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Good Morning ... European Markets up 1.0%-2.0% (Greece +3.5%) ... Nikkei Closed +1.99% (China +1.36% = first up day in 9 sessions)

EUR 1.4407 (+0.87%) JPY 81.59 (-0.79%) NZD .8237 (+0.90%) Wheat -2.53% Cotton +2.9%
Silver +2.2% 10yr 3.10%

Futures: Dow +113, Nasdaq +26, S&P +13 DXY 74.57 (-0.45%) Crude \$102.32 (+\$1.73)
Gold \$1538.90 (+\$1.60)

Month End (S&P 500 -2.4% mtd), Semi-annual MSCI Rebalance today

CaseShiller Home Price Index @ 9am, Chicago PMI @ 9:45am

Consumer Confidence @ 10am, Dallas Fed @ 10:30am

Bank of Canada rate decision @ 9am, China PMI tonight @ 9pm

· EU's Juncker says EU will decide on additional aid for Greece by end of June (rules out "total restructuring")

· Germany is considering dropping its push for Greece reprofiling in order to facilitate new loan package
(WSJ<<http://online.wsj.com/article/SB10001424052702304563104576355514024153114.html?KEYWORDS=germany+greece>>)

· Ashland to buy global specialty chemical company International Specialty Products for \$3.2 billion in cash

· An Irish government minister says that Ireland may have to ask for another loan from EU/IMF (Reuters<<http://www.reuters.com/article/2011/05/29/us-eurozone-idUSTRE74Q1YV20110529>>)

· Germany will phase out the nuclear power plants that produce a quarter of its electricity by 2022 (FT<<http://www.ft.com/intl/cms/s/0/db203958-8a8d-11e0-b2f1-00144feab49a.html?ftcamp=crm/email/2011530/nbe/BreakingNews1/product#axzz1NswyWhud>>)

· Canada's Q1 economic growth accelerates to fastest pace in a year (Q1 GDP +3.9% vs estimate +4.0%)

· Fortis (Canada's biggest publicly traded electric utility) buys Vermont Public Service Corp. for \$470M

· LCH.Clearnet confirms that it has received various proposals for some form of possible business combination

· Mark Mobius (exec chairman of Templeton EMG) says another financial crisis is "around the corner"

· BlackRock's Larry Fink says Europe's problems go way beyond Greece (need reorg of banking system)

· South African economic growth accelerated to an annualized 4.8% in Q1 (median estimate +4.2%)

· Volkswagen confirms terms of MAN takeover bid to form truckmaking tie-up to Scania (bids €95/share)

· German retail sales rose in April as unemployment fell below 3 million for the first time in ~ 19 years

· Euro-area inflation slowed to 2.7% in May (from 2.8% in April) (easing pressure on ECB to raise rates)

· Russia central bank unexpectedly raised its overnight deposit rate by 25 bps yesterday (3.25% to 3.50%)

· Denmark's economy unexpectedly contracts (joins Portugal as only other European nation in a recession)

· India's economy grew 7.8% in January-March quarter (slowest pace in 5 quarters) (median estimate +8.1%)

· Japan's unemployment rate increased to 4.7% (inline), industrial production rises less than expected

· Moody's puts Japan's Aa2 local and foreign currency bond ratings on review for possible downgrade

· Australia home-building approvals drop with softer job market, current-account deficits widens in Q1

· New Zealand business confidence rises to a 12-month high on low rates and higher commodity prices

Leading European Sectors: Chemicals +2.41%, Construction +1.68%, Autos/Parts +1.57%

Lagging European Sectors: Telecom +0.21%, Healthcare +0.28%, Basic Resources +0.29%

ALE new \$250M credit facility - SNPS replenishes buyback to \$500M - ESSA buyback

FPTB ceo retires - PNG registers shares (holder PAA) - ANH 20M share sales agreement

LMT cyber-attack - DHT buys Saga Tankers - Euro rumor Albrecht family to buy MDN.GR

Secondaries (announced/priced): AVGO

IPO's: N/A

Key Research: Citi initiates FIRE (buy) & FTNT/WBSN (holds) & MOS/POT (buys) & AGU (hold), JPM downgrades TASR

Key Research: GS downgrades GSK (sell) & initiates FRE.GR/FMR.GR (buys), JPM upgrades GS, Think upgrades EBAY

Key Research: JMP initiates MKTG (op) & upgrades TOL & downgrades MDC/NVR, KBW upgrades EDR

Key Research: Nomura upgrades STAN.LN (buy), Wells upgrades APC & initiates TLLP (op), RBC downgrades IPXL

Key Research: Baird upgrades AMAG, Barclays upgrades BIG & initiates AL/VNET (ew's), DB upgrades FOE (buy)

Key Research: Atlantic upgrades MOS, JPM downgrades SMG, Janney upgrades CRAI (buy), Piper upgrades RDN

Key Research: JPM upgrades NVTL, Jefferies upgrades FST (buy), Bofa reinstates ADI (buy), Auriga assumes NVDA (buy)

Key Research: Bofa upgrades AAT/FRT/TCO (buys) & downgrades DDR/KIM/REG

Reporting Pre-Open: BNS, EJ, GLNG, WILC

Reporting Post-Close: GAME, LGF, PVH

Economic Data: ICSC-Goldman Chain Store @ 7:45am, Redbook Chain Store @ 8:55am, S&P/Case-Shiller Home Price Index @ 9am, Chicago PMI @ 9:45am, Consumer Confidence & NAPM-Milwaukee @ 10am, Dallas Fed Manufacturing Activity @ 10:30am

Conferences: KeyBanc Industrial & Automotive (Boston), WSJ All Things Digital Conference (CA), Sterne Agee Cornerstone of Industry (Chicago)

Analyst/Investor Days: N/A

Non-Deal Roadshows: AERL, CHRW, CQB, CRI, CRNT, MIG, MXIM, RNST, SMCI, UMBF, WB, WG

Shareholder Meetings: ESV, MICC, PDE, CODE, TRGL, BLDP, DECK

Equity/Mixed Shelves: ALIM (\$75M), PNG (\$1B), BPAX (\$150M), BRD (\$100M)

S&P 400 change (after close today): Triumph Group (TGI) will replace Pride International (PDE)

S&P 600 change (after close today): Inter Parfums (IPAR) will replace Triumph Group (TGI)

S&P 600 change (after close June-1): The Medicines Company (MDCO) will replace RehabCare Group (RHB)

Other Newspaper Articles & Stories

WSJ positive: Supervalu (SVU)

WSJ<<http://online.wsj.com/article/SB10001424052702303654804576349773596442678.html>>

WSJ cautious: German Utilities

WSJ<<http://online.wsj.com/article/SB10001424052702303745304576355593033793576.html>>, ReachLocal (RLOC)

WSJ<<http://online.wsj.com/article/SB10001424052702303654804576349861349692274.html>>

Barron's positive: PriceSmart (PSMT)

Barron's<http://online.barrons.com/article/SB50001424053111903548904576343340317584266.html?mod=BOL_twm_fs>, TJX Companies (TJX)

Barron's<http://online.barrons.com/article/SB50001424053111903548904576343392979527656.html?mod=BOL_twm_fs>

· Barron's feature highlights investors top picks discussed at the annual Sohn investment conference

Barron's<http://online.barrons.com/article/SB50001424053111904433604576347381654655772.html?mod=BOL_twm_fs>

· Barron's interviews Dennis Stattman from the BlackRock Global Allocation fund

Barron's<http://online.barrons.com/article/SB50001424053111903548904576343402431093630.html?mod=BOL_twm_fs#articleTabs_panel_article=1>

· GM cancels plans to develop plug-in hybrid vehicle

Reuters<<http://www.reuters.com/article/2011/05/27/us-generalmotors-srx-idUSTRE74Q5J520110527>>

· NYSE Euronext plans dual clearing venues with LCH

Reuters<http://www.reuters.com/article/2011/05/30/us-lch-nyseeuronext-idUSTRE74T43J20110530?feedType=RSS&feedName=businessNews&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:%20Reuters/businessNews%20%28News%20/%20US%20/%20Business%20News%29>

· South Korea probes foreign banks

WSJ<http://online.wsj.com/article/SB10001424052702303657404576356683880858902.html?mod=WSJ_business_whatsNews>

· Accor Wants To Work With Lenotre Unit After Sale, CEO Says

WSJ<http://online.wsj.com/article/SB10001424052702303657404576355530264552942.html?mod=WSJ_business_whatsNews>

· South Korea Probes Foreign Banks

WSJ<http://online.wsj.com/article/SB10001424052702303657404576356683880858902.html?mod=WSJ_business_whatsNews>

· Libya's Goldman Dalliance Ends in Losses, Acrimony

WSJ<http://online.wsj.com/article/SB10001424052702304066504576347190532098376.html?mod=ITP_pageone_0>

· Hermès Clan Voices Will to Keep Control

WSJ<http://online.wsj.com/article/SB10001424052702303657404576355551084243670.html?mod=WSJ_business_whatsNews>

· Holders Seek Halt on Sale of Massey

WSJ<http://online.wsj.com/article/SB10001424052702304563104576355393961254736.html?mod=WSJ_business_whatsNews>

· Extra Airline Fees a Growth Market
 WSJ<http://online.wsj.com/article/SB10001424052702304563104576355363021016474.html?mod=WSJ_business_whatsNews>

· Carrefour Directors to Meet to Discuss Brazilian Business
 WSJ<http://online.wsj.com/article/SB10001424052702303657404576355611308343494.html?mod=googlenews_wsjs>

· Canada Is in No Hurry to Sell Its Chrysler Shares to Fiat
 NYT<http://www.nytimes.com/2011/05/31/business/31auto.html?_r=1&ref=business>

· 3D films not jumping off the screen in North America
 NYT<http://www.nytimes.com/2011/05/30/business/media/30panda.html?_r=2&ref=business>

· Renault Names Chief Operating Officer
 NYT<http://www.nytimes.com/2011/05/31/business/global/31bizbriefs-RENAULTNAMES_BRF.html>

· AIG's journey from the edge is not finished
 FT<<http://www.ft.com/intl/cms/s/0/ee2b7086-8aeb-11e0-b2f1-00144feab49a.html?ftcamp=rss#axzz1NsxlDoaE>>

· Brazil's Vale gears up for rare earths FT<<http://www.ft.com/intl/cms/s/0/0503bcdc-8aec-11e0-b2f1-00144feab49a.html#axzz1NvGfEONf>>

· Adidas forecasts £100m of 2012 Games sales
 FT<<http://www.ft.com/intl/cms/s/0/ddabfea6-8a00-11e0-beff-00144feab49a.html#axzz1NsxlDoaE>>

· RTL and Reliance Broadcast form India venture
 FT<<http://www.ft.com/intl/cms/s/0/e0b701e2-8ae4-11e0-b2f1-00144feab49a.html#axzz1NsxlDoaE>>

· As its peers pair off, Alaska Airlines follows its own path LA
 Times<<http://www.latimes.com/business/la-fi-alaska-airlines-20110531,0,6093865,full.story>>

· The Myspace Sweepstakes Drag on-Another Bid Deadline Today As Sale Deadline Looms All Things Digital<<http://allthingsd.com/20110531/the-myspace-sweepstakes-drag-on-another-bid-deadline-today-as-sale-deadline-looms/>>

· London & Stamford and British Land to turn Meadowhall into one of UK's largest shopping centres
 Telegraph<<http://www.telegraph.co.uk/finance/newsbysector/constructionandproperty/8546325/London-and-Stamford-and-British-Land-to-turn-Meadowhall-into-one-of-UKs-largest-shopping-centres.html>>

· Debenhams in talks to open branches in US Sears stores
 Telegraph<<http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/8546423/Debenhams-in-talks-to-open-branches-in-US-Sears-stores.html>>

· Morrisons goes 'aggressive' in its drive to buy stores
 Independent<<http://www.independent.co.uk/news/business/news/morrisons-goes-aggressive-in-its-drive-to-buy-stores-2291209.html>>

· Bloomberg Puts Comcast on Notice
 AdWeek<http://www.adweek.com/news/television/bloomberg-puts-comcast-notice-132055?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+Mediaweek-Breaking-News+%28Adweek%3A+All+News%29>

· RBS, Guolian team up to tap securities market South China Morning
 Post<<http://www.scmp.com/portal/site/SCMP/menuitem.2c913216495213d5df646910cba0a0a0/>>

· Novae Group and Omega Insurance talking about merging - London Times

· No long-term agreement reached yet between Southern Cross, landlords; negotiations continue - London Times

Financial Services Agency to issue business improvement orders to Mizuho Bank, Mizuho Financial Group today - Nikkei

Key Events This Week

Wednesday: Construction Spending, ISM Manufacturing & Prices Paid, Vehicle Sales, Cowen TMT Conference (NYC), JPM China Conference, Earnings (DG, VIP, CEDU)

Thursday: Factory Orders, Nonfarm Productivity & Labor Costs, Bloomberg Consumer Comfort, Earnings (JOYG, SAI, CHRS, CMED, UNFI, PAY, DMND)

Friday: May Employment Report

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