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HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
8/17/2016	54	3	3	10	12	18
8/18/2016	54	3	3	10	12	18

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
8/17/2016	54%	9%	9%	30%	36%	55%
8/18/2016	54%	9%	9%	30%	36%	55%

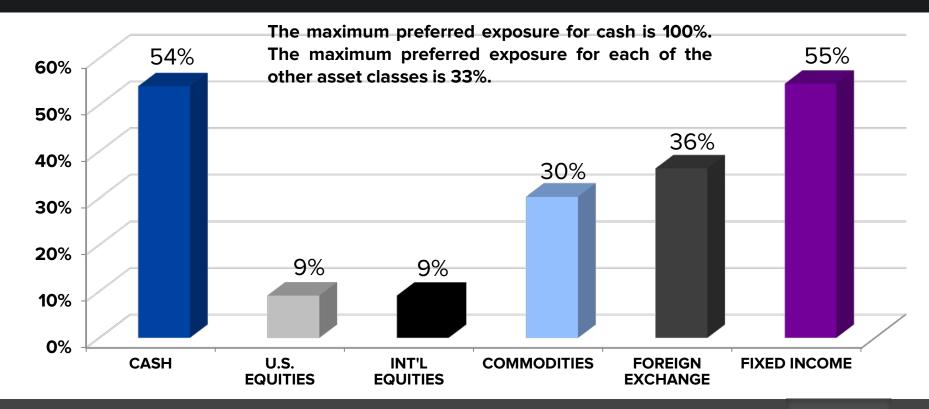
The maximum preferred exposure for cash is 100%. The maximum preferred exposure for each of the other asset classes is 33%.

August 18, 2016

THE MACRO SHOW



HEDGEYE ASSET ALLOCATION



August 18, 2016

THE MACRO SHOW



SPAIN ZJAPAN 3 ECB



has once again convoluted the road to forming a government, this time going against his word to evaluate a series of reform demands from the centrist Ciudadanos party (which if agreed to by Rajoy would increase the likelihood of Ciudadanos joining Rajoy's party to form a coalition government). Will this political indecision continue, leaving investors in the dark, you bet! #EuropeImploding.

JAPAN

The Nikkei was hammered overnight, closing down -1.6% as the USD/JPY cross moved back below 100 on the heels of brutal export numbers for the month of JUL. Specifically, the -14% YoY decline was the largest fall since OCT 2009 and the decline showed broad-based weakness — calling attention to slowing global growth, as well as Japan's inability to manufacture domestic demand. We've been the bears on Japanese equities all year and feel it's appropriate to reiterate that call this morning amid this incremental breakdown of the #BeliefSystem.

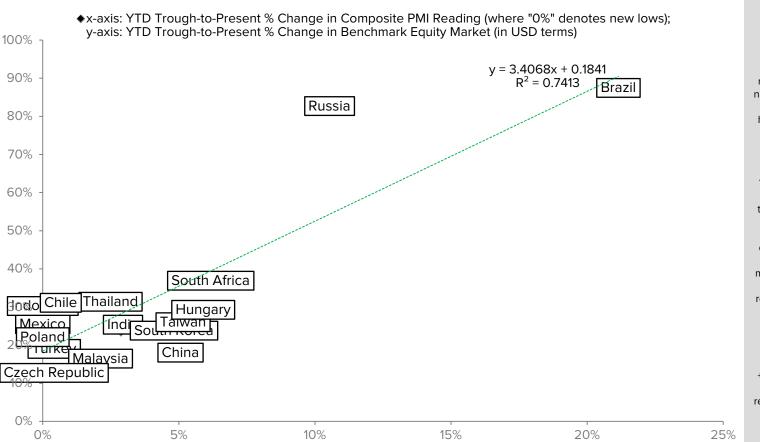


ails. Our short bias on the EUR/USD remains intact.



MACRO
DARIUS DALE

FUNDAMENTALS HAVE MATTERED IN EM YTD



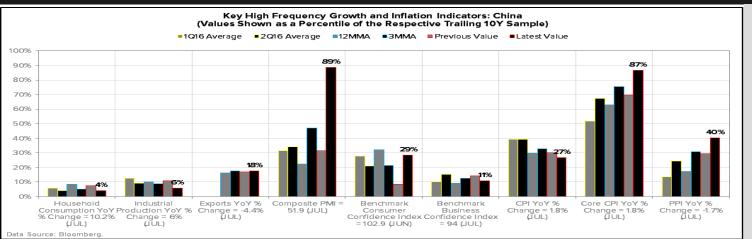
As we outlined in the aforementioned note, EM assets have enjoyed fantastic run-ups throughout much of the YTD, so naturally, a good place to begin hunting is screening for countries whose markets have meaningfully underperformed their GIP fundamentals (potential longs) and those who have commensurately outperformed (potential shorts).

There's a thousand ways to skin this cat and believe us – we did (we'll present those additional findings in the days and weeks to come). For brevity's sake, however, we'll focus on one quick and dirty way to accomplish this, which is by regressing dollar-denominated equity market returns off of their respective YTD lows vs. the delta in composite PMI readings off of their respective YTD lows.

Regressing the aforementioned factors across the 16 emerging market economies we could find with available data yielded a positive correlation of +0.87. Even excluding outliers Brazil and Russia yielded a positively-sloping regression line with a correlation of +0.35.

DATA SOURCE: BLOOMBERG HEDGEYE 10

CHINA: DO NOTHING



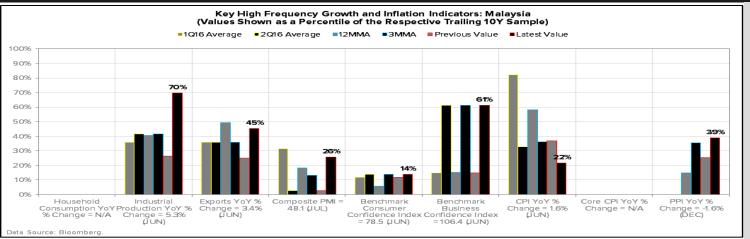
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Key Financial Market Indicators	Percentile (10Y)	5Y Change	3Y Change	2Y Change	18MI Change	1Y Change	YTD Change	6M Change	3M Change	2M Change	1M Change	1W Change	1D Change
Benchmark Equity Market = 3104.11	74%	21.3%	50.1%	38.6%	-4.4%	-17.2%	-12.3%	8.4%	10.6%	7.6%	2.0%	3.4%	-0.2%
Policy Rate = 1.5%	0%	-200bps	-150 bps	-150 bps	-125bps	-50 bps	0bps	Obps	0bps	Obps	Obps	0bps	Obps
1Y OIS Spread vs. Policy Rate = -7bps	37%	-8bps	-35bps	-32bps	152bps	-12bps	1bps	Obps	-26bps	-24bps	-15bps	10bps	1bps
2Y Sovereign Debt Yield = 2.33%	27%	-131bps	-139bps	-157bps	-82bps	-40bps	-19bps	-23bps	-22bps	-28bps		-3bps	0bps
10Y Sovereign Debt Yield = 2.7%	0%	-124bps	-128bps	-152bps	-66bps	-85bps	-16bps	-18bps	-21bps	-25bps	-14bps	-1bps	0bps
10Y-2Y Sovereign Debt Yield Spread = 37bps	23%	6bps	10bps	4bps	15bps	-46bps	2bps	4bps	Obps	2bps		2bps	Obps
LT Breakeven Rate (5Y5Y or 10Y) = N/A													
FX Rate vs. USD = 0.1509	45%	-3.6%	-7.7%	-7.3%	-5.6%	-3.5%	-2.0%	-1.7%	-1.3%	-0.7%	1.1%	0.0%	0.3%



Growth: generally trending lower across the preponderance of key highfrequency data **Inflation:** generally trending higher across the preponderance of key highfrequency data Policy: getting easier at the margins **GIP Model Quadrant** Outlook: LOL... Beijing will print whatever GDP numbers it darn well pleases; the key to trading Chinese equities is frontrunning the onset or withdrawal of stimulus which itself appears to be peaking

DATA SOURCE: BLOOMBERG HEDGEYE 11

MALAYSIA: BUY/OVERWEIGHT



														1
Key Financial Market Indicators	Percentile (10Y)	5Y Change	3Y Change	2Y Change	18M Change	1Y Change	YTD Change	6M Change	3M Change	2M Change	1MI Change	1W Change	1D Change	
Benchmark Equity Market = 1694.87	75%	12.7%	-5.2%	-9.0%	-6.3%	7.3%	0.1%	0.9%	3.6%	4.4%	1.4%	1.0%	0.0%	. †
Policy Rate = 3%	23%	Obps	Obps	-25bps	-25bps	-25bps	-25bps	-25bps	-25bps	-25bps	Obps	Obps	Obps	
1Y OIS Spread vs. Policy Rate = 32bps	51%	12bps	8bps	-20bps	-13bps	-26bps	-23bps	-6bps	1bps	-3bps	-5bps	-4bps	-1bps	
2Y Sovereign Debt Yield = 2.63%	9%	-51bps	-60bps	-70bps	-77bps	-95bps	-25bps	-51bps	-31bps	-39bps	4bps	-5bps	-2bps	
10Y Sovereign Debt Yield = 3.49%	12%	-15bps	-37bps	-42bps	-39bps	-81bps	-69bps	-41bps	-35bps	-39bps	-7bps	-12bps	-1bps	r
10Y-2Y Sovereign Debt Yield Spread = 86bps	69%	36bps	23bps	28bps	38bps	14bps	-44bps	11bps	-4bps	Obps	-11bps	-7bps	Obps	'
LT Breakeven Rate (5Y5Y or 10Y) = N/A														
FX Rate vs. USD = 0.25	8%	-25.0%	-18.2%	-21.2%	-9.6%	2.1%	7.6%	4.3%	1.8%	2.1%	-0.6%	-0.2%	0.0%	•



Growth: generally trending mixed across the preponderance of key highfrequency data **Inflation:** generally trending lower across the preponderance of key highfrequency data Policy: getting easier at the

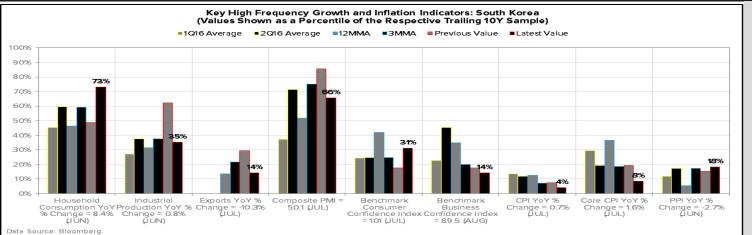
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GIP Model Quadrant Outlook: #Quad2

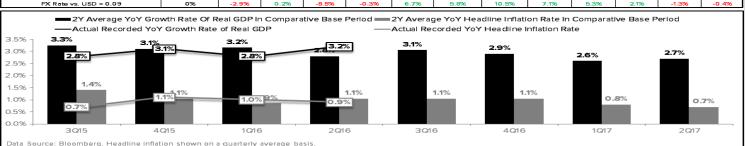
throughout 2H16 and 1Q17

HEDGEYE 12 **DATA SOURCE: BLOOMBERG**

SOUTH KOREA: DO NOTHING - FOR NOW



1W Change 1D Change Key Financial Market Indicators Percentile (10Y) 5Y Change 3Y Change 2Y Change 18M Change 1Y Change YTD Change 6M Change 3M Change 2M Change 1M Change Benchmark Equity Market = 2055.47 Policy Rate = 1.25% -125bps -100bps 1Y OIS Spread vs. Policy Rate = -1bps 3% -35bps -25bps -18bos -2bps -11bps 5bps 3bps -7bps Obos -1bps -1bps ი% -20bps 2Y Sovereign Debt Yield = 1.25% -228bps -158bps -123bps -80 bps -40 bos 40bps -24bps -11bps Obos Obps Obps 10Y Sovereign Debt Yield = 1.42% 0% -252bps -226 bps -169bps -97bps -86bps -67bps -39bps -38bps -18bps Obos 2bps -2bps 10Y-2Y Sovereign Debt Yield Spread = 17bps -24bps -46bps -17bps -46bps -27bps -19 bps -8bps Obps -1bps LT Breakeven Rate (5Y5Y or 10Y) = N/A -0.4%



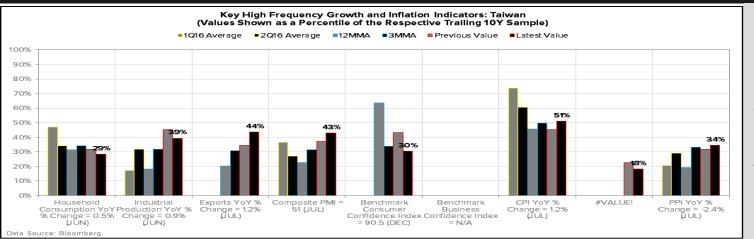
Growth: generally trending higher across the preponderance of key highfrequency data **Inflation:** generally trending lower across the preponderance of key highfrequency data **Policy:** getting easier at the

margins

GIP Model Quadrant Outlook: #Quad4 in 3Q16, #Quad2 in 4Q16 and 1Q17

HEDGEYE 13 **DATA SOURCE: BLOOMBERG**

TAIWAN: BUY/OVERWEIGHT



Data 30dice. Biodiliberg.													
Key Financial Market Indicators	Percentile (10Y)	5Y Change	3Y Change	2Y Change	18M Change	1Y Change	YTD Change	6MI Change	3M Change	2M Change	1M Change	1W Change	1D Change
Benchmark Equity Market = 9122.5	88%	19.8%	15.1%	-0.2%	-4.3%	11.6%	9.4%	9.7%	11.8%	6.5%	1.3%	-0.1%	0.1%
Policy Rate = 1.38%	14%	-50bps	-50bps	-50bps	-50bps	-50bps	-25bps	-25bps	-13bps	-13bps	Obps	Obps	Obps
1Y OIS Spread vs. Policy Rate = -74bps	79%	27bps	20bps	23bps	24bps	24bps	16bps	21bps				Obps	Obps
2Y Sovereign Debt Yield = 0.32%	8%	-49bps	-44bps	-29bps			-11bps	-11bps	-10bps	-7bps	-3bps	0bps	Obps
10Y Sovereign Debt Yield = 0.69%	0%	-70bps	-94bps	-89bps	-87bps	-48bps	-34bps	-23bps	-17bps	-11bps	-1bps	0bps	0bps
10Y-2Y Sovereign Debt Yield Spread = 37bps	20%	-21bps	-50 bps	-60bps			-23bps	-13bps	-7bps	-4bps	2bps	Obps	Obps
LT Breakeven Rate (5Y5Y or 10Y) = N/A													
FX Rate vs. USD = 0.0318	47%	-7.8%	-5.0%	-4.8%	0.5%	3.1%	4.3%	5.7%	4.2%	2.8%	1.5%	-0.6%	-0.2%



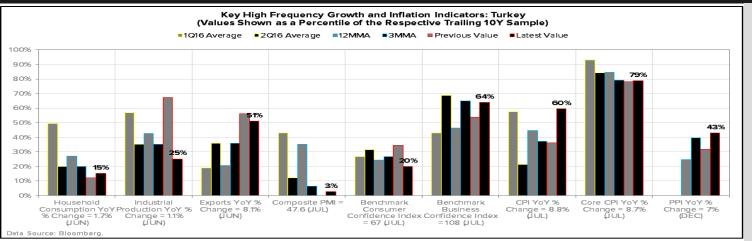
Growth: generally trending higher across the preponderance of key high-frequency data Inflation: generally trending higher across the preponderance of key high-frequency data Policy: getting easier at the margins

GIP Model Quadrant Outlook: #Quad1/2
throughout 2H16, #Quad4

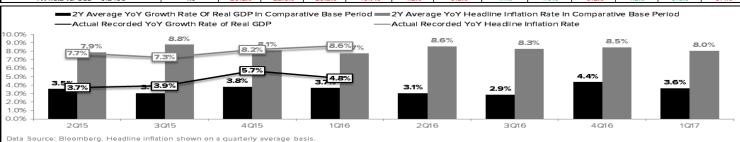
in 1Q17

HEDGEYE 14

TURKEY: DO NOTHING



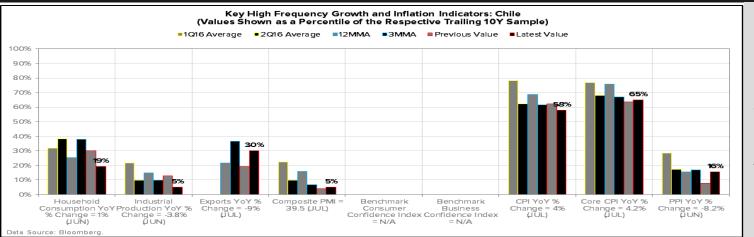
Key Financial Market Indicators	Percentile (10Y)	5Y Change	3Y Change	2Y Change	18M Change	1Y Change	YTD Change	6M Change	3M Change	2M Change	1M Change	1W Change	1D Change	
Benchmark Equity Market = 77834.63	81%	49.8%	4.8%	0.6%	-8.9%	2.5%	8.5%	6.0%	0.8%	3.2%	1.1%	-1.5%	-0.4%	. †
Policy Rate = 7.5%	61%	175bps	300bps		-25bps	Obps	0bps	Obps	Obps	Obps	Obps	Obps	Obps	
1Y OIS Spread vs. Policy Rate = 232bps	44%	2bps	-165bps		49bps	-235bps	-243bps	-203bps	-116 bps	-30bps	7bps	2bps	2bps	F
2Y Sovereign Debt Yield = 8.81%	31%	68bps	-20bps	-33bps	84bps	-160bps	-177bps	-206bps	-78bps	-14bps	11bps	-17bps	-6bps	•
10Y Sovereign Debt Yield = 9.62%	75%	66bps	57bps	40bps	195bps	-42bps	-85bps	-96bps	-42bps	12bps	12bps	23bps	11bps	(
10Y-2Y Sovereign Debt Yield Spread = 81bps	87%	-2bps	77bps	73bps	111bps	118bps	92bps	110 bps	36bps	26bps	1bps	40bps	17bps	•
LT Breakeven Rate (5Y5Y or 10Y) = N/A														-
FX Rate vs. USD = 0.3408	4%	-39.2%	-33.8%	-26.3%	-16.7%	-1.3%	-0.5%	1.1%	1.9%	-0.2%	1.5%	0.8%	-0.4%	•



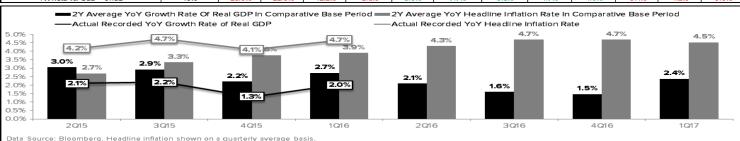
Growth: generally trending lower across the preponderance of key high-frequency data Inflation: generally trending lower across the preponderance of key high-frequency data Policy: neutral GIP Model Quadrant Outlook: #Quad2 in 3Q16, #Quad4 in 4Q16 and #Quad2 in 1Q17

DATA SOURCE: BLOOMBERG HEDGEYE 15

CHILE: DO NOTHING



Data Source: Bibblinberg.													
Key Financial Market Indicators	Percentile (10Y)	5Y Change	3Y Change	2Y Change	18MI Change	1Y Change	YTD Change	6MI Change	3M Change	2M Change	1M Change	1W Change	1D Change
Benchmark Equity Market = 4132.5	72%	-2.3%	10.8%	4.5%	3.7%	9.2%	12.3%	10.5%	3.9%	3.9%	0.8%	0.0%	-0.9%
Policy Rate = 3.5%	32%	-175bps	-150bps	Obps	50bps	50bps	Obps	Obps	Obps	0bps	Obps	Obps	Obps
1Y OIS Spread vs. Policy Rate = -11bps	30%	3bps	13bps	32bps	-11bps	-28bps	-49bps	-48bps	-28bps	-21bps	-15bps	-6bps	3bps
2Y Sovereign Debt Yield = 3.54%	31%			20bps	39bps	17bps	-74bps	-45bps	-31bps	-36bps	-21bps	-15bps	-3bps
10Y Sovereign Debt Yield = 4.36%	14%				17bps	-16bps	-30bps	-9bps	-7bps	-18bps	-2bps	0bps	Obps
10Y-2Y Sovereign Debt Yield Spread = 82bps	91%				-22bps	-33bps	44bps	36bps	24bps	18bps	19bps	15bps	3bps
LT Breakeven Rate (5Y5Y or 10Y) = N/A													
FX Rate vs. USD = 0.152	10%	-28.9%	-22.0%	-12.3%	-5.8%	5.0%	7.7%	6.5%	4.7%	4.0%	-0.4%	-1.3%	-0.9%

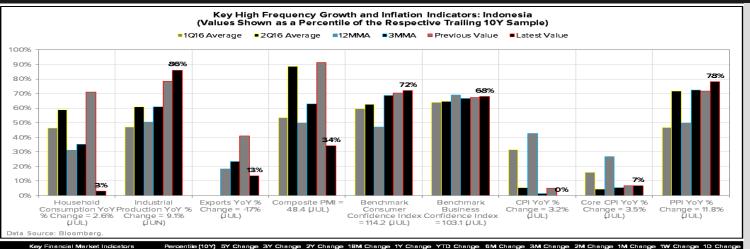


Growth: generally trending sideways across the preponderance of key high-frequency data Inflation: generally trending lower across the preponderance of key high-frequency data Policy: getting easier at the margins GIP Model Quadrant

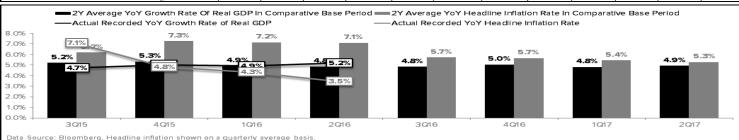
Outlook: #Quad1 throughout 2H16, #Quad3 in 1Q17

HEDGEYE 16

INDONESIA: DO NOTHING - FOR NOW



Key Financial Market Indicators	Percentile (10Y)	5Y Change	3Y Change	2Y Change	18MI Change	1Y Change	YTD Change	6M Change	3M Change	2M Change	1M Change	1W Change	1D Change
Benchmark Equity Market = 5461.45	100%	35.8%	19.5%	5.9%	1.3%	21.1%	18.9%	14.3%	15.4%	13.0%	6.5%	0.8%	1.7%
Policy Rate = 6.5%	24%	-25bps	Obps	-100bps	-100bps	-100bps	-100bps	-50bps	-25bps	Obps		0bps	0bps
1Y OIS Spread vs. Policy Rate = 130bps	83%	90bps	270bps	210 bps	135bps	100bps	100bps	50bps	25bps	Obps		Obps	-2bps
2Y Sovereign Debt Yield = 6.49%	26%	138bps	-83bps	-114bps	-32bps	-153bps	-212bps	-106bps	-69bps	-73bps	-33bps	0bps	0bps
10Y Sovereign Debt Yield = 6.81%	18%	-8bps	-138bps	-144bps	-38bps	-187bps	-193bps	-123bps	-88bps	-82bps	-32bps	4bps	-3bps
10Y-2Y Sovereign Debt Yield Spread = 33bps	8%	-146bps	-55bps	-30bps	-6bps	-34bps	19bps	-17bps	-19bps	-9bps	1bps	4bps	-3bps
LT Breakeven Rate (5Y5Y or 10Y) = N/A													
FX Rate vs. USD = 0.0762	11%	-34.8%	-20.9%	-11.1%	-2.1%	5.3%	5.5%	2.7%	2.5%	1.8%	-0.4%	-0.3%	0.0%

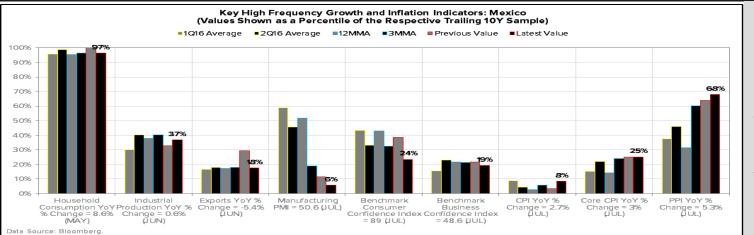


Growth: generally trending higher across the preponderance of key high-frequency data Inflation: generally trending lower across the preponderance of key high-frequency data Policy: getting easier at the margins

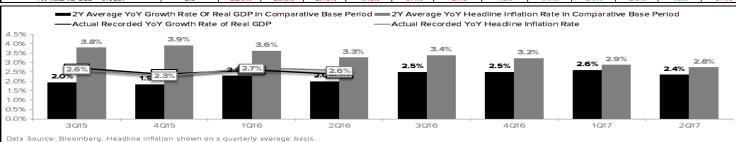
GIP Model Quadrant Outlook: #Quad1 in 3Q16, #Quad4 in 4Q16 and #Quad3 in 1Q17

DATA SOURCE: BLOOMBERG HEDGEYE 17

MEXICO: SHORT/UNDERWEIGHT



3M Change 2M Change 1M Change 1W Change 1D Change Key Financial Market Indicators Percentile (10Y) 5Y Change 3Y Change 2Y Change 18M Change 1Y Change YTD Change 6M Change Benchmark Equity Market = 48258.93 100% 11.6% 39% 125bps 125bps Obps 1Y OIS Spread vs. Policy Rate = 74bps 77% 45bps 35bps 42bps -6bps -24bps 4bps 63bps -6bps 33bps -10 bps 59% 2Y Sovereign Debt Yield = 5.14% 59bps 97bps 187bps 83bps 89bps 107bps 101bps 108bps 17bps -12bps Obps 10Y Sovereian Debt Yield = 5.82% -13bps -39bps 17bps 9bps -18bps -46bps -27bps -21bps -26bps -17bps -6bps -1bps 10Y-2Y Sovereign Debt Yield Spread = 68bps -72bps -136 bps -170bps -75bps -107bps -153bps -128bps -129 bps -43bps -14bps -1bps LT Breakeven Rate (5Y5Y or 10Y) = N/A -0.4% FX Rate vs. USD = 0.055



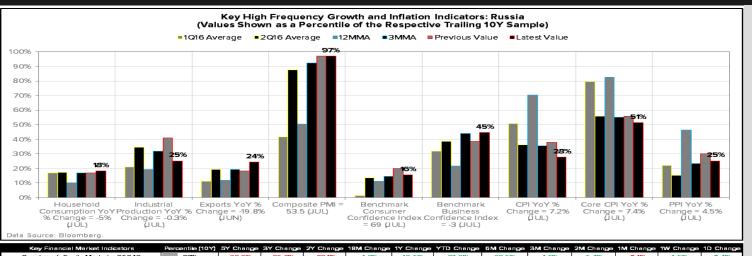
Growth: generally trending higher across the preponderance of key highfrequency data **Inflation:** generally trending higher across the preponderance of key highfrequency data **Policy:** getting tighter at the

margins

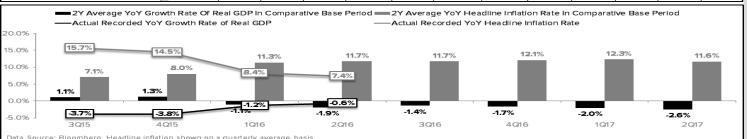
GIP Model Quadrant Outlook: #Quad4 in 3Q16, #Quad3 in 4Q16 and 1Q17

HEDGEYE 18 **DATA SOURCE: BLOOMBERG**

RUSSIA: DO NOTHING



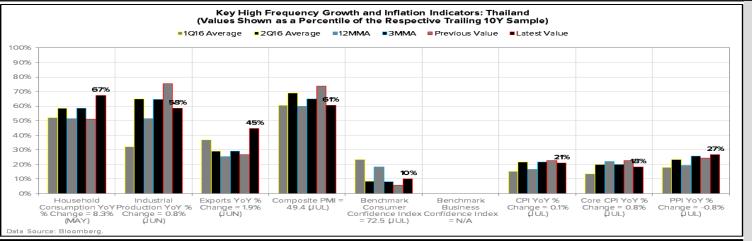
Key Financial Market Indicators	Percentile (10Y)	5Y Change	3Y Change	2Y Change	18M Change	1Y Change	YTD Change	6M Change	3M Change	2M Change	1M Change	1W Change	1D Change	f
Benchmark Equity Market = 968.12	22%	-38.9%	-26.8%	-22.1%	4.2%	19.6%	27.9%	28.6%	4.5%	6.4%	-0.1%	1.6%	0.4%	
Policy Rate = 10.5%	43%			250 bps	-450bps	-50bps	-50bps	-50bps	-50 bps	Obps	0bps	0bps	0bps	
1Y OIS Spread vs. Policy Rate = -5bps	3%			-235bps	-140bps	-180 bps	-65bps	-117bps	-4bps	-25bps	-10bps	-1bps	1bps	
2Y Sovereign Debt Yield = 9.16%	70%	303bps	303bps	Obps	-340bps	-183bps	-98bps	-86bps	-28bps	-30bps	-4bps	8bps	5bps	- 1
10Y Sovereign Debt Yield = 8.33%	67%	4bps	64bps	-109bps	-340bps	-272bps	-122bps	-156bps	-60bps	-32bps	-22bps	9bps	0bps	
10Y-2Y Sovereign Debt Yield Spread = -83bps	3%	-300bps	-239bps	-109bps	1bps	-89bps	-24bps	-71bps	-32bps	-3bps	-18bps	1bps	-5bps	4
LT Breakeven Rate (5Y5Y or 10Y) = N/A														,
FX Rate vs. USD = 0.0156	10%	-54.7%	-48.5%	-43.8%	-4.0%	2.7%	13.8%	18.7%	3.0%	1.0%	-2.0%	0.3%	-0.3%	



Growth: generally trending higher across the preponderance of key high-frequency data Inflation: generally trending lower across the preponderance of key high-frequency data Policy: getting easier at the margins GIP Model Quadrant Outlook: #Quad4 in 3Q16, but back to #Quad1 in 4Q16 and 1Q17

HEDGEYE 19

THAILAND: SHORT/UNDERWEIGHT



Key Financial Market Indicators	Percentile (10Y)	5Y Change	3Y Change	2Y Change	18M Change	1Y Change	YTD Change	6M Change	3M Change	2M Change	1M Change	1W Change	1D Change	ı
Benchmark Equity Market = 1547.01	94%	42.0%	7.0%	0.3%	-3.5%	12.7%	20.1%	19.5%	10.5%	8.8%	3.7%	-0.4%	1.0%	t
Policy Rate = 1.5%	13%	-175bps	-100bps	-50 bps	-50bps	Obps	0bps	0bps	Obps	Obps	0bps	Obps	0bps	
1Y OIS Spread vs. Policy Rate = 5bps	63%	16bps	12bps	10bps	10bps	9bps	-6bps	-7bps	4bps	10bps	10bps	3bps	Obps	
2Y Sovereign Debt Yield = 1.53%	13%	-194bps	-126bps	-93bps	-57bps	8bps	4bps	17bps	9bps	19bps	3bps	1bps	-1bps	•
10Y Sovereign Debt Yield = 2.07%	4%	-143bps	-188bps		-74bps	-60bps	-43bps	6bps	10bps	-1bps	14bps	3bps	-1bps	r
10Y-2Y Sovereign Debt Yield Spread = 54bps	34%	51bps	-6 2bps		-17bps	-68bps	-47bps	-11bps	1bps	-20bps	11bps	2bps	1bps	'
LT Breakeven Rate (5Y5Y or 10Y) = N/A														-
FX Rate vs. USD = 0.0289	20%	-13.6%	-9.6%	-8.0%	-5.9%	2.7%	4.1%	2.8%	3.2%	1.8%	1.0%	0.3%	0.1%	•



Growth: generally trending higher across the preponderance of key highfrequency data **Inflation:** generally trending higher across the preponderance of key highfrequency data **Policy:** getting tighter at the

margins

GIP Model Quadrant

Outlook: #Quad3

throughout 2H16 and 1Q17

HEDGEYE 20 **DATA SOURCE: BLOOMBERG**

THEMATIC INVESTMENT CONCLUSIONS

LONG/OVERWEIGHT IDEAS

- 1. Malaysia (EWM)
- 2. Taiwan (EWT)
- 3. South Korea (EWY)

SHORT/UNDERWEIGHT IDEAS

- 1. Mexico (EWW)
- 2. Thailand (THD)
- 3. Indonesia (EIDO)

MACRO GRIND

Q2 S&P REVENUE & EARNINGS COMPS

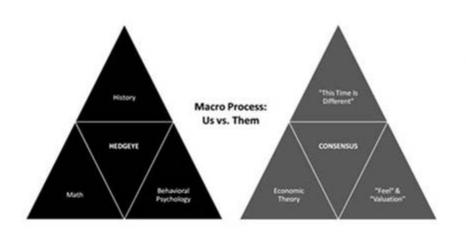
Q2 2016 QTD

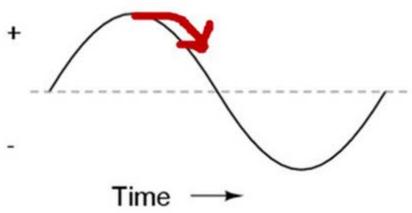
SECTOR	SALES CROWTH (% CHC)	EARNINGS CROWTH (% CHC)	#PEDORTED
SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	-0.2%	-3.7%	471 / 500
Energy	-24.2%	-81.6%	37 / 37
Materials	-7.3%	-9.1%	27 / 27
Industrials	-1.0%	-2.0%	67 / 68
Consumer Discretionary	6.3%	10.2%	71 / 83
Consumer Staples	0.9%	0.4%	29 / 36
Healthcare	9.0%	5.0%	55 / 57
Financials	0.9%	-5.2%	92 / 92
Information Technology	0.2%	-1.3%	60 / 67
Telecom	9.6%	3.5%	5 / 5
Utilities	-2.4%	8.9%	28 / 28

Source: BBG

TV HEDGEYE

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.

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HEDGEYE SECTOR PERFORMANCE

			1-Day %	MTD %	YTD %
SECTOR	<u>Ticker</u>	<u>Price</u>	<u>Chg</u>	<u>Chg</u>	<u>Chg</u>
Consumer Discretionary	XLY	\$81.50	-0.23%	-0.15%	4.27%
Financial Select Sector	XLF	\$24.04	0.33%	1.65%	0.88%
Health Care Select Sector	XLV	\$74.39	0.20%	-1.08%	3.28%
Technology Select Sector	XLK	\$46.97	-0.04%	1.12%	9.67%
Consumer Staples Select Sector	XLP	\$54.86	0.27%	0.29%	8.66%
Industrial Select Sector	XLI	\$58.86	0.29%	1.41%	11.04%
Materials Select Sector	XLB	\$48.61	-0.08%	-0.16%	11.95%
The Energy Select Sector	XLE	\$69.57	0.30%	3.25%	15.33%
Utilities Select Sector	XLU	\$50.27	1.49%	-3.55%	16.15%
S&P 500	SPX	2,182.22	0.19%	0.40%	6.77%

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HEDGEYE SECTOR RELATIVE PERFORMANCE

			1-Day %	MTD %	YTD %
	<u>Ticker</u>	<u>Price</u>	<u>Chg</u>	<u>Chg</u>	<u>Chg</u>
Consumer Discretionary	XLY	\$81.50	-0.42%	-0.54%	-2.49%
Financial Select Sector	XLF	\$24.04	0.15%	1.25%	-5.88%
Health Care Select Sector	XLV	\$74.39	0.02%	-1.47%	-3.49%
Technology Select Sector	XLK	\$46.97	-0.23%	0.72%	2.90%
Consumer Staples Select Sector	XLP	\$54.86	0.09%	-0.10%	1.89%
Industrial Select Sector	XLI	\$58.86	0.10%	1.02%	4.27%
Materials Select Sector	XLB	\$48.61	-0.27%	-0.56%	5.19%
The Energy Select Sector	XLE	\$69.57	0.12%	2.85%	8.57%
Utilities Select Sector	XLU	\$50.27	1.31%	-3.95%	9.39%

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HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
5	High Debt/EV	0.3%	1.4%	-0.3%	8.9%	21.3%	12.2%
8	Low Debt/EV	0.1%	0.4%	1.0%	7.1%	13.6%	7.3%
SI	High Short Interest	-0.2%	1.4%	1.3%	10.0%	15.8%	6.2%
	Low Short Interest	0.2%	0.1%	0.3%	5.2%	14.0%	7.5%
BETA	High Beta	0.0%	1.9%	2.1%	9.3%	26.2%	8.2%
8	Low Beta	0.4%	-0.9%	-2.1%	5.8%	12.0%	12.3%
YIELD	High Yield	0.3%	0.8%	-0.6%	8.5%	13.7%	10.3%
YIE	Low Yield	-0.1%	0.5%	2.3%	8.7%	20.7%	8.9%
MKT	MCAP Bottom 25%	-0.1%	1.1%	0.3%	7.2%	16.4%	6.3%
≥ 8	MCAP Top 25%	0.2%	0.3%	0.5%	6.0%	13.6%	6.5%
es	Top 25% Sales Growth	-0.1%	1.2%	1.2%	7.4%	23.7%	10.1%
Sales	Bottom 25% Sales Growth	0.0%	0.5%	0.5%	8.9%	15.0%	9.2%
EPS	Top 25% EPS Growth	-0.1%	0.4%	1.0%	6.6%	19.1%	6.7%
<u> </u>	Bottom 25% EPS Growth	0.2%	1.3%	0.2%	7.1%	17.9%	9.6%

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

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HEDGEYE RATES & SPREADS

		1D	5D	1M	3M	vs. 52-Wk, Bps		vs.	vs.
	Price	Bps Chg	Bps Chg	Bps Chg	Bps Chg	High	Low	3Y Ave	5Y Ave
3M T-Bill	0.29%	2.0	1.4	0	0	-6	35	21	22
3M LIBOR	0.80%	0.0	-1.6	11	17	-2	49	45	44
2Y T-Note	0.71%	-2.0	-1.6	4	-17	-39	22	14	26
5Y T-Note	1.12%	-2.8	-1.3	0	-25	-71	23	-38	-12
10Y T-Note	1.53%	-2.5	-1.0	-3	-30	-84	22	-73	-59
30Y T-Note	2.25%	-3.8	-1.3	-4	-40	-89	16	-82	-81
2Y-10Y Spread, Bps	82	-0.8	0.3	-7.2	-14	-46	0	-87	-86
IG SPREAD (AAABBB)	1.65%	0.0	-3.0	-6	-12	-65	1	-5	-20
HIGH YIELD	6.30%	3.0	-6.5	-13	-107	-303	3	-31	-47
5Y BREAKEVEN	1.32%	2.4	0.3	-13.2	-21.8	-31.9	46.5	-26.1	-40.1

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HEDGEYE

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CFTC NON-COMMERCIAL NET LONG POSITIONING

							Score
METRIC	Latest	W/W Chg	3M Ave	6M Ave	1Y Ave	1Y	3Y
SPX (Index + E-mini)	115,935	(16,747)	82,411	(14,638)	(86,047)	1.66X	1.41X
Russell 2000 (mini)	2,924	4,872	(23,103)	(40,899)	(42,048)	2.79X	1.33X
10Y Treasury	108,755	12,748	33,825	3,131	(1,980)	1.67X	1.99X
CRUDE OIL	278,615	(15,494)	351,918	343,066	302,579	-0.41X	-0.95X
GOLD	255,773	(11,516)	239,489	202,095	113,996	1.40X	2.45X
COPPER	(4,648)	(7,407)	(21,227)	(17,425)	(20,674)	1.15X	0.84X
\$USD	15,651	(1,909)	12,636	15,658	29,372	-0.88X	-0.61X
JPY	46,219	9,066	41,979	49,337	12,716	0.71X	1.69X
EUR	(110,812)	5,453	(74,839)	(60,920)	(86,176)	-0.56X	-0.39X
GBP	(88,209)	(6,058)	(55,412)	(46,817)	(32,194)	-2.49X	-2.56X

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MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (8/17) vs.									
	Prior Day	1M Ave	3M ave	1Y Ave						
Total Market Volume*	9%	-1%	-9%	-19%						
Total Exchange Volume**	9%	2%	-6%	-14%						
Total Traded Value (R3K)***	2%	-9%	-17%	-22%						

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

Source: Bloomberg, Hedgeye

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^{**}Tape A+B+C volume = total US exchange volume

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

KEY \$USD CORRELATIONS

52-Wk Rolling 30D Correlation

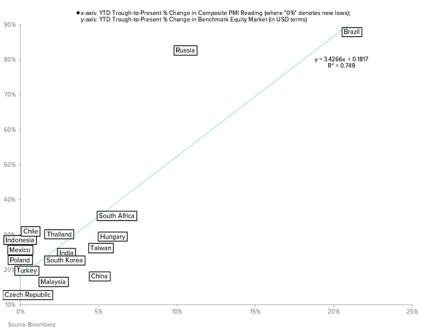
METRIC	15D	30D	90D	120D	180D	High	Low	% Time Pos	% Time Neg
SPX	0.13	-0.18	0.54	0.16	-0.49	0.73	-0.91	57%	43%
BRENT Oil	-0.40	0.08	-0.22	-0.27	-0.67	0.73	-0.78	37%	63%
CRB Index	0.01	0.24	-0.58	-0.27	-0.83	0.71	-0.91	24%	76%
GOLD	-0.56	-0.65	0.51	0.33	-0.63	0.90	-0.95	24%	76%

^{*}Days = Trading Days

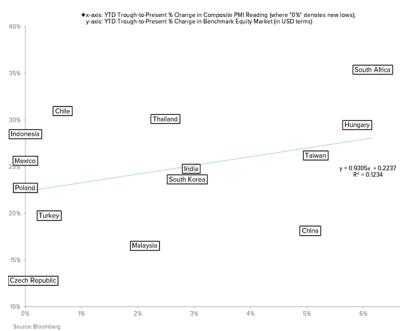
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FUNDAMENTALS HAVE MATTERED IN EM YTD

ECONOMIC IMPROVEMENT VS. MARKET IMPROVEMENT



... LESS BRAZIL AND RUSSIA



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