DIAMONDS TRUST SERIES I
Form N-30D
June 28, 2004

THE DOW INDUSTRIALS(SM) ("DIAMONDS")(SM)

DIAMONDS TRUST SERIES 1

A UNIT INVESTMENT TRUST

SEMI-ANNUAL REPORT

APRIL 30, 2004

(UNAUDITED)

DIAMONDS TRUST SERIES 1
SCHEDULE OF INVESTMENTS
APRIL 30, 2004 (UNAUDITED)

COMMON STOCKS	SHARES	VALUE
3M Co.	4,920,318	$ 425,509,101
Alcoa, Inc.	4,920,318	151,299,778
Altria Group, Inc.	4,920,318	272,487,211
American Express Co.	4,920,318	240,849,566
American International Group, Inc.	4,920,318	352,540,785
Boeing Co.	4,920,318	210,048,375
Caterpillar, Inc.	4,920,318	382,456,318
Citigroup, Inc.	4,920,318	236,618,093
Coca-Cola Co. (The)	4,920,318	248,820,481
Disney (Walt) Co. (The)	4,920,318	113,314,924
Du Pont (E.I.) de Nemours	4,920,318	211,327,658
Exxon Mobil Corp.	4,920,318	209,359,531
General Electric Co.	4,920,318	147,363,524
General Motors Corp.	4,920,318	233,321,480
Hewlett-Packard Co.	4,920,318	96,930,265
Home Depot, Inc.	4,920,318	173,145,990
Honeywell International, Inc.	4,920,318	170,144,596
Intel Corp.	4,920,318	126,599,782
International Business Machines Corp.	4,920,318	433,824,438
J.P. Morgan Chase & Co.	4,920,318	185,003,957
Johnson & Johnson Company	4,920,318	265,844,782
McDonald's Corp.	4,920,318	133,980,259
Merck & Co., Inc.	4,920,318	231,254,946
Microsoft Corp.	4,920,318	127,780,658
Pfizer, Inc.	4,920,318	175,950,572

Procter & Gamble Co.	4,920,318	520,323,628
SBC Communications, Inc.	4,920,318	122,515,918
United Technologies Corp.	4,920,318	424,426,631
Verizon Communications, Inc.	4,920,318	185,692,801
Wal-Mart Stores, Inc.	4,920,318	280,458,126
Total Common Stocks -- (Cost $7,633,572,495)		$7,089,194,174

See accompanying notes to financial statements.

DIAMONDS TRUST SERIES 1
STATEMENT OF ASSETS AND LIABILITIES
APRIL 30, 2004 (UNAUDITED)

ASSETS	
Investments in securities, at value	$7,089,194,174
Cash	11,654,946
Dividends receivable	9,677,807
TOTAL ASSETS	7,110,526,927
LIABILITIES	
Distribution payable	4,091,339
Accrued Trustee fees	412,613
Accrued expenses and other liabilities	3,493,796
TOTAL LIABILITIES	7,997,748
NET ASSETS	$7,102,529,179
NET ASSETS REPRESENTED BY:	
Paid in surplus	$7,970,973,717
Undistributed net investment income	4,421,581
Accumulated net realized loss on investments	(328,487,798)
Net unrealized depreciation on investments	(544,378,321)
NET ASSETS	$7,102,529,179
NET ASSET VALUE PER DIAMOND	$102.47
UNITS OF FRACTIONAL UNDIVIDED INTEREST ("DIAMONDS") OUTSTANDING, UNLIMITED UNITS AUTHORIZED, $0.00 PAR VALUE	69,313,791
COST OF INVESTMENTS	$7,633,572,495

See accompanying notes to financial statements.

DIAMONDS TRUST SERIES 1
STATEMENTS OF OPERATIONS

	FOR THE SIX MONTHS ENDED APRIL 30, 2004 (UNAUDITED)	FOR THE YEAR ENDED OCTOBER 31, 2003	FOR THE YEAR ENDED OCTOBER 31, 2002	FOR TH OCTOB
INVESTMENT INCOME				
Dividend income........	$ 70,424,490	$ 120,911,703	$ 71,072,353	$ 4
EXPENSES:				
Trustee fees...........	2,211,785	3,480,020	2,450,305	
Marketing expense......	2,130,847	3,230,848	1,549,601	
DJIA license fee.......	1,620,677	1,947,815	1,567,729	
Legal and audit services..........	52,358	249,444	64,908	
SEC registration expense...........	30,781	116,131	30,592	
Printing and postage expense...........	21,597	338,844	151,203	
Amortization of organization costs............	--	101,829	502,266	
Miscellaneous expense...........	310	715	687	
Total expenses.............	6,068,355	9,465,646	6,317,291	
Trustee earnings credit..............	(43,109)	(61,870)	(61,606)	
Net expenses after Trustee earnings credit........	6,025,246	9,403,776	6,255,685	
NET INVESTMENT INCOME.......	64,399,244	111,507,927	64,816,668	3
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain on investment transactions.........	105,776,765	276,147,528	173,854,529	21
Net change in unrealized depreciation.........	129,898,961	636,501,507	(496,933,157)	(68
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS..............	235,675,726	912,649,035	(323,078,628)	(46
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS................	$300,074,970	$1,024,156,962	$(258,261,960)	$(42

See accompanying notes to financial statements.

DIAMONDS TRUST SERIES 1
STATEMENTS OF CHANGES IN NET ASSETS

	FOR THE SIX MONTHS ENDED APRIL 30, 2004 (UNAUDITED)	FOR THE YEAR ENDED OCTOBER 31, 2003	FOR THE YEAR ENDED OCTOBER 31, 2002	FOR OCT
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:				
Net investment income....	$ 64,399,244	$ 111,507,927	$ 64,816,668	$
Net realized gain on investment transactions...........	105,776,765	276,147,528	173,854,529	
Net change in unrealized depreciation........	129,898,961	636,501,507	(496,933,157)	
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS......	300,074,970	1,024,156,962	(258,261,960)	
UNDISTRIBUTED NET INVESTMENT INCOME INCLUDED IN PRICE OF UNITS ISSUED AND REDEEMED, NET.........................	(626,249)	(398,863)	913,179	
DISTRIBUTIONS TO UNITHOLDERS FROM NET INVESTMENT INCOME......................	(62,360,211)	(110,187,836)	(62,477,206)	
NET INCREASE IN NET ASSETS FROM ISSUANCE AND REDEMPTION OF DIAMONDS.................	874,349,032	959,445,015	1,703,425,938	1
NET INCREASE IN NET ASSETS DURING PERIOD...............	1,111,437,542	1,873,015,278	1,383,599,951	
NET ASSETS AT BEGINNING OF PERIOD......................	5,991,091,637	4,118,076,359	2,734,476,408	2
NET ASSETS END OF PERIOD*.....	$7,102,529,179	$5,991,091,637	$4,118,076,359	$2
*INCLUDES UNDISTRIBUTED (DISTRIBUTIONS IN EXCESS OF) NET INVESTMENT INCOME.......	$ 4,421,581	$ 2,382,548	$ 1,062,457	$

See accompanying notes to financial statements.

DIAMONDS TRUST SERIES 1

FINANCIAL HIGHLIGHTS
SELECTED DATA FOR A DIAMOND OUTSTANDING DURING THE PERIOD

	FOR THE SIX MONTHS ENDED 4/30/04(1) (UNAUDITED)	FOR THE YEAR ENDED 10/31/03	FOR THE YEAR ENDED 10/31/02(1)	FOR THE YEAR ENDED 10/31/01(1)	FO 10
NET ASSET VALUE, BEGINNING OF PERIOD......................	$ 98.20	$ 84.12	$ 90.84	$ 109.73	$
INVESTMENT OPERATIONS:					
Net investment income.....	0.98	1.91	1.73	1.56	
Net realized and unrealized gain (loss) on investments..........	4.26	14.06	(6.77)	(18.86)	
TOTAL FROM INVESTMENT OPERATIONS..................	5.24	15.97	(5.04)	(17.30)	
UNDISTRIBUTED NET INVESTMENT INCOME INCLUDED IN PRICE OF UNITS ISSUED AND REDEEMED, NET.........................	(0.00)(5)	(0.01)	0.00(5)	0.00(5)	
LESS DISTRIBUTIONS FROM:					
Net investment income.....	(0.97)	(1.88)	(1.68)	(1.59)	
NET ASSET VALUE, END OF PERIOD......................	$ 102.47	$ 98.20	$ 84.12	$ 90.84	$
TOTAL INVESTMENT RETURN(2)....	5.34%	19.22%	(5.71)%	(15.91)%	
RATIOS AND SUPPLEMENTAL DATA					
Ratios to average net assets:					
Net investment income.....	1.91%(6)	2.12%	1.85%	1.51%	
Total expenses............	0.18%(6)	0.18%	0.18%	0.18%	
Net expenses excluding trustee earnings credit..................	0.18%(6)	0.18%	0.18%	0.18%	
Net expenses excluding rebates, trustee earnings credit and waivers(3)..............	0.18%(6)	0.18%	0.18%	0.17%	
Portfolio turnover rate(4).................	10.80%	8.71%	0.26%	12.66%	
NET ASSET VALUE, END OF PERIOD (000'S)....................	$7,102,529	$5,991,092	$4,118,076	$2,734,476	$

(1) Per share numbers have been calculated using the average shares method, which more appropriately presents the per share data for the period.

(2) Total returns for periods of less than one year are not annualized and do not include transaction fees.

(3) Excludes expenses reimbursed by the Sponsor and Trustee from the period November 1, 1998 through February 29, 2000 and the Sponsor from the period March 1, 2000 through October 31, 2000.

(4) Portfolio turnover ratio excludes securities received or delivered from processing creations or redemption of DIAMONDS.

(5) Amount shown represents less than $0.01

(6) Annualized

See accompanying notes to financial statements.

DIAMONDS TRUST SERIES 1
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2004 (UNAUDITED)

NOTE 1 -- ORGANIZATION

DIAMONDS Trust Series 1 (the "Trust") is a unit investment trust created under the laws of the State of New York and registered under the Investment Company Act of 1940. The Trust was created to provide investors with the opportunity to purchase units of beneficial interest in the Trust representing proportionate undivided interests in the portfolio of securities consisting of substantially all of the component common stocks, which comprise the Dow Jones Industrial Average (the "DJIA"). Each unit of fractional undivided interest in the Trust is referred to as a "DIAMOND". The Trust commenced operations on January 14, 1998 upon the initial issuance of 500,000 DIAMONDS (equivalent to ten "Creation Units" -- see Note 4) in exchange for a portfolio of securities assembled to reflect the intended portfolio composition of the Trust.

NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates. The following is a summary of significant accounting policies followed by the Trust.

SECURITY VALUATION

Portfolio securities are valued based on the closing sale price on the exchange which is deemed to be the principal market for the security, except for securities listed on the NASDAQ which are valued at the NASDAQ official closing price. If no closing sale price or official closing price is available, then the security is valued at the previous closing sale price on the exchange which is deemed to be the principal market for the security, or at the previous official closing price if the security is listed on the NASDAQ. If there is no closing sale price available or official closing price, valuation will be determined by the Trustee in good faith based on available information.

INVESTMENT TRANSACTIONS

Investment transactions are recorded on the trade date. Realized gains and losses from the sale or disposition of securities are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date.

DISTRIBUTIONS TO UNITHOLDERS

The Trust declares and distributes dividends from net investment income to its unitholders monthly. The Trust will distribute net realized capital gains, if any, at least annually.

FEDERAL INCOME TAX
The Trust has qualified and intends to qualify as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended. By so qualifying and electing, the Trust will not be subject to federal income taxes to the extent it distributes its taxable income, including any net realized capital gains, for each fiscal year. In addition, by distributing during each calendar year substantially all of its net investment income and capital gains, if any, the Trust will not be subject to federal excise tax. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from generally

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NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
accepted accounting principles. These differences are primarily due to differing treatments for income equalization, in-kind transactions and losses deferred due to wash sales. Net investment income per share calculations in the financial highlights for all periods presented excludes these differences.

During the six months ended April 30, 2004, the Trust reclassified $342,192,439 of non-taxable security gains realized in the in-kind redemption of Creation Units (Note 4) as an increase to paid in surplus in the Statements of Assets and Liabilities.

At October 31, 2003, the Trust had the following capital loss carryforwards which may be used to offset any net realized gains, expiring October 31:

2007....................................	$ 9,197,094
2008....................................	11,386,433
2010....................................	2,065,467
2011....................................	68,716,435

NOTE 3 -- TRANSACTIONS WITH THE TRUSTEE AND SPONSOR
In accordance with the Trust Agreement, State Street Bank and Trust Company (the "Trustee") maintains the Trust's accounting records, acts as custodian and transfer agent to the Trust, and provides administrative services, including filing of all required regulatory reports. The Trustee is also responsible for determining the composition of the portfolio of securities which must be delivered and/or received in exchange for the issuance and/or redemption of Creation Units of the Trust, and for adjusting the composition of the Trust's portfolio from time to time to conform to changes in the composition and/or weighting structure of the DJIA. For these services, the Trustee received a fee at the following annual rates for the six months ended April 30, 2004:

NET ASSET VALUE OF THE TRUST	FEE AS A PERCENTAGE OF NET ASSET VALUE OF THE TRUST
$0 - $499,999,999	10/100 of 1% per annum plus or minus the Adjustment Amount
$500,000,000 - $2,499,999,999	8/100 of 1% per annum plus or minus the Adjustment Amount

$2,500,000,000 - and above	6/100 of 1% per annum plus or minus the Adjustment Amount

The Adjustment Amount is the sum of (a) the excess or deficiency of transaction fees received by the Trustee, less the expenses incurred in processing orders for creation and redemption of DIAMONDS and (b) the amounts earned by the Trustee with respect to the cash held by the Trustee for the benefit of the Trust. During the six months ended April 30, 2004, the Adjustment Amount decreased the Trustee's fee by $152,470. The Adjustment Amount included an excess of net transaction fees from processing orders of $109,361 and a Trustee earnings credit of $43,109.

NOTE 3 -- TRANSACTIONS WITH THE TRUSTEE AND SPONSOR (CONTINUED)

PDR Services LLC (the "Sponsor", a wholly-owned subsidiary of the American Stock Exchange LLC) agreed to reimburse the Trust for, or assume, the ordinary operating expenses of the Trust which exceeded 18.00/100 of 1% per annum of the daily net asset value of the Trust. The amounts of such reimbursements by the Sponsor for the fiscal years ended October 31, 2001, October 31, 2002 and October 31, 2003 and the six-month period ended April 30, 2004 were $0.

Dow Jones & Company, Inc. ("Dow Jones"), the American Stock Exchange LLC (the "AMEX"), and PDR Services (the "Sponsor") have entered into a License Agreement pursuant to which certain Dow Jones marks may be used in connection with the Trust subject to the payment of license fees.

NOTE 4 -- TRUST TRANSACTIONS IN DIAMONDS
Transactions in DIAMONDS were as follows.

	SIX MONTHS ENDED APRIL 30, 2004	
	DIAMONDS	AMOUNTS
DIAMONDS sold..	38,050,000	$ 3,934,070,731
DIAMONDS issued upon dividend reinvestment............	5,360	550,749
DIAMONDS redeemed....................................	(29,750,000)	(3,060,898,697)
Net income equalization..............................	--	626,249
Net Increase...	8,305,360	$ 874,349,032

	YEAR ENDED OCTOBER 31, 2003	
	DIAMONDS	AMOUNTS
DIAMONDS sold..	70,850,000	$ 6,167,457,123

DIAMONDS issued upon dividend reinvestment	4,321	385,016
DIAMONDS redeemed	(58,800,000)	(5,208,795,987)
Net income equalization	--	398,863
Net Increase	12,054,321	$ 959,445,015

	YEAR ENDED OCTOBER 31, 2002	
	DIAMONDS	AMOUNTS
DIAMONDS sold	85,000,000	$ 8,317,016,274
DIAMONDS issued upon dividend reinvestment	2,297	210,273
DIAMONDS redeemed	(66,150,000)	(6,612,887,430)
Net income equalization	--	(913,179)
Net Increase	18,852,297	$ 1,703,425,938

NOTE 4 -- TRUST TRANSACTIONS IN DIAMONDS (CONTINUED)

	YEAR ENDED OCTOBER 31, 2001	
	DIAMONDS	AMOUNTS
DIAMONDS sold	76,050,000	$ 7,610,021,285
DIAMONDS issued upon dividend reinvestment	1,055	107,143
DIAMONDS redeemed	(64,200,000)	(6,415,321,305)
Net income equalization	--	(733,997)
Net Increase	11,851,055	$ 1,194,073,126

Except for under the Trust's dividend reinvestment plan, DIAMONDS are issued and redeemed by the Trust only in Creation Unit size aggregations of 50,000 DIAMONDS. Such transactions are only permitted on an in-kind basis, with a separate cash payment which is equivalent to the undistributed net investment income per DIAMOND (income equalization) and a balancing cash component to equate the transaction to the net asset value per unit of the Trust on the transaction date. A transaction fee of $1,000 is charged in connection with each creation or redemption of Creation Units through the DIAMONDS Clearing Process per Participating party per day, regardless of the number of Creation Units created or redeemed. Transaction fees are received by the Trustee and used to offset the expense of processing orders.

NOTE 5 -- INVESTMENT TRANSACTIONS

For the six months ended April 30, 2004, the Trust had net in-kind contributions, net in-kind redemptions, purchases and sales of investment securities of $3,932,717,929, $3,058,942,490, $730,930,800 and $737,494,929, respectively. The identified cost of investments in securities owned for federal income tax purposes was substantially the same as the cost for financial reporting purposes. At April 30, 2004, the cost of investments was $7,633,572,495 accordingly, gross unrealized appreciation was $148,337,865, and gross unrealized depreciation was $692,716,186, resulting in net unrealized depreciation of $544,378,321. For the six months ended April 30, 2004, State Street Corporation did not earn any brokerage commissions from investment transactions.

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DIAMONDS TRUST SERIES 1

SPONSOR
PDR Services LLC
c/o American Stock Exchange LLC
86 Trinity Place
New York, NY 10006

TRUSTEE
State Street Bank and Trust Company
225 Franklin Street
Boston, MA 02110

DISTRIBUTOR
ALPS Distributors, Inc.
1625 Broadway, Suite 2200
Denver, CO 80202

INDEPENDENT ACCOUNTANTS
PricewaterhouseCoopers LLP
125 High Street
Boston, MA 02110

LEGAL COUNSEL
Carter, Ledyard & Milburn
2 Wall Street
New York, NY 10005