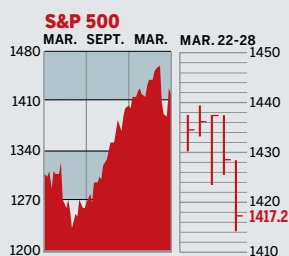


STOCKS



COMMENTARY

The market sank after weak economic news depressed investors. In February, new home sales fell 3.9% and durable goods orders weren't as strong as expected. Consumer confidence dropped by four percentage points in March. As if that weren't enough, the Fed chairman testified he's still focused on inflation, dashing hopes for a near-term rate cut.

Data: Bloomberg Financial Markets, Reuters

U.S. MARKETS

| | MAR. 28 | WEEK | % CHANGE YEAR TO DATE | LAST 12 MONTHS |
|------------------------------|----------|------|-----------------------|----------------|
| S&P 500 | 1417.2 | -1.2 | -0.1 | 9.6 |
| Dow Jones Industrials | 12,300.4 | -1.2 | -1.3 | 10.3 |
| NASDAQ Composite | 2417.1 | -1.6 | 0.1 | 4.9 |
| S&P MidCap 400 | 847.4 | -0.5 | 5.4 | 8.2 |
| S&P SmallCap 600 | 410.6 | -0.7 | 2.7 | 5.7 |
| DJ Wilshire 5000 | 14,314.8 | -1.2 | 0.7 | 9.6 |

SECTORS

| | MAR. 28 | WEEK | % CHANGE YEAR TO DATE | LAST 12 MONTHS |
|---------------------------------|---------|------|-----------------------|----------------|
| BusinessWeek 50* | 803.0 | -1.0 | 0.6 | 4.4 |
| BW Info Tech 100** | 441.6 | -1.7 | -1.3 | 13.2 |
| S&P/Citigroup Growth | 649.0 | -1.1 | -0.5 | 6.5 |
| S&P/Citigroup Value | 767.1 | -1.4 | 0.4 | 12.7 |
| S&P Energy | 465.0 | 3.0 | 2.1 | 14.7 |
| S&P Financials | 476.2 | -2.8 | -3.9 | 8.7 |
| S&P REIT | 201.8 | -3.4 | 1.5 | 16.3 |
| S&P Transportation | 263.3 | -1.7 | -0.2 | -4.1 |
| S&P Utilities | 203.0 | 0.6 | 8.8 | 28.5 |
| GSTI Internet | 205.5 | 0.3 | 2.9 | 7.8 |
| PSE Technology | 883.3 | -1.6 | 0.9 | 2.5 |

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

GLOBAL MARKETS

| | MAR. 28 | WEEK | % CHANGE YEAR TO DATE | LAST 12 MONTHS |
|--|----------|------|-----------------------|----------------|
| S&P Euro Plus (U.S. Dollar) | 2043.6 | 0.8 | 2.7 | 23.0 |
| London (FT-SE 100) | 6267.2 | 0.2 | 0.7 | 5.6 |
| Paris (CAC 40) | 5552.7 | 0.9 | 0.2 | 7.8 |
| Frankfurt (DAX) | 6816.9 | 1.6 | 3.3 | 15.7 |
| Tokyo (NIKKEI 225) | 17,254.7 | 0.5 | 0.2 | 3.4 |
| Hong Kong (Hang Seng) | 19,553.9 | 0.2 | -2.1 | 23.3 |
| Toronto (S&P/TSX Composite) | 13,197.2 | 0.3 | 2.2 | 9.5 |
| Mexico City (IPC) | 28,098.3 | -0.4 | 6.2 | 48.4 |

FUNDAMENTALS

| | MAR. 27 | WEEK AGO | YEAR AGO |
|---|---------|----------|----------|
| S&P 500 Dividend Yield | 1.81% | 1.85% | 1.79% |
| S&P 500 P/E Ratio (Trailing 12 mos.) | 17.2 | 17.0 | 18.0 |
| S&P 500 P/E Ratio (Next 12 mos.)* | 15.3 | 15.1 | 15.1 |
| First Call Earnings Revision* | 0.13% | -0.24% | 0.44% |

*First Call Corp.

TECHNICAL INDICATORS

| | MAR. 27 | WEEK AGO | YEAR AGO |
|--|---------|----------|----------|
| S&P 500 200-day average | 1356.1 | 1351.9 | Positive |
| Stocks above 200-day average | 73.0% | 70.0% | Negative |
| Options: Put/call ratio | 0.98 | 1.11 | Positive |
| Insiders: Vickers NYSE Sell/buy ratio | 6.63 | 6.39 | Negative |

BEST-PERFORMING GROUPS

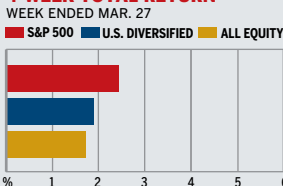
| | LAST MONTH % | LAST 12 MONTHS % |
|------------------------------------|--------------|------------------|
| Tires & Rubber | 27.7 | 123.6 |
| Oil & Gas Refining | 10.7 | 52.5 |
| Divsfd. Metals & Mining | 8.2 | 44.3 |
| Oil & Gas Equipment | 8.1 | 44.1 |
| Agricultural Products | 7.2 | 34.8 |
| Tires & Rubber | | 123.6 |
| Divsfd. Metals & Mining | | 52.5 |
| Power & Energy Traders | | 44.3 |
| Steel | | 44.1 |
| Constr. Materials | | 34.8 |

WORST-PERFORMING GROUPS

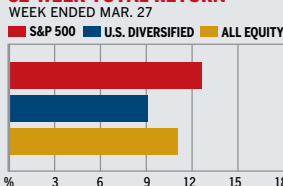
| | LAST MONTH % | LAST 12 MONTHS % |
|----------------------------------|--------------|------------------|
| Forest Products | -12.9 | -33.2 |
| Homebuilding | -11.8 | -29.1 |
| Motorcycles | -11.6 | -20.4 |
| Electric Mfg. Svcs. | -8.5 | -18.4 |
| Dvsfd. Commercial Svcs. | -7.9 | -16.3 |
| Homebuilding | | -33.2 |
| Electric Mfg. Svcs. | | -29.1 |
| Photographic Products | | -20.4 |
| Distillers & Vintners | | -18.4 |
| Airlines | | -16.3 |

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 | 7.6 | Latin America | 33.6 |
| Natural Resources | 5.1 | Utilities | 30.5 |
| Utilities | 4.2 | Pacific/Asia ex-Japan | 29.7 |
| Communications | 2.8 | Europe | 24.8 |
| LAGGARDS | | | |
| Japan | -1.7 | Japan | -1.5 |
| Real Estate | -1.6 | Health | 2.1 |
| Precious Metals | 0.1 | Small-cap Growth | 3.4 |
| Financial | 0.3 | Technology | 4.0 |

EQUITY FUNDS

| 4-WEEK TOTAL RETURN | % | 52-WEEK TOTAL RETURN | % |
|-------------------------------|-------|-----------------------------|-------|
| LEADERS | | | |
| DireXn. Lat. Am. Bull 2X Inv. | 16.6 | Dreyfus Prem. Grtr. China A | 59.7 |
| ProFds. Ult. Oil & Gas Inv. | 13.4 | Old Mut. Clay Finlay Ch. A | 48.8 |
| DireXn. Emrg. Mkts. Bull 2X | 12.6 | iShares MSCI Malaysia Idx. | 48.4 |
| ProFunds Oil Equip., Svcs. | 11.5 | Oberweis China Opport. | 47.4 |
| LAGGARDS | | | |
| DireXn. Emrg. Mkts. Short | -13.5 | DireXn. Emrg. Mkts. Short | -40.7 |
| ProFds. UltSh. Oil & Gas | -12.2 | DireXn. Dev. Mkts. Bear 2X | -29.6 |
| ProFunds UltSh. Emrg. Mkts. | -11.4 | SPDR S&P Homebuilders ETF | -25.8 |
| iShares DJ U.S. Home Constr. | -10.1 | Frontier MicroCap | -25.0 |

INTEREST RATES

KEY RATES

| | MAR. 28 | WEEK AGO | YEAR AGO |
|---------------------------------|---------|----------|----------|
| Money Market Funds | 4.87% | 4.86% | 4.19% |
| 90-Day Treasury Bills | 5.04 | 5.04 | 4.64 |
| 2-Year Treasury Notes | 4.57 | 4.53 | 4.80 |
| 10-Year Treasury Notes | 4.62 | 4.54 | 4.78 |
| 30-Year Treasury Bonds | 4.83 | 4.72 | 4.80 |
| 30-Year Fixed Mortgage † | 6.09 | 6.03 | 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 |
|------------------------------|-------------|-------------|
| General Obligations | 3.77% | 4.16% |
| Taxable Equivalent | 5.39 | 5.94 |
| Insured Revenue Bonds | 3.96 | 4.46 |
| Taxable Equivalent | 5.66 | 6.37 |

THE WEEK AHEAD

PURCHASING MANAGERS' INDEX

Monday, Apr. 2, 10 a.m., EDT » The Institute for Supply Management's manufacturing activity is forecast to have slipped back to 51.4% in March, after rising to 52.3% in February. That's the consensus among economists queried by Action Economics.

FACTORY INVENTORIES

Wednesday, Apr. 4, 10 a.m. EDT » Manufacturing inventories most likely grew by 0.3% during

February. In January, inventories declined by 0.2%.

NONMANUFACTURERS' INDEX

Wednesday, Apr. 4, 10 a.m. EDT » The Institute for Supply Management's March nonmanufacturing index probably rebounded to 55%, following a decline to 54.3% in February.

EMPLOYMENT Friday, Apr. 6,

8:30 a.m., EDT » March nonfarm payrolls are forecast to have increased by 135,000 workers,

after a gain of 97,000 in February, the smallest in more than two years. The jobless rate probably rose a tick to 4.6%, after a surprising fall to 4.5% in February. Besides stronger hiring, average hourly wages and the average workweek most likely grew, too.

INSTALLMENT CREDIT Friday,

Apr. 6, 3 p.m. EDT » Consumers probably added \$6.8 billion of debt in February, after a \$6.4 billion gain in January.

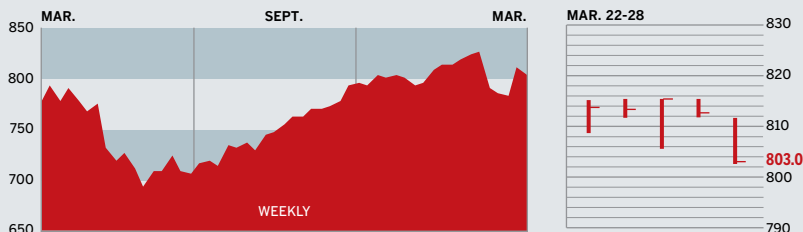
The *BusinessWeek* production index slid to 291.4 for the week ended Mar. 17, an 8.2% gain from a year ago. Before calculation of the four-week moving average, the index improved to 291.3.

BusinessWeek .com

For the BW50, more investment data, and the components of the production index visit

www.businessweek.com/extras.

THE BUSINESSWEEK FIFTY



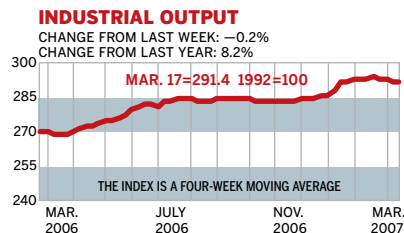
The BW50 fell 1%, as only 15 of the 50 companies finished the week in positive territory. Despite weak economic indicators, there was some good news. As oil prices rose so did XTO Energy, Valero Energy, EOG Resources, and Sunoco. Falling steel imports boosted U.S. Steel while Cadbury Schweppes' mention of Hershey pushed that stock up 2.7%.

COMPANY PERFORMANCE

| RANK | COMPANY | WEEK | % CHANGE SINCE 3/1/07 | RANK | COMPANY | WEEK | % CHANGE SINCE 3/1/07 |
|------|-----------------------------------|------|-----------------------|------|------------------------------|------|-----------------------|
| 1 | Google | 1.2 | 2.8 | 26 | Allegheny Technologies | -3.2 | 2.7 |
| 2 | Coach | -0.7 | 5.7 | 27 | Oracle | 0.0 | 10.6 |
| 3 | Gilead Sciences | 0.8 | 4.9 | 28 | Starbucks | -3.1 | 1.2 |
| 4 | Nucor | -1.0 | 6.5 | 29 | Moody's | -7.3 | -4.9 |
| 5 | Questar | 1.5 | 7.3 | 30 | Pepsico | -2.0 | -0.4 |
| 6 | Sunoco | 0.9 | 8.7 | 31 | Stryker | -1.4 | 5.9 |
| 7 | Verizon Communications | -1.2 | -0.5 | 32 | Best Buy | -1.6 | 4.9 |
| 8 | Colgate-Palmolive | 0.1 | -0.8 | 33 | United Parcel Service | -1.2 | 0.3 |
| 9 | Goldman Sachs Group | -2.0 | 2.5 | 34 | Apple | -0.7 | 10.2 |
| 10 | Paccar | -6.6 | 3.9 | 35 | T. Rowe Price Group | -3.3 | 1.8 |
| 11 | Amazon.com | -1.2 | 0.5 | 36 | Valero Energy | 3.6 | 11.3 |
| 12 | Cognizant Technology Solutions | -2.8 | 0.2 | 37 | Constellation Energy Group | 0.6 | 10.3 |
| 13 | Avon Products | -2.6 | 0.9 | 38 | TJX | -0.7 | -3.6 |
| 14 | Varian Medical Systems | -2.5 | 2.4 | 39 | Morgan Stanley | -3.7 | 4.6 |
| 15 | Bed Bath & Beyond | -3.1 | -1.0 | 40 | Paychex | -4.2 | -3.5 |
| 16 | CB Richard Ellis Group | -4.6 | 3.2 | 41 | Coventry Health Care | 0.0 | 3.5 |
| 17 | Robert Half International | -0.8 | -1.5 | 42 | United States Steel | 1.9 | 10.1 |
| 18 | Chicago Mercantile Exchge. Hldgs. | -2.1 | -1.8 | 43 | United Technologies | -1.2 | -0.4 |
| 19 | Adobe Systems | -4.0 | 5.9 | 44 | Hershey | 2.7 | 4.3 |
| 20 | EOG Resources | 2.8 | 5.8 | 45 | Black & Decker | -3.7 | -3.0 |
| 21 | Sempra Energy | 0.2 | 3.1 | 46 | Synovus Financial | -2.7 | 0.0 |
| 22 | Sherwin-Williams | -3.6 | -1.5 | 47 | Linear Technology | -4.7 | -3.1 |
| 23 | Lehman Brothers Holdings | -5.6 | -4.5 | 48 | AT&T | 0.2 | 5.8 |
| 24 | Rockwell Collins | -3.3 | 1.9 | 49 | XTO Energy | 3.7 | 6.6 |
| 25 | IMS Health | -1.2 | 1.6 | 50 | PNC Financial Services Group | -1.5 | -2.5 |

Data: Reuters

BW PRODUCTION INDEX



The Production Index slipped for a fourth straight week. Before calculation of the four-week moving average, however, the index rose to 291.3, from 290.9 in the prior period. Lumber output showed the biggest decline as inventories crept higher. Electric-power production, truck assemblies, and steel were also lower. On the plus side, autos rebounded nicely, with smaller improvements in the coal and rail-freight traffic components. Crude-oil refining was unchanged.

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

BW50 More information about BW50 companies is available online.

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BusinessWeek.com

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