From the Desk of John Colley ...

* U.S. Jobless Claims rise by 10,000 to a total of 383,000 (more than the labor economists were expecting) in the past week. In short, job creation remains slow.

First Quarter GDP revised down to 1.9% growth rate, slower than Commerce Dept. expectations of 2.2% (because of smaller gains in consumption and inventories), but in line with economists' views. The guesstimate had been for 1.8% to 2.0%.

Retailers post strong May same-store sales and recover nicely from April's post-Easter slump ... Macy's, Target, Walmart, and Limited Brands stood out while Kohl's fell short.

* Interesting to note that the average P/E for the 500 companies in the S&P 500 is near a 25 year low point ... underscoring some undervaluation but also highlighting the nervousness about the current "state of affairs". As another aside, 94% of the S&P 500 companies now yield more in dividends than the 5 year US Treasury Note (0.67%).

* After nearly three years of Eurozone woes that began with Greece's financial struggles back in early Summer '09 ... the anxieties continue to come and go ... and other countries have gotten into the fray (i.e. Spain and Italy also in the spotlight) ... all the while leaders (with changing views) continue to prevent a meltdown. Trying to avoid a disorderly mess is the obvious challenge. The markets have discounted this to some large extent and some resolve in Europe would be a rally instigator.

* About 80% of Energy Analysts polled feel that the price of oil has bottomed (testing levels) and will return to the $98 - $103 level near term while 10% predict extremes ($75 and $110 bookends). Interesting take.

All the best,
JC
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