

# Fortrend Securities

## The Relative Value Model

July 2002

## Second Quarter Earnings Preview

“Trust?”



# 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.



<b>Sector</b>	<b>Sub-sector</b>	<b>Sector</b>	<b>Sub-sector</b>
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\*

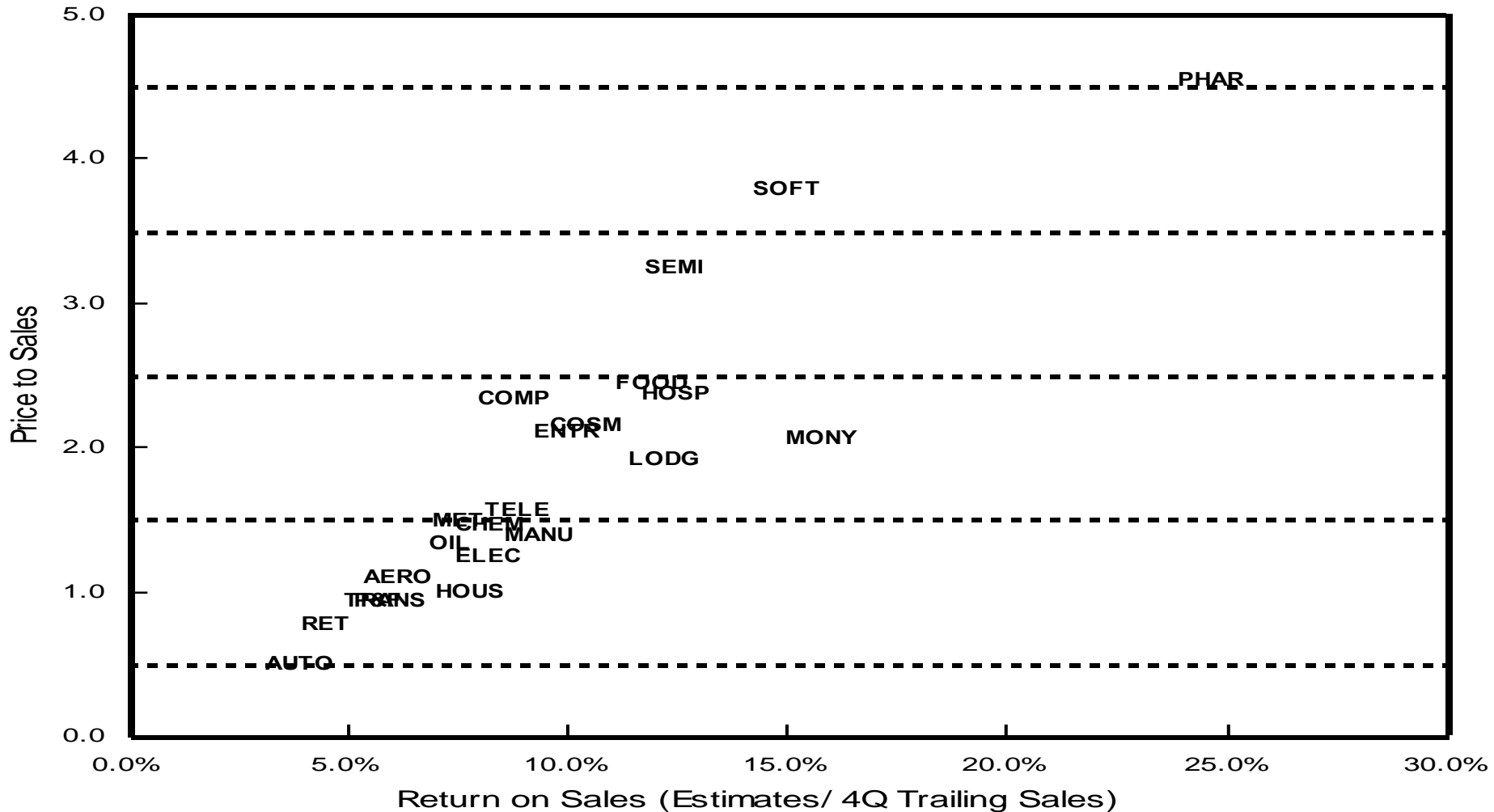
$$\frac{\text{Price / Sales}^*}{\text{Net Income / Sales (ROS)}} = \text{Price /Earnings Ratio 2003 est.}$$

difficulties in using sales



# RV All Industries, July 2002

Price to Sales vs Return on Sales



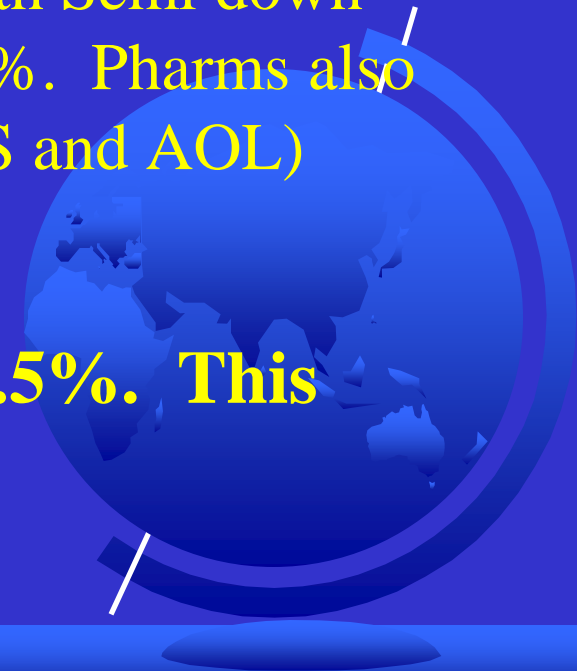
# Three Editions per Quarter

- Earnings Preview
- Earnings Results
- Bulls vs. Bears



# June Results

- The S&P 500 collapsed 7.3% in June while earnings estimates were reduced by 0.5%.
- The P/E for 2003 fell from 19.2 to 17.9. The 10 year bond yields 4.80% implying: a P/E of about 25...but...
- Estimates reductions have slowed.
- There was rotation out of Technology with Semi down 17%, Computers - 11% and Software - 8%. Pharms also fell, - 12% and Entertainment - 16% (DIS and AOL)
- Fortrend's Top Ten 10.7%
- **Underperforming the market by 3.5%. This was all attributable to Tyco.**



# Today's Issues

- Top Down - The economy is strong.
- Keeping things in perspective.
- Interest rates vs P/E over the long term.
- Corporate Governance.
- Sector by Sector preview of earnings.
- The Fortrend Top Ten, featuring JPM and KRI





# The “Hard Recovery”

- Diconomy analysis, strength in consumer and weakness in manufacturing.
- Merrill Lynch got it right, a V shaped economic recovery does not necessarily mean a V shaped earnings recovery.
- Capacity rates may rise faster than markets expect.
- Sharp cuts in rates will result in a sharp increase in activity, the risk is a “hard recovery.”



# Manufacturing

- Volume: durable goods orders increased 0.6%.
- Wholesale inventories were worked off by 0.7% to a two year low.
- Capacity utilisation rates remained unchanged at 75.5%.
- Manufacturers have no pricing power in the current environment. Producer prices dropped 0.4%.
- Manufacturing stocks were strong because inventories will need to be rebuilt.
- Fortrend's view: utilisation rates may rise faster than Wall Street expects due to shorter asset life cycles, and pricing power (inflation) will return sooner than expected, resulting in a "hard recovery."



# Consumers

- The ISM non-manufacturing index rose to 60.1 vs forecasts of 56 = strong growth.
- Consumers borrowed \$8.9 billion.
- Consumer Confidence remained strong at 106.5.
- New and existing home sales surged on low mortgage rates but vehicle sales have stopped increasing.
- Despite strong demand the CPI remains under control because of lower costs from the manufacturing economy.



# Top Down, Overall

- The current account is out of balance, and the dollar is falling.
- As the dollar falls there is a risk of import price hikes, but foreign sourced earnings will also improve.
- The leading indicators are very strong.
- Markets do not expect the Fed to raise rates from a 40-year low until at least November.
- The Fed's position is "neutral". Dr Greenspan will address congress on July the 16<sup>th</sup>.



# Keeping Things in Perspective

LOGARITHMIC SCALE for SPX Index  
Range 7/1/83 - 6/28/02



# P/E's vs Interest Rates

- 94: Rates rose to 8% and P/E's fell to 14. P/E's were particularly low because of the risk of a hard landing.
- 94-98: Rates fell to 5% and P/E's expanded to 25.
- 99-00: Market bubbles as P/E's reach 30 despite rising rates. (Investors paid a premium technological improvements were expected to provide "above trend line" growth, and the Fed could create a 2nd soft landing.)
- 00-02: Unwound and over-unwound: rates and P/E's fell simultaneously. The bubble dissipated, fear of terror and fraud. This simultaneous fall in rates and P/Es is unsustainable.
- Averages: 10-year - 6% yield, P/Es - 20, earnings growth - 8%. If we start in 1990 with S&P 500 earnings of \$23.5 (conservative start year), grow at 8%, then "normal" earnings in 2003 should be \$64. 20 times \$64, gives us a value of 1,280. Fortrend believes that markets are undervalued by 25%.



# P/E's vs Interest Rates

Interest rates vs estimated P/E's for the S&P 500



P/E's fall as rates rise

P/E's rise as rates fall

New Econ

Over Unwound

# Corporate Governance, Trust and Fear

- Enron, Global Crossing, Tyco, Qwest, ImClone, Worldcom, Adelphia, El Paso, Arthur Andersen, Martha Stewart and Rite Aid are under investigation. Merrill Lynch and Lehman have settled. Xerox settled and is in trouble again.
- President Bush's 10-point plan to congress, jail time.
- Harvey Pitt, (SEC) executives to "certify" financials.
- Eliot Spitzer, (NY Attorney General) turf war with SEC.
- SDIA calling for power (substantial consulting fees).
- Fraud gets more attention in bear markets than bull markets.
- Trade off between bureaucracy and free markets.
- Good businesses spend money to prove themselves innocent before being found guilty.
- Even GM, Merck and Clear Channel were subject to rumours this week. The witch hunt has caused an oversold market.





# Bottom Up, Earnings Outlook

- 230 companies warned vs 375 last quarter and 875 in 4Q01.
- Earnings are expected to rise 5%, down from previous estimates of 8%
- Earnings are expected to rise 8.5% for the year. In 2003 earnings are expected to increase 16% to \$55.15, which is slightly ahead of 2000, and we would say still “trough” earnings.



# Metals

- Worthington, Nucor and US Steel are expected to benefit from tariffs imposed. Hot-rolled steel imports grow despite tariffs, steel makers are increasing prices for auto and appliance makers.
- Phelps Dodge estimates were increased and the stock is solid, partially because BHP is cutting copper production in Chile.
- Alcoa provided downward guidance, expected to report a 43% decline in profits to \$238 million.



# Chemicals

- du Pont guided higher last quarter when they cut costs and sold more farm chemicals. This quarter they are selling more paint and carpet fibres to building companies.
- Rohm & Haas guided higher due to improved demand from the consumer products and semiconductor clients.
- Dow Chemical is forecasted to earn only 29 cents per share after making 33 cents last year. They have not provided guidance, but industry trends look favourable so they remain on Fortrend's Top Ten.



# Transportation

- AMR, Delta Northwestern stock prices were savaged again this month as estimates were reduced substantially.
- FedEx guided analysts down from estimates of 54 cents to a range of 40 to 50 cents for their first quarter ending in August.
- United Parcel Service is a high-risk stock, avoid it.
- Airborne subsequently warned.



# Hospitals

- Hospitals are expected to have a good quarter, while momentum builds in their favour.
- HCA, (largest) attracted patients by building more emergency rooms. Expected 62 cents vs 50 cents last year.
- Tenet (second) raised estimates due to increased volume at higher prices while reducing costs. Based in Santa Barbara, California, they have higher margins than HCA.
- Triad Hospitals (third) picked up clients by recruiting more doctors. They are based in the Southeast and Southwest.
- Healthsouth, is expected to earn 28 cents and should report on July 31<sup>st</sup>. Lehman added Healthsouth to their “10 uncommon values” list this month. Healthsouth remains on the Fortrend Top 10.



# Semiconductors

- Intel warned that sales for the second quarter will be \$6.2 billion, lower than forecasts for \$6.8 billion. They blamed European demand and lower ASP's as clients shifted to cheaper chips.
- Reflects weak global demand for PC's (Intel powers 80%).
- Hewlett Packard, the world's largest PC maker, announced earlier in the month that sales would drop 5-7% from last year.
- SIA estimates only 3% this year after a 33% drop last year.
- Advanced Micro warned on June 17<sup>th</sup> that sales will miss and they will record a substantial loss. Estimates were cut from about break even to forecasts for a loss of 36 cents.



# Dow Chemical

**DOW** US \$ C **34.53** +.15 N --x-- Equity **DES**  
 As of Jul11 DELAYED Vol 3,145,800 Op 34.40 N Hi 34.73 N Lo 34.25 B

## DESCRIPTION

Page 1 / 10

### DOW US

DOW CHEMICAL

12) CN All News/Research

13) CWP Company Web Page

14) HH Hoover's Handbook

Chemicals-Diversified

CUSIP 260543103

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 7/ 1 USD 34.53  
 52Wk High 12/ 6/2001 USD 38.67  
 52Wk Low 1/16/2002 USD 23.66  
 YTD Chng ( 2.22%) USD .75

2)TRA 1 Yr Total Return 4.71%

3)FA 17) Shares out 3/31/2002 907.677M

Market Cap 7/ 1 USD 31342.09M

Float 906.64M Short Int 10.620M

5)BETA Beta vs. SPX 1.00

6)MON Options, LEAPs, Stk Marginable

### DIVID

### DIVIDENDS - Quarterly

Indicated Gross Yld 3.88%  
 Dividend Growth 5YR 5.20%  
 Ex-Date Type Amt  
 6/26/02 Reg. Cash USD .335

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

9)ERN Trailing 12mo EPS USD .550

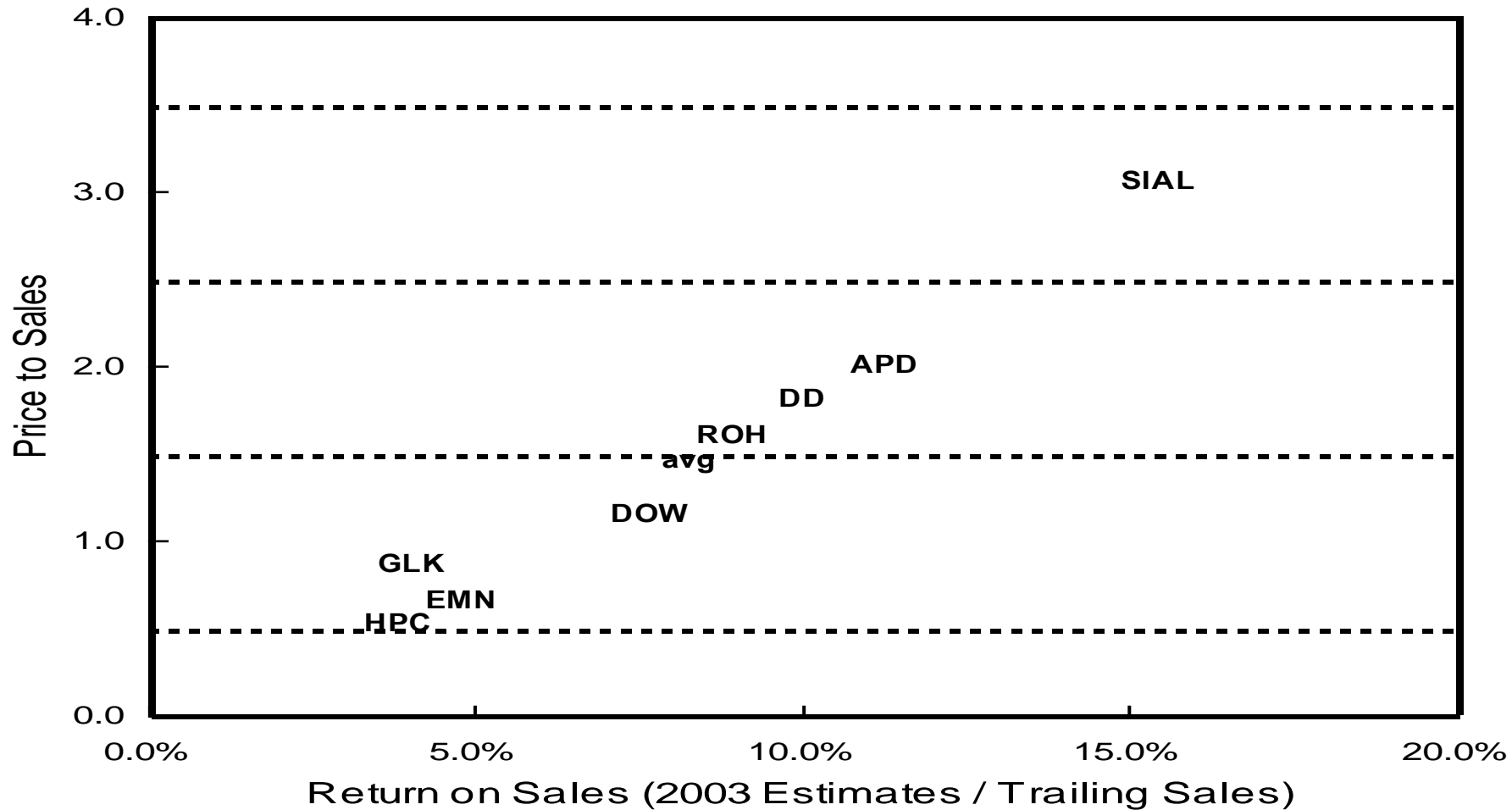
10)EE Est EPS 12/2002 USD .979

11)GE P/E 62.78 Est P/E 35.27

LT Growth 8.83 Est PEG 3.99

# Dow Chemical

Price to Sales vs Return on Sales





# Tyco

**TYC** US \$ C **13.75** +.24 N

Equity **DES**

As of Jul11 DELAYED Vol 38,559,100 Op 14.45 T Hi 14.90 T Lo 13.49 T

## DESCRIPTION

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**TYC US**

TYCO INTERNATIONAL LTD

12) **CN** All News/Research

13) **CWP** Company Web Page

14) **HH** Hoover's Handbook

Diversified Manufact Op

CUSIP 902124106

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

**1)GPO** Round Lot 100.00  
 Price 7/ 1 USD 13.75  
 52Wk High 12/ 5/2001 USD 60.09  
 52Wk Low 6/12/2002 USD 8.25  
 YTD Chng (-76.66%) USD -45.15

**2)TRA** 1 Yr Total Return -74.77%

**3)FA** 17) Shares out 6/ 6/2002 1996.653M

Market Cap 7/ 1 USD 27453.98M

Float 1983.34M Short Int 38.791M

**5)BETA** Beta vs. SPX 1.54

**6)OMN** Options, LEAPs, Stk Marginable

### DIVID

### DIVIDENDS - Quarterly

Indicated Gross Yld .36%  
 Dividend Growth 5YR %  
 Ex-Date Type Amt  
 6/27/02 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 2.553

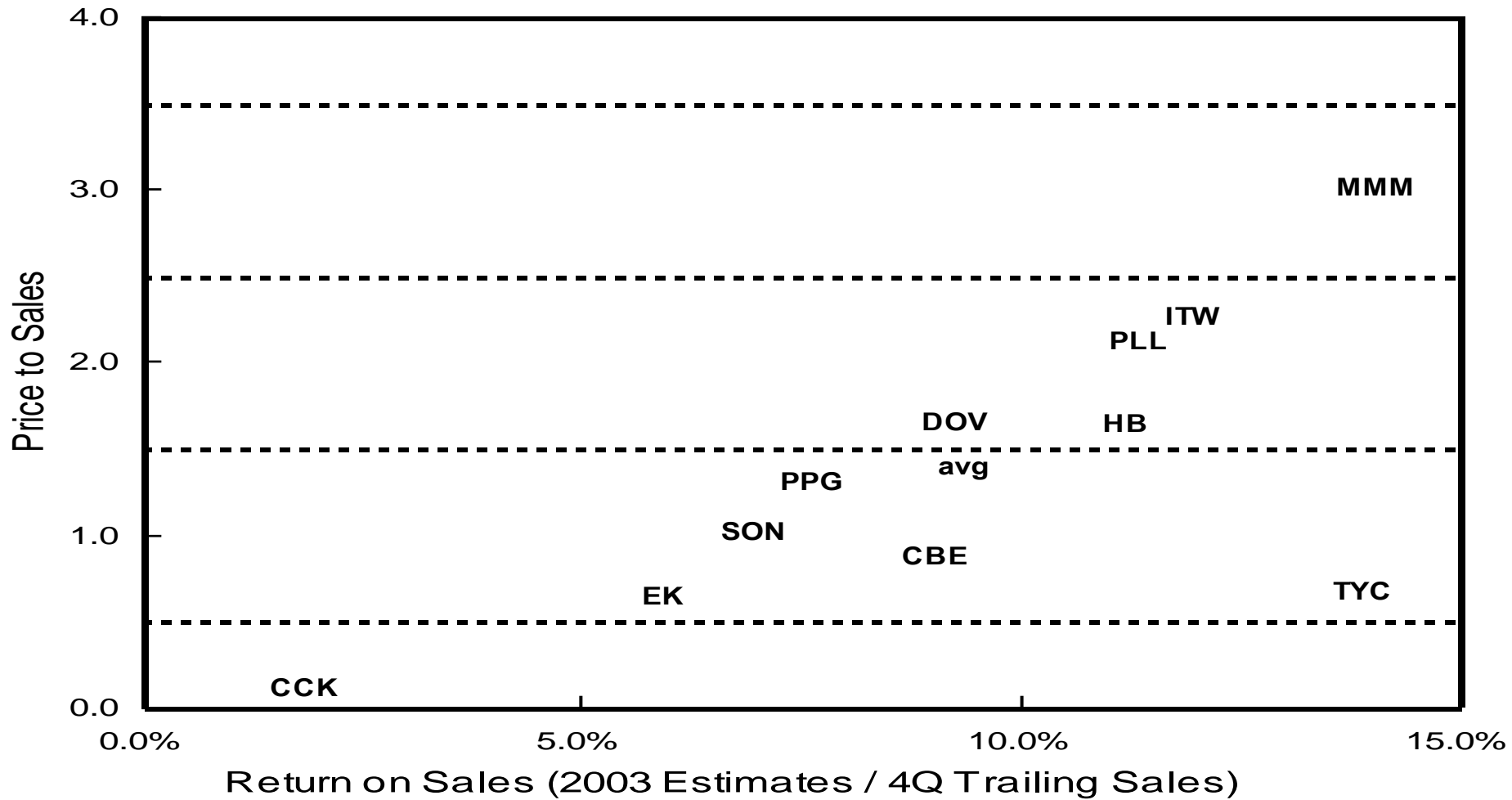
**11)GE** P/E 4.66 Est P/E 5.39

LT Growth 15.18 Est PEG .35

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

# Tyco

Price to Sales vs Return on Sales



# McDonald's

**MCD** US \$ C **28.10** **-.35** N

Equity **DES**

As of Jul11 DELAYED Vol 4,512,700 Op 28.46 N Hi 28.62 N Lo 28.02 B

## DESCRIPTION

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**MCD US**  
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

<b>1)GPO</b>	Price	7/ 1	USD	28.10
	52Wk High	8/24/2001	USD	31.00
	52Wk Low	10/30/2001	USD	25.00
	YTD Chng (	6.16%)	USD	1.63
<b>2)TRA</b>	1 Yr Total Return			3.40%
<b>3)FA</b>	17) Shares out	3/31/2002		1272.000M
	Market Cap	7/ 1	USD	35743.20M
	Float	1249.52M	Short Int	11.974M
<b>5)BETA</b>	Beta	vs. SPX		.56
<b>6)OMN</b>	Options, LEAPs, Stk Marginable			

### DIVID

### DIVIDENDS - Annual

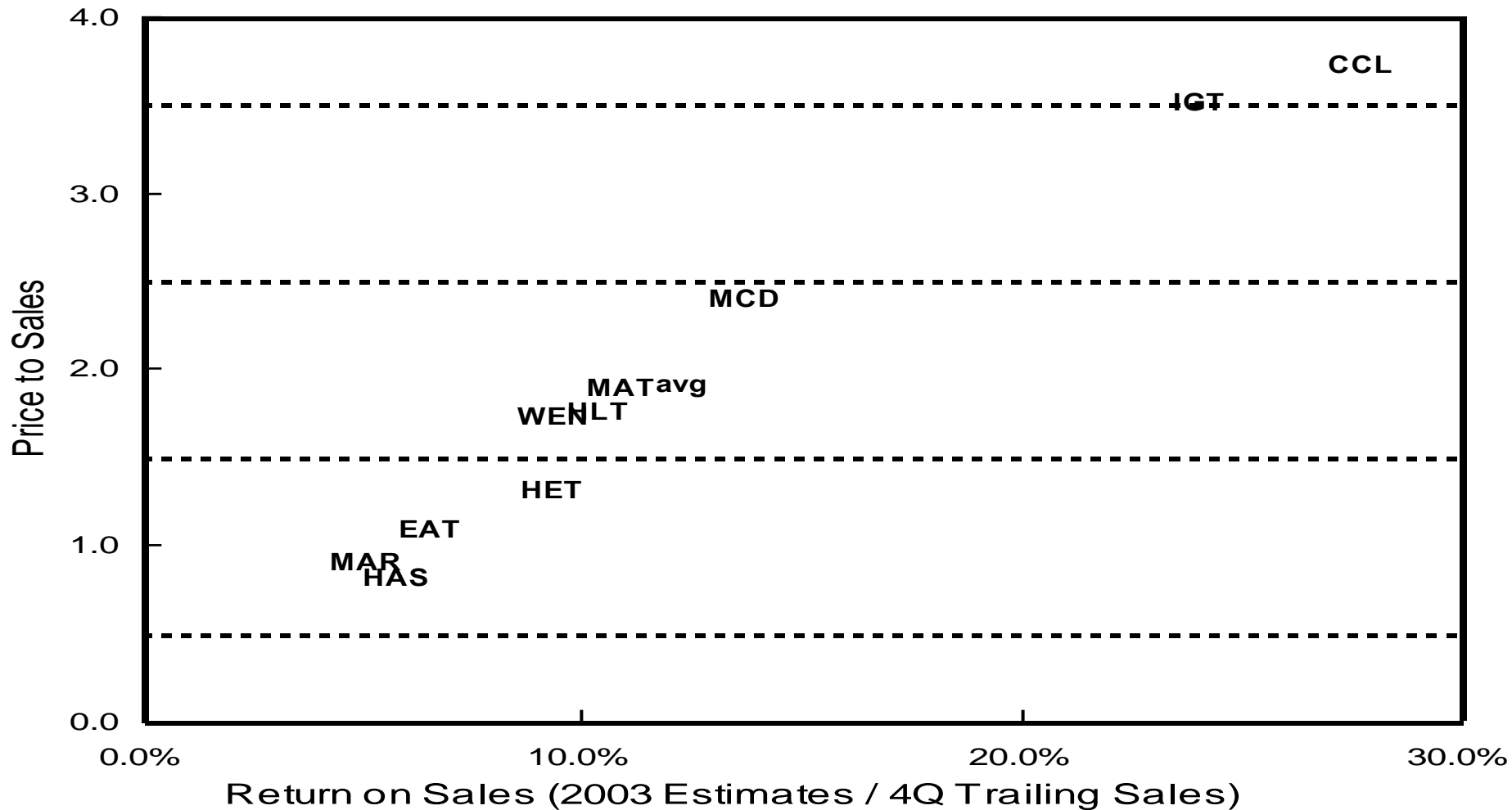
Indicated Gross Yld	.80%	
Dividend Growth 5YR	7.91%	
Ex-Date	Type	Amt
11/13/01	Reg. Cash	USD .225

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

<b>9)ERN</b>	Trailing 12mo EPS	USD	1.470
<b>10)EE</b>	Est EPS	12/2002	USD 1.483
<b>11)GE</b>	P/E	19.12	Est P/E 18.95
LT Growth	10.00	Est PEG	1.89

# McDonald's

Price to Sales vs Return on Sales



# Disney

**DIS** US \$ C **18.36** **-.54** N --x-- Equity **DES**  
 As of Jul11 DELAYED Vol 7,943,900 Op 18.90 N Hi 19.09 N Lo 18.24 N

## DESCRIPTION

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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

**1GPO** Price 7/ 1 USD 18.36  
 52Wk High 7/ 2/2001 USD 29.02  
 52Wk Low 9/20/2001 USD 15.50  
 YTD Chng (-11.39%) USD -2.36

**2)TRA** 1 Yr Total Return -35.50%

**3)FA** 17) Shares out 6/26/2002 2040.819M  
 Market Cap 7/ 1 USD 37469.43M

Float 2006.59M Short Int 43.473M

**5)BETA** Beta vs. SPX 1.13

**6)OMN** Options, LEAPs, Stk Marginable

### 8)DVD

### DIVIDENDS - Annual

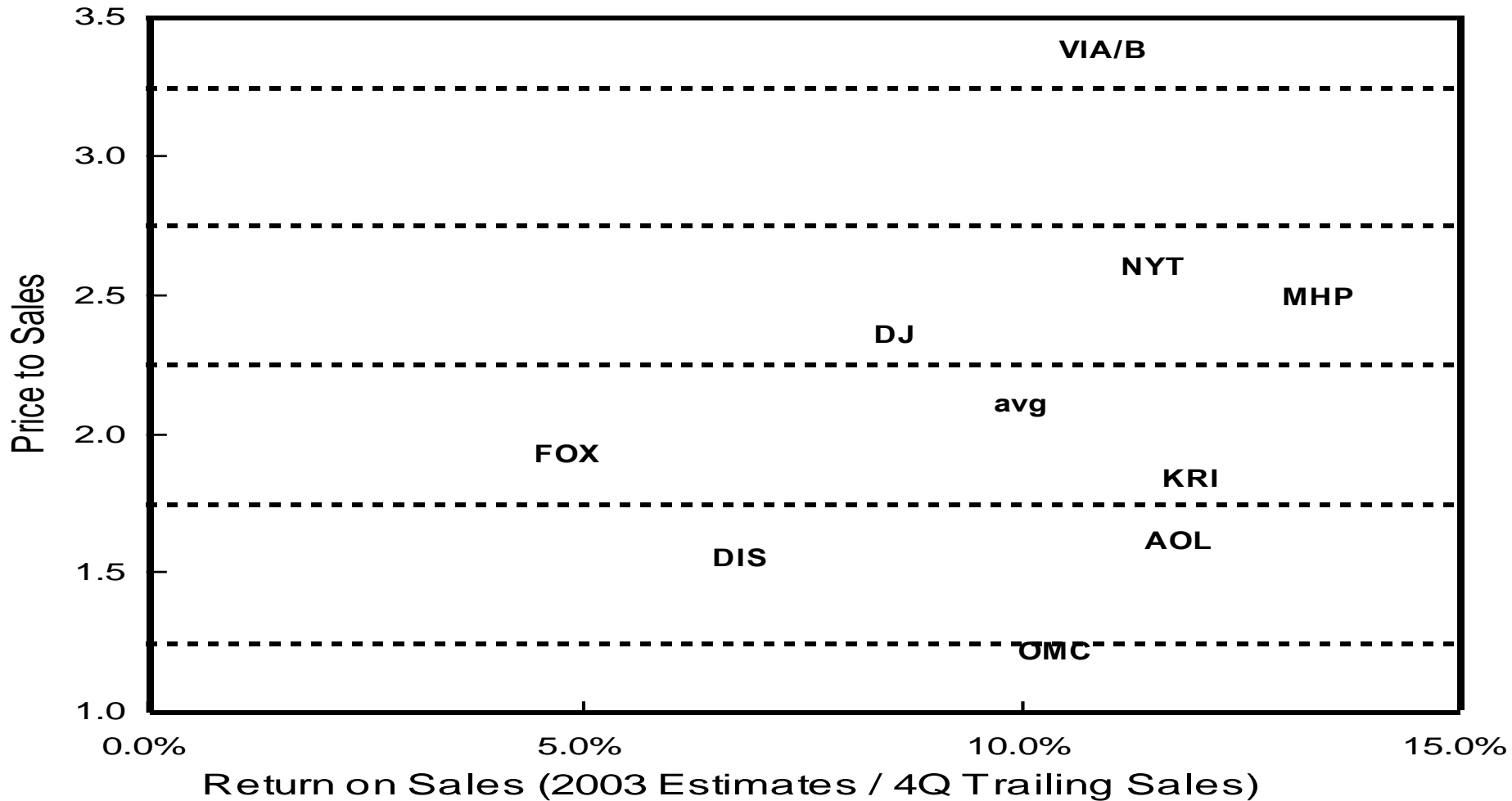
Indicated Gross Yld 1.14%  
 Dividend Growth 5YR 6.38%  
 Ex-Date Type Amt  
 12/ 5/01 Reg. Cash USD .21

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

**9)ERN** Trailing 12mo EPS USD .570  
**10)EE** Est EPS 9/2002 USD .617  
**11)GE** P/E 32.21 Est P/E 29.76  
 LT Growth 14.14 Est PEG 2.11

# Disney

Price to Sales vs Return on Sales



# Knigh Ridder

**KRI** US \$ C **61.40** -1.55 N --x--

Equity **DES**

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## DESCRIPTION

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**KRI US**

KNIGHT RIDDER INC

12) **CN** All News/Research

Publishing-Newspapers

13) **CWP** Company Web Page

CUSIP 499040103

14) **HH** Hoover's Handbook

Knigh-Ridder, Inc, a newspaper publisher, offers print and online products. The Company publishes daily newspapers in various markets throughout the United States, as well as holds investments in a variety of Internet and technology companies. Knigh-Ridder creates and maintains a variety of online services, including RealCities.com.

### STOCK DATA

**1)GPO** Price 7/ 1 USD 61.40  
 52Wk High 4/10/2002 USD 70.20  
 52Wk Low 9/21/2001 USD 52.85  
 YTD Chng ( -5.44%) USD -3.53

**2)TRA** 1 Yr Total Return 3.82%

**3)FA** 17) Shares out 4/26/2002 83.304M

Market Cap 7/ 1 USD 5114.86M

Float 82.85M Short Int .609M

**5)BETA** Beta vs. SPX .75

**6)MON** Options avail & Stk Marginable

### DIVID

### DIVIDENDS - Quarterly

Indicated Gross Yld 1.63%  
 Dividend Growth 5YR 4.56%  
 Ex-Date Type Amt  
 5/ 6/02 Reg. Cash USD .25

### EARNINGS-Ann Date 07/17/02 (Est)

**9)ERN** Trailing 12mo EPS USD 2.830

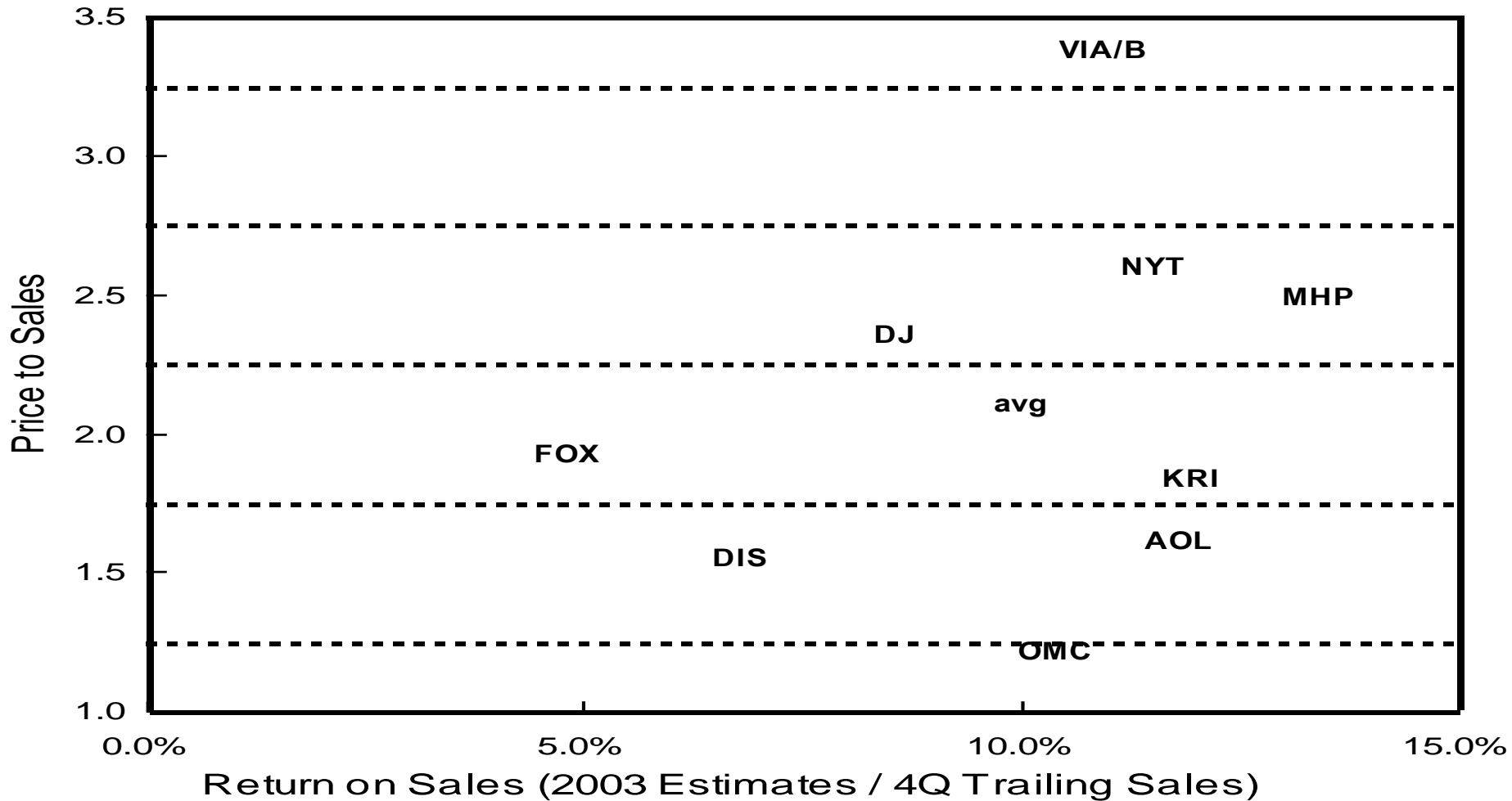
**10)EE** Est EPS 12/2002 USD 3.641

**11)GE** P/E 21.70 Est P/E 16.86

LT Growth 9.50 Est PEG 1.78

# Knight Ridder

Price to Sales vs Return on Sales





# Health South

**HRC** US \$ C **12.00** **-.79** N --x-- Equity **DES**  
 As of Jul11 DELAYED Vol 2,333,200 Op 12.79 N Hi 12.87 N Lo 11.91 N

## DESCRIPTION

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### 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

<b>1)GPO</b>	Price	7/ 1	USD	12.00
	52Wk High	9/ 4/2001	USD	18.49
	52Wk Low	2/ 4/2002	USD	10.84
	YTD Chng (-19.03%)		USD	-2.82
<b>2)TRA</b>	1 Yr Total Return			-23.08%
<b>3)FA</b>	17) Shares out	5/ 6/2002		393.504M
	Market Cap	7/ 1	USD	4722.05M
	Float	385.76M	Short Int	5.230M
<b>5)BETA</b>	Beta vs. SPX			.75
<b>6)OMON</b>	Options, LEAPs, Stk Marginable			

### DIVIDENDS

- None

Indicated Gross Yld  
 Dividend Growth  
 Ex-Date            Type            Amt

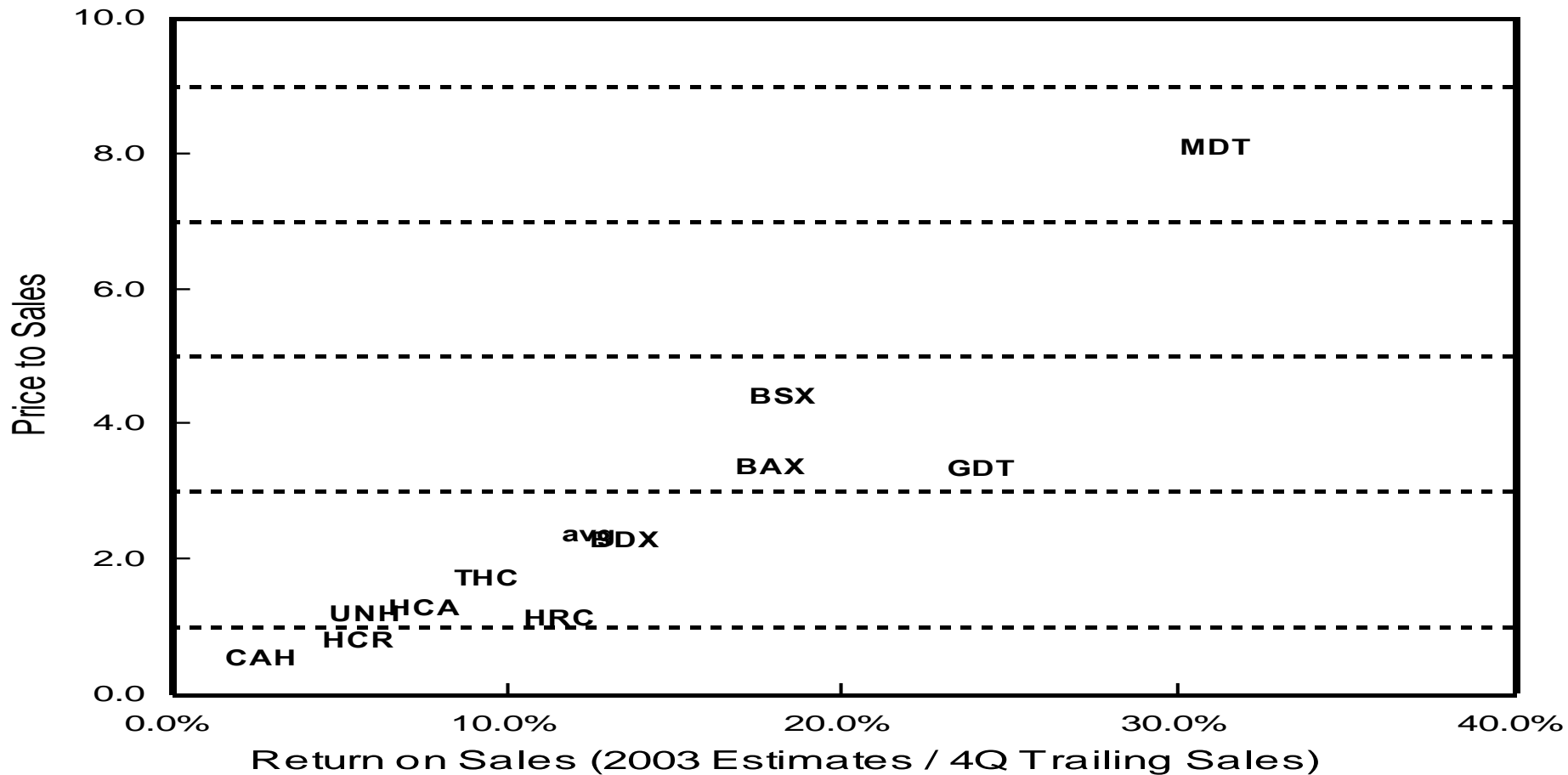
### EARNINGS-Ann Date 07/31/02 (Est)

<b>9)ERN</b>	Trailing 12mo EPS	USD	.900
<b>10)EE</b>	Est EPS	12/2002	USD 1.141
<b>11)GE</b>	P/E	13.33	Est P/E 10.52
	LT Growth	14.71	Est PEG .72

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

# Health South

Price to Sales vs Return on Sales



# Merck

**MRK** US \$ C **48.75** -1.89 N --x-- Equity **DES**  
 As of Jul11 DELAYED Vol 6,556,500 Op 50.89 N Hi 51.09 N Lo 48.50 T

## DESCRIPTION

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**MRK US**

MERCK & CO. INC.

12) **CN** All News/Research

13) **CWP** Company Web Page

14) **HH** Hoover's Handbook

Medical-Drugs

CUSIP 589331107

Merck & Co. Inc. is a global pharmaceutical company that discovers, develops, manufactures, and markets a broad range of human and animal health products. The Company also provides pharmaceutical benefit services. Merck's products include Zocor, a treatment for elevated cholesterol, Pepcid anti-ulcerant, Primaxin antibiotic, and Propecia, a treatment for male pattern hair loss.

### STOCK DATA

**1)GPO** Price 7/ 1 USD 48.75  
 52Wk High 8/21/2001 USD 71.50  
 52Wk Low 6/24/2002 USD 47.60  
 YTD Chng (-17.09%) USD -10.05

**2)TRA** 1 Yr Total Return -22.52%

**3)FA** 17) Shares out 4/30/2002 2265.172M

Market Cap 7/ 1 USD 110427.1M

Float 2264.00M Short Int 22.751M

**5)BETA** Beta vs. SPX .49

**6)OMN** Options, LEAPs, Stk Marginable

### DIVIDENDS - Quarterly

Indicated Gross Yld 2.87%

Dividend Growth 5YR 11.29%

Ex-Date Type Amt

6/ 5/02 Reg. Cash USD .35

### EARNINGS-Ann Date 07/19/02 (Est)

**9)ERN** Trailing 12mo EPS USD 3.140

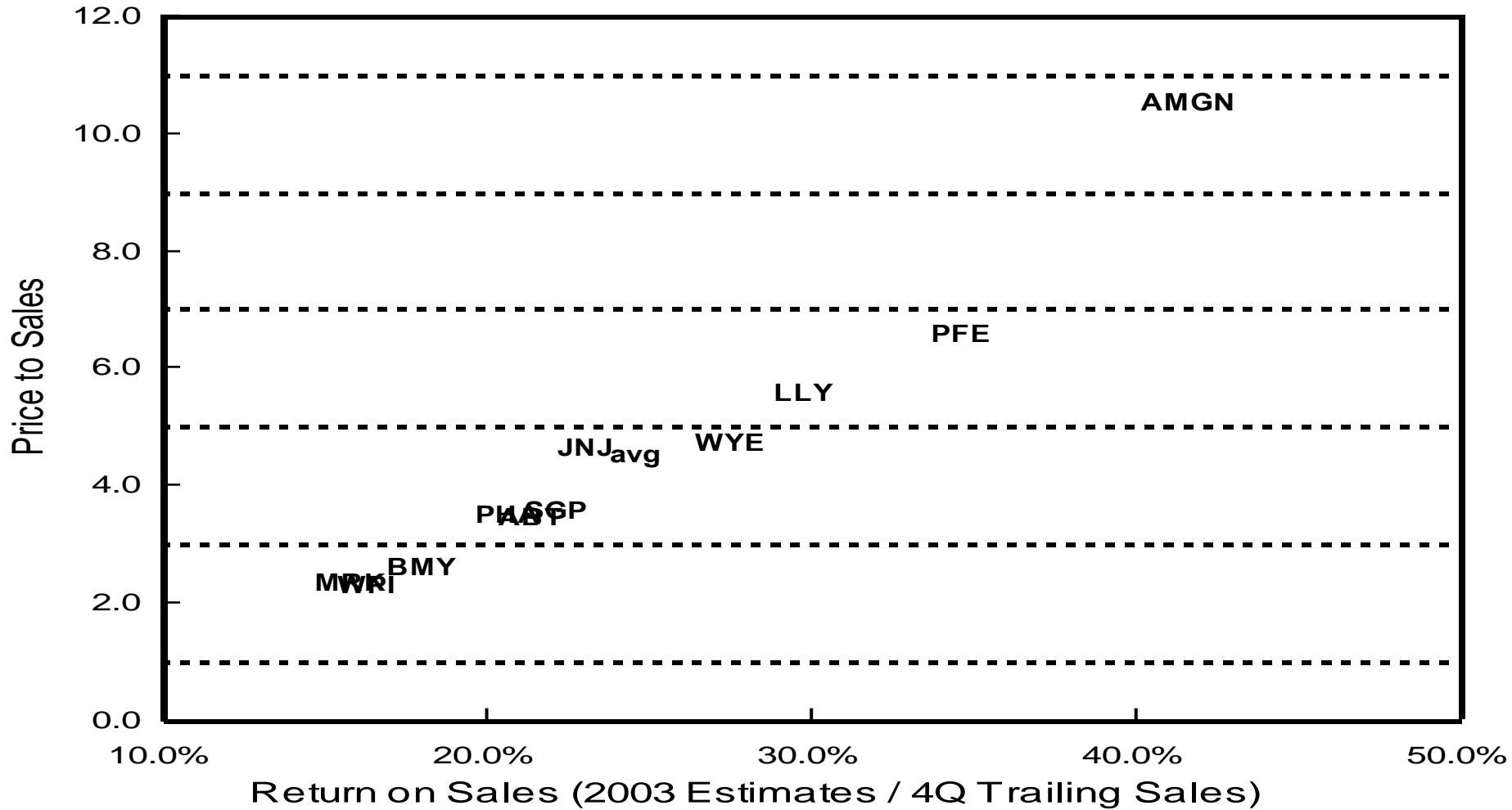
**10)EE** Est EPS 12/2002 USD 3.130

**11)GE** P/E 15.53 Est P/E 15.58

LT Growth 10.56 Est PEG 1.48

# Merck

Price to Sales vs Return on Sales



# Cisco Systems

**CSCO** US \$ C **13.09** **-.86** Q 13.12/13.14 Equity **DES**  
 As of Jul11 DELAYED Vol 60,305,800 Op 13.84 Q Hi 14.00 Q Lo 13.05 Q

## DESCRIPTION

CISCO SYSTEMS INC

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### CSCO US

Networking Products

CUSIP 17275R102

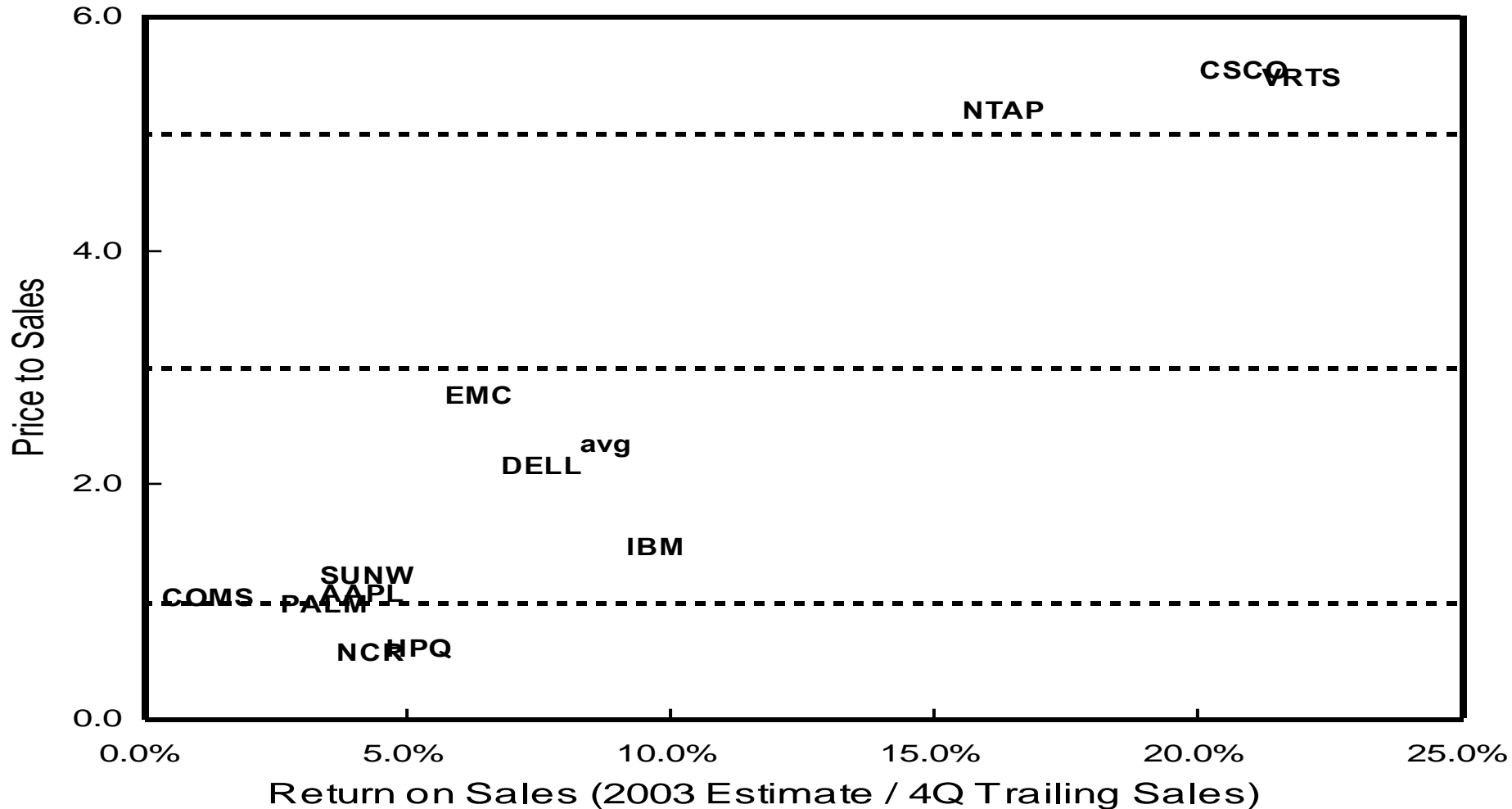
- 12) CN All News/Research
- 13) CWP Company Web Page
- 14) HH Hoover's Handbook

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				DIVIDENDS - None			
<b>1)GPO</b>	Price	7/ 1	USD 13.09	<b>8)DVD</b>	Indicated Gross Yld		
	52Wk High	12/ 7/2001	USD 21.92		Dividend Growth		
	52Wk Low	9/27/2001	USD 11.04		Ex-Date	Type	Amt
	YTD Chng (-27.72%)		USD -5.02				
<b>2)TRA</b>	1 Yr Total Return -31.89%			<b>EARNINGS</b>	-Ann Date 08/06/02(Aft-mkt)(C)		
<b>3)FA</b>	<b>17)</b> Shares out	5/24/2002	7316.575M	<b>9)ERN</b>	Trailing 12mo EPS	USD	.260
	Market Cap	7/ 1	USD 95773.96M	<b>10)EE</b>	Est EPS	7/2002	USD .359
Float	7203.91M	Short Int	75.142M	<b>11)GE</b>	P/E	50.35	Est P/E 36.46
<b>5)BETA</b>	Beta vs. SPX		1.69	LT Growth	22.64	Est PEG	1.61
<b>6)OMON</b>	Options, LEAPs, Stk Marginable						

# Cisco Systems

Price to Sales vs Return on Sales



# Dell

**DELL** US \$ C **25.16** **-.98** Q 25.15/25.16 Equity **DES**  
 As of Jul11 DELAYED Vol 21,380,200 Op 25.99 Q Hi 26.10 Q Lo 25.07 Q

## DESCRIPTION

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### DELL US

DELL COMPUTER CORP

12) CN All News/Research

Computers

13) CWP Company Web Page

CUSIP 247025109

14) HH Hoover's Handbook

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 7/ 1 USD 25.16  
 52Wk High 1/ 9/2002 USD 30.52  
 52Wk Low 9/21/2001 USD 16.01  
 YTD Chng ( -7.43%) USD -2.02

2)TRA 1 Yr Total Return -6.36%

3)FA 17) Shares out 5/31/2002 2594.386M

Market Cap 7/ 1 USD 65274.76M

Float 2242.09M Short Int 40.726M

5)BETA Beta vs. SPX 1.56

6)OMON Options, LEAPs, Stk Marginable

### DIVID

DIVIDENDS - None

Indicated Gross Yld

Dividend Growth

Ex-Date Type Amt

EARNINGS-Ann Date 08/16/02 (Est)

9)ERN Trailing 12mo EPS USD .660

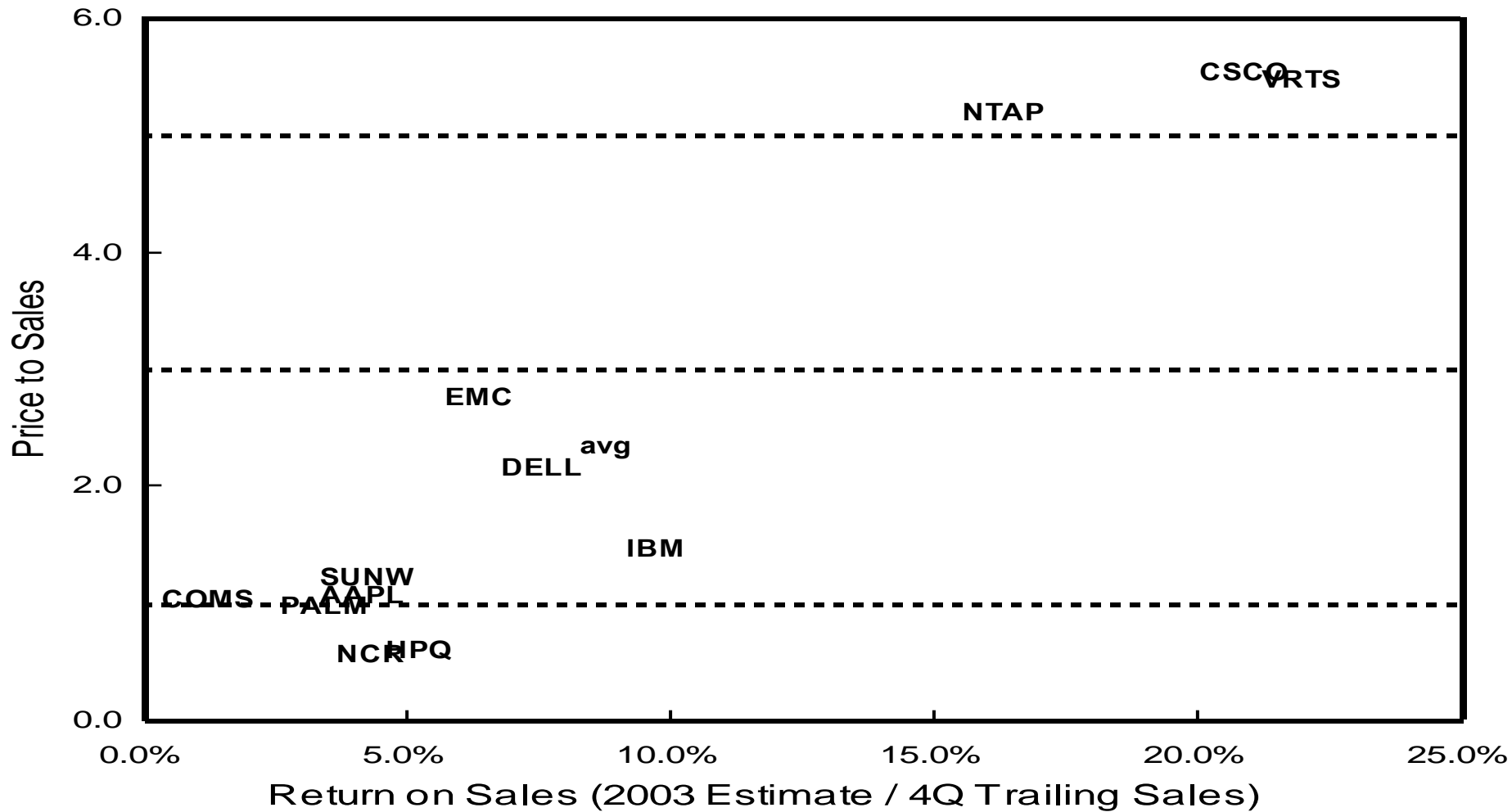
10)EE Est EPS 1/2003 USD .764

11)GE P/E 38.12 Est P/E 32.93

LT Growth 18.51 Est PEG 1.78

# Dell

Price to Sales vs Return on Sales





# JP Morgan

**JPM** US \$ C **31.36** -2.56 N Equity **DES**  
 As of Jul11 DELAYED Vol 10,095,400 Op 33.59 N Hi 33.68 N Lo 31.35 N X

## DESCRIPTION

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### JPM US

JP MORGAN CHASE & CO

12) CN All News/Research

Finance-Invest Bnkr/Brkr

13) CWP Company Web Page

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 7/ 1 USD 31.36  
 52Wk High 7/ 3/2001 USD 46.01  
 52Wk Low 2/22/2002 USD 26.70  
 YTD Chng (-13.73%) USD -4.99  
**2)TRA** 1 Yr Total Return -29.01%  
**3)FA** 17) Shares out 4/30/2002 1990.982M  
 Market Cap 7/ 1 USD 62437.21M  
 Float 1987.18M Short Int 22.552M  
**5)BETA** Beta vs. SPX 1.29  
**6)MON** Options, LEAPs, Stk Marginable

### 8)DVD

### DIVIDENDS - Quarterly

Indicated Gross Yld 4.34%  
 Dividend Growth 5YR 12.15%  
 Ex-Date Type Amt  
 7/ 2/02 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 2.743  
**11)GE** P/E 20.50 Est P/E 11.43  
 LT Growth 11.12 Est PEG 1.03

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

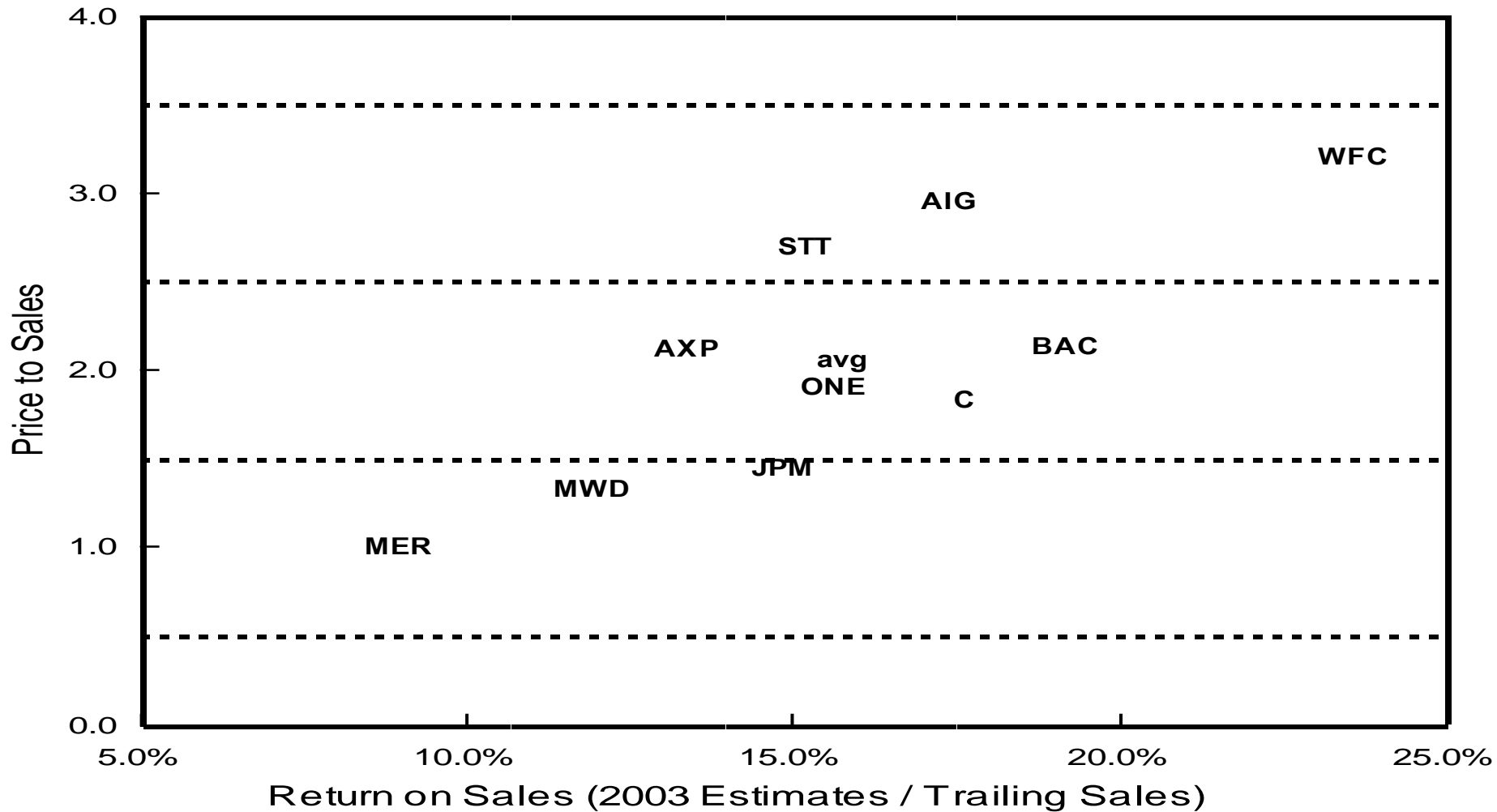
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Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 212 1000 U.S. 1 212 318 2000

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# JP Morgan

Price to Sales vs Return on Sales



# Fortrend's Top Ten

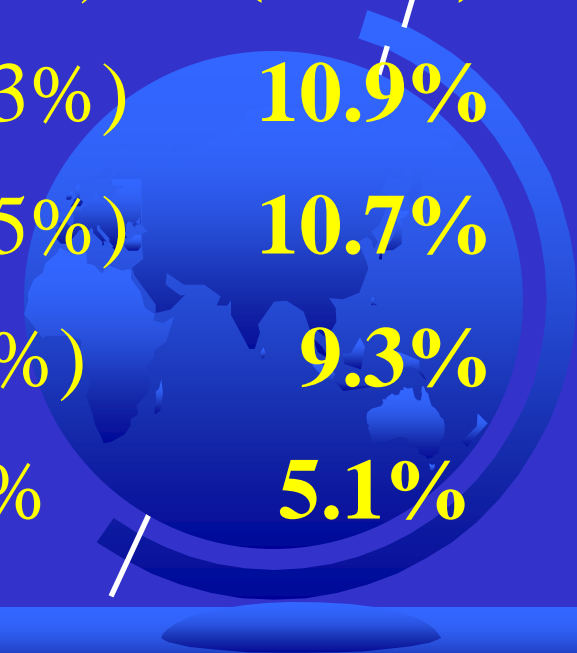
- Dow Chemical
- Tyco
- McDonald's
- Walt Disney
- Knight Ridder
- Healthsouth
- Merck
- Cisco Systems
- Dell Computer
- JP Morgan Chase



# Fortrend's Performance

- |  | Fortrend | S&P 500 | Fortrend vs S&P500 |
|--|----------|---------|--------------------|
|--|----------|---------|--------------------|

One Month	(10.7%)	(7.3%)	(3.5%)
One Year	(8.4%)	(19.3%)	<b>10.9%</b>
Two Years	(5.8%)	(16.5%)	<b>10.7%</b>
Three Years	(0.5%)	(9.8%)	<b>9.3%</b>
Since Sep 1993	14.8%	9.7%	<b>5.1%</b>



# RV Performance from Sep 1993 to June 2002

