THE MACRO SHOW

MARCH 10, 2017

LEGAL

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HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
3/9/2017	20	27	19	9	25	0
3/10/2017	20	27	19	9	25	0

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
3/9/2017	20%	82%	58%	27%	76%	0%
3/10/2017	20%	82%	58%	27%	76%	0%

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

March 10, 2017

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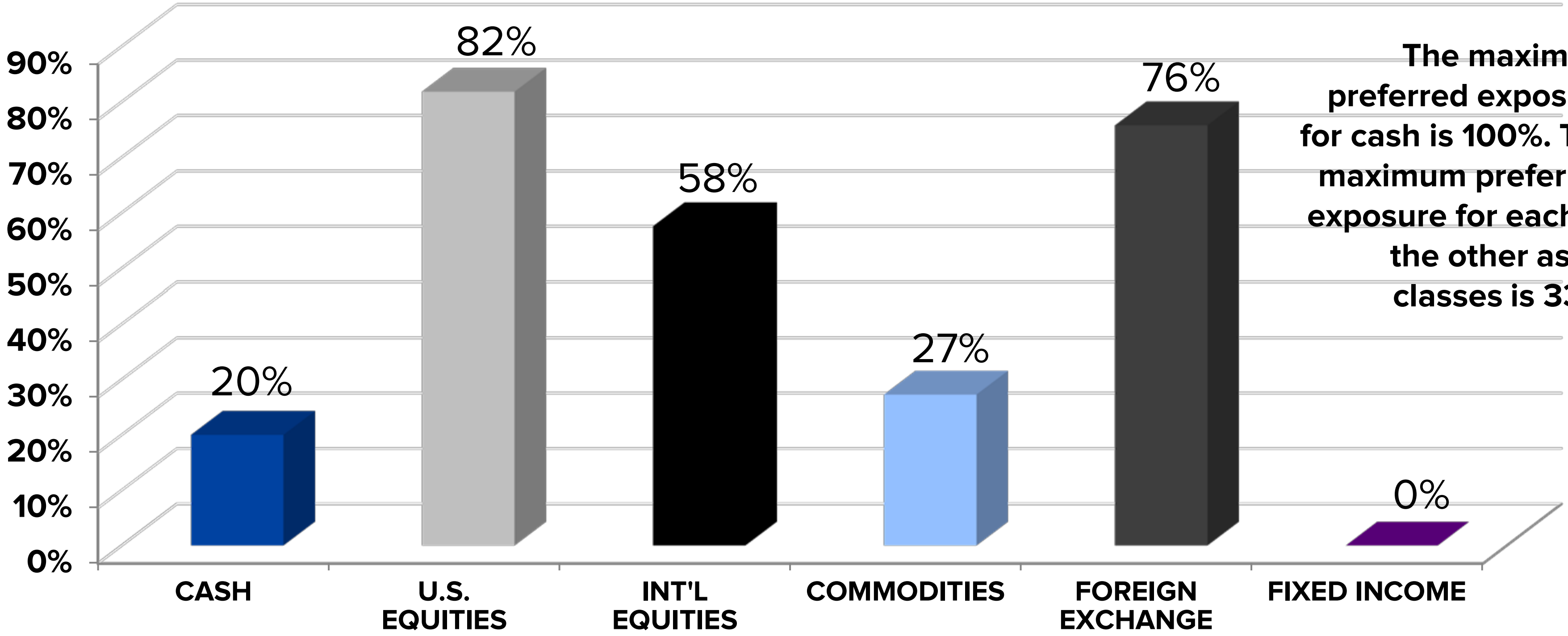
HEDGEYE TV

HEDGEYE ASSET ALLOCATION



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

March 10, 2017

THE MACRO SHOW

HEDGEYE TV

1 UST 10YR

2 YEN

3 OIL

UST 10YR

Clearly the bond market read a 44 year low in U.S. Jobless Claims and a rip-roaring ADP print of 289,000 as hawkish; with the 2yr spiking to 1.37%, the curve actually steepened this week as 10s = 2.60% now with immediate-term upside to 2.65% - I remain bearish on Long-term UST Bonds (TLT, ZROZ, etc.) and their proxies

YEN

Smoked by ***#StrongDollar*** to 115.38 and the Nikkei absolutely loved that, closing straight up +1.5% overnight at 19,604 – don't forget that last month's rate of change acceleration in NFP to +1.64% was the 1st in 23 months.

OIL

Oil gets really interesting now that WTI tested and held @Hedgeye TREND support of $48.90/barrel – I wasn't brave enough to hit the buy button on anything Energy yesterday as I'd prefer to wait/watch on this Oil Volatility (OVX) rip to 32; breaking down below 28 would be positive – not seeing that yet

RESTAURANTS & CONSUMER STAPLES

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CUTTING AWAY THE FAT

BEST IDEA LONG: RED ROBIN GOURMET BURGER (RRGB)

Originally published: March 8, 2017

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Picture Source: www.redrobi

HEDGEYE RESTAURANTS IDEAS LIST

LONG LIST

LONG LIST		TRADE	TREND	TAIL
1) PNRA	Panera Bread Company	✓	✓	✓
2) BWLD	Buffalo Wild Wings	✓	✓	✓
3) RRGB	Red Robin Gourmet Burger	✓	✓	✓
4) DFRG	Del Frisco's Rest. Group	✓	✓	-
5) SONC	Sonic	-	-	✓
6) FRGI	Fiesta Restaurant Group	✓	✓	✓

LONG BENCH

WING	Wingstop
JE - GB	JUST EAT plc

SHORT LIST

SHORT LIST		TRADE	TREND	TAIL
1) CMG	Chipotle Mexican Grill	X	X	X
2) GRUB	GrubHub	-	X	X
3) DNKN	Dunkin' Brands	X	X	X
4) CAKE	Cheesecake Factory	X	X	X
5) CHUY	Chuy's Holdings	X	X	X

SHORT BENCH

SHAK	Shake Shack
YUM	Yum! Brands
ARCO	Arcos Dorados Holdings
YUMC	Yum China
MCD	McDonald's
DPZ	Domino's
EAT	Brinker International
SBUX	Starbucks

*Hedgeye's "bench" represents Hedgeye's outlook on companies currently under Hedgeye's review. Hedgeye may or may not provide further commentary on any or all companies represented on the bench and representation of a company on the bench does not forecast whether Hedgeye will or will not issue any additional material on that company.

Data Source: Hedgeye.

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KEY POINTS

1

REVAMPED MANAGEMENT TEAM

Where the head goes, the body follows, and this analogy can be used when describing RRGB. The recent promotion of Red Robin veteran Denny Marie Post and the recent hire of industry past master Guy J. Constant signals a commitment to a new game plan, one that includes slowing unit growth in order to focus on 4-wall profitability, maximizing technological capabilities to foster an improved guest experience, and streamlining SG&A expenses. Industry veterans, Ms. Post and Mr. Constant bring more than 30 and 20 years of leadership experience, respectively, and are a duo to be reckoned with in the restaurants space, as RRGB works to realign the business for long-term success.

2

TECHNOLOGY & DELIVERY TO FUEL TOPLINE GROWTH

Technology is not necessarily a new endeavor for Red Robin, but the Company's approach has undergone a facelift. Red^2 was the Company's initial technology initiative, introduced in January 2016, and it spoke of doubling EBITDA by 2020. The initiative included **R**evenue Growth, **E**xpense management, and efficient capital **D**eployment. However, by 3Q16 the Company pivoted from its initial Red^2 initiative in favor of an abbreviated version (we are calling it **Skinny RED**) that would move the brand forward. Additionally, as stated on their 4Q16 earnings call, the Company's biggest opportunity lies with off-premise operations. At the end of FY15, RRGB had fallen far behind its competitors in the delivery, to-go, and catering space, with carry-out sitting below 4%, however, the Company is now full steam ahead on partnering with DoorDash and Amazon Prime Now to rollout delivery. With delivery only available at ~84 units, there is still a tremendous amount of white space for RRGB to move forward aggressively.

3

SHEDDING ASSETS, SLOWING UNIT GROWTH WILL HELP SLOWING CAPEX TREND

Given the Company's aggressive brand transformation remodels and technology initiatives, CAPEX had hamstrung the business, with capital expenditures growing by ~55% from 2014 to 2015 and reaching ~$189M at the end of FY16. With only a small number of remodels left to be completed in 2017, unit growth set to slow significantly (8 net new Company restaurants in 2017), and the decision to close 9 Burger Works locations that were underperforming relative to Company expectations, in 2018 we expect the Company to further significantly reduce growth CAPEX, allowing for significant FCF generation going forward.

Data Source: Hedgeye, Company Filings.
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BRINGING IN NEW BLOOD...

...WITH A PARTICULAR SET OF SKILLS

Denny Marie Post, CEO
Formally named CEO on August 9, 2016, Denny brings over 30 years of leadership experience in consumer-driven marketing, and product innovation to the role. Miss Post first joined Red Robin in 2011 as Chief Marketing Officer, and was promoted to Chief Concept Officer in 2015 and then promoted again to President of the company in February 2016.

Guy J. Constant, CFO
Named CFO on December 13, 2016. Guy brings more than 20 years of leadership in corporate finance, including more than a decade in the restaurants industry. Prior to this role, Mr. Constant served as the Chief Financial Officer for Rent-A-Center and has served in various executive roles at Brinker International, Inc., including executive vice president and CFO, and president of the Chili's Global Restaurant Division.

Stephen E. Carley, former CEO
Announced his retirement on August 8, 2016 after six years as CEO of the Company. Mr. Carley was instrumental in implementing a number of initiatives that led the Company out of the Great Recession and helped RRGB regain market share through a successful brand transformation.

Stuart B. Brown, former CFO
Announced his resignation on June 14, 2016 after nearly 5 years with the Company.

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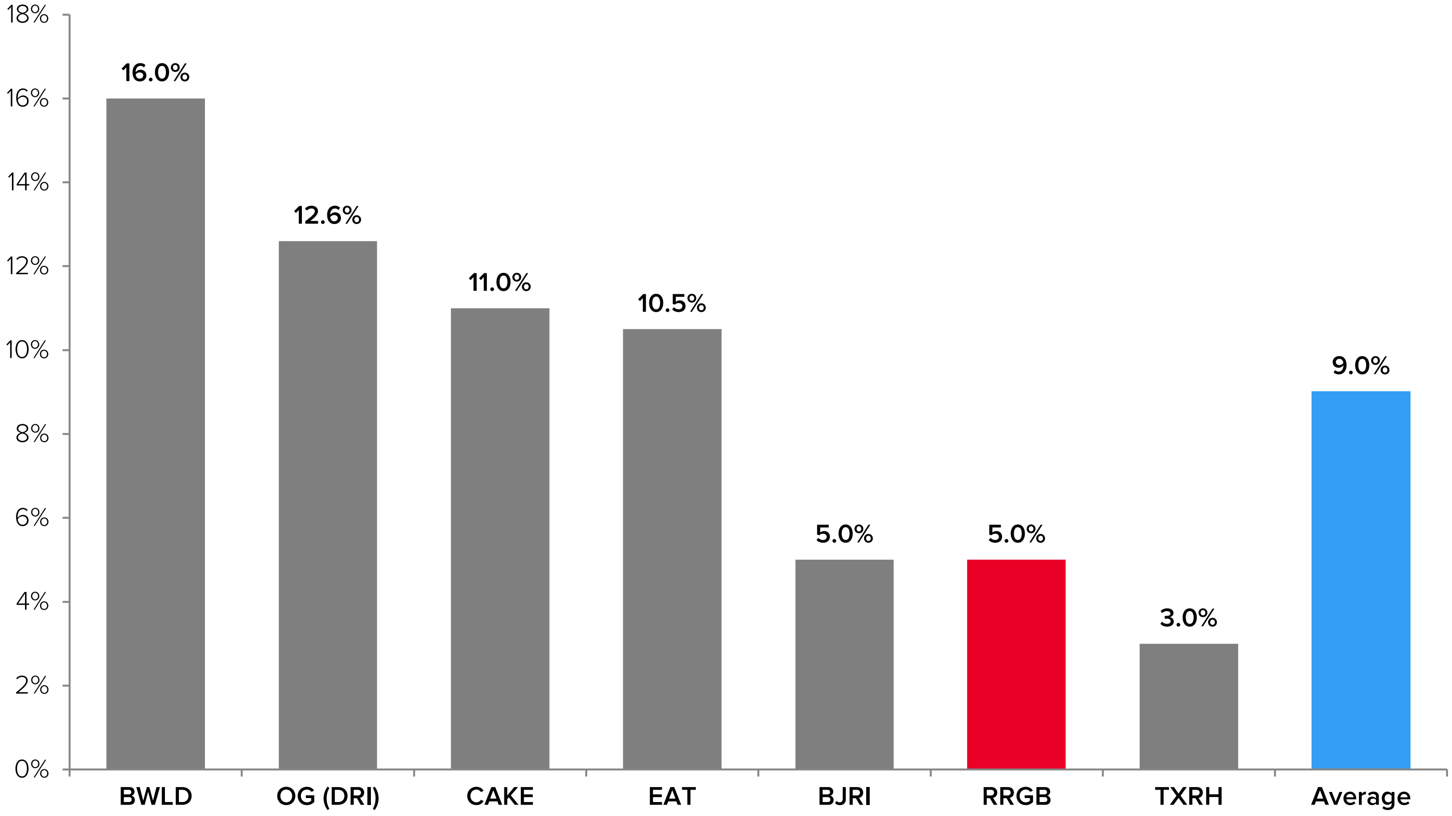
TAKE-OUT AS A PERCENTAGE OF SALES

"It [take-out] had never been a focus for us. In fact it was an afterthought at best and had been for quite some time." – Denny Marie Post, CEO (March 2, 2017)



- According to management, RRGB's carry-out mix is half or less than that of the overall category.
- The Company is focused on driving the guest experience by offering their products through alternate platforms, and is currently testing and deploying online ordering, to-go, and catering services.
- Management recently stated at an investor conference they want to get to the industry average in 1-2 years.

Data Source: Company Filings.

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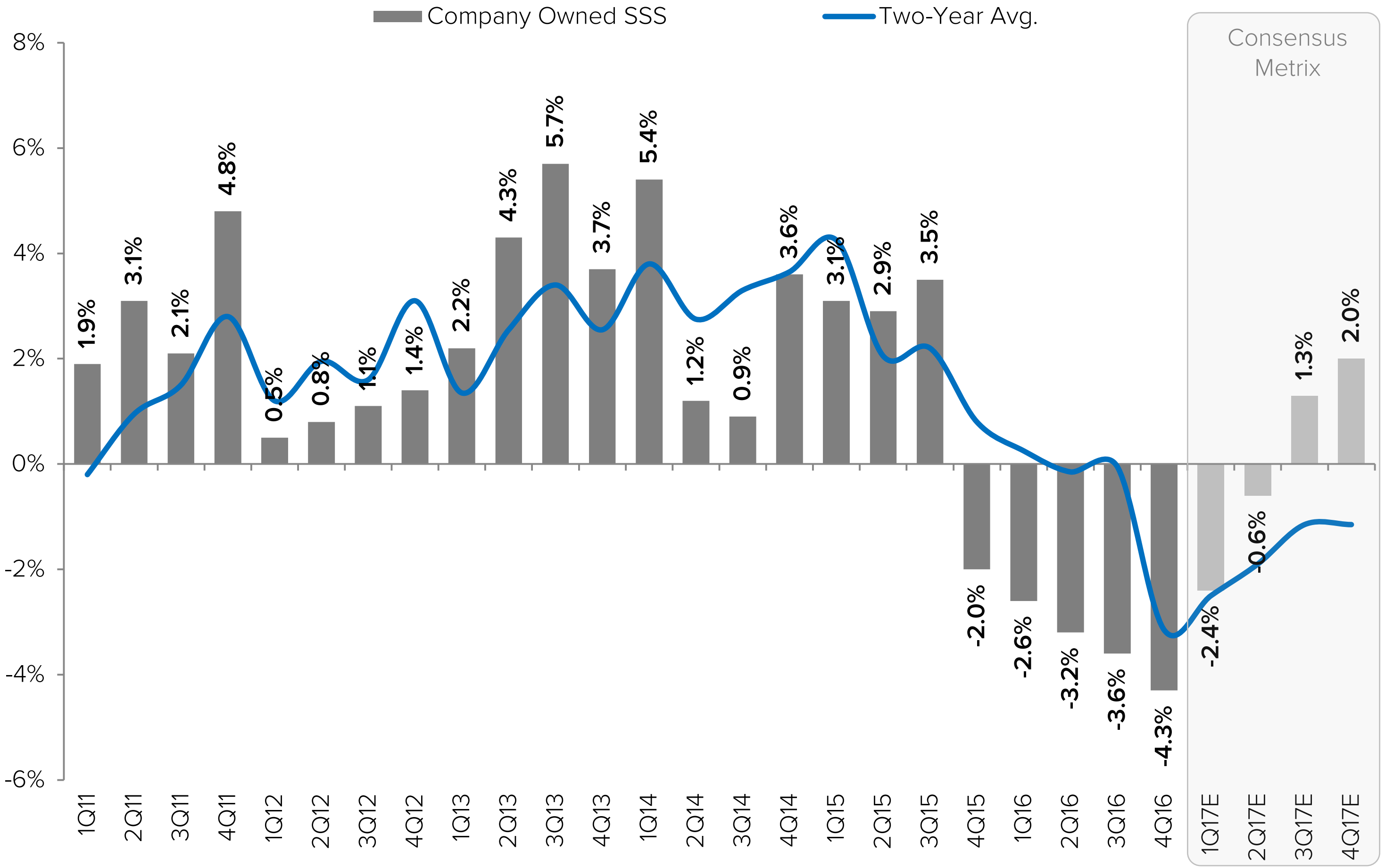
COMPANY-OWNED SAME-STORE SALES



- RRGB saw comparable restaurant sales decrease -4.3% in 4Q16, comprised of a -2.9% decrease in guest count and a -1.4% decline in average guest check.
- Management has guided to comparable restaurant sales of +0.5% to +1.5% for FY17; current consensus estimates are 8bps above the top end of guidance.

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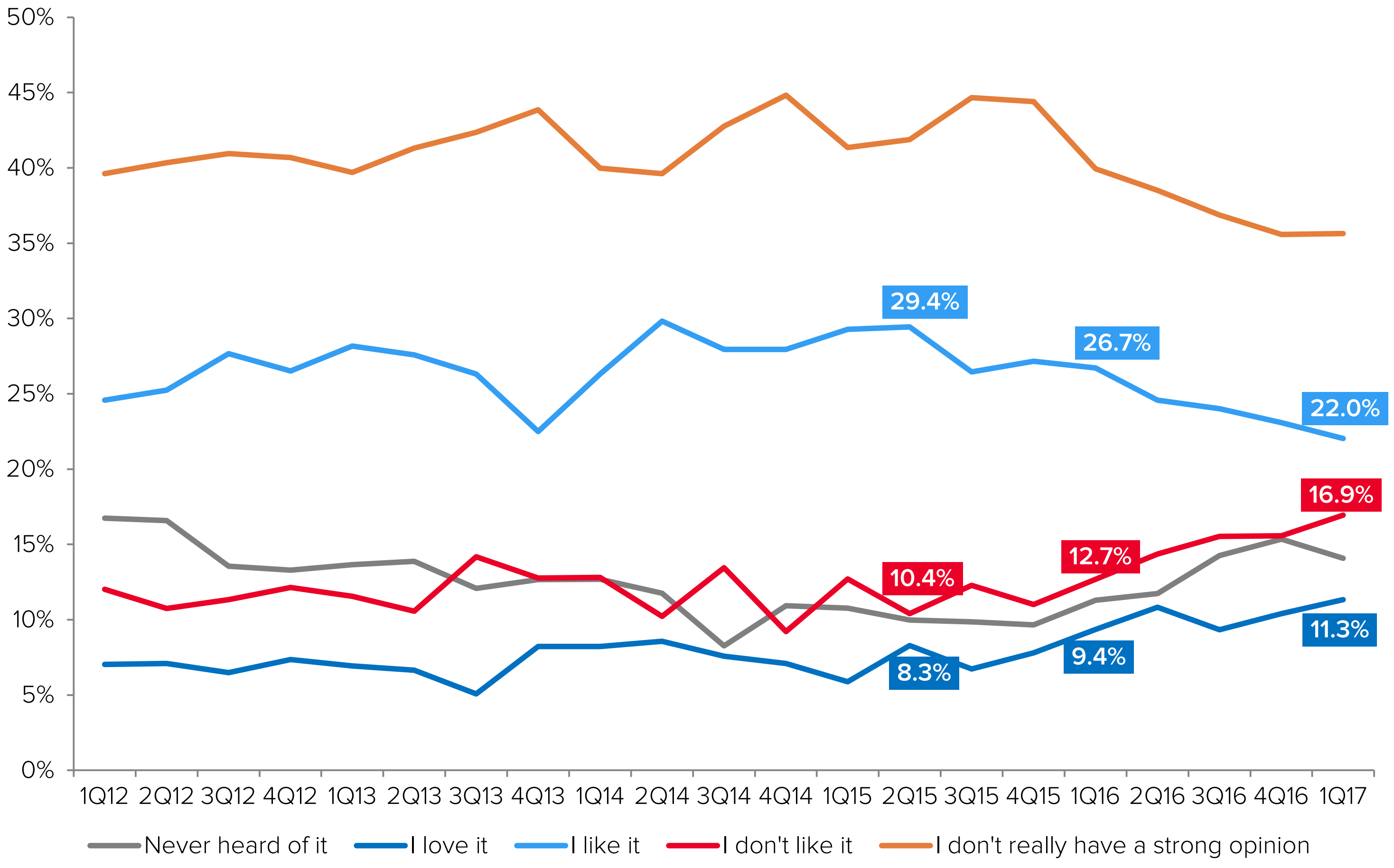
RRGB CIVICSCIENCE SURVEY UPDATE

CIVIC SCIENCE



- A useful data point can be found in our CivicScience survey, which we have also successfully used while analyzing SBUX, PNRA, and CMG, among others.
- As seen in the survey results to the left, some key categories have moved against RRGB.
- Those saying “I like it” has continued to fall, now sitting at 22%, while those saying “I don’t like it” has risen significantly, now reflecting 16.9% of respondents.
- It is logical to deduce that this is a result of RRGB’s less-than-stellar customer experience (i.e. – speed of service, time at table, etc.) but the Company is aggressively working to correct any experiential issues the Company had through implementation of the preceding initiatives.
- We will continue to provide updates as this survey progresses and the Company continues to rollout initiatives tasked with improving “4-wall” profitability.

Data Source: CivicScience, Results Filtered by U.S. Adults 18+ and Weighted by U.S. Adults. Responses: 91,213.

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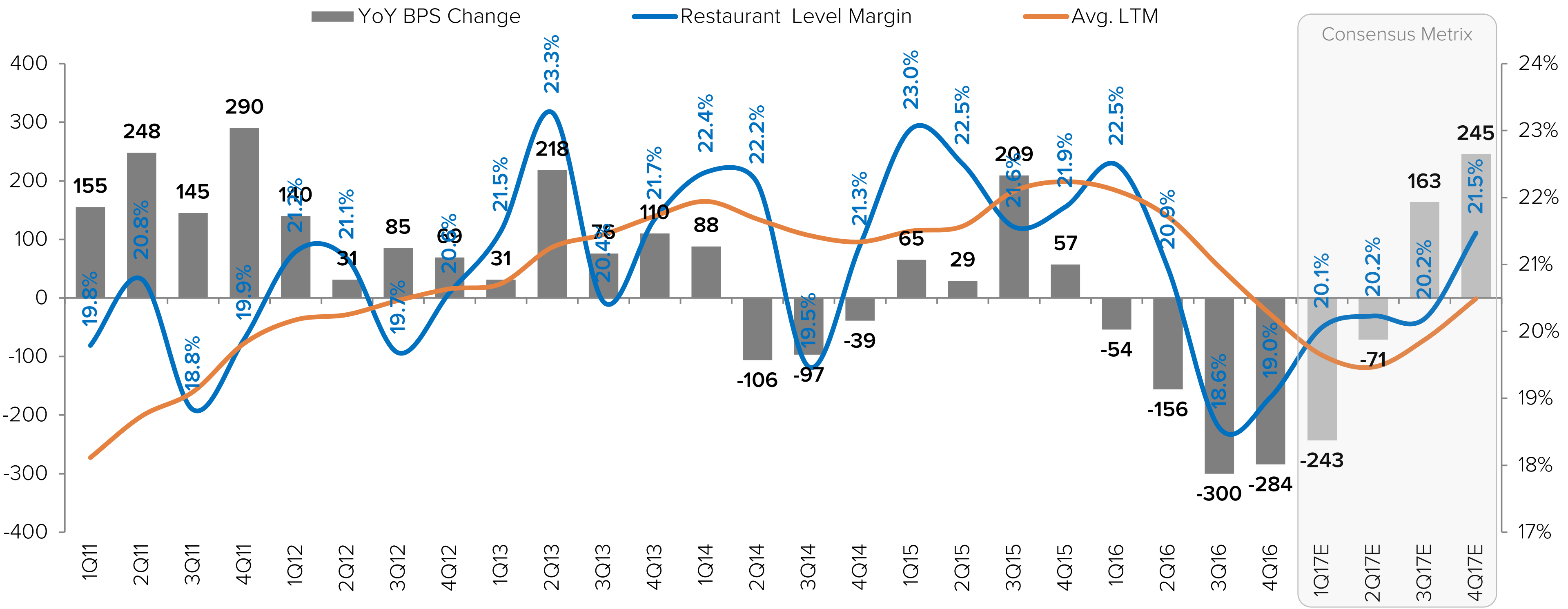
RESTAURANT LEVEL MARGIN



- Mainly Increasing labor costs have caused restaurant level margins to compress throughout FY16.
- The total decrease of 290bps from 4Q15 to 4Q16 was due to a 190bps increase in labor costs, a 160bps increase in other operating expenses, and a 30bps increase in occupancy costs, partially offset by a 90bps decrease in COGS.

Data Source: Company Filings, Consensus Metrix.

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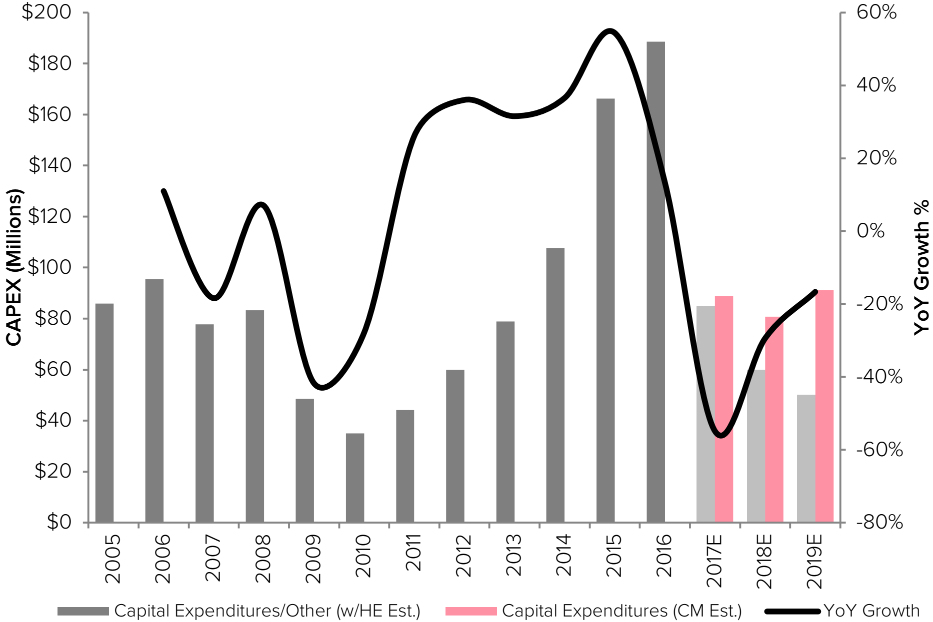
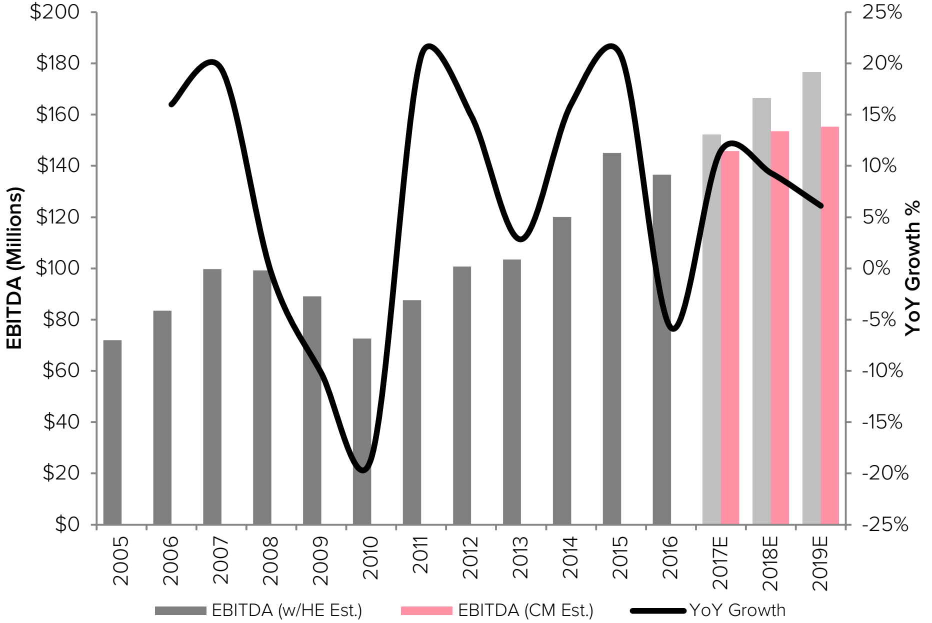
SLOWING CAPEX GROWTH → ACCELERATING EBITDA GROWTH

Capital Expenditures



EBITDA



SLOWING CAPEX TO POWER EBITDA GROWTH…

- In 4Q16, RRGB invested $27M in CAPEX primarily related to new restaurant openings, restaurant maintenance capital, remodels, and investment in technology projects.
- Management has guided CAPEX to be between $85-$95 in FY17 ($15-20M for remodels/relocations; Maintain CAPEX of ~$20M; ~$10M for projects; and $40-45M for new restaurant openings), a reduction of ~52% at the midpoint, and reflective of the Company's decision to slow unit growth and their near completion of brand transformation remodels.

Data Source: Company Filings, FactSet.

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THE TIMES THEY ARE A-CHANGIN'

BEST IDEA: SHORT UNITED NATURAL FOODS (UNFI)

Originally Published: March 3, 2017

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Title used with apologies to Bob Dylan.
Picture Source: Youtube, Company Video.

HEDGEYE CONSUMER STAPLES IDEAS LIST

LONG LIST		TRADE	TREND	TAIL
1) **WFM**	Whole Foods Market	-	✓	✓
2) **COST**	Costco Wholesale	-	✓	✓
3) **USFD**	US Foods	-	✓	✓
4) **PF**	Pinnacle Foods	-	✓	✓
LONG BENCH				
PEP	PepsiCo			
CAG	ConAgra Foods			
SJM	J.M. Smucker Co.			
TWNK	Hostess Brands			
PFGC	Performance Food Group			

SHORT LIST		TRADE	TREND	TAIL
1) **HAIN**	Hain Celestial	X	X	X
2) **UNFI**	United Natural Foods	X	X	-
SHORT BENCH				
NUS	Nu Skin			
KR	Kroger			
SFM	Sprouts Farmers Market			

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Data Source: Hedgeye.

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KEY POINTS

1

UNIT GROWTH DECELERATING IN FOOD RETAIL

UNFI has become increasingly dependent on unit growth, as same-store sales in the food retail space have evaporated. What happens to UNFI when their customers unit growth begins to subside? We are about to find out. Unit growth in the industry is not what it used to be, but in our opinion we are due for meaningful contraction in new unit development at critical customers for UNFI. **Whole Foods** is suspect #1 in this case. It won't necessarily be in 2017, but looking out to 2018 and 2019 we are predicting that we will see a meaningful reduction in new unit development, coupled with closures of underperforming units. **Sprouts Farmers Market** also noted a need to reduce new openings, pulling unit growth down to around 10% in 2018 and 2019. Outside of chains, **independents** are struggling as well, as many have had to shutter some of their doors in an effort to control costs.

2

INDUSTRY PRESSURES NOT WANING ANY TIME SOON

Captive distribution and the proliferation of natural & organic food products are both headwinds for UNFI's business. Captive distribution is not a new threat by any means, but we believe it is underappreciated to some extent. As companies such as Boulder Brands and WhiteWave are acquired, parent companies will look to streamline operations/cut costs, which can lead to direct to customer shipments to the extent the customer is capable. The proliferation of natural & organic products is not just a food retail phenomenon, it affects companies throughout the supply chain. This includes UNFI, as natural & organic products have become more mainstream they have spread to channels beyond UNFI's current reach and have gained attention from more **conventional distributors**. WFM is fixing its business, and one component of that is implementing a category management system in an effort to maximize their shelves. This will involve **removing slow moving SKUs**, which is UNFI's bread and butter, to the extent this cuts down on SKUs UNFI puts into a WFM stores it will be a negative.

3

MARGINS UNDER A MICROSCOPE AS INDUSTRY EVOLVES

As retailers battle for market share they have increasingly put pricing pressure on their suppliers. Latest news is that WMT (not a UNFI customer) is demanding suppliers lower their prices by 15%, and WFM has been on the journey towards lower price points for some time now. A logical area to look for cost reductions is distribution. UNFI is stuck between a rock and a hard place, yes they provide very valuable services for their customers while operating on razor thin margins, but what is stopping their partners from telling them to sharpen that razor just a little bit more. We will see how this trend evolves with reflation, but we are not expecting it to get incrementally favorable in the near to medium term. Foreign exchange, product and customer mix shift to lower margins, competitive pricing pressure and moderated supplier promotional activity are expected to continue to tug and pull on margins.

Data Source: Company Filings.

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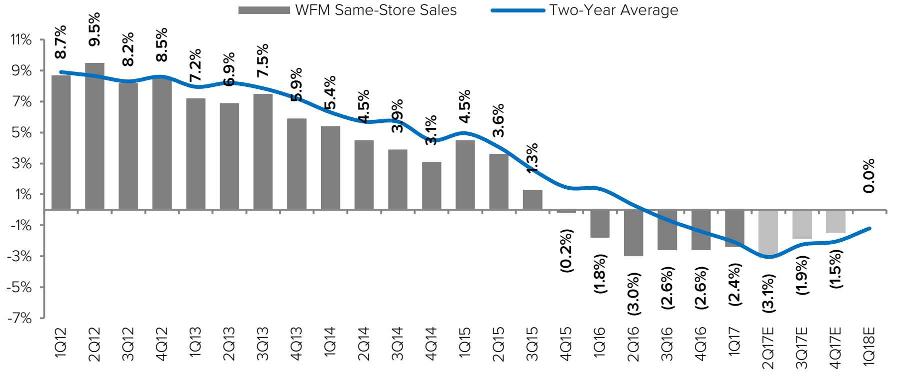
WHOLE FOODS MARKET (WFM) CASE STUDY

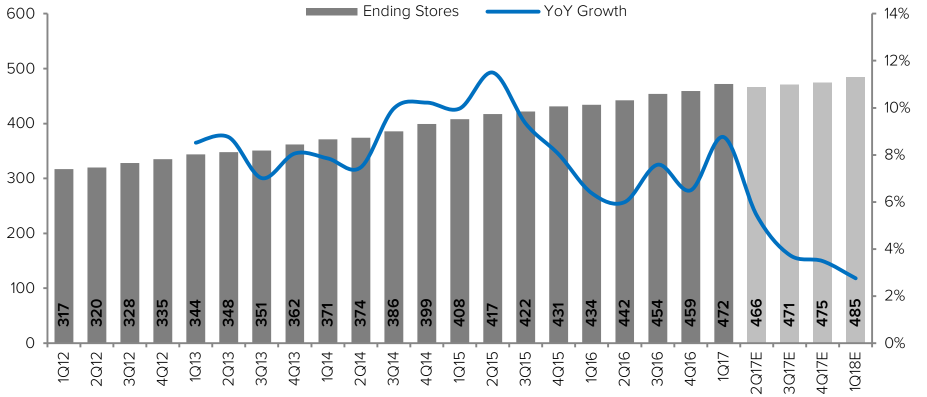
Sharpening Their Pencil On Capital

- John Mackey is back in the driver seat and he is on a mission to return WFM to prosperity, that includes sitting in on all the real estate and capital spending meetings.
- *"We believe our **<u>targeted and disciplined site selection</u>**, and **<u>continued moderation</u>** in ending square footage growth will result in a healthier bottom line, increased free cash flow, and higher returns as we minimize the negative impact from cannibalization, and redirect our energy and capital on improving comps, EBITDA, and ROI."* (WFM CEO, 2/8/17)
- As WFM works to redefine their business it will pressure UNFI's bottom line, *"Whole Foods Market is our only supernatural chain customer, and net sales to Whole Foods Market for the first quarter of fiscal 2017 increased by approximately $34 million, or 5%, as compared to the first quarter of fiscal 2016, and accounted for approximately 33% and 34% of our total net sales for the first quarter of fiscal 2017 and 2016, respectively. **<u>The increase in net sales to Whole Foods Market is primarily due to new store openings</u>**."* (UNFI 10-Q filed on 12/8/16)
  - To put it into perspective about how the company thinks about their model, **"<u>comp growth is less important to us because what's embedded in our comp growth is new store openings</u>."** (UNFI President and CEO during the 4Q15 prelim earnings call)
- Although WFM unit growth reduction should yield SSS and profitability improvement, it is unlikely to return to the days of high single digit comps.
- We do not believe investors fully grasp the realities of slowing square footage growth at UNFI's biggest customer.

Sales Have Been Struggling



Unit Growth Set to Moderate



Data Source: Company Filings, Consensus Metrix, Sentieo.

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COMPETITIVE LINES ARE BLURRING

"If you think about our segments in the supermarket channel, that's probably where the competitiveness is the most intense and some of the traditional conventional distributors there, obviously they see this space as an attractive space, the natural-organic space. And <u>they're picking up SKUs to try to better service that business</u>."

-UNFI CFO, 6.14.16

Natural & Organic

Conventional

- All competitors go where the growth is, and conventional distributors such as C&S Wholesale (C&S) and SUPERVALU (SVU) are no different.
- As natural & organic (N&O) products have gone mainstream, conventional distributors have added more N&O SKU's to better serve their customers.
- C&S and SVU are two giants in the space in search of growth, SVU in particular has shared aspirational thoughts on the expansion of their wholesale business, notably they recently signed on The Fresh Market in Fall 2016.
  - "**SUPERVALU will become The Fresh Market's primary product supplier in 178 stores**." (3Q17 1.11.17 - SVU CEO)
- "And so it's [conventional distributor competition] really nothing new, but I think it's an important point to make. So it hasn't affected us in a significant way when looking at this year versus last year, **<u>but I think it was just an important commentary to make that we're not the only ones out there. There are other people that are coming into the space to compete on the faster-moving items</u>**." (UNFI CEO, 6.10.14)
- "As you see the growth of the natural organic world, where I think these numbers are something around the range of **70% of all natural organic product gets sold in conventional grocery stores**, we are already going to those locations." (2Q17 10.19.16 - SVU CEO)
- "Yes, on M&A. Listen, we are open for business, and **<u>looking for opportunities to grow our wholesale business in every form that it comes</u>**." (3Q17 1.11.17 - SVU CEO)

Data Source: Company Filings, Sentieo.

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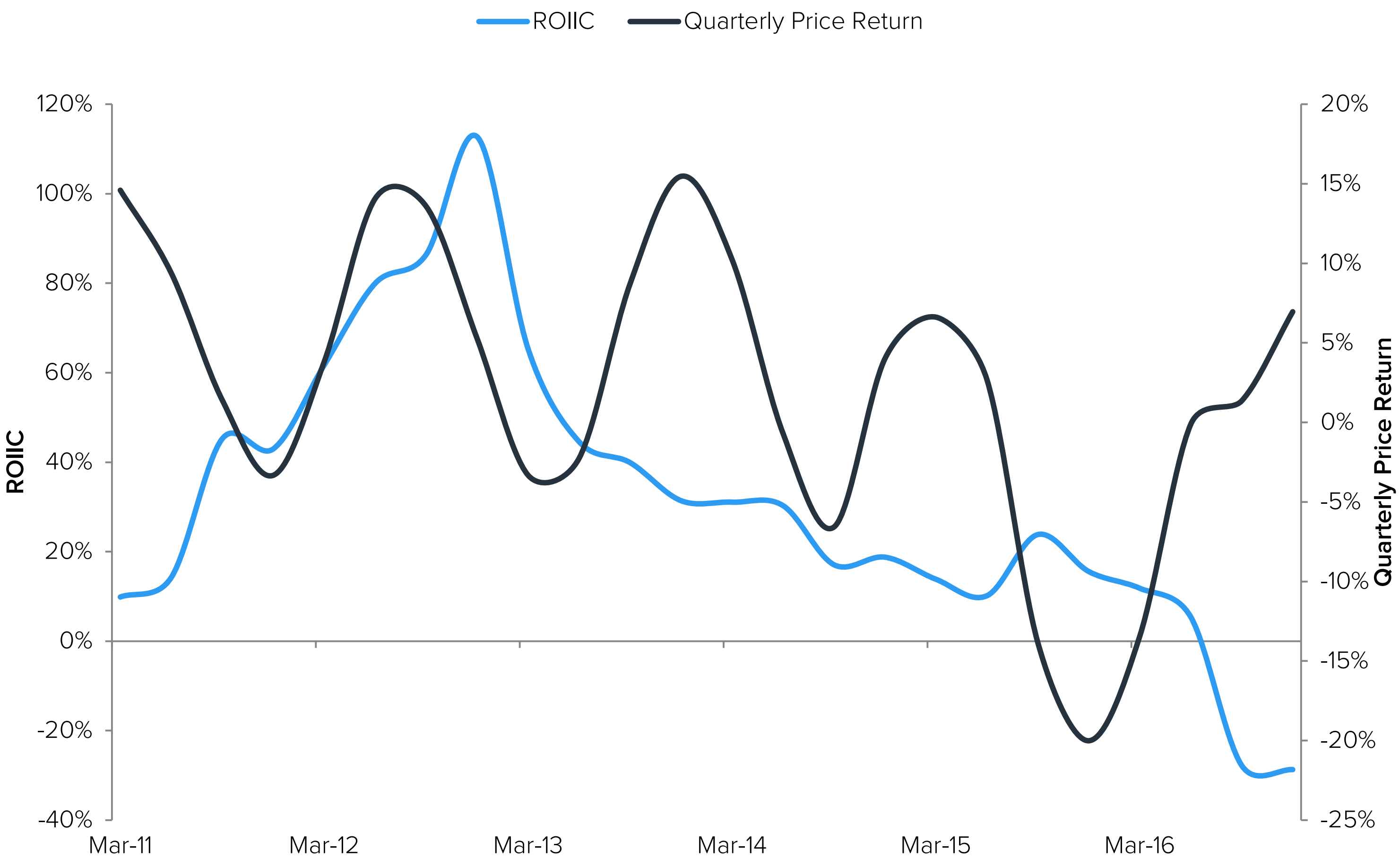
RETURN ON INCREMENTAL INVESTED CAPITAL



- UNFI underwent an extensive investment period in 2014 and 2015 in order to build and improve capacity throughout their network.
- During this time ROIIC has steadily declined, and so too has the stock.
- We are viewing the recent divergence between the stock price growth and ROIIC as a great entry point on the short side.
- Although ROIIC is likely to see a recovery due to the utilization of previous investments, the prevailing industry headwinds will likely push the stock lower.

Data Source: Company Filings, FactSet.

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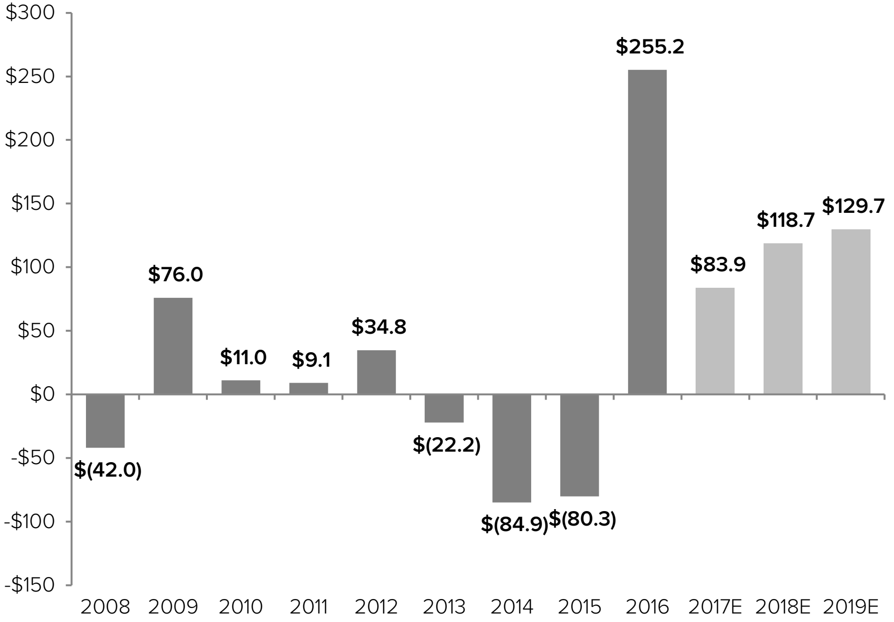
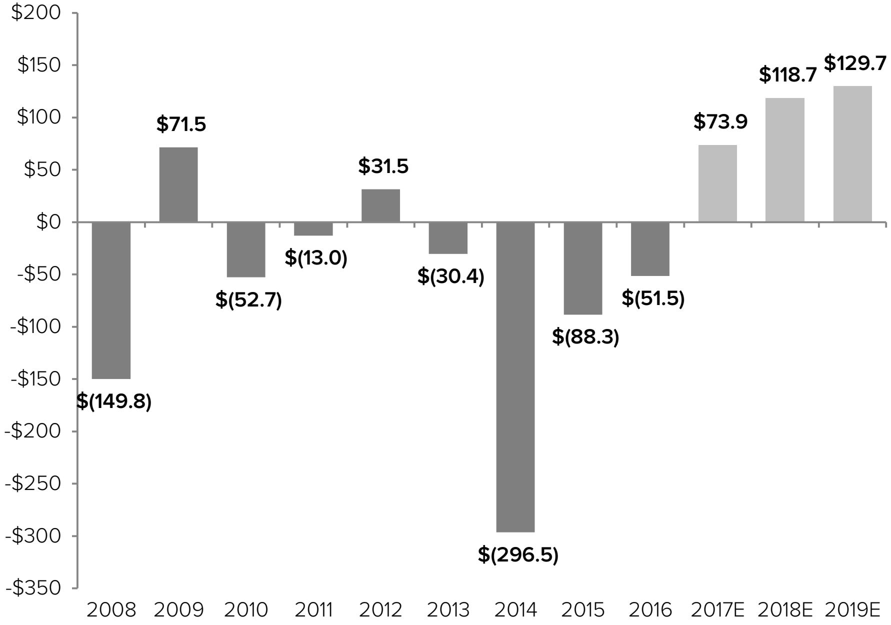
FREE CASH FLOW

Free Cash Flow



Free Cash Flow After M&A



FREE CASH FLOW IS SET TO STRENGTHEN

Major capital investments are behind them, but let's not forget about M&A. Looks like, without delving into available debt, that they will have around $100M to spend on M&A. Although stopping growth and becoming a free cash flow generator is an option and would likely lead to a dividend/share repurchase, it is unlikely and ill-advised in the current operating environment.

Data Source: Company Filings, FactSet.

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MACRO GRIND

Index/Security	Ticker	REALIZED VOLATILITY – Duration of Realized (%) 30D	60D	90D	IMPLIED VOLATILTY* – At-The-Money % Current	v 1M Avg	v 3M Avg	v 6M Avg.	Ticker	IMPLIED** VS. REALIZED VOLATILITY – 30 Day Premium	30 Day Z-Score TTM	30 Day Z-Score 3Yr	60 Day Premium	60 Day Z-Score TTM	60 Day Z-Score 3Yr	3 Month Premium	3 Month Z-Score TTM	3 Month Z-Score 3Yr
S&P 500	SPX	6.6%	6.8%	7.9%	9.7%	1.9%	-2.4%	-15.2%	SPX	40.8%	0.60	1.06	64.0%	1.88	2.37	49.3%	1.74	1.86
Russell 2000	RTY	13.7%	13.7%	15.6%	15.6%	0.3%	-3.2%	-7.8%	RTY	14.3%	0.47	0.40	22.6%	1.20	0.87	12.6%	0.80	0.16
Nasdaq 100	NDX	6.3%	7.4%	10.4%	10.9%	-1.7%	-11.7%	-20.4%	NDX	64.5%	1.41	2.05	65.2%	2.40	2.91	27.7%	1.01	1.11
USD Index	UUP	6.0%	7.6%	7.6%	7.2%	-9.6%	-17.7%	-15.0%	UUP	16.5%	0.16	0.09	1.6%	-0.60	-0.53	8.2%	-0.27	-0.27
Consumer Discret.	XLY	7.2%	8.3%	9.8%	10.5%	-3.8%	-14.3%	-21.3%	XLY	38.5%	0.67	1.11	40.7%	1.34	1.69	28.6%	1.02	1.17
Financials	XLF	14.7%	14.4%	17.4%	16.3%	2.4%	-4.1%	-6.2%	XLF	8.7%	-0.02	0.08	22.2%	0.73	0.80	5.4%	0.46	0.04
Healthcare	XLV	8.4%	9.3%	12.5%	11.8%	-0.5%	-9.1%	-17.0%	XLV	38.7%	1.13	1.46	35.7%	1.71	1.88	6.0%	0.26	0.23
Technology	XLK	7.1%	8.0%	11.1%	10.8%	-3.9%	-12.4%	-19.4%	XLK	41.3%	0.87	1.34	51.3%	2.13	2.33	17.7%	0.73	0.65
Consumer Staples	XLP	7.5%	7.7%	10.5%	9.9%	1.4%	-6.8%	-15.2%	XLP	27.6%	0.88	0.89	35.2%	2.10	1.87	4.0%	0.06	-0.15
Utilities	XLU	13.4%	12.4%	16.7%	14.0%	4.5%	-3.4%	-11.2%	XLU	5.7%	0.32	0.45	16.9%	1.79	1.68	-10.4%	-0.77	-0.72
Energy	XLE	16.5%	14.4%	17.7%	17.9%	6.2%	3.6%	-6.5%	XLE	10.9%	0.35	0.27	30.2%	2.39	1.52	9.2%	1.30	0.40
Energy	XOP	26.2%	22.8%	31.5%	28.9%	7.5%	4.1%	-7.2%	XOP	11.6%	0.31	0.39	29.8%	2.42	1.88	-2.6%	0.62	-0.05
Materials	XLB	9.9%	11.1%	11.4%	13.2%	0.5%	-3.4%	-11.7%	XLB	29.0%	0.73	0.73	25.2%	0.95	0.83	27.3%	1.44	1.03
Industrials	XLI	9.8%	9.5%	11.3%	12.0%	0.0%	-6.2%	-11.8%	XLI	20.9%	0.24	0.52	35.0%	1.37	1.49	20.1%	1.11	0.85
Transports	IYT	14.8%	14.0%	14.8%	16.2%	-1.6%	-6.0%	-8.1%	IYT	9.4%	-0.16	0.02	22.9%	0.56	0.82	21.8%	0.71	0.86
WTI Crude Oil	USO	22.9%	24.1%	32.3%	29.7%	16.4%	5.9%	-10.9%	USO	16.4%	1.15	1.05	25.2%	1.89	0.95	-5.8%	0.12	-0.53
Natural Gas	UNG	41.0%	48.1%	49.4%	36.5%	-9.3%	-18.8%	-18.4%	UNG	-8.8%	-0.74	-0.63	-24.3%	-1.52	-1.22	-26.6%	-1.80	-1.24
Gold	GLD	10.2%	11.4%	12.5%	12.2%	-5.0%	-11.7%	-15.6%	GLD	21.3%	0.83	0.65	16.7%	0.97	0.62	10.1%	0.63	0.26
Silver	SLV	19.8%	20.1%	22.5%	20.1%	-2.3%	-11.1%	-15.2%	SLV	2.4%	-0.24	-0.52	2.9%	-0.14	-0.51	-4.3%	-1.19	-0.95
Copper	JJC	26.8%	26.1%	26.8%	23.5%	-4.5%	-8.9%	-7.4%	JJC	-11.4%	-0.41	-0.54	-6.3%	-0.49	-0.59	-5.9%	-0.53	-0.68
Corn	CORN	15.8%	14.6%	16.3%	18.2%	-2.4%	3.2%	-2.5%	CORN	18.6%	0.20	-0.07	28.5%	0.76	0.50	24.6%	0.38	0.23
Soybeans	SOYB	15.1%	15.6%	15.7%	16.0%	-17.8%	-27.1%	-25.4%	SOYB	20.2%	-0.41	-0.38	98.2%	1.05	1.01	116.0%	0.71	1.12
Wheat	WEAT	21.5%	19.7%	19.0%	19.5%	-35.6%	-37.0%	-33.0%	WEAT	-9.3%	-1.08	-0.86	-1.1%	-1.20	-0.75	2.8%	-1.51	-0.71

*implied volatility on at-the-money front month contracts

**implied volatility of at-the-money options expiring in the given duration vs. realized volatility over the given duration

HEDGEYE SECTOR PERFORMANCE

SECTOR	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$86.72	-0.09%	0.41%	6.54%
Financial Select Sector	XLF	$24.81	0.36%	1.10%	6.71%
Health Care Select Sector	XLV	$75.69	0.54%	0.93%	9.79%
Technology Select Sector	XLK	$52.83	-0.02%	0.92%	9.24%
Consumer Staples Select Sector	XLP	$54.80	0.16%	-0.54%	5.98%
Industrial Select Sector	XLI	$65.44	-0.46%	-0.64%	5.18%
Materials Select Sector	XLB	$51.87	-0.31%	-0.73%	4.37%
The Energy Select Sector	XLE	$70.11	0.66%	-1.78%	-6.92%
Utilities Select Sector	XLU	$50.54	-0.22%	-2.38%	4.06%
S&P 500	SPX	2,364.87	0.08%	0.05%	5.63%

HEDGEYE SECTOR RELATIVE PERFORMANCE

	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$86.72	-0.17%	0.35%	0.91%
Financial Select Sector	XLF	$24.81	0.28%	1.05%	1.08%
Health Care Select Sector	XLV	$75.69	0.46%	0.88%	4.16%
Technology Select Sector	XLK	$52.83	-0.10%	0.86%	3.61%
Consumer Staples Select Sector	XLP	$54.80	0.08%	-0.60%	0.35%
Industrial Select Sector	XLI	$65.44	-0.54%	-0.69%	-0.45%
Materials Select Sector	XLB	$51.87	-0.39%	-0.78%	-1.26%
The Energy Select Sector	XLE	$70.11	0.58%	-1.83%	-12.55%
Utilities Select Sector	XLU	$50.54	-0.30%	-2.43%	-1.57%

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	-0.2%	-2.1%	0.1%	1.3%	8.8%	3.5%
	Low Debt/EV	0.1%	-0.9%	1.6%	2.9%	9.8%	5.4%
SI	High Short Interest	-0.1%	-2.0%	-2.0%	-4.1%	4.0%	-0.1%
	Low Short Interest	0.2%	-0.6%	2.9%	5.0%	13.1%	5.9%
BETA	High Beta	-0.1%	-1.6%	0.2%	1.1%	17.7%	4.9%
	Low Beta	-0.1%	-1.5%	1.6%	4.6%	4.5%	3.8%
YIELD	High Yield	-0.5%	-2.4%	-0.5%	-1.4%	2.1%	-0.1%
	Low Yield	0.1%	-1.2%	0.1%	2.4%	8.1%	5.0%
MKT CAP	MCAP Bottom 25%	-0.2%	-2.1%	-1.3%	-4.4%	2.8%	0.0%
	MCAP Top 25%	0.1%	-0.6%	3.0%	5.5%	14.1%	6.3%
Sales	Top 25% Sales Growth	0.2%	-1.2%	-0.1%	1.6%	9.4%	4.1%
	Bottom 25% Sales Growth	-0.1%	-1.7%	0.5%	0.0%	5.1%	2.1%
EPS	Top 25% EPS Growth	0.0%	-1.7%	-1.3%	0.5%	10.4%	3.1%
	Bottom 25% EPS Growth	-0.2%	-2.0%	0.6%	0.0%	4.7%	1.8%

**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	0.73%	1.0	6.6	19	19	-4	57	57	61
3M LIBOR	1.11%	0.3	0.9	8	15	0	49	63	69
2Y T-Note	1.37%	1.6	6.2	19	24	0	88	67	83
5Y T-Note	2.13%	4.2	11.9	27	24	0	124	62	81
10Y T-Note	2.61%	4.6	12.7	21	14	-3	129	46	46
30Y T-Note	3.19%	4.0	11.6	18	4	-2	110	31	16
2Y-10Y Spread, Bps	123	2.9	6.5	1.7	-10	-3	41	-21	-37
IG SPREAD (AAABBB)	1.51%	1.0	1.0	-1	-5	-64	6	-18	-24
HIGH YIELD	6.00%	10.2	25.5	3	-47	-207	27	-65	-56
5Y BREAKEVEN	2.02%	-0.4	0.7	6.3	17.2	-5.4	77.0	46.3	29.9

March 10, 2017

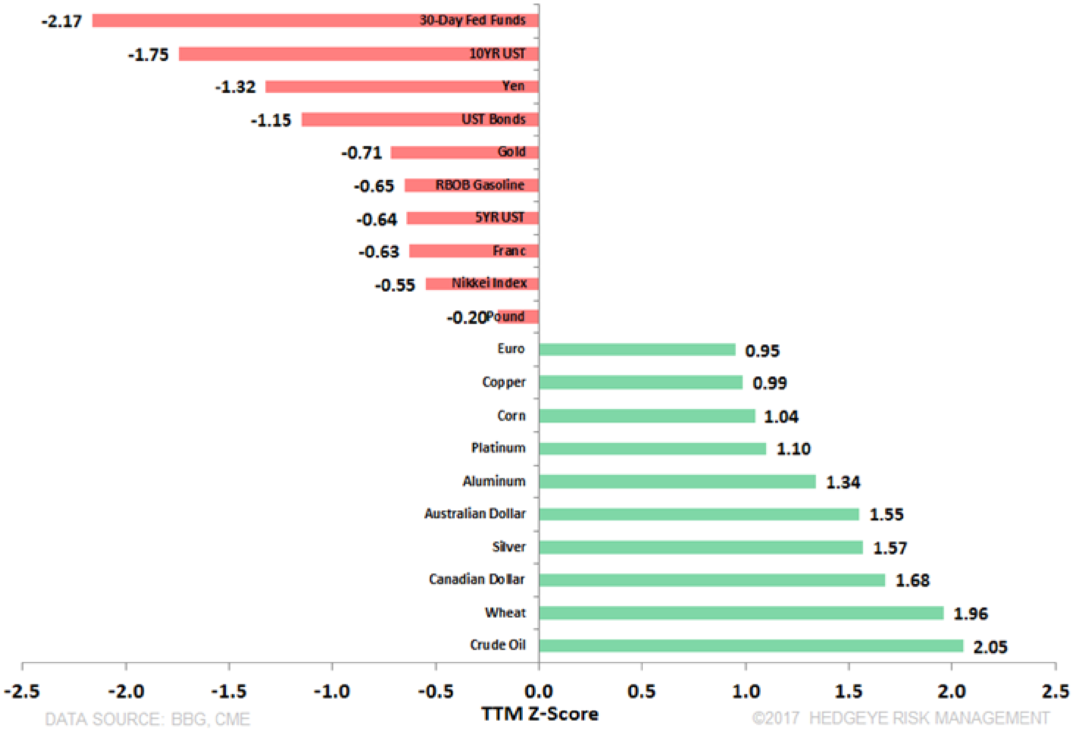
THE MACRO SHOW

HEDGEYE TV

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)	73,636	56,112	8,039	25,551	27,624	*0.46X*	*1.00X*
Russell 2000 (mini)	21,444	(16,601)	63,833	38,076	2,753	*0.40X*	*1.22X*
10Y Treasury	(365,619)	(81,014)	(327,867)	(141,819)	(66,416)	*-1.75X*	*-2.59X*
CRUDE OIL	563,593	(22,636)	516,593	444,728	400,760	*2.05X*	*2.69X*
GOLD	121,720	39,256	67,185	124,458	171,291	*-0.65X*	*0.27X*
COPPER	38,020	(4,386)	48,997	28,479	6,345	*0.99X*	*1.98X*
$USD	44,805	(971)	50,029	42,948	28,528	*0.89X*	*0.35X*
JPY	(49,303)	(2,646)	(64,550)	(12,232)	18,880	*-1.32X*	*-0.31X*
EUR	(44,542)	6,253	(60,205)	(85,088)	(75,958)	*0.95X*	*0.93X*
GBP	(67,119)	(3,124)	(63,578)	(72,172)	(63,072)	*-0.20X*	*-1.13X*

CFTC NET FUTURES & OPTIONS POSITIONING (TTM Z-SCORE)



March 10, 2017

THE MACRO SHOW

HEDGEYE TV

MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (3/9) vs.			
	Prior Day	1M Ave	3M ave	1Y Ave
Total Market Volume*	-24%	-5%	7%	37%
Total Exchange Volume**	-1%	2%	4%	1%

*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)

KEY $USD CORRELATIONS

						52-Wk Rolling 30D Correlation			
METRIC	15D	30D	90D	120D	180D	High	Low	% Time Pos	% Time Neg
SPX	0.55	0.89	0.36	0.67	0.72	*0.95*	*-0.76*	*48%*	*52%*
BRENT Oil	-0.68	-0.27	0.46	0.54	0.73	*0.77*	*-0.78*	*49%*	*51%*
CRB Index	0.24	-0.08	0.26	0.54	0.75	*0.83*	*-0.86*	*28%*	*72%*
GOLD	-0.66	0.18	-0.75	-0.87	-0.93	*0.90*	*-0.97*	*16%*	*84%*

**Days = Trading Days*