



# Spain ETF Moves Up On Europe's Strength

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Spain has looked good for the last month — but it's not the sun that's powering its shine. It's the rest of Europe, analysts say.

iShares MSCI Spain<sup>EWG</sup> tracks the Morgan Stanley Capital Index Spain, which consists of stocks traded primarily on the Madrid Stock Exchange. With assets of \$671 million, the 11-year-old large growth fund has returned 8.5% year to date. The fund has 35 stocks.

While the fund has followed a fairly steady upward curve for the past five years, it has hugged the 10-week moving average for the last 11 weeks on very thin volume.

## Foreign Presence

Slightly more than 78% of its assets are in its top 10 holdings, which would make you think Spain itself is doing very well.

Close, but not entirely on the mark. Although its holdings have a heavy presence in Spain, they also have interests outside the country. And Europe has been in an upward swing.

"This fund has been shadowing the international scene," said Neal Frankle, president and portfolio manager of California-based Wealth Resources Group. "While it's had a good month, a month does not a pattern make."

One of its largest holdings, Telefonica S.A.<sup>TEF</sup>, is the second-largest company in Spain, but also has branches and holdings in other countries. It's one of the largest fixed-line and mobile telecommunications companies in the world, second in terms of clients (with the ac-

quisition of O2, Movistar and Manx Telecom) and third in total market value, behind a Chinese mobile provider, AT&T<sup>T</sup> and Verizon<sup>VZ</sup>.

## Former Monopoly

It was Spain's only telephone operator from 1924 to 1997 when the government opened up the telecom market. Although Telefonica faces a European Union fine on charges that it didn't allow competitors to make a profit on the resale of ADSL Internet, its stock was up slightly Monday on news of a joint venture with Spain's Yoigo to share each other's mobile infrastructure.

Another large holding, Repsol YPF, S.A. is an integrated Spanish oil and gas company with operations in 29 countries. The product of a 1999 takeover of Argentine energy firm YPF by the Spanish conglomerate with the help of president Carlos Menem, it's one of the world's 10 largest private oil enterprises.

While the fund has outperformed the European index over the last several months, two others are looking better these days, notes Frankle: iShares MSCI Germany<sup>EWG</sup>, with a stronger 83 RS, and iShares MSCI Sweden<sup>EWG</sup>, with a 76 RS.

But investors looking to keep their portfolios broadly diversified might be better off with something like iShares MSCI European Index Fund<sup>EUZ</sup>, Frankle says.

"This fund would be good to keep on your radar screen," he said. "But to be focused on only one country can be really limiting in the long run."

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## Winners & Losers

### BOTTOM 10

1-mth %chg	ETF	Rel/Str 1-mth	Symbol	Rtg	%chg
14.9	IS Dj Us Home Construction	ITB	11	-14.9	
11.8	Spy Homebuilder	XHB	17	-13.9	
10.1	Enhanced S&P Cov Call	BEO	39	-9.6	
8.9	ST Wilshire Reit	RWR	28	-8.3	
8.2	VG Reit Vipers	VNQ	28	-8.2	
6.4	S&P 500 Covered Call	BEP	34	-8.0	
6.4	IS Silver	SLV	42	-7.8	
5.2	IS Dj Us Real Estate	IYR	33	-7.4	
5.0	HT Biotech	BBH	23	-7.2	
4.8	Small Corp Pm & Div Inc	RCC	46	-6.9	

Vol % Chg	17% Rel Acc 52-wk Chg	Str Dist High Fund	Div Yield	Close Price	Vol % Chg					
27	10.7	64 E	112.8	IS Russell Mdcap Idx	IWR	1.2	110.57	1.67	122	
46	628	11.7	64 B	144.6	IS S&P 600/Barra Gw	UT	0.4	142.96	1.52	-7
17	1	9.4	64 D	81.4	IS S&P Gbl 100 Indx	IUD	1.7	81.10	0.82	112
15	-76	12.6	64 D+	92.3	IS S&P Midcap 400	LH	0.9	90.27	0.99	-26
11	-36	12.5	64 B	29.9	PS DB G10 Curr	DBV	-	29.20	0.23	-29
0	-71	12.3	64 B-	64.6	ST Dj Wilshr Mdcap	EMM	1.1	63.31	0.80	-11
7	-85	11.1	64 B-	115.2	VG Ext'd Mkt Idx Fd	VXF	0.1	113.34	1.37	-61
9	-9	10.6	64 C+	76.4	VG Small-Cap Vipers	VB	0.1	75.32	0.73	-49
5	-74	8.6	63 D	28.5	IS Msci Belgium	EWK	1.6	27.81	0.09	-72
4	-49	10.0	63 C	25.8	IS Msci Untd Kingdom	EWJ	3.1	25.75	0.20	-7
3	-61	12.7	63 D+	168.6	S&P Midcap 400	MDY	1.0	164.88	1.93	-26
1	-25	7.0	62 C+	25.8	First Tr Dj Select Mirco	FDM	0.4	25.63	0.33	4
29	29	6.6	62 A-	65.8	HT Market 2000+	MKH	1.8	65.87	0.65	206
77	77	8.0	63 C	75.4	IS US Telcom	TEL	1.5	74.0	0.87	74

17% Rel Acc 52-wk Chg	Str Dist High Fund	Div Yield	Close Price	Vol % Chg				
6.5	61 B-	62.8	IS S&P Gbl ConsmrDis	RXI	0.3	61.60	0.00	-33
11.8	61 B-	29.7	PS Dyn Healthcare	PTH	-	28.99	0.33	-74
11.4	61 A-	29.2	PS Dyn Technology	PTF	-	28.83	0.14	-33
12.0	61 D-	54.8	Spy Biotech	XBI	1.0	51.68	0.81	-68
9.9	60 B-	152.7	HT Utilities	UTH	2.4	144.77	3.12	-38
9.3	60 B+	67.6	IS GS Semicondctr	IOW	0.5	66.66	0.83	-97
6.8	60 D+	36.5	IS Msci Italy	EWI	1.9	35.46	0.55	-75
8.2	60 C+	95.5	IS Mstar Mid Value	JKI	2.6	92.89	1.14	-69
7.4	60 D-	84.1	IS Russell 1000 Indx	IWB	1.5	82.56	0.91	-23
6.2	60 D+	89.9	IS Russell 1000 Val	IWD	2.1	87.84	1.10	15
7.6	60 D+	85.2	IS Russell 2000 Indx	IWM	0.8	83.99	1.03	-28
7.3	60 B	89.6	IS Russell 3000 Indx	IWW	1.5	87.99	0.96	-69
9.0	60 E	164.3	IS Russell Mdcap Val	IWS	2.0	159.60	2.14	-23
7.8	60 D	137.6	IS S&P 1500 Indx Fd	ISL	1.5	135.57	1.64	58

17% Rel Acc 52-wk Chg	Str Dist High Fund	Div Yield	Close Price	Vol % Chg				
9.4	59 C+	30.1	WT Intl Consmr NonCycl	DPN	0.0	29.32	0.32	83
6.3	59 B	28.1	WT Intl Tech	DBT	0.1	28.41	0.34	-80
5.6	59 E	63.1	WT LargeCap Div	DUN	2.3	61.12	0.69	79
4.6	58 B-	92.0	HT Europe 2001	EKH	1.7	87.20	1.21	-26
4.6	58 C	5.9	HT Intrnt Infrastr	IHI	-	5.71	-0.01	-66
9.2	58 C+	104.6	IS Dj Us Utilities	IDU	2.4	98.13	1.83	246
6.5	58 B-	64.0	IS Kid Select Social	KLD	1.1	62.88	0.25	16
5.9	58 B-	81.7	IS Mstar Large Core	JKD	1.5	80.05	0.64	-5
5.7	58 D-	90.9	IS Mstar Large Val	JKF	2.8	88.52	0.97	-45
6.0	58 D-	80.9	IS Myse 1000 Indx	NY	1.9	79.41	0.90	-60
6.0	58 C+	117.0	IS Russell 3000 Val	IWN	2.2	114.23	1.53	18
6.9	58 B-	82.9	IS S&P 600/Barra VI	LUS	2.5	80.53	1.13	-49
7.3	58 D-	55.1	PS Dynamic Market	PWC	1.6	54.07	0.72	4

17% Rel Acc 52-wk Chg	Str Dist High Fund	Div Yield	Close Price	Vol % Chg				
6.4	56 C+	60.0	IS Dj Us Pharmactis	IHE	0.9	56.47	0.48	174
4.8	56 B	62.0	IS Russell Microcap	IWC	0.7	61.25	0.75	-16
8.2	56 B+	29.2	PS Dyn Magniqtic	PIO	1.3	28.75	0.37	-80
7.7	56 D	18.1	PS Dynamic Food Bev	PBJ	5.3	17.69	0.21	-50
5.3	56 C	19.4	PS Dynamic Leis Ent	PEJ	0.4	18.93	0.18	-79
6.5	56 C+	21.2	PS Dynamic Software	PSJ	-	20.46	0.05	44
4.8	56 B	45.4	RX S&P SC 600 Prvi	RZV	1.3	44.02	0.69	-62
3.2	56 E	40.4	Spy Consmr Discretionry	XLY	0.7	39.60	0.27	-43
6.1	56 C	37.0	Spy Health Care	XLV	2.2	35.52	0.21	-33
7.1	56 B-	65.9	ST Dj Wilshr Mdv	EMV	2.1	62.90	0.00	-98
5.6	56 C+	57.8	VG Div Appr Vipers	VIG	1.3	56.80	0.48	-54
7.1	56 B-	62.9	VG Health Care	VHT	1.0	60.97	0.64	-47
6.2	56 B-	77.5	VG Small-Cap Value	VBR	0.3	75.56	0.73	-44
6.2	56 C+	63.5	WT Div Top100	OTN	2.9	61.65	0.92	41
5.3	56 B-	62.2	WT Total Div	OTD	2.6	60.64	0.60	-71
5.4	55 D-	31.2	CLM/Zacks Yld Hog	CYD	4.5	27.85	0.35	-44
7.3	55 D	29.6	PS Dyn Consmr Discr	PTJ	1.2	28.69	0.25	-55
4.7	55 E	59.2	PS Fise Consmr Servc	PRFS	0.3	57.57	0.52	-50
7.8	55 D	45.5	ST Spy Retail	XRT	0.3	43.79	0.49	-77
6.9	54 B	86.4	HT Pharmaceutical	PPH	2.2	82.23	0.57	-42
1.6	54 A	42.2	HT Software	SWH	0.6	41.19	0.20	-64
4.7	54 E	72.4	IS Dj Us Consmr Svcs	IYC	0.7	70.60	0.41	-6
6.0	54 D-	72.9	IS Dj Us Healthcare	IYH	1.7	70.28	0.74	-76
3.8	54 C+	89.2	IS Mstar Small Val	JKL	3.1	85.73	0.01	-54
4.1	54 D+	85.7	IS Russell 2000 Val	IWN	2.0	83.32	0.96	102
2.2	54 E	95.7	IS S&P Gbl Finis	IXG	1.3	92.53	0.85	-15
3.1	54 C	18.1	PS Div Achv Prt	PFM	1.2	17.67	0.15	-48
4.6	54 C+	19.8	PS Dynamic Biotech	PBE	-	18.51	0.19	-54
3.6	54 C	19.6	PS Dynamic Insuranc	PIC	0.7	19.10	0.00	-39
6.5	54 D-	69.3	VG Consmr Staples	VDC	1.4	68.01	0.54	63
2.7	53 D	26.2	Frst Tr Amex Biotech	FBT	-	24.18	0.00	-56
6.5	53 B+	28.9	PS Consmr Staple	PSL	3.5	28.03	0.27	-92
4.9	53 C+	27.7	PS Dyn Financials	PFJ	1.2	27.22	0.29	-81
7.4	53 B-	56.2	PS Fise Rafi Health	PRFH	2.2	54.14	0.47	-64
5.8	53 E	63.1	PS Fise Rafi Utility	PRFU	4.6	58.50	1.10	176
6.1	52 D	108.7	HT Retail	RTH	1.0	105.42	0.84	-59
3.2	52 D	75.8	IS Dj Select Divdnd	PWT	3.2	72.98	1.09	-27
6.1	52 D	19.1	PS Dynamic Smi Gr	DYI	-	18.71	0.26	-31
3.4	52 D	61.7	WT Hi-Yield Eq	DHS	3.1	59.67	0.65	-43
4.0	52 C+	61.6	WT MidCap Div	DDL	2.9	59.11	0.73	148
1.8	50 E	25.1	Frst Tr Mstr Divldr	FON	3.3	23.95	0.23	-60
9.7	50 B-	2.6	HT B2B Internet	BHH	-	2.37	0.01	-51
1.4	50 C+	83.7	IS Nasdaq Biotech	IBB	0.4	78.88	0.76	-52
4.5	50 D	62.3	IS S&P Gbl Hlthcr	IXJ	0.8	59.73	0.57	-40
4.2	50 B-	21.3	PS Dynamic Utiliti	PUI	2.4	19.72	0.35	16
4.4	50 D-	28.0	Spy Consmr Staples	XLP	2.5	27.27	0.22	21
2.3	50 D	66.0	Spy Dividend	SDY	3.0	63.29	0.78	138
4.0	50 D+	28.8	WT Intl Health Care	DBR	0.0	27.55	0.40	-58
1.1	50 D	61.9	WT Japan Hi-Yield Eq	DNL	0.6	58.31	1.14	-94
2.7	48 B	201.6	CS British Pound	FXB	4.7	201.74	0.11	75
0.6	48 B-	150.2	CS Swedish Krona	FXS	2.5	147.13	0.72	-50
5.8	48 B	26.7	DB Commodity Index	DBC	-	26.01	0.31	139
3.0	48 D	138.1	Euro Currency Trust	FBE	3.2	136.31	0.60	-29
-0.9	48 D	122.2	IS Dj Us Finl Indx	IYF	1.9	116.59	1.38	59
4.1	48 B-	132.9	IS S&P/Topix 150	ITF	0.6	130.24	2.25	-51
1.3	48 D-	21.2	PS Dynamic Retail	PMR	0.5	19.83	0.25	-89
0.9	48 B	17.5	PS HI Growth Rtl	PHJ	1.1	17.00	0.07	-56
3.3	48 D-	37.5	ST Spy Pharma	XPH	0.8	36.54	0.00	57
-1.1	48 D+	67.7	VG Financial Vipers	VFH	2.4	64.77	0.92	-22
1.1	48 E	59.7	WT SmallCap Div	DES	4.2	58.01	0.86	-20
3.9	47 C+	15.2	IS Msci Japan	EWJ	0.6	14.77	0.26	