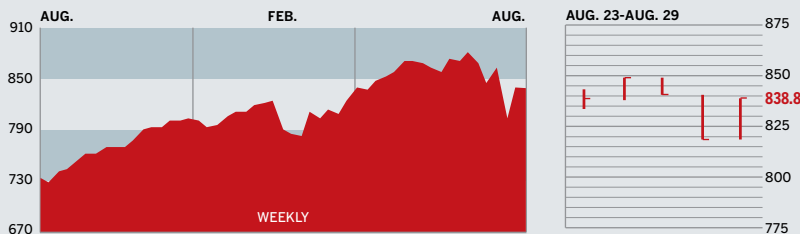
The *BusinessWeek* production index improved to 310.3 for the week ended Aug. 18, a 9.3% gain from the previous year. Before calculation of the four-week moving average, the index improved to 311.6.

[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



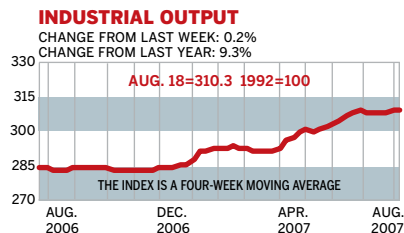
Despite a last-minute rally by the market, the BW50 fell 0.1%. Financials notched the five worst performers. At the bottom: Lehman Brothers, which was downgraded by Merrill Lynch & Co., dropped 7%. CB Richard Ellis was close behind, falling 6.8%. Tech companies were some of the few bright spots, with Oracle shares rising 4.2%.

### COMPANY PERFORMANCE

RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/07	RANK	COMPANY	WEEK	% CHANGE SINCE 3/1/07
1	Google	0.0	14.1	26	Allegheny Technologies	-0.9	-5.8
2	Coach	-4.1	-11.3	27	Oracle	4.2	22.5
3	Gilead Sciences	-3.8	0.8	28	Starbucks	-0.2	-11.1
4	Nucor	-1.5	-13.3	29	Moody's	-1.2	-28.9
5	Questar	2.1	17.5	30	PepsiCo	-0.9	8.0
6	Sunoco	1.9	10.6	31	Stryker	-0.8	7.6
7	Verizon Communications	1.0	12.9	32	Best Buy	-0.8	-5.4
8	Colgate-Palmolive	-0.5	-1.4	33	United Parcel Service	0.1	8.4
9	Goldman Sachs Group	-2.3	-13.9	34	Apple	1.2	58.5
10	Paccar	-0.1	19.4	35	T. Rowe Price Group	-4.3	8.8
11	Amazon.com	0.7	102.0	36	Valero Energy	4.4	18.5
12	Cognizant Technology Solutions	-3.9	-20.1	37	Constellation Energy Group	-1.2	7.1
13	Avon Products	-1.1	-7.0	38	TJX	1.3	9.9
14	Varian Medical Systems	-2.4	-11.3	39	Morgan Stanley	-4.5	-1.6
15	Bed Bath & Beyond	0.1	-13.3	40	Paychex	1.1	9.4
16	CB Richard Ellis Group	-6.8	-13.2	41	Coventry Health Care	0.8	5.4
17	Robert Half International	0.1	-17.7	42	United States Steel	-2.8	1.7
18	CME Group	2.5	3.9	43	United Technologies	0.6	13.3
19	Adobe Systems	3.6	7.6	44	Hershey	-0.6	-12.6
20	EOG Resources	0.0	-1.5	45	Black & Decker	-3.1	1.4
21	Sempra Energy	1.4	-8.6	46	Synovus Financial	-4.9	-14.4
22	Sherwin-Williams	-1.5	3.0	47	Linear Technology	-2.2	2.8
23	Lehman Brothers Holdings	-7.0	-25.8	48	AT&T	1.1	9.2
24	Rockwell Collins	-0.4	3.5	49	XTO Energy	-1.5	3.5
25	IMS Health	0.5	2.7	50	PNC Financial Services Group	-3.1	-3.5

Data: Reuters

## BW PRODUCTION INDEX



The Production Index turned higher in the latest week. Before calculation of the four-week moving average, the index rose to 311.6, from 310.5 in the prior period. On a seasonally adjusted basis, all but two components turned in gains. Auto output showed a big increase, followed by steel and lumber production. Rail-freight traffic and coal were up modestly, while crude-oil refining registered an uptick. Cooler weather led to a fall in electric-power production. Truck assemblies also slipped.

Information on each of the index components is at [businessweek.com](http://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.

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