THE MACRO SHOW

JANUARY 17, 2017

LEGAL

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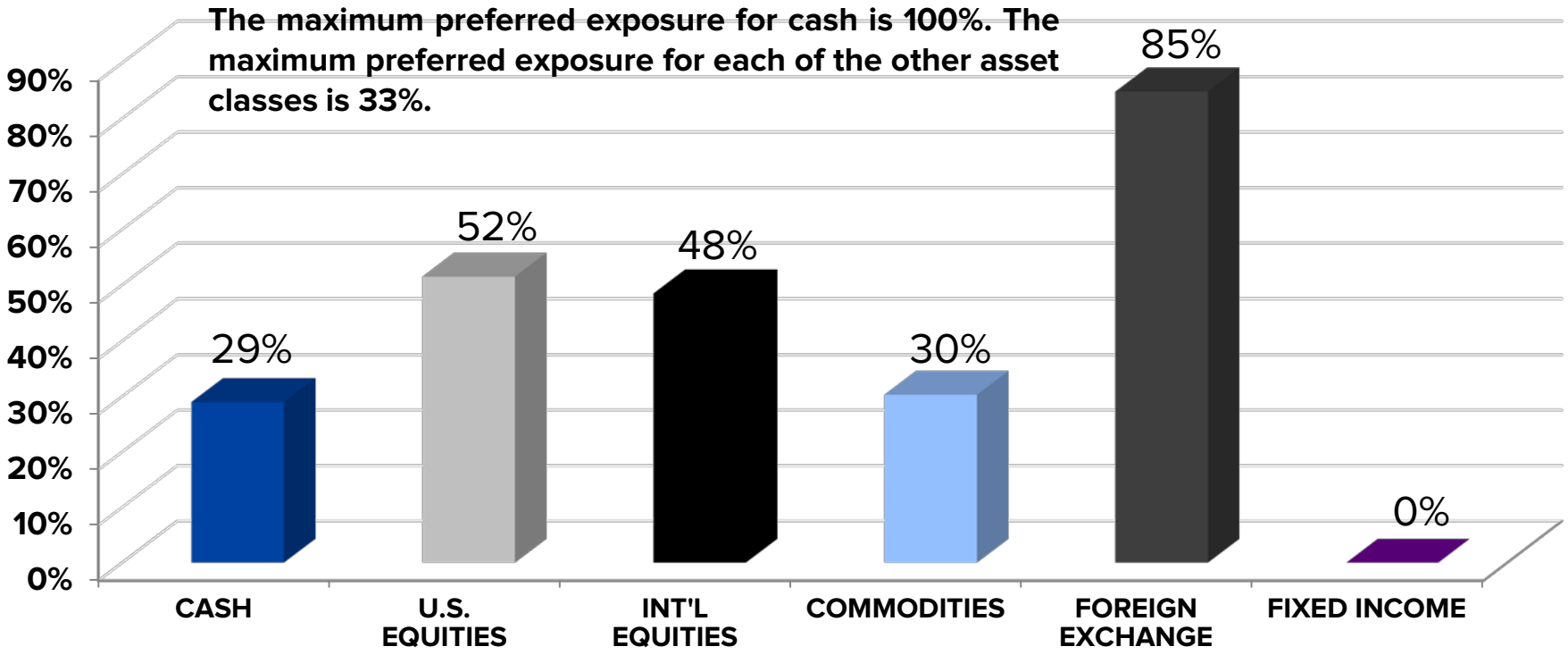
HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
1/13/2017	29	19	14	11	27	0
1/17/2017	29	17	16	10	28	0

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
1/13/2017	29%	58%	42%	33%	82%	0%
1/17/2017	29%	52%	48%	30%	85%	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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HEDGEYE TV

1 USD

2 UST 10YR

3 JAPAN

USD

Here we go – Trump drops some #FakeNews of his own calling the U.S. Dollar “too strong”…Unfortunately for the Tweeter in Chief, his daily voting machine (the stock market) has a +0.82 correlation to a #StrongDollar, so now he can advise himself what his “news” did = Dollar Down, Rates Down, Stocks Down.

UST 10YR

The UST 10YR drops a surprising -7 bps to 2.33% on the Trump “news”, after ramping up to +2.42% on non #FakeNews about U.S. economic growth accelerating last week (PPI, Retail Sales, and Consumer Confidence). We’ll get more U.S. growth and inflation accelerating news with the CPI and Industrial Production reports on Wednesday.

JAPAN

Japan isn't so happy with Trump’s comments either. Dollar Down, Yen Up +0.8%, Nikkei -1.5%; but we’re cool with it as we’ve been waiting for an oversold signal in both Japanese and German Equities. Most Trump tweets/comments (Lockheed, Biotech, etc.) result in short-term drops that are actually buying opportunities.

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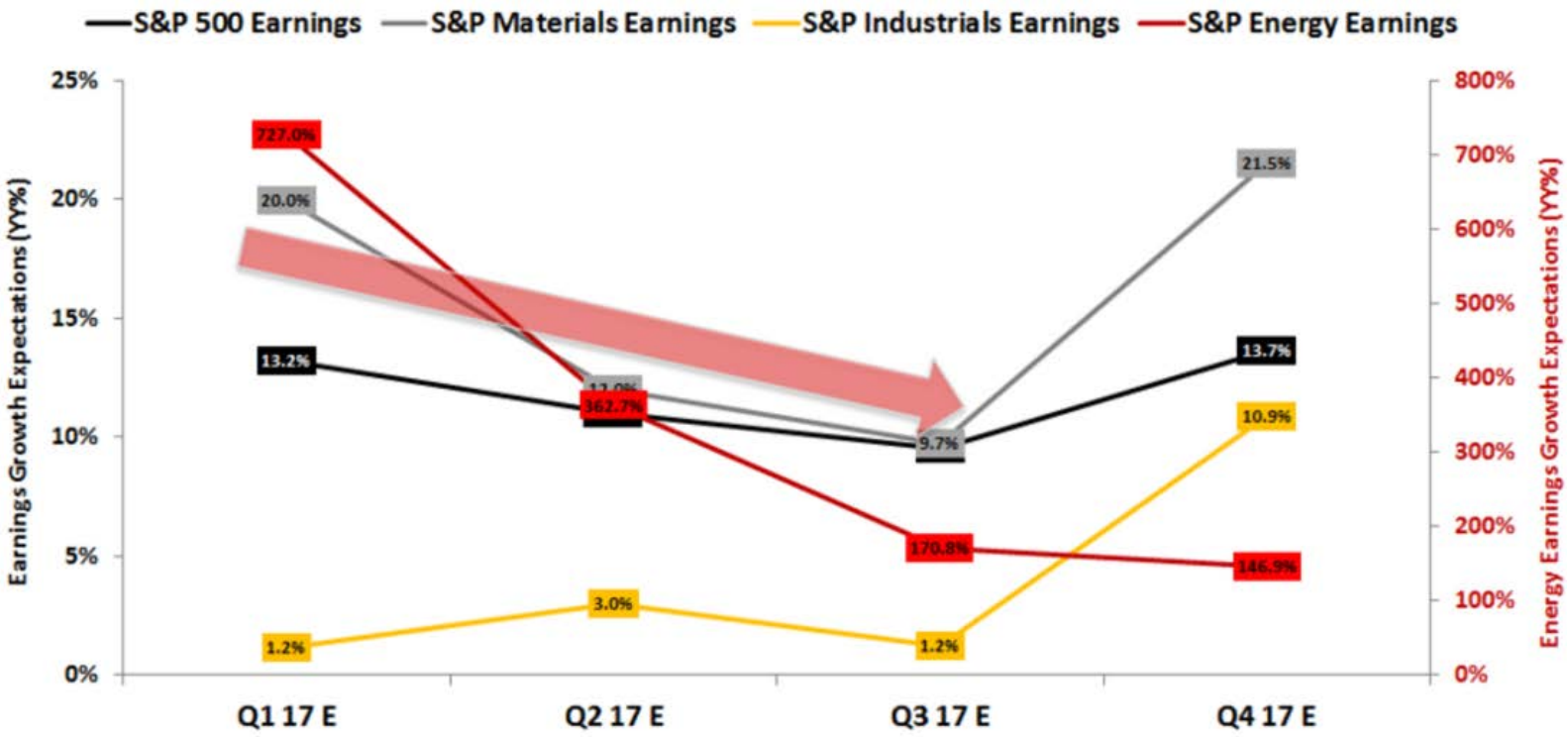
MACRO GRIND

Q1 2017: EARNINGS SEASON ACCELERATING



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10-YEAR GOVERNMENT BOND YIELDS

Americas

COUNTRY	YIELD	1 DAY
United States »	2.33%	-7
Canada	1.69%	+0
Brazil	10.89%	-10
Mexico	7.60%	0

Europe, Middle East & Africa

COUNTRY	YIELD	1 DAY
Germany »	0.28%	-4
United Kingdom »	1.28%	-3
France	0.74%	-6
Italy	1.84%	-5
Spain	1.32%	-8
Netherlands	0.37%	-6
Portugal	3.77%	-3
Greece	6.84%	-3
Switzerland	-0.25%	-3

GOLD – CONTINUOUS CONTRACT

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GERMAN DAX COMPOSITE

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TOKYO NIKKEI 225 AVERAGE

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HEDGEYE SECTOR PERFORMANCE

SECTOR	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$83.96	0.37%	3.14%	3.14%
Financial Select Sector	XLF	$23.51	0.56%	1.12%	1.12%
Health Care Select Sector	XLV	$70.92	0.10%	2.87%	2.87%
Technology Select Sector	XLK	$49.66	0.30%	2.69%	2.69%
Consumer Staples Select Sector	XLP	$51.52	0.06%	-0.37%	-0.37%
Industrial Select Sector	XLI	$63.22	0.38%	1.61%	1.61%
Materials Select Sector	XLB	$50.87	-0.16%	2.35%	2.35%
The Energy Select Sector	XLE	$74.38	-0.29%	-1.25%	-1.25%
Utilities Select Sector	XLU	$48.51	-0.14%	-0.12%	-0.12%
S&P 500	SPX	2,274.64	0.18%	1.60%	1.60%

HEDGEYE SECTOR RELATIVE PERFORMANCE

	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$83.96	0.19%	1.55%	1.55%
Financial Select Sector	XLF	$23.51	0.37%	-0.48%	-0.48%
Health Care Select Sector	XLV	$70.92	-0.09%	1.27%	1.27%
Technology Select Sector	XLK	$49.66	0.12%	1.09%	1.09%
Consumer Staples Select Sector	XLP	$51.52	-0.13%	-1.97%	-1.97%
Industrial Select Sector	XLI	$63.22	0.20%	0.01%	0.01%
Materials Select Sector	XLB	$50.87	-0.34%	0.75%	0.75%
The Energy Select Sector	XLE	$74.38	-0.48%	-2.85%	-2.85%
Utilities Select Sector	XLU	$48.51	-0.33%	-1.72%	-1.72%

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	0.0%	-0.7%	1.0%	9.7%	7.7%	1.3%
	Low Debt/EV	0.3%	0.4%	1.1%	4.7%	2.6%	2.5%
SI	High Short Interest	0.1%	-0.3%	-0.1%	6.7%	5.6%	1.7%
	Low Short Interest	0.2%	[illegible]	1.2%	8.0%	6.6%	2.0%
BETA	High Beta	0.4%	0.3%	1.0%	13.7%	17.8%	2.9%
	Low Beta	0.0%	-0.7%	1.3%	1.6%	-4.7%	0.3%
YIELD	High Yield	-0.1%	-1.1%	0.0%	4.1%	-0.2%	0.4%
	Low Yield	0.2%	0.2%	1.8%	6.2%	5.8%	3.1%
MKT CAP	MCAP Bottom 25%	0.1%	-0.5%	-0.9%	5.1%	2.0%	1.5%
	MCAP Top 25%	0.1%	-0.2%	1.1%	8.6%	7.8%	1.7%
Sales	Top 25% Sales Growth	0.1%	-0.4%	1.3%	6.3%	5.4%	2.5%
	Bottom 25% Sales Growth	0.1%	-0.5%	-0.1%	6.4%	3.7%	1.2%
EPS	Top 25% EPS Growth	0.3%	0.0%	1.7%	9.3%	9.7%	2.7%
	Bottom 25% EPS Growth	0.0%	-1.0%	0.1%	5.9%	2.0%	1.0%

**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	0.52%	1.0	1.0	-1	24	-3	37	39	42
3M LIBOR	1.02%	0.0	1.2	6	14	0	41	58	62
2Y T-Note	1.19%	2.0	-1.7	3	36	-11	70	53	68
5Y T-Note	1.90%	3.1	-2.7	-1	64	-22	101	40	61
10Y T-Note	2.40%	3.3	-2.3	-7	66	-24	108	24	27
30Y T-Note	2.99%	2.8	-2.0	-14	51	-22	90	8	-4
2Y-10Y Spread, Bps	120	1.3	-0.6	-10.4	30	-14	38	-29	-41
IG SPREAD (AAABBB)	1.52%	4.0	2.0	-5	-6	-78	5	-17	-26
HIGH YIELD	6.15%	-1.4	8.8	-28	-28	-318	10	-49	-45
5Y BREAKEVEN	1.92%	0.8	3.3	6.8	37.7	-1.8	106.5	36.7	20.0

CFTC NON-COMMERCIAL NET LONG POSITIONING

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METRIC	Latest	W/W Chg	3M Ave	6M Ave	1Y Ave	Z-Score 1Y	Z-Score 3Y
SPX (Index + E-mini)	14,181	(67,243)	(16,460)	59,714	(3,999)	0.14X	0.46X
Russell 2000 (mini)	83,293	(10,479)	42,219	25,015	(11,615)	2.10X	3.40X
10Y Treasury	(386,239)	(32,670)	(158,438)	(30,226)	(19,844)	-2.65X	-3.29X
CRUDE OIL	483,875	(15,160)	427,395	386,309	360,522	1.74X	2.03X
GOLD	54,399	19,839	102,192	172,985	170,037	-1.46X	-0.60X
COPPER	47,633	3,259	36,680	14,730	(4,185)	1.74X	2.86X
$USD	53,060	(1,235)	52,603	34,880	27,127	1.50X	0.77X
JPY	(81,368)	3,412	(19,896)	16,241	33,069	-2.77X	-0.83X
EUR	(60,431)	2,716	(103,113)	(101,436)	(80,039)	0.58X	0.61X
GBP	(62,642)	(2,533)	(71,530)	(77,874)	(59,270)	-0.15X	-1.10X

MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (1/13) vs.			
	Prior Day	1M Ave	3M ave	1Y Ave
Total Market Volume*	-10%	8%	-1%	15%
Total Exchange Volume**	-13%	-7%	-18%	-20%
Total Traded Value (R3K)***	2%	-10%	-17%	-14%

*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

METRIC	15D	30D	60D	120D	180D	52-Wk Rolling 30D Correlation			
						High	Low	% Time Pos	% Time Neg
SPX	-0.49	0.42	0.82	0.71	0.76	*0.95*	*-0.91*	*49%*	*51%*
BRENT Oil	[illegible]	0.4[illegible]	0.64	0.68	0.51	*0.77*	*-0.78*	*46%*	*54%*
CRB Index	-0.74	-0.17	0.88	0.68	0.51	*0.83*	*-0.89*	*24%*	*76%*
GOLD	-0.8[illegible]	-0.69	-0.96	-0.97	-0.79	*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	$55.45	-1.00%	-2.89%	-0.48%	6.57%	-2.5%	-2.5%	-5%	105%
Gold	$1,197	0.16%	2.11%	3.35%	-4.83%	4.3%	4.3%	-13%	11%
VIX	$11.23	-2.69%	-0.80%	-11.71%	-32.71%	-20.0%	-20.0%	-65%	3%