

# Fortrend Securities

## The Relative Value Model

May 2002

First Quarter Earnings Results



Fortrend  
Securities  
Member NASD, SIPC

# The Relative Value Model Theory

- Analyse Wall Street's analysis and anticipate changes in forecasts for interest rates and earnings.
- Plot Wall Street consensus earnings estimates, Return on Sales and Return on Equity.
- Watch for margin pressures between sectors.
- Overlay our own fundamental judgements of whether Wall Street expectations are overly pessimistic or optimistic.



Sector	Sub-sector		Sector	Sub-sector
Raw Materials	Metals		Consumer Non-Durable	Food
	Oil			Media & Entertainment
Industrial Cyclical	Chemicals		Technology	Cosmetics & Household
	Paper & Forest Products			Hospital
	Transportation			Health Care
	Manufacturing			Computers
	Elec. & Mfg Equipment			Semiconductors
Consumer Cyclical	Automobile			Software
	Housing			Aerospace
	Lodging & Rest'ts			Telecoms
	Retail		Financial Institutions	

# Normalizing P/E's with Sales

Price / Sales\*

\_\_\_\_\_ = Price /Earnings Ratio 2003 est.  
Net Income / Sales (ROS)

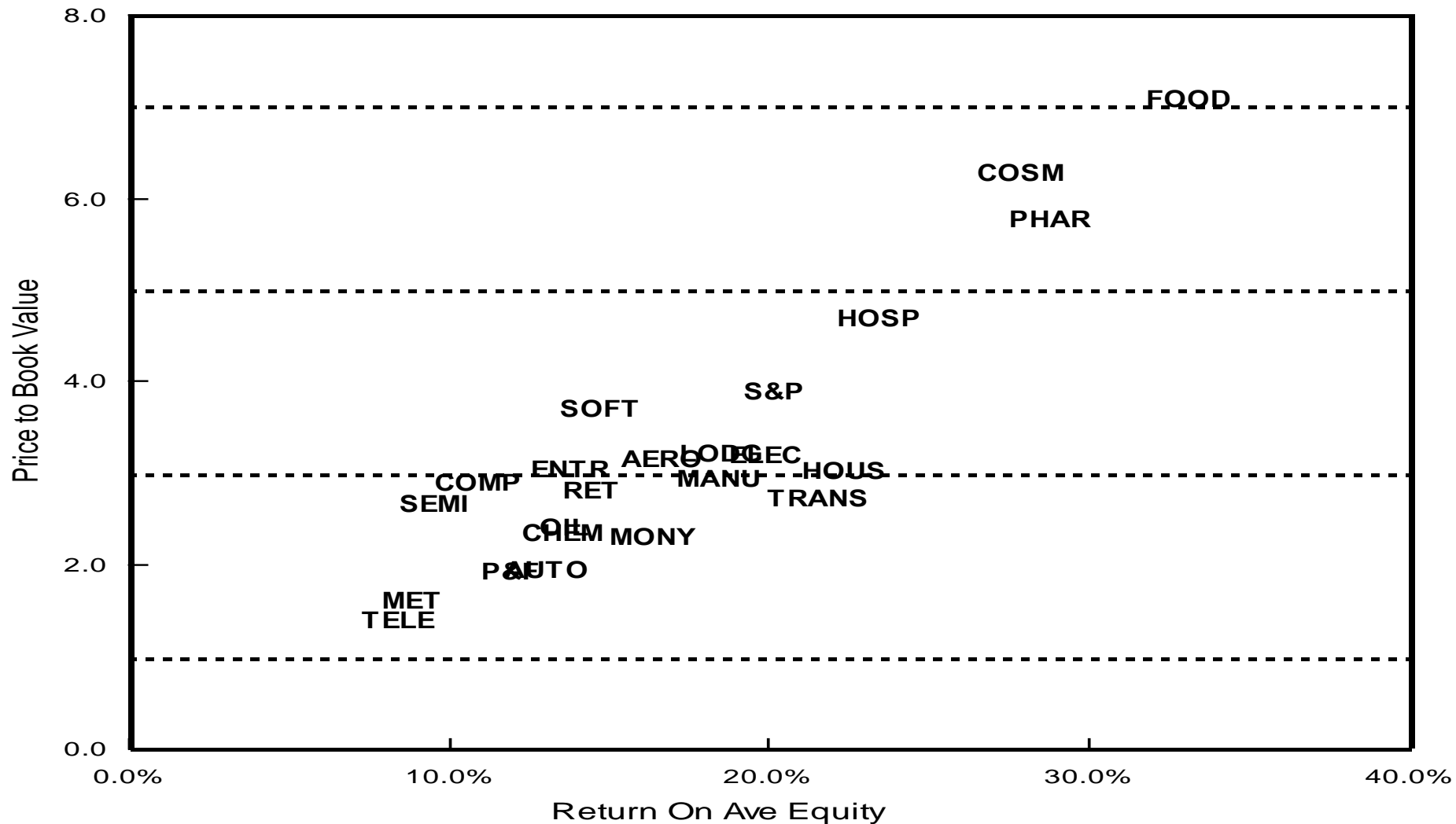
difficulties in using sales



**Fortrend**  
**Securities**  
Member NASD, SIPC

# RV All Industries, May 2002

Price to Book vs. ROE



# Three Editions per Quarter

- Earnings Preview
- Earnings Results
- Bulls vs. Bears



# April Results

- The S&P 500 fell 4.5% in April while earnings estimates were reduced by 2.0%.
- The P/E for 2003 fell from 19.8 to 19.3. The 10 year bond yield fell from 5.20% to 5.06%.
- Bond yields fell because Wall Street pushed out the date the expect the Fed to start increasing rates to August.
- There was rotation out of Telco's, Computers, Software and Semiconductors. AOL dragged down the entertainment sector and AMR hurt transportation.
- There was rotation into consumer stocks such as Food, Household Products and Hospitals.
- Fortrend's Top Ten fell 6.0%, under performing by 1.6%. Excluding Tyco we would have been by 2%.



# Today's Issues

- Top Down - Macro Economics, Wall Street caught up, and surpassed the strength in the economy.
- Bottom Up - first quarter earnings results by sector.
- The Fortrend Top Ten





# Top Down Economic Analysis

- Last month we reduced exposure to cyclicals because “Wall Street was catching up with the strength of the economy”. This has proven true, in fact Wall Street overestimated the strength in the economy last month.
- Inventories continued to fall in the manufacturing and wholesale sectors, while retail inventories rose.



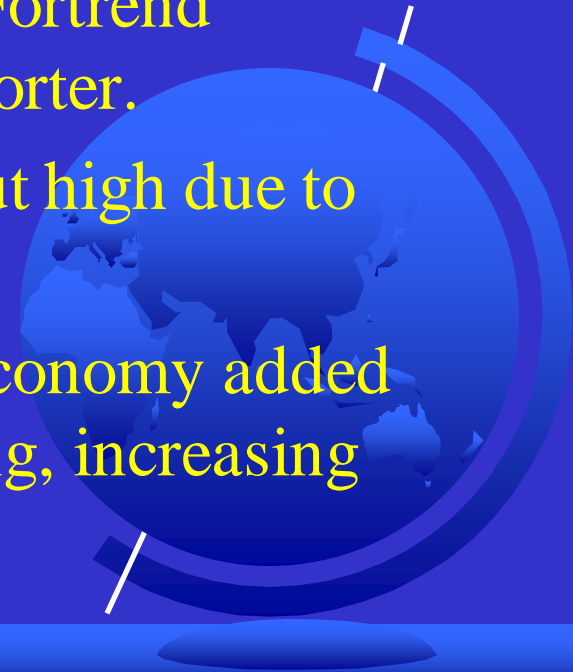
# Top Down Economic Analysis

- Capacity utilisation rates remain very low, and inflation would be non-existent except for the recent surge in oil prices.
- The economy added fewer than expected jobs, and the services sector showed slower than expected growth in March, causing a push out in the date the Fed is expected to start increasing rates.



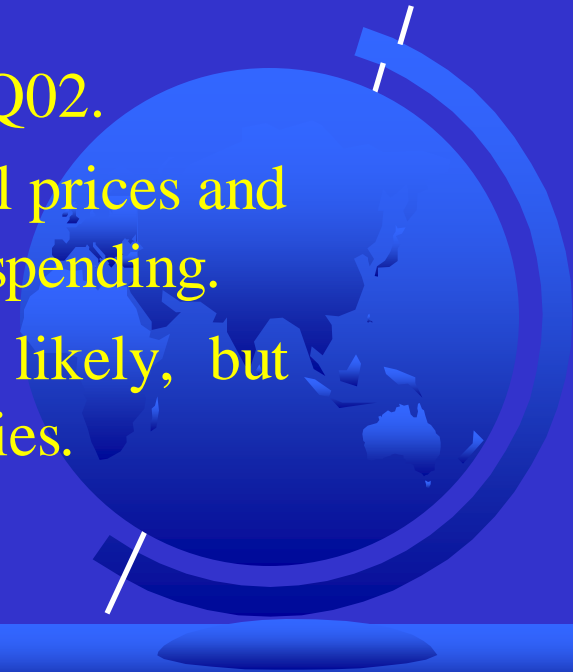
# April Economic Data

- Business Inventories fell 0.1%, 13 months in a row.
- Housines Starts fell 7.8%, with weakness in all regions except the North East, which is surprising.
- Industrial Production rose at the fastest pace in two years, utilization rates rose to 75.4%. Fortrend predicts that asset life cycles will be shorter.
- CPI rose 0.3%, lower than forecasts, but high due to oil prices.
- Unemployment surged to 6.0%. The economy added 43k jobs but 565k people started looking, increasing the labour pool to 142.6 million.



# Greenspan's comments

- Consumers maintained spending last year, creating a “diconomy” therefore the rebound is likely to be slow and steady.
- Depleted inventories means manufacturers will need to boost production.
- This helped the economy grow 5.8 % in 1Q02.
- New challenges are emerging. Surge in oil prices and decline in stock prices could be a drag on spending.
- Large erosion of consumer spending is not likely, but watching consumer debt for signs difficulties.



# Greenspan's comments

- The positive side is that low interest rates have reduced mortgage rates and increased home values.
- “Employment has improved somewhat in recent months.”
- There is evidence that a “recovery in at least some forms of high-tech investment is under way.”
- “On the balance, the recovery this year in overall spending on business fixed investment is likely to be gradual.”
- “prospects have brightened for the economy and with interest rates low, productivity maintained and inflation in check the foundation for economic expansion has been laid.”



# Top Down Conclusions

- The Fed will leave interest rates unchanged when they meet on May 7th and are unlikely to raise rates before August.
- Fortrend has been saying that sharp cuts in interest rates last year will result in a sharp increase in economic activity this year. We were correct for the first three months, and then Wall Street got ahead of the economy.
- The risk is still that the economy will grow too fast.



# Bottom Up, Earnings Results

- 434 companies have reported with 61% beating, 24% neutral and 16% below. The ratio is improving.
- Earnings fell 7.1% yoy to \$11.29, better than the \$10.82 estimate, and up 12% sequentially.
- In 2003 earnings are expected to increase 13% to \$55.70, which is close to 2000, and we would say still “trough” earnings.



# Earnings by Sector

- Exxon Mobil, sales fall 24%, earnings down 58%, lower oil & gas prices and worst refining margins in a decade.
- Chevron Texaco, earnings down 62%, California refining margins.
- Schlumberger, the largest oil field service company said profits fell 27%.





# Chemicals

- du Pont, reported a small decline in earnings, lower sales were offset by cost cutting. Sales fell 10% on weaker demand from cars and electronics.
- Air Products reported a 33% increase in profits. Sales of purified air to electronics companies fell 26%.
- Dow is detailed below.



# Manufacturing

- General Electric reported a 2.7% fall in earnings on flat sales, excluding write offs for acquisitions earnings were up 17%. Jeffrey Immelt warned that sales of power turbines are slowing and the stock 15% this month. Last month we wrote: “The invincible glow of GE under Jack Welch is more likely to diminish than brighten in the future.”
- Honeywell, which remains one of Fortrend’s Top Ten.



# Pharmaceutical's

- **Amgen** lead the sector down with a 16% fall after reporting earnings of 32 cents, in line with expectations, on a 12% revenue increase.
- **Wyeth** (formally American Home Products) profits rose 19% higher sales of Effexor for treating depression and Protonix for heartburn. However, sales of Prevnar, a pneumonococcal vaccine fell 29% due to capacity shortages.
- **Eli Lilly**, down 11%, said the FDA asked for more studies before approving Cialis as an impotence drug. They guide analysts estimates 5% lower. Profits fell 22% due to generic competitors of Prozac. Xigris, the sepsis treatment has been slower than expected.



# Pharmaceutical's

- The FDA took an average of 16 months to approve new drugs in the past year. Lilly had delays with Cialis due to a pending inspection, Schering's Clarinex allergy drug was delayed due to manufacturing flaws. Wyeth, Genentech and Abbott also drug approval delays.
- The FDA said that most pharmaceutical CEO's have backgrounds in business and do not appreciate the scientific challenges of manufacturing commercial quantities of drugs. The big European pharmaceutical companies are run by people from a scientific background.



# Technology

- Sun sales fell 24% and they lost 1 cent versus income of 4 cents last year. The top line was below expectations and the shares fell.
- The second shoe dropped when Ed Zander quit. He was the fifth executive to leave this month. The stock dropped on that news to \$6.77. Sun's product line is great and they picked up market share last year, but executing to plan will be a challenge.
- IBM also fell significantly this month, down 16% to \$81.78 from a six month high of \$126. Profits fell 32% and sales fell 12%. IBM warned on the 8<sup>th</sup> due to lower sales in all divisions and losses in the semiconductor and hard-disk drive businesses.



# Mid-cycle interest rates and earnings

- S&P earnings
  - 1999 - \$51.02
  - 2000 - \$56.42
  - 2001- \$44.53
  - 2002 - \$50.79
  - 2003 - \$55.70 (below trend line)
- Interest rates in early 1994 of 3% caused excessive growth.
- In 1999 when rates were 6.5% this caused a recession.
- Mid-cycle Goldielocks scenario says 5% -5.5%.
- Current rates of 1.75% are unsustainably low.
- **Mid-cycle should be at 22.5 times \$60 = 1,350 = 20% discount**



# Dow Chemical

NO

Equity DES

As of May6 DELAYED Vol 1,685,800 Op 31.59 N Hi 31.66 N Lo 30.88 N

## DESCRIPTION

Page 1 /10

**DOW US**

DOW CHEMICAL

12) CN All News/Research

Chemicals-Diversified

13) CWP Company Web Page

CUSIP 260543103

14) HH Hoover's Handbook

The Dow Chemical Company provides chemical, plastic, and agricultural products and services to various essential consumer markets. The Company serves customers in countries around the world in markets such as food, transportation, health and medicine, personal care, and construction.

### STOCK DATA

**1)GPO** Price USD 31.40  
 52Wk High 5/17/2001 USD 39.67  
 52Wk Low 1/16/2002 USD 23.66  
 YTD Chng ( -7.05%) USD -2.38  
**2)TRA** 1 Yr Total Return -9.67%  
**3)FA** 17) Shares out 3/31/2002 907.677M  
 Market Cap USD 28501.06M  
 Float 906.66M Short Int 11.852M  
**5)BETA** Beta vs. SPX 1.02  
**6)OMN** Options, LEAPs, Stk Marginable

### DIVID

### DIVIDENDS - Quarterly

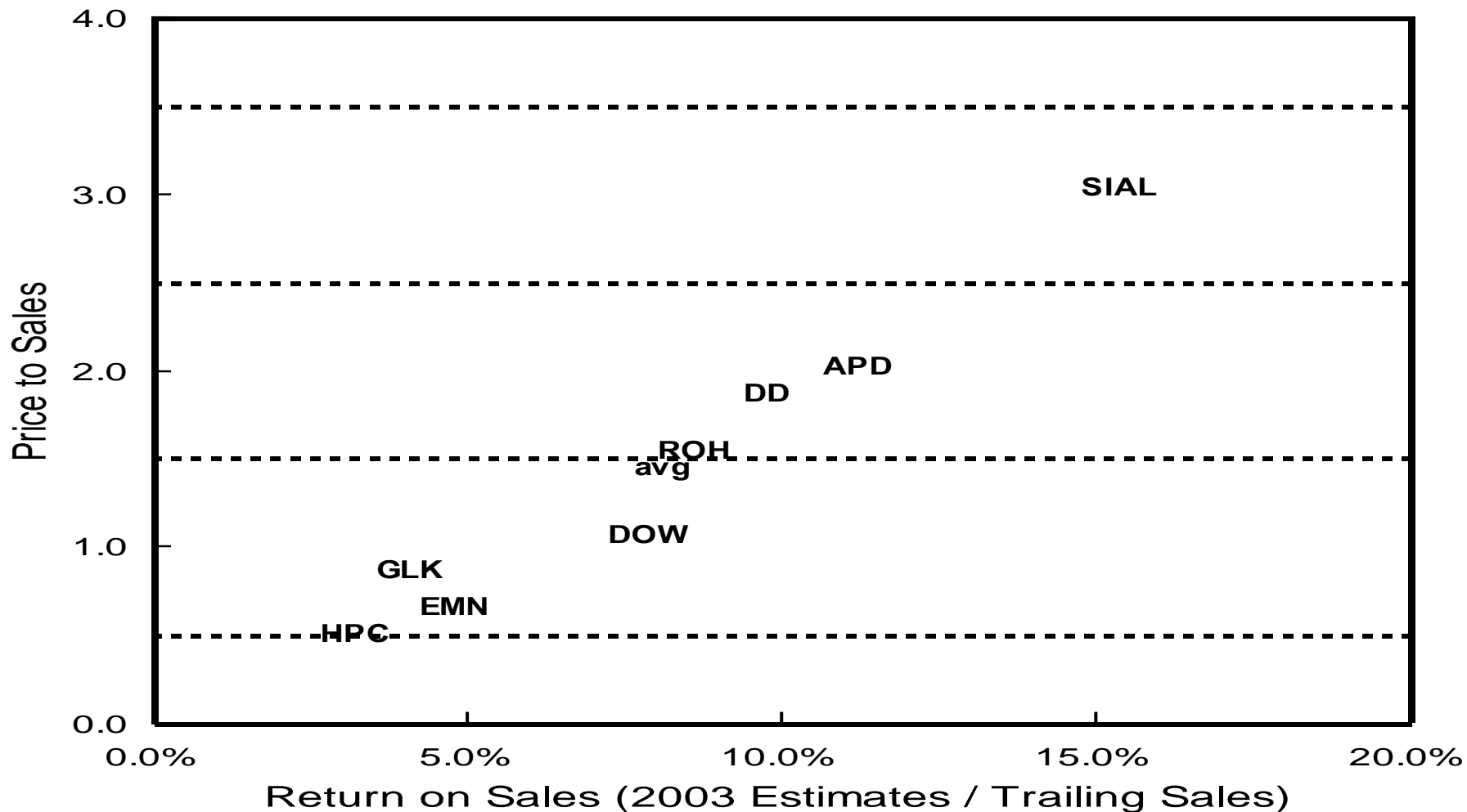
Indicated Gross Yld 4.27%  
 Dividend Growth 5YR 6.03%  
 Ex-Date Type Amt  
 3/26/02 Reg. Cash USD .335

### EARNINGS-Ann Date 07/25/02 (T)

**9)ERN** Trailing 12mo EPS USD .550  
**10)EE** Est EPS 12/2002 USD 1.005  
**11)GE** P/E 57.09 Est P/E 31.24  
 LT Growth 8.83 Est PEG 3.54

# Dow Relative Value

Price to Sales vs Return on Sales





# Dow Chemical

- Dow reported a profit of \$105 million after acquisition costs, or 11 cents per share vs. 76 cents a year earlier. They cut prices for plastics sold to auto manufacturers and sales dropped 15%. Dow are cutting costs by firing 4,500 workers and plan to save \$1.1 billion next year. They have already reduced costs by \$800 million since acquiring Union Carbide.
- Asbestos liabilities are estimated to be only \$233 million, with insurance covering most.
- Dow stock is currently yielding around 4.5%. Buy with a \$40 target.



# Honeywell

HON US \$ C **36.00** **-.53** N --x--

Equity **DES**

As of May6 DELAYED Vol 2,412,100 Op 36.80 N Hi 37.10 N Lo 35.86 N

## DESCRIPTION

Page 1 /10

**HON US**

HONEYWELL INTERNATIONAL INC

12) CN All News/Research

Diversified Manufact Op

13) CWP Company Web Page

CUSIP 438516106

14) HH Hoover's Handbook

Honeywell International Inc. is a diversified technology and manufacturing company with operations around the world. The Company provides aerospace products and services, control technologies, automotive products, and power generation systems. Honeywell also provides specialty chemicals, fibers, plastics, and electronic and advanced materials.

## STOCK DATA

1)GPO	Price	USD	36.00
	52Wk High	5/21/2001 USD	53.90
	52Wk Low	9/21/2001 USD	22.15
	YTD Chng ( 6.45%)	USD	2.18
2)TRA	1 Yr Total Return		-26.28%
3)FA	17) Shares out12/31/2001		814.966M
	Market Cap	USD	29338.78M
	Float	814.10M	Short Int 6.960M
5)BETA	Beta vs. SPX		1.43
6)OMON	Options, LEAPs, Stk Marginable		

## DIVID

## DIVIDENDS - Quarterly

Indicated Gross Yld	2.08%	
Dividend Growth 5YR	9.91%	
Ex-Date	Type	Amt
5/16/02	Reg. Cash	USD .1875

## EARNINGS-Ann Date 07/24/02 (Est)

9)ERN	Trailing 12mo EPS	USD	1.990
10)EE	Est EPS	12/2002 USD	2.343
11)GE	P/E	18.09	Est P/E 15.36
	LT Growth	13.20	Est PEG 1.16

N/C FROM ALLIEDSIGNAL INC DUE TO ALLIEDSIGNAL ACQUISITION OF HONEYWELL INC EFF 12/02/99. (FOR HONEYWELL INC SEE SYMBOL 2755Q US)

Australia 61 2 9777 8600

Brazil 5511 3048 4500

Europe 44 20 7330 7500

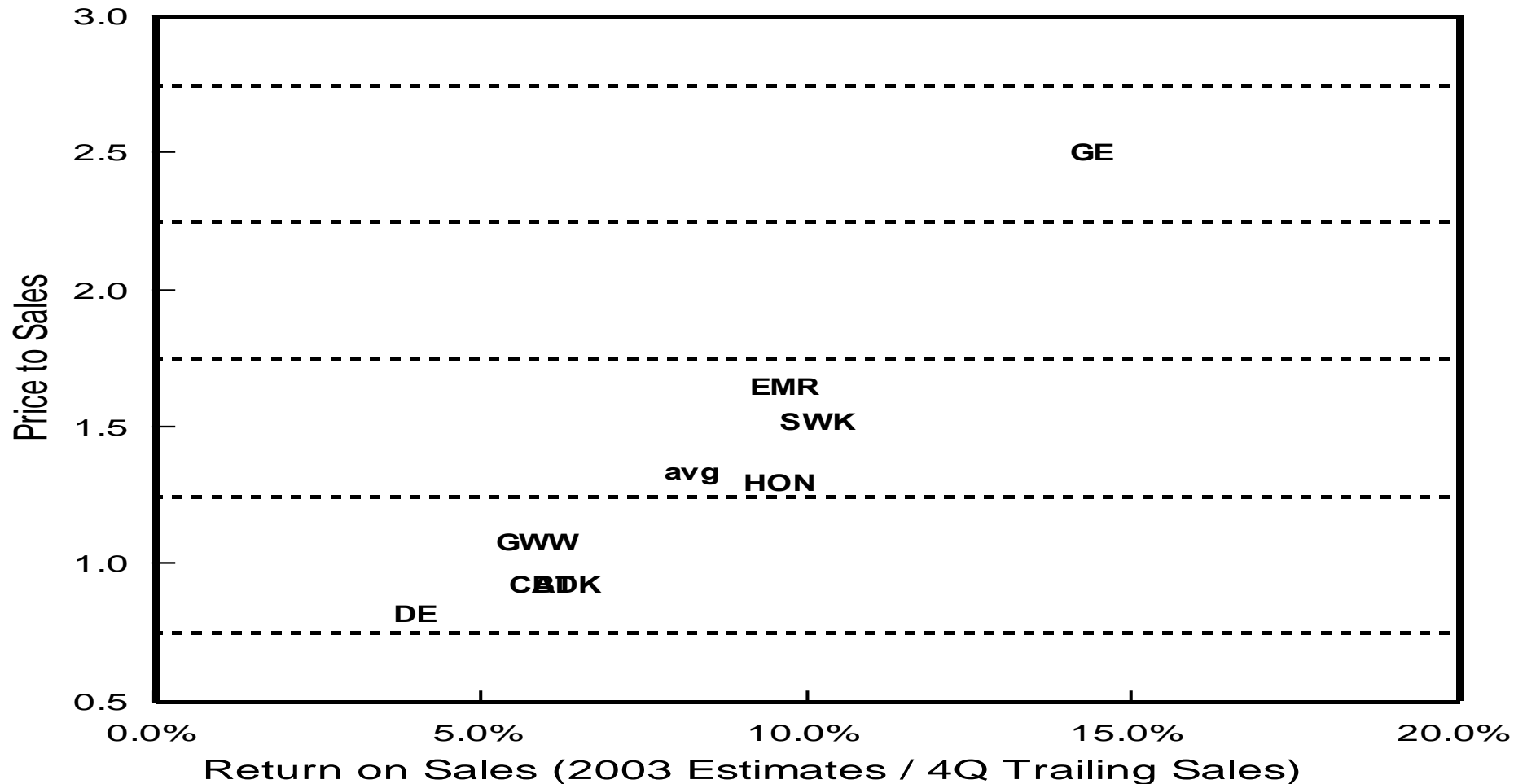
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# Honeywell Relative Value

Price to Sales vs Return on Sales



# Tyco International

TYC US \$ C **19.35** -2.30 N --x-- Equity **DES**  
 As of May6 DELAYED Vol 31,318,200 Op 21.41 T Hi 21.50 T Lo 18.76 N

## DESCRIPTION

Page 1 /10

**TYC US**

TYCO INTERNATIONAL LTD

12) CN All News/Research

Diversified Manufact Op

13) CWP Company Web Page

CUSIP 902124106

14) HH Hoover's Handbook

Tyco International Ltd. is a diversified manufacturing and service company with operations around the world. The Company manufactures, services, and installs electrical and electronic components, undersea telecommunications systems, fire protection and security systems, flow control valves, healthcare products, and specialty products. The Company also provides financing and leasing services.

### STOCK DATA

Round Lot 100.00

1)GPO Price USD 19.35

52Wk High 12/ 5/2001 USD 60.09

52Wk Low 4/30/2002 USD 15.25

YTD Chng (-67.15%) USD -39.55

2)TRA 1 Yr Total Return -62.52%

3)FA 17) Shares out 3/31/2002 1991.500M

Market Cap USD 38535.53M

Float 1983.34M Short Int 35.094M

5)BETA Beta vs. SPX 1.41

6)OMON Options, LEAPs, Stk Marginable

### DIVID

### DIVIDENDS - Quarterly

Indicated Gross Yld .26%

Dividend Growth 5YR %

Ex-Date Type Amt

3/27/02 Reg. Cash USD .0125

### EARNINGS-Ann Date 07/18/02 (Est)

9)ERN Trailing 12mo EPS USD 2.950

10)EE Est EPS 9/2002 USD 2.586

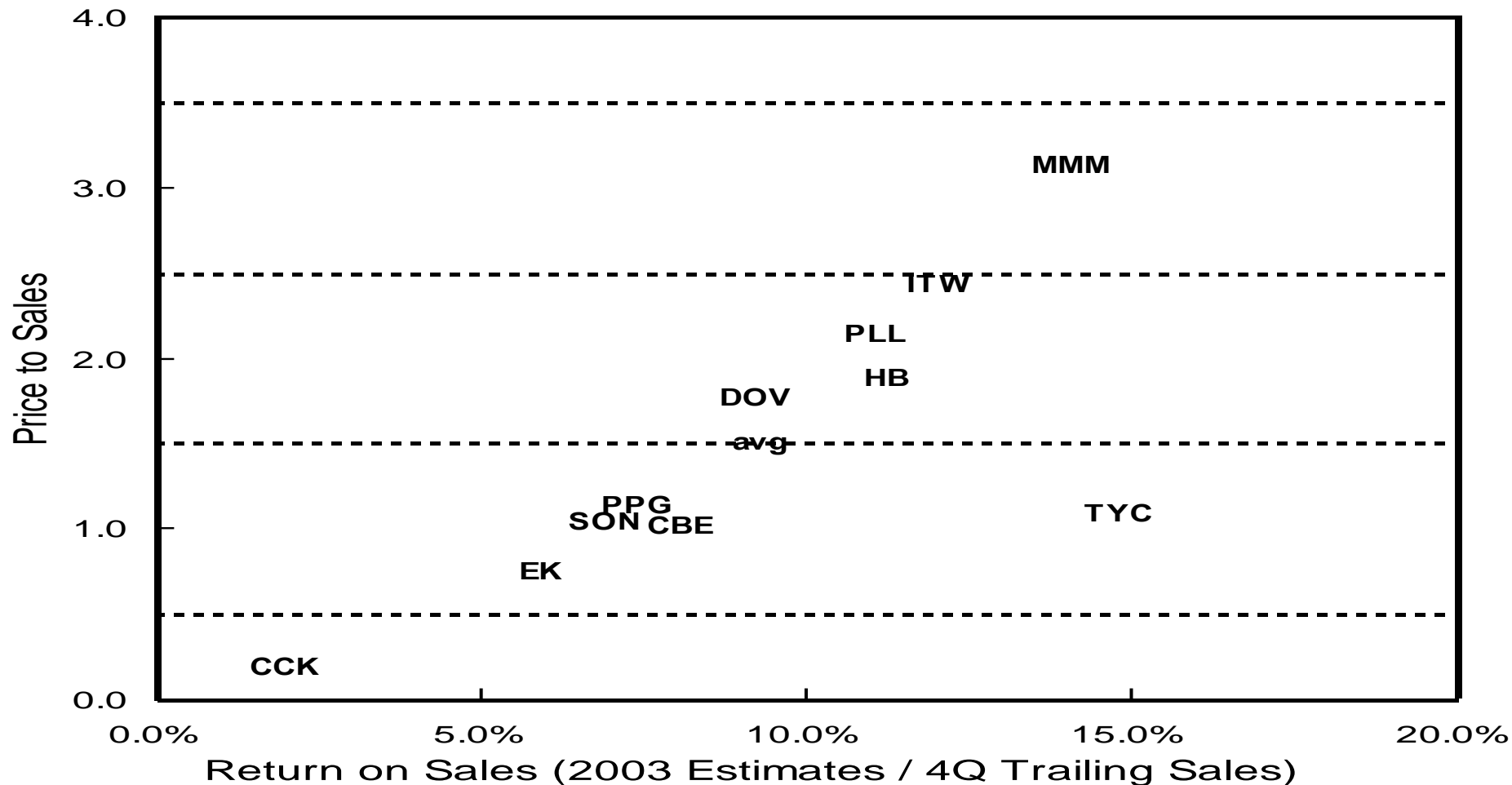
11)GE P/E 6.56 Est P/E 7.48

LT Growth 15.82 Est PEG .47

N/C FROM TYCO LABORATORIES INC EFF 11/12/93

# Tyco Relative Value

Price to Sales vs Return on Sales



# Tyco International

- Tyco cancelled plans to split in four and guided Wall Street lower from \$3.00 to a range of \$2.60 - \$2.70, citing weakness in electronics.
- Assets are not worth as much as management thought, and management has done a back flip in strategy. The inability of management to execute the strategy creates doubt.
- Tyco will still spin-off of CIT, an urgent issue.
- CFO bought 500,000 shares.
- Tyco is trading at 8 times current year (Sep) estimates.
- **Buy** with a high \$40s target.



# McDonald's

MCD US \$ C **29.10** **-.19** N --x-- Equity **DES**  
**As of May6 DELAYED Vol** 6,205,300 **Op** 29.35 N **Hi** 29.75 N **Lo** 29.10 N

## DESCRIPTION

Page 1 /10

MCDONALD'S CORPORATION

12) **CN** All News/Research

13) **CWP** Company Web Page

14) **HH** Hoover's Handbook

**MCD US**

Retail-Restaurants

CUSIP 580135101

McDonald's Corporation develops, operates, franchises and services a worldwide system of restaurants. These restaurants prepare, assemble, package and sell a limited menu of quickly-prepared, moderately-priced foods. The Company operates restaurants in the United States and worldwide. Food items include hamburgers, chicken, salads, breakfast foods, and beverages.

## STOCK DATA

**1)GPO** Price USD 29.10  
 52Wk High 8/24/2001 USD 31.00  
 52Wk Low 10/30/2001 USD 25.00  
 YTD Chng ( 9.94%) USD 2.63  
**2)TRA** 1 Yr Total Return 9.59%  
**3)FA** 17) Shares out 3/25/2002 1271.964M  
 Market Cap USD 37014.14M  
 Float 1249.74M Short Int 9.900M  
**5)BETA** Beta vs. SPX .51  
**6)OMN** Options, LEAPs, Stk Marginable

## DIVID

## DIVIDENDS - Annual

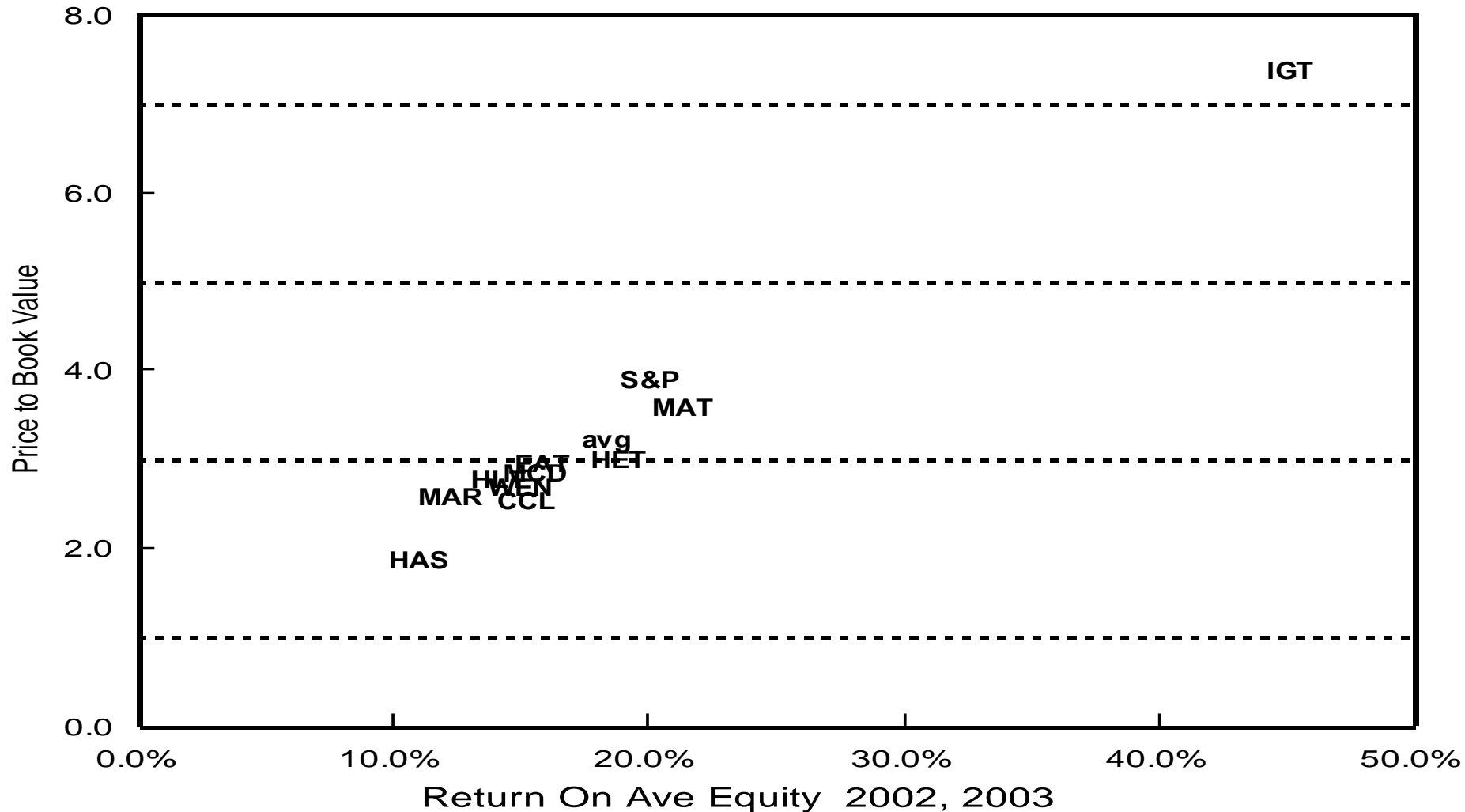
Indicated Gross Yld .77%  
 Dividend Growth 5YR 8.45%  
 Ex-Date Type Amt  
 11/13/01 Reg. Cash USD .225

## EARNINGS-Ann Date 07/24/02 (Est)

**9)ERN** Trailing 12mo EPS USD 1.470  
**10)EE** Est EPS 12/2002 USD 1.468  
**11)GE** P/E 19.80 Est P/E 19.82  
 LT Growth 10.00 Est PEG 1.98

# McDonald's Relative Value

Price to Book vs. ROE 2003





# McDonald's

- Continued Product diversification strategy this month, Fazoli's to develop 20 to 30 "fast casual" pasta restaurants. New theme restaurant called "town center."
- Sales fell, closed stores in Latin America and Turkey. Earnings were 31 cents, better than expected, they spent more to improve service. Falling currencies and Japanese concerns about mad cow disease also hurt profit.
- At 18 times estimates the stock is trading at a discount but should trade at a premium and believe there is 20% upside.
- Buy with a target of 25.



# Walt Disney

**DIS** US \$ C **22.89** **-.71** N --x--

Equity **DES**

As of May6 DELAYED Vol 3,962,300 Op 23.37 N Hi 23.58 N Lo 22.89 N

## DESCRIPTION

Page 1 /10

THE WALT DISNEY CO.

12) **CN** All News/Research

13) **CWP** Company Web Page

14) **HH** Hoover's Handbook

**DIS US**

Multimedia

CUSIP 254687106

The Walt Disney Company, an entertainment company, conducts operations in media networks, studio entertainment, theme parks and resorts, consumer products, and Internet and direct marketing. The Company produces motion pictures, television programs, and musical recordings, as well as publishes books and magazines. Disney also operates ABC radio and television and theme parks.

## STOCK DATA

**1)GPO** Price USD 22.89  
 52Wk High 5/22/2001 USD 34.80  
 52Wk Low 9/20/2001 USD 15.50  
 YTD Chng ( 10.47%) USD 2.17  
**2)TRA** 1 Yr Total Return -25.42%  
**3)FA** 17) Shares out 2/ 4/2002 2039.343M  
 Market Cap USD 46680.56M  
 Float 2005.11M Short Int 47.322M  
**5)BETA** Beta vs. SPX 1.05  
**6)OMON** Options, LEAPs, Stk Marginable

## DIVIDENDS

- Annual

Indicated Gross Yld .92%  
 Dividend Growth 5YR 6.38%  
 Ex-Date Type Amt  
 12/ 5/01 Reg. Cash USD .21

## EARNINGS-Ann Date 08/02/02 (Est)

**9)ERN** Trailing 12mo EPS USD .570  
**10)EE** Est EPS 9/2002 USD .632  
**11)GE** P/E 40.16 Est P/E 36.22  
 LT Growth 12.55 Est PEG 2.89

# Walt Disney

- The stock is on a roll as investors rotate funds from AOL into Disney.
- Sales fell 2.4% on continued weak advertising markets at ABC. Theme parks performed better than expected while the studio division reported an 84% fall in profits due to higher distribution costs.
- The net result of 11 cents per share was better than expected and the stock has been strong.
- Hold on.



# Healthsouth

HRC US \$ C 14.85 unch N Equity DES  
As of May6 DELAYED Vol 991,000 Op 14.90 N Hi 15.00 M Lo 14.80 N

## DESCRIPTION

Page 1 /10

HRC US

HEALTHSOUTH CORP

12) CN All News/Research

Phys Therapy/Rehab Cntrs

13) CWP Company Web Page

CUSIP 421924101

15) IRO Investor Relations

14) HH Hoover's Handbook

HEALTHSOUTH Corporation provides outpatient surgery and rehabilitative healthcare services. The Company operates a network of inpatient and outpatient rehabilitation facilities such as outpatient surgery centers, diagnostic centers, and occupational health centers. HEALTHSOUTH operates throughout the United States and in the United Kingdom and Australia.

## STOCK DATA

1)GPO Price USD 14.85  
52Wk High 9/ 4/2001 USD 18.49  
52Wk Low 2/ 4/2002 USD 10.84  
YTD Chng ( .20%) USD .03  
2)TRA 1 Yr Total Return 10.16%  
3)FA 17) Shares out 3/28/2002 392.794M  
Market Cap USD 5832.99M  
Float 385.05M Short Int 5.748M  
5)BETA Beta vs. SPX .74  
6)OMON Options, LEAPs, Stk Marginable

## DIVIDENDS

- None

Indicated Gross Yld  
Dividend Growth  
Ex-Date Type Amt

## EARNINGS-Ann Date 07/31/02 (Est)

9)ERN Trailing 12mo EPS USD .900  
10)EE Est EPS 12/2002 USD 1.141  
11)GE P/E 16.50 Est P/E 13.01  
LT Growth 14.59 Est PEG .89

N/C FROM HEALTHSOUTH REHABILITATION CORP EFF 1/03/95

# Cisco Systems

CSCO US \$ C **12.89** **-.25** Q 12.88/12.89 Equity **DES**  
**As of May6 DELAYED Vol** 69,235,000 **Op** 13.25 Q **Hi** 13.59 Q **Lo** 12.85 Q

## DESCRIPTION

Page 1 /10

**CSCO US**

CISCO SYSTEMS INC

**12) CN** All News/Research

**13) CWP** Company Web Page

**14) HH** Hoover's Handbook

**Networking Products**

**CUSIP** 17275R102

Cisco Systems, Inc. supplies data networking products to the corporate enterprise and public wide area service provider markets. The Company's products offer a variety of end-to-end networking hardware, software, and services. Cisco's clients include utilities, corporations, universities, governments, and small to medium-size businesses worldwide.

## STOCK DATA

**1)GPO** Price USD 12.89  
 52Wk High 5/22/2001 USD 24.13  
 52Wk Low 9/27/2001 USD 11.04  
 YTD Chng (-28.82%) USD -5.22  
**2)TRA** 1 Yr Total Return -33.04%  
**3)FA** **17)** Shares out 2/22/2002 7321.504M  
 Market Cap USD 94374.20M  
 Float 7208.76M Short Int 67.634M  
**5)BETA** Beta vs. SPX 1.74  
**6)OMON** Options, LEAPs, Stk Marginable

## DIVID

## DIVIDENDS - None

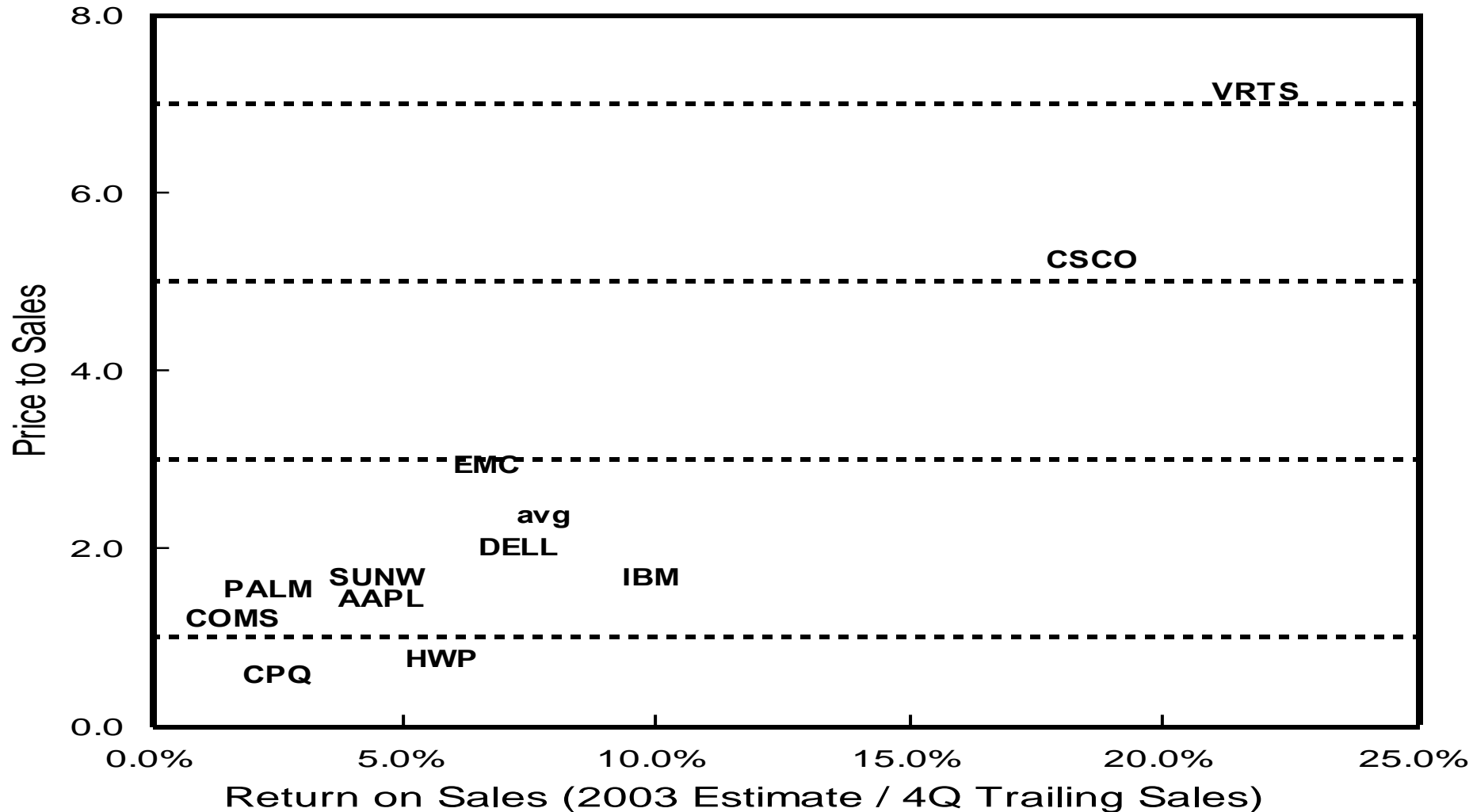
Indicated Gross Yld  
 Dividend Growth  
 Ex-Date Type Amt

## EARNINGS-Ann Date 05/07/02(Aft-mkt)(C)

**9)ERN** Trailing 12mo EPS USD .180  
**10)EE** Est EPS 7/2002 USD .316  
**11)GE** P/E 71.61 Est P/E 40.79  
 LT Growth 25.49 Est PEG 1.60

# Cisco Systems Relative Value

Price to Sales vs Return on Sales



# Dell

**DELL** US \$ C **23.75** **-.57** Q 23.78/23.80

Equity **DES**

As of May6 DELAYED Vol 20,101,300 Op 24.02 Q Hi 24.73 Q Lo 23.60 Q

## DESCRIPTION

Page 1 /10

DELL COMPUTER CORP

12) **CN** All News/Research

13) **CWP** Company Web Page

14) **HH** Hoover's Handbook

**DELL US**

Computers

CUSIP 247025109

Dell Computer Corporation designs, develops, manufactures, markets, services, and supports a variety of computer systems. Computer systems include desktop computer systems, notebook computers, workstations, network servers, and storage products. The Company sells its products and services to corporate, government, healthcare, and education customers, as well as individuals.

### STOCK DATA

**1)GPO** Price USD 23.75  
 52Wk High 1/ 9/2002 USD 30.52  
 52Wk Low 9/21/2001 USD 16.01  
 YTD Chng (-12.62%) USD -3.43  
**2)TRA** 1 Yr Total Return -8.34%  
**3)FA** 17) Shares out 4/15/2002 2595.716M  
 Market Cap USD 61648.26M  
 Float 2284.10M Short Int 43.161M  
**5)BETA** Beta vs. SPX 1.47  
**6)OMON** Options, LEAPs, Stk Marginable

### DIVID

### DIVIDENDS - None

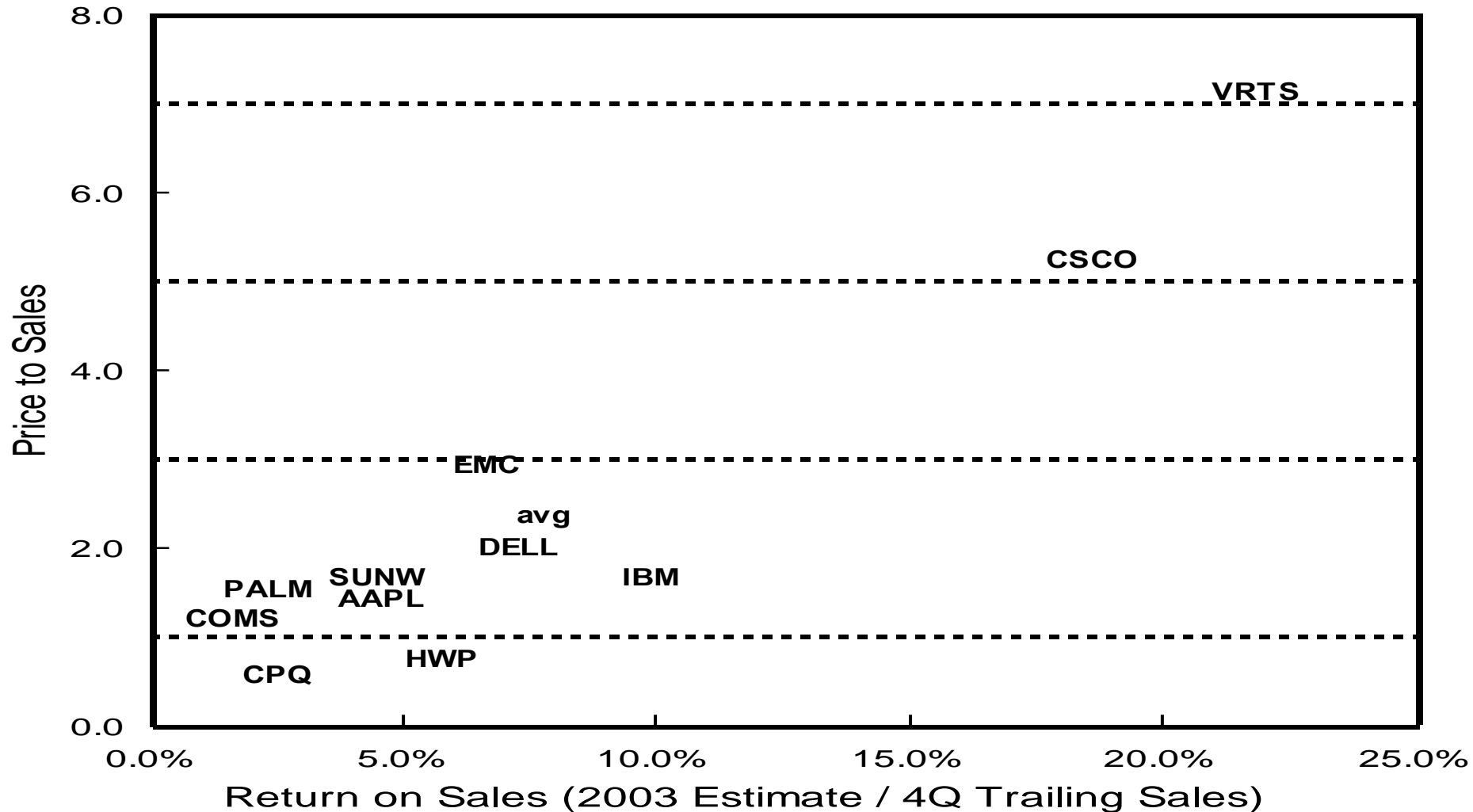
Indicated Gross Yld  
 Dividend Growth  
 Ex-Date Type Amt

### EARNINGS-Ann Date 05/16/02 (C)

**9)ERN** Trailing 12mo EPS USD .660  
**10)EE** Est EPS 1/2003 USD .742  
**11)GE** P/E 35.98 Est P/E 32.01  
 LT Growth 16.76 Est PEG 1.91

# Dell Relative Value

Price to Sales vs Return on Sales





# Computer Associates

CA US \$ C **17.40** **-.61** N --x--

Equity **DES**

As of May6 DELAYED Vol 2,542,200 Op 17.90 N Hi 18.20 N Lo 17.35 M

## DESCRIPTION

Page 1 /10

CA US

COMPUTER ASSOCIATES INTL INC

12) CN All News/Research

Enterprise Software/Serv

13) CWP Company Web Page

CUSIP 204912109

14) HH Hoover's Handbook

Computer Associates International, Inc. designs, develops, markets, licenses, and supports standardized computer software products. The Company's products are used with mainframe computers and in client/server environments. Computer Associates offers various enterprise systems management, information management, and business applications solutions to a variety of organizations.

## STOCK DATA

**1)GPO** Price USD 17.40  
 52Wk High 1/24/2002 USD 38.74  
 52Wk Low 2/25/2002 USD 14.30  
 YTD Chng (-49.55%) USD -17.09  
**2)TRA** 1 Yr Total Return -38.16%  
**3)FA** 17) Shares out 1/29/2002 577.433M  
 Market Cap USD 10047.34M  
 Float 462.12M Short Int 23.829M  
**5)BETA** Beta vs. SPX 1.37  
**6)OMON** Options, LEAPs, Stk Marginable

## DIVIDENDS

- Semi-Annual

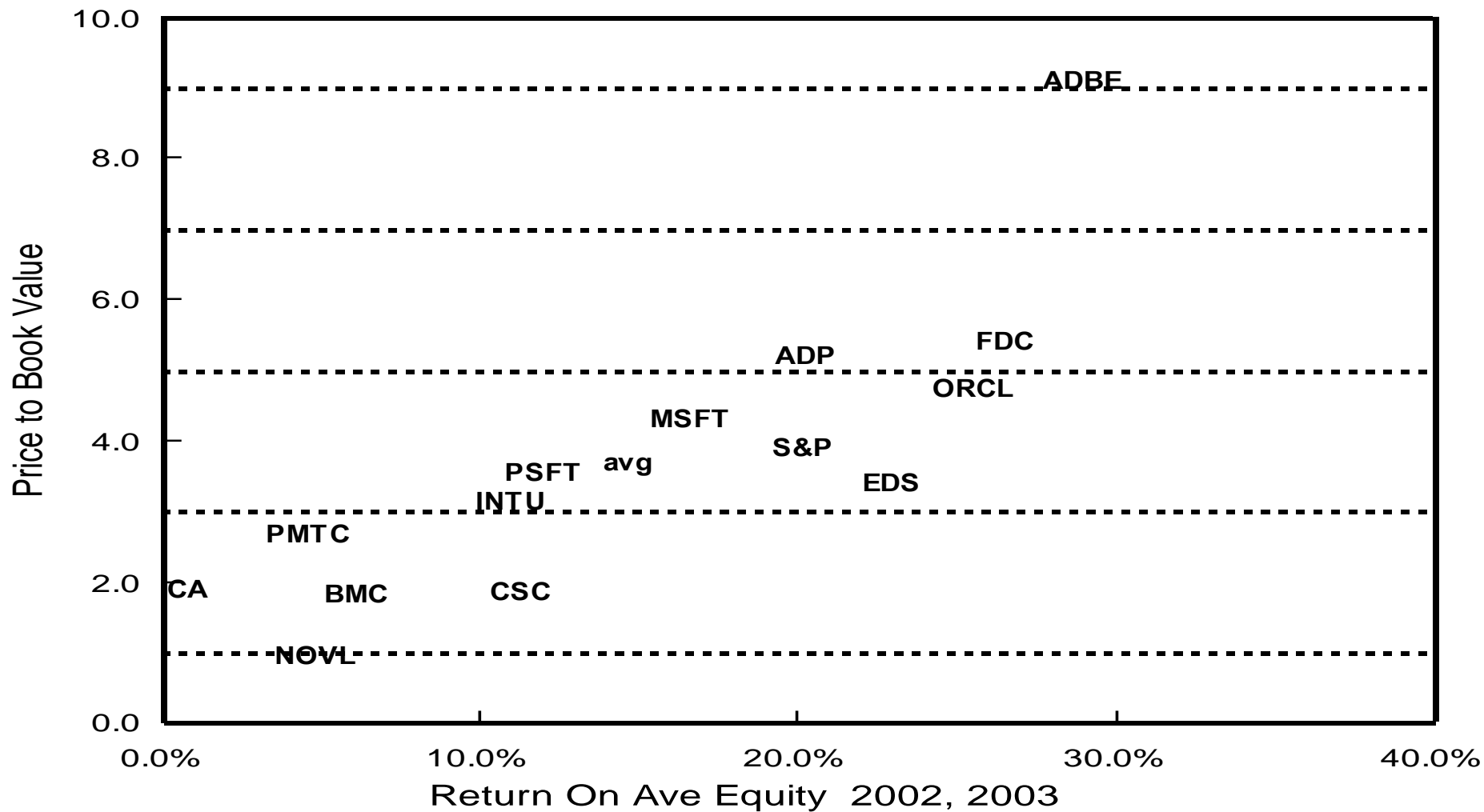
Indicated Gross Yld .46%  
 Dividend Growth 5YR 4.42%  
 Ex-Date Type Amt  
 12/19/01 Reg. Cash USD .04  
 5/23/01 Poison Pill 1 per 1

## EARNINGS-Ann Date 05/14/02 (C)

**9)ERN** Trailing 12mo EPS USD 1.570  
**10)EE** Est EPS 3/2002 USD -.478  
**11)GE** P/E 11.08  
 LT Growth 15.88 Est PEG

# Computer Associates Relative Value

Price to Book vs. ROE 2003



# JP Morgan Chase

**JPM** US \$ C **34.40** -1.28 N --x--

Equity **DES**

As of May6 DELAYED Vol 6,321,800 Op 35.95 N Hi 35.95 N Lo 34.24 T

## DESCRIPTION

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JP MORGAN CHASE & CO

12) CN All News/Research

13) CWP Company Web Page

**JPM US**

Finance-Invest Bnkr/Brkr

CUSIP 46625H100

J.P. Morgan Chase & Co. provides global financial services under the J.P. Morgan brand and retail banking under the Chase brand. The Company provides services such as investment banking, treasury and securities services, asset management, private banking, cardmember services, commercial banking, and home finance. J.P. Morgan Chase serves business enterprises, institutions, and individuals.

## STOCK DATA

**1)GPO** Price USD 34.40  
 52Wk High 5/22/2001 USD 50.60  
 52Wk Low 2/22/2002 USD 26.70  
 YTD Chng ( -5.36%) USD -1.95  
**2)TRA** 1 Yr Total Return -27.51%  
**3)FA** 17) Shares out 3/31/2002 1990.200M  
 Market Cap USD 68462.88M  
 Float 1986.67M Short Int 23.005M  
**5)BETA** Beta vs. SPX 1.31  
**6)OMON** Options, LEAPs, Stk Marginable

## DIVID

## DIVIDENDS - Quarterly

Indicated Gross Yld 3.95%  
 Dividend Growth 5YR 12.15%  
 Ex-Date Type Amt  
 4/ 3/02 Reg. Cash USD .34

## EARNINGS-Ann Date 07/18/02 (Est)

**9)ERN** Trailing 12mo EPS USD 1.530  
**10)EE** Est EPS 12/2002 USD 2.716  
**11)GE** P/E 22.48 Est P/E 12.67  
 LT Growth 11.40 Est PEG 1.11

N/C FROM CHASE MANHATTAN CORP EFF 1/2/01. J.P. MORGAN & CO. (OLD) DATA SEE TICKER 3277Q US. CHASE MANHATTAN CORP-OLD DATA SEE TICKER 3285Q.

Australia 61 2 9777 8600

Brazil 5511 3048 4500

Europe 44 20 7330 7500

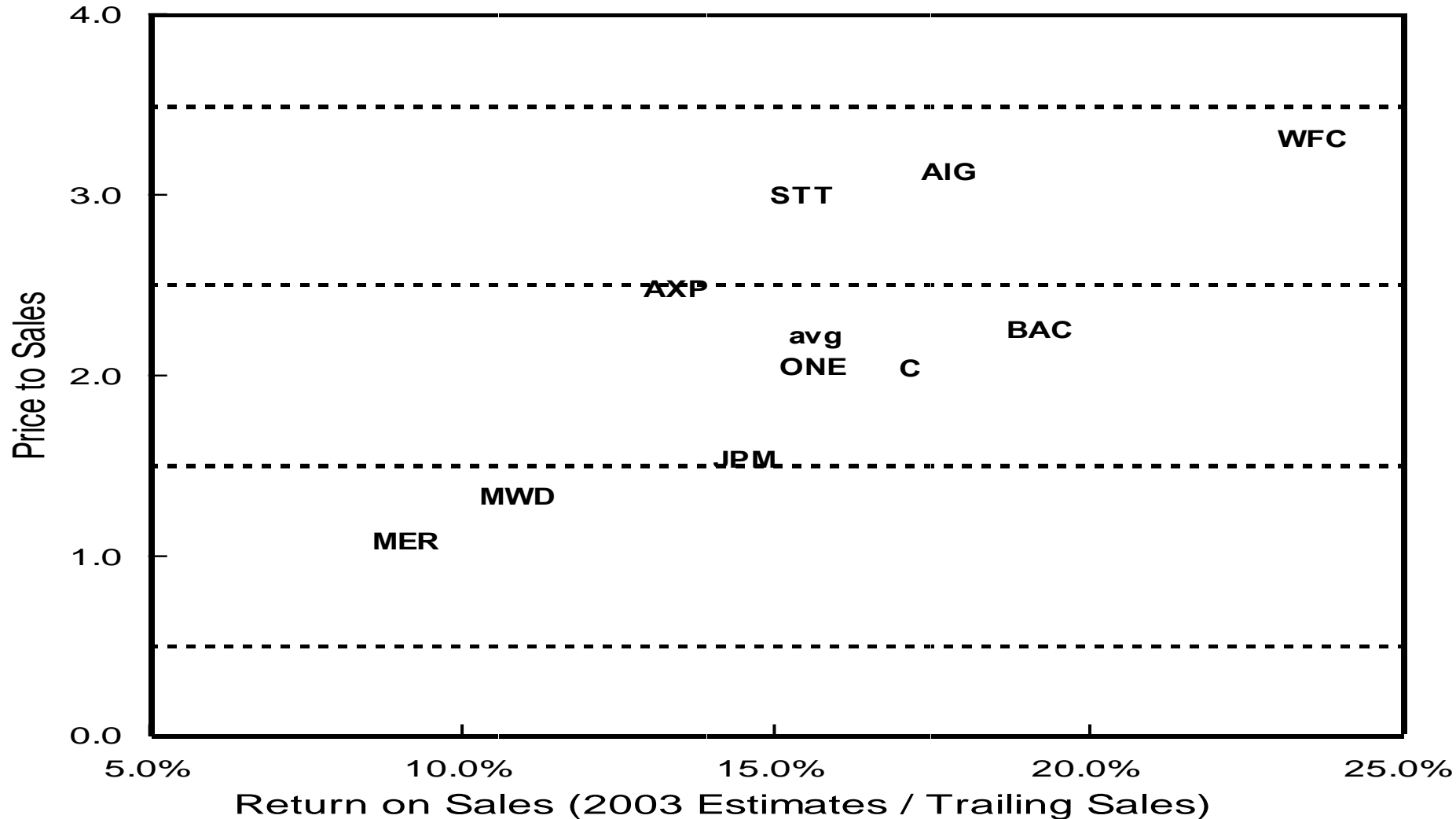
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Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 212 1000 U.S. 1 212 318 2000

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# JP Morgan Chase Relative Value

Price to Sales vs Return on Sales



# Fortrend's Top Ten

- Dow Chemical
- Honeywell
- Tyco
- Walt Disney
- McDonald's
- Healthsouth
- Cisco Systems
- Dell Computer
- Computer Associates
- JP Morgan Chase



# Fortrend's Performance

	Fortrend	S&P 500	Fortrend vs S&P500
One Month	(6.0%)	(4.5%)	(1.6%)
One Year	2.5%	(14.2%)	<b>16.7%</b>
Two Years	3.2%	(10.7%)	<b>14.0%</b>
Three Years	9.4%	(1.0%)	<b>10.4%</b>
Since Sep 1993	16.0%	10.8%	<b>5.2%</b>



**Fortrend**  
**Securities**  
**Member NASD, SIPC**

# RV Performance from Sep 1993 to May 2002

