

*From the Desk of John Colley ...*

\* U.S. stocks extend Monday's nice gains on better-than-expected housing data and positive chatter about an upcoming European Union meeting. The gains are modest though and selective.

All this in the face of a credit downgrade in Japan and a lowered growth outlook for the Eurozone, but several believe this news was already "baked in" to pricing.

\* U.S. April Existing Home Sales rise by 3.4% (versus March comparison) ... bringing the seasonally adjusted annual rate to 4.62 million home sales (per the National Association of Realtors). Economists were expecting a 2.5 to 2.7% increase.

\* Facebook shares continue to selloff ... tripping circuit breakers and responders to inquiries about stock issuance methods/favoritism and last minute changes to FB forecasts to the down side. From its \$43 peak on Friday, FB shares have pulled back by 25%. We, at CAM, elected not to be buyers but have been monitoring the situation. What was JPM's role and what will Zuckerberg have to say??

Best Buy announces a major restructuring plan, and suffers a steep drop in same-store sales. Net profit down 25% (not unexpected).

Autozone, Cracker Barrel (Old Country Store), Williams Sonoma, and Ralph Lauren all beat the Street with earnings.

General Mills cuts 850 jobs in restructuring efforts to improve bottom line.

JC  
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