THE MACRO SHOW

JUNE 16, 2016

LEGAL

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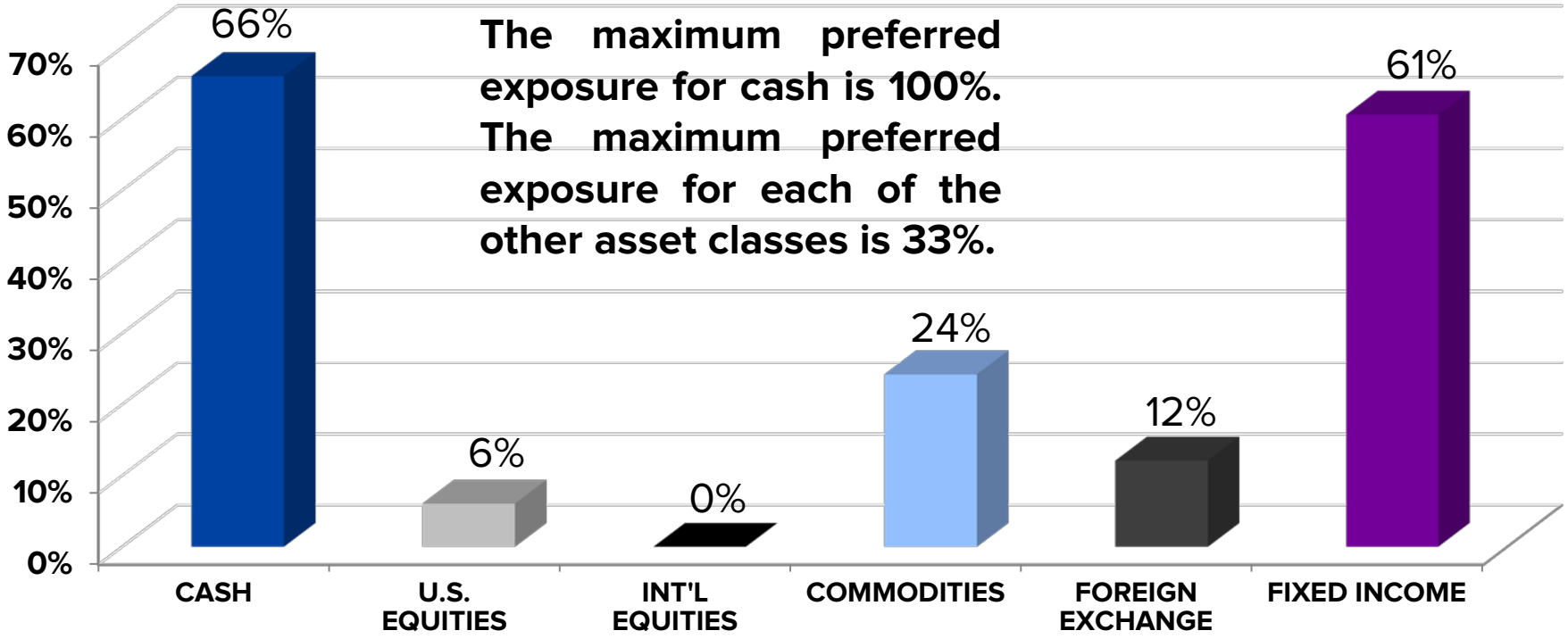
HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
6/15/2016	64	6	0	6	6	18
6/16/2016	66	2	0	8	4	20

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
6/15/2016	64%	18%	0%	18%	18%	55%
6/16/2016	66%	6%	0%	24%	12%	61%

The maximum preferred exposure for cash is 100%. The maximum preferred exposure for each of the other asset classes is 33%.

HEDGEYE ASSET ALLOCATION



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HEDGEYE TV

1 JAPAN

2 GOLD

3 S&P 500

JAPAN

They're really out on the central banking #BeliefSystem in Japan – on the heels of reiterating 80T (T = Trillion Yen), the Yen ramped +1.7% (vs USD) to yet another YTD high, and the Nikkei continued to crash, -3.1% overnight (-7.2% on the week) and -26.1% from last year's cycle peak in Global Equities (July).

GOLD

Oh the love - Gold is a currency and it’s got more momentum now than any currency in the world, charging to new YTD highs (+1.2% this morning to +23.1% YTD) of $1307/oz as German 10s drop back to negative this morning and U.S. 10s tick below Spanish 10s for the 1st time at 1.55% vs. 1.60%, respectively (Gold doesn’t have a yield, but it doesn’t have a negative one either).

S&P 500

In at 2,068 and out at 2,083? Yep. Not only does that beat the return you'd have had buying the S&P 500 1yearr ago today (it's -1.18% vs. June 16, 2015 as ***#TheCycle*** was peaking), do you think we really trusted being net long after seeing another #Recession print on U.S. *Industrial Production of -1.4% year-over-year* yesterday? Do you think we trust the Fed's ***#BeliefSystem***?

MACRO GRIND

JAPANESE YEN TO U.S. DOLLAR INDEX

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GOLD - CONTINUOUS CONTRACT

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FTSE MIB (MILAN) INDEX

GERMAN DAX COMPOSITE

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TOKYO NIKKEI 225 AVERAGE

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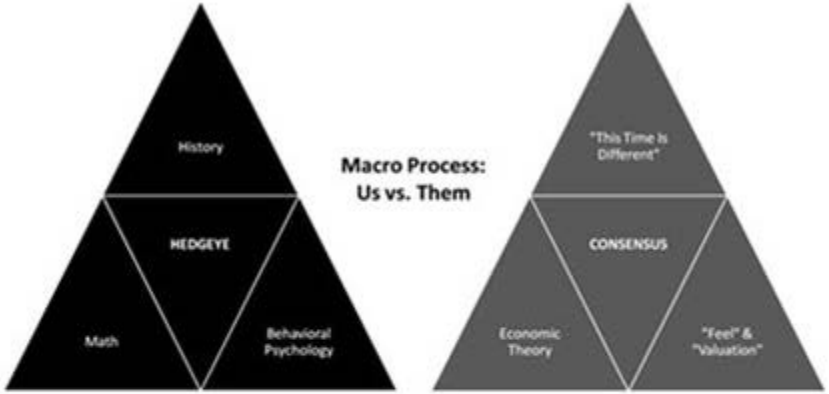
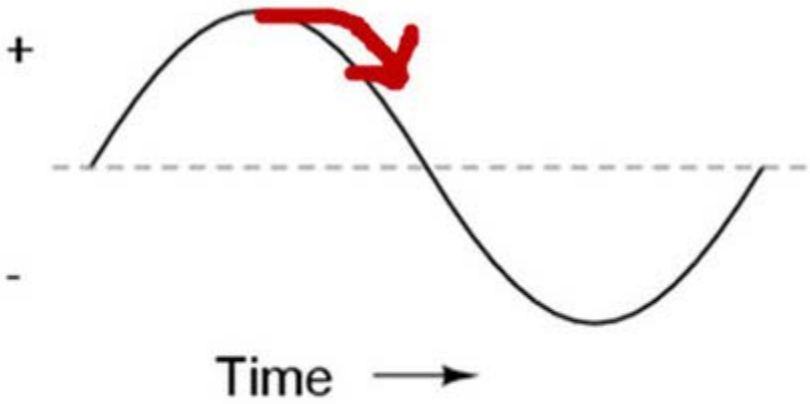
HEDGEYE MACRO PROCESS: RATE OF CHANGE





DIFFERENTIATED FROM THE HERD

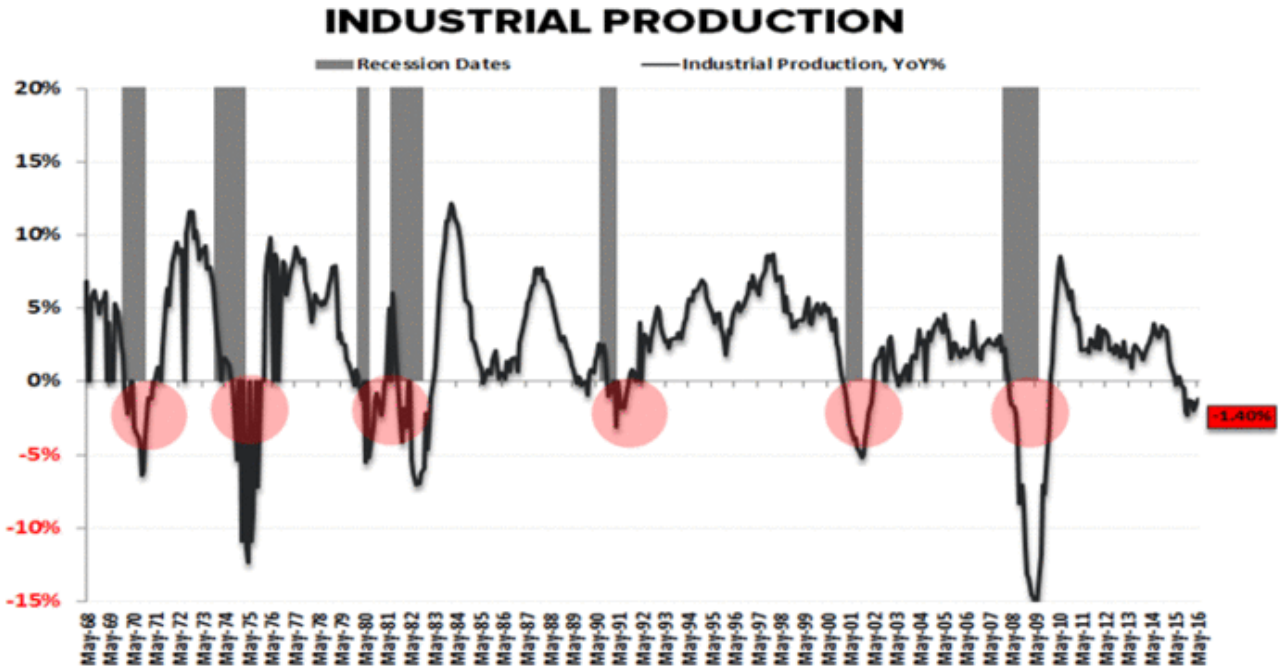
Macroeconomics and Global Macro Risk Management are two very different fields. We specialize in the latter.

WE FOCUS ON THE SLOPES

Everything that matters in Global Macro occurs on the margin.

GLOBAL DEMAND HAS NOT BOTTOMED

9 CONSECUTIVE MONTHS OF NEGATIVE Y/Y% GROWTH



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HEDGEYE SECTOR PERFORMANCE

SECTOR	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$78.08	0.28%	-1.46%	-0.10%
Financial Select Sector	XLF	$22.69	0.13%	-4.46%	-4.78%
Health Care Select Sector	XLV	$70.83	-0.69%	-0.73%	-1.67%
Technology Select Sector	XLK	$43.46	-0.25%	-1.65%	1.47%
Consumer Staples Select Sector	XLP	$53.73	-0.30%	2.03%	6.42%
Industrial Select Sector	XLI	$55.89	0.04%	-0.05%	5.43%
Materials Select Sector	XLB	$47.07	0.45%	0.28%	8.41%
The Energy Select Sector	XLE	$66.97	-0.24%	0.15%	11.03%
Utilities Select Sector	XLU	$50.46	-0.63%	2.67%	16.59%
S&P 500	SPX	2,071.50	-0.18%	-1.21%	1.35%

HEDGEYE SECTOR RELATIVE PERFORMANCE

	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$78.08	0.47%	-0.25%	-1.45%
Financial Select Sector	XLF	$22.69	0.32%	-3.25%	-6.13%
Health Care Select Sector	XLV	$70.83	-0.50%	0.49%	-3.01%
Technology Select Sector	XLK	$43.46	-0.07%	-0.44%	0.12%
Consumer Staples Select Sector	XLP	$53.73	-0.11%	3.25%	5.07%
Industrial Select Sector	XLI	$55.89	0.22%	1.16%	4.08%
Materials Select Sector	XLB	$47.07	0.63%	1.49%	7.06%
The Energy Select Sector	XLE	$66.97	-0.05%	1.36%	9.68%
Utilities Select Sector	XLU	$50.46	-0.45%	3.88%	15.24%

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	0.2%	-3.4%	2.0%	5.0%	9.0%	6.6%
	Low Debt/EV	-0.1%	-2.6%	1.1%	1.5%	1.2%	1.2%
SI	High Short Interest	0.2%	-4.0%	3.1%	0.6%	2.8%	1.8%
	Low Short Interest	-0.3%	-2.6%	0.5%	3.4%	2.8%	2.2%
BETA	High Beta	0.2%	-4.8%	3.6%	5.4%	1.0%	1.1%
	Low Beta	-0.2%	-0.5%	0.9%	3.0%	10.7%	9.0%
YIELD	High Yield	0.2%	-2.3%	1.9%	1.8%	6.6%	5.0%
	Low Yield	-0.1%	-3.7%	2.5%	5.0%	2.3%	1.7%
MKT CAP	MCAP Bottom 25%	0.2%	-4.1%	2.1%	1.2%	1.9%	0.3%
	MCAP Top 25%	-0.2%	-2.2%	1.1%	3.3%	1.7%	1.7%
Sales	Top 25% Sales Growth	0.0%	-3.6%	2.4%	6.7%	4.2%	3.9%
	Bottom 25% Sales Growth	0.2%	-2.4%	1.9%	1.6%	4.5%	3.2%
EPS	Top 25% EPS Growth	0.2%	-3.2%	2.1%	5.3%	2.8%	2.0%
	Bottom 25% EPS Growth	-0.1%	-2.9%	1.9%	3.5%	7.7%	6.1%

**Mean Performance of Top Quartile vs. Bottom Quartile, S&P500 Companies*

HEDGEYE RATES & SPREADS

	Price	1D Bps Chg	5D Bps Chg	1M Bps Chg	3M Bps Chg	vs. 52-Wk, Bps High	vs. 52-Wk, Bps Low	vs. 3Y Ave	vs. 5Y Ave
3M T-Bill	0.25%	-1.0	2.1	-1	-8	-10	31	19	19
3M LIBOR	0.65%	0.0	-0.3	3	1	-3	37	33	31
2Y T-Note	0.67%	-5.3	-10.6	-8	-29	-43	13	11	23
5Y T-Note	1.08%	-6.1	-15.4	-13	-41	-75	10	-44	-18
10Y T-Note	1.58%	-3.8	-12.7	-12	-39	-91	5	-75	-60
30Y T-Note	2.41%	-1.2	-9.7	-14	-32	-84	3	-73	-71
2Y-10Y Spread, Bps	91	1.5	-2.1	-4.8	-10	-48	-9	-86	-83
IG SPREAD (AAABBB)	1.85%	0.0	3.0	1	-22	-45	9	15	0
HIGH YIELD	7.29%	0.0	33.1	-11	-60	-204	98	70	49
5Y BREAKEVEN	1.48%	1.8	-8.4	-4.2	10.0	-26.4	62.4	-12.9	-26.1

CFTC NON-COMMERCIAL NET LONG POSITIONING

METRIC	Latest	W/W Chg	3M Ave	6M Ave	1Y Ave	Z-Score 1Y	Z-Score 3Y
SPX (Index + E-mini)	(26,295)	(82,376)	(30,773)	(102,068)	(121,811)	*1.14X*	*-0.01X*
Russell 2000 (mini)	(24,869)	6,038	(50,052)	(52,770)	(40,651)	*0.85X*	*0.01X*
10Y Treasury	(1,294)	158,636	(66,889)	(25,214)	(16,453)	*0.28X*	*0.80X*
CRUDE OIL	384,921	(12,597)	380,512	311,630	298,957	*1.47X*	*0.74X*
GOLD	186,562	30,786	187,124	118,523	70,044	*1.47X*	*2.09X*
COPPER	(39,210)	(348)	(20,697)	(24,125)	(22,502)	*-1.38X*	*-1.57X*
$USD	9,793	(101)	12,767	24,040	37,174	*-1.61X*	*-0.87X*
JPY	41,165	24,416	51,129	40,566	(8,053)	*0.90X*	*1.89X*
EUR	(70,336)	(37,800)	(40,333)	(70,637)	(88,380)	*0.42X*	*0.06X*
GBP	(64,691)	(32,748)	(42,890)	(37,636)	(24,724)	*-2.39X*	*-1.96X*

MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (6/15) vs.			
	Prior Day	1M Ave	3M ave	1Y Ave
Total Market Volume*	-6%	-4%	-11%	-14%
Total Exchange Volume**	-7%	1%	-2%	-8%

*Total Market Volume = Total US exchange volume plus OTC and OTCBB trading volume for all security types. Calculated by Bloomberg.

**Tape A+B+C volume = total US exchange volume

*** Total Traded Value for Russell 3000 (total mkt proxy)