



THE VALUE LINE

Daily Options Survey

On Line at the Opening Bell, Every Trading Day

Pages 1-2

The Weekly Option Strategist

January 5, 2004

Product Update

In This Issue:

Strategist Report	1-2
Weekly Performance Summary	3

We are pleased to usher in the New Year by alerting subscribers to two new additions to *The Value Line Daily Survey*. These are (1) intra-day pricing and options evaluations and (2) new ranks on options on ETFs (exchange traded funds).

Intra-day Pricing & Evaluations

Since December 26th, we have been running our options model at mid-day as well as at the close of the markets. Every trading day, we capture the noon (New York time) common and option prices and run a full evaluation of these options. If the pricing of the options has changed to warrant an option rank change, the option's rank will change. The new evaluations and option ranks are usually available at 12:45 p.m. The regular close of the day ranks and evaluations are usually ready at about 6:00 p.m.

These new intra-day updates are particularly useful for subscribers who want to act quickly on the new Value Line common stock rank changes, which are released at noon on Fridays. The new common ranks can affect the option ranks. You can check the week's common changes by accessing them in *Recent Additions to the Archive*.

Our new intra-day options evaluations include any data that can be downloaded in comma separated format (such as Port.Csv) from *Interactive Options* or from the *Options Screener*. However, our *Daily Download* files (such as Calls.Exe & Calls.Csv) are still only updated once a day, at the close.

Options on ETFs

Exchange traded funds (ETFs) are similar to stock index mutual funds in that they track a specific (and known) weighting of stocks. These indexes may be broad, such as the S&P 500, or concen-

trated in a single sector, such as the Biotech HOLDERS Trust (managed by Merrill Lynch). Unlike mutual funds, ETFs trade like stocks with their prices updated anytime during normal trading hours. (Most ETFs trade on the American Stock Exchange but a few trade on the NASDAQ and on the New York Stock Exchange.)

At present, 42 out of the 117 actively traded ETFs have listed options. These "optioned" ETFs consist largely of component stocks that are ranked by Value Line. Therefore, our sister service, *The Value Line ETF Survey*, is able to calculate and assign an *Expected Relative Return Rating* and an equivalent ranking on these ETFs. Note: these ratings and ranks are updated every Monday at 6:00 p.m. (New York time).

In Figure 1 on page 2, we show a listing of the 42 ETFs with listed options. As of December 30, we had 2,857 calls and 2,601 puts based on ETFs from among the 80,000 + options in our service. From the ETF calls, 216 were ranked 1 for call buying and 152 were ranked 1 for covered call writing. From the ETF puts, there were 187 that were ranked 1 for put buying and 133 that were ranked 5 for put writing.

The Value Line ETF Survey

Subscribers should take a look at The Value Line ETF Survey, which offers a wealth of information on these securities. At present, at www.valueline.com there is a special offer on this exciting new product.

Prepared by **Lawrence D. Cavanagh**
Editor, Value Line Options

Figure 1 - Exchange Traded Funds wit Listed Options

<i>Exchange Traded Fund</i>	<i>Stock Ticker Code</i>	<i>Per Annum Dividend</i>	<i>Rank*</i>	<i>Historical Volatility</i>	<i>Price 12/30/03</i>	<i>Furthest Expiration</i>
Basic Industries SPDR	XLB	2.00%	5	26%	\$ 26.90	Jan-06
Biotech Holders Trust	BBH	0.00%	1	47%	\$ 135.95	Jan-06
Broadband HOLDRS	BDH	0.33%	1	58%	\$ 13.48	Aug-04
Consumer Services SPDR	XLV	1.00%	3	23%	\$ 29.94	Jan-06
Consumer Staples SPDR	XLP	1.00%	3	20%	\$ 21.62	Jan-06
D J Diamonds Trst	DIA	1.00%	4	21%	\$ 104.68	Jan-06
Energy Sector SPDR	XLE	1.00%	4	25%	\$ 27.68	Jan-06
Financial Sector SPDR	XLF	1.00%	3	27%	\$ 28.14	Jan-06
Fortune 500 Index Fund	FFF	1.00%	3	21%	\$ 78.88	Aug-04
Industrial Sector SPDR	XLI	0.83%	4	23%	\$ 26.89	Jan-06
Internet Architecture HOLDRS	IAH	0.50%	3	46%	\$ 36.27	Aug-04
Internet HOLDRS Trust	HHH	0.24%	1	54%	\$ 50.28	Jan-06
Ishares Dj Finl. Sector Index	IYF	1.00%	3	24%	\$ 87.81	Aug-04
Ishares Dj Tech. Sector Index	IYW	0.00%	2	45%	\$ 48.75	Aug-04
Ishares Dj Telecomm. Sector In	IYZ	2.00%	3	32%	\$ 20.75	Aug-04
Ishares Russell 1000 Growth In	IWF	0.69%	2	27%	\$ 46.77	Aug-04
Ishares Russell 1000 Value Ind	IWD	2.00%	4	19%	\$ 58.12	Aug-04
Ishares Russell 3000 Index Fun	IWV	1.00%	3	21%	\$ 62.98	Aug-04
Ishares S&P 100 Index	OEF	0.00%	3	23%	\$ 54.77	Dec-06
Ishares S&P 400 Midcap/Barra	IJK	0.36%	3	26%	\$ 119.57	Aug-04
Ishares S&P 400 Midcap/Barra V	IJJ	1.00%	4	19%	\$ 110.84	Aug-04
Ishares S&P Midcap 400 Index	IJH	0.87%	3	22%	\$ 116.19	Aug-04
Ishrs Russell 2000 Growth Indx	IWO	0.27%	3	29%	\$ 59.75	Aug-04
Ishrs Russell 2000 Value Index	IWN	1.00%	4	19%	\$ 162.95	Aug-04
Market 2000 + Holders Trust	MKH	1.00%	3	23%	\$ 53.92	Jul-04
Midcap SPDR	MDY	0.84%	3	22%	\$ 105.90	Jan-06
Nasdaq 100 Shares	QQQ	0.00%	2	44%	\$ 36.42	Jan-06
Nasdaq Biotech Ishare	IBB	0.00%	3	41%	\$ 72.87	Jun-04
Oil Service Holders Trust	OIH	0.72%	5	39%	\$ 62.85	Jul-04
Pharmaceutical HOLDRS	PPH	1.00%	3	25%	\$ 79.05	Aug-04
Regional Bank Holders	RKH	2.00%	4	25%	\$ 131.87	Aug-04
Retail HOLDRS Trust	RTH	0.59%	1	26%	\$ 89.95	Jul-04
Russell 1000 Index Share	IWB	1.00%	3	21%	\$ 59.56	Jan-06
Russell 2000 Index Share	IWM	0.94%	3	24%	\$ 112.15	Jan-06
Semiconductor HOLDRS	SMH	0.14%	2	58%	\$ 41.80	Jan-06
Software HOLDRS Trust	SWH	1.00%	2	52%	\$ 38.18	Aug-04
Technology Sector SPDR (Wrap)	XLK	0.86%	3	38%	\$ 20.44	Jan-06
Telecom HOLDRS-Distribution	TTH	3.00%	5	32%	\$ 26.98	Aug-04
Utilities HOLDRS-Distribution	UTH	3.00%	5	26%	\$ 78.34	Aug-04
Utilities Sector SPDR	XLU	3.00%	5	23%	\$ 23.31	Jan-06
Vanguard Ttl Stk Mkt Vipers	VTI	1.00%	3	21%	\$ 106.60	Jun-04
Wireless HOLDRS Trust	WMH	1.00%	1	38%	\$ 47.90	Jul-04

* Based on The Value Line ETF Survey's Expected Relative Return Rating



THE VALUE LINE

Daily Options Survey

Volume 36, No. 1 - January 05, 2004

DIRECTOR OF RESEARCH
Stephen Sanborn, CFA

ASSISTANT EDITOR/SENIOR ANALYST
George S. Graham

SENIOR SYSTEM ANALYST
Hassan Davis

EDITOR / SENIOR ANALYST
Lawrence D. Cavanagh

ANALYST
Aseem Arora

SYSTEM ANALYST
James Hammargren

The Value Line Daily Options Survey (ISSN 1087-3945) is published semi monthly on the second and fourth Mondays of each month by Value Line Publishing Inc., 220 East 42nd Street, New York, NY 10017-5891. Subscription Rate: One year in the U.S. and U.S. possessions: \$399. Foreign rates upon request. Periodicals postage paid at New York, NY and additional mailing offices. POSTMASTER: Send address changes to Value Line Daily Options Survey, 220 East 42nd Street, New York, NY 10017-5891.

Market Review - Week Ending 12/30/03

Market Indexes	Close	% Change	Volatility Indexes*	% Change
Dow Jones Industrial	10,497.07	1.86%		
Nasdaq 100	1,467.74	1.70%	23.36	0.09%
S&P 100	549.01	1.29%	17.68	6.12%
S&P 500	1,109.64	1.43%		

Performance Tables

Common Ranks	% Change	Count	Percent
Rank 1	1.83%	9227	9.13%
Rank 2	1.67%	20877	20.66%
Rank 3	1.76%	52847	52.29%
Rank 4	1.73%	14887	14.73%
Rank 5	2.00%	3223	3.19%

Call Buyer's Ranks

Rank 1	9.21%	4544	9.01%
Rank 2	7.60%	9889	19.60%
Rank 3	8.03%	36022	71.39%

Call Writer's Ranks

Rank 5	-11.30%	1295	4.00%
Rank 4	-7.73%	4229	13.07%
Rank 3	-6.83%	26837	82.93%

Covered Call Ranks

Rank 1	0.82%	1808	5.59%
Rank 2	0.42%	4671	14.43%
Rank 3	0.41%	15655	48.38%
Rank 4	0.58%	6926	21.40%
Rank 5	0.45%	3301	10.20%

Put Buying Ranks

Rank 1	-10.45%	5302	10.45%
Rank 2	-10.80%	9957	19.62%
Rank 3	-10.86%	35478	69.93%

Put Writer's Ranks

Rank 5	6.25%	1738	4.96%
Rank 4	7.91%	4849	13.84%
Rank 3	8.01%	28449	81.20%

Married Put Ranks

Rank 1	0.36%	4564	9.00%
Rank 2	0.28%	9983	19.68%
Rank 3	0.52%	23756	46.82%
Rank 4	0.80%	6789	13.38%
Rank 5	0.89%	5645	11.13%

* - VIX for the S&P 100 and VXN for the Nasdaq 100