

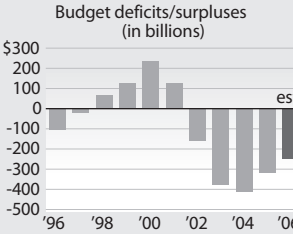
**Today**

Tension over North Korea's nuclear program could pressure stocks again today. A lack of economic data or significant earnings reports until later in the week could make it difficult for the market to regain the momentum of last week, when the Dow set a record three days in a row.

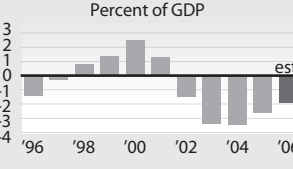
**Record Dow...what next?**

Any time a major index hits a peak, a pull back is possible. Big investors often get nervous and pull money off the table. Trading volume on the New York Stock Exchange hasn't been anything special of late -13.11 billion shares last week, compared with a near-identical 13.17 billion the week this rally began in July. That lack of momentum during the Dow's 1,118-point rise is another warning for investors.

**The budget deficit**

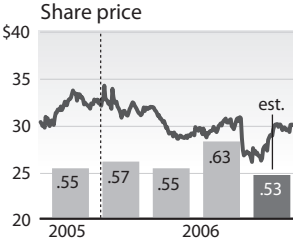


One of the most important numbers of the year is out today - the federal budget deficit. The federal fiscal year runs from Oct. 1 through Sept. 30, so today's report on September - a surplus of \$45 billion is expected - is the final number for fiscal 2006. The deficit is expected to total \$250 billion, 40 percent below the record of \$413 billion two years ago, but almost a half-trillion-dollar swing from the record surplus of \$236 billion in 2000. As a percentage of GDP - an expected 1.9 percent - the deficit will be far below the post-World War II record of 5.6 percent in 1983.



**Supervalu earns**

Grocery chain Supervalu Inc. reports earnings today and is expected to say income dipped to 53 cents a share from 55 cents last year. A lower number could spark concerns over whether consumers are cutting their spending. A better indicator of consumer health - Commerce's monthly report on retail sales - is out Friday.



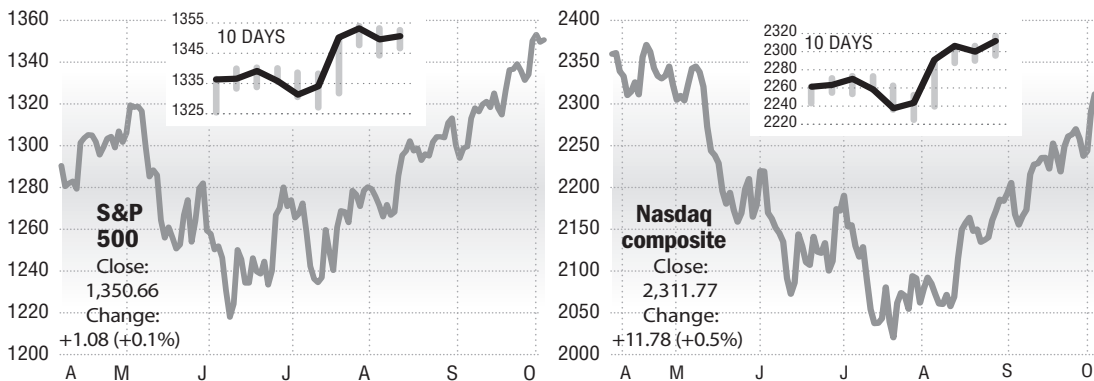
**Briefly**

- Growth in wholesale inventories for August is expected to remain steady at 0.8% in a report out this morning.
- After the bell: Alcoa Inc. (AA) is traditionally the first Dow component to release quarterly earnings. The aluminum producer is expected to earn 77 cents a share, up sharply from 33 cents a year ago.
- Genentech Inc. (DNA) also reports after the bell. Expected profit: 46 cents a share, up from 34 cents last year.

Investors can also obtain stock quotes at **Tellme Networks Inc. (800) 555-8355**

**Money&Markets**

Complete financial listings are available at [www.southbendtribune.com/business](http://www.southbendtribune.com/business)



**StocksRecap**

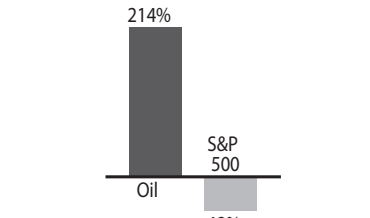
	NYSE	NASD	DOW	HIGH	LOW	CLOSE	CHG.	%CHG.	WK	MO	QTR	YTD
Vol. (in mil.)	2,002	1,517	DOW Trans.	11872.94	11813.22	11857.81	+7.60	+0.06%	▲	▲	▲	+10.64%
Pvs. Volume	2,547	1,694	DOW Util.	4600.29	4527.74	4581.56	+11.73	+0.26%	▲	▲	▲	+9.19%
Advanced	1960	1793	NYSE Comp.	430.74	427.46	428.88	-0.26	-0.06%	▼	▼	▼	+5.87%
Declined	1261	1200	S&P 500	8551.18	8516.17	8538.40	+4.08	+0.05%	▲	▲	▲	+10.12%
New Highs	169	136	NASDAQ	2317.42	2295.25	2311.77	+11.78	+0.51%	▲	▲	▲	+4.83%
New Lows	6	28	S&P 400	1352.69	1346.55	1350.66	+1.08	+0.08%	▲	▲	▲	+8.20%
			Russell 2000	771.16	762.24	768.39	+4.29	+0.56%	▲	▲	▲	+4.11%
			Wilshire 5000	745.69	736.16	744.57	+4.76	+0.64%	▲	▲	▲	+10.60%
				13545.17	13465.89	13523.42	+28.59	+0.21%	▲	▲	▲	+8.03%

**Stocks Shocks & Barrels**

Stocks have been rallying for nearly three months, but that may have less to do with a sharp drop in the price of oil than investors think. Oil has fallen from a record intra-day high of \$78.40 a barrel in July to \$59.96 a barrel on Monday.

The S&P 500 index has risen 9% percent during that time. It used to be a given that oil and stocks moved in opposite directions. After OPEC price increases in 1973, a two-year bear market ensued. The Standard & Poor's 500 index lost nearly half its value. The inverse correlation between oil and stock prices existed because the U.S. economy was rooted in manufacturing and used energy inefficiently. Another wave of OPEC hikes in 1979 triggered the second oil shock of the '70s. But by then, businesses had embraced energy efficiency and con-

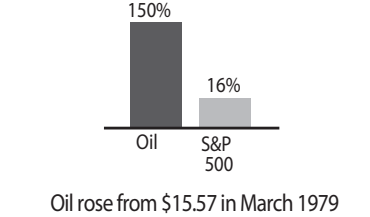
servation. The S&P gained 16 percent as oil soared from about \$15 a barrel to nearly \$40. Thirty years later, the economy is focused more on finance, technology and retailing. And both businesses and homes use energy more efficiently. Lower or higher gasoline prices can still affect consumer spending on other goods. But oil shocks no longer hurt the economy as they once did. The past two and a half years, stocks have risen even as oil has soared. A price collapse back to the \$30s might not spark the kind of stock rally it once did.



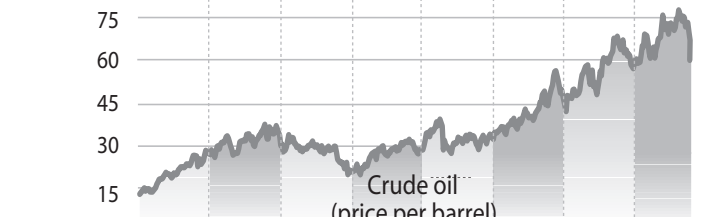
OPEC increases starting in January 1973 pushed oil from \$3.56 a barrel to \$11.16 and helped drive the S&P 500 from 119.87 in January 1973 to 62.28 in October 1974.



Since 1999, oil and stocks have often moved together.



Oil rose from \$15.57 in March 1979 to \$39.81 a year later, but the S&P 500 also rose - from 96.90 to 112.79.



**Regional banks poised for more consolidation**

PNC Financial Services Group Inc. said Monday that it will buy smaller rival Mercantile Bankshares Corp. for \$6 billion in cash and stock. The takeover is the latest of many deals that have transformed the banking industry since the late 1990s. The growth of national retail titans such as Bank of America Corp. has forced "super-regional" banks such as Wachovia and PNC to buy regionals like Mercantile. Regional banks have bought other regionals, as well. So this category is seen as the best bet to cash in on the industry's consolidation. Among the regional banks that Wall Street analysts see as potential targets are the eight listed.



	NAME	TICKER	CLOSE	P/E	LOW	52-WEEK	HIGH
	Comerica Corp.	CMA	\$56.45	11.17	\$50.12	\$60.25	
	Fifth Third Bancorp	FITB	38.64	14.64	\$35.04	\$42.50	
	First Horizon National Corp.	FHN	38.66	9.02	\$37.39	\$43.07	
	KeyCorp	KEY	37.54	13.24	\$30.10	\$38.31	
	Sovereign Bancorp	SOV	24.44	22.42	\$19.39	\$24.41	
	US Bancorp	USB	33.73	13.96	\$27.32	\$33.72	
	Washington Mutual Inc.	WM	43.50	12.27	\$36.64	\$47.01	
	Zions Bancorp	ZION	79.42	15.04	\$66.67	\$85.25	

SOURCE: Thomson One

Joe Bel Bruno, Peter Santilli / AP

**LocalStocks**

NAME	TICKER	52LO	52HI	CLOSE	CHG	%CHG	WK	MO	QTR	YTD	CHG	1YR	CHG	VOL	P/E	DIV
AT&T Inc	T	21.75	33.76	32.18	+0.40	+1.3%	▲	▲	▼	+31.4%	+43.4%	16378	19	1.33		
Am Ele Pwr	AEP	32.27	38.53	37.30	+0.04	+0.1%	▲	▲	▲	+0.6%	+1.1%	1531	19	1.48		
Biomet	BMET	30.22	39.45	33.19	-0.21	-0.6%	▼	▲	▲	-9.2%	-0.9%	911	20	0.30		
CTS Corp	CTS	10.91	15.00	14.02	+0.12	+0.9%	▲	▲	▲	+26.8%	+21.7%	103	20	0.12		
Coachmen Inds	COA	8.90	13.28	10.85	-0.04	-0.4%	▼	▲	▲	-8.1%	-0.6%	13	dd	0.12m		
ConocoPhillips	COP	54.90	72.50	57.47	-0.54	-0.9%	▼	▼	▼	-1.2%	-4.2%	8762	5	1.44		
Drew Industries	DW	22.26	38.90	26.02	+0.24	+0.9%	▲	▲	▲	-7.7%	+1.7%	62	14	0.51		
Federated DS	FD	28.78	44.14	43.65	+0.30	+0.7%	▲	▲	▲	+31.6%	+34.9%	4483	17	...		
Fifth Third Bcp	FITB	35.04	42.50	38.64	+0.67	+1.8%	▲	▲	▲	+2.4%	+10.7%	1601	15	1.60		
1st Source Corp	SRCE	19.02	31.33	29.83	-0.08	-0.3%	▼	▲	▲	+30.5%	+53.1%	25	19	0.56b		
Gen Motors	GM	18.33	34.00	31.53	+0.48	+1.5%	▲	▲	▲	+62.4%	+13.9%	12436	dd	1.00		
Gray Television	GTN	5.15	9.62	6.37	-0.03	-0.5%	▼	▼	▼	-25.8%	-36.3%	98	dd	0.12b		
Honeywell Intl	HON	32.68	44.48	42.24	-0.07	-0.2%	▼	▲	▲	+13.4%	+18.7%	1699	18	0.91		
Horizon Bcp In	HBNC	24.95	32.23	25.95	-0.10	-0.4%	▼	▼	▼	-0.4%	+1.8%	11	11	0.56		
JPMorgan Chase & Co	JPM	32.92	47.92	47.11	+0.25	+0.5%	▲	▲	▲	+18.7%	+43.3%	7242	14	1.36		
Johnson & Johnson	JNJ	56.65	65.88	64.87	-0.19	-0.3%	▼	▲	▲	+7.9%	+8.0%	5502	18	1.50		
KeyCorp	KEY	30.10	38.31	37.54	+0.09	+0.2%	▲	▲	▲	+14.0%	+22.7%	1026	13	1.38		
Kroger Co	KR	18.05	24.15	22.75	+0.26	+1.2%	▲	▲	▲	+20.5%	+13.4%	5783	17	0.26		
Lakeland Financial	LKFN	19.00	24.97	24.69	+0.22	+0.9%	▲	▲	▲	+22.3%	+28.8%	3	16	0.50		
Lear Corp	LEA	15.60	33.55	23.35	+0.57	+2.5%	▲	▲	▲	-18.0%	-25.5%	1699	dd	0.25j		
MFB Corp	MFBC	25.50	33.38	32.25	...	...	...	...	...	+16.6%	+28.5%	19	19	0.54		
Microsoft Corp	MSFT	21.46	28.38	27.72	-0.15	-0.5%	▼	▲	▲	+6.0%	+14.1%	30951	23	0.40		
Mittal Steel Co NV	MT	22.95	42.81	36.42	+0.16	+0.4%	▲	▲	▲	+38.3%	+41.3%	2021	9	0.50		
Monaco Coach	MNC	10.02	15.51	12.03	+0.24	+2.0%	▲	▲	▲	-9.5%	-14.9%	240	67	0.24		
Natl City	NCC	29.75	38.04	37.05	+0.28	+0.8%	▲	▲	▲	+10.4%	+14.9%	1352	13	1.56		
NISource Inc	NI	19.51	23.73	21.64	+0.02	+0.1%	▲	▲	▲	+3.7%	-1.5%	521	23	0.92		
Patrick Inds	PATK	9.25	13.42	12.88	-0.22	-1.7%	▼	▼	▼	+21.6%	+22.7%	1	18	...		
Quantum Fuel Sys	QFWS	1.73	5.22	1.85	-0.01	-0.5%	▼	▼	▼	-31.0%	-49.7%	397	dd	...		
Skyline Cp	SKY	34.78	43.53	39.03	+0.40	+1.0%	▲	▲	▲	+7.2%	+9.6%	20	24	0.72a		
St Joseph Capital Cp	SJOE	27.50	32.60	28.02	-0.31	-1.1%	▼	▼	▼	-9.6%	-12.1%	19	19	0.24		
Steinway	LVB	22.50	34.90	31.09	+0.57	+1.9%	▲	▲	▲	+21.9%	+13.2%	3	43	...		
Supreme Industries	STS	6.05	9.28	6.25	+0.15	+2.5%	▲	▲	▲	-19.3%	-30.7%	4	15	0.38		
SySCO Corp	SY	26.50	34.15	32.97	+0.23	+0.7%	▲	▲	▲	+6.2%	+7.0%	1147	24	0.68		
TJX Cos	TJX	20.32	29.30	29.09	+0.02	+0.1%	▲	▲	▲	+25.2%	+37.1%	2343	19	0.28		
Thor Industries	THO	30.63	56.93	45.11	+0.62	+1.4%	▲	▲	▲	+12.6%	+36.4%	764	16	0.28a		
WalMart Strs	WMT	42.31	50.87	48.22	-0.10	-0.2%	▼	▼	▼	+3.0%	+11.5%	9538	19	0.67		
WellPoint Inc	WLP	65.50	80.40	78.00	-0.41	-0.5%	▼	▼	▼	-2.2%	+5.8%	1087	18	...		
Wells Fargo & Co	WFC	28.81	36.89	36.41	+0.07	+0.2%	▲	▲	▲	+15.9%	+28.4%	2391	15	1.12f		
Whirlpool	WHR	67.89	96.08	86.08	-0.04	...	...	...	...	+2.8%	+19.9%	760	14	1.72		
Zimmer Holdings	ZMH	52.20	72.87	70.75	+0.23	+0.3%	▲	▲	▲	+4.9%	+8.5%	942	23	...		

**MutualFunds**

FAMILY	FUND	TICKER	CAT	NAV	CHG	4 WK	YTD	%RTN	%RTN	1YR	3YR	5YR	PEER RANK	ASSETS	MIN.	INT
1st Source Monogram	DIVrEq b	FMEQX	LI	7.69	...	+3.4	+1.8	+6.0	+5.9	+2.6	D	D	D	51	1,000	
	Income b	FMEQX	CG	9.70	...	+0.6	+2.6	+2.7	+2.0	+3.2	D	E	E	75	1,000	
	IncomeEq b	FMEQX	MV	14.56	...	+3.4	+12.7	+18.2	+17.3	+12.7	A	B	D	134	1,000	
	LongShrt b	FMLSX	MA	11.49	...	+0.4	+8.5	+11.2	+7.7	NA	B	D	37	1,000		
	SpecEq b	FMSPX	SG	8.93	...	+3.0	+5.3	+10.1	+2.3	+6.6	C	E	D	26	1,000	

**TribuneTECH 40**

NAME	TICKER	CLOSE	CHG	TD
AdobeSy	ADBE	37.39	-0.76	+4.3
Alcatel	ALA	11.75	-0.05	-6.5
AmTower If	AMT	37.18	+0.42	+10.08
AppleC If	AAPL	74.63	+0.41	+2.74
ApldMatl	AMAT	18.47	+0.17	+5.3
Brdcom slf	BRCM	29.59	+0.22	-1.84
CA Inc	CA	23.80	-0.15	-4.39
Canon s	CAJ	53.80	-0.48	+14.58