THE MACRO SHOW

APRIL 17, 2017

LEGAL

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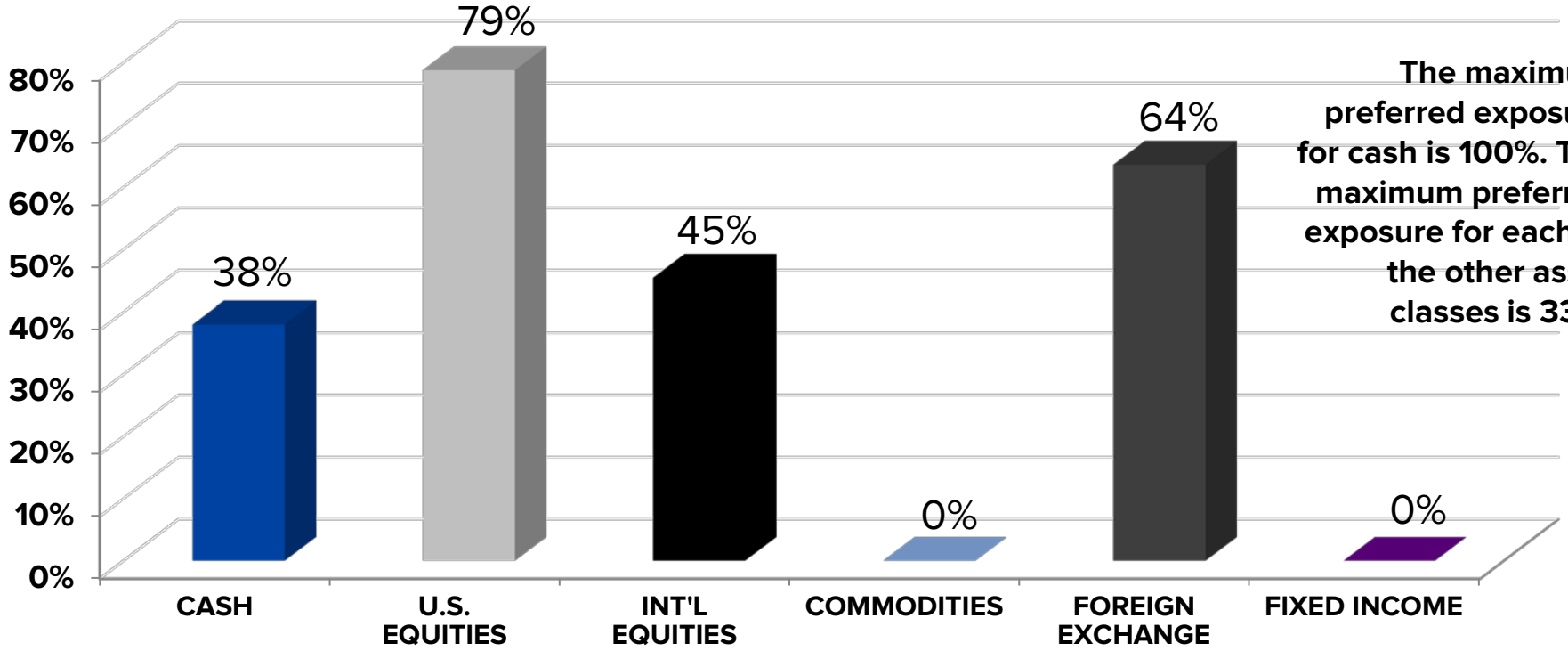
HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/13/2017	39	25	16	0	20	0
4/17/2017	38	26	15	0	21	0

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/13/2017	39%	76%	48%	0%	61%	0%
4/17/2017	38%	79%	45%	0%	64%	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



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1 YEN

2 COPPER

3 10YR YIELDS

YEN

Big @Hedgeye TREND reversal potentially in play here with the Yen +2.3% last week vs. USD and back above 111 TREND support. Gold looks the same, back to bullish TREND (what was resistance is currently support at $1234/oz).

COPPER

Copper was hammered for a -2.9% last week and this fits one of our Top 3 Macro Themes right now (***Reflation's Rollover***, short XME). We underestimated how many were hawkish on bond yields due to "reflation"… so with that losing its momentum, we guess we'll need time/space to move towards real growth (Quad1 not Quad2) expectations developing.

10YR YEILDS

Euro Yields smashed while Keith was away and JGB 10YR Yield is back down to 0.00% (Yen Up, Nikkei Down) and now we have a UST 10YR Yield which is bearish TRADE (2.37% resistance), but bullish TREND (2.06% support). Again, we think time/space needed for real growth expectations (Quad1) to take over from reflation trade charts.

MACRO GRIND

RUSSIAN TRADING SYSTEM

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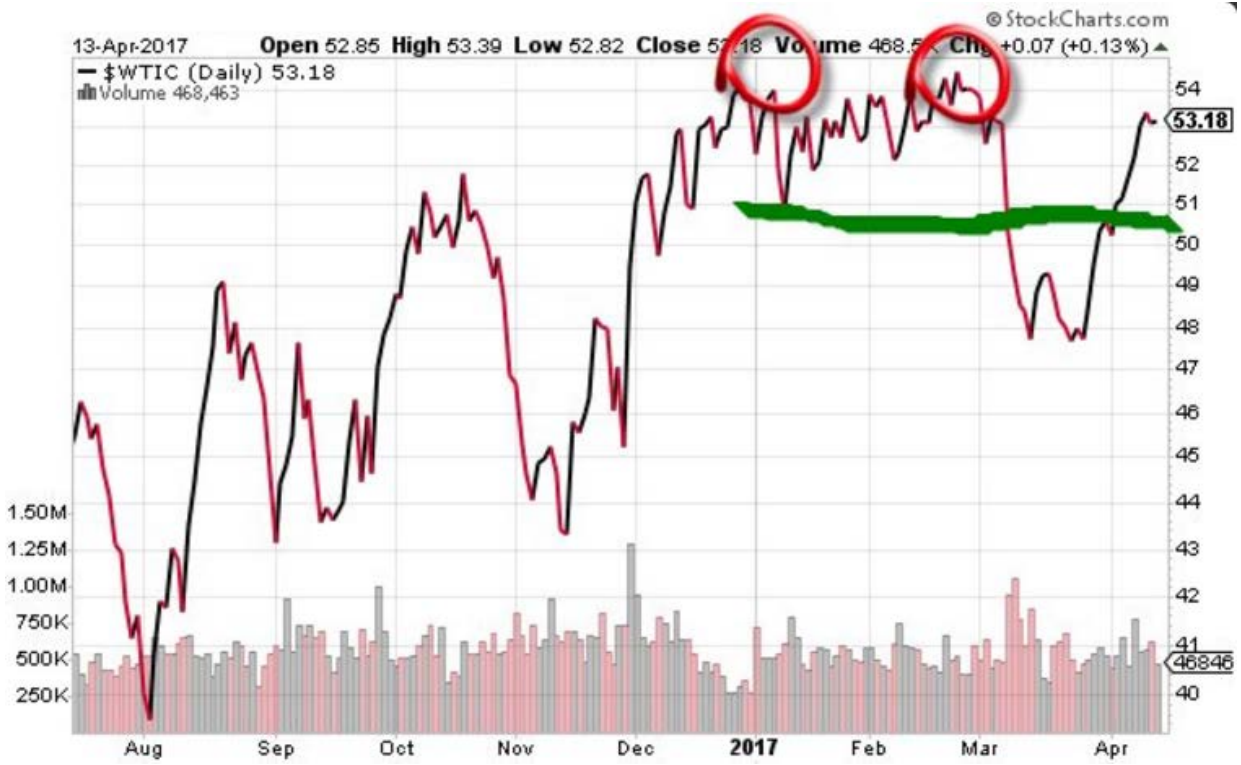
LIGHT CRUDE OIL



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COPPER – CONTINUOUS CONTRACT

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GOLD – CONTINUOUS CONTRACT

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10-YEAR U.S. TREASURY YIELD INDEX

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SHANGHAI STOCK EXCHANGE COMP

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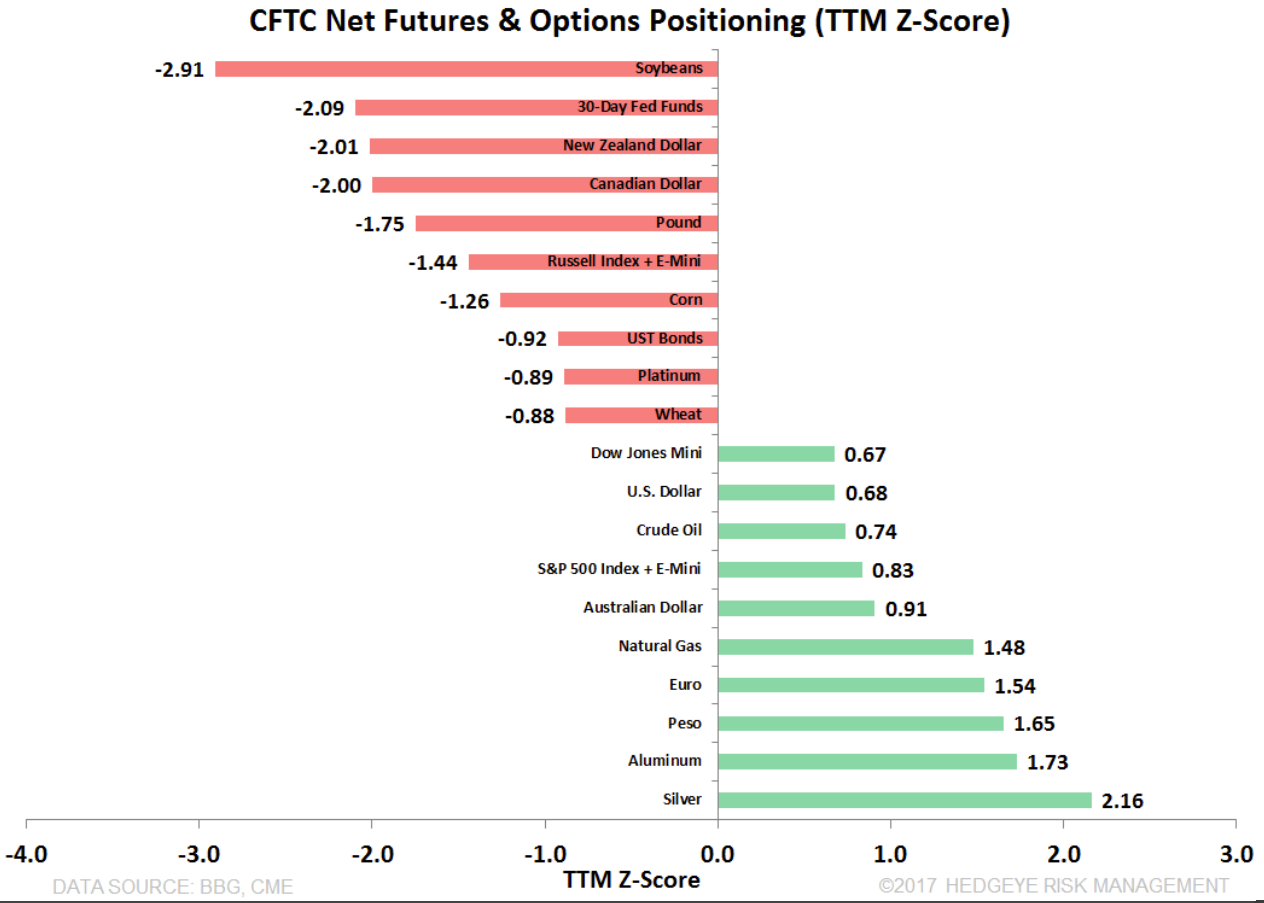
S&P REV. & EARNINGS COMPS & SCORECARD

Q1 2017 QTD

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	3.5%	9.9%	28 / 498
Energy	0.0%	0.0%	0 / 33
Materials	12.0%	32.0%	1 / 25
Industrials	9.4%	-25.6%	5 / 67
Consumer Discretionary	0.8%	-0.2%	7 / 81
Consumer Staples	-4.5%	4.1%	5 / 37
Healthcare	0.0%	0.0%	0 / 59
Financials	3.5%	8.8%	4 / 65
Information Technology	12.3%	34.7%	6 / 67
Telecom	0.0%	0.0%	0 / 4
Utilities	0.0%	0.0%	0 / 28
Real Estate	0.0%	0.0%	0 / 31

Source: BBG



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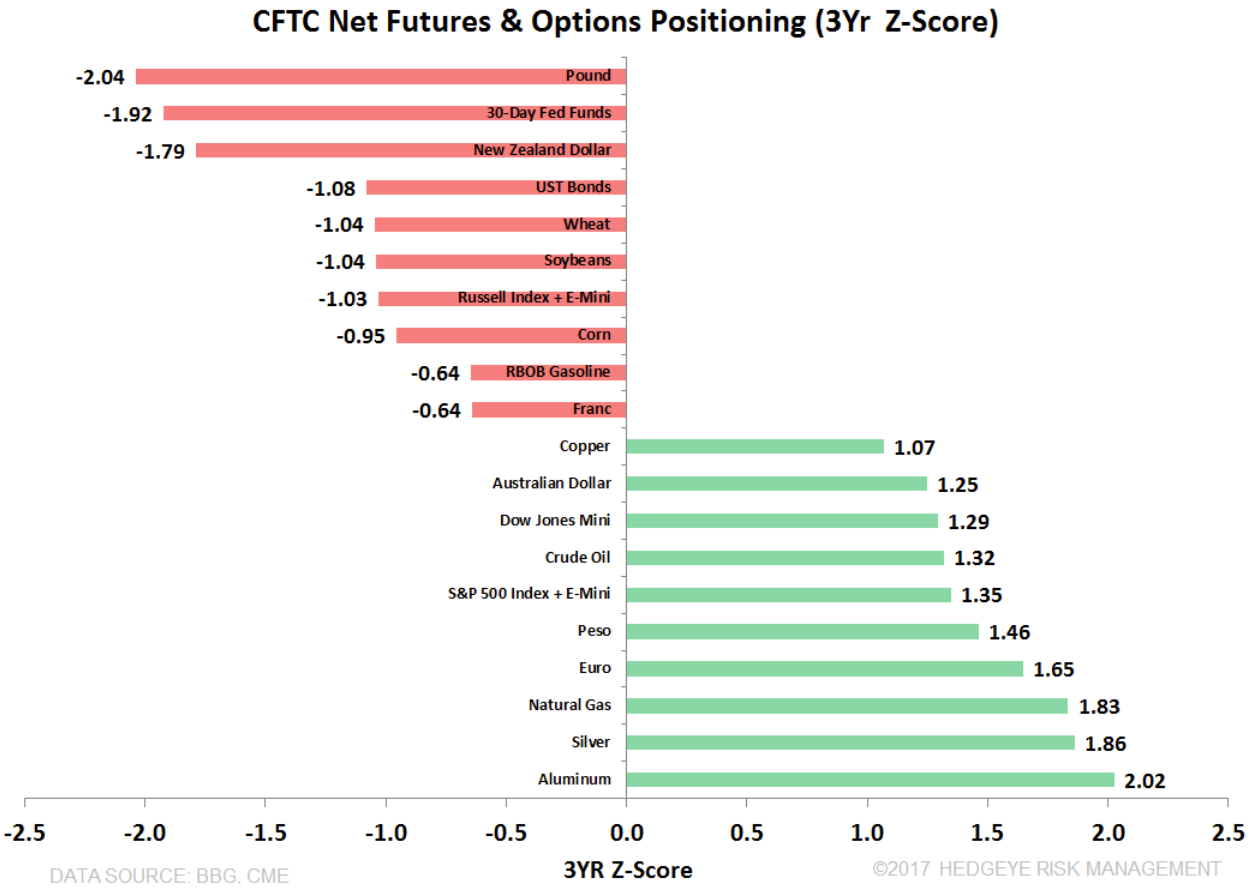
CFTC Net Futures & Options Positioning (3Yr Z-Score)
-2.04 Pound
-1.92 30-Day Fed Funds
-1.79 New Zealand Dollar
-1.08 UST Bonds
-1.04 Wheat
-1.04 Soybeans
-1.03 Russell Index + E-Mini
-0.95 Corn
-0.64 RBOB Gasoline
-0.64 Franc
Copper 1.07
Australian Dollar 1.25
Dow Jones Mini 1.29
Crude Oil 1.32
S&P 500 Index + E-Mini 1.35
Peso 1.46
Euro 1.65
Natural Gas 1.83
Silver 1.86
Aluminum 2.02
-2.5 -2.0 -1.5 -1.0 -0.5 0.0 0.5 1.0 1.5 2.0 2.5
3YR Z-Score
DATA SOURCE: BBG, CME
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	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	6.2%	6.8%	7.0%	13.0%	23.8%	32.4%	19.0%	SPX	112.4%	2.47	3.33	81.3%	2.18	2.80	79.1%	2.48	2.95
Russell 2000	RTY	13.8%	14.0%	14.1%	18.4%	14.9%	17.2%	10.6%	RTY	38.1%	1.45	1.58	26.9%	1.35	1.10	26.0%	1.63	1.01
Nasdaq 100	NDX	6.8%	6.9%	7.6%	13.9%	19.0%	21.9%	6.4%	NDX	110.8%	2.46	3.41	98.7%	2.86	3.74	85.5%	3.36	3.89
USD Index	UUP	6.6%	6.5%	7.5%	9.5%	14.3%	15.0%	11.3%	UUP	45.6%	1.39	1.25	32.7%	0.90	0.84	8.7%	-0.30	-0.21
Consumer Discret.	XLY	6.7%	7.1%	8.4%	11.9%	9.3%	6.9%	-5.4%	XLY	75.0%	1.71	2.41	78.6%	2.47	3.14	54.9%	2.22	2.56
Financials	XLF	12.9%	14.8%	14.5%	19.0%	10.9%	16.3%	9.9%	XLF	55.2%	1.52	1.89	24.4%	0.70	0.88	30.7%	1.84	1.38
Healthcare	XLV	7.3%	8.7%	9.0%	13.0%	8.4%	7.6%	-6.1%	XLV	83.5%	2.45	3.11	48.4%	2.04	2.38	46.1%	2.51	2.67
Technology	XLK	6.6%	7.3%	8.3%	13.5%	13.1%	17.0%	4.9%	XLK	125.8%	3.13	4.18	87.6%	2.87	3.51	66.4%	3.24	3.23
Consumer Staples	XLP	5.1%	6.6%	7.7%	10.8%	10.9%	10.1%	-2.0%	XLP	111.0%	3.47	4.12	59.2%	2.85	3.04	42.2%	2.20	2.09
Utilities	XLU	10.5%	11.4%	11.8%	13.5%	2.9%	0.9%	-10.1%	XLU	32.9%	2.08	2.27	16.3%	1.43	1.63	12.0%	1.51	1.52
Energy	XLE	15.4%	15.1%	13.9%	18.0%	7.3%	8.6%	-1.5%	XLE	20.8%	0.76	0.77	25.5%	1.76	1.21	33.2%	3.01	1.68
Energy	XOP	26.9%	25.0%	22.9%	29.3%	6.0%	9.1%	-1.6%	XOP	10.9%	0.20	0.38	24.4%	1.59	1.45	30.9%	3.30	2.01
Materials	XLB	11.1%	11.8%	11.3%	16.3%	18.8%	22.4%	13.9%	XLB	49.4%	1.52	1.48	32.2%	1.22	1.12	39.0%	1.89	1.56
Industrials	XLI	9.6%	10.1%	10.1%	15.6%	19.2%	25.5%	17.1%	XLI	64.4%	1.74	2.25	48.3%	1.77	2.03	49.1%	2.47	2.41
Transports	IYT	13.8%	14.9%	14.5%	19.1%	14.5%	13.6%	10.3%	IYT	37.0%	0.74	1.22	33.5%	0.95	1.36	36.3%	1.33	1.72
WTI Crude Oil	USO	24.7%	21.4%	22.8%	24.0%	-9.5%	-10.9%	-22.9%	USO	-9.5%	-0.55	-0.64	30.4%	1.78	1.17	19.7%	1.85	0.68
Natural Gas	UNG	29.7%	36.0%	44.3%	34.6%	-2.2%	-12.0%	-21.6%	UNG	15.6%	1.00	0.17	-5.8%	-0.29	-0.62	-21.6%	-1.23	-1.11
Gold	GLD	9.9%	10.0%	10.7%	15.3%	21.8%	19.0%	9.2%	GLD	59.9%	2.94	2.51	45.8%	2.72	2.26	32.0%	2.15	1.64
Silver	SLV	16.3%	17.0%	18.8%	20.6%	7.0%	1.2%	-9.0%	SLV	28.5%	1.64	0.47	20.1%	1.73	0.35	8.9%	0.60	-0.17
Copper	JJC	20.8%	24.1%	24.1%	18.8%	-12.5%	-19.2%	-25.0%	JJC	-8.8%	-0.37	-0.48	-16.0%	-0.71	-0.88	-11.7%	-0.71	-0.87
Corn	CORN	12.1%	14.0%	13.6%	18.1%	-4.2%	-0.4%	-0.7%	CORN	48.1%	2.02	1.24	49.6%	2.05	1.59	62.0%	2.14	2.10
Soybeans	SOYB	8.4%	11.8%	14.3%	18.5%	-5.9%	-10.2%	-11.6%	SOYB	121.5%	2.25	1.34	34.4%	-0.06	-0.12	1.8%	-0.63	-0.69
Wheat	WEAT	15.8%	18.2%	18.3%	28.5%	-7.3%	-1.5%	-4.2%	WEAT	77.8%	0.38	0.29	47.7%	-0.18	-0.01	42.5%	-0.26	0.04

*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	$86.55	-0.70%	-1.59%	6.33%
Financial Select Sector	XLF	$22.90	-1.29%	-3.50%	-1.51%
Health Care Select Sector	XLV	$73.98	-0.26%	-0.51%	7.31%
Technology Select Sector	XLK	$52.37	-0.40%	-1.76%	8.29%
Consumer Staples Select Sector	XLP	$54.84	-0.45%	0.48%	6.05%
Industrial Select Sector	XLI	$64.02	-0.71%	-1.60%	2.89%
Materials Select Sector	XLB	$51.31	-0.97%	-2.10%	3.24%
The Energy Select Sector	XLE	$69.31	-1.83%	-0.84%	-7.98%
Utilities Select Sector	XLU	$51.68	-0.33%	0.72%	6.40%
S&P 500	SPX	2,328.95	-0.68%	-1.43%	4.03%

HEDGEYE SECTOR RELATIVE PERFORMANCE

	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$86.55	-0.02%	-0.16%	2.30%
Financial Select Sector	XLF	$22.90	-0.61%	-2.07%	-5.53%
Health Care Select Sector	XLV	$73.98	0.43%	0.92%	3.29%
Technology Select Sector	XLK	$52.37	0.28%	-0.33%	4.27%
Consumer Staples Select Sector	XLP	$54.84	0.23%	1.91%	2.03%
Industrial Select Sector	XLI	$64.02	-0.03%	-0.17%	-1.13%
Materials Select Sector	XLB	$51.31	-0.28%	-0.67%	-0.79%
The Energy Select Sector	XLE	$69.31	-1.15%	0.59%	-12.00%
Utilities Select Sector	XLU	$51.68	0.35%	2.15%	2.38%

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	-0.9%	-1.4%	-2.0%	1.0%	10.9%	2.8%
	Low Debt/EV	-0.6%	-1.0%	-2.3%	1.8%	7.6%	4.5%
SI	High Short Interest	-0.9%	-1.4%	-2.0%	-2.5%	4.3%	-1.3%
	Low Short Interest	-0.7%	-1.1%	-2.6%	2.5%	11.5%	4.6%
BETA	High Beta	-1.1%	-2.4%	-3.6%	-1.0%	13.3%	2.0%
	Low Beta	-0.4%	0.0%	-0.2%	4.8%	6.7%	5.2%
YIELD	High Yield	-0.7%	-0.5%	-1.3%	0.1%	3.7%	0.2%
	Low Yield	-0.7%	-1.4%	-2.0%	0.8%	9.1%	4.5%
MKT CAP	MCAP Bottom 25%	-0.9%	-1.5%	-2.6%	-2.8%	4.1%	-1.4%
	MCAP Top 25%	-0.6%	-1.2%	-2.7%	2.4%	11.1%	4.4%
Sales	Top 25% Sales Growth	-0.8%	-1.6%	-1.2%	1.4%	10.6%	4.4%
	Bottom 25% Sales Growth	-0.7%	-0.9%	-2.3%	0.1%	5.1%	1.0%
EPS	Top 25% EPS Growth	-1.0%	-1.7%	-1.0%	0.4%	10.9%	3.8%
	Bottom 25% EPS Growth	-0.6%	-0.6%	-1.8%	0.4%	4.4%	0.7%

**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	0.80%	0.0	-1.0	4	28	-3	64	62	67
3M LIBOR	1.16%	0.0	0.1	2	14	0	53	65	73
2Y T-Note	1.21%	0.4	-8.1	-17	1	-19	71	47	65
5Y T-Note	1.77%	0.2	-15.1	-36	-13	-38	88	24	43
10Y T-Note	2.24%	-0.2	-14.5	-36	-16	-40	92	10	9
30Y T-Note	2.89%	0.6	-11.6	-28	-10	-32	80	3	-13
2Y-10Y Spread, Bps	103	-0.6	-6.4	-19.2	-17	-21	21	-37	-56
IG SPREAD (AAABBB)	1.55%	-3.0	1.0	1	3	-45	10	-14	-19
HIGH YIELD	5.67%	0.0	0.8	-55	-48	-195	4	-98	-86
5Y BREAKEVEN	1.86%	-1.4	-4.4	-10.5	-5.6	-21.3	61.2	30.3	14.3

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)	125,803	9,556	79,971	31,755	59,085	*0.83X*	*1.40X*
Russell 2000 (mini)	(56,645)	(2,547)	9,367	25,793	5,564	*-1.44X*	*-1.00X*
10Y Treasury	(23,756)	(7,358)	(224,166)	(191,302)	(76,446)	*0.30X*	*0.30X*
CRUDE OIL	477,196	14,636	518,727	473,061	417,434	*0.74X*	*1.51X*
GOLD	140,407	24,802	84,957	93,574	163,511	*-0.29X*	*0.52X*
COPPER	25,866	(976)	37,461	37,071	10,119	*0.49X*	*1.36X*
$USD	44,298	1,384	46,402	49,503	31,733	*0.68X*	*0.26X*
JPY	(34,432)	15,632	(58,418)	(39,157)	5,905	*-0.73X*	*-0.06X*
EUR	(14,332)	(3,985)	(35,983)	(69,548)	(71,758)	*1.54X*	*1.58X*
GBP	(107,605)	(3,381)	(82,186)	(76,858)	(70,582)	*-1.75X*	*-2.03X*

MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (4/13) vs.			
	Prior Day	1M Ave	3M ave	1Y Ave
Total Market Volume*	22%	30%	32%	81%
Total Exchange Volume**	-1%	-7%	-9%	-10%
Total Traded Value (R3K)***	-5%	-19%	-17%	-15%

*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

METRIC	15D	30D	90D	120D	180D	52-Wk Rolling 30D Correlation			
						High	Low	% Time Pos	% Time Neg
SPX	0.06	0.41	-0.39	0.33	0.66	*0.95*	*-0.75*	*54%*	*46%*
BRENT Oil	0.84	0.41	0.31	0.54	0.69	*0.77*	*-0.78*	*56%*	*44%*
CRB Index	-0.57	-0.09	-0.57	0.54	0.75	*0.83*	*-0.86*	*33%*	*67%*
GOLD	0.23	-0.52	-0.74	-0.76	-0.91	*0.90*	*-0.97*	*17%*	*83%*

**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	$55.89	0.05%	1.18%	9.76%	0.79%	5.1%	-1.0%	-4%	39%
Gold	$1,288	0.09%	2.66%	7.41%	7.57%	2.9%	12.0%	-6%	15%
VIX	$15.96	1.20%	24.01%	29.76%	42.12%	29.0%	13.7%	-40%	60%