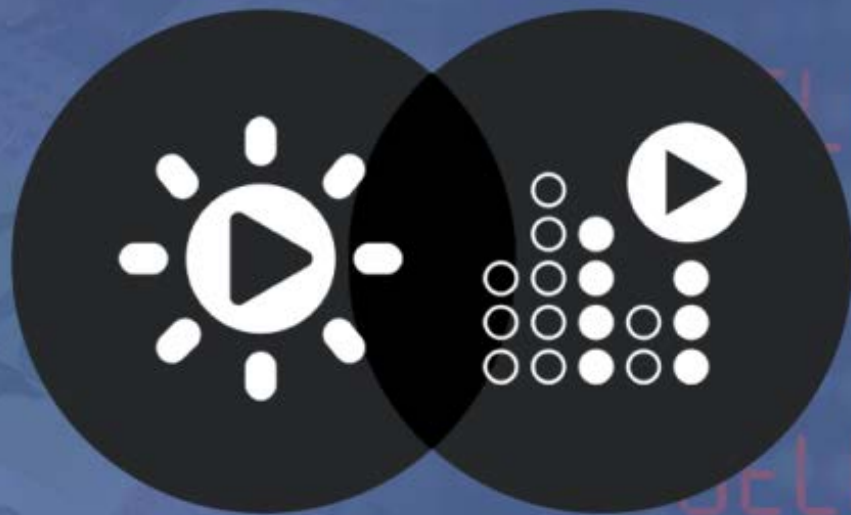


# THE SUPER SHOW



JULY 29, 2016

Goldman  
Sachs

SELL

RH

# LEGAL

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A close-up of a Japanese 1000 Yen banknote. The text "日本銀行券" (Bank of Japan Note) is visible at the top and bottom. The large characters "千円" (1000 Yen) are prominently displayed in the center. The background features a traditional Japanese architectural structure, possibly a torii gate.

**YEN**

The national flag of China, featuring a red field with five golden stars. One large star is positioned on the left, and four smaller stars are arranged in an arc to its right. The flag is shown waving against a blue sky.

**CHINA**

A silhouette of an oil pumpjack (jackal) against a dramatic, cloudy sky at sunset or sunrise. The pumpjack's long arm and counterweight are clearly visible.

**OIL**





# YEN

Kuroda came down from the Japanese heavens and reminded us that he can part the seas – “negative rates have not reached their limit” – but the day trade of short Yen may have! Another +1.6% Yen ramp in his face; #ouchy day for the **#BeliefSystem**.



# CHINA

Remember we used to talk about global **#GrowthSlowing** (Ex-USA for one more GDP print this morning)...China, Europe, Oil? Let's just ex-that-out in Q3 ok? Chinese stocks down another -0.5% overnight (Hang Seng -1.3%) w/ CNOOC leading the way this time (Shanghai Comp remains in #crash mode, -41% from the 2015 Global Equity #Bubble Top).



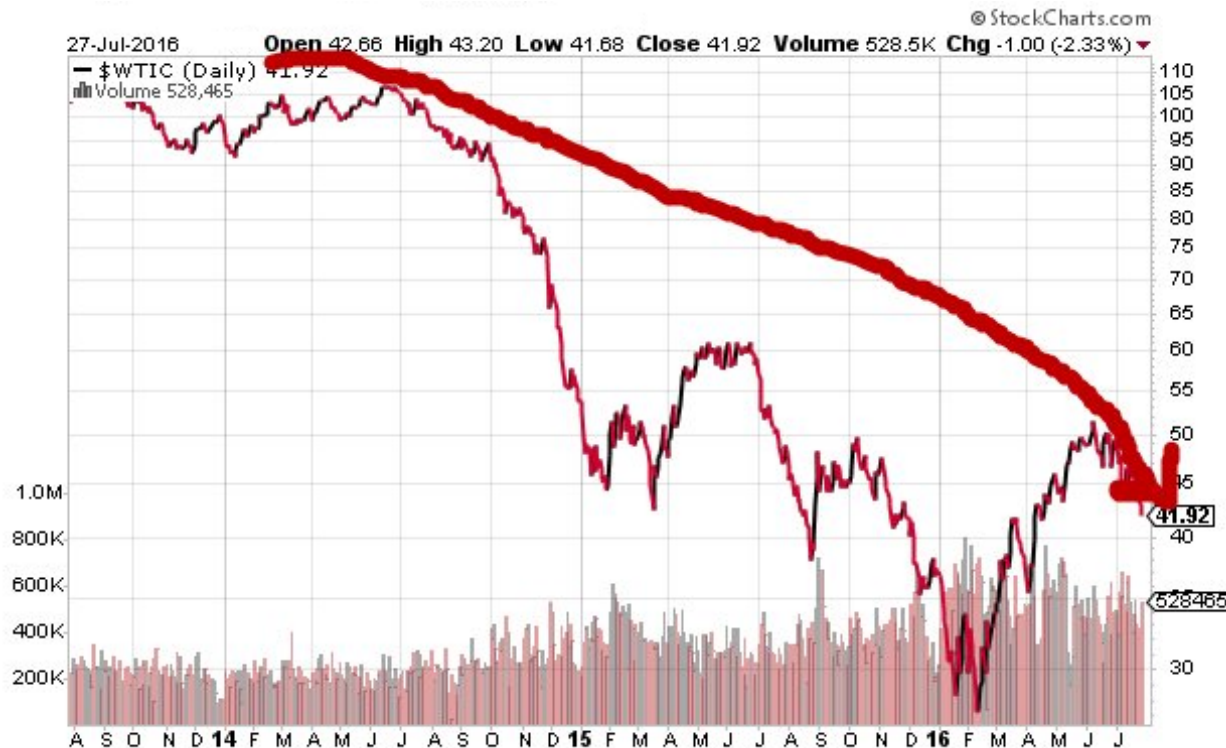
# OIL

Double #ouchy here - don't look now by this morning's drop towards the \$40-handle for WTI puts it down -15% in the last month alone; was it the Dollar? Supply? Demand? A bird or a plane? with Durable Goods and Capex careening to the downside, the bullish narrative on "Global Cyclical Demand has bottomed" is very hard to follow.

**MACRO GRIND**



# LIGHT CRUDE OIL



July 29, 2016

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# REUTERS/JEFFERIES CRB INDEX



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# SPAIN BOLSA DE MADRID IBEX 35



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# FTSE MIB (MILAN) INDEX



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# Q2 S&P REVENUE & EARNINGS COMPS

Q2 2016 QTD

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	1.5%	-2.3%	288 / 496
Energy	-25.3%	-117.8%	17 / 37
Materials	-7.1%	-0.3%	15 / 27
Industrials	-0.7%	-1.6%	50 / 68
Consumer Discretionary	7.7%	14.8%	41 / 83
Consumer Staples	-0.9%	2.1%	18 / 36
Healthcare	10.8%	4.7%	33 / 57
Financials	1.4%	-4.2%	62 / 89
Information Technology	1.4%	-3.0%	40 / 67
Telecom	8.6%	5.6%	3 / 5
Utilities	-0.2%	3.6%	9 / 27

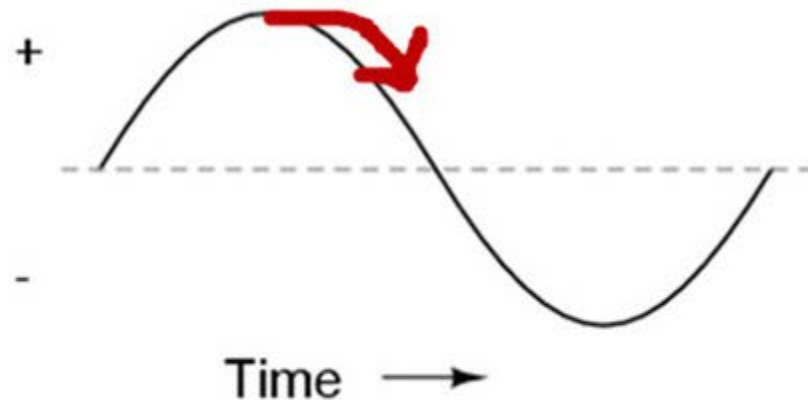
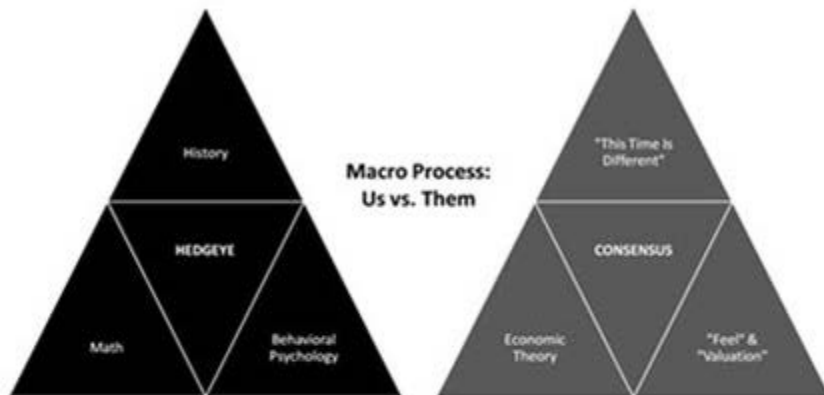
Source: BBG

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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.

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# HEDGEYE SECTOR PERFORMANCE

<u>SECTOR</u>	<u>Ticker</u>	<u>Price</u>	<u>1-Day %</u> <u>Chg</u>	<u>MTD %</u> <u>Chg</u>	<u>YTD %</u> <u>Chg</u>
Consumer Discretionary	XLY	\$81.53	0.18%	4.45%	4.31%
Financial Select Sector	XLF	\$23.69	0.21%	3.65%	-0.59%
Health Care Select Sector	XLV	\$75.05	-0.09%	4.66%	4.19%
Technology Select Sector	XLK	\$46.28	0.06%	6.71%	8.06%
Consumer Staples Select Sector	XLP	\$54.43	0.44%	-1.31%	7.80%
Industrial Select Sector	XLI	\$58.21	-0.03%	3.93%	9.81%
Materials Select Sector	XLB	\$48.94	-0.14%	5.61%	12.71%
The Energy Select Sector	XLE	\$66.70	0.01%	-2.26%	10.58%
Utilities Select Sector	XLU	\$51.81	0.39%	-1.26%	19.71%
S&P 500	SPX	2,170.06	0.16%	3.39%	6.17%

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# HEDGEYE SECTOR RELATIVE PERFORMANCE

	<u>Ticker</u>	<u>Price</u>	<u>1-Day %</u> <u>Chg</u>	<u>MTD %</u> <u>Chg</u>	<u>YTD %</u> <u>Chg</u>
Consumer Discretionary	XLY	\$81.53	0.02%	1.05%	-1.86%
Financial Select Sector	XLF	\$23.69	0.05%	0.26%	-6.76%
Health Care Select Sector	XLV	\$75.05	-0.25%	1.27%	-1.98%
Technology Select Sector	XLK	\$46.28	-0.10%	3.32%	1.88%
Consumer Staples Select Sector	XLP	\$54.43	0.28%	-4.70%	1.63%
Industrial Select Sector	XLI	\$58.21	-0.19%	0.54%	3.64%
Materials Select Sector	XLB	\$48.94	-0.30%	2.22%	6.54%
The Energy Select Sector	XLE	\$66.70	-0.15%	-5.65%	4.41%
Utilities Select Sector	XLU	\$51.81	0.23%	-4.65%	13.54%

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# HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
DEBT	High Debt/EV	-0.1%	-0.2%	7.8%	3.3%	23.6%	12.8%
	Low Debt/EV	0.2%	0.8%	8.2%	5.0%	15.2%	6.9%
SI	High Short Interest	0.0%	0.7%	9.3%	2.7%	19.4%	6.1%
	Low Short Interest	0.2%	0.5%	7.4%	4.5%	16.3%	7.0%
BETA	High Beta	0.1%	0.6%	11.0%	2.7%	23.7%	6.1%
	Low Beta	0.5%	-0.4%	3.3%	6.8%	16.4%	14.3%
YIELD	High Yield	0.0%	-0.2%	6.3%	3.7%	17.6%	10.4%
	Low Yield	0.4%	1.0%	9.5%	5.8%	21.9%	8.8%
MKT CAP	MCAP Bottom 25%	0.0%	0.2%	8.9%	1.8%	18.8%	5.8%
	MCAP Top 25%	-0.1%	-0.1%	6.3%	3.7%	14.4%	5.8%
Sales	Top 25% Sales Growth	0.3%	0.2%	6.8%	3.9%	20.5%	8.2%
	Bottom 25% Sales Growth	0.1%	0.5%	9.9%	4.7%	20.7%	9.7%
EPS	Top 25% EPS Growth	0.3%	1.0%	9.2%	5.7%	20.7%	8.6%
	Bottom 25% EPS Growth	0.1%	-0.1%	6.3%	2.1%	18.5%	8.6%

*\*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	0.24%	-4.1	-7.1	-2	3	-12	29	16	17
3M LIBOR	0.75%	0.0	3.7	12	11	0	45	41	39
2Y T-Note	0.71%	-1.2	2.9	9	-8	-39	21	14	26
5Y T-Note	1.08%	-0.2	-0.9	8	-21	-74	19	-42	-16
10Y T-Note	1.50%	0.7	-5.2	4	-32	-87	19	-78	-63
30Y T-Note	2.23%	2.1	-5.9	-4	-45	-91	14	-86	-85
2Y-10Y Spread, Bps	80	1.9	-8.0	-5.5	-24	-48	-2	-92	-89
IG SPREAD (AAABBB)	1.68%	0.0	-2.0	-15	-13	-62	3	-2	-17
HIGH YIELD	6.50%	3.4	10.2	-77	-90	-283	13	-10	-28
5Y BREAK EVEN	1.34%	1.8	-5.1	0.4	-28.1	-30.0	48.4	-25.3	-38.7

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# CFTC NON-COMMERCIAL NET LONG POSITIONING

METRIC	Latest	W/W Chg	3M Ave	6M Ave	1Y Ave	Z-Score	
						1Y	3Y
SPX (Index + E-mini)	154,099	94,526	58,772	(51,059)	(100,903)	2.37X	1.77X
Russell 2000 (mini)	(17,438)	12,758	(32,338)	(46,720)	(44,038)	1.99X	0.39X
10Y Treasury	84,243	(30,459)	(8,108)	(9,055)	(6,496)	1.47X	1.80X
CRUDE OIL	327,897	(13,285)	370,481	341,957	301,599	0.45X	-0.18X
GOLD	264,498	(7,031)	232,741	183,320	100,680	1.67X	2.81X
COPPER	2,156	16,407	(25,763)	(20,734)	(22,433)	1.89X	1.36X
USD	14,460	547	10,820	17,253	31,416	-0.98X	-0.66X
JPY	37,852	(7,134)	45,363	49,849	7,068	0.59X	1.62X
EUR	(108,396)	(14,403)	(54,989)	(54,982)	(85,387)	-0.53X	-0.39X
GBP	(72,102)	(12,646)	(45,436)	(41,908)	(28,312)	-2.29X	-2.14X

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# MARKET SHARE VOLUME & TOTAL VALUE TRADED

<u>INDEX/SECURITY</u>	<u>VOLUME: (7/28) vs.</u>			
	<u>Prior Day</u>	<u>1M Ave</u>	<u>3M ave</u>	<u>1Y Ave</u>
Total Market Volume*	2%	-1%	-9%	-14%
Total Exchange Volume**	-11%	-1%	-6%	-11%

\*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)

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# KEY \$USD CORRELATIONS

METRIC	15D	30D	90D	120D	180D	52-Wk Rolling 30D Correlation			
						High	Low	% Time Pos	% Time Neg
SPX	0.70	0.50	0.38	-0.36	-0.37	0.88	-0.91	58%	42%
BRENT Oil	-0.67	-0.75	-0.02	-0.48	-0.56	0.72	-0.78	35%	65%
CRB Index	-0.37	-0.73	-0.25	-0.48	-0.84	0.71	-0.91	27%	73%
GOLD	-0.69	0.76	0.38	0.01	-0.75	0.90	-0.95	20%	80%

\*Days = Trading Days

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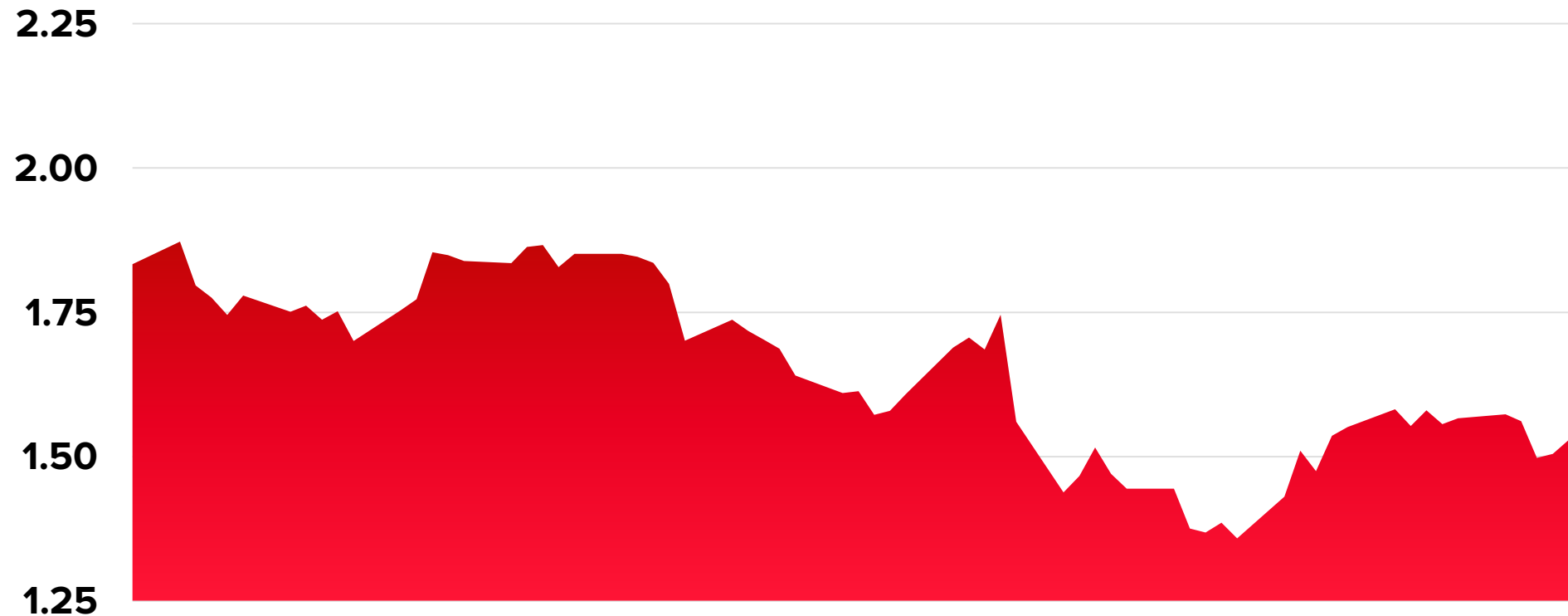
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**UST 10YR**

**3MO**

**U.S. 10-YEAR YIELD**



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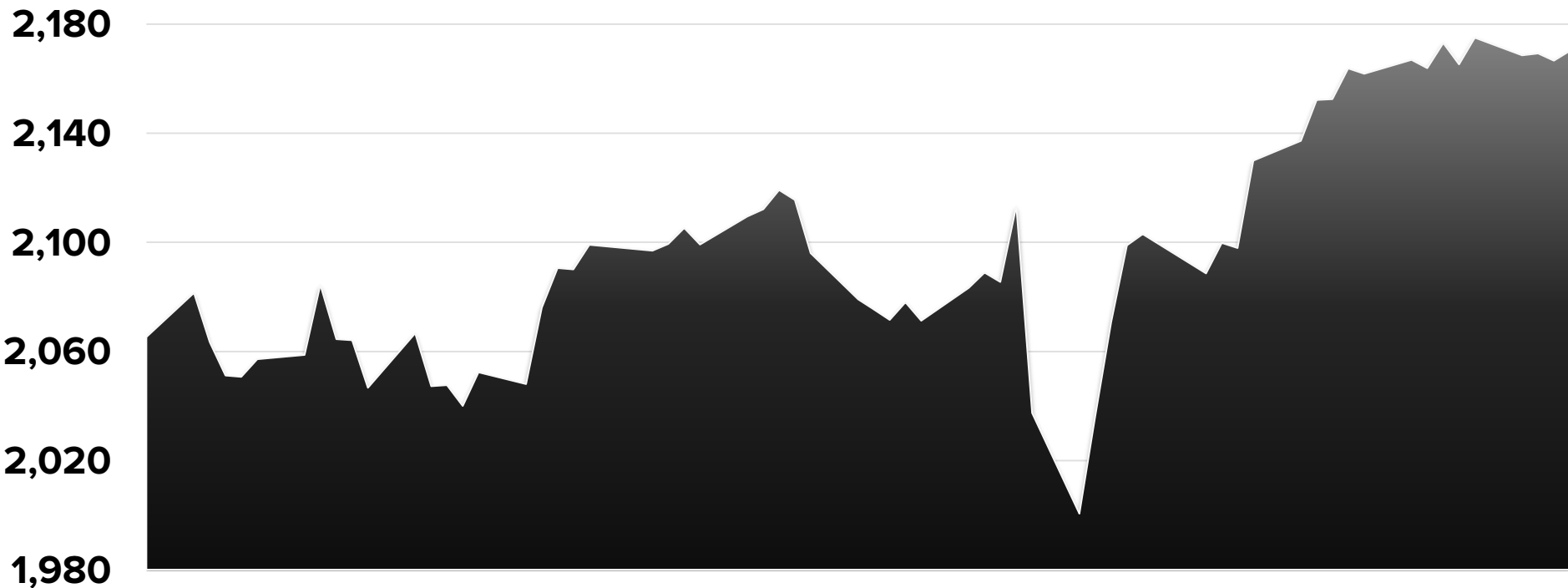
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**SPX**

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**S&P 500 INDEX**



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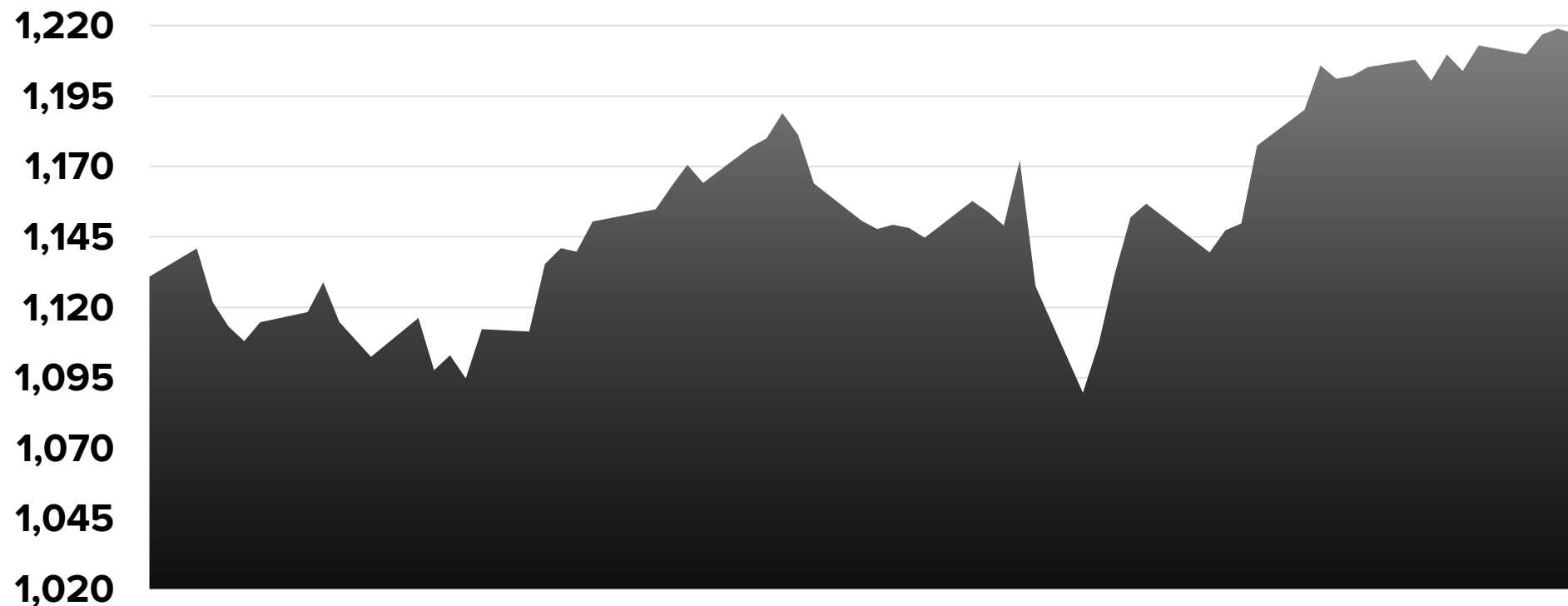
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**RUSSELL 2000 INDEX**



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**NASDAQ**

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**NASDAQ COMPOSITE INDEX**



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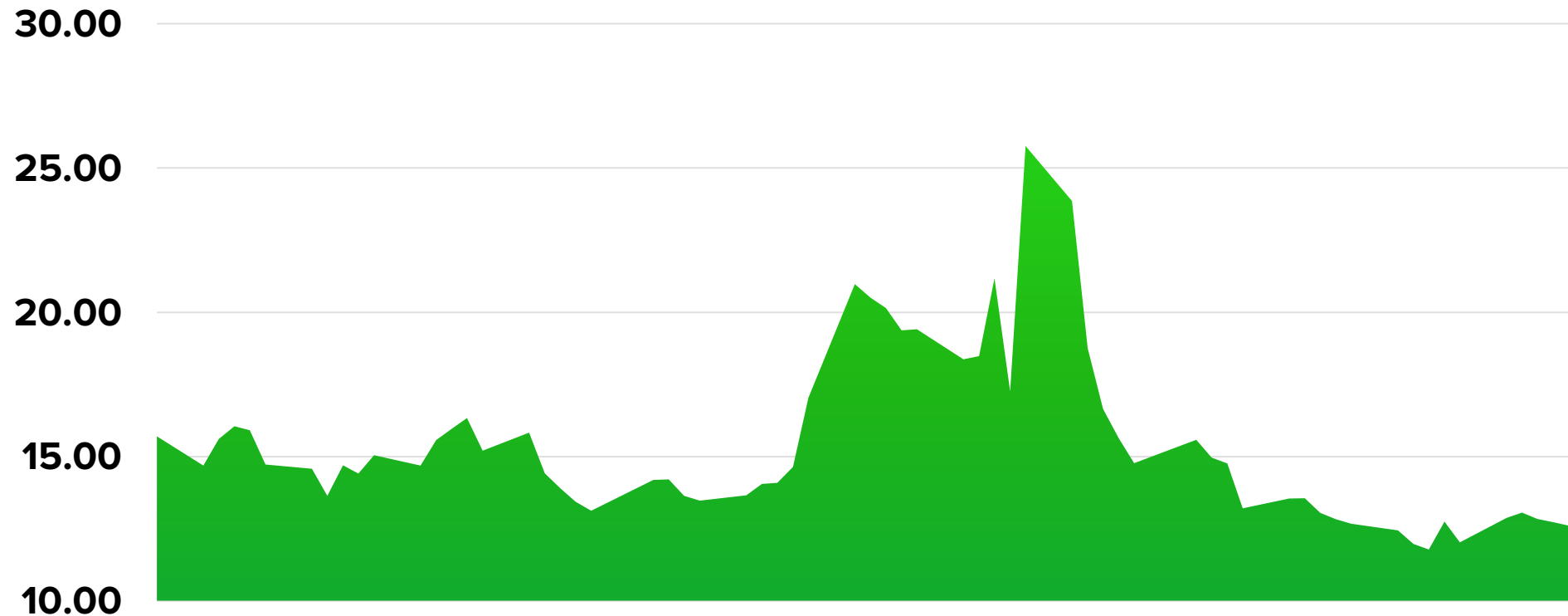
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**VIX**

**3MO**

**VOLATILITY INDEX**



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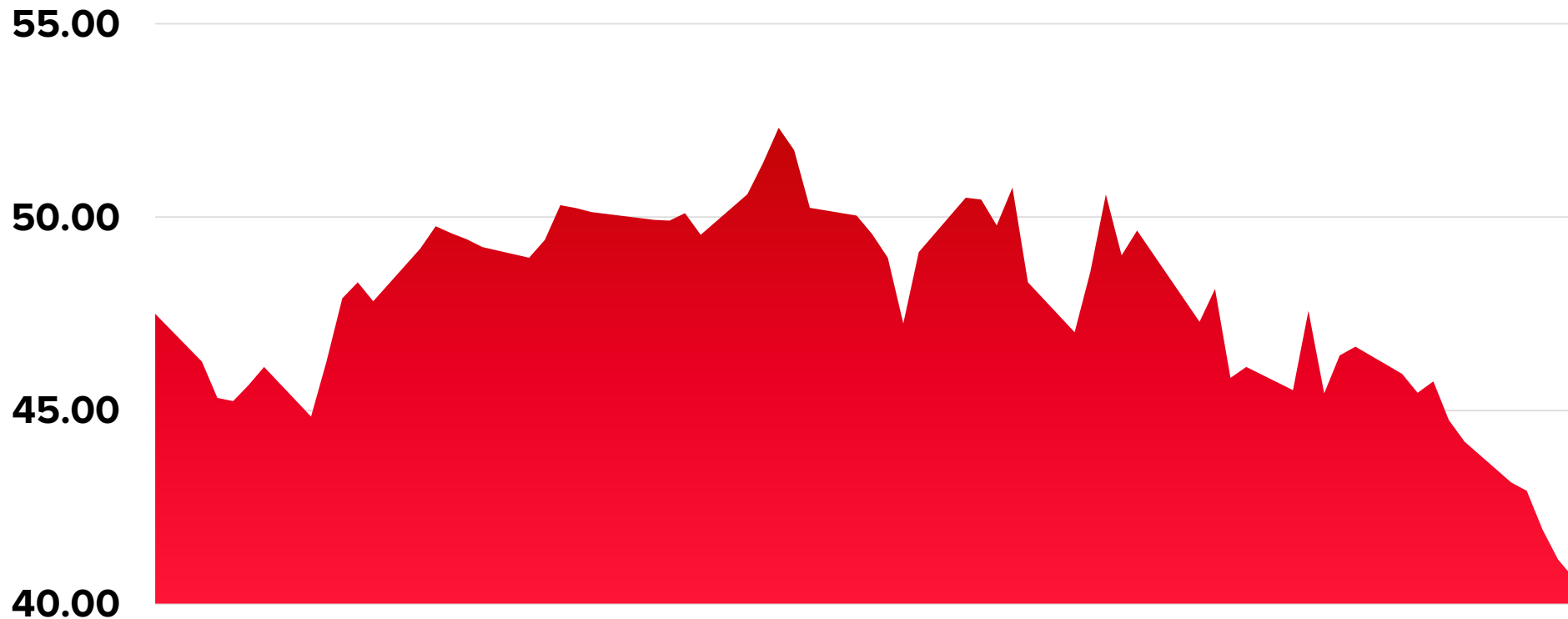
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**CLA**

**3MO**

**WTI CRUDE OIL**



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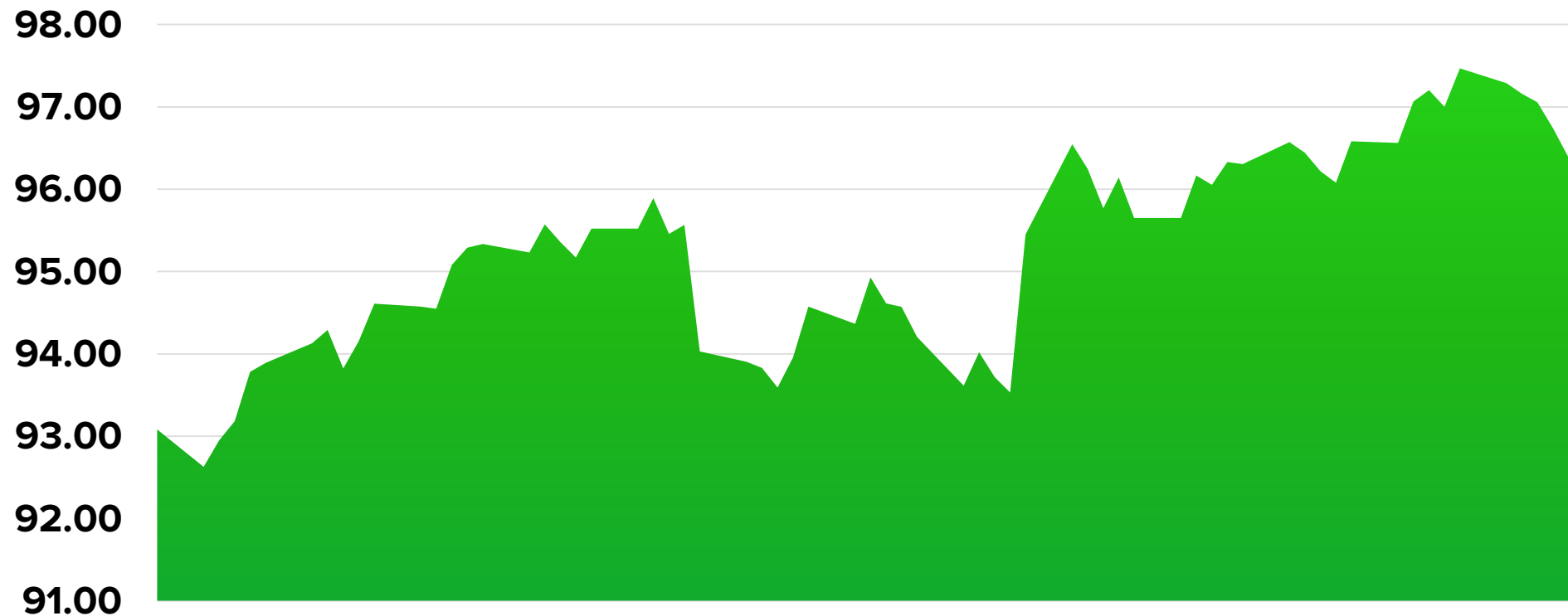
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**DXY**

**3MO**

**U.S. DOLLAR INDEX SPOT**



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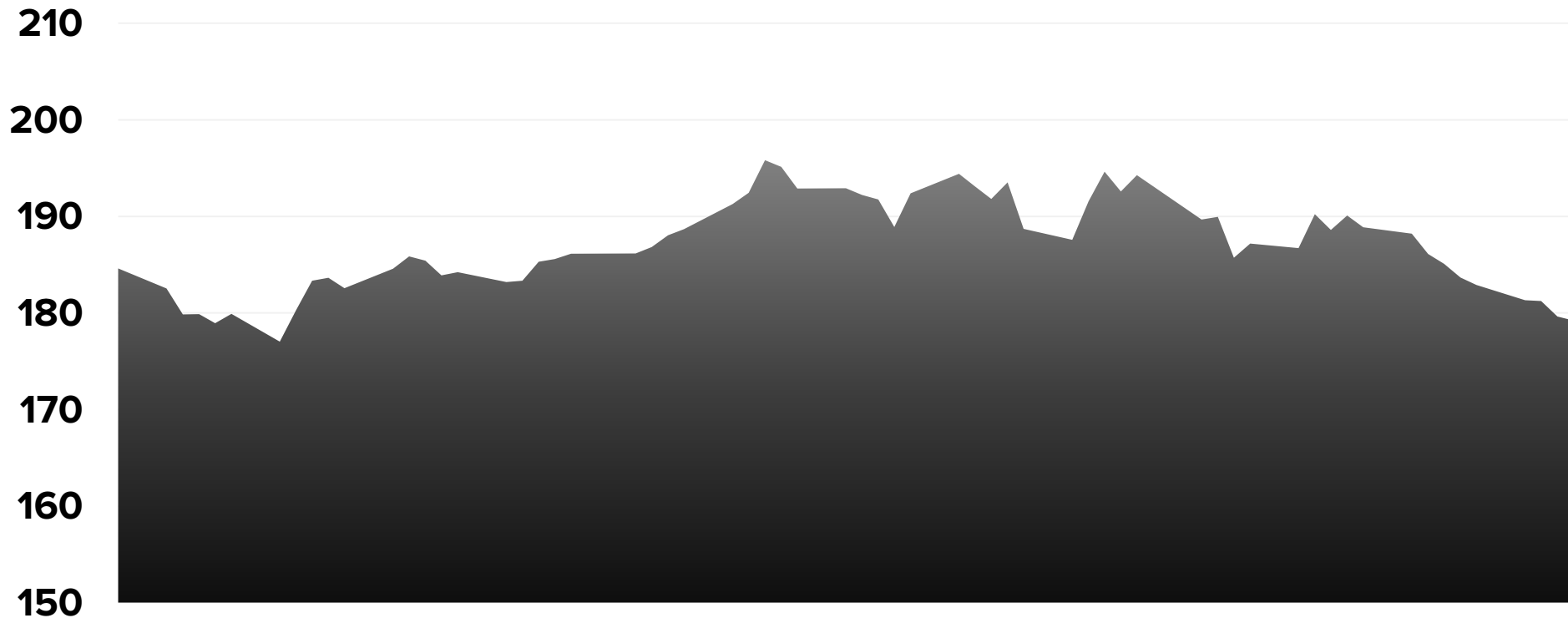
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**CRY**

**3MO**

**TR/CC CRB COMMODITY INDEX**



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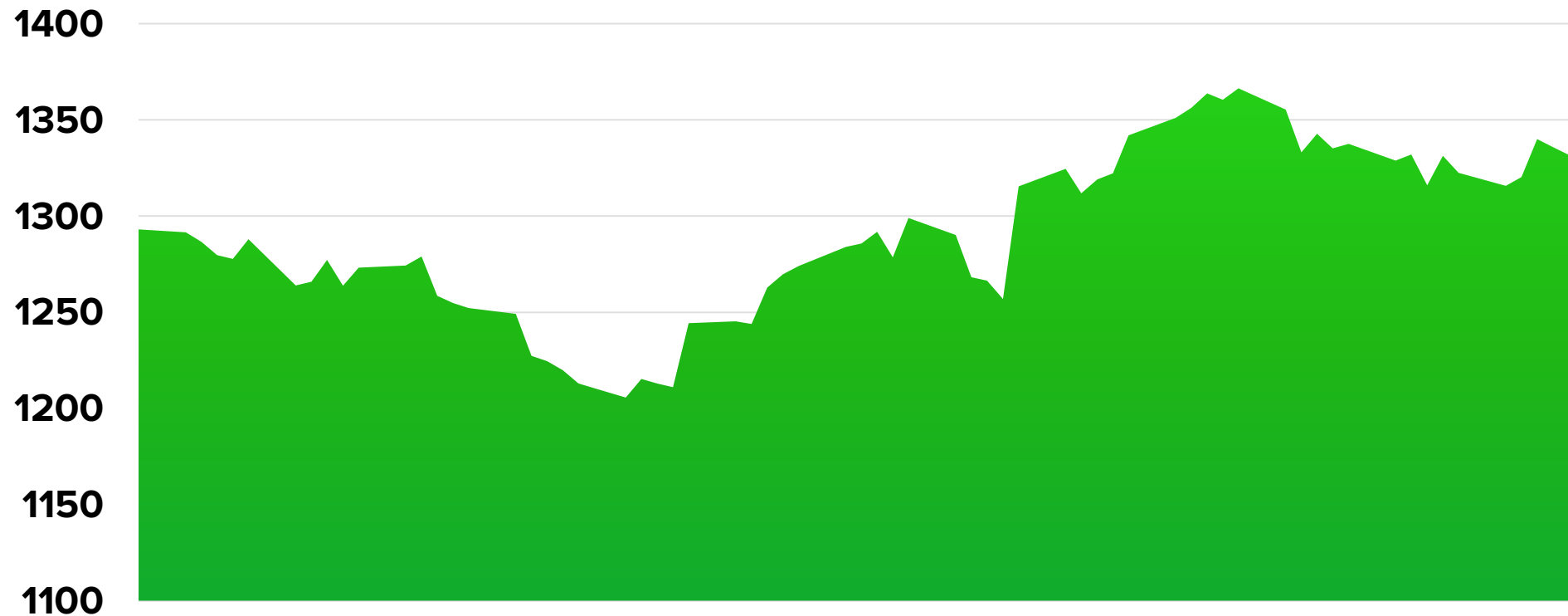
HEDGEYE  
**TV**



**GOLD**

**3MO**

**GOLD SPOT**



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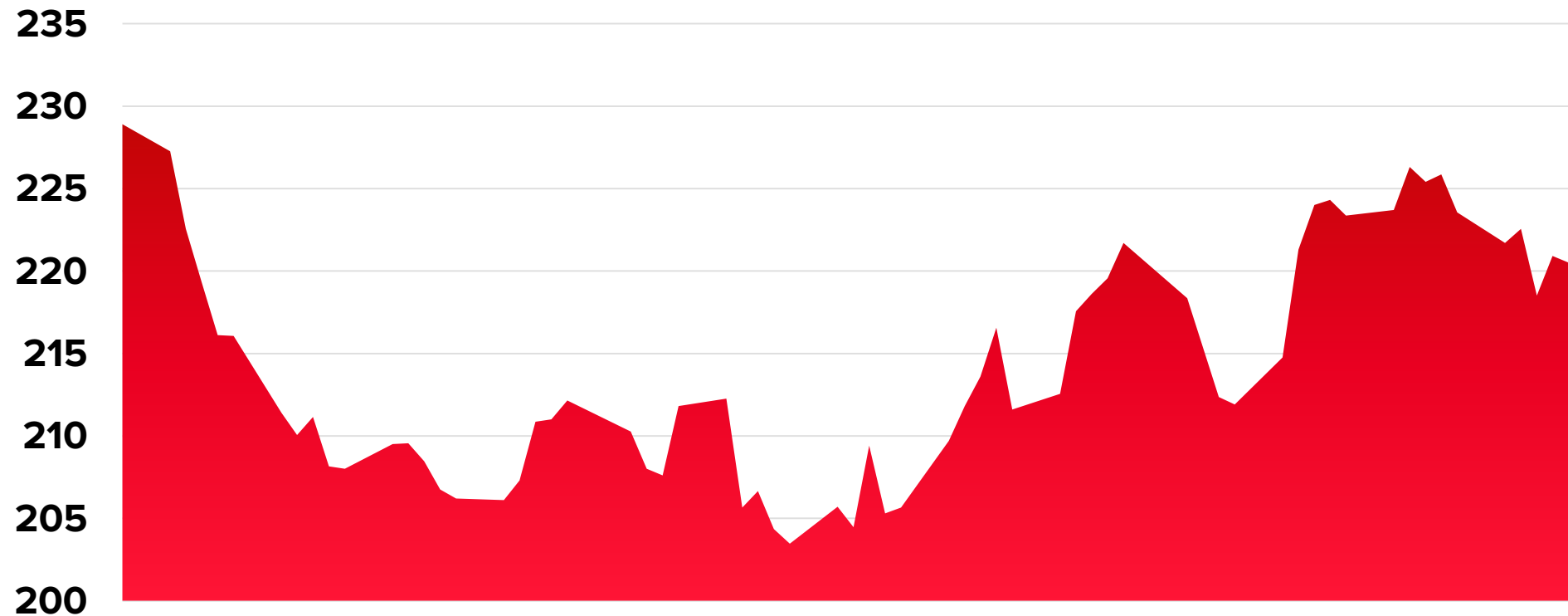
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**TV**

**HGA**

**3MO**

**COPPER**



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**TV**

**NGA**

**3MO**

**NATURAL GAS SPOT**



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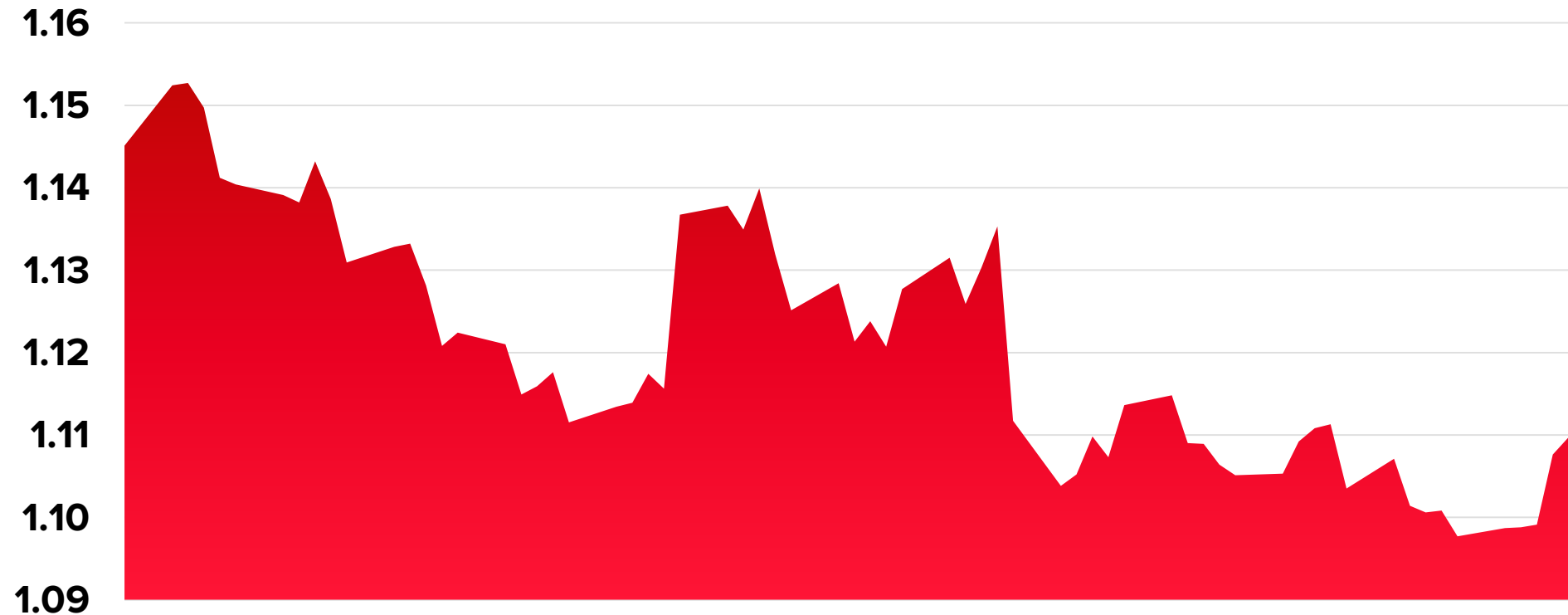
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**TV**

**EURO**

**3MO**

**EURO SPOT**



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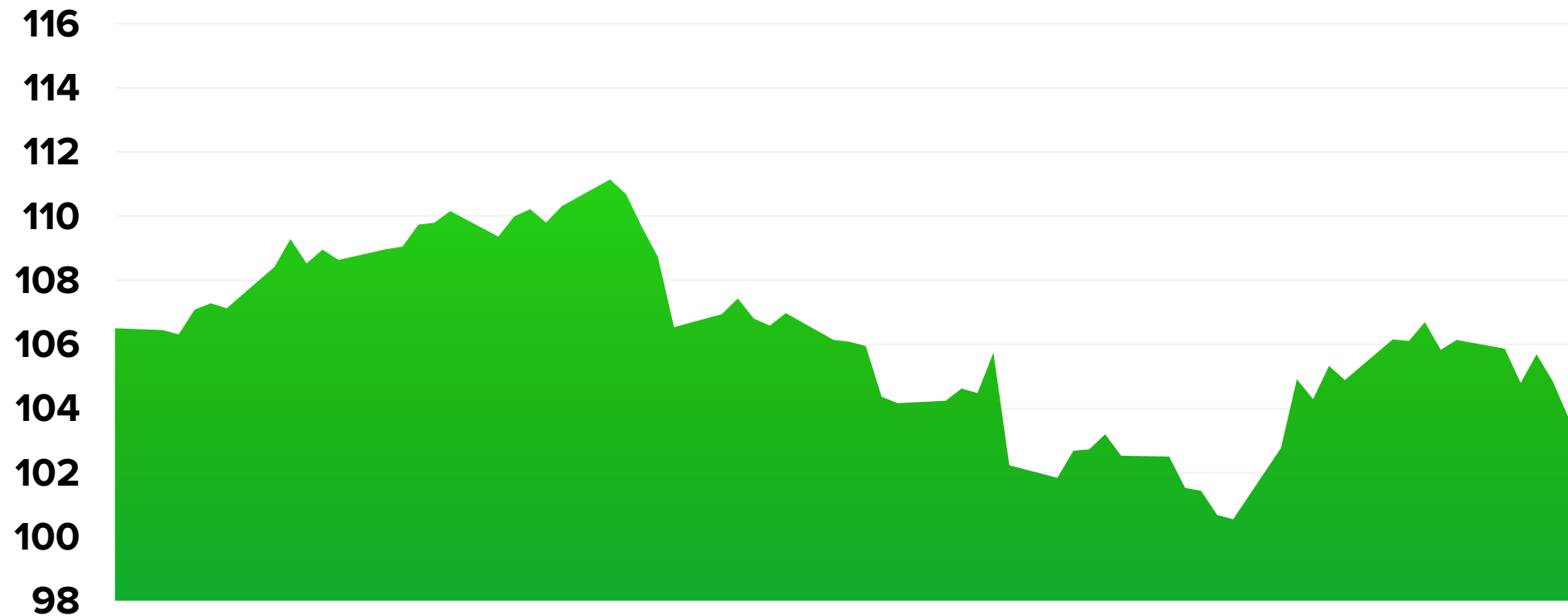
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**TV**

**YEN**

**3MO**

**JAPANESE YEN SPOT**



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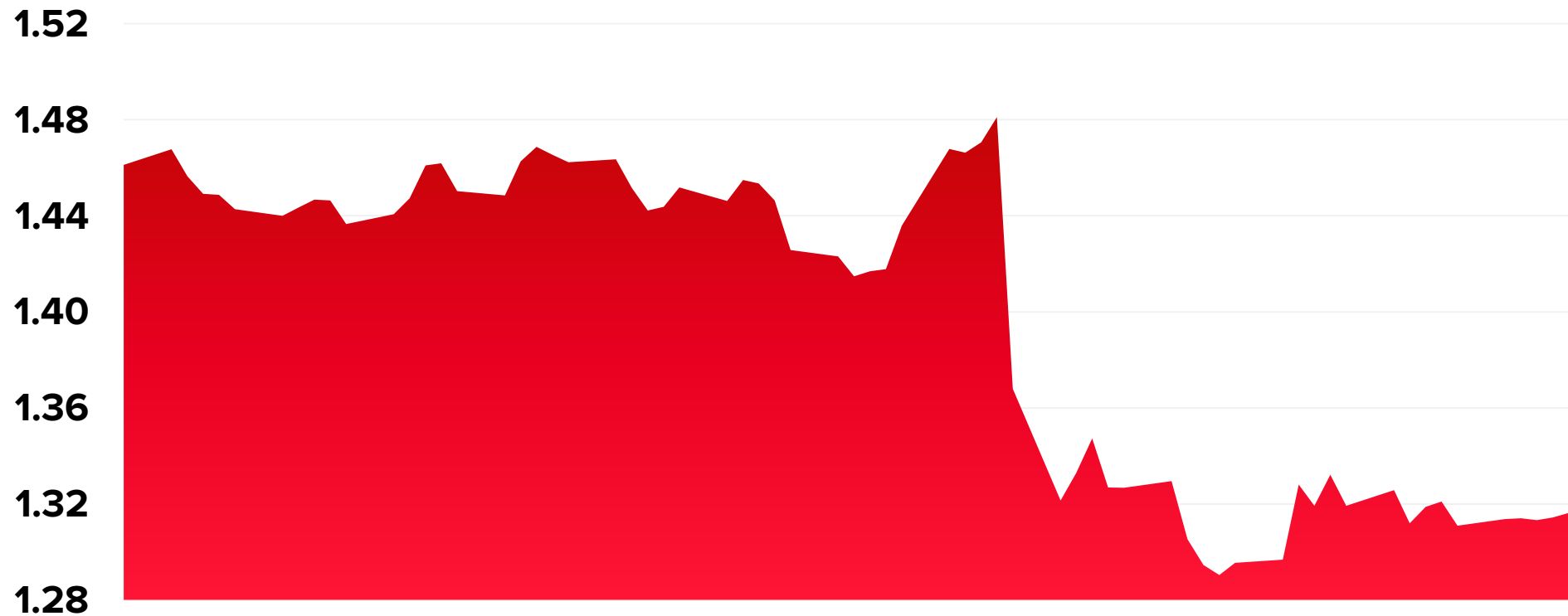
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**TV**

**POUND**

**3MO**

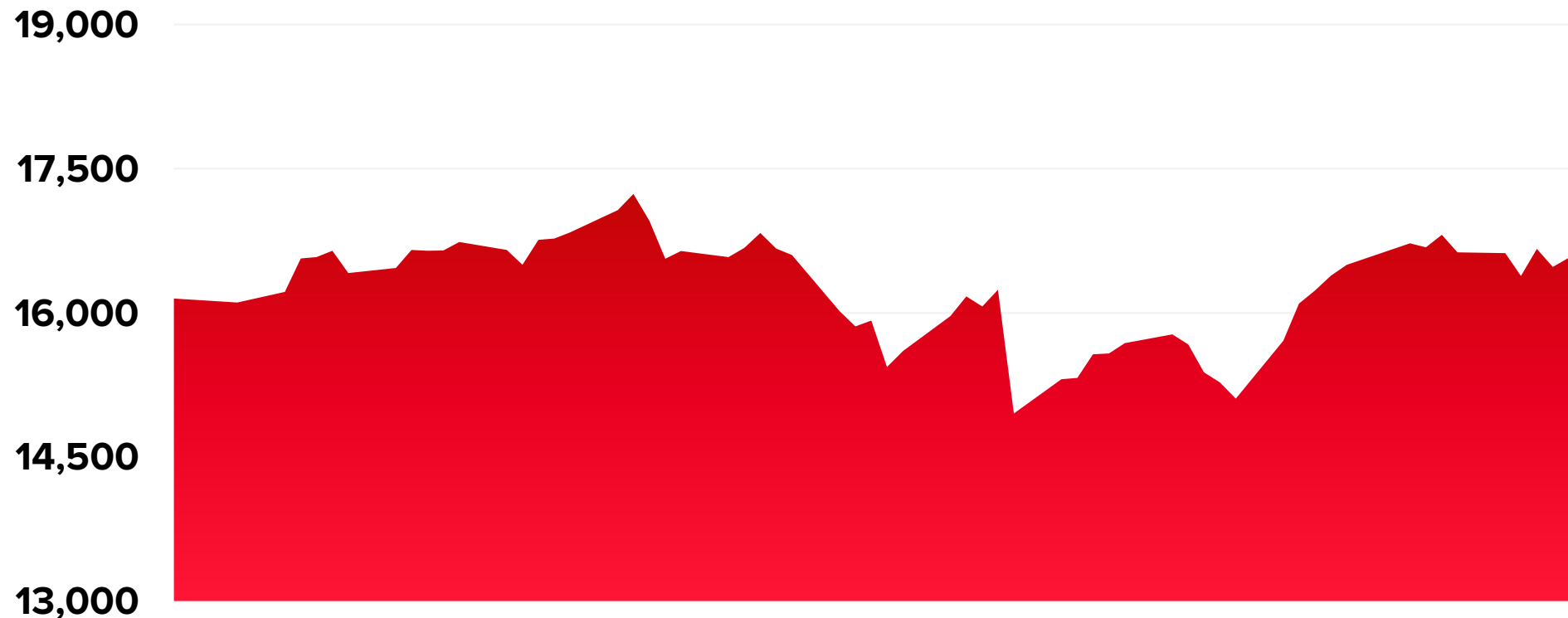
**BRITISH POUND SPOT**



**NKY**

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**NIKKEI-225 STOCK AVERAGE**



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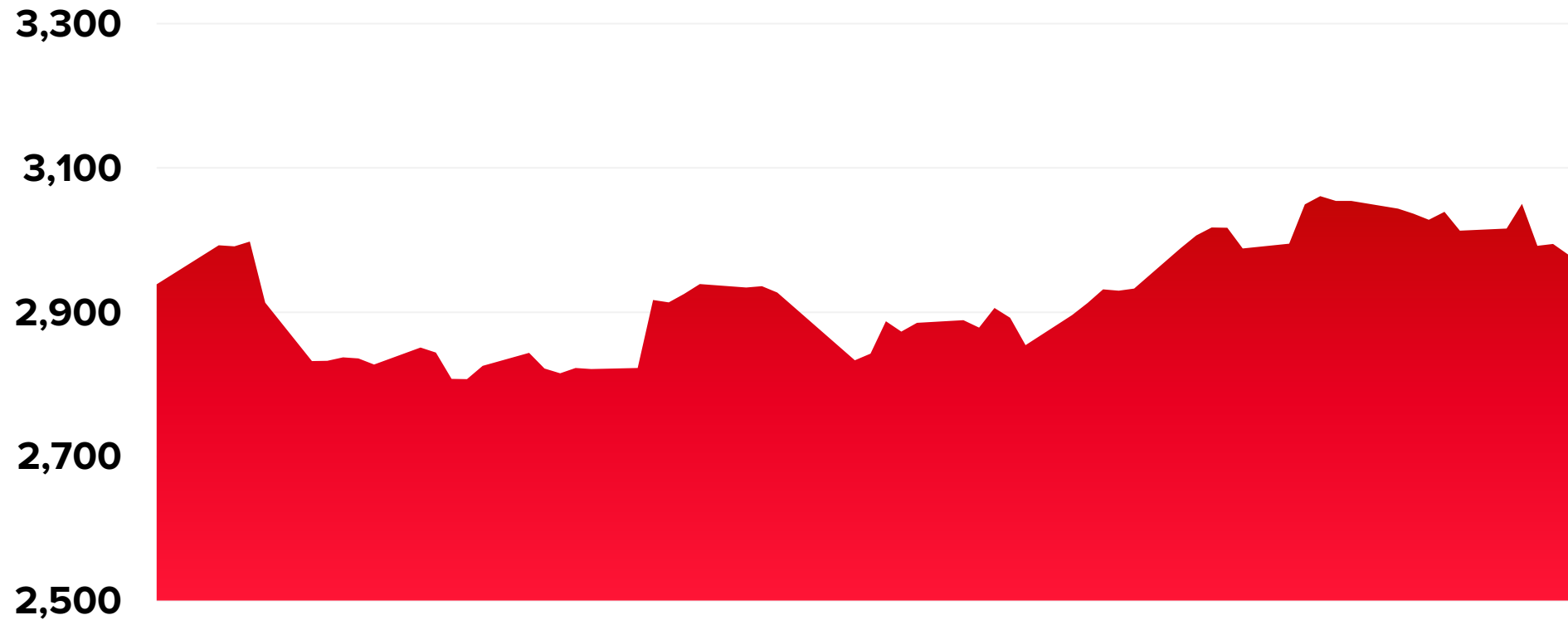
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**TV**



**SHCOMP**

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**SHANGHAI COMPOSITE INDEX**



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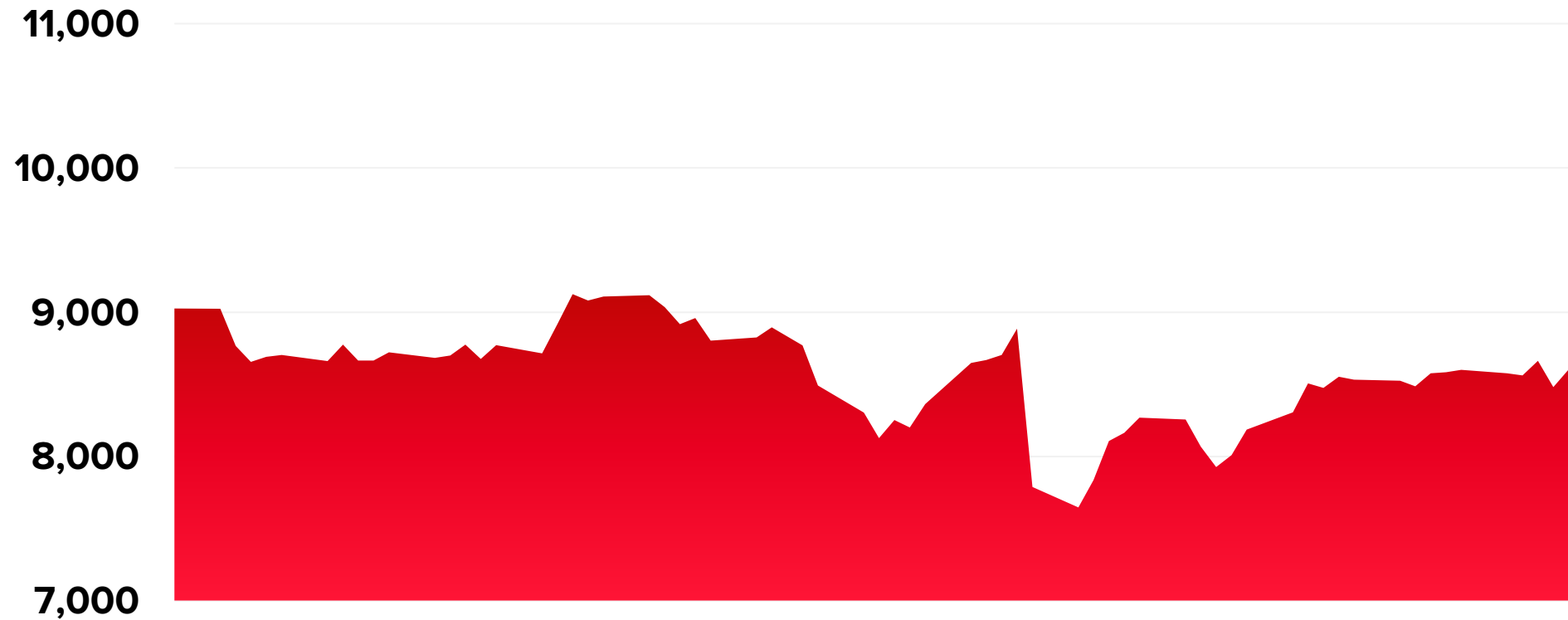
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**IBEX 35**

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**SPANISH CONTINUOUS MARKET**



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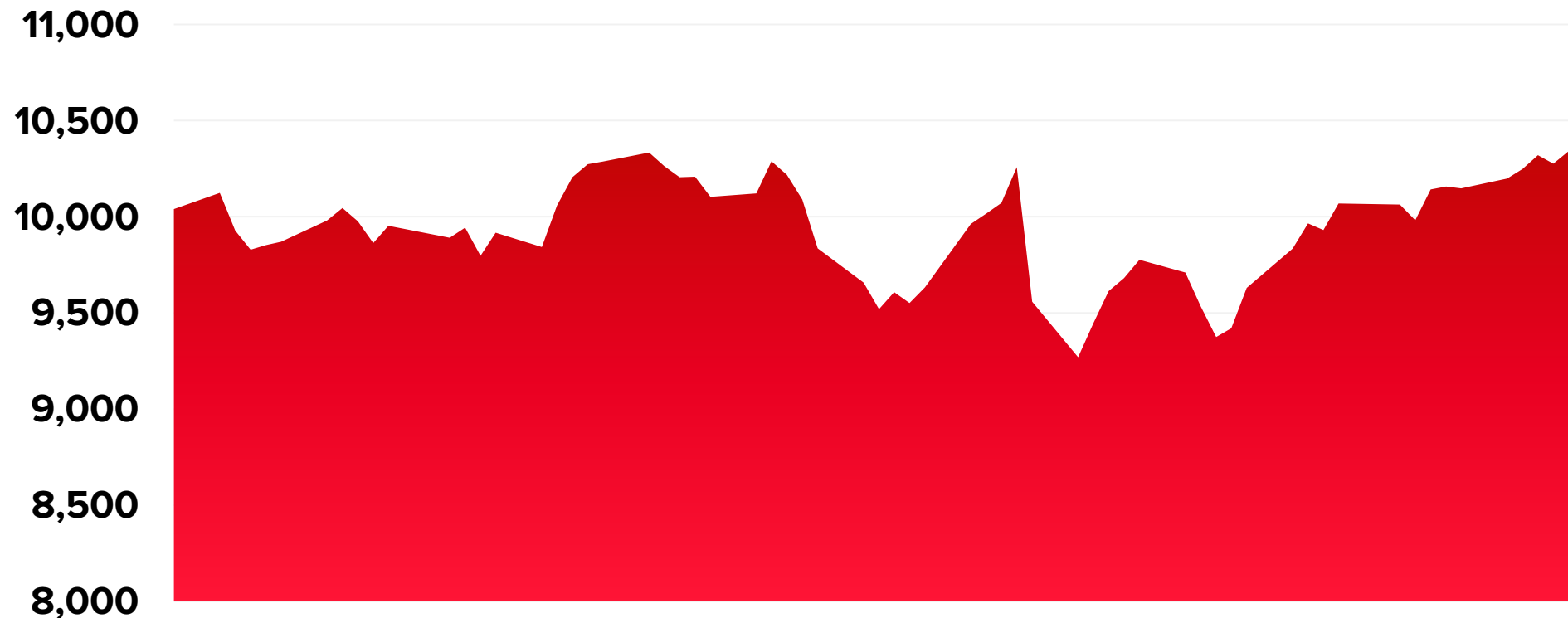
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**DAX**

**3MO**

**GERMAN STOCK INDEX**



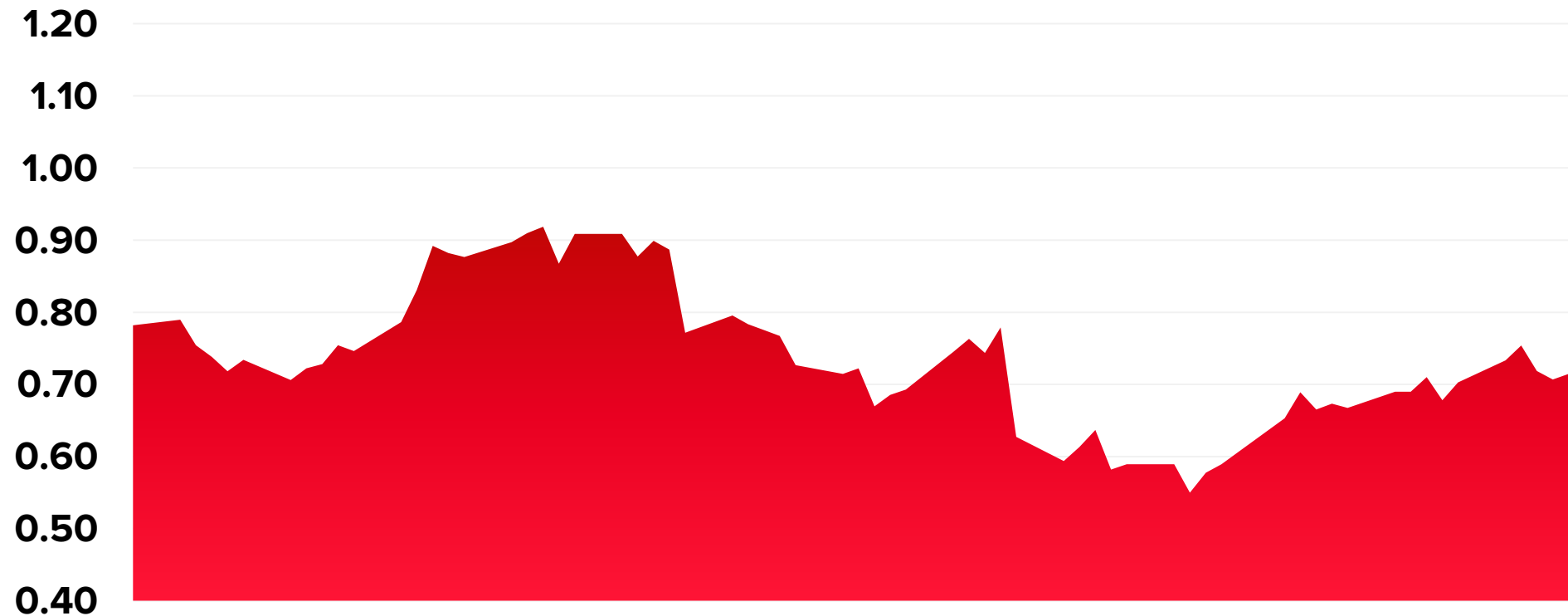
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**TV**

# 3MO

# U.S. GENERIC GOVT 2-YEAR YIELD



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**HSI**

**3MO**

**HONG KONG HANG SENG INDEX**



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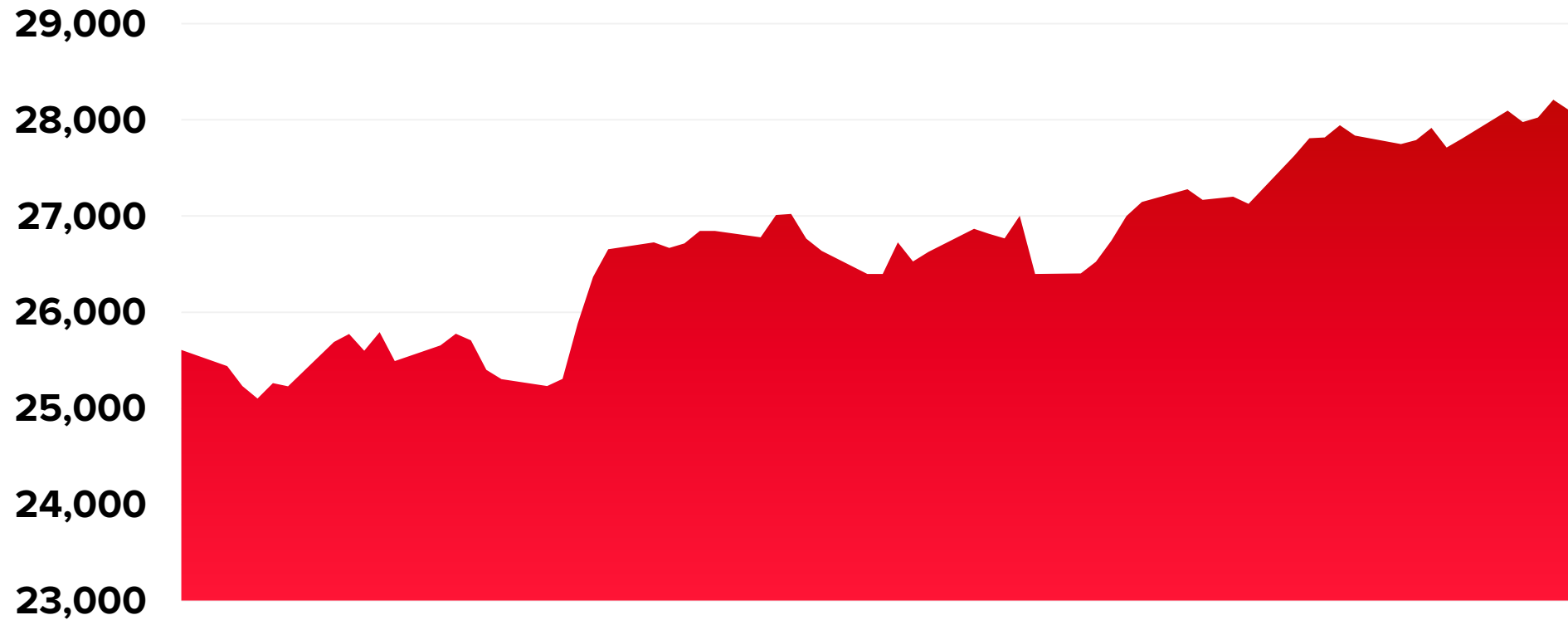
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**SENSEX**

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**BSE INDIAN SENSEX INDEX**



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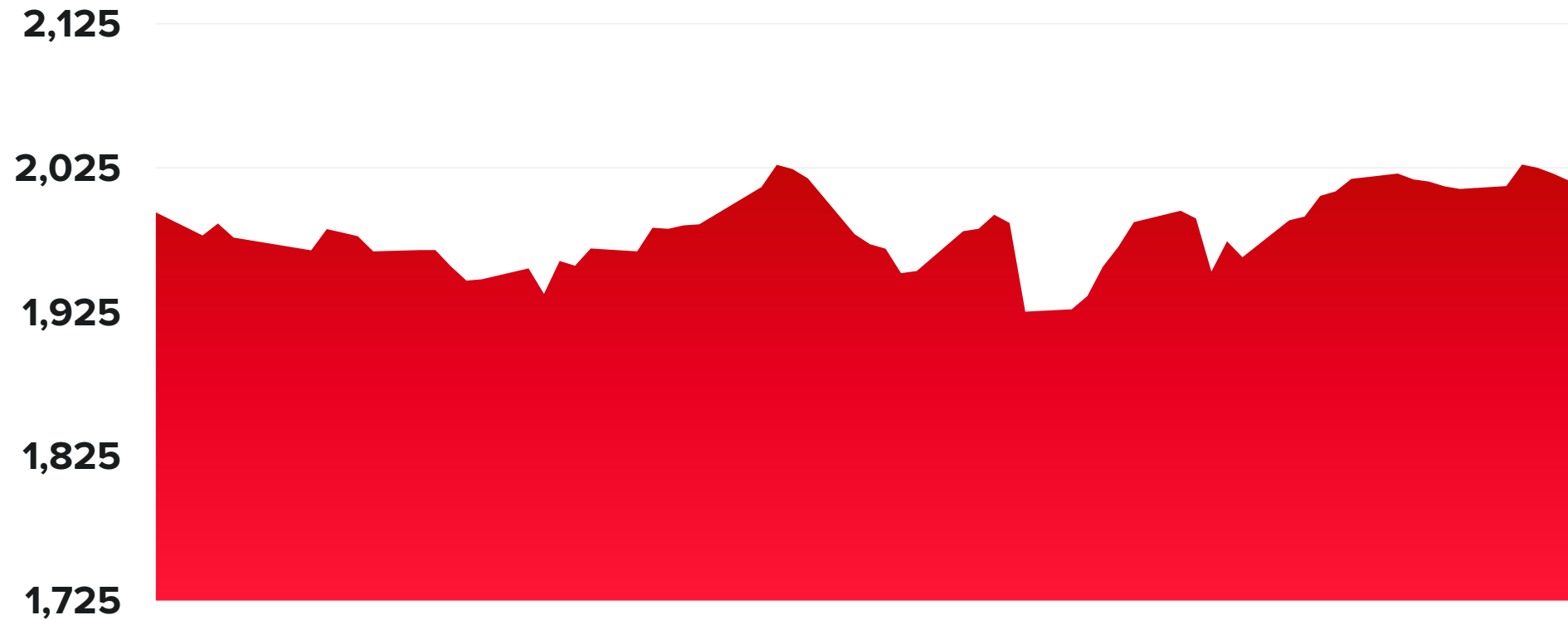
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**KOSPI**

**3MO**

**SOUTH KOREA KOSPI INDEX**



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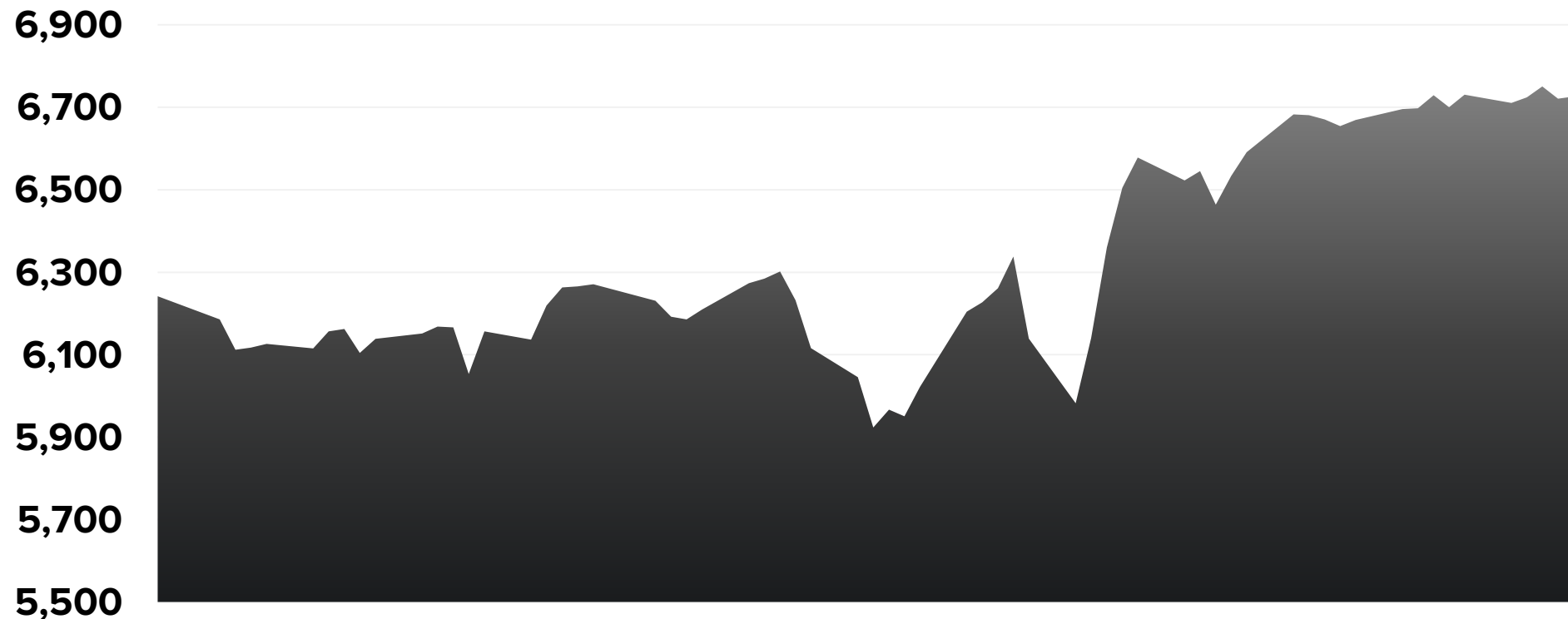
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**TV**

**UKX**

**3MO**

**UK FTSE 100 INDEX**



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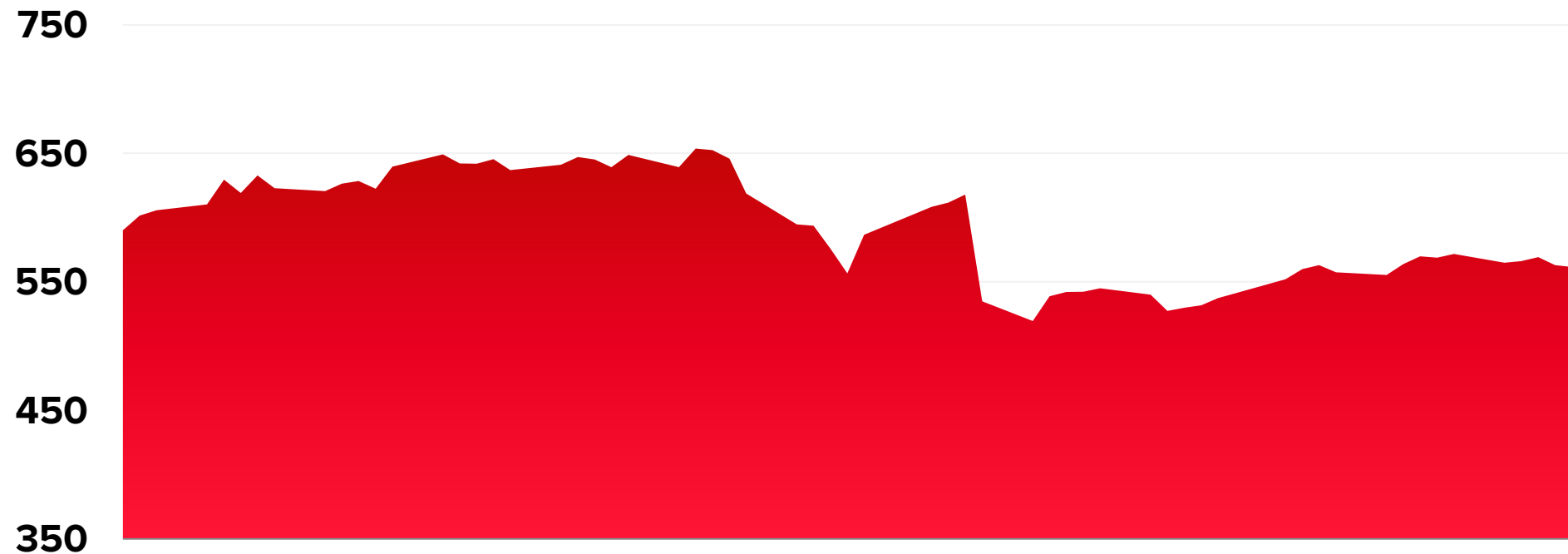
HEDGEYE  
**TV**



**ASE**

**3MO**

**ATHENS STOCK EXCHANGE GENERAL**



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**TV**

**RTS**

**3MO**

**RUSSIAN RTS INDEX**

1,000

950

900

850

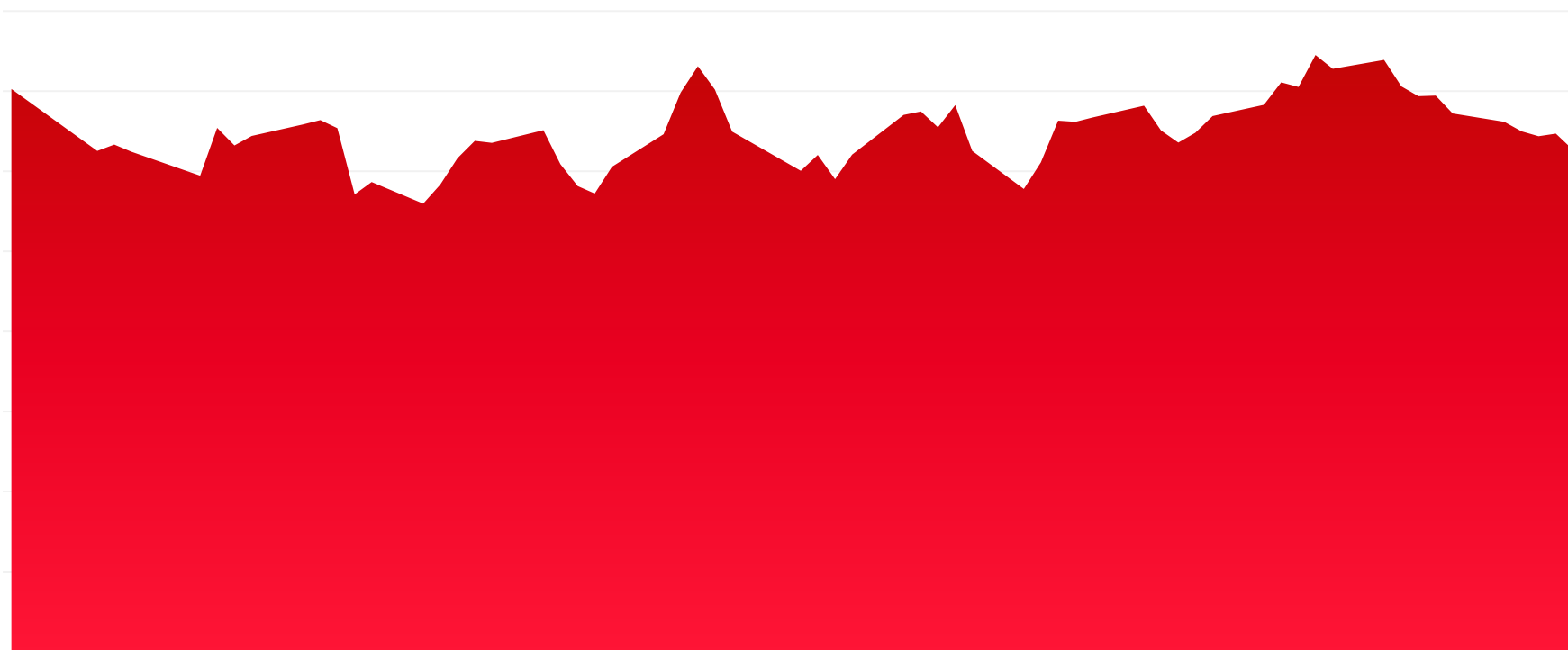
800

750

700

650

600



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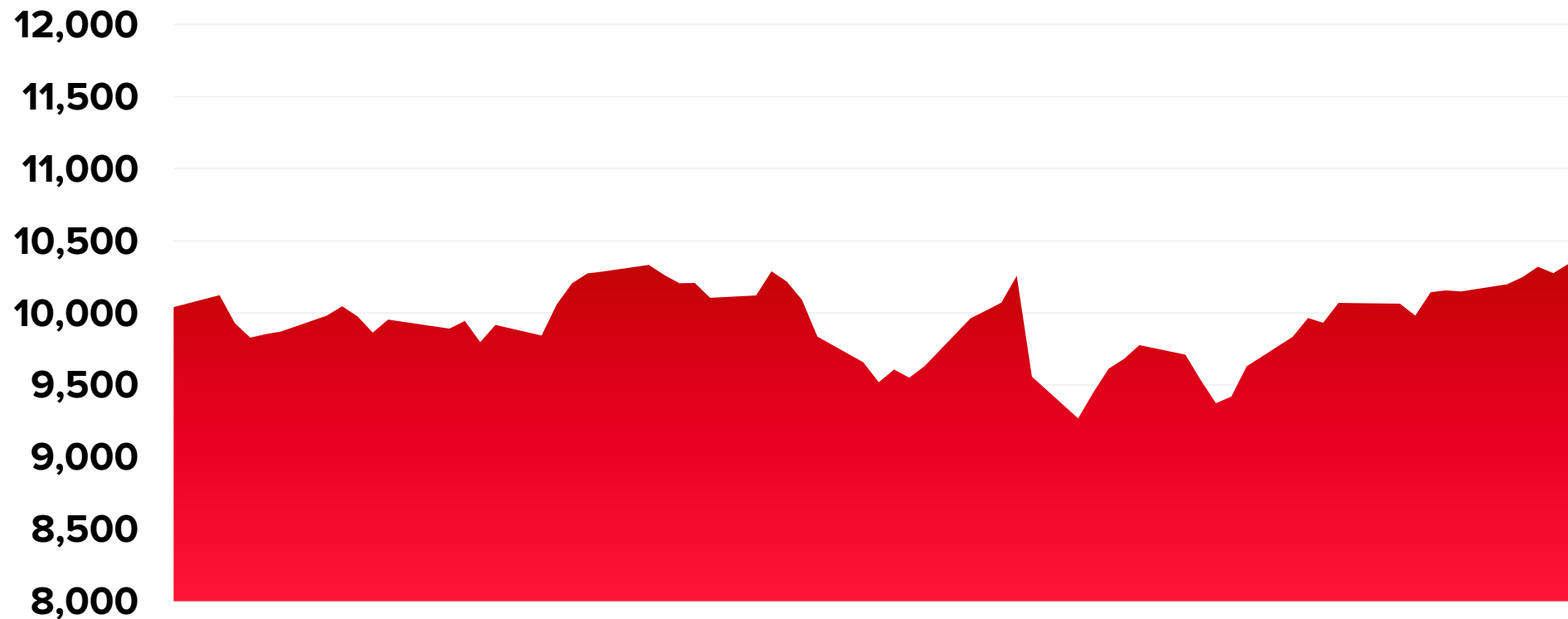
**THE MACRO SHOW**

HEDGEYE  
**TV**

**DAX**

**3MO**

**GERMAN STOCK INDEX**



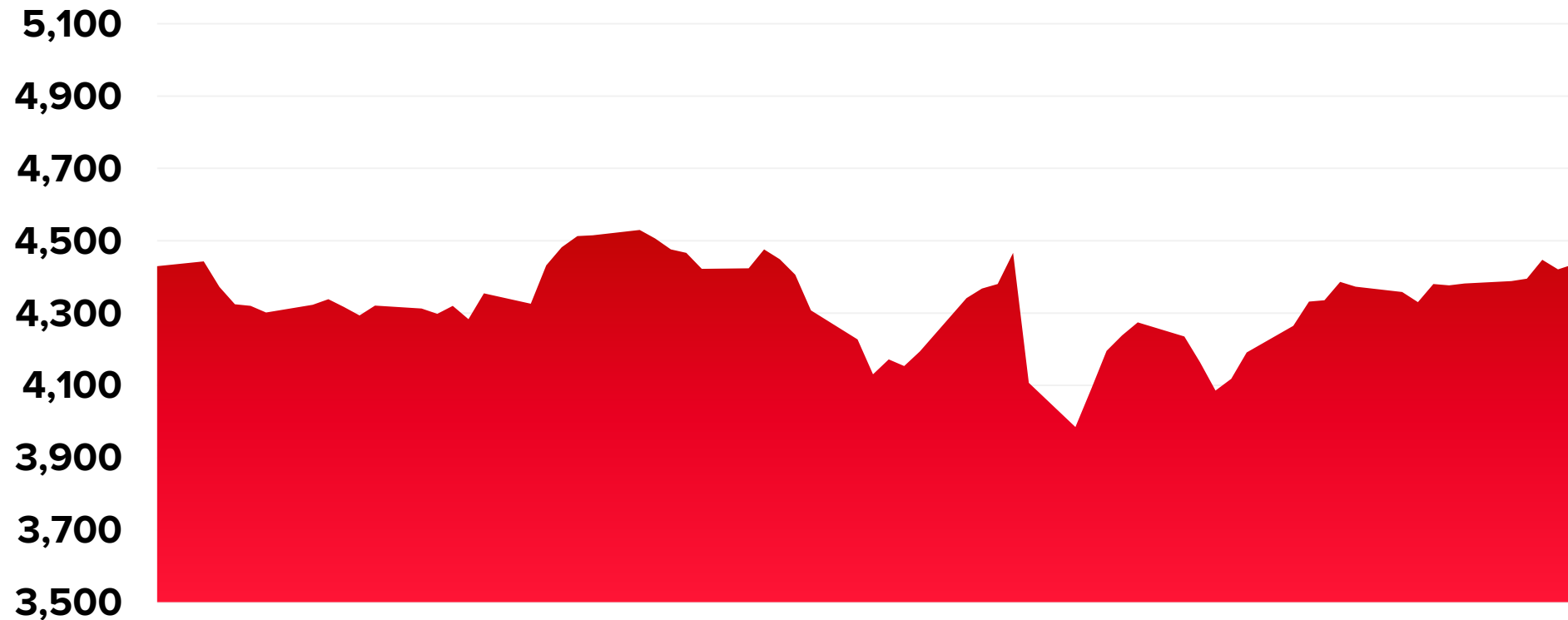
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# 3MO

# FRANCE CAC 40 INDEX



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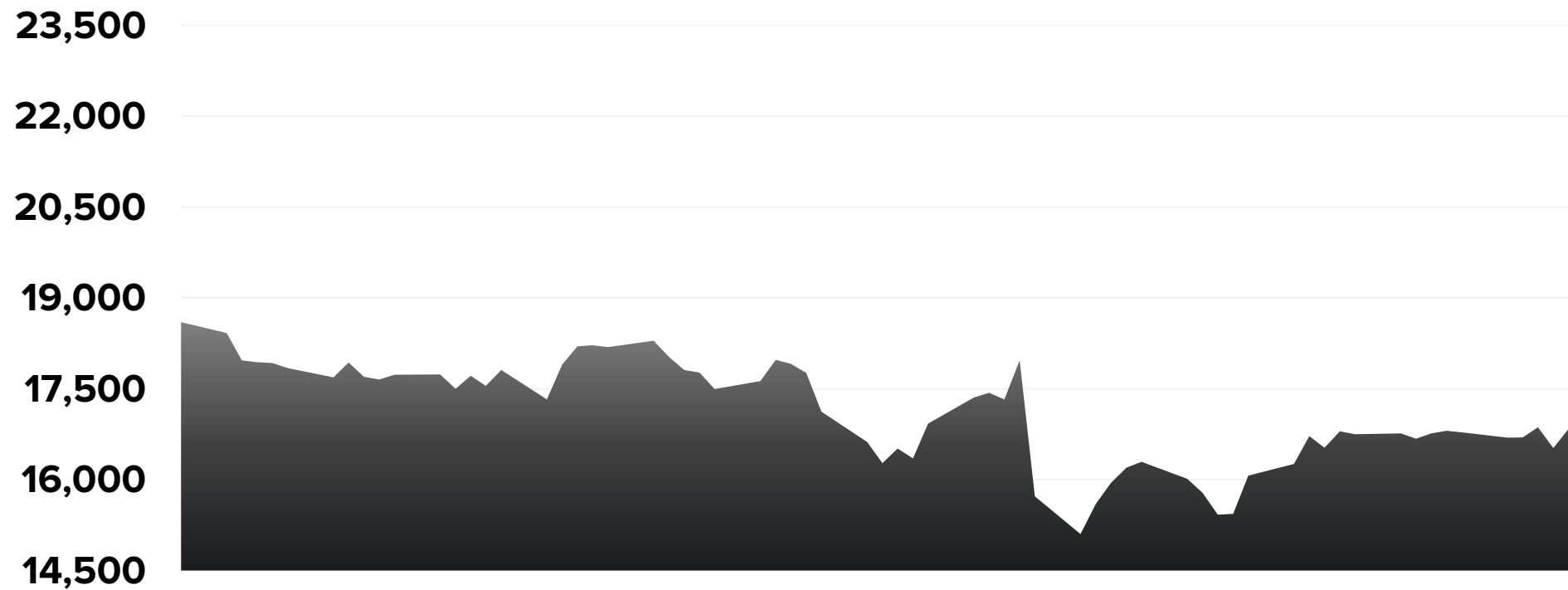
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**TV**

**FTSE MIB**

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**BORSA ITALIANA INDEX**



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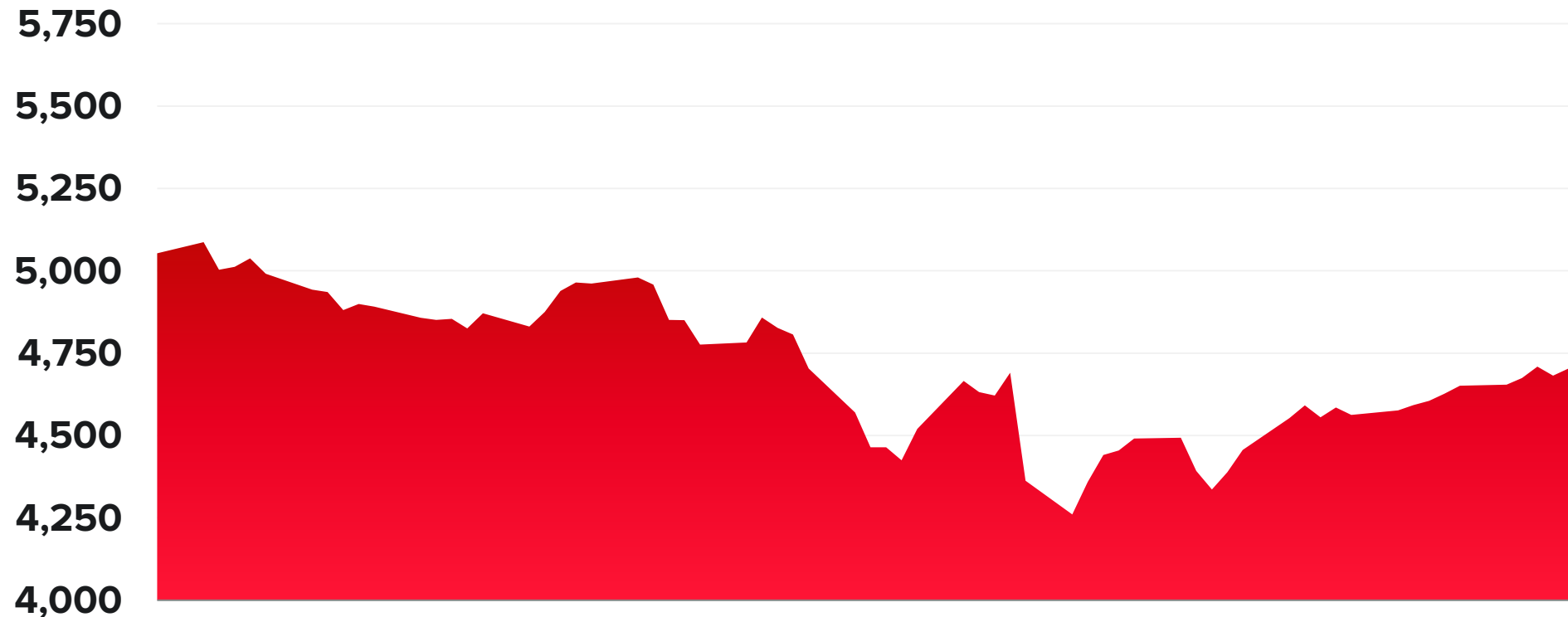
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**PSI 20**

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**PORTUGAL PSI 20 INDEX**



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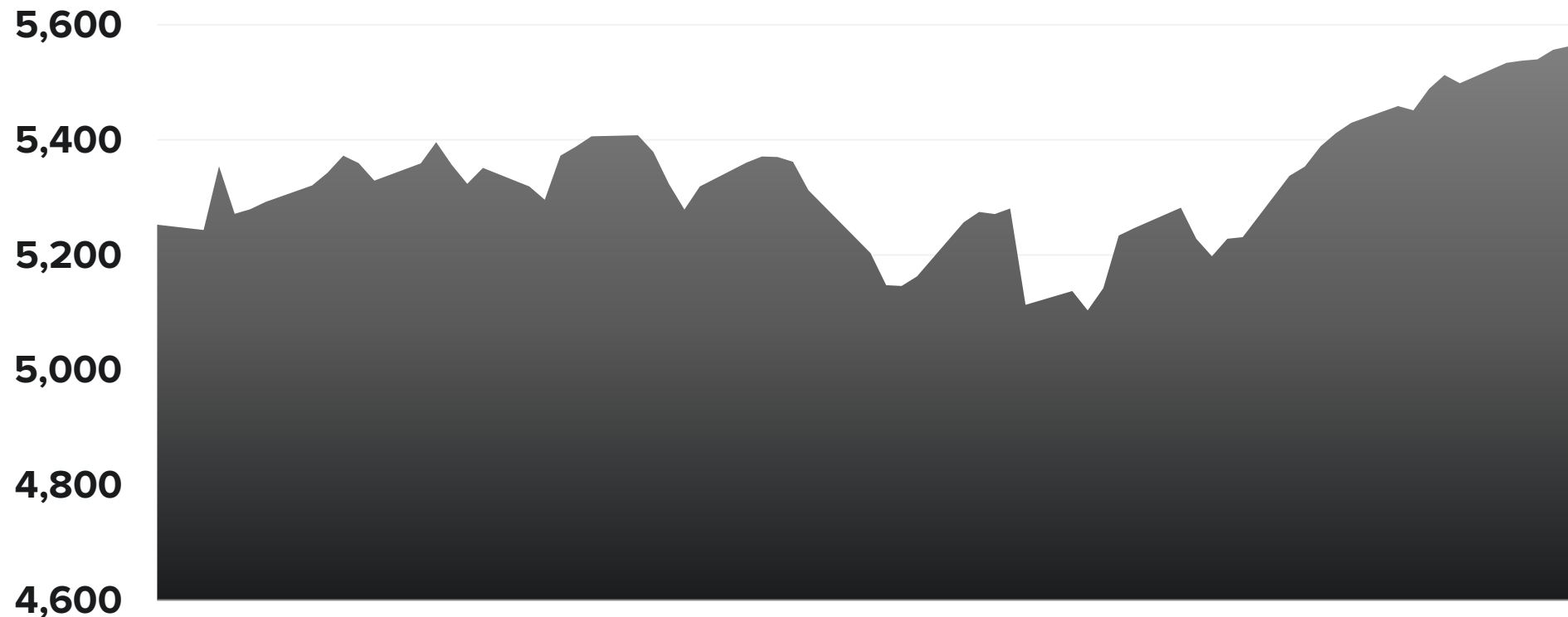
**THE MACRO SHOW**

HEDGEYE  
**TV**

**AS51**

**3MO**

**AUSTRALIA'S S&P/ASX 200 INDEX**



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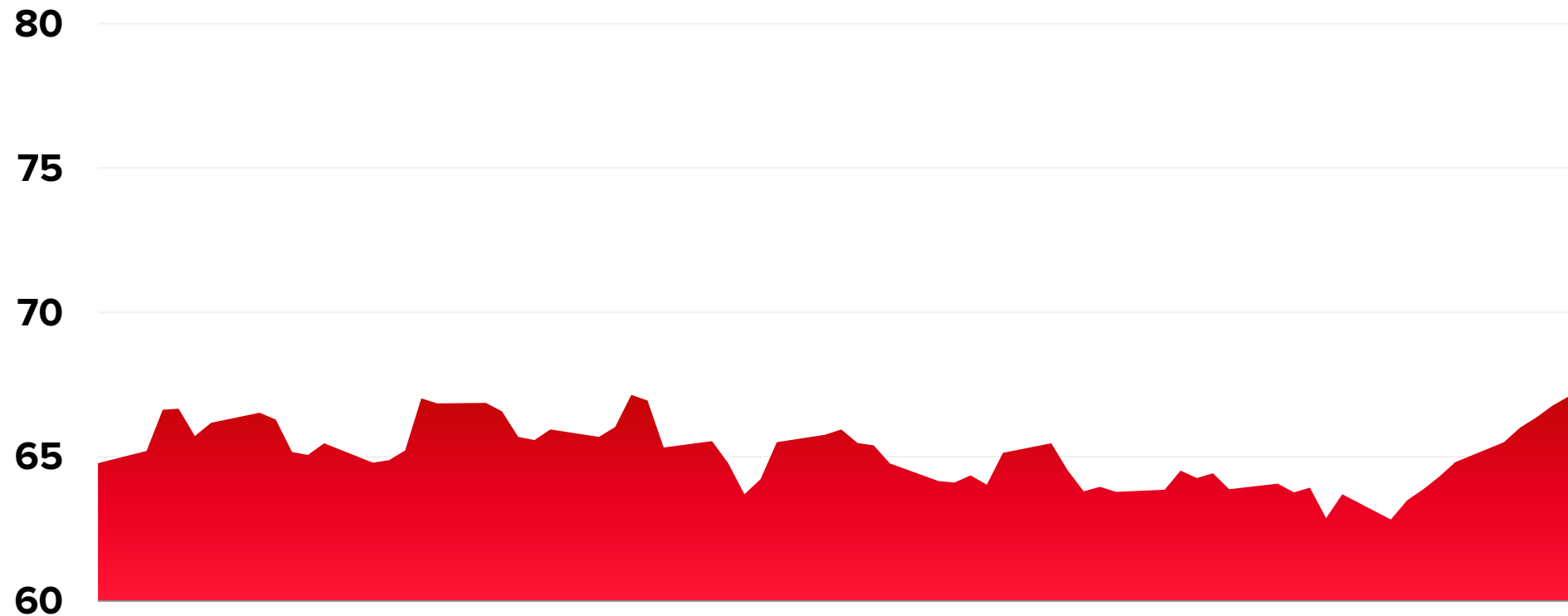
**THE MACRO SHOW**

HEDGEYE  
**TV**

**RUB**

**3MO**

**RUSSIAN RUBLE SPOT**





**COA**

**3YR**

**BRENT CRUDE OIL FUTURE**

55

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**THE MACRO SHOW**

HEDGEYE  
**TV**

**SPY**

**3YR**

**SPDR S&P 500 ETF TRUST**



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**THE MACRO SHOW**

HEDGEYE  
**TV**