THE MACRO SHOW

JANUARY 23, 2017

LEGAL

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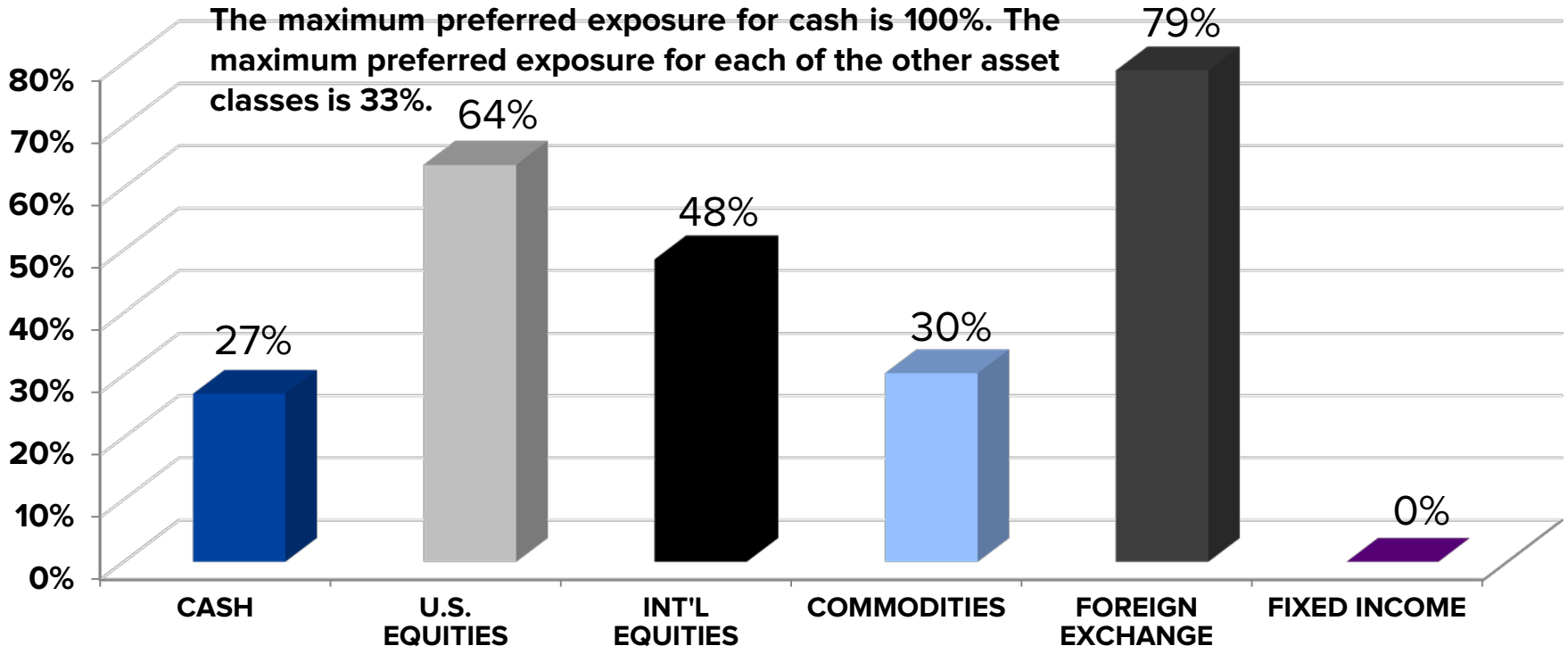
HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
1/20/2017	27	21	16	10	26	0
1/23/2017	27	21	16	10	26	0

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
1/20/2017	27%	64%	48%	30%	79%	0%
1/23/2017	27%	64%	48%	30%	79%	0%

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

HEDGEYE ASSET ALLOCATION



January 23, 2017

THE MACRO SHOW

HEDGEYE TV

1 USD

2 GOLD

3 POUND

USD

The USD weaker this morning, especially vs. the Yen (so Nikkei corrected -1.3% on that) but we are still a buyer of both U.S. Dollars and Quad2 *#GrowthAccelerating* exposures on pullbacks with accelerations in both U.S. GDP and Durable Goods as the next catalyst.

GOLD

With a 90-day inverse correlation of -0.95 to USD (it's -0.95 on a 15-day too), it doesn't take a rocket scientist to understand why Gold is having an up day on Down Dollar. We would continue to fade that with the top-end of our Gold risk range at $1219-1222/oz.

POUND

We've been bullish on the Pound, but from a bombed out price ($1.20-1.21 vs USD); on this morning's +0.7% move to $1.24 we would sell some and wait for another ramp in USD (selloff in the Pound) to buy some of that back.

FINANCIALS & HOUSING

JOSH STEINER

RATES MATTER FOR FINANCIALS & HOUSING INVESTORS

LTM Correlation to the 10-Year Treasury Yield

		Avg R Value	Std Dev
1	Large Cap Banks	0.73	0.09
2	Midcap Banks	0.72	0.08
3	I-Banks/Boutiques	0.71	0.11
4	Small Cap Banks	0.65	0.16
5	Mortgage Insurers	0.61	0.12
6	Reinsurers	0.56	0.26
7	Life Insurers	0.52	0.29
8	E-Brokers	0.46	0.39
9	Financial Guaranty	0.41	0.54
10	Auto Insurers	0.37	0.19
11	P&C Insurers	0.35	0.34
12	Mortgage Finance	0.33	0.35
13	Consumer Finance	0.31	0.38
14	Debt Collectors	0.29	0.47
15	CRE Brokers	0.23	0.40
16	Exchanges	0.21	0.30
17	RE Services	0.17	0.50
18	Traditional AMs	0.13	0.35
19	Cards/Payments	0.13	0.35
20	Insurance Brokers	0.12	0.24
21	Alternative AMs	0.09	0.40
22	Homebuilders	0.05	0.42
23	Building Products	(0.06)	0.22
24	Fin Tech	(0.07)	0.42
25	SF REITs	(0.11)	0.06
26	Fin Services	(0.12)	0.28
27	Home Centers	(0.21)	0.29
28	Apartment REITs	(0.24)	0.19
29	Title Insurers	(0.33)	0.31

	Median R Value	Std Dev
Large Cap Banks	0.74	0.09
I-Banks/Boutiques	0.74	0.11
Midcap Banks	0.71	0.08
Small Cap Banks	0.70	0.16
Financial Guaranty	0.68	0.54
E-Brokers	0.61	0.39
Reinsurers	0.61	0.26
Mortgage Insurers	0.61	0.12
Life Insurers	0.57	0.29
Mortgage Finance	0.45	0.35
P&C Insurers	0.45	0.34
Debt Collectors	0.43	0.47
Consumer Finance	0.41	0.38
Auto Insurers	0.40	0.19
Exchanges	0.30	0.30
CRE Brokers	0.23	0.40
Traditional AMs	0.20	0.35
Alternative AMs	0.17	0.40
RE Services	0.17	0.50
Cards/Payments	0.06	0.35
Homebuilders	0.03	0.42
Insurance Brokers	0.03	0.24
Building Products	(0.01)	0.22
SF REITs	(0.08)	0.06
Fin Services	(0.09)	0.28
Fin Tech	(0.15)	0.42
Home Centers	(0.21)	0.29
Apartment REITs	(0.26)	0.19
Title Insurers	(0.49)	0.31

Mortgage Insurers	
Ticker	R Value
MTG	0.74
RDN	0.64
NMIH	0.57
ESNT	0.47
Average	0.61
Median	0.61
Std Dev	0.12

Title Insurers	
Ticker	R Value
STC	0.02
FAF	(0.49)
FNF	(0.52)
Average	(0.33)
Median	(0.49)
Std Dev	0.31

Home Centers	
Ticker	R Value
HD	(0.01)
LOW	(0.42)
Average	(0.21)
Median	(0.21)
Std Dev	0.29

RE Services	
Ticker	R Value
RMAX	0.52
RLGY	(0.19)
Average	0.17
Median	0.17
Std Dev	0.50

Apartment REITs	
Ticker	R Value
PPS	0.11
ESS	(0.06)
EQR	(0.19)
AIV	(0.20)
UDR	(0.32)
AVB	(0.37)
MAA	(0.41)
CPT	(0.45)
Average	(0.24)
Median	(0.26)
Std Dev	0.19

SF REITs	
Ticker	R Value
AMH	(0.07)
SBY	(0.08)
SWAY	(0.17)
Average	(0.11)
Median	(0.08)
Std Dev	0.06

Homebuilders	
Ticker	R Value
HOV	0.63
BZH	0.60
TOL	0.51
TMHC	0.40
WLH	0.31
MDC	0.27
KBH	0.03
MTH	(0.12)
SPF	(0.32)
LEN	(0.36)
PHM	(0.37)
NVR	(0.38)
DHI	(0.55)
Average	0.05
Median	0.03
Std Dev	0.42

Building Products	
Ticker	R Value
IBP	0.25
PGEM	0.15
AMWD	0.10
USG	0.08
BLD	0.06
AWI	0.03
SWK	(0.05)
OC	(0.07)
MHK	(0.08)
MAS	(0.26)
FBHS	(0.40)
SHW	(0.46)
Average	(0.06)
Median	(0.01)
Std Dev	0.22

Source: Hedgeye, Factset

These tables show the sensitivity of the various Financials & Housing subsectors to the 10-Year Treasury yield over the past year. We've highlighted the 8 housing sectors. 6 of the 8 are in the bottom quartile for rate sensitivity, meaning that that they are among the most inversely correlated subsectors in the group.

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POST-ELECTION PERFORMANCE SNAPSHOT

Absolute Price Performance Since the Election

		Abs Price Chg Post Election
1	Consumer Finance	28%
2	Midcap Banks	25%
3	Small Cap Banks	25%
4	I-Banks/Boutiques	24%
5	Financial Guaranty	24%
6	Mortgage Insurers	22%
7	E-Brokers	19%
8	Large Cap Banks	19%
9	RE Services	17%
10	Life Insurers	16%
11	Debt Collectors	15%
12	Alternative AMs	15%
13	Traditional AMs	14%
14	Homebuilders	14%
15	Auto Insurers	14%
16	Mortgage Finance	14%
17	P&C Insurers	10%
18	Reinsurers	10%
19	CRE Brokers	9%
20	Cards/Payments	9%
21	Building Products	8%
22	Insurance Brokers	8%
23	Exchanges	7%
24	Home Centers	7%
25	Fin Tech	5%
26	Fin Services	2%
27	Apartment REITs	2%
28	SF REITs	-2%
29	Title Insurers	-2%

Source: Hedgeye, Factset

Mortgage Insurers	
Ticker	Px Chg
RDN	28%
MTG	22%
NMIH	20%
ESNT	17%
Average	22%
Median	21%
Std Dev	5%

Title Insurers	
Ticker	Px Chg
FNF	1%
STC	-2%
FAF	-4%
Average	-2%
Median	-2%
Std Dev	3%

Home Centers	
Ticker	Px Chg
HD	8%
LOW	6%
Average	7%
Median	7%
Std Dev	1%

RE Services	
Ticker	Px Chg
RMAX	20%
RLGY	14%
Average	17%
Median	17%
Std Dev	4%

Apartment REITs	
Ticker	Px Chg
ESS	4%
EQR	3%
UDR	3%
AVB	2%
MAA	2%
CPT	2%
AIV	0%
PPS	-4%
Average	2%
Median	2%
Std Dev	2%

SF REITs	
Ticker	Px Chg
SBY	1%
SWAY	-2%
AMH	-4%
Average	-2%
Median	-2%
Std Dev	2%

Homebuilders	
Ticker	Px Chg
HOV	69%
BZH	31%
MDC	17%
TOL	13%
MTH	12%
NVR	11%
KBH	10%
TMHC	7%
SPF	6%
LEN	5%
PHM	1%
DHI	1%
WLH	-1%
Average	14%
Median	10%
Std Dev	19%

Benchmarks	
S&P 500	6%
XLF	17%
XHB	7%
ITB	7%

Building Products	
Ticker	Px Chg
PGEM	19%
BLD	18%
IBP	17%
USG	15%
SHW	11%
OC	8%
MAS	6%
MHK	4%
AWI	4%
AMWD	1%
SWK	0%
FBHS	-1%
Average	8%
Median	7%
Std Dev	7%

For the most part, the Housing Complex has performed as one would expect given their respective sensitivities to rates. 5 of the 8 Housing subsectors were among the bottom third of performance.

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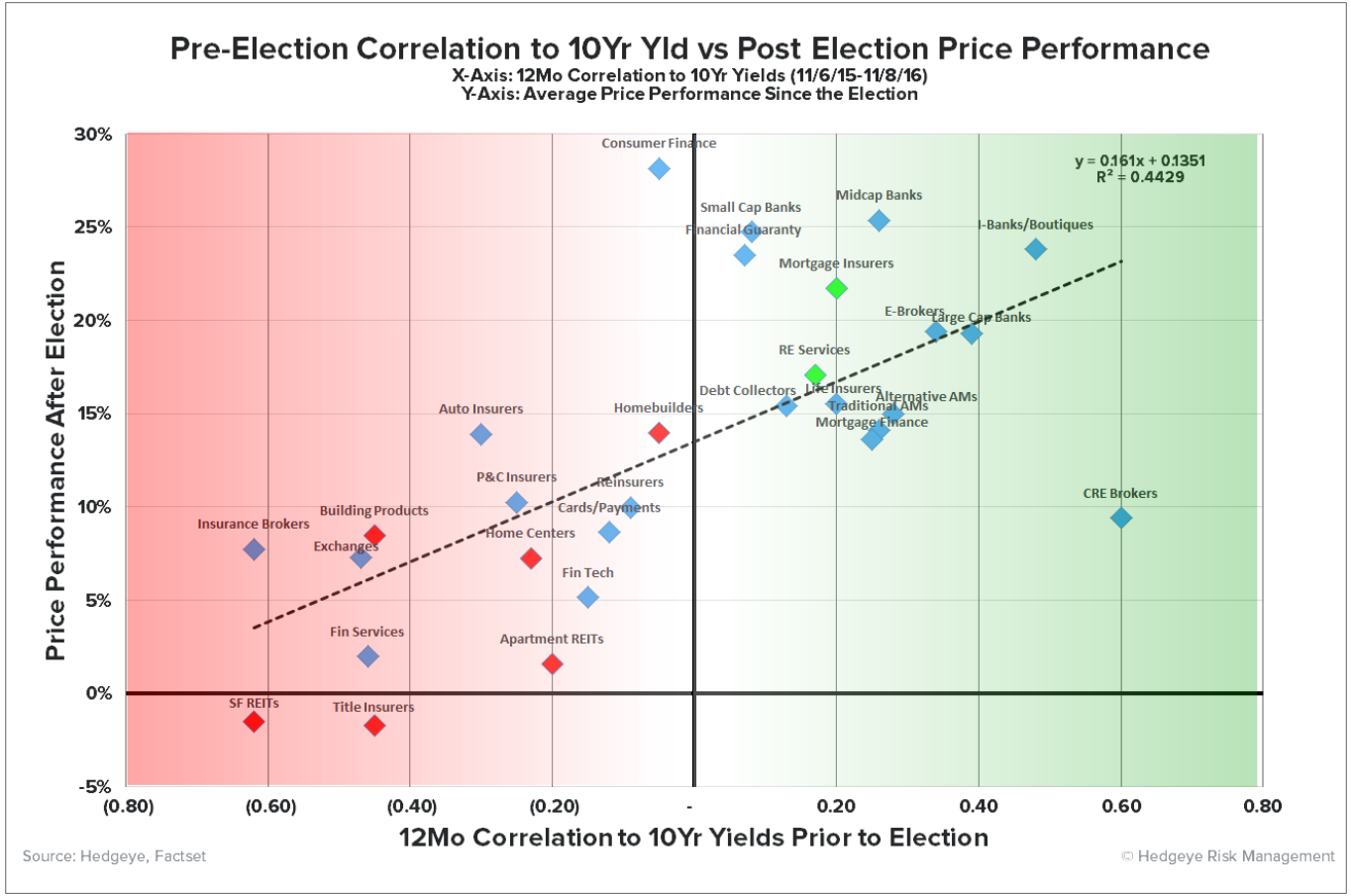
TEASING OUT PREDICTED VS ACTUAL PERFORMANCE



This chart shows the correlation to rates on the x-axis and the post-election price performance on the y-axis. Groups trading to the left of the zero line are those negatively exposed to rates, and vice versa. Groups trading above the regression line are overbought while those below are underbought.

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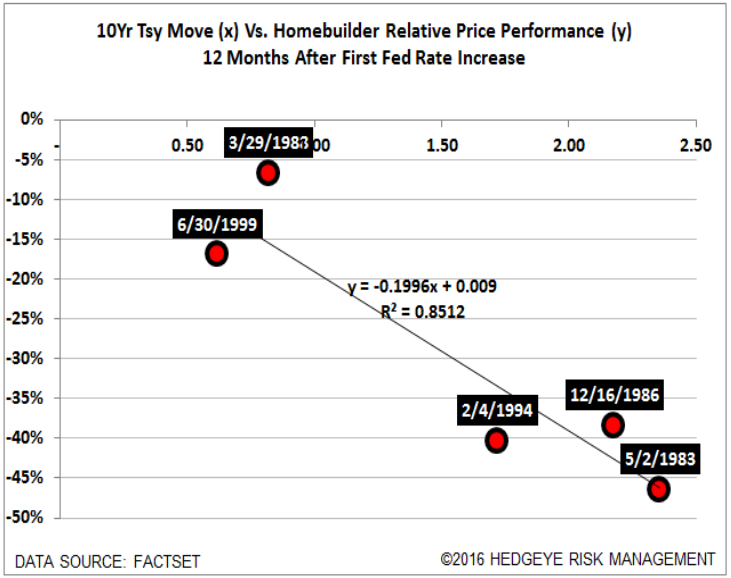
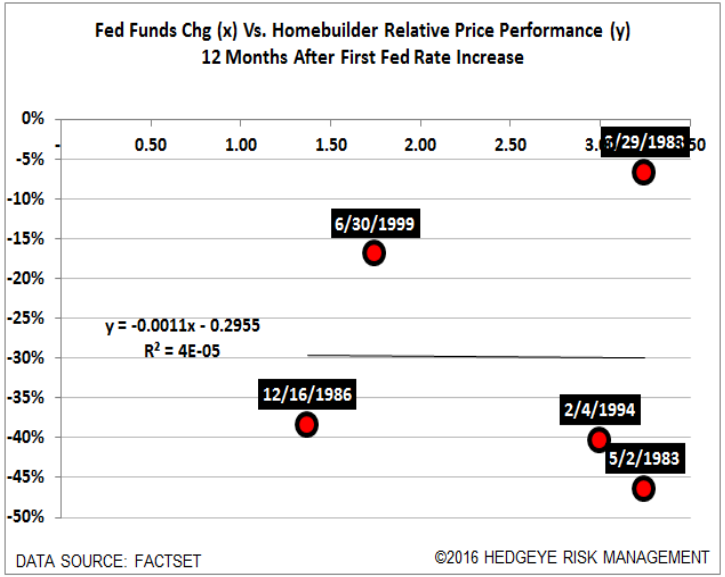
A RATE CASE STUDY: HOMEBUILDERS

Rate Hike Cycle			Fed Funds			10YR Tsy			The Curve?		Homebuilders / Absolute Performance							Homebuilders / Relative Performance						
Start	End	Mo	Start	End	Change	Start	End	Change	Delta	Direction	T-6	T-3	T-1	T-0	T+3	T+6	T+12	T-6	T-3	T-1	T-0	T+3	T+6	T+12
6/30/2004	6/29/2006	24	1.00	5.25	4.25	4.62	5.20	0.58	(3.67)	Much Flatter	4%	-11%	0%	0%	14%	38%	86%	1%	-12%	-2%	0%	16%	32%	82%
6/30/1999	5/16/2000	11	4.75	6.50	1.75	5.81	6.43	0.62	(1.13)	Flatter	-7%	13%	2%	0%	-17%	-19%	-12%	-19%	7%	-4%	0%	-10%	-25%	-17%
2/4/1994	2/1/1995	12	3.00	6.00	3.00	5.94	7.66	1.72	(1.28)	Flatter	22%	17%	3%	0%	-18%	-28%	-39%	17%	15%	3%	0%	-14%	-26%	-40%
3/29/1988	2/24/1989	11	6.50	9.75	3.25	8.56	9.38	0.82	(2.43)	Much Flatter	-28%	13%	-6%	0%	5%	-6%	6%	-7%	8%	-5%	0%	1%	-10%	-7%
12/16/1986	9/4/1987	9	5.88	7.25	1.37	7.12	9.30	2.18	0.81	Much Steeper	-4%	21%	1%	0%	52%	20%	-39%	-6%	14%	-1%	0%	36%	-1%	-38%
5/2/1983	8/21/1984	16	8.50	11.75	3.25	10.26	12.62	2.36	(0.89)	Near Parallel	60%	22%	13%	0%	-13%	-29%	-47%	47%	8%	7%	0%	-13%	-30%	-46%
Average:		**14**			**2.81**			**1.38**	**(1.43)**		**8%**	**13%**	**2%**	**0%**	**4%**	**-4%**	**-7%**	**5%**	**7%**	**0%**	**0%**	**3%**	**-10%**	**-11%**
Median:		**11**			**3.13**			**1.27**	**(1.21)**		**0%**	**15%**	**1%**	**0%**	**-4%**	**-13%**	**-25%**	**-3%**	**8%**	**-1%**	**0%**	**-4%**	**-17%**	**-28%**

Source: Factset





Not surprisingly, homebuilders hate rate hikes, and the strong negative slope (RSQ 0.85) to increases in the 10Yr Tsy show just how sensitive they are. The good news is that small increases in rates have historically produced small decreases in share prices.

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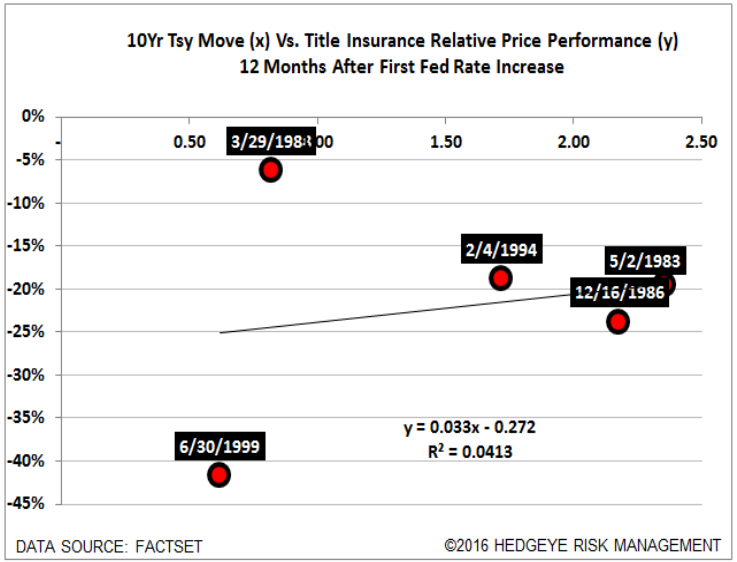
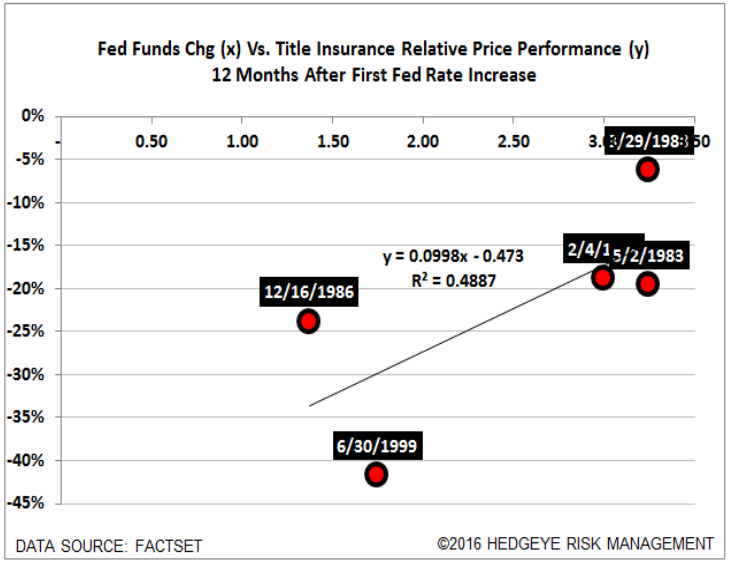
A RATE CASE STUDY: TITLE INSURANCE

Rate Hike Cycle			Fed Funds			10YR Tsy			The Curve?		Title Insurance / Absolute Performance							Title Insurance / Relative Performance						
Start	End	Mo	Start	End	Change	Start	End	Change	Delta	Direction	T-6	T-3	T-1	T-0	T+3	T+6	T+12	T-6	T-3	T-1	T-0	T+3	T+6	T+12
6/30/2004	6/29/2006	24	1.00	5.25	4.25	4.62	5.20	0.58	(3.67)	Much Flatter	-17%	-16%	-1%	0%	15%	24%	24%	-20%	-16%	-3%	0%	18%	18%	20%
6/30/1999	5/16/2000	11	4.75	6.50	1.75	5.81	6.43	0.62	(1.13)	Flatter	-27%	27%	9%	0%	-24%	-33%	-37%	-39%	21%	3%	0%	-18%	-40%	-42%
2/4/1994	2/1/1995	12	3.00	6.00	3.00	5.94	7.66	1.72	(1.28)	Flatter	15%	3%	-3%	0%	-2%	-15%	-17%	10%	1%	-3%	0%	2%	-13%	-19%
3/29/1988	2/24/1989	11	6.50	9.75	3.25	8.56	9.38	0.82	(2.43)	Much Flatter	-10%	16%	10%	0%	0%	1%	6%	11%	11%	11%	0%	-3%	-3%	-6%
12/16/1986	9/4/1987	9	5.88	7.25	1.37	7.12	9.30	2.18	0.81	Much Steeper	-22%	4%	-12%	0%	16%	0%	-25%	-25%	-4%	-14%	0%	1%	-21%	-24%
5/2/1983	8/21/1984	16	8.50	11.75	3.25	10.26	12.62	2.36	(0.89)	Near Parallel	82%	58%	37%	0%	6%	0%	-20%	68%	44%	32%	0%	6%	0%	-20%
Average:		**14**			**2.81**			**1.38**	**(1.43)**		**3%**	**15%**	**7%**	**0%**	**2%**	**-4%**	**-11%**	**1%**	**9%**	**4%**	**0%**	**1%**	**-10%**	**-15%**
Median:		**11**			**3.13**			**1.27**	**(1.21)**		**-14%**	**10%**	**4%**	**0%**	**3%**	**0%**	**-18%**	**-5%**	**6%**	**0%**	**0%**	**1%**	**-8%**	**-19%**

Source: Factset





Title insurers also underperform amid rising rates, but like building products companies they do so in a non-linear, low-RSQ way.

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MACRO GRIND

EARNINGS SEASON

Q4 2016 QTD

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	2.8%	3.4%	63 / 499
Energy	-7.8%	-40.2%	2 / 35
Materials	3.9%	43.3%	2 / 25
Industrials	2.8%	-16.5%	12 / 67
Consumer Discretionary	7.8%	10.0%	8 / 82
Consumer Staples	-1.0%	2.0%	6 / 37
Healthcare	9.0%	51.2%	1 / 60
Financials	2.7%	9.3%	22 / 63
Information Technology	3.6%	4.0%	10 / 66
Telecom	0.0%	0.0%	0 / 5
Utilities	0.0%	0.0%	0 / 28
Real Estate	0.0%	0.0%	0 / 29

Source: BBG

		REALIZED VOLATILITY			IMPLIED VOLATILTY*				IMPLIED** VS. REALIZED VOLATILITY									
		Duration of Realized (%)			At-The-Money %						30 Day			60 Day			3 Month	
											Z-Score			Z-Score			Z-Score	
Index/Security	Ticker	30D	60D	90D	Current	v 1M Avg	v 3M Avg	v 6M Avg.	Ticker	Premium	TTM	3Yr	Premium	TTM	3Yr	Premium	TTM	3Yr
S&P 500	SPX	6.6%	8.5%	8.7%	9.8%	-5.5%	-16.3%	-16.0%	SPX	48.8%	1.00	1.41	29.0%	0.85	0.95	34.5%	1.42	1.24
Russell 2000	RTY	14.1%	16.5%	15.6%	16.2%	-3.9%	-7.3%	-3.7%	RTY	14.6%	0.56	0.44	4.1%	0.17	-0.21	16.0%	1.01	0.35
Nasdaq	NDX	8.4%	12.1%	11.6%	12.0%	-11.4%	-16.7%	-14.7%	NDX	44.2%	1.12	1.50	10.1%	0.16	0.24	26.2%	1.05	1.05
USD Index	UUP	9.3%	8.2%	7.3%	8.9%	-4.5%	0.1%	7.3%	UUP	-5.6%	-0.84	-0.77	11.9%	-0.04	-0.13	27.1%	1.00	0.60
Energy	XLE	11.5%	18.0%	18.6%	16.1%	-12.3%	-18.3%	-18.8%	XLE	39.6%	1.98	1.66	-6.5%	-0.09	-0.51	-1.8%	0.47	-0.21
Energy	XOP	18.6%	33.5%	32.4%	25.0%	-14.4%	-22.5%	-23.8%	XOP	34.9%	1.59	1.68	-18.6%	-1.01	-1.21	-11.2%	-0.24	-0.60
Materials	XLB	9.9%	10.9%	11.5%	12.9%	-8.0%	-13.6%	-15.3%	XLB	29.4%	0.79	0.76	27.7%	1.20	0.97	26.2%	1.61	1.00
Industrials	XLI	8.7%	11.9%	11.5%	13.1%	-3.3%	-6.2%	-4.4%	XLI	48.8%	1.35	1.69	9.7%	0.25	0.22	19.3%	1.14	0.80
Transports	IYT	11.9%	14.1%	12.8%	17.8%	-1.1%	0.3%	0.6%	IYT	48.1%	1.24	1.73	19.6%	0.52	0.69	36.1%	1.73	1.92
WTI Crude Oil	USO	26.2%	36.3%	34.5%	29.2%	-0.1%	-16.8%	-19.6%	USO	-0.1%	0.48	0.20	-17.5%	-0.99	-1.28	-11.8%	-0.52	-0.88
Natural Gas	UNG	59.2%	53.7%	47.7%	45.6%	-6.5%	-7.9%	2.8%	UNG	-23.6%	-1.81	-1.06	-19.8%	-1.46	-1.05	-11.4%	-0.98	-0.71
Gold	GLD	12.5%	13.4%	13.2%	13.9%	-2.8%	-8.5%	-7.8%	GLD	10.8%	0.27	0.18	8.4%	0.35	0.17	9.6%	0.50	0.27
Silver	SLV	21.6%	24.0%	23.8%	22.0%	-9.9%	-11.0%	-11.5%	SLV	1.5%	-0.24	-0.54	-4.3%	-1.11	-0.88	-0.6%	-0.88	-0.75
Copper	JJC	24.8%	26.1%	23.3%	26.3%	-0.4%	-3.8%	3.6%	JJC	6.0%	-0.20	-0.21	0.0%	-0.38	-0.43	13.4%	0.03	0.07
Corn	CORN	13.6%	16.7%	17.7%	16.8%	-3.8%	-6.2%	-17.0%	CORN	24.9%	0.40	0.22	9.2%	-0.26	-0.54	5.2%	-0.50	-0.75
Soybeans	SOYB	18.4%	16.5%	15.5%	31.0%	35.7%	42.5%	38.8%	SOYB	65.1%	0.56	0.35	54.4%	0.28	0.22	51.0%	0.01	0.13
Wheat	WEAT	18.5%	18.1%	18.9%	30.1%	-14.1%	-0.8%	-3.5%	WEAT	61.9%	-0.10	0.10	59.6%	-0.12	0.20	50.6%	-0.19	0.22
Sugar	SGG	35.0%	33.3%	32.3%	29.8%	-2.4%	-5.7%	-12.0%	SGG	-14.2%	-0.82	-0.58	-6.0%	-0.37	-0.05	-1.7%	0.40	0.40

**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	$83.93	0.29%	3.11%	3.11%
Financial Select Sector	XLF	$23.15	0.48%	-0.43%	-0.43%
Health Care Select Sector	XLV	$69.84	-0.26%	1.31%	1.31%
Technology Select Sector	XLK	$49.80	0.55%	2.98%	2.98%
Consumer Staples Select Sector	XLP	$52.58	0.65%	1.68%	1.68%
Industrial Select Sector	XLI	$63.44	0.02%	1.96%	1.96%
Materials Select Sector	XLB	$51.09	0.89%	2.80%	2.80%
The Energy Select Sector	XLE	$74.54	0.38%	-1.04%	-1.04%
Utilities Select Sector	XLU	$48.64	0.19%	0.14%	0.14%
S&P 500	SPX	2,271.31	0.34%	1.45%	1.45%

HEDGEYE SECTOR RELATIVE PERFORMANCE

	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$83.93	-0.05%	1.66%	1.66%
Financial Select Sector	XLF	$23.15	0.14%	-1.88%	-1.88%
Health Care Select Sector	XLV	$69.84	-0.59%	-0.15%	-0.15%
Technology Select Sector	XLK	$49.80	0.21%	1.53%	1.53%
Consumer Staples Select Sector	XLP	$52.58	0.31%	0.23%	0.23%
Industrial Select Sector	XLI	$63.44	-0.32%	0.51%	0.51%
Materials Select Sector	XLB	$51.09	0.55%	1.35%	1.35%
The Energy Select Sector	XLE	$74.54	0.04%	-2.49%	-2.49%
Utilities Select Sector	XLU	$48.64	-0.15%	-1.31%	-1.31%

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	0.4%	-0.2%	0.0%	8.2%	7.1%	1.1%
	Low Debt/EV	0.3%	0.1%	0.6%	4.2%	2.7%	2.3%
SI	High Short Interest	0.5%	-0.1%	-0.2%	5.5%	5.6%	1.6%
	Low Short Interest	0.2%	0.0%	0.5%	7.1%	5.9%	1.8%
BETA	High Beta	0.7%	-0.1%	0.3%	11.9%	16.6%	2.3%
	Low Beta	0.3%	0.4%	0.7%	1.9%	-4.3%	0.6%
YIELD	High Yield	0.4%	-0.2%	-0.5%	3.3%	-0.7%	0.2%
	Low Yield	0.1%	-0.4%	1.2%	4.8%	4.8%	2.6%
MKT CAP	MCAP Bottom 25%	0.4%	-0.4%	-0.8%	4.0%	1.4%	1.0%
	MCAP Top 25%	0.2%	0.2%	0.7%	7.8%	8.1%	1.8%
Sales	Top 25% Sales Growth	0.4%	0.1%	1.1%	4.7%	5.8%	2.5%
	Bottom 25% Sales Growth	0.4%	0.2%	0.2%	5.9%	2.6%	1.4%
EPS	Top 25% EPS Growth	0.5%	0.1%	1.1%	8.5%	9.9%	2.4%
	Bottom 25% EPS Growth	0.4%	0.1%	0.1%	5.6%	2.7%	1.2%

**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	0.50%	-0.5	-2.5	-1	17	-6	34	37	39
3M LIBOR	1.04%	0.0	1.8	5	16	0	43	60	64
2Y T-Note	1.19%	-3.3	-0.5	-3	37	-11	69	52	67
5Y T-Note	1.94%	-2.7	4.0	-10	68	-18	105	44	64
10Y T-Note	2.47%	-0.7	7.0	-9	71	-17	115	31	34
30Y T-Note	3.05%	0.3	6.0	-9	54	-16	96	14	2
2Y-10Y Spread, Bps	128	2.6	7.5	-6.4	34	-6	46	-21	-34
IG SPREAD (AAABBB)	1.52%	-2.0	0.0	-2	-4	-78	5	-17	-25
HIGH YIELD	6.27%	2.0	11.9	-25	-1	-306	22	-37	-33
5Y BREAKEVEN	1.97%	1.6	5.2	14.7	38.0	-1.3	111.6	41.8	25.0

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)	28,082	13,901	(19,159)	54,867	242	*0.23X*	*0.60X*
Russell 2000 (mini)	68,450	(14,843)	46,866	28,318	(9,242)	*1.69X*	*2.84X*
10Y Treasury	(346,184)	40,055	(191,985)	(46,780)	(26,399)	*-2.20X*	*-2.81X*
CRUDE OIL	508,702	24,827	431,572	393,263	365,885	*2.00X*	*2.33X*
GOLD	59,936	5,537	96,244	165,117	171,152	*-1.44X*	*-0.53X*
COPPER	46,335	(1,298)	41,104	16,430	(2,461)	*1.63X*	*2.73X*
$USD	49,042	(4,018)	52,880	36,210	27,249	*1.25X*	*0.59X*
JPY	(82,899)	(1,531)	(28,997)	11,596	30,747	*-2.57X*	*-0.86X*
EUR	(62,359)	(1,928)	(99,289)	(99,666)	(78,671)	*0.50X*	*0.58X*
GBP	(65,725)	(3,083)	(69,854)	(77,629)	(59,839)	*-0.27X*	*-1.17X*

MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (1/20) vs.			
	Prior Day	1M Ave	3M ave	1Y Ave
Total Market Volume*	15%	34%	30%	54%
Total Exchange Volume**	7%	9%	-7%	-7%
Total Traded Value (R3K)***	35%	34%	14%	19%

*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)

Source: Bloomberg, Hedgeye

KEY $USD CORRELATIONS

Key $USD Correlations

METRIC	15D	30D	90D	120D	180D	52-Wk Rolling 30D Correlation			
						High	Low	% Time Pos	% Time Neg
SPX	-0.47	-0.37	0.81	0.72	0.76	*0.95*	*-0.91*	*47%*	*53%*
BRENT Oil	0.32	0.23	0.60	0.68	0.52	*0.77*	*-0.78*	*46%*	*54%*
CRB Index	-0.78	-0.71	0.84	0.68	0.56	*0.83*	*-0.89*	*24%*	*76%*
GOLD	-0.95	-0.86	-0.95	-0.97	-0.81	*0.90*	*-0.97*	*16%*	*84%*

**Days = Trading Days*

OTHER KEY METRICS

METRIC	PRICE	1D % Chg	5D % Chg	1M % Chg	3M % Chg	MTD % Chg	YTD % Chg	vs. 52-Wk High	vs. 52-Wk Low
Brent Oil	$55.49	2.46%	0.07%	0.25%	8.00%	-0.9%	-0.9%	-5%	105%
Gold	$1,210	0.45%	1.08%	6.89%	-4.38%	5.5%	5.5%	-12%	10%
VIX	$11.54	-9.70%	2.76%	0.79%	-16.07%	-17.8%	-17.8%	-63%	6%