

[20327001]

“ They are always the first to be sold when people are taking profits , because people are most scared of the high-technology stocks , ” said Robin West , director of research for Ladenburg Thalmann ’s Lanyi division , which specializes in emerging growth stocks .

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The technology group includes many of the OTC market ’s biggest stocks , which dominate the market-weighted Nasdaq Composite Index .

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Analysts say rallies in the group historically have lifted the market , while weakness in the sector often sank unlisted share prices broadly .

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But increasing volatility in the sector has exhausted investors who try to follow its dips and swings .

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The stocks have been pummeled repeatedly by inventory gluts and disappointing earnings as the industry matures and slows .

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Some even claim the group has become a lagging , not leading , indicator .

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The technology sector of the Dow Jones Equity Market Index has risen only about 6.24 % this year , while the Nasdaq Composite Index has gained 18.35 % .

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While the composite index lost less than a third of its year-to-date gains in the market ’s recent decline , the technology group ’s gains were more than halved .

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The OTC technology sector is far from a cohesive unit .

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The group is divided primarily between software , semiconductors and computers .

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While computer stocks have taken the biggest hit from the slowdown in the industry , many software and semiconductor stocks have continued to outperform the market .

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Microsoft is up more than 50 % this year , while Intel is up more than 40 % .

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The brokerage firm tracks technology stocks with its Technology Index , which appreciated only 10.59 % in the first nine months of this year .

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But the firm also tracks smaller technology companies as a subset of the larger group .

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That index , which contains technology companies with annual revenues of \$ 200 million or less , gained 17.97 % by Sept. 30 this year - still lagging the S&P 500 , but leading larger technology firms .

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Yesterday , bank stocks lagged behind the overall OTC market .

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The Nasdaq Bank Index rose 0.17 to 432.78 .

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George Jemison , who trades bank stocks for Shearson Lehman Hutton , said the stocks tend to fall behind because they are n't traded as much as many other issues .

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But , he added , interest-rate-sensitive stocks in general are stalled .

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He said that investors will scour the October employment report , due out Friday , for clues about the direction of the economy and the immediate outlook for interest rates .

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On the other hand , Mr. Jemison noted that the recent slide in bank and thrift stocks was at least halted yesterday .

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Shearson Lehman Hutton gave small investors some welcome news by announcing that it would no longer handle index-arbitrage-related program trades for its accounts .

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Shearson , with its in-house order execution system , has handled the bulk of such program trades in the over-the-counter market .

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The trading has been blamed for much of the market 's recent volatility .

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Britain said it would waive its " golden share " in the luxury auto maker if shareholders vote to allow a suitor to acquire more than 15 % of the company .

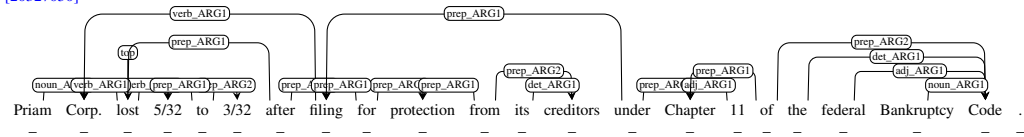
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The announcement effectively removes the British government as an impediment to a takeover of the company , which is being stalked by General Motors and Ford .

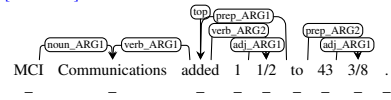
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Gen-Probe was another active takeover stock .

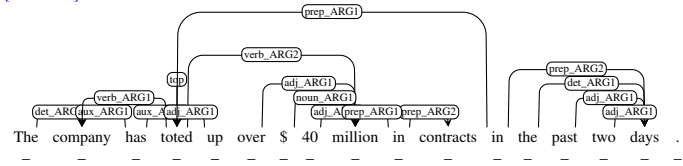
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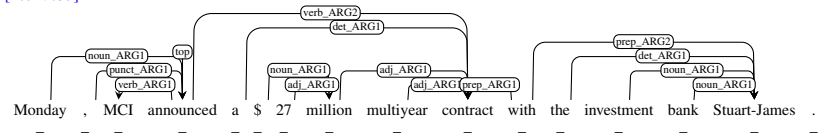
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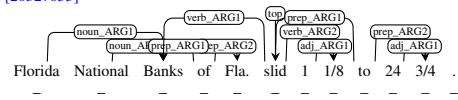
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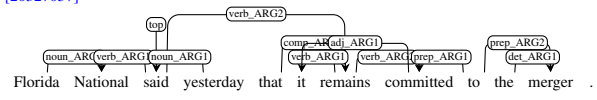
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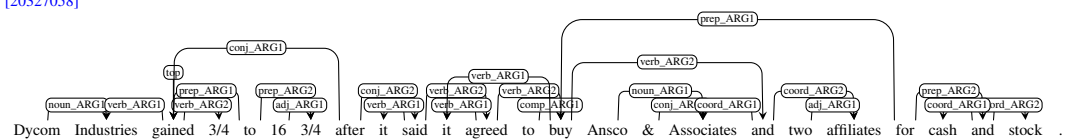
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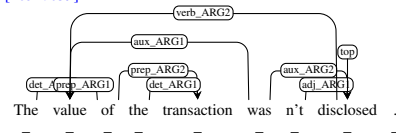
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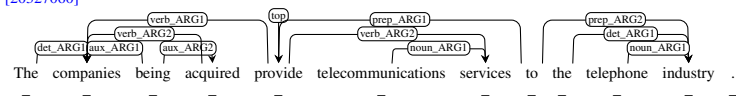
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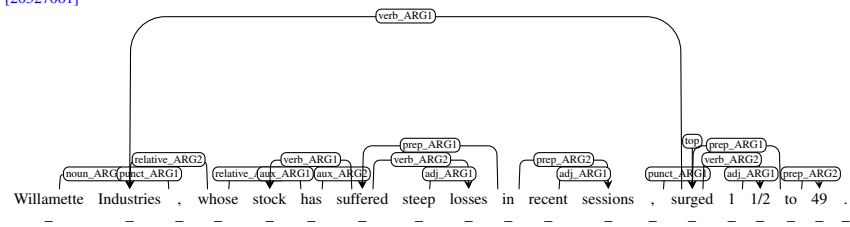
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