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• In This Issue

SELECTIVITY KEY AT THIS TIME

- Stock and sector selection is even more important than overall market timing in this very "split" market environment.

SURVEYS STILL MODERATELY POSITIVE

- Both our S&P (at 66%) and Secondary (at 65%) Surveys are still in decent shape although they are well below their late December peak readings of 84%.

FOREIGN MARKETS STILL BULLISH

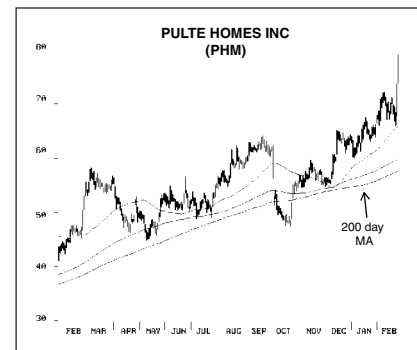
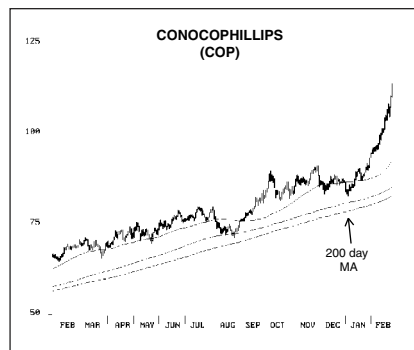
- Overwhelming majority of foreign stock markets remain in Stage 2 uptrends which is positive for our market.

A STOCK PICKER'S YEAR

Stock Market Long Term Outlook = Moderately Favorable

We've been stressing for the past two months that "we continue to feel that the key to profitability this year will be stock and group selection (unlike the past two years when market timing was far more important than stock selection)" and, we still most definitely feel that way. While that statement is somewhat of a cliché and, to a degree, obviously always true, there are some markets when it is more valid than at other times (such as 1977 when the blue chip averages underwent a baby bear market while many secondary stocks totally ignored the downmove and went up throughout the year), and we think the current climate is another such case. To see what we're talking about, you need look no further than what has taken place on

this tape in the past few weeks. Note that despite the market's rangebound action, a long list of our most favored issues have continued to score impressive gains such as Apache, Arch Coal, Beazer Homes, Cablevision Systems, Cameco, Central European Distribution, Chesapeake Energy, CMS Energy, Comstock Resources, ConocoPhillips, Cypress Semiconductor, Dow Chemicals, DuPont, ENSCO Intl., Exxon Mobil, GlobalSantaFe, Korea Fund, LCA Vision, Maverick Tube, Massey Energy, Noble Corp., Nordic American Tanker Shipping, Nucor, Patterson-UTI Energy, Pulte Homes, Sigmatel, Standard Pacific, Todco, Unocal, USEC Inc., Ventiv Health, WCI Communities, Whole Foods Market, etc. At the same time, it's absolutely amazing how many Stage 3&4 issues that



Charts courtesy of Reuters

• *Where to Find*

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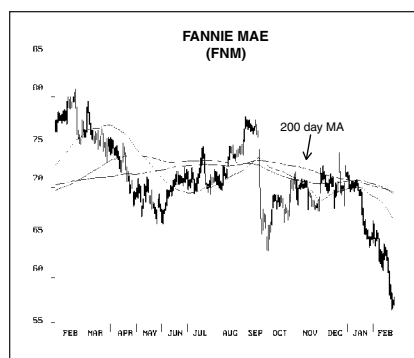
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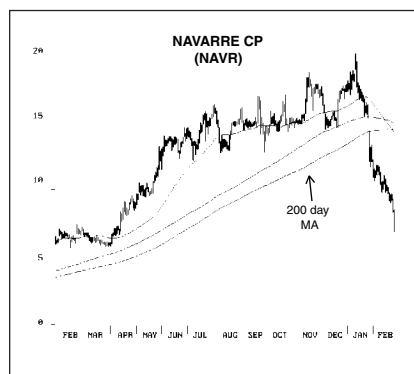
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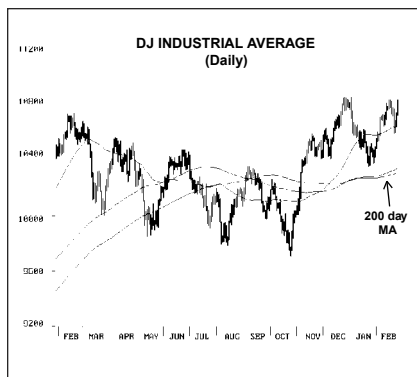
have been on our sell list continue to display horrid relative strength, such as Albertson's, Alpharma, Anheuser Busch, Apollo Group, Applied Signal Technologies, ArvinMeritor, Best Buy, CDW Corp., CoStar Group, CYTYC, Delphi, Dow Jones, eCOST.com, Fannie Mae, Freddie Mac, Gannett, Iron Mountain, Jones Apparel Group, Juniper Networks, Lexmark Intl., Magna Intl., Molex, Navarre, NCO Group, Novatel Wireless, Omnicell, palmOne, Research in Motion, Ruby Tuesday, Ryder System, Shopping.com, Sirva Inc., Sonic Solutions, Symantec, Wal-Mart Stores, etc. And, as we told you in last month's issue, "we expect this tape to become even more of a two-way street in the coming months, so if you just talk about 'the market' and treat it as a monolith, your performance will suffer!" While, of course, as always, we'll continue to give you our best calls marketwise so that you'll know when to "tilt" more positively



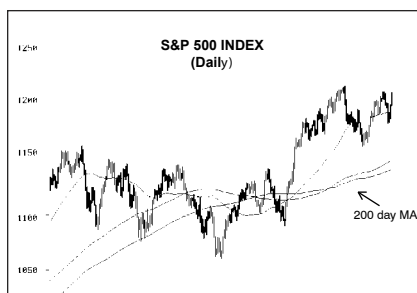
or negatively, we continue to feel very strongly that you should continue to overweight only our many most favored Stage 1&2 issues (especially in sectors that we're most bullish on, such as Chemicals, Coal, Homebuilding, Oil-related, Semiconductors, etc.) while, at the same time, you stay far away (on the long side) from the many Stage 3&4 problem stocks which we're especially concerned about. Therefore, with the tape so incredibly divergent and split, it should be obvious that it's more important than ever that you make sure to religiously follow the above "drill."

Our Weight of the Evidence

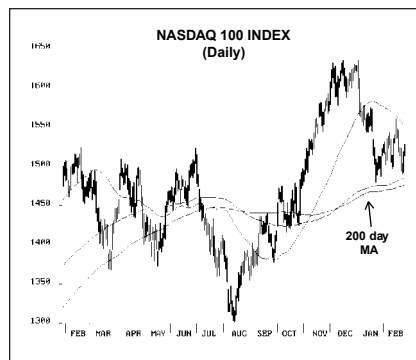
Now that we've dealt with stock picking and group selection (which is so very important), let's shift our focus to the overall market so, as we said earlier, you'll know when to tilt more positively or negatively. While there are most definitely plenty of "early warning" signals appearing on this tape, we continue to feel that it's premature to turn long term negative on the market (although many individual stocks are already in their own private bear markets) and, *if* the right things happen (which we'll detail for you in a moment), this bull can buy itself some more time, and we'd then shift our view of it being in the 9th inning of the long term advance back to, say, the 7th inning. But first, let's see why we still feel that the market should be given the long term bullish benefit of the doubt before we see what it would take to acknowledge that the bull has



ingested "Geritol" and become a bit livelier once again. First of all, it's a long term plus that *all* of the popular averages remain above their respective 200 day moving averages. Note that the Dow held right above that point when it corrected sharply in late January and now, within the past few sessions, it didn't even get back close to that level. Instead, it reversed at a higher level near its 50 day moving average and now, if it can go topside and *close* above the 10,868 level, it will be a very positive indication - but it will need some agreement from the other market averages. If that breakout does occur, it's important that, at a minimum, it is also confirmed by an S&P 500 Index (SPX) *close* above 1218. Furthermore, while we do not expect to see a confirmation by the Nasdaq Composite (COMP) or the Nasdaq 100 Index (NDX) as they are unlikely to move to new highs, as we

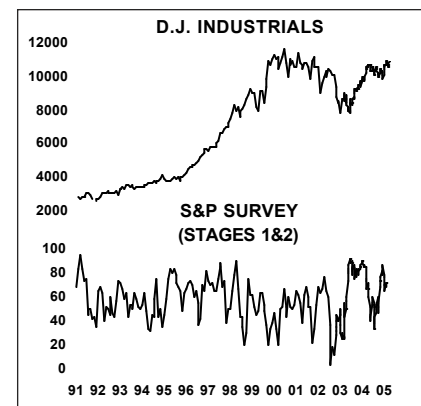


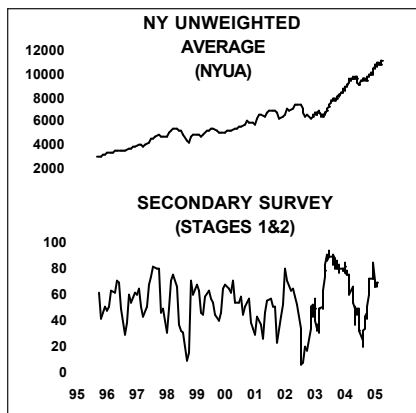
told you recently, we're willing to lower "the limbo bar" for these two indexes. For a sign that the market is tilting to a more favorable position and that the rangebound action of the past few months is ending, we also want to see the COMP, at least, close above that 2105 level that we've been focusing your attention on, and the NDX close above the 1561 level. If all of those levels are overcome, even though the COMP and NDX won't have confirmed by moving to new highs (and there will still be a potential negative divergence overhanging the tape longer term), for our money, those breakouts would clearly signal that, for the first



time in months, a better rally is getting underway. In the meantime, it's important to note that the Nasdaq 100 Index (NDX) is the average that came closest to breaking below its 200 day MA which is a longer term warning for this area (although, from a near term point of view, it's encouraging that it has held, and many of these oversold issues should now rally, led by the Semi-related issues which remain our most positively-rated section of the Technology game). Another fact to be

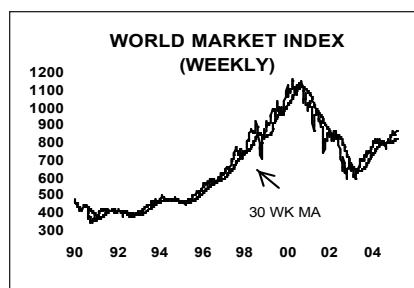
aware of is that, while it's not ready to occur *yet* (at least, we don't think so), the probabilities are very strong that when we do head south, this is the average that will break below its long term MA first and will give us advance warning that the long term trend is turning bearish. As we just said, while we don't think this will occur at this time, in a market that is this tricky and moving in such a "zig-zag" fashion, it's important to know where our "goal lines" are both from a positive and negative point of view. So note that if, at any time in the coming weeks, the Dow closes below 10,600, confirmed by an SPX close below 1184, and an NDX close below 1489, then an *intermediate term* sell signal will be given. Thereafter, as we've been stressing for the past several weeks, for a sign that the *longer term* trend is turning bearish, the Dow must close below 10,300, confirmed by an SPX close below 1142, and an NDX close below 1475. So keep those levels in mind, but for now, we do not expect them to break, and as long as they all remain above their respective 200 day moving averages, we continue to feel that this tape should still be given the bullish benefit of the doubt. In the same vein, both our proprietary S&P and Secondary



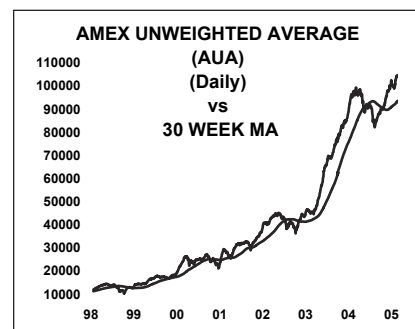
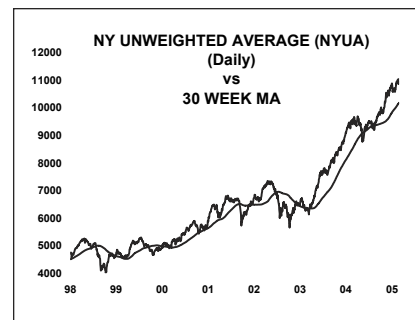


Surveys are still in decent shape and this is another reason to continue to view the longer term trend as moderately positive. The “good news” is that our S&P Survey is at 66%, and our Secondary Survey is at 65%. What that means in simple English is that more than 6 out of every 10 charts are still technically healthy (in Stages 1&2). And as long as that remains the case, while there will still be *plenty* of isolated disasters occurring on this tape, it’s too soon to yet turn long term bearish on the overall market (for that to occur, both of these gauges must drop below the key 50% level, confirmed by a breakdown below the 200 day moving averages by all of the popular averages). At the same time, however, the “bad news” being given by these key gauges is that the market is no longer nearly as robust as it was a few months ago (when our S&P and Secondary Surveys both peaked at a reading of 84%). So, it’s obvious that there’s been *considerable* technical deterioration over the past several weeks (which can also be seen by looking at how many “accidents” have taken place in a long list of issues that have been on our sell list). And if, which is

likely, both of these gauges cannot get back close to their late December peak readings, even if the market does go topside in the coming weeks, that will come back to haunt this tape (several months from now, but not yet). As we said earlier, what will be even more important to watch for is to see if in the coming months both of these gauges move *significantly* below the key 50% level. That would be an important warning that the longer term trend is finally getting ready to move to the bearish side of the ledger (but we seriously doubt that that will happen in



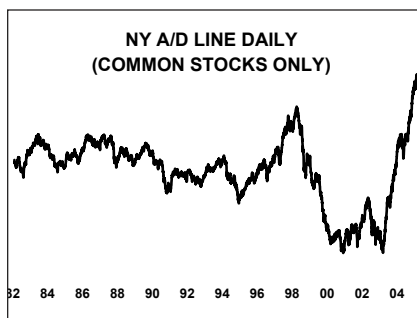
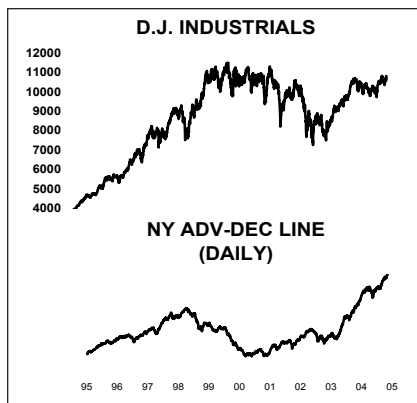
the near term). In the meantime, it’s also a long term plus that our World Market Index remains in a solid Stage 2 uptrend and, in addition, that almost *every* foreign market is technically positive (in fact, our market is dragging behind the overall majority of the other world markets). As we’ve shown you many times over the years, as long as so many foreign markets are bullish, it’s unlikely that our market will *yet* turn long term negative (for details on the foreign markets, see Global Analysis, pgs. 47-50). Furthermore, it’s also bullish that both our New York Unweighted Average (NYUA) and



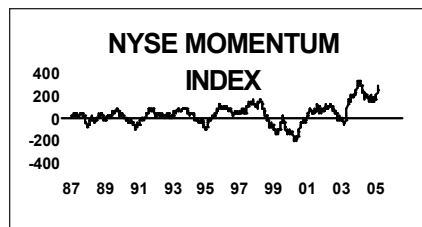
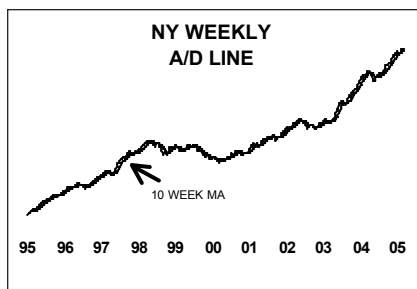
our Amex Unweighted Average (AUA) closed Friday night (2/25), once again, at new all-time highs! Not only is this action encouraging for the overall market, but as we’ve told you before, it reinforces our “1977 thesis” which states that even if the popular averages break down and move into a “baby bear market” (such as was the case 1977), we continue to feel that many mid-cap and other secondary stocks will continue to do quite well (such as was the case back in 1977, when a long list of secondary issues totally ignored that bear market).

More Positives

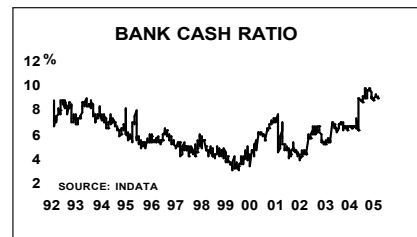
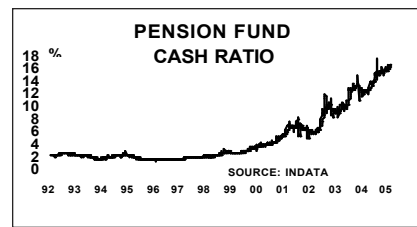
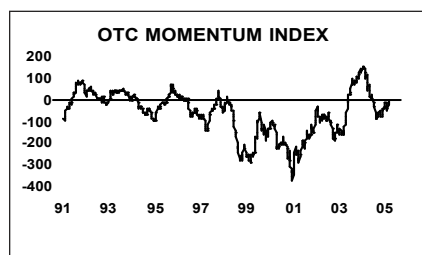
In addition to all of the above reasons to remain, for now, in the bullish camp is the fact that the conventional NYSE daily Advance-Delay line is still in a powerful Stage 2 uptrend, and recently hit yet another new all-time high. Even more encouraging is that our



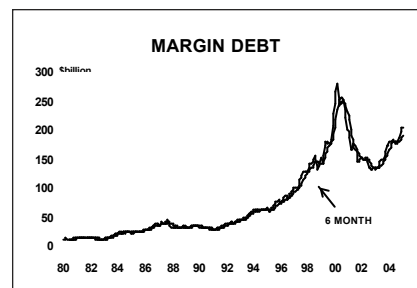
common-stocks-only NYSE daily A-D line (which excludes preferred stocks, when-issued stocks, bond funds, etc.) also remains in fine shape. This action tells us two things. First, that plenty of individual stocks are still in fine technical shape, and that these are obviously the issues we should exploit on the long side. Secondly, it also makes it unlikely that a new bear market will yet get underway until we, at least, see some signs of deterioration in these gauges. In the meantime, the NYSE weekly A-D line is also casting a positive vote, as it just hit yet another new

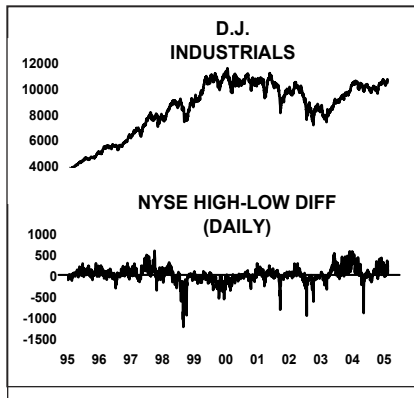


all-time high, and shows no sign of reversing its powerful Stage 2 uptrend. While on the subject of Advance-Dcline statistics, it's also bullish that our NYSE Momentum Index (a 200 day moving average of NYSE Advances-Declines) remains firmly entrenched in positive territory. This action is favorable on several levels. First of all, historically, this gauge usually drops below its zero line and turns negative *before* a new bear market gets underway. So, the fact that it's still so positive is bullish. But, on another level, it's also favorable that although this indicator has been declining sharply for the past few months (however, it never dropped below the zero line), it has now reversed back to the upside and is moving toward its recent peak. In the meantime, its OTC counterpart (the OTC Momentum Index which is a 200 day moving average of OTC Advances-Declines) is also starting to perk up. Not surprisingly, this gauge has been (and still is) in *much* worse shape than the NYSE index. But now even this draggy indicator is starting to improve and is right at its zero line and



is on the verge of moving back into positive territory. If it can accomplish that feat in the coming weeks, that, too, would be a sign that this bull is buying itself some more time before it breathes its last. Furthermore, it's a long term plus that our Pension Fund Cash Ratio is so high at a reading of 16.4% (which isn't too far below its all-time high reading of 17.5% which was registered last August). To a degree, the fact that Pension Funds and the Banks have so much cash on hand (the Bank Cash Ratio is currently 9.1% which isn't far below its peak reading of 9.7% registered last summer) offsets the fact that Mutual Funds have far too little cash in their coffers (the current reading is 4.7%) to help the market move higher. In the same vein, it's positive that Margin Debt remains in an uptrend (although this



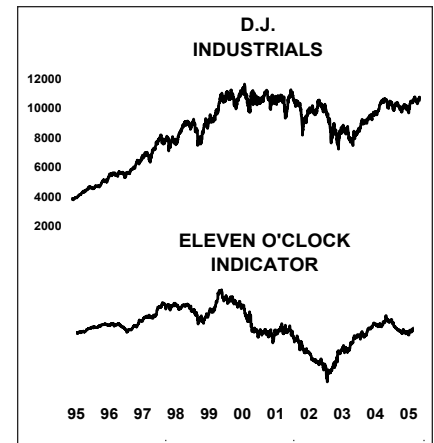


month there was a slight downtick to a reading of \$203.3 billion). As we've shown you many times over the years, as long as the trend for Debt is higher, that correlates very strongly with bull markets (while conversely, contracting Debt goes hand in hand with bear markets). Finally, there's the action of our High-Low Differential gauges that should be dealt with. Here, too, what we see occurring is like that old "good news-bad news" joke. On the positive side of the ledger, new highs continue to outnumber new lows and on several strong updays, they've been quite positive. So that action is encouraging and doesn't fit in with a new bear market yet getting underway. However, the "bad news" aspect of this gauge is that the peak readings for all of our High-Low Differential gauges were registered in December, 2003 and since, historically, this indicator tops out about 9-12 months before a new bear market gets underway, that's a warning that we're "on the clock" - but for now, it's just another sign for us to be more selective, not yet long term bearish.

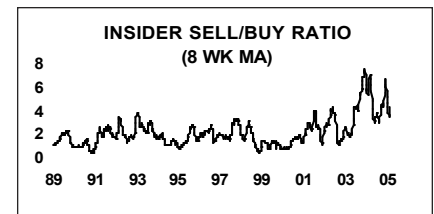
Early Warning Negatives

Now that we've covered all of the "good news" aspects of our indicators

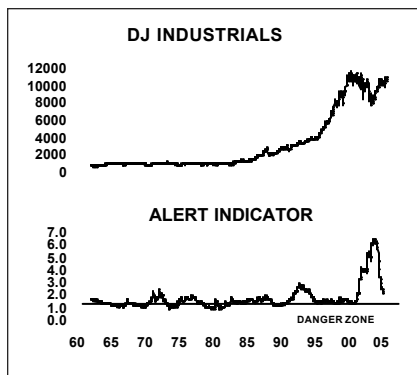
which tells us that this market is not yet ready to turn bearish, it's important to look into the future a bit to see why it wouldn't be surprising, a few months down the road, to see this market run into trouble. First of all, in addition to the fact that January was a problem month (and we've shown you many times over the years that while it's not an infallible indicator, a weak January has often forecast a problem market - note that January was weak in 1957, 1960, 1962, 1969, 1972, 1973, 1977, 1981, 1990, 2000, and 2002 and all those years turned out to be bearish). In addition, we're also in a post election year mode and again, while this statistic is not infallible, it is important to be aware of the fact that many post election years have been less than thrilling for the market (such as was the case in 1969, 1973, 1977, 1981, and 2001). Furthermore, there have now been 6 rate hikes (with more on the way), and a study of history shows that markets have not done well in such periods of rising interest rates. In addition, while we have already shown you that indicators such as our S&P and Secondary Surveys and High-Low Differentials are still in a moderately bullish position, they are well below their prior peaks, and this is the sort of action that often predicts a market top several months down the road. Furthermore, several of our early warning indicators are also telling us that in a few months, things are likely to be far less rosy. One such gauge is our Eleven O'Clock Indicator which, as we have often shown you, is a great leading timing tool. It's worrisome that it appears to have peaked because



this index (which we developed many years ago) has an excellent track record of forecasting market turns well ahead of time. Note that it topped out in early 1999 more than a year *before* the Spring, 2000 bull market peak. Conversely, it bottomed in July, 2002 well *before* this bull market got underway. And while it certainly wasn't the only gauge that helped us spot the top in early 2000 (and flash a bull market buy signal in March, 2003), it was an important part of the mosaic. So the fact that its peak reading for this bull

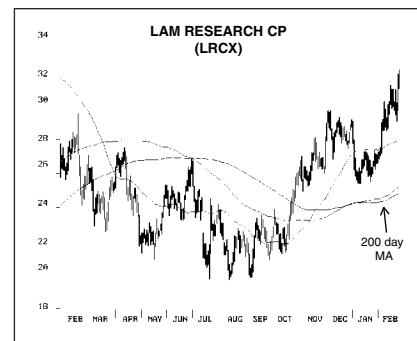
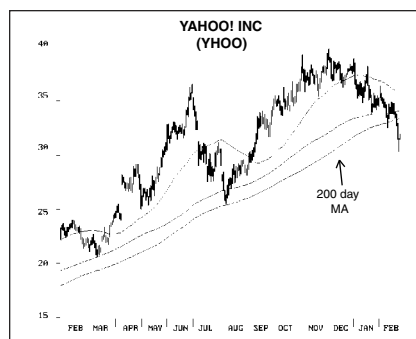


move was registered in early 2004 is definitely a concern and is likely to come back to haunt this tape a few months from now. In the same vein, our Corporate Insiders gauge shows heavy selling by these market players. This indicator also has a big lead time and the fact that Insiders sold



so heavily early last year and are now doing so once again, is another reason to be on guard for trouble in the near future. Dovetailing perfectly with all of the above “early warnings” is the action of our Alert Indicator (AAA Bond Yields/13 week T-Bill rates). It has plummeted sharply from its record reading above 6, and is now down close to 2. This gauge did a fantastic job of foreshadowing the current bull market and the solid improvement in the economy as it rocketed to an incredibly high reading above 5 in late 2002, and then continued higher to its record figure above 6. But now, while it’s not *yet* negative (for that to occur, it must drop closer to a reading of 1.00), it is falling rapidly and is another important leading indicator to watch in the coming months. If this gauge does weaken further and turns negative (such as it did in 1989 before the 1990 bear market got underway), that will be one more problem for this bull market to deal with. But for now, as we’ve repeatedly stressed, the proper tactic is to not yet be bearish but, rather, to be extremely selective and to follow the drill and overweight “big

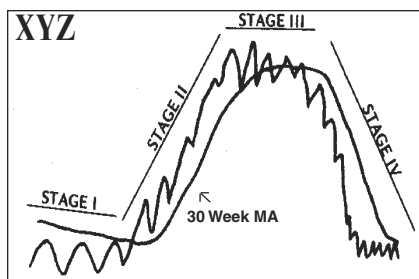
time” our many most bullishy rated Stage 1&2 issues while, at the same time, you stay far away from the long list of Stage 3&4 problem stocks that we’ve been highlighting for you. As we told you in this weekend’s update, it’s crucial if you’re going to perform well in this market that “you don’t let ‘the fundamentals’ drive your decision-making process so that you end up holding stocks that have ‘good stories,’ but that we are bearish on (such as Yahoo!).” At the same time, make sure that you aren’t short stocks with poor fundamentals that we’re bullish on (such as Lam Research and many other semi-related issues, as well as the many Cyclical and Energy-related stocks that we still favor). To better help you execute our game plan, be sure to study our Most Promising S&P stocks (pgs. 14-17) and our Most Promising Secondary stocks (pgs. 31-40), as well as our Most Vulnerable S&P issues (pgs. 18-21) and our Most Vulnerable Secondary issues (pgs. 41-46). In addition, for those of you who buy and sell ADR’s, also check our Most Promising ADR’s (pgs. 54-55) and our Most Vulnerable ADR’s (pg. 56).



Furthermore, also make sure that you check our Group Stage Rating Scan (pg. 22), as well as our Most Promising Groups (pgs. 23-24) and our Most Vulnerable Groups (pg. 25). Finally, be sure to review our S&P Stage Ratings (pgs. 8-13) and our Secondary Stage Ratings (pg. 27-30). As we’ve been telling you ad nauseam, if you religiously stick with this game plan and remain in gear with us, we feel confident that you’ll continue to do quite well in what is obviously a very tricky and difficult market environment.

[2/25/05; DJI close: 10,841.06]

Stage Analysis of S&P 500



STAGE RATINGS OVERVIEW

Stage 1	8%
Stage 2	58%
Stage 3	18%
Stage 4	16%

(A) Early in that Stage.

(B) Late in that Stage.

(+) Outstanding pattern in that Stage.

(-) Unexciting pattern in that Stage.

Stage 1A Start of a base. Needs much more time.

Stage 1 Basing Phase. May begin accumulation.

Stage 1B Late in base-building phase. Watch for breakout.

Stage 2A Early in uptrend stage. Ideal time to buy aggressively.

Stage 2 Advancing Stage.

Stage 2B Getting late in uptrend. Watch carefully. But still a hold.

Stage 3A Looks as if a top is starting to form. Be sure to protect holdings with a close stop.

Stage 3 The Top Area. Start to reduce positions.

Stage 3B Has become increasingly topky. Use rallies for at least partial selling.

Stage 4A Stock has entered Downtrend Stage. Close out remaining positions.

Stage 4 The Declining Stage. Avoid on the long side.

Stage 4B Late in downtrend. Much too soon to consider buying.

STOCK	SYMBOL	RECENT PRICE	STAGE	STOCK	SYMBOL	RECENT PRICE	STAGE
3M Company	MMM	84.60	2B	Altria Group	MO	65.70	2B
Abbott Labs.	ABT	46.27	2	Ambac Finl. Group	ABK	78.75	3A
Ace Ltd.	ACE	44.98	2B	Amerada Hess	AHC	100.94	2B
ADC Telecomm.	ADCT	2.35	1A-	Ameren Corp.	AEE	51.33	2B
Adobe Systems	ADBE	61.43	2B	American Elec. Power	AEP	33.41	3
Advanced Micro Dev.	AMD	17.77	3A	American Express	AXP	54.58	2B-
AES Corp.	AES	16.81	2B	American Intl. Group	AIG	68.35	2B-
Aetna	AET	145.47	2B	American Power Conv.	APCC	22.48	2
Affil. Computer Svcs.	ACS	53.50	3B	American Standard	ASD	46.65	2B
Aflac Inc.	AFL	38.72	4A	AmerisourceBergen	ABC	60.00	1-
Agilent Technologies	A	23.55	1	Amgen	AMGN	62.81	2-
Air Prod. & Chem.	APD	63.20	2B	Amsouth Bancorp.	ASO	24.97	3B
Alberto Culver	ACV	52.44	2B	Anadarko Petroleum	APC	77.73	2B
Albertson's	ABS	22.01	4A	Analog Devices	ADI	37.50	4B-
ALCOA Inc.	AA	31.62	3	Andrew Corp.	ANDW	12.24	4B
Allegheny Energy	AYE	19.20	2B	Anheuser-Busch	BUD	47.52	4
Allegheny Technologies	ATI	25.46	2B+	AON Corp.	AOC	24.74	1
Allergan Inc.	AGN	75.45	1A-	Apache Corp.	APA	62.72	2B
Allied Waste Inds.	AW	8.39	4B	Apartment Inv. & Mgmt.	AIV	38.32	2
Allstate Corp.	ALL	53.70	2B	Apollo Group	APOL	75.00	4A
Alltel Corp.	AT	57.26	2B	Apple Computer	AAPL	88.99	2B
Altera	ALTR	20.96	4	Applera Cp.-Applied Bio.	ABI	20.65	2-

STOCK	SYMBOL	RECENT PRICE	STAGE	STOCK	SYMBOL	RECENT PRICE	STAGE
Applied Materials	AMAT	17.92	1	Centerpoint Energy	CNP	12.11	2B
Applied Micro Circuits	AMCC	3.55	1A	Centex Corp.	CTX	64.64	2B
Archer-Daniels-Midland	ADM	24.18	2B	CenturyTel	CTL	33.66	2-
Archstone-Smith Trust	ASN	33.77	3A	Charles Schwab Cp.	SCH	10.72	2-
Ashland Inc.	ASH	64.50	2B	ChevronTexaco Cp.	CVX	61.94	2B
AT&T	T	19.46	2	Chiron Corp.	CHIR	35.01	4B-
Autodesk Inc.	ADSK	29.94	2B-	Chubb Corp.	CB	79.84	2B
Automatic Data Proc.	ADP	43.00	3B	Ciena Corp.	CIEN	2.04	4B
AutoNation	AN	19.37	2B	Cigna Corp.	CI	91.40	2B
Autozone	AZO	96.89	2	Cincinnati Financial	CINF	45.10	2B
Avaya Inc.	AV	14.43	3	CINergy Corp.	CIN	40.95	2B-
Avery Dennison	AVY	60.49	1A-	Cintas Corp.	CTAS	43.83	3
Avon Products	AVP	42.62	2B-	Circuit City Stores	CC	15.72	2B
Baker Hughes	BHI	47.70	2B	Cisco Systems	CSCO	17.20	4
Ball Corp.	BLL	44.55	2B	CIT Group	CIT	40.44	3A
Bank of America	BAC	46.79	2B	Citigroup	C	48.28	2
Bank of New York	BK	30.39	3B	Citizens Commun.	CZN	13.36	3A
Bausch & Lomb	BOL	70.90	2B	Citrix Systems	CTXS	22.01	3A
Baxter Intl.	BAX	36.24	2	Clear Channel Comm.	CCU	32.75	1A
BB&T Corp.	BBT	39.42	3B	Clorox	CLX	60.19	2B
Bear Stearns Cos.	BSC	98.61	2B-	CMS Energy	CMS	12.38	2B
Becton Dickinson	BDX	59.96	2B	Coach Inc.	COH	56.65	2B
Bed Bath & Beyond	BBBY	37.40	4	Coca-Cola	KO	43.02	1A
BellSouth	BLS	25.93	3B	Coca-Cola Ent.	CCE	21.30	1A
Bemis Co.	BMS	30.01	2B	Colgate-Palmolive	CL	52.60	2-
Best Buy Co.	BBY	51.69	4A+	Comcast Cp.	CMCSA	32.62	2
Big Lots Inc.	BLI	11.72	1-	Comerica	CMA	57.68	3B
Biogen Idec	BIIB	67.28	2B	Compass Bancshares	CBSS	45.72	3A
Biomat Inc.	BMET	43.20	3	Computer Assoc. Intl.	CA	26.95	3B
BJ Services	BJS	50.42	2B	Computer Sciences	CSC	45.74	4
Black & Decker	BDK	83.30	2B	Compuware	CPWR	6.69	2
BMC Software	BMC	15.15	4	Comverse Tech.	CMVT	23.39	2B
Boeing Co.	BA	54.99	2B	ConAgra Foods	CAG	27.43	3
Boston Scientific	BSX	33.31	3B	ConocoPhillips	COP	112.32	2B
Bristol-Myers Squibb	BMJ	24.93	1	Consol. Edison	ED	43.10	3A
Broadcom Corp.	BRCM	32.88	1A	Constellation Energy	CEG	52.02	2B
Brown Forman	BFB	49.88	2	Convergys	CVG	14.85	1
Brunswick Corp.	BC	46.72	2B	Cooper Inds.	CBE	70.13	2B
Burlington Northern	BNI	50.71	2B	Cooper Tire & Rubber	CTB	18.80	4
Burlington Resources	BR	49.85	2B	Corning	GLW	11.68	3
C.R. Bard	BCR	67.76	2B	Costco Wholesale	COST	46.57	2B
Calpine Corp.	CPN	3.38	1A	Countrywide Finl. Cp.	CFC	34.96	3
Campbell Soup	CPB	27.65	2B-	CSX Corp.	CSX	41.91	2B+
Capital One Finl.	COF	77.35	2B-	Cummins Inc.	CMI	74.20	3
Cardinal Health	CAH	59.50	1B	CVS Corp.	CVS	49.87	2B
Caremark Rx	CMX	38.96	2B	Dana Corp.	DCN	14.76	4
Carnival Corp.	CCL	54.75	3A	Danaher	DHR	54.05	3A
Caterpillar	CAT	94.82	2B	Darden Restaurants	DRI	27.49	2B
Cendant Corp.	CD	22.14	2B	Deere & Co.	DE	70.59	2B

STOCK	SYMBOL	RECENT PRICE	STAGE	STOCK	SYMBOL	RECENT PRICE	STAGE
Dell Inc.	DELL	40.20	2B	Ford Motor Co.	F	13.00	3B
Delphi Corp.	DPH	6.89	4B	Forest Labs.	FRX	42.95	4B
Delta Air Lines	DAL	4.71	4B	Fortune Brands	FO	81.67	2B
Devon Energy	DVN	47.47	2B	FPL Group	FPL	79.70	2B
Dillard's Inc.	DDS	24.45	2B	Franklin Resources	BEN	69.87	2B
Dollar General	DG	21.16	2B	Freddie Mac	FRE	61.64	4
Dominion Resources	D	72.74	2B	Freescale Semiconductor	FSL.B	19.10	1B
Donnelley, R.R. & Sons	RRD	33.35	2B-	Frprt.-McMrn. Cop.&Gld.	FCX	41.10	2
Dover Corp.	DOV	38.77	3B	Gannett Inc.	GCI	79.21	3B
Dow Chemical	DOW	56.24	2B	Gap Inc.	GPS	21.29	3A
Dow Jones & Co.	DJ	37.44	4B	Gateway	GTW	4.57	4
DTE Energy	DTE	43.90	2	General Dynamics	GD	105.58	2B
Du Pont	DD	53.96	2B	General Electric	GE	35.62	2B
Duke Energy	DUK	27.41	2B	General Mills	GIS	52.04	2
Dynegy Inc.	DYN	4.40	3	General Motors	GM	36.89	4B
E*Trade Financial	ET	13.46	2B-	Genuine Parts	GPC	42.91	2B
Eastman Chemical	EMN	58.31	2B	Genzyme Corp.	GENZ	57.73	2B
Eastman Kodak	EK	33.92	2	Georgia-Pacific	GP	35.70	3A
Eaton Corp.	ETN	70.04	2B	Gilead Sciences	GILD	35.56	3A
eBay	EBAY	42.24	4	Gillette Co.	G	51.45	2B
Ecolab Inc.	ECL	31.66	3B	Golden West Finl.	GDW	61.95	2B
Edison Intl.	EIX	32.69	2B	Goldman Sachs	GS	110.10	2B
El Paso Corp.	EP	12.39	2B	Goodrich Corp.	GR	36.79	2B
Electronic Arts	ERTS	64.98	2B	Goodyear T. & R.	GT	14.71	2B
Electronic Data Sys.	EDS	20.71	3A	Grainger, W. W.	GWV	63.20	2B
Eli Lilly	LLY	55.83	4B	Great Lakes Chem.	GLK	27.14	3
EMC Corp.	EMC	12.84	2-	Guidant Corp.	GDT	73.30	2B
Emerson Electric	EMR	66.72	2B-	H&R Block	HRB	51.50	2
Engelhard Corp.	EC	30.80	2B	Halliburton Co.	HAL	44.75	2B
Entergy Corp.	ETR	70.27	2B	Harley-Davidson	HDI	62.10	2B
EOG Resources	EOG	91.50	2B	Harrah's Entertainment	HET	66.99	2B
Equifax Inc.	EFX	30.42	2B	Hartford Finl. Svcs.	HIG	72.90	2B
Equity Office Props.	EOP	30.32	1B	Hasbro	HAS	20.93	2
Equity Residential	EQR	32.82	3A	HCA Inc.	HCA	47.02	2
Exelon	EXC	45.50	2B	Health Mgmt. Assoc.	HMA	23.08	2
Express Scripts	ESRX	76.73	2	Heinz, H. J.	HNZ	37.39	3B
Exxon Mobil	XOM	63.26	2B	Hercules	HPC	14.62	2B
Family Dollar Strs.	FDO	32.74	2	Hershey Foods	HSY	62.62	2B
Fannie Mae	FNM	57.70	4	Hewlett-Packard	HPQ	20.66	1
Federated Dept. Stores	FD	56.79	2B	Hilton Hotels	HLT	21.30	2B
Federated Investors	FII	29.65	3	Home Depot	HD	40.58	2B-
FedEx Corp.	FDX	98.44	2B	Honeywell Intl.	HON	38.13	2
Fifth Third Bancorp	FITB	45.30	4B	Hospira	HSP	30.06	3
First Data	FDC	40.74	3B	Humana	HUM	33.33	2B
First Horizon National	FHN	42.70	4	Huntington Banc.	HBAN	22.38	4
FirstEnergy	FE	41.12	2B	Ill. Tool Works	ITW	90.45	3B
Fiserv	FISV	38.00	3A	IMS Health	RX	24.22	2B
Fisher Scientific	FSH	61.37	2B	Ingersoll-Rand Co. Ltd.	IR	83.00	2B
Fluor Corp.	FLR	63.25	2B	Intel	INTC	24.09	1B

STOCK	SYMBOL	RECENT PRICE	STAGE	STOCK	SYMBOL	RECENT PRICE	STAGE
International Bus. Mach.	IBM	92.80	2	Masco Corp.	MAS	33.92	3A
International Flav. & Frag.	IFF	41.56	2B	Mattel	MAT	21.12	2
International Game Tech.	IGT	30.65	4	Maxim Integrated Prod.	MXIM	43.60	1A-
International Paper	IP	38.11	4	May Dept. Stores	MAY	35.35	2
Interpublic Grp. of Cos.	IPG	13.20	1	Maytag	MYG	15.40	4B
Intuit Inc.	INTU	41.81	4B-	MBIA Inc.	MBI	59.47	3
ITT Industries	ITT	88.15	2B	MBNA Corp.	KRB	25.54	3
J.C. Penney	JCP	45.00	2B	McCormick & Co.	MKC	38.00	2B
Jabil Circuit	JBL	25.68	1A	McDonald's	MCD	32.98	2B
Janus Capital Grp.	JNS	14.04	4	McGraw-Hill	MHP	92.65	2B
JDS Uniphase	JDSU	1.88	4B	McKesson Corp.	MCK	37.79	2
Jefferson-Pilot	JP	49.19	4A	MeadWestvaco Cp.	MWV	31.72	3A
Johnson Controls	JCI	59.34	2B-	Medco Health Solns.	MHS	44.50	2B
Johnson & Johnson	JNJ	66.22	2B	MedImmune	MEDI	24.49	4B-
Jones Apparel Grp.	JNY	32.31	4	Medtronic Inc.	MDT	52.90	2
JPMorgan Chase	JPM	36.97	3B	Mellon Finl.	MEL	28.81	3B
KB Home	KBH	126.38	2B	Merck & Co.	MRK	31.90	4B
Kellogg	K	44.30	2B-	Mercury Interactive	MERQ	46.48	2-
Kerr-McGee	KMG	77.63	2B	Meredith Corp.	MDP	46.10	4+
KeyCorp	KEY	32.94	3A	Merrill Lynch & Co.	MER	59.33	2
Keyspan Corp.	KSE	39.75	2B	Metlife	MET	41.28	2B
Kimberly-Clark	KMB	66.30	2B	MGIC Investment	MTG	63.73	3B
Kinder Morgan	KMI	79.90	2B	Micron Technology	MU	11.68	4B
King Pharmaceuticals	KG	10.25	4B	Microsoft	MSFT	25.5	4
KLA-Tencor	KLAC	50.81	1B+	Millipore Corp.	MIL	45.40	4
Knight-Ridder	KRI	65.79	4B	Molex	MOLXE	25.40	4
Kohl's Corp.	KSS	47.80	1A	Molson Coors Brewing	TAP	68.73	4A
Kroger Co.	KR	17.64	2A	Monsanto	MON	59.16	2B
L3 Communications	LLL	72.24	2B	Monster Worldwide	MNST	29.24	2B-
Laboratory Corp. Amer.	LH	48.12	2B	Moody's Corp.	MCO	85.32	2B
Leggett & Platt	LEG	28.08	3A	Morgan Stanley	MWD	57.66	2
Lehman Bros.	LEH	92.30	2B	Motorola	MOT	15.59	3B
Lexmark Intl.	LXK	80.12	4	Mylan Labs.	MYL	16.94	4B
Limited Brands	LTD	23.43	2B-	Nabors Industries	NBR	58.63	2
Lincoln Natl.	LNC	47.35	2B	Natl. City Corp.	NCC	35.98	3B
Linear Technology	LLTC	39.20	3A	Natl. Semiconductor	NSM	20.13	2
Liz Claiborne	LIZ	42.50	2B	Navistar Intl.	NAV	39.13	1A
Lockheed Martin	LMT	59.81	2B	NCR Corp.	NCR	39.38	2B
Loews Corp.	LTR	72.24	2B	Network Appliance	NTAP	29.82	2B-
Louisiana Pacific	LPX	26.62	2B	New York Times	NYT	37.01	4B
Lowe's Cos.	LOW	59.00	2B	Newell Rubbermaid	NWL	22.16	4B
LSI Logic	LSI	6.38	1	Newmont Mining	NEM	44.82	2B-
Lucent Tech.	LU	3.14	3B	News Corp.	NWS.A	16.79	3B
M&T Bank	MTB	100.20	3A	Nextel Commun.	NXTL	29.58	2B
Manor Care	HCR	34.35	2B	Nicor Inc.	GAS	36.69	3
Marathon Oil Corp.	MRO	46.63	2B	Nike	NKE	87.25	2B
Marriott Intl.	MAR	64.13	2B	NiSource Inc.	NI	22.89	2B
Marsh & McLennan	MMC	31.63	4B	Noble Corp.	NE	57.18	2B
Marshall & Ilsley	MI	40.67	3	Nordstrom	JWN	52.97	2B

STOCK	SYMBOL	RECENT PRICE	STAGE	STOCK	SYMBOL	RECENT PRICE	STAGE
Norfolk Southern	NSC	36.56	2B	Raytheon Co.	RTN	38.59	2B
North Fork Bancorp.	NFB	28.78	2B	Reebok Intl.	RBK	43.98	2B
Northern Trust	NTRS	42.25	4A	Regions Finl.	RF	32.39	3B
Northrop Grumman	NOC	52.91	3B	Reynolds American	RAI	82.85	2B
Novell	NOVL	5.31	4B	Robert Half Intl.	RHI	29.10	2B
Novellus Systems	NVLS	30.08	1B	Rockwell Automation	ROK	62.30	2B
Nucor Corp.	NUE	63.39	2B	Rockwell Collins	COL	46.95	2B
NVIDIA Corp.	NVDA	28.84	2B	Rohm & Haas	ROH	48.91	2B
Occidental Petroleum	OXY	71.36	2B	Rowan Cos.	RDC	32.00	2B
Office Depot	ODP	19.02	2B	Ryder System	R	43.00	4A+
OfficeMax	OMX	30.95	4	Sabre Hldgs.	TSG	21.33	4
Omnicom Grp.	OMC	89.95	2	SAFECO	SAFC	48.11	3A
Oracle	ORCL	13.13	2B-	Safeway	SWY	18.32	4B
PACCAR Inc.	PCAR	75.00	2B	Sanmina-SCI Corp.	SANM	5.63	4B
Pactiv Corp.	PTV	22.87	4	Sara Lee	SLE	22.58	3B
Pall Corp.	PLL	26.72	2B-	SBC Commun.	SBC	24.21	4
Parametric Tech.	PMTC	5.79	2B	Schering-Plough	SGP	19.14	2
Parker-Hannifin	PH	65.55	3	Schlumberger	SLB	75.58	2B
Paychex	PAYX	31.53	4	Scientific-Atlanta	SEA	31.93	1A-
Peoples Energy	PGL	43.08	3B	Sealed Air	SEE	52.93	2B
Pepsi Bottling Group	PBG	27.09	3B	Sears, Roebuck	S	49.93	2-
PepsiCo	PEP	53.97	2B	Sempra Energy	SRE	39.64	2B
PerkinElmer	PKI	22.53	2B	Sherwin-Williams	SHW	44.66	2B
Pfizer	PFE	26.86	4B	Siebel Systems	SEBL	8.68	4B
PG&E Corp.	PCG	35.51	2B	Sigma-Aldrich	SIAL	62.63	2B
Phelps Dodge	PD	105.80	2B+	Simon Property Grp.	SPG	63.33	2B
Pinnacle West Capital	PNW	42.00	3B	SLM Corp.	SLM	48.14	2B-
Pitney Bowes	PBI	46.02	2B	Snap-On Inc.	SNA	33.00	2B-
Plum Creek Timber	PCL	38.30	2B	Solectron	SLR	4.94	3B
PMC-Sierra	PMCS	10.03	4B	Southern Co.	SO	32.47	2B-
PNC Finl. Svcs.	PNC	52.86	3B	Southwest Airlines	LUV	14.23	3B
Power-One	PWER	5.83	4B	Sovereign Bancorp.	SOV	22.96	2
PPG Inds.	PPG	72.95	2B	Sprint Corp.	FON	23.84	2B
PPL Corp.	PPL	54.90	2B	St. Jude Medical	STJ	39.97	2B
Praxair	PX	45.42	2B	St. Paul Travelers Cos.	STA	38.82	2-
Principal Finl. Grp.	PFG	39.49	2B	Stanley Works	SWK	46.16	2B
Procter & Gamble	PG	54.19	3	Staples Inc.	SPLS	32.10	2B
Progress Energy	PGN	43.40	1A-	Starbucks	SBUX	51.17	3A
Progressive Corp.	PGR	87.64	3	Starwood Hotels & Res.	HOT	57.60	2B
Prologis	PLD	39.97	2B-	State Street	STT	43.40	4
Provident Finl.	PVN	17.00	2B	Stryker Corp.	SYK	50.03	2
Prudential Financial	PRU	57.94	2B	Sun Microsystems	SUNW	4.18	3B
Public Svc. Ent. Grp.	PEG	54.34	2B	SunGard Data Sys.	SDS	25.90	1A-
Pulte Homes	PHM	78.62	2B	Sunoco Inc.	SUN	98.53	2B
QLogic	QLGC	40.38	3B	Suntrust Banks	STI	72.70	2B
QUALCOMM Inc.	QCOM	37.00	3B	Supervalu Inc.	SVU	32.10	2B
Quest Diagnostics	DGX	99.44	2B	Symantec	SYMC	21.66	4
Qwest Commun. Intl.	Q	3.86	2-	Symbol Technologies	SBL	18.10	2
RadioShack	RSH	29.70	3B	Synovus Finl.	SNV	27.35	2B

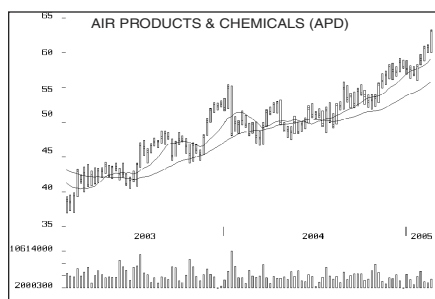
STOCK	SYMBOL	RECENT PRICE	STAGE	STOCK	SYMBOL	RECENT PRICE	STAGE
Sysco	SYI	34.60	2-	Valero Energy	VLO	72.90	2B
T. Rowe Price Group	TROW	61.29	2B	Veritas Software	VRTS	23.91	1A-
Target Corp.	TGT	51.37	2B	Verizon Commun.	VZ	36.20	4
Teco Energy	TE	15.85	2B	VF Corp.	VFC	59.74	2B
Tektronix	TEK	29.35	4	Viacom Inc. Cl. B	VIA.B	35.24	1A-
Tellabs	TLAB	7.17	4	Visteon Corp.	VC	6.79	4
Temple Inland	TIN	81.51	2B	Vulcan Materials	VMC	58.52	2B
Tenet Healthcare	THC	10.85	1A	Wachovia Corp.	WB	53.51	2B
Teradyne	TER	15.86	1A-	Wal-Mart Stores	WMT	51.49	3B
Texas Instruments	TXN	26.70	2A	Walgreen	WAG	42.66	2B
Textron Inc.	TXT	78.76	2B	Walt Disney Co.	DIS	27.89	2B
Thermo Electron	TMO	27.45	3B	Washington Mutual	WM	41.89	1
Tiffany & Co.	TIF	30.92	1A-	Waste Management	WMI	29.56	3A
Time Warner	TWX	17.14	3A	Waters Corp.	WAT	49.40	2B
TJX Cos.	TJX	24.20	2B-	Watson Pharma.	WPI	32.11	1
Torchmark Corp.	TMK	52.99	3B	WellPoint Inc.	WLP	122.39	2B
Toys R Us	TOY	22.92	2B	Wells Fargo	WFC	59.90	3B
Transocean Inc.	RIG	49.05	2B	Wendy's Intl.	WEN	37.59	2-
Tribune Co.	TRB	40.39	4B	Weyerhaeuser	WY	67.85	2B
TXU Corp.	TXU	78.20	2B	Whirlpool	WHR	64.02	3B
Tyco Intl.	TYC	33.75	3B	William Wrigley Jr. Co.	WWY	67.06	2B-
Union Pacific	UNP	63.98	2-	Williams Cos.	WMB	19.29	2B
Unisys	UIS	7.67	4B	Wyeth	WYE	40.60	2
United Parcel Service	UPS	77.19	3	Xcel Energy	XEL	18.00	3
United States Steel Cp.	X	63.12	2B	Xerox Corp.	XRX	15.33	2B-
United Technologies	UTX	101.02	2B	Xilinx	XLNX	30.07	1A
UnitedHealth Group	UNH	91.39	2B	XL Capital	XL	75.03	3
Univision Commun.	UVN	26.48	4B	XTO Energy	XTO	45.50	2B
Unocal Corp.	UCL	54.43	2B	Yahoo!	YHOO	31.73	4A+
UnumProvident	UNM	17.43	2B	Yum! Brands	YUM	48.89	2B
US Bancorp	USB	29.85	3A	Zimmer Holdings	ZMH	85.94	2B
UST Inc.	UST	54.27	2B	Zions Bancorp.	ZION	66.21	2B-

Most Promising S&P Stocks

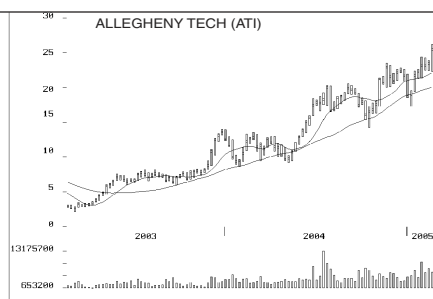
We've been stressing for the past several weeks that "we continue to feel that the key to profitability this year will be stock and group selection (unlike the past 2 years, when market timing was far more important than stock selection)." Nothing that we've recently seen on the tape or in our indicators has caused us to alter that theme. While this sector still remains in "decent" shape, it's obviously not nearly as one-sidedly bullish as it was a few months ago, as can be seen by the fact that, for the third month in a row, there are more sells than buys in this universe. Furthermore, while our proprietary S&P Survey (the percentage of stocks in this universe that are technically healthy - in Stages 1&2) is still in decent shape at a reading of 66%,

this key gauge is no longer as robust as it was only 2 months ago when it peaked at a reading of 84%. In addition, all you have to do is look at the extremely divergent action that continues to take place on this tape, and you'll see why we continue to feel that *selectivity* is an absolute must in this two-way market. To see what we're talking about, note that several of last issue's buy recommendations have moved ahead nicely, even in this "sideways" market. Yet, at the same time, plenty of last issue's "most vulnerable" S&P stocks have continued to develop very poor relative strength, such as Albertson's, Anheuser-Busch, Apollo Group, Best Buy, Dow Jones, Fannie Mae, Freddie Mac, Lexmark Intl., Ryder System, Symantec, and Wal-Mart Stores.

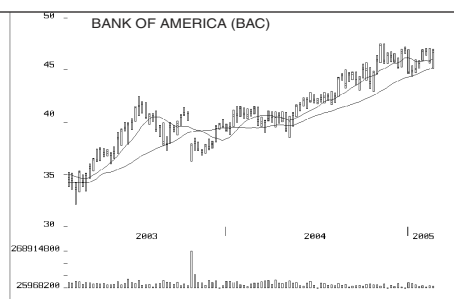
It should, therefore, be obvious that selectivity is more important than ever in this very "split" market environment. So make sure that you stay very much in gear with us, and that you continue to focus your attention on our most favored Stage 1&2 big cap issues while, at the same time, you follow "the drill," and sell and avoid any stocks that are in Stages 3&4. To better help you focus on those stocks that are acting best, as well as those that are still a problem, be sure to study the Most Promising and Most Vulnerable stocks in this section. Furthermore, it's also important that you carefully review our stage ratings for any S&P stocks that you are holding (see pgs. 8-13).



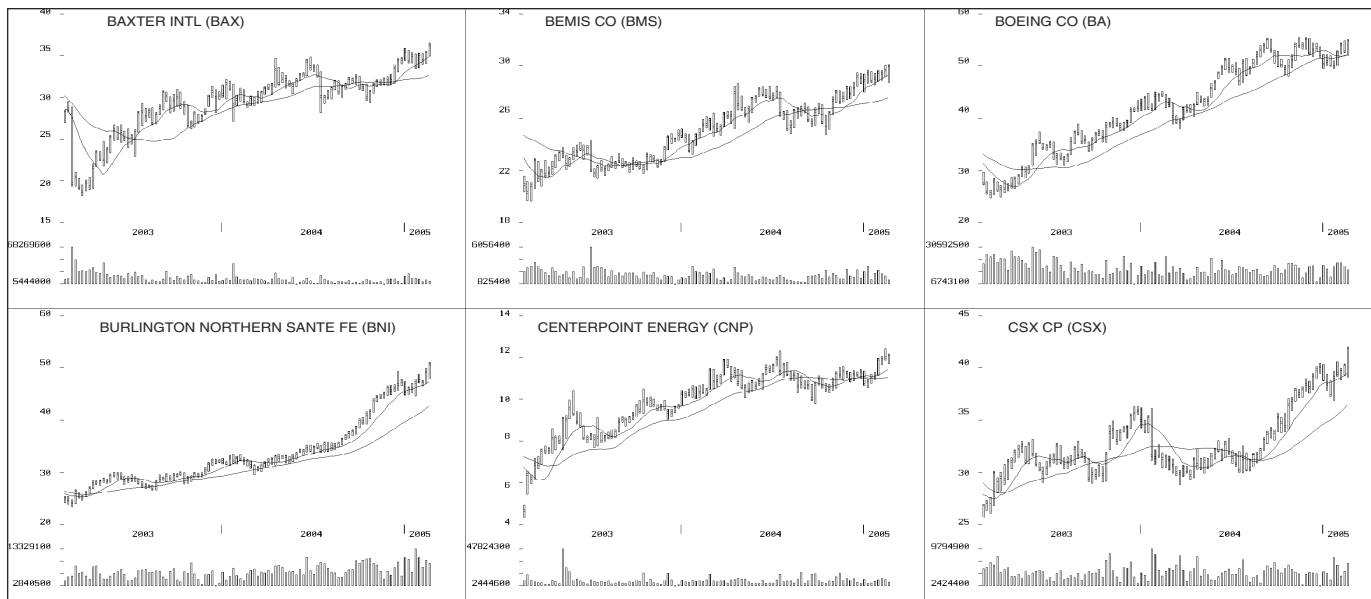
Air Products & Chemicals (APD-NY-63.20) is in a powerful Stage 2 uptrend but, near term, it's becoming extended. Do additional buying on pullbacks toward support now near 61, and protect with a 59.49 trading sell stop and a 54.99 investing stop.



Allegheny Technologies (ATI-NY-25.46) has just flashed a repeat positive signal. Do additional buying from here back toward support near 24. Set the trading sell stop at 21.99 and raise the investing stop to 18.49.



Bank of America (BAC-NY-46.79) is starting to shape up once again technically. Do buying on a close above 47.50, and protect with a 44.99 trading sell stop and a 43.99 investing stop.



Baxter International (BAX-NY-36.24) is displaying excellent relative strength. Do additional buying from here back toward support near 35.50, and protect with a 33.89 trading sell stop and a 31.99 investing stop.

Bemis Co. (BMS-NY-30.01) will flash a repeat buy signal if it can now close above 30.05. Do additional buying if that breakout does occur. Set the trading sell stop at 28.69 and adjust the investing stop to 27.49.

Boeing Co. (BA-NY-54.99) has shown considerable improvement during the past 30 days and is now in fine technical shape. Do buying on a close above 55.50, and protect with a 51.99 trading sell stop and a 49.49 investing stop.

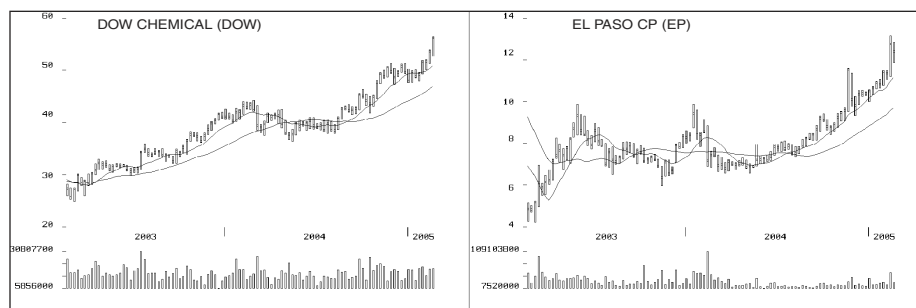
Burlington Northern Santa Fe (BNI-NY-50.71) is a strong stock in a strong group, and additional buying should be done from here back toward support now near 50. Set the trading sell stop at 46.49 and the investing stop at 43.99.

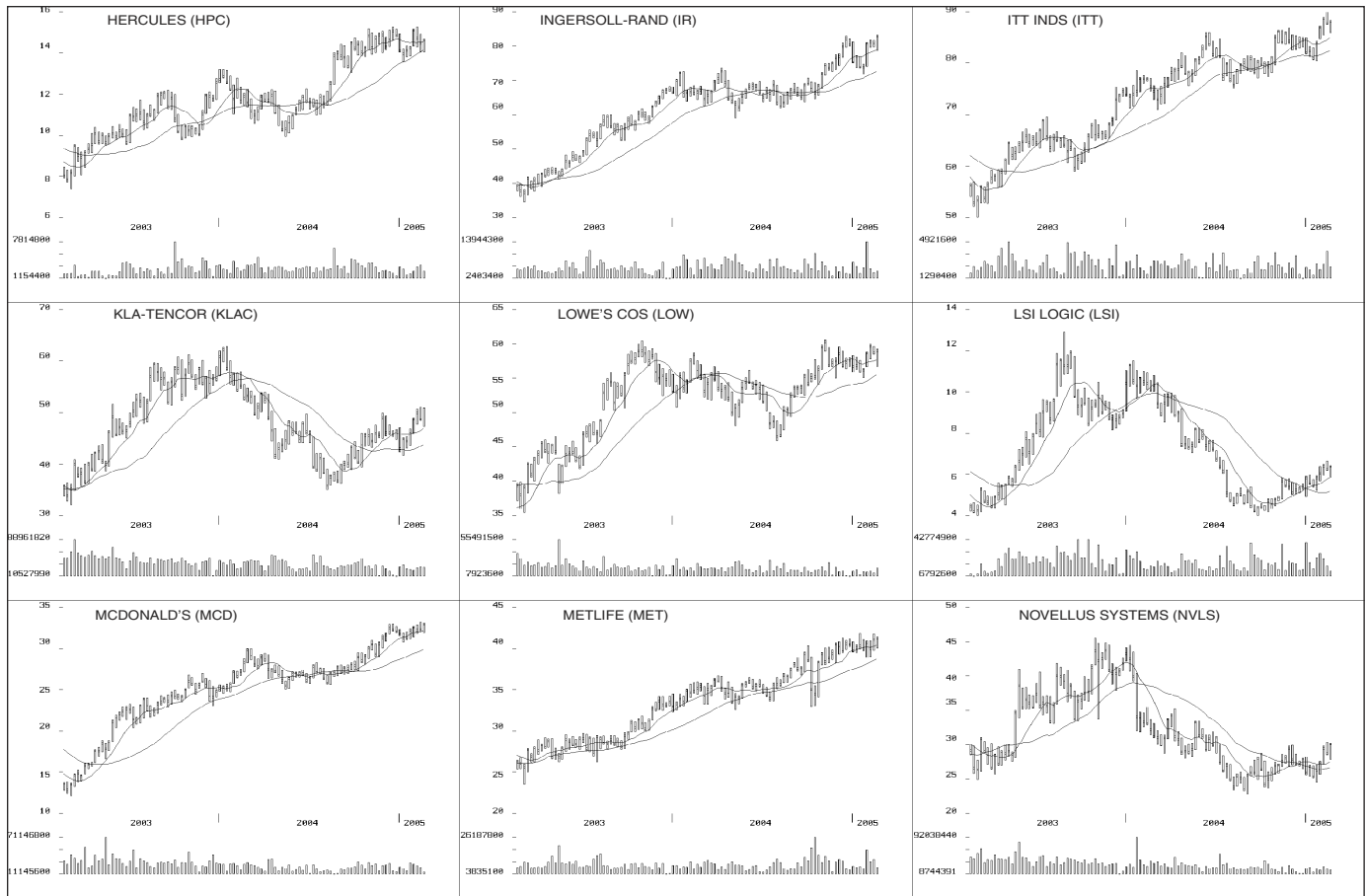
Centerpoint Energy (CNP-NY-12.11) is starting to shape up technically. Do buying on a close above 12.45, and set the protective sell stop at 10.49.

CSX Corp. (CSX-NY-41.91) is another technically favorable Railroad stock, and additional buying should be done on pullbacks toward the 40-41 zone. Protect with a 38.49 trading sell stop and a 36.69 investing stop.

Dow Chemical (DOW-NY-56.24) shows no sign of reversing its powerful Stage 2 uptrend. Near term, however, it's extended, so use pullbacks toward support now in the 53-54 zone for additional buying. Protect with a 49.99 trading sell stop and a 46.99 investing stop.

El Paso Corp. (EP-NY-12.39) is in a strong Stage 2 uptrend, and buying should be done from here back toward support near 11.50. Set the protective sell stop at 9.99.





Hercules (HPC-NY-14.62) will flash a positive long term signal if it can now close above 15.25, where buying should be done. Protect with a 13.99 trading sell stop and a 13.49 investing stop.

Ingersoll-Rand (IR-NY-83) is in a strong Stage 2 uptrend. Do buying from here back toward support near 81.50, and protect with a 78.49 trading sell stop and a 71.49 investing stop.

ITT Industries (ITT-NY-88.15) is in fine technical shape. Do additional buying on a close now above 90, and protect with an 84.99 trading sell stop and a 79.99 investing stop.

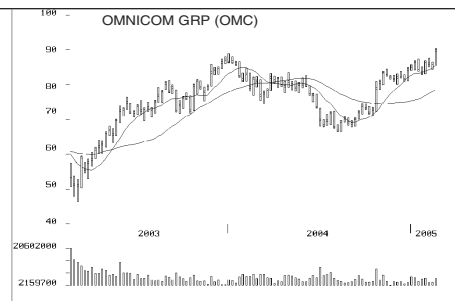
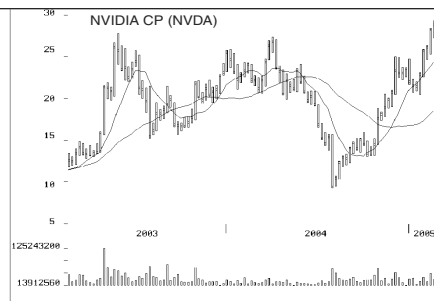
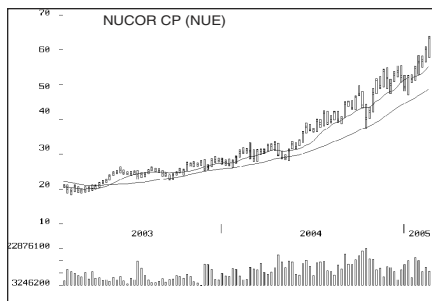
KLA-Tencor (KLAC-OTC-50.81) is another Semi-related issue that continues to improve technically. Do additional buying on a close above 51.05 (as that will now complete a head-and-shoulder bottom formation, moving KLAC into Stage 2A). Protect with a 46.99 trading sell stop and a 42.99 investing stop.

Lowe's Companies (LOW-NY-59) is starting to shape up technically once again. Buy crossing 60, and become even more aggressive on a close above key resistance at 60.55. Set the trading sell stop at 56.49 and raise the investing stop to 54.49.

LSI Logic (LSI-NY-6.38) remains in fine technical shape, and additional buying should now be done on a close above 6.65. Protect with a 5.59 trading sell stop and a 4.89 investing stop.

McDonald's (MCD-NY-32.98) will flash a repeat buy signal if it can now close above 33.20. Do additional conservative buying if that breakout does occur. Set the trading sell stop at 31.49 and raise the investing stop to 28.99.

Metlife (MET-NY-41.28) has a favorable long term pattern, and additional buying should now be done on a close above 41.85. Set the trading sell stop at 39.99 and raise the investing stop to 37.69.



Novellus Systems (NVLS-OTC-30.08) is a positive stock in a positive group. A close above 30.40 will move NVLS into Stage 2A and would be the signal to do buying. Protect with a 27.79 trading sell stop and a 24.49 investing stop.

Nucor Corp. (NUE-NY-63.39) shows no sign of reversing its powerful Stage 2 uptrend. Near term, however, it's extended, so use pullbacks toward support in the 60-61 zone for additional buying. Protect with a 54.49 trading sell stop and a 46.99 investing stop.

NVIDIA Corp. (NVDA-OTC-28.84) is displaying excellent relative strength, but it's extended near term. Use pullbacks toward support now near 26 for additional buying, and protect with a 24.49 trading sell stop and a 19.99 investing stop.

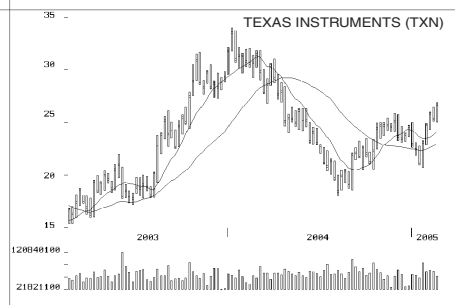
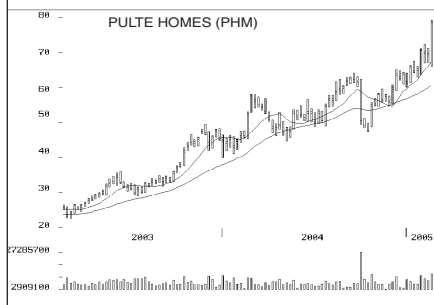
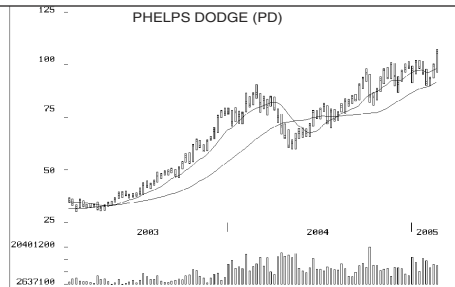
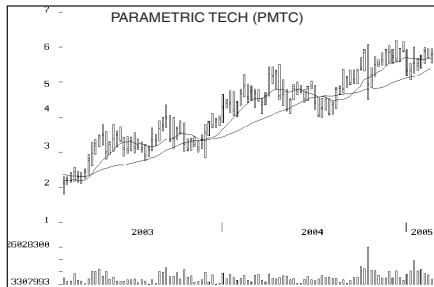
Omnicom Group (OMC-NY-89.95) is in fine technical shape but, near term, it's extended. Use pullbacks toward the 87-88 zone for buying, and protect with an 83.99 trading sell stop and a 79.99 investing stop.

Parametric Technology (PMTC-OTC-5.79) continues to display fine relative strength. Do additional buying crossing 6, and become even more aggressive on a close above 6.20. Protect with a 5.49 trading sell stop and a 4.99 investing stop.

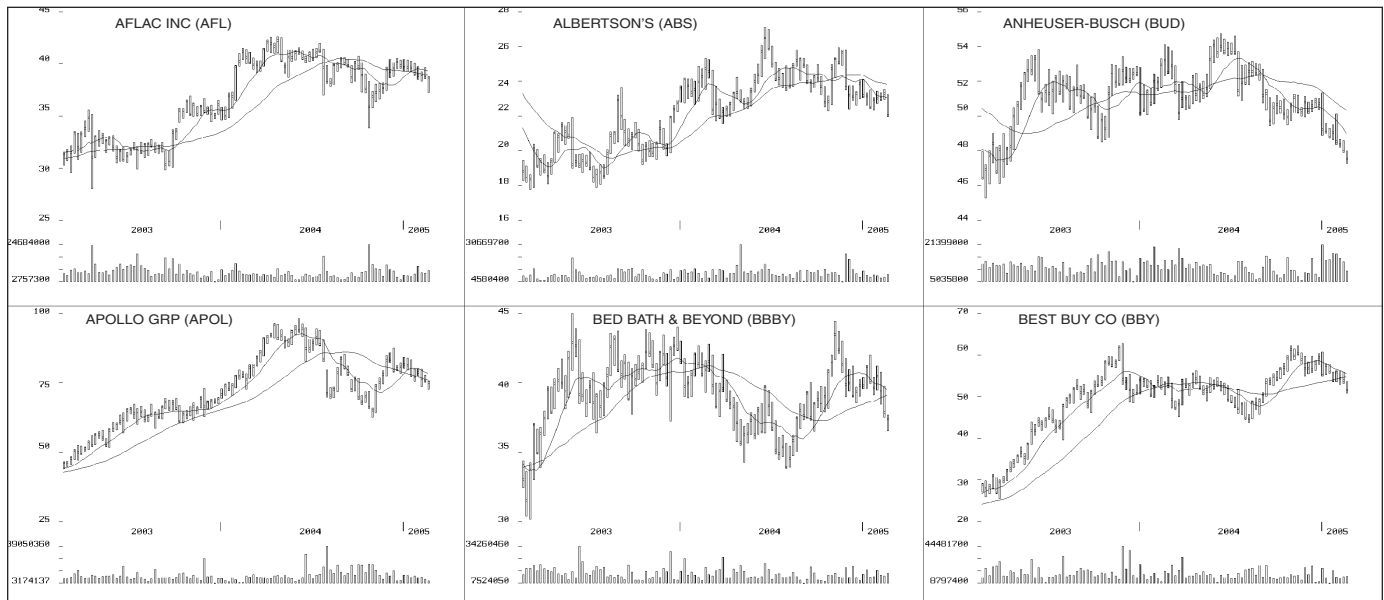
Phelps Dodge (PD-NY-105.80) shows no sign of reversing its powerful Stage 2 uptrend. Do additional buying on pullbacks toward the 101-103 zone, and protect with a 94.99 trading sell stop and an 85.99 investing stop.

Pulte Homes (PHM-NY-78.62) is a strong stock in a strong group. Near term, however, it's extended, so use pullbacks toward support now in the 71-74 zone for additional buying. Set the trading sell stop at 65.99 and raise the investing stop to 59.99.

Texas Instruments (TXN-NY-26.70) has just completed a major Stage 1 base pattern. Do buying from here back toward support near 26, and protect with a 24.99 trading sell stop and a 22.49 investing stop.



Most Vulnerable S&P Stocks



Aflac Inc. (AFL-NY-38.72)
continues to display very poor relative strength. Do additional selling from here back toward resistance near 39.50.

Albertson's (ABS-NY-22.01)
remains in horrid technical shape. Do additional selling from here back toward resistance near 23.

Anheuser-Busch (BUD-NY-47.52)
shows no sign of reversing its major Stage 4 downtrend. Use rallies back toward resistance now in the 48-49 zone for additional selling.

Apollo Group (APOL-OTC-75)
is a technically negative stock with heavy supply overhead in the 78-80 zone. Do additional selling on rallies back toward that area, and become even more aggressive on a close now below 72.70.

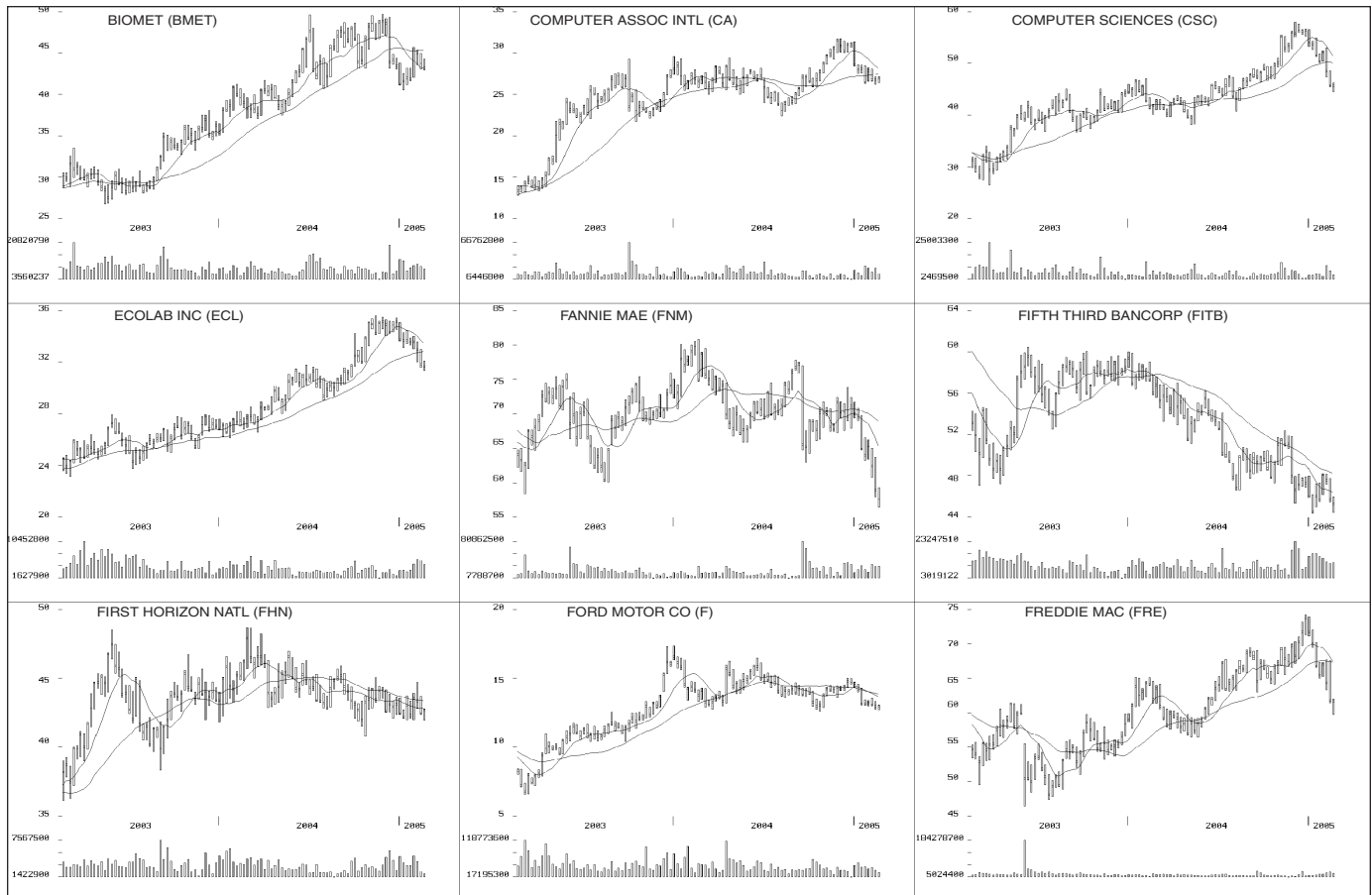
Bed Bath & Beyond (BBBY-OTC-37.40)
remains in a major Stage 4 downtrend. Use rallies back toward the 38.50-39 zone for additional selling.

Best Buy Co. (BBY-NY-51.69)
recently turned clearly bearish and moved into Stage 4A. Near term, however, it's oversold, so use rallies back toward the 53-54 zone for additional selling.

Biomet (BMET-OTC-43.20)
is tracing out a major Stage 3 top pattern. Do additional selling on a break now below 42.75, and become even more aggressive on a close below key support at 40.50.

Computer Assoc. Intl. (CA-NY-26.95)
is in a topky and vulnerable position. A close below 26 will be a bearish long term indication and would be the signal to do selling.

Computer Sciences (CSC-NY-45.74)
is a technically negative Stage 4 stock. Near term, however, it's oversold, so use rallies back toward resistance now in the 47.50-48.50 zone for additional selling.



Ecolab Inc. (ECL-NY-31.66) is displaying poor relative strength. Do selling from here back toward resistance near 32, and become even more aggressive on a close below 31.30.

Fannie Mae (FNM-NY-57.70) shows no sign of reversing its major Stage 4 downtrend. Near term, however, it's oversold, so use rallies back toward the 60-62 zone for additional selling.

Fifth Third Bancorp (FITB-OTC-45.30) is a technically negative Stage 4 stock. A close below 44.30 would be a repeat sell signal, and should be the catalyst for a new downleg.

First Horizon National (FHN-NY-42.70) remains in very poor technical shape. Do additional selling on a close now below 41.90.

Ford Motor Co. (F-NY-13) has a bearish long term pattern. Use rallies back toward resistance now in the 13.75-14.25 zone for additional selling.

Freddie Mac (FRE-NY-61.64) has gotten hit since it appeared on last month's sell list. Near term, however, it's oversold, so use rallies back toward resistance now in the 64-65.50 zone for additional selling.

Gannett Inc. (GCI-NY-79.21)

will complete a major Stage 3 top pattern if it now closes below support at 78.50. If that breakdown does occur, that would be the signal to do additional selling.

Jones Apparel Group (JNY-NY-32.31) continues to demonstrate poor relative strength. Do additional selling on a close now below 32.

JPMorgan Chase (JPM-NY-36.97) continues to trace out a major Stage 3 top pattern. Use rallies back toward resistance near 38 for additional selling, and become even more aggressive on a close now below 35.50.

Lexmark International (LXK-NY-80.12) remains in very poor technical shape. Use rallies back toward resistance now in the 82-84 zone for additional selling.

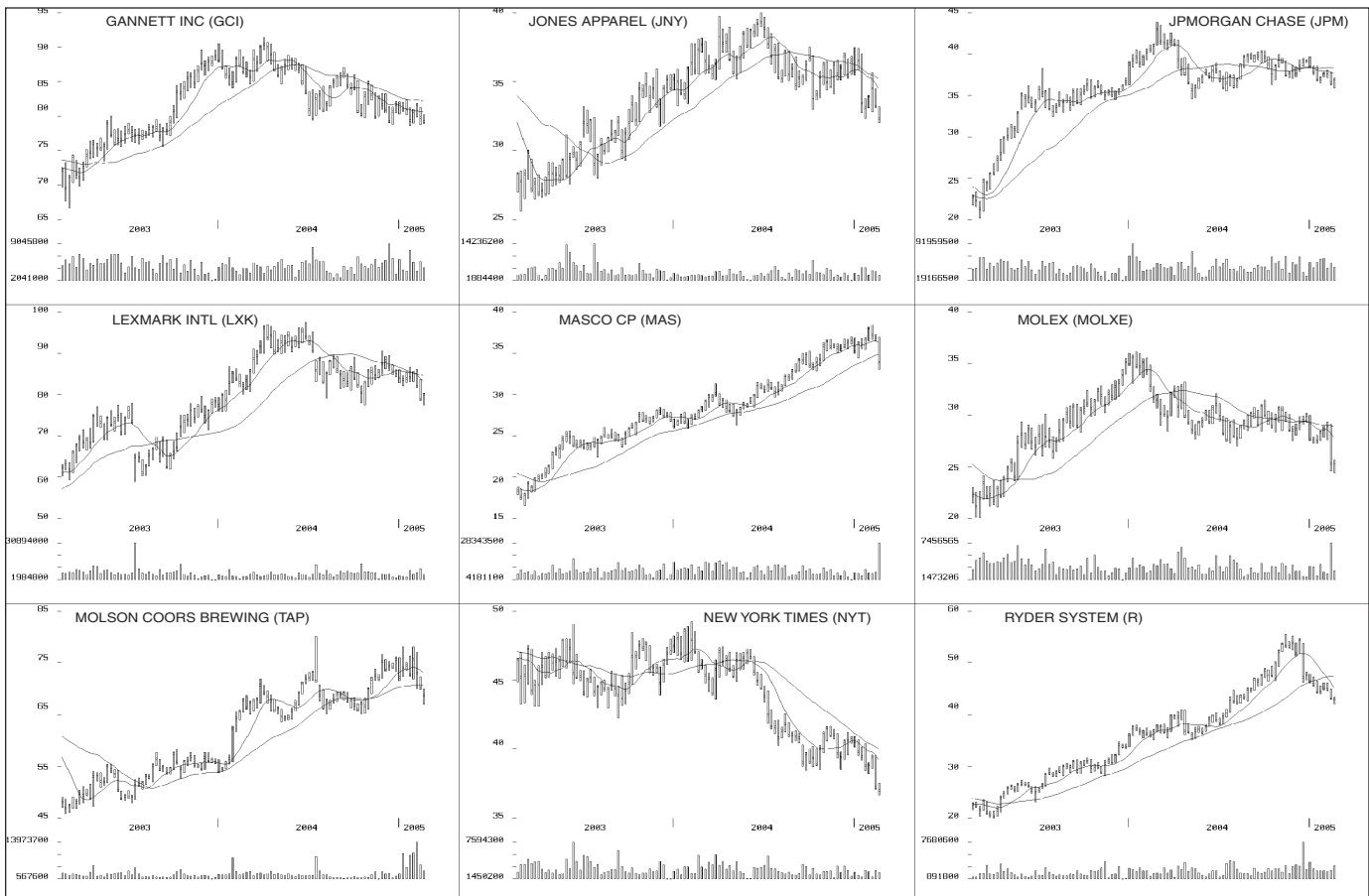
Masco Corp. (MAS-NY-33.92) has shown considerable weakness during the past 30 days and is now in a topy and vulnerable position. Do initial selling on rallies back toward the 35-36 zone, and become even more aggressive on a close below 33 (as that will turn the long term trend clearly bearish).

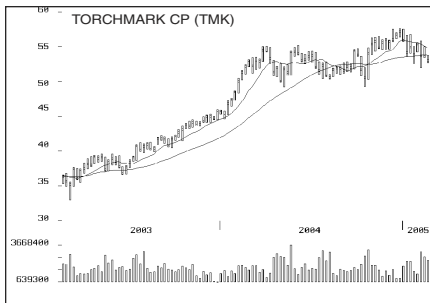
Molex (MOLX-OTC-25.40) is in a major Stage 4 downtrend. Near term, however, it's oversold, so use rallies back toward the 27-28 zone for additional selling.

Molson Coors Brewing (TAP-NY-68.73) recently flashed a bearish long term signal and moved into Stage 4A. Use rallies back toward resistance near 70 for additional selling.

New York Times (NYT-NY-37.01) is displaying horrid relative strength. Near term, however, it's oversold, so use rallies back toward the 38-39 zone for selling.

Ryder System (R-NY-43) is a technically negative Stage 4 stock. Use rallies back toward resistance near 45 for additional selling.

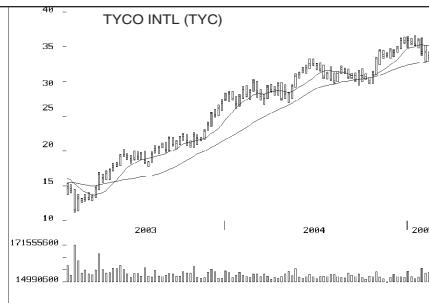




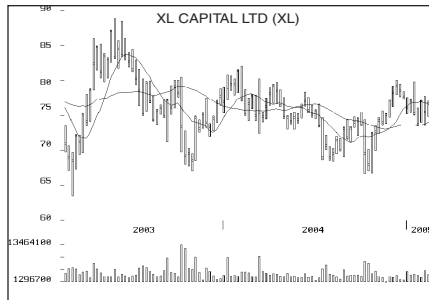
Torchmark Corp. (TMK-NY-52.99) remains in a topicky and vulnerable position. A close below 51.90 will move TMK into Stage 4A and would be the signal to do additional selling.

Tyco Intl. (TYC-NY-33.75) is tracing out a potential Stage 3 top pattern. Do initial selling breaking 32.80, and become even more aggressive on a close below 32.40 (as that will move TYC into Stage 4A).

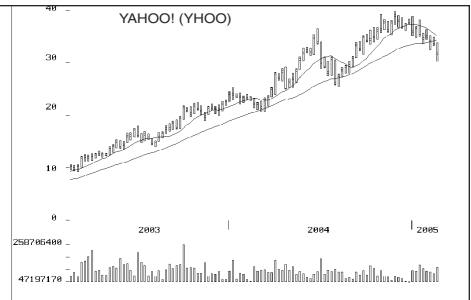
Wal-Mart Stores (WMT-NY-51.49) continues to display very poor relative strength. Do additional selling on rallies back toward the 52-53 zone, and become even more aggressive on a close below 51.



XL Capital Ltd. (XL-NY-75.03) has a weak technical pattern. A close below 73.50 will turn XL clearly unfavorable and would be the signal to do aggressive selling.



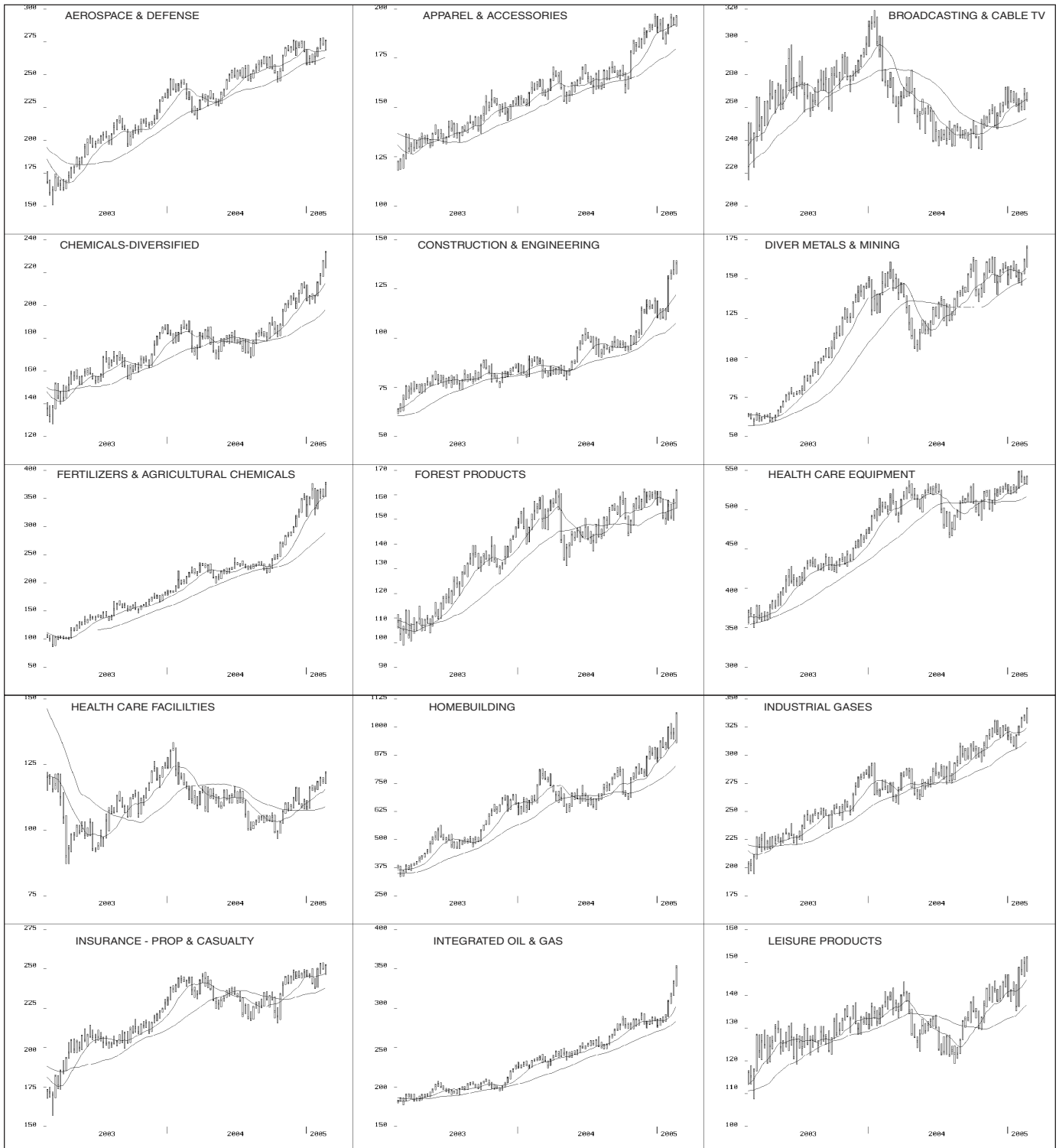
Yahoo! (YHOO-OTC-31.73) has just completed an important top formation and moved into Stage 4A. Use rallies back toward the 32.50-33.50 zone for additional selling.



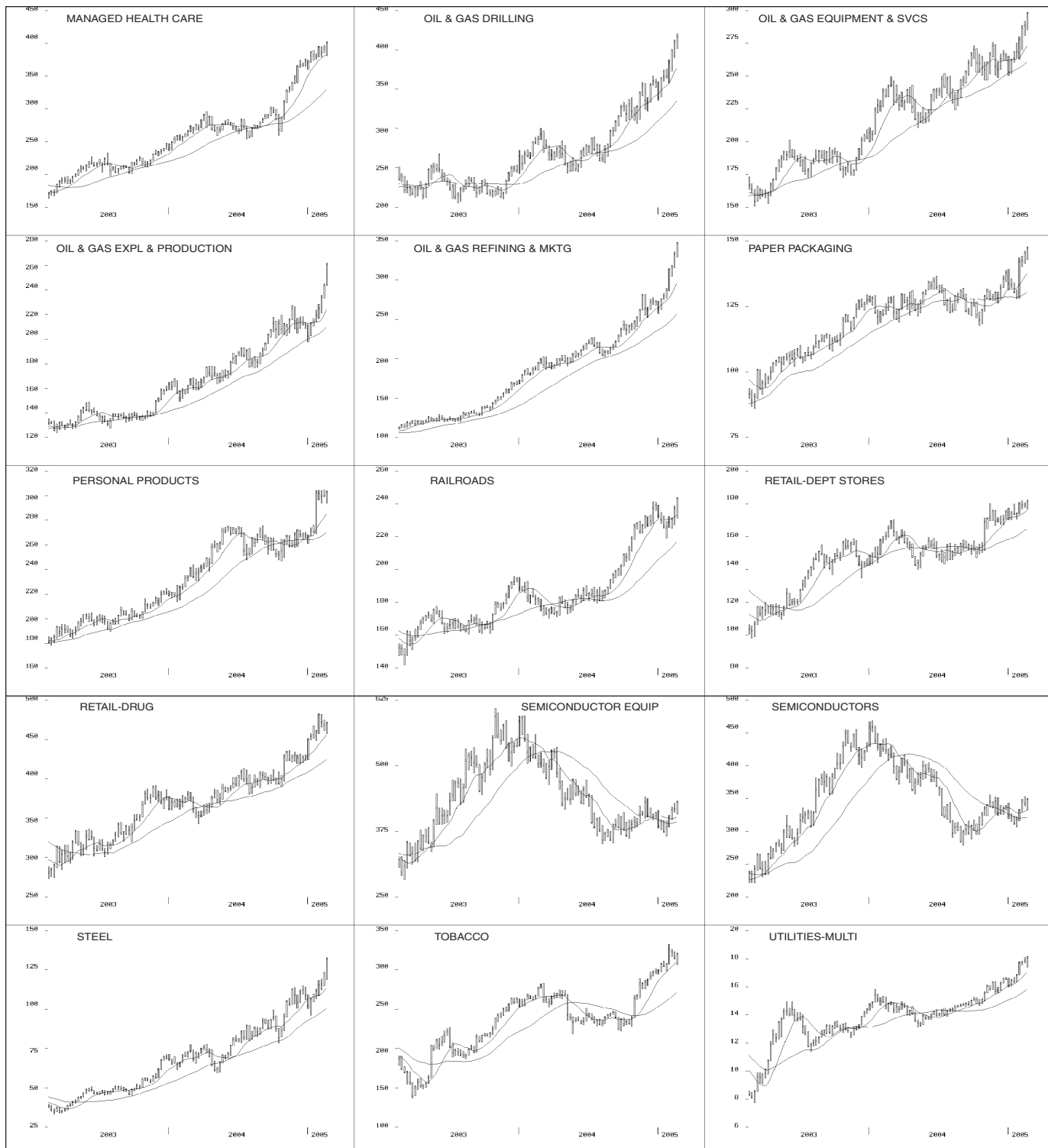
Group Stage Rating Scan

GROUP	STAGE	GROUP	STAGE	GROUP	STAGE
Advertising	2B	Food Distributors	2B-	Oil & Gas Refining & Mktg.	2B+
Aerospace & Defense	2B	Footwear	2B-	Packaged Foods	2B-
Agricultural Products	2B	Forest Products	2B	Paper Packaging	2B+
Air Freight & Couriers	3A	Gold	2B-	Paper Products	4
Airlines	4B	Health Care Distributor&Svcs.	2	Personal Products	2B
Aluminum	1A-	Health Care Equipment	2B	Pharmaceuticals	1A
Apparel & Accessories	2B	Health Care Facilities	2+	Photographic Products	2B
Application Software	2B-	Health Care Services	2B	Publishing & Printing	4B
Asset Mgmt. & Cust. Banks	2B-	Health Care Supplies	2B	Railroads	2B+
Auto Parts & Equip.	4B	Home Ent. Software	2B	REITS	2B-
Automobile Mfg.	4B	Home Furnishings	3A	Restaurants	2B
Banks-Diversified	2B-	Homebuilding	2B+	Retail-Apparel	2B-
Banks-Regional	3B	Hotels	2B-	Retail-Computers & Elec.	4A
Biotechnology	3	Household Appliances	2B-	Retail-Dept. Stores	2B
Brewers	4	Household Products	3	Retail-Drug	2B
Broadcasting & Cable TV	2	Housewares & Specialties	2B	Retail-Food Chains	1-
Building Products	2B-	Industrial Conglomerates	2B-	Retail-General Merchandise Stores	2B
Casinos & Gaming	3	Industrial Gases	2B+	Retail-Home Improvement	2B-
Chemicals-Diversified	2B+	Industrial Machinery	2B-	Retail-Hypermkts. & Supercntrs.	4B
Chemicals-Specialty	2B	Insurance Brokers	4B	Retail-Internet	4
Commercial Printing	2B-	Insurance-Life & Health	2B	Retail-Specialty Stores	2B
Communications Equip.	4B	Insurance-Multi-Line	2B	Semiconductor Equipment	1B+
Computer Hardware	2B-	Insurance-Prop.& Casualty	2B	Semiconductors	1B+
Computer Storage & Periph.	2B-	Integrated Oil & Gas	2B+	Soft Drinks	1B
Construction & Engineering	2B+	Integrated Telecomm. Svcs.	4	Specialized Finance	2B-
Construction & Farm Mach.	2B	Internet Soft. & Svcs.	4A+	Steel	2B+
Data Processing & Outsource	4	Investment Banking & Brok.	2B	Systems Software	3A
Distillers & Vintners	2B	IT Consulting & Svcs.	4B	Thriffs & Mortgage Finance	4+
Distributors	2B-	Leisure Products	2B+	Tires & Rubber	2B-
Diver. Commercial Svcs.	3A	Managed Health Care	2B+	Tobacco	2B
Diver. Financial Svcs.	3A	Metal & Glass Containers	2B-	Trading Cos. & Distributors	2B
Diver. Metals & Mining	2B+	Motorcycle Manufacturers	2B	Trucking	2B
Electrical Compon. & Equip.	2B	Movies & Entertainment	2B-	Utilities-Electric	2B
Electronic Equip. Mfgs.	1	Office Electronics	2B-	Utilities-Gas	2B
Electronic Manuf. Svcs.	4B	Office Svcs. & Supplies	2B-	Utilities-Multi	2B+
Employment Services	2B-	Oil & Gas Drilling	2B+	Wireless Telecomm. Svcs.	2B
Environmental Services	3B	Oil & Gas Equip. & Svcs.	2B+		
Fertilizers & Agric. Chem.	2B+	Oil & Gas Expl. & Prod.	2B+		

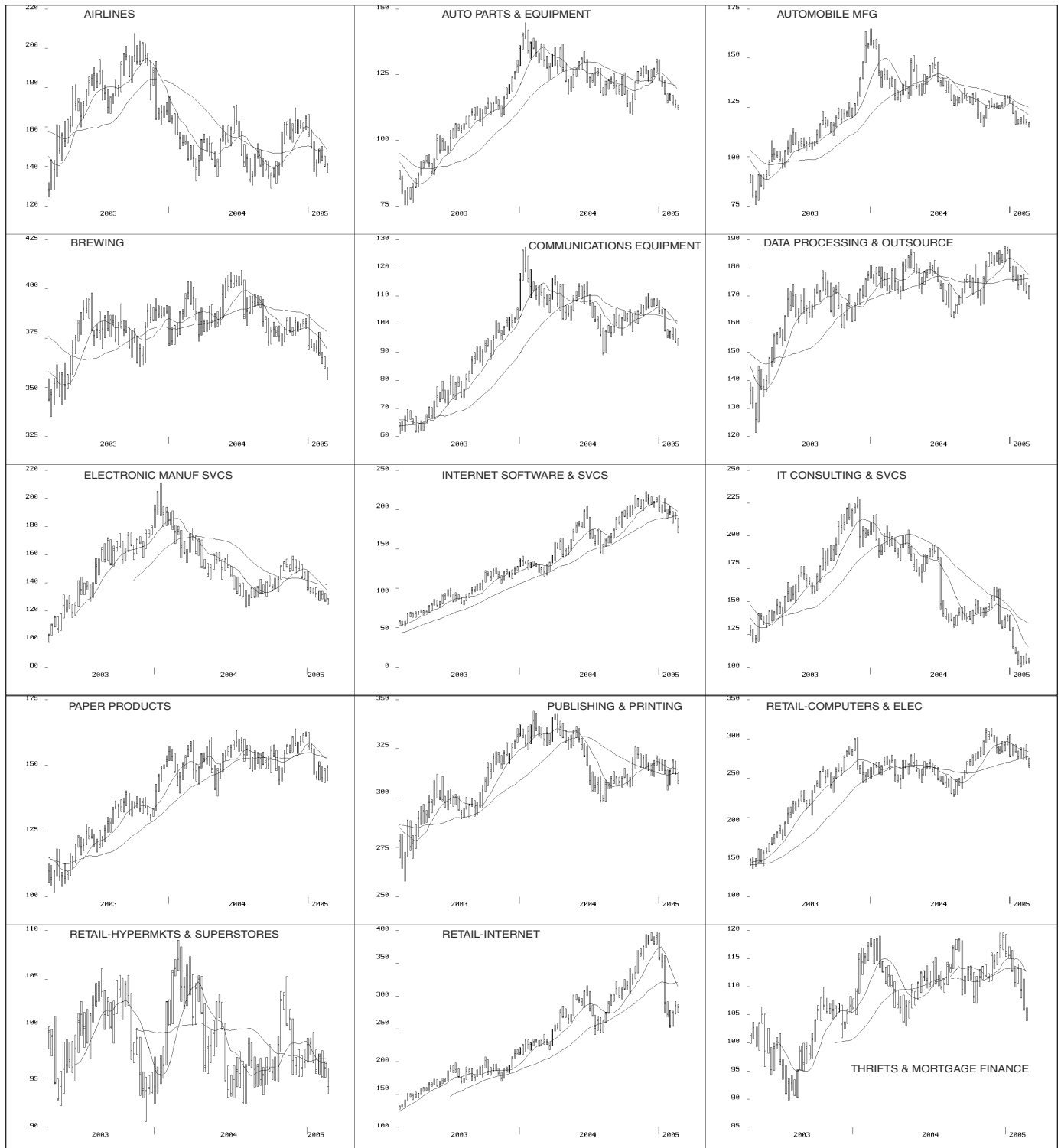
Most Promising Groups



Charts courtesy of Reuters



Most Vulnerable Groups

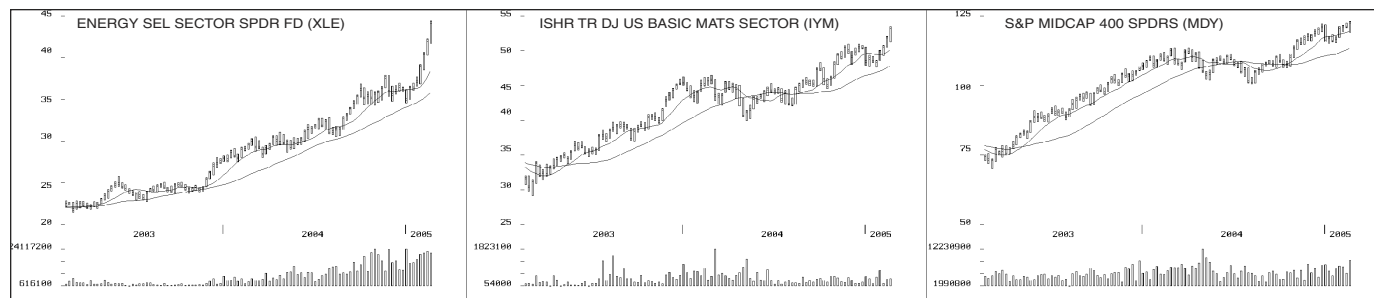


Charts courtesy of Reuters

■ Stage Analysis of Exchange-Traded Funds

STOCK	SYMBOL	PRICE	STAGE	STOCK	SYMBOL	PRICE	STAGE
Biotech HOLDERS Tr.	BBH	146.05	3B	iShr. Tr. Russell 3000 Ind. Fd.	IWV	69.32	2B
Consumer Discretionary SPDR	XLY	33.74	2B	iShr. Tr. Russell Midcap Grth.	IWP	84.72	2B
Consumer Staples Sector SPDR Fd.	XLP	23.37	2B	iShr. Tr. S&P 500 BARRA Grth.	IVW	58.13	2B
DIAMONDS Tr. Series 1	DIA	108.36	2B	iShr. Tr. S&P 500 BARRA Val.	IVE	63.00	2B
Energy Sel. Sector SPDR Fd.	XLE	44.17	2B	iShr. Tr. S&P 500 Ind.	IVV	121.57	2B
Financial Sel. Sector SPDR Fd.	XLF	29.96	2B	iShr. Tr. S&P Mid 400 BARRA Grth.	IJK	136.36	2B
FORTUNE 500 Index Fd.	FFF	86.49	2B	iShr. Tr. S&P Mid 400 BARRA Val.	IJJ	129.79	2B
Health Care Select Sector SPDR Fd.	XLV	30.59	1B	iShr. Tr. S&P Mid 400 Ind. Fd.	IJH	134.28	2B
Industrial Sel. Sector SPDR Fd.	XLI	30.73	2B	iShr. Tr. S&P SmCap 600 BARRA Grth.	IJT	109.72	2B
Internet Architecture HOLDERS Tr.	IAH	35.59	2	iShr. Tr. S&P SmCap 600 BARRA Val.	IJS	121.62	2B
Internet Infrastructure HOLDERS Tr.	IIH	3.91	2-	Market 2000+ HOLDERS Tr.	MKH	55.64	2B
iShr. Cohen & Steers Realty Majors	ICF	129.00	3A	Materials Sel. Sector SPDR Fd.	XLB	31.39	2B
iShr. GS Semiconductor Ind. Fd.	IGW	54.41	1	ML B2B Internet HOLDERS Tr.	BHH	2.54	2-
iShr. GS Software Ind. Fd.	IGV	39.26	2B-	ML Broadband HOLDERS Tr.	BDH	14.83	4A
iShr. GS Technology Ind. Fd.	IGM	43.76	3	ML Internet HOLDERS Tr.	HHH	56.62	3B
iShr. NASDAQ Biotech. Ind. Fd.	IBB	71.30	1A-	NASDAQ 100 Index Tracking Stock	QQQQ	37.62	3
iShr. S&P Global Healthcare	IXJ	49.40	1B	Oil Service HOLDERS Trust	OIH	98.43	2B
iShr. S&P Global Telecomm.	IXP	51.40	2B	Pharmaceutical HOLDERS Trust	PPH	72.47	1A-
iShr. S&P SmallCap 600	IJR	164.54	2B	Regional Bank HOLDERS Trust	RKH	136.30	3B
iShr. Tr. DJ US Basic Mats. Sector	IYM	53.37	2B	Retail HOLDERS Trust	RTH	97.10	2B
iShr. Tr. DJ US Cons. Non-Cycl. Ind.	IYK	54.26	2B	S&P Midcap 400 SPDRs	MDY	122.70	2B
iShr. Tr. DJ US Cons. Svcs.	IYC	58.96	2B-	Semiconductor HOLDERS Trust	SMH	34.44	1B
iShr. Tr. DJ US Energy Sector Ind.	IYE	77.90	2B	Software HOLDERS Trust	SWH	35.00	3B
iShr. Tr. DJ US Healthcare Sec. Ind.	IYH	59.56	1B	SPDR S&P Dep. Rcpt .	SPY	121.43	2B
iShr. Tr. DJ US Real Estate Ind.	IYR	117.25	2B	Strategic Rtn. Nts. Biotech.-Pharm. Ind.	BPN	9.24	3
iShr. Tr. DJ US Tech. Sector	IYW	45.85	3	streetTRACKS Gold Shares	GLD	43.50	1A
iShr. Tr. DJ US Telecom. Sector	IYZ	23.48	2B-	streetTRCK. DJ US SmCap Value Ind.	PSV	175.66	3A
iShr. Tr. DJ US Total Mkt. Ind.	IYY	58.06	2B	streetTRCK. MS High Tech. 35 Ind.	MTK	46.92	3B
iShr. Tr. DJ US Utilities Sec. Ind.	IDU	71.62	2B	streetTRCK. Wil. REIT Index Fd.	RWR	177.00	3A
iShr. Tr. GS Networking Ind. Fd.	IGN	26.40	4	Technology Sel. Sector SPDR Fd.	XLK	20.01	3B
iShr. Tr. Russell 1000 Grth. Ind. Fd.	IWF	48.24	2B	Telecom HOLDERS Tr.	TTH	27.39	3B
iShr. Tr. Russell 1000 Ind.	IWB	65.34	2B	Utilities HOLDERS Tr.	UTH	102.63	2B
iShr. Tr. Russell 1000 Value Ind. Fd.	IWD	67.71	2B	Utilities Sel. Sector SPDR Fd.	XLU	29.25	2B
iShr. Tr. Russell 2000 Grth.	IWO	65.72	2B	Vanguard Total Stock Market VIPERs	VTI	118.09	2B
iShr. Tr. Russell 2000 Ind. Fd.	IWM	127.07	2B	Wireless HOLDERS Tr.	WMH	55.03	3B
iShr. Tr. Russell 2000 Value	IWN	190.35	2B				

Favorable



Charts courtesy of Reuters

■ Stage Analysis of Secondary Stocks

STOCK	SYMBOL	RECENT PRICE	STAGE	STOCK	SYMBOL	RECENT PRICE	STAGE
3Com Corp.	COMS	3.58	4B	Brooks Automation	BRKS	18.73	1-
99 Cents Only Stores	NDN	15.17	1	Bucyrus Intl.	BUCY	43.88	2B+
Abercrombie & Fitch	ANF	54.23	2B	Cablevision Systems	CVC	30.18	2
Abgenix	ABGX	8.69	4B	Cabot Microelectronics	CCMP	32.93	4
Activision Inc.	ATVI	21.95	2B	Caci Intl.	CAI	53.45	3B
Adaptec Inc.	ADPT	5.46	4B	Cadence Design Sys.	CDN	13.50	1A
Advance Auto Parts	AAP	50.75	2B	Caesars Enter.	CZR	20.34	2B
Advanced Medical Optics	AVO	38.89	3B	Callaway Golf	ELY	13.48	1B
Advanced Neuromod. Sys.	ANSI	29.67	4	Career Education	CECO	35.05	1A-
Aeropostale	ARO	31.60	2B	CarMax Inc.	KMX	32.94	2
Affymetrix	AFFX	43.93	2B	CBRL Group	CBRL	42.74	2B
AG Edwards	AGE	43.02	2B	CDW Corp.	CDWC	56.83	4
AirTran Hldgs.	AAI	8.18	4B	CEC Entertainment	CEC	39.08	2B
Akamai Technologies	AKAM	11.09	3B	Celgene	CELG	28.17	3
Alaska Air Group	ALK	29.54	2B	Cephalon	CEPH	50.40	1
Alkermes	ALKS	12.11	4	Cerner Corp.	CERN	52.10	2B
Amazon.com	AMZN	34.99	4B	Charles River Labs.	CRL	46.30	2B
Amdocs Ltd.	DOX	29.48	2	Check Point Software	CHKP	22.40	2-
American Tower	AMT	18.60	2B	CheckFree	CKFR	38.13	2B
Americredit	ACF	23.67	2B	Cheesecake Factory	CAKE	34.00	2B
AmeriTrade	AMTD	10.74	4	Chicago Mercantile Exch.	CME	211.15	2B
AMR Corp.	AMR	8.67	4B	Chico's Fas	CHS	29.51	2B
Amylin Pharm.	AMLN	22.14	1A-	CNA Financial	CNA	29.15	2
Andrx Group	ADRX	22.27	1A-	Cognex Corp.	CGNX	28.26	1A
Ann Taylor Stores	ANN	22.12	4	Cognizant Tech. Solns.	CTSH	47.71	2B
Applebee's Intl.	APPB	28.46	2B	Columbia Sportswear	COLM	56.18	3
Applera-Celera Genomics	CRA	11.35	4	Commscope	CTV	15.39	4
Arch Coal	ACI	44.97	2B	CONSOL Energy	CNX	45.75	2B+
Armor Holdings	AH	40.32	3	Continental Airlines	CAL	10.89	1A-
Ask Jeeves	ASKJ	22.68	4	Cooper Cos.	COO	83.45	2B
Avid Technology	AVID	66.00	2B	Corinthian Colleges	COCO	17.24	1
Avnet	AVT	19.58	1B	Coventry Health Care	CVH	63.22	2B
Barnes & Noble	BKS	34.56	2B	Credence Systems	CMOS	9.08	1
Barr Pharmaceuticals	BRL	47.49	2	Cree Inc.	CREE	23.60	4B
BE Aerospace	BEAV	12.03	2B	Crown Castle Intl.	CCI	16.37	2B
BEA Systems	BEAS	8.31	1A	Crown Holdings	CCK	16.15	2B+
Beazer Homes USA	BZH	173.61	2B	CSG Systems Intl.	CSGS	17.26	3
bebe stores	BEBE	28.32	2B	Cubist Pharm.	CBST	11.07	1A-
Beckman Coulter	BEC	70.49	2B	Cumulus Media	CMLS	14.03	4B
Berkley, WR	BER	51.59	2B	Cypress Semicond.	CY	14.55	2
BJ'S Wholesale Club	BJ	29.80	2B	Cytec Inds.	CYT	50.55	2B
Black Box Corp.	BBOX	39.22	4	CYTYC Corp.	CYTC	22.85	3B+
Borders Group	BGP	25.80	2B	Davita Inc.	DVA	42.39	2B
BorgWarner	BWA	52.75	2B	DENTSPLY Intl.	XRAY	55.02	2B-
Briggs & Stratton	BGG	39.10	3B	DeVry Inc.	DV	17.45	4B-
Brinker Intl.	EAT	38.02	2	Diamond Offshore Drill.	DO	49.55	2B
Brocade Comm. Systems	BRCD	6.29	1A-	Dick's Sporting Goods	DKS	34.94	3

STOCK	SYMBOL	RECENT PRICE	STAGE	STOCK	SYMBOL	RECENT PRICE	STAGE
Diebold	DBD	53.86	2-	Huntsman Corp.	HUN	28.50	2
DIRECTV Group	DTV	15.10	4	Hyperion Solutions	HYSL	49.76	2B
Dollar Tree Stores	DLTR	26.85	4B	ICOS Corp.	ICOS	22.99	1A-
Domino's Pizza	DPZ	17.26	3	IDEXX Labs.	IDXX	56.79	2
Doral Financial	DRL	40.35	3	Imclone Systems	IMCL	45.60	4
DoubleClick	DCLK	7.68	1	InfoSpace Inc.	INSP	41.13	3B
DR Horton	DHI	45.01	2B	Integrated Circuit Sys.	ICST	20.54	4B
DST Systems	DST	47.04	3A	Integrated Device Tech.	IDTI	12.67	1B
Dun & Bradstreet	DNB	60.95	2B	Inter-Tel Inc.	INTL	27.12	2-
EarthLink	ELNK	8.75	4	Interchange Corp.	INCX	19.17	3
Eclipsys Corp.	ECLP	15.78	3B	Intermagetics Gen.	IMGC	25.62	3A
Education Management	EDMC	29.95	3B	International Rectifier	IRF	44.73	2
Electronics for Imag.	EFII	16.54	4B	Intersil	ISIL	17.27	1A
Energizer Hldgs.	ENR	58.96	2B	Interwoven	IWOV	9.11	1A-
ENSCO Intl.	ESV	40.62	2B	Invacare Corp.	IVC	47.00	3A
Estee Lauder	EL	44.15	3B	Investors Finl. Svcs.	IFIN	49.79	2B
Ethan Allen Interiors	ETH	35.24	4A	Invitrogen Corp.	IVGN	71.27	2
Everest Re Group	RE	87.75	2	Iron Mountain	IRM	27.15	4
F5 Networks	FFIV	54.93	2B	ITT Educational Svcs.	ESI	47.82	2
Factset Research Sys.	FDS	32.45	3	IVAX Corp.	IVX	16.18	4
Fair Isaac Corp.	FIC	33.56	2-	j2 Global Communications	JCOM	37.45	2
Fairchild Semiconductor	FCS	17.08	1B	Jack in the Box	JBX	35.33	2B
Fastenal Co.	FAST	58.69	3	JAKKS Pacific	JAKK	19.40	3
FileNet Corp.	FILE	23.35	3	JB Hunt Transport Svcs.	JBHT	45.74	2B
Finish Line	FINL	20.24	2B	Jeffries Group	JEF	38.33	2B-
Flextronics Intl.	FLEX	13.75	1A	JetBlue Airways	JBLU	18.37	4B
Flir Systems	FLIR	31.08	2B	Joy Global	JOYG	35.90	2B
FMC Corp.	FMC	50.15	2B	Juniper Networks	JNPR	21.63	4
FMC Technologies	FTI	34.31	2B	Jupitermedia	JUPM	13.28	4
Foot Locker	FL	27.25	2B	K-Swiss Inc.	KSWS	31.27	2B
Fossil Inc.	FOSL	25.90	3B	KEMET Cp.	KEM	8.32	4B
Foundry Networks	FDRY	10.40	4B	Kenneth Cole Prods.	KCP	29.09	4B-
Fox Enter. Group	FOX	33.74	2	Kmart Hldg.	KMRT	96.68	2B
Fred's Inc.	FRED	16.96	1A	Knight Trading Gp.	NITE	10.52	3
Fremont General	FMT	25.20	2	Kraft Foods	KFT	33.86	2B-
Friedman Billings Ramsey	FBR	18.90	1A	Kulicke & Soffa	KLIC	6.63	4B
FTI Consulting	FCN	19.12	2-	Lam Research	LRCX	31.98	2
Gen-Probe	GPRO	51.60	2B	Lamar Advertising	LAMR	39.75	4+
Genentech	DNA	48.24	3B	Lattice Semicond.	LSCC	5.30	1A
Genesis Microchip	GNSS	14.51	1A-	Lear Corp.	LEA	52.04	4
Gentex Corp.	GNTX	33.94	1A-	Legg Mason	LM	81.46	2B
GlobalSantaFe	GSF	37.70	2B	Lennar Corp.	LEN	62.30	2B
Google Inc.	GOOG	185.87	3	Liberty Media	L	10.11	2B-
Guitar Center	GTRC	59.63	2B	Lincare Hldgs.	LNCR	40.81	2B
Heartland Express	HTLD	20.58	2B-	Linens n Things	LIN	27.40	2
Henry Schein	HSIC	73.82	2	Littelfuse	LFUS	31.46	3B
Hot Topic	HOTT	21.57	2A+	Lone Star Tech.	LSS	46.91	2B
Hovnanian Enterprises	HOV	56.78	2B	M/I Homes	MHO	57.30	2B
Hughes Supply	HUG	30.29	3B	Macromedia	MACR	34.77	2B
Human Genome Sci.	HGSI	11.68	1A-	Manpower	MAN	44.44	3

STOCK	SYMBOL	RECENT PRICE	STAGE	STOCK	SYMBOL	RECENT PRICE	STAGE
Marvell Technology Grp.	MRVL	37.49	2B	Omnicare	OCR	34.67	1
Massey Energy	MEE	44.20	2B	Omnivision Technologies	OVTI	20.36	1B
Maverick Tube	MVK	36.16	2B+	ON Semiconductor	ONNN	4.65	1B
McAfee Inc.	MFE	23.48	2B-	Outback Steakhouse	OSI	45.36	2
McDermott Intl.	MDR	20.27	2B	Owens Illinois	OI	24.95	2B
MDC Holdings	MDC	80.76	2B	Oxford Industries	OXM	35.88	3B
Medarex	MEDX	8.81	3	Pacific Sunwear of CA	PSUN	25.59	2B
Medicis Pharm.	MRX	34.93	4	PacifiCare Hlth. Sys.	PHS	63.45	2B
MEMC Electronic Mats.	WFR	13.29	2B	palmOne	PLMO	22.23	4
Mens Wearhouse	MW	35.84	2B	Panera Bread	PNRA	54.22	2B
Mentor Corp.	MNT	34.43	2B	Papa John's Intl.	PZZA	34.60	2
Mentor Graphics	MENT	14.00	1	Par Pharm. Cos.	PRX	37.67	1A
Mercury Computer Sys.	MRCY	30.00	2	Patterson Cos.	PDCO	50.27	2B
Mesa Air Group	MESA	7.50	1	Patterson-UTI Energy	PTEN	25.26	2B
Metris Cos.	MXT	11.99	2B	Penn Natl. Gaming	PENN	60.24	2B
MGI Pharma	MOGN	24.11	3B	Pep Boys-Mny, Moe	PBY	17.66	1B
MGM Mirage	MGG	74.10	2B	PETCO Animal Supplies	PETC	35.91	2B-
Michaels Stores	MIK	31.85	2B	PetsMart	PETM	30.59	3B+
Micrel Inc.	MCRL	9.40	4B	PF Chang's China Bistro	PFCB	55.05	2B
Microchip Tech.	MCHP	28.12	1A-	Photon Dynamics	PHTN	23.27	1A
Micros Systems	MCRS	32.81	2B-	Pier 1 Imports	PIR	18.04	4
MicroStrategy Inc.	MSTR	71.66	2B	Pixar	PIXR	89.55	2B
Midway Games	MWY	10.43	3	Platinum Underwriters	PTP	31.06	2
Millennium Pharm.	MLNM	8.90	4B	Plug Power	PLUG	7.37	2
Mohawk Inds.	MHK	89.78	2B	PLX Technology	PLXT	12.10	2A
Movie Gallery	MOVI	23.21	2B	PMI Group	PMI	40.32	3
MRO Software	MROI	13.18	1	Pogo Producing	PPP	49.27	2
Murphy Oil	MUR	99.15	2B	Polaris Industries	PII	71.68	2B
Myriad Genetics	MYGN	22.02	2B	Polo Ralph Lauren	RL	39.52	2B-
Napstar Inc.	NAPS	7.21	2B-	Polycom	PLCM	16.31	4
National Oilwell	NOI	44.72	2B	Power Integrations	POWI	21.27	1A
Nationwide Finl. Svcs.	NFS	37.18	2B-	Powerwave Tech.	PWAV	6.76	4
Nautilus Group	NLS	22.00	2B-	Precision Castparts	PCP	76.43	2B
NBTY Inc.	NTY	24.80	1A	Premiere Global Services	PGI	9.99	3B
Nektar Therapeutics	NKTR	17.90	2-	Priceline.com	PCLN	22.25	3B
Netflix	NFLX	10.99	4B	Pride International	PDE	25.00	2B
NETGEAR Inc.	NTGR	13.82	1A-	Protein Design Labs.	PDLI	17.33	4
Neurocrine Biosciences	NBIX	40.74	4B	Quiksilver	ZQK	31.82	2B
New Century Financial	NEW	51.19	4A	Radian Group	RDN	48.52	3
New York Comm. Banc.	NYB	18.44	4B	Rambus	RMBS	17.70	3B
Newfield Exploration Co.	NFX	74.71	2B	Rare Hospitality Intl.	RARE	29.65	2B-
Newport Corp.	NEWP	14.10	1	Raymond James Finl.	RJF	30.38	2B
Nextel Partners	NXTP	20.15	2B	Reader's Digest Assn.	RDA	17.10	2A
Niku Corp.	NIKU	22.10	2	Red Hat	RHAT	11.37	4B
Noble Energy	NBL	68.45	2B+	Redwood Trust	RWT	57.17	3B
Northwest Airlines	NWAC	6.97	4	Regal Entertainment	RGC	19.22	3B
NTL Inc.	NTLI	65.29	2B-	Reliant Energy	RRI	12.21	2B
NVR Inc.	NVR	805.50	2B	Renal Care Group	RCI	40.00	2B
Odyssey HealthCare	ODSY	10.97	4B	Rent-A-Center	RCII	25.87	4B
Old Republic Intl.	ORI	24.07	3	Republic Services Inc.	RSG	31.46	3

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Research in Motion	RIMM	65.35	3B+	Teleflex Inc.	TFX	49.95	2-
ResMed	RMD	59.18	2B	TeleTech Hldgs.	TTEC	11.66	2
Respironics	RESP	58.28	2B	Tesoro Corp.	TSO	36.76	2B+
RF Micro Devices	RFMD	5.54	4B	Tetra Technologies	TTI	31.66	2B
Roper Inds.	ROP	63.70	2B	THQ Inc.	THQI	27.33	2B
Ross Stores	ROST	27.97	2	Tidewater	TDW	41.53	2B
Royal Caribbean Cruises	RCL	47.79	3A	Timberland	TBL	70.30	2B
RSA Security	RSAS	16.17	3B	TiVo	TIVO	4.19	4B
Ryland Group	RYL	71.55	2B	Toll Brothers	TOL	89.74	2B
S1 Corp.	SONE	7.86	3B	Tommy Hilfiger	TOM	10.80	4B-
SafeNet Inc.	SFNT	29.84	3	Tractor Supply Co.	TSCO	42.50	2
Saks Inc.	SKS	15.48	2B	Triad Hospitals	TRI	43.52	2B
SanDisk Corp.	SNDK	27.01	2-	Trimble Navigation Ltd.	TRMB	35.52	2B
Sapient Corp.	SAPE	7.47	3	Triton PCS	TPC	3.69	1B
Scripps, E.W.	SSP	46.60	4	Tupperware Corp.	TUP	20.75	2
SEI Investments	SEIC	36.92	2B-	Ultratech Inc.	UTEK	15.52	4B
Sepracor	SEPR	65.70	2B	United Online	UNTD	10.84	4B
Service Corp. Intl.	SCI	7.57	2B	United Surgical Ptns.	USPI	41.41	2B
Servicemaster	SVM	13.44	2B	United Therapeutics	UTHR	45.68	2B
Sharper Image	SHRP	15.50	4B	Universal Hlth. Svcs.	UHS	46.73	1
Shuffle Master	SHFL	32.46	2B	USEC Inc.	USU	15.91	2B+
Sierra Health Services	SIE	62.02	2B	UTStarcom	UTSI	13.30	4B
Silicon Image	SIMG	11.56	3B	Valassis Commun.	VCI	37.26	2B
Silicon Laboratories	SLAB	36.20	1	Valeant Pharm.	VRX	24.41	2B-
Sirius Satellite Radio	SIRI	5.15	2B-	ValueClick	VCLK	12.36	2B
Skywest	SKYW	17.35	3	ValueVision Media	VVTV	13.01	2-
Smith Intl.	SII	64.99	2B+	Varian	VARI	42.94	2
Smithfield Foods	SFD	34.10	2B	Varian Medical Sys.	VAR	36.02	4A
Sohu.com	SOHU	16.83	1A	Veeco Instruments	VECO	15.35	4B
Sonic Corp.	SONC	33.87	2B	Verisign	VRSN	28.09	2B-
SpectraSite Holdings	SSI	62.52	2B	Verity Inc.	VRTY	11.46	4B
Sports Authority	TSA	24.38	1	Vishay Intertech.	VSH	13.39	4B
SPX Corp.	SPW	43.79	1	VistaCare Inc.	VSTA	17.20	1
Stage Stores	STGS	38.44	2B-	Waddell & Reed Finl.	WDR	21.19	4
Standard Pacific	SPF	82.20	2B	Weatherford Intl.	WFT	60.20	2B
Station Casinos	STN	61.64	2B	WebEx Communications	WEBX	23.15	3A
Steel Dynamics	STLD	45.65	2B+	Websense	WBSN	59.43	2B
Stewart Enterprises	STEI	6.38	3B	Weight Watchers Intl.	WTW	42.85	2B-
Stone Energy	SGY	50.40	2B	Werner Enterprises	WERN	21.21	3A
Storage Technology	STK	32.22	2	Western Digital	WDC	11.40	1B
Stratasys	SSYS	29.49	3A	Westwood One	WON	21.71	4B
Sunrise Senior Living	SRZ	46.85	2B	Whole Foods Market	WFMI	101.28	2B
Sybase	SY	18.82	2	Williams-Sonoma	WSM	34.41	3B
SynOpsys	SNPS	18.20	4B-	Wind River Systems	WIND	13.53	2B
Take-Two Interactive Soft.	TTWO	36.89	2B	Winnebago Inds.	WGO	34.90	3
Talbot's	TLB	27.92	4B	WMS Industries	WMS	30.21	2B
TCF Finl. Corp.	TCB	27.47	4	XM Satellite Radio	XMSR	28.73	4A+
Tech Data	TECD	40.83	3	Yellow Roadway	YELL	61.31	2B+
Tekelec	TKLC	17.04	3B	Zebra Technologies	ZBRA	50.07	3B