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HEDGEYE ASSET ALLOCATION

| | CASH | U.S. EQUITIES | INT'L EQUITIES | COMMODITIES | FOREIGN EXCHANGE | FIXED INCOME |
|------------|------|------------------|-------------------|-------------|---------------------|-----------------|
| 11/22/2016 | 62 | 11 | 5 | 0 | 19 | 3 |
| 11/23/2016 | 60 | 12 | 5 | 0 | 20 | 3 |

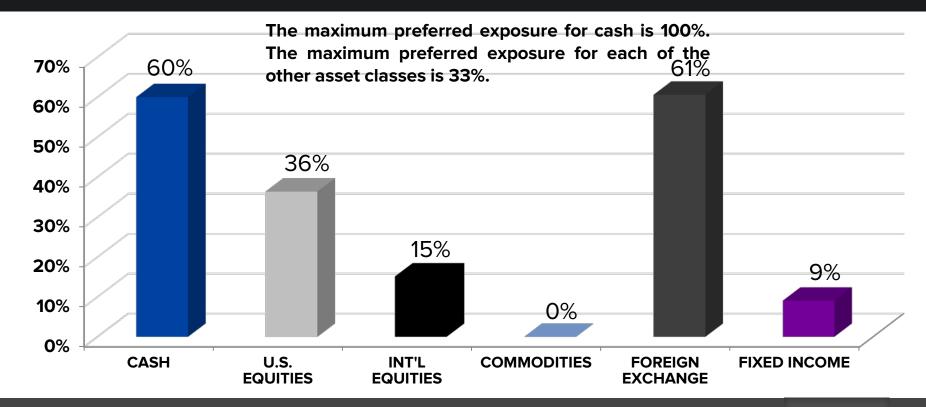
| | CASH | U.S. EQUITIES | INT'L EQUITIES | COMMODITIES | FOREIGN EXCHANGE | FIXED INCOME |
|------------|------|------------------|-------------------|-------------|---------------------|-----------------|
| 11/22/2016 | 62% | 33% | 15% | 0% | 58% | 9% |
| 11/23/2016 | 60% | 36% | 15% | 0% | 61% | 9% |

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

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HEDGEYE ASSET ALLOCATION



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RUSSELL 2000

2 ITALY

3 2YR YIELD

NEW YORK STOCK EXCHANGE

RUSSELL 2000

A very very happy Russell 2000 YTD return of +17.5% after closing at a record high 1334 yesterday; with #StrongDollar breaking out to 3 year highs and rates rising, being long U.S. domestic value (IWN) certainly makes sense. To put this move in context, the week pre #TrumpTrade, RUT was -2.0% at +2.4% YTD – this is one of the most epic short-term moves, ever.

ITALY

Not the upside down of the Russell as it's not crashing to the downside at the same rate the RUT is ripping to the upside, but Italy's MIB Index is down another -1% this morning taking it's crash from the 2015 bubble high to -32.1%; keep an eye on Italy's 10YR Yield which is up another +7bps this morning to +2.09% (that's up +72bps in a month).

2YR YIELD

Most eyes are on the UST move (2yr = 1.09%, up +27bps in the last month), but German 2s are hitting a record low of -0.74% this morning. Negative shorter-term yields in Europe remain a major reason why we're staying with the Euro on the short side; no #TrumpTrade for #EuropeSlowing and #StrongDollar is dominating.

MACRO GRIND

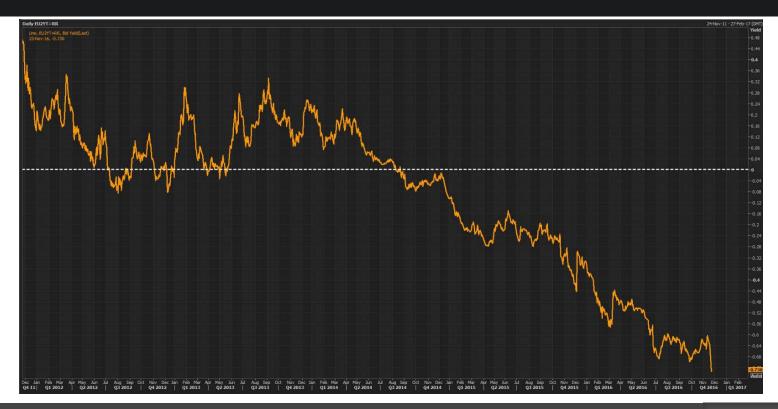
U.S. DOLLAR INDEX



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GERMAN 2YR YIELD



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FTSE MIB MILAN INDEX



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LONDON FINANCIAL TIMES INDEX



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AUSTRALIA ALL ORDS COMPOSITE

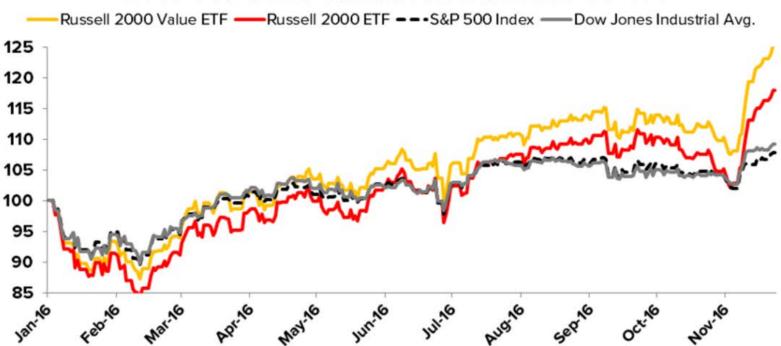


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PERFORMANCE CHASE: EVER-SHIFTING NARRATIVES

2016 YTD PERFORMANCE INDEXED TO 100



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At least 1/2 of each meeting we did with Institutional Investors in Chicago yesterday had to do with Trump's economic plans, probability of executing on them, timing, etc.

How would I summarize the meetings?

- Skeptically optimistic on taxes, de-regulation, and capital spending
- Convinced it's going to make the stock market great into year end
- Less convinced everything is great in 2017, especially if the labor market continues to slow

Keith McCullough HEDGEYE

THE MACRO SHOW

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S&P 500 REVENUES & EARNINGS COMPS

Q3 2016 QTD

| SECTOR | SALES GROWTH (% CHG) | EARNINGS GROWTH (% CHG) | #REPORTED |
|------------------------|----------------------|-------------------------|-----------|
| S&P 500 (Aggregate) | 2.2% | 2.9% | 487 / 499 |
| Energy | -14.9% | -62.5% | 36 / 36 |
| Materials | -1.1% | 5.4% | 26 / 26 |
| Industrials | 2.3% | -1.2% | 67 / 68 |
| Consumer Discretionary | 8.0% | 4.8% | 77 / 82 |
| Consumer Staples | 1.4% | 6.3% | 35 / 37 |
| Healthcare | 6.9% | 5.5% | 57 / 59 |
| Financials | 5.7% | 13.0% | 64 / 64 |
| Information Technology | -0.7% | 4.7% | 64 / 66 |
| Telecom | 0.6% | -1.5% | 5 / 5 |
| Utilities | 3.5% | 12.4% | 28 / 28 |
| Real Estate | 6.8% | 6.6% | 28 / 28 |

Source: BBG

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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 | \$82.70 | 1.19% | 5.89% | 5.81% |
| Financial Select Sector | XLF | \$22.25 | 0.04% | 12.72% | 14.98% |
| Health Care Select Sector | XLV | \$68.94 | -1.44% | 2.35% | -4.29% |
| Technology Select Sector | XLK | \$47.99 | 0.31% | 1.20% | 12.05% |
| Consumer Staples Select Sector | XLP | \$51.10 | 0.51% | -3.22% | 1.21% |
| Industrial Select Sector | XLI | \$61.91 | 0.45% | 8.22% | 16.79% |
| Materials Select Sector | XLB | \$49.19 | 0.61% | 5.22% | 13.29% |
| The Energy Select Sector | XLE | \$72.78 | -0.05% | 6.06% | 20.66% |
| Utilities Select Sector | XLU | \$46.96 | 0.38% | -5.00% | 8.50% |
| S&P 500 | SPX | 2,202.94 | 0.22% | 3.61% | 7.78% |

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HEDGEYE SECTOR RELATIVE PERFORMANCE

| | | | 1-Day % | MTD % | YTD % |
|--------------------------------|---------------|--------------|------------|--------|------------|
| | <u>Ticker</u> | <u>Price</u> | <u>Chg</u> | Chg | <u>Chg</u> |
| Consumer Discretionary | XLY | \$82.70 | 0.97% | 2.28% | -1.97% |
| Financial Select Sector | XLF | \$22.25 | -0.17% | 9.10% | 7.21% |
| Health Care Select Sector | XLV | \$68.94 | -1.66% | -1.27% | -12.07% |
| Technology Select Sector | XLK | \$47.99 | 0.10% | -2.41% | 4.27% |
| Consumer Staples Select Sector | XLP | \$51.10 | 0.29% | -6.83% | -6.57% |
| Industrial Select Sector | XLI | \$61.91 | 0.24% | 4.60% | 9.01% |
| Materials Select Sector | XLB | \$49.19 | 0.40% | 1.61% | 5.51% |
| The Energy Select Sector | XLE | \$72.78 | -0.27% | 2.45% | 12.88% |
| Utilities Select Sector | XLU | \$46.96 | 0.17% | -8.61% | 0.72% |

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HEDGEYE STYLE FACTOR PERFORMANCE

| | FACTOR | 1D % Chg | 1W % Chg | 1M % Chg | 3M % Chg | 6M % Chg | YTD % Chg |
|----------|-------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Ħ | High Debt/EV | 0.2% | 0.9% | 4.7% | 3.1% | 12.1% | 15.3% |
| 8 | Low Debt/EV | 0.4% | 1.1% | 2.8% | -0.7% | 6.5% | 8.6% |
| IS | High Short Interest | 0.3% | 1.0% | 5.1% | 2.9% | 13.1% | 11.9% |
| | Low Short Interest | 0.2% | 0.9% | 5.2% | 2.6% | 8.5% | 11.2% |
| BETA | High Beta | 0.2% | 1.2% | 8.4% | 9.0% | 19.7% | 18.5% |
| BE | Low Beta | 0.6% | 0.8% | -0.9% | -5.2% | 0.0% | 7.6% |
| YIELD | High Yield | 0.5% | 0.8% | 1.8% | -1.4% | 6.4% | 9.4% |
| ¥ | Low Yield | -0.1% | 0.7% | 2.6% | 0.5% | 9.0% | 10.8% |
| MKT | MCAP Bottom 25% | 0.1% | 0.4% | 4.7% | 1.2% | 8.6% | 9.1% |
| Σ δ | MCAP Top 25% | 0.2% | 1.0% | 4.1% | 2.9% | 9.1% | 10.5% |
| Sales | Top 25% Sales Growth | 0.0% | 1.5% | 2.5% | 0.9% | 7.6% | 12.2% |
| Sa | Bottom 25% Sales Growth | 0.5% | 0.6% | 5.9% | 2.7% | 11.8% | 11.5% |
| EPS | Top 25% EPS Growth | 0.2% | 1.1% | 3.4% | 1.6% | 9.0% | 12.1% |
| <u> </u> | Bottom 25% EPS Growth | 0.3% | 0.5% | 4.2% | 1.9% | 9.1% | 10.3% |

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

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HEDGEYE RATES & SPREADS

| | | 1D | 5D | 1M | 3M | vs. 52-V | Vk, Bps | vs. | vs. |
|--------------------|-------|---------|---------|---------|---------|----------|---------|--------|--------|
| | Price | Bps Chg | Bps Chg | Bps Chg | Bps Chg | High | Low | 3Y Ave | 5Y Ave |
| 3M T-Bill | 0.48% | 5.1 | 0.0 | 16 | 19 | -5 | 39 | 37 | 39 |
| 3M LIBOR | 0.92% | 0.0 | 1.4 | 4 | 9 | 0 | 53 | 51 | 53 |
| 2Y T-Note | 1.09% | 2.3 | 9.8 | 27 | 35 | -1 | 60 | 47 | 61 |
| 5Y T-Note | 1.78% | 0.7 | 11.7 | 53 | 64 | -5 | 89 | 29 | 52 |
| 10Y T-Note | 2.31% | -0.3 | 9.3 | 58 | 77 | -5 | 99 | 13 | 20 |
| 30Y T-Note | 3.00% | 0.6 | 4.3 | 51 | 76 | -11 | 91 | 5 | -3 |
| 2Y-10Y Spread, Bps | 122 | -2.6 | -0.5 | 31.0 | 42 | -4 | 40 | -34 | -41 |
| IG SPREAD (AAABBB) | 1.61% | 0.0 | 0.0 | 3 | -3 | -69 | 8 | -8 | -20 |
| HIGH YIELD | 6.58% | 0.0 | -5.0 | 31 | 31 | -274 | 43 | -3 | -8 |
| 5Y BREAKEVEN | 1.77% | 0.9 | 7.3 | 17.6 | 42.4 | -0.4 | 91.2 | 21.5 | 5.3 |
| | | | | | | | | | |

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CFTC NON-COMMERCIAL NET LONG POSITIONING

| | | | | | Z-5 | Score | |
|----------------------|-----------|----------|-----------|----------|----------|------------|--------|
| METRIC | Latest 7 | W/W Chg | 3M Ave | 6M Ave | 1Y Ave | 1 Y | 3Y |
| SPX (Index + E-mini) | 9,690 | (30,449) | 89,623 | 92,267 | (11,121) | 0.16X | 0.34X |
| Russell 2000 (mini) | 19,000 | 38,775 | 9,633 | (4,686) | (28,937) | 1.68X | 1.94X |
| 10Y Treasury | (15,838) | 53,220 | 69,185 | 57,422 | 20,607 | -0.48X | 0.26X |
| CRUDE OIL | 332,162 | 4,456 | 378,513 | 362,110 | 326,853 | 0.08X | -0.10X |
| GOLD | 132,064 | (44,310) | 203,152 | 222,321 | 156,981 | -0.25X | 0.42X |
| COPPER | 44,770 | 5,287 | (1,832) | (10,534) | (17,150) | 3.22X | 3.85X |
| \$USD | 48,278 | (3,871) | 30,053 | 21,570 | 25,229 | 1.55X | 0.66X |
| JPY | 17,245 | (10,688) | 48,940 | 45,248 | 35,646 | -0.51X | 0.88X |
| EUR | (120,940) | 13,707 | (105,441) | (93,460) | (90,740) | -0.70X | -0.40X |
| GBP | (77,002) | 9,714 | (83,744) | (71,719) | (53,435) | -0.96X | -1.63X |

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MARKET SHARE VOLUME & TOTAL VALUE TRADED

| INDEX/SECURITY | VOLUME: (11/22) vs. | | | | | | | |
|-------------------------|---------------------|--------|--------|--------|--|--|--|--|
| | Prior Day | 1M Ave | 3M ave | 1Y Ave | | | | |
| Total Market Volume* | 9% | -5% | 16% | 22% | | | | |
| Total Exchange Volume** | 8% | -8% | 3% | -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 (| Corre | lation |
|-------|---------|-------|-------|--------|
|-------|---------|-------|-------|--------|

| METRIC | 15D | 30D | 90D | 120D | 180D | High | Low | % Time Pos | % Time Neg |
|-----------|-------|-------|-------|-------|-------|--------------|-------|------------|------------|
| SPX | 0.92 | 0.90 | -0.15 | 0.22 | 0.46 | 0.90 | -0.91 | 40% | 60% |
| BRENT Oil | 0.53 | -0.20 | 0.22 | 0.00 | 0.18 | 0 .77 | -0.78 | 39% | 61% |
| CRB Index | 0.90 | 0.73 | 0.09 | 0.00 | -0.30 | 0.73 | -0.89 | 16% | 84% |
| GOLD | -0.97 | -0.90 | -0.88 | -0.61 | -0.11 | 0.90 | -0.92 | 23% | 77% |

^{*}Days = Trading Days