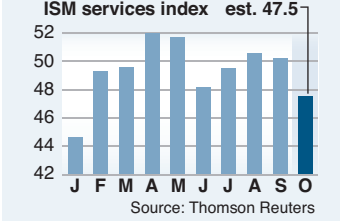


### Today

A gloomy reading on the service sector is expected the day after the election, as earnings season rolls on with a report from the world's largest steelmaker.

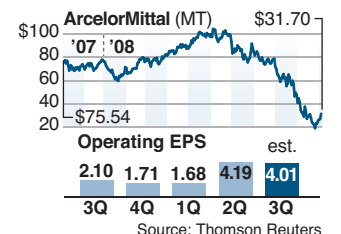
### Services sector update

The October reading on the Institute for Supply Management non-manufacturing index is expected to contract. Thomson Reuters economist Jeff Hall says the number could be 42, sharply lower than what the consensus expects. A reading below 50 indicates contraction. Monday's ISM report on the manufacturing industry saw business activity in September fall to its lowest level in 26 years, lagging analyst estimates. A slower global economy is hurting demand for both goods and services.



### ArcelorMittal earnings

Slowing demand amid an economic slump caused the steel company to recently idle a Cleveland plant. The company plans to offer voluntary layoffs with partial pay. Deutsche Bank Securities analyst David Martin rates the stock "hold," citing high debt, big capital expenditure plans and falling steel prices.



### After the election

Historically, in the 10 days following presidential elections, the market has gained an average of 1.1 percent, according to figures dating back to 1896. But experts say investors shouldn't place much emphasis on historic market activity related to political events because broader economic trends could be more important. Encima Global economist David Malpass says "the election won't cause a near-term improvement in the economic or market situation." He's pessimistic about fourth-quarter economic growth prospects, but expects government policies and stabilization in the housing market to lead to "reasonable growth" in 2009.

### 10-day average return after elections, 1896-2004

All presidential elections	1.1%
Republican win	2.2
Democratic win	-0.3

Note: Based on Dow industrials through 1928; then uses Standard & Poor's 500  
Source: Lauthold Group



Shailla Dani, Elizabeth Gramling • AP

# Money & Markets



### Stocks Recap

	NYSE	NASD	DOW	HIGH	LOW	CLOSE	CHG.	%CHG.	WK	MO	QTR	YTD
Vol. (in mil.)	3,194	1,378		11337.48	11157.21	11288.54	+73.03	+0.65%	▼	▼	▼	-14.90%
Pvs. Volume	5,152	2,359		4738.95	4635.39	4678.75	+25.62	+0.55%	▲	▲	▲	+2.37%
Advanced	1078	1072		524.34	514.49	515.32	-3.20	-0.62%	▲	▲	▲	-3.23%
Declined	2029	1707		8533.90	8410.41	8481.54	+16.03	+0.19%	▲	▲	▲	-12.92%
New Highs	2	6		2262.96	2227.80	2245.38	-6.08	-0.27%	▼	▼	▼	-15.34%
New Lows	443	381		1271.48	1252.01	1262.90	+1.38	+0.11%	▼	▼	▼	-13.99%
				S&P 500	797.65	782.53	786.80	-8.70	-1.09%	▼	▼	-8.32%
				Russell 2000	673.59	660.93	665.78	-6.56	-0.98%	▼	▼	-13.09%
				Wilshire 5000	12910.38	12707.19	12815.47	-26.86	-0.21%	▼	▼	-13.53%

## Playing the strong dollar

The strengthening dollar is cutting U.S. investors' returns on international stocks and revenue of U.S. companies with a large international presence. But advisers are split on whether the dollar's strength will last and if trimming foreign investments is the right move.

For years, the value of Americans' foreign stock holdings was lifted by gains in those currencies against the dollar.

As the dollar strengthens, U.S.-made goods become more expensive abroad, and those foreign sales are worth less when converted to dollars. Foreign stocks are also worth less unless you invest in a mutual fund that hedges currencies back to dollars.

The dollar began strengthening in July and has gained about 20 percent as measured by the U.S. Dollar Index. The dollar has tended to move in cycles averaging four and a half years over the past few decades, according to Bespoke Investment Research. Deutsche Bank strategist Robert J. Froehlich doesn't believe the dollar's move higher will last as long as that but he is advising clients to ease up on international investments. "The rest of the world has to play catch up with lowering interest rates, and that's more foundation for the dollar to strengthen," he says. Froehlich believes dollar strength could last nine months to a year. At that point, he expects a ballooning U.S. bud-

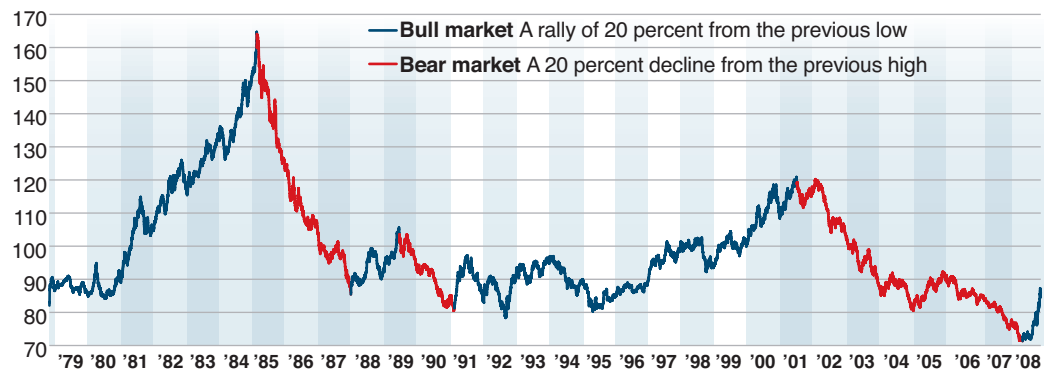
get deficit will cause the dollar to depreciate.

Law Altifst, president of financial advisory firm L.J. Altifst & Co., says he's more confident in the U.S. than in Europe right now, believing Europe faces tougher economic challenges. He recommends investors with moderate risk tolerance keep 70 percent in U.S. stocks vs. 30 percent internationally.

Financial adviser Bob Kreidler says long-term investors should stay diversified, and doesn't believe that reallocating now makes sense, especially within such volatile markets. "This is short term stuff," Kreidler says. "The worldwide growth story is intact and well run U.S. companies should be successful overseas."

### Bulls and bears for the buck

The U.S. Dollar Index measures the value of the dollar relative to other major currencies such as the euro, yen, British pound and Swiss franc. It has tended to move in long up or down cycles over the past 30 years.



SOURCES: Thomson Reuters; Bespoke Investment Group Chris Bain, Elizabeth Gramling • AP

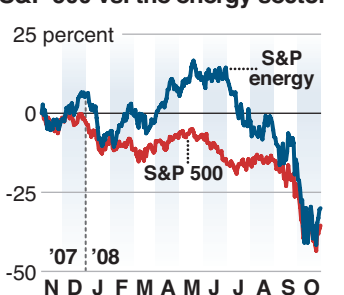
## Last big quarter?

Exxon Mobil Corp. (XOM) last week reported the highest quarterly profit ever for a U.S. company, breaking its own record. Chevron Corp. (CVX), BP plc (BP) and ConocoPhillips (COP) likewise reported sharply higher profit. But Big Oil's record-breaking streak could be over. Oil's price has halved since its July 11 peak above \$147 a barrel, as a sluggish global economy weighs on demand. Jefferies & Co. analyst Steven D. Gengaro recently reduced his 2009 average crude oil price forecast to \$60 a barrel from \$85 and set a \$75 estimate for 2010. He expects oil demand will slip 1.2 percent in 2009.

Gengaro expects oversupply amid waning demand. Chevron has "a series of massive projects set to deliver" including in Nigeria and Kazakhstan, writes Deutsche Bank analyst Paul Sankey. "The problem is, delivery comes right when more oil is least needed," he says, affirming a "hold" rating. Gengaro also rates Exxon, the world's largest public oil company, "hold" and rates ConocoPhillips "sell," saying it has more debt and less free cash flow than peers.

But Oppenheimer & Co. analyst Data through Oct. 31

### S&P 500 vs. the energy sector



Fadel Gheith rates the stocks "outperform," saying they will only suffer in a severe global recession. By driving down share prices, lower oil prices could even benefit big players by allowing them to acquire rivals at a lower cost.

Shailla Dani, Kristen Girard • AP

Local Stocks				Local Stocks				Local Stocks																					
NAME	TICKER	52-WEEK RANGE	▲C	HI	CLOSE	CHG	%CHG	%CHG	YTD	NAME	TICKER	52-WEEK RANGE	▲C	HI	CLOSE	CHG	%CHG	%CHG	YTD	NAME	TICKER	52-WEEK RANGE	▲C	HI	CLOSE	CHG	%CHG	%CHG	YTD
AT&T Inc	T	32.63	◆	42.97	32.58	-.31	-0.9	-21.6		Dynam Rsch	DRCO	8.72	◆	14.04	9.94	-1.0	-1.0	-8.1		ProSh UltraSht S&P	SDS	47.50	◆	72.55	68.69	-.11	-0.2	+26.8	
Acusphere Inc	ACUS	0.31	◆	2.23	.69	-.02	-2.8	+6.2		EMC Corp	EMC	14.01	◆	25.47	15.05	+0.7	+0.5	-18.8		ProSh Ultra Sht QQQ	QID	33.80	◆	57.75	46.00	+1.7	+0.4	+21.1	
Adv Micro Dev	AMD	5.31	◆	16.19	5.30	-1.4	-2.6	-29.3		Enterpris Inc	ENTG	6.39	◆	12.17	6.56	-.02	-0.3	-24.0		ProSh UIHS Oil&Gas	DUG	25.41	◆	58.77	28.43	+5.4	+1.9	-21.0	
Airvana Inc	AIRV	4.00	◆	8.35	5.39	+1.2	+2.3	-0.7		Enterprise Bncp Mass	EBTC	10.86	◆	16.00	11.31	...	...	-10.6		ProSh Ultra Fincl	UYG	19.00	◆	69.80	19.54	-.11	-0.6	-53.0	
Alcatel-Lucent	ALU	5.08	◆	14.57	5.78	+0.5	+0.9	-21.0		Exxon Mobil Corp	XOM	77.55	◆	96.12	88.27	+8.6	+1.0	-5.8		Procter & Gamble	PG	60.05	◆	75.18	63.67	+9.8	+1.6	-13.3	
Altria Group	MO	19.47	◆	24.55	20.12	+2.0	+1.0	-13.7		FLJR Systems	FLJR	20.61	◆	44.46	42.30	-.34	-0.8	+35.1		Progress Softw	PRGS	25.25	◆	34.00	25.44	+1.9	+0.8	-24.5	
Ambac Fincl Grp	ABK	1.04	◆	88.41	1.33	+1.7	+14.7	-94.8		FedEx Corp	FDX	74.69	◆	119.10	74.97	+2.7	+0.4	-15.9		Prudential FncI	PRU	58.79	◆	101.45	60.96	-.70	-1.1	-34.5	
Am Express	AXP	37.61	◆	65.89	40.24	+.62	+1.6	-22.4		Ford Motor	F	4.36	◆	9.64	4.42	+0.6	+1.4	-34.3		Raytheon Co	RTN	52.28	◆	67.49	57.65	+1.31	+2.3	-5.0	
Am Intl Grp	AIG	25.70	◆	70.69	26.24	+.51	+1.9	-55.0		GSI Group Inc	GSIG	7.30	◆	11.71	7.71	+0.1	+0.1	-16.6		Red Hat Inc	RHT	16.53	◆	24.84	21.04	-.01	...	+1.0	
Am Sci Eng	ASEI	42.10	◆	73.40	51.91	-.96	-1.8	-8.5		Gen Electric	GE	26.15	◆	42.15	26.91	+4.0	+1.5	-27.2		Regions FncI	RF	10.31	◆	34.44	10.31	-.28	-2.6	-56.4	
Am Supercond	AMSC	15.51	◆	47.53	31.98	-1.67	-5.0	+17.0		Gen Motors	GM	9.96	◆	43.20	10.12	+1.4	+1.4	-59.3		Sepracor Inc	SEPR	16.85	◆	43.31	20.00	-.54	-2.6	-23.8	
Analog Devices	ADI	26.15	◆	39.91	30.71	-.53	-1.7	-3.1		Goodrich Corp	GR	46.07	◆	75.74	46.26	+1.9	+0.4	-34.5		Siemens AG	SI	102.79	◆	160.37	108.51	+2.06	+1.9	-31.0	
Analogic Cp	ALOG	50.00	◆	79.02	63.12	-.01	...	-6.8		Hewlett Packard	HPQ	39.99	◆	53.48	43.44	-.17	-0.4	-13.9		SkillSoft PLC	SKIL	7.26	◆	11.42	8.78	+2.0	+2.3	-8.2	
Anheuser Busch	BUD	45.55	◆	62.99	61.67	-.01	...	+17.8		Hittite Microwave Cp	HITT	30.82	◆	50.68	34.27	-.61	-1.7	-28.1		Sonus Networks Inc	SONS	2.92	◆	8.75	3.23	-.27	-7.7	-44.6	
Apple Inc	AAPL	111.62	◆	202.96	170.12	+1.94	+1.2	-14.1		Hologic	HOLX	20.15	◆	36.44	21.60	-.42	-1.9	-37.1		Sovereign Bcp	SOV	6.48	◆	22.35	7.15	-.12	-1.7	-37.3	
Avid Tech	AVID	16.60	◆	38.34	18.95	+2.03	+12.0	-33.1		Honeywell Intl	HON	48.43	◆	62.99	50.31	+6.9	+1.4	-18.3		Spire Cpt	SPIR	8.39	◆	26.78	11.53	-.17	-1.5	-51.2	
Aware Inc	AWRE	2.82	◆	6.74	2.91	-.10	-3.3	-30.7		iBasis Inc	IBAS	3.00	◆	10.00	3.22	+1.2	+3.9	-37.2		Sprint Nextel Corp	S	5.48	◆	22.64	8.51	-.23	-2.6	-35.2	
BTU Intl	BTUI	8.65	◆	15.80	11.26	-.52	-4.4	-15.5		iRobot Corp	IRBT	12.48	◆	24.30	13.31	-.04	-0.3	-26.4		SPDR	SPY	125.93	◆	157.52	126.28	+1.4	+0.1	-13.6	
Ballard Power Syst	BLDP	3.66	◆	5.94	4.01	-.02	-0.5	-23.8		icad Inc	ICAD	1.62	◆	4.21	2.93	+0.3	+1.0	+45.0		SPDR Energy	XLE	62.73	◆	91.42	84.86	-1.36	-1.6	+6.9	
Bank of America	BAC	22.44	◆	52.96	22.40	-.14	-0.6	-45.7		Intel Corp	INTC	18.05	◆	27.99	20.66	-.27	-1.3	-22.5		SPDR Financial	XLF	19.57	◆	37.25	19.98	-.05	-0.2	-30.9	
Bar CD	BCR	76.61	◆	100.33	86.87	-.50	-0.6	-8.4		Interactive Data	IDC	22.77	◆	33.68	24.42	-.50	-2.0	-24.9		Staples Inc	SPLS	19.69	◆	25.85	23.34	+2.2	+1.0	+1.2	
Beacon Power	BCON	0.84	◆	2.49	1.80	-.03	-1.6	+18.4		IBM	IBM	97.04	◆	129.99	119.54	+4.4	+0.4	+10.6		Starent Networks	STAR	10.00	◆	31.67	12.21	+4.5	+3.8	-33.1	
Benchmark Elec	BHE	14.90	◆	27.01	16.03	+0.5	+0.3	-9.6		JPMorgan Chase & Co	JPM	32.33	◆	50.48	35.31	+7.1	+2.1	-18.4		State Street Corp	STT	59.13	◆	86.55	62.00	+5.2	+0.8	-23.6	
Block H&R	HRB	16.89	◆	24.64	21.81	-.07	-0.3	+17.4		Johnson & Johnson	JNJ	59.72	◆	68.85	65.12	+4.8	+0.7	-2.4		Sun Life FncI Inc	SLF	40.24	◆	59.36	41.46	-.24	-0.6	-25.9	
Brist Myr Sqb	BMV	19.43	◆	32.35	20.78	+1.9	+0.9	-20.7		Juniper Networks	JNPR	21.38	◆	37.95	22.75	+8.8	+4.0	-31.5		Sun Microsystems	JAVA	10.49	◆	25.04	10.63	-.03	-0.3	-41.4	
Brooks Automation	BRKS	8.16	◆	20.08	8.02	-.16	-2.0	-39.3		Kraft Foods	KFT	28.04	◆	36.85	28.81	+0.9	+0.3	-11.7		Sybase Inc	SY	21.80	◆	33.28	28.50	-.20	-0.7	+9.2	
Brucker Corp	BRKR	6.30	◆	16.66	12.74	-.07	-0.5	-4.2		L-1 Identity Sol	ID	10.66	◆	20.95															