



THE  
MACRO  
SHOW

AUGUST 11, 2016

## DISCLAIMER

Hedgeye Risk Management is a registered investment advisor, registered with the State of Connecticut. Hedgeye Risk Management is not a broker dealer and does not provide investment advice to individuals. This research does not constitute an offer to sell, or a solicitation of an offer to buy any security. This research is presented without regard to individual investment preferences or risk parameters; it is general information and does not constitute specific investment advice. This presentation is based on information from sources believed to be reliable. Hedgeye Risk Management is not responsible for errors, inaccuracies or omissions of information. The opinions and conclusions contained in this report are those of Hedgeye Risk Management, and are intended solely for the use of Hedgeye Risk Management's clients and subscribers. In reaching these opinions and conclusions, Hedgeye Risk Management and its employees have relied upon research conducted by Hedgeye Risk Management's employees, which is based upon sources considered credible and reliable within the industry. Hedgeye Risk Management is not responsible for the validity or authenticity of the information upon which it has relied.

## TERMS OF USE

This report is intended solely for the use of its recipient. Re-distribution or republication of this report and its contents are prohibited. For more detail please refer to the appropriate sections of the Hedgeye Services Agreement and the Terms of Use at [www.hedgeye.com](http://www.hedgeye.com).

# HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
8/10/2016	61	3	3	10	9	14
8/11/2016	61	3	3	10	9	14

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
8/10/2016	61%	9%	9%	30%	27%	42%
8/11/2016	61%	9%	9%	30%	27%	42%

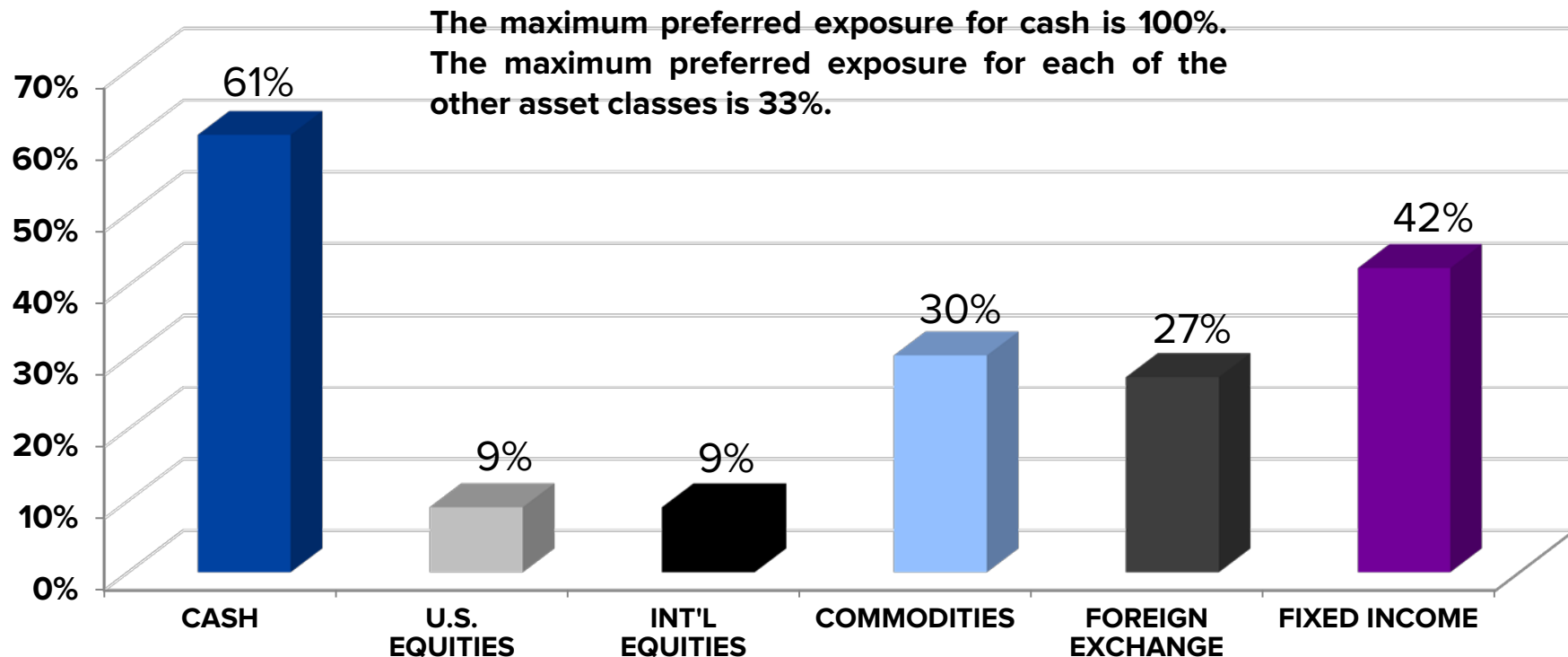
The maximum preferred exposure for cash is 100%. The maximum preferred exposure for each of the other asset classes is 33%.

August 11, 2016

**THE MACRO SHOW**

HEDGEYE  
**TV**

# HEDGEYE ASSET ALLOCATION



August 11, 2016

THE MACRO SHOW

HEDGEYE  
TV



**1 #CREDITCYCLE**



**2 SPAIN**



**3 THE FED'S WAR**



# #CREDITCYCLE

High yield credit indices have recovered and spreads in resource sectors have been smashed with the flattening of the treasury curve. After widely diverging from average high yield spreads when the U.S. dollar broke out in July of 2014, high yield energy spreads have been more than cut in half since February from +1600bps to +724bps. Spreads are now well below 2015 levels when energy prices were much higher. A number of factors suggest a lot of money is behind a recovery in the energy sector. If strong dollar continues to manifest with another leg down through the end of this year in crude prices, the market will get another reminder that there IS a credit cycle.



# SPAIN

With 8 months and counting of no government, Spain's acting PM Rajoy, leader of the People's Party, says his conservative party's leadership would meet next week (August 17th) to vote on whether to agree to 6 reforms demanded by the centrist Ciudadanos party as a condition to form a coalition government. While this news may provide for a relief rally, we reiterate our Q3 Macro theme of #EuropeImploding and will not be recommending being long Spanish equities.



# THE FED'S WAR ON ACTIVE MANAGEMENT

The divergence between asset prices and their fundamentals is only matched by the divergence between sentiment among active managers and all-time highs in the SPY. The latest ICI data show that a net \$26B was pulled out of long-term, US-focused stock mutual funds in the week-ended August 3rd. ICI has now recorded 23 straight weeks of outflows from these funds, for a total of ~\$100B. It compares this to the \$170.7B that left such funds for all of 2015. In the past 17 months, ICI has recorded only four weeks of net inflows for such funds. The Fed is hell-bent on making ETF distributors and robo-advisors out of all of us. Who will fight back against such tyranny?



**HEALTHCARE**  
TOM TOBIN

# HEALTHCARE POSITION MONITOR

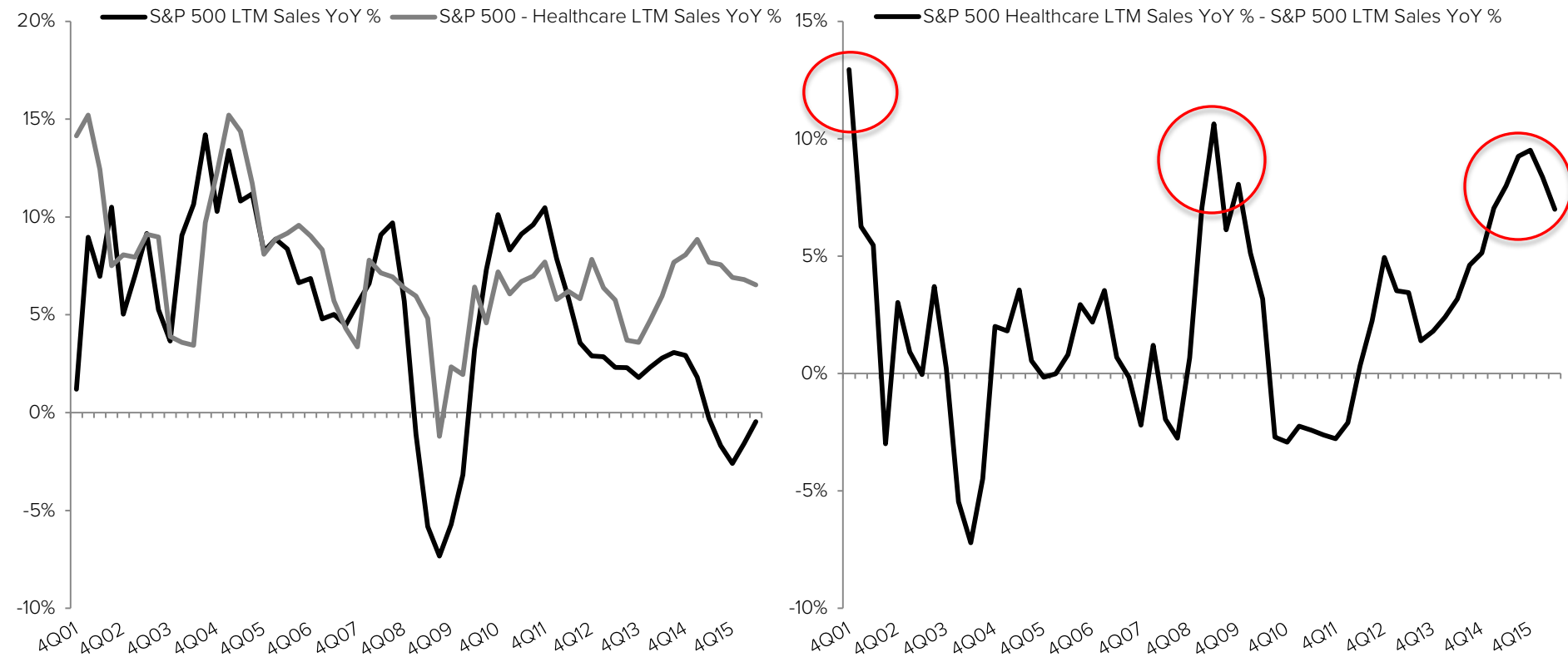
Sentiment	Investment Ideas - Longs			Trade	Trend	Tail	Sentiment	Investment Ideas - Shorts			Trade	Trend	Tail
Score <sup>1</sup>	LONG						Score <sup>1</sup>	SHORT					
6	ATHN	athenahealth, Inc.		---	---	✓	81	HOLX	Hologic, Inc.		✗	✗	✗
6	EXAS	Exact Sciences Corporation		✓	✓	✓	59	AHS	AMN Healthcare Services, Inc.		---	✗	✗
41	ILMN	Illumina, Inc.		---	✓	✓	53	ZBH	Zimmer Biomet Holdings, Inc.		---	✗	✗
							33	MD	MEDNAX, Inc.		✗	✗	✗
							17	MDRX	Allscripts Healthcare Solutions, Inc.		✗	✗	✗
Sentiment	Long Bench						Sentiment	Short Bench					
Score <sup>1</sup>	LONG						Score <sup>1</sup>	SHORT					
							97	WOOF	VCA Inc.		---	---	---
56	EVH	Evolent Health Inc Class A		---	---	---	79	LH	Laboratory Corporation of America Holdings		---	---	---
72	CSLT	Castlight Health, Inc. Class B		---	---	---	71	ICLR	ICON Plc		---	---	---
89	CERN	Cerner Corporation		---	---	---	62	DVA	DaVita HealthCare Partners Inc.		---	---	---
							53	CRL	Charles River Laboratories International, Inc.		---	---	---
							44	MDSO	Medidata Solutions, Inc.		---	---	---
							41	HCA	HCA Holdings, Inc.		---	---	---
							36	LPNT	LifePoint Health, Inc.		---	---	---
							24	PRXL	PAREXEL International Corporation		---	---	---
							22	QSII	Quality Systems, Inc.		---	---	---
							18	Q	Quintiles Transnational Holdings, Inc.		---	---	---
							5	DGX	Quest Diagnostics Incorporated		---	---	---
							1	CYH	Community Health Systems, Inc.		---	---	---
							1	CPSI	Computer Programs and Systems, Inc.		---	---	---

<sup>1</sup>Percentile rank within sub-sector (1 = High Short Interest, Negative Sell Side / 100 = Low Short Interest, Positive Sell Side)

Bench = Timing is not right, or research in progress.

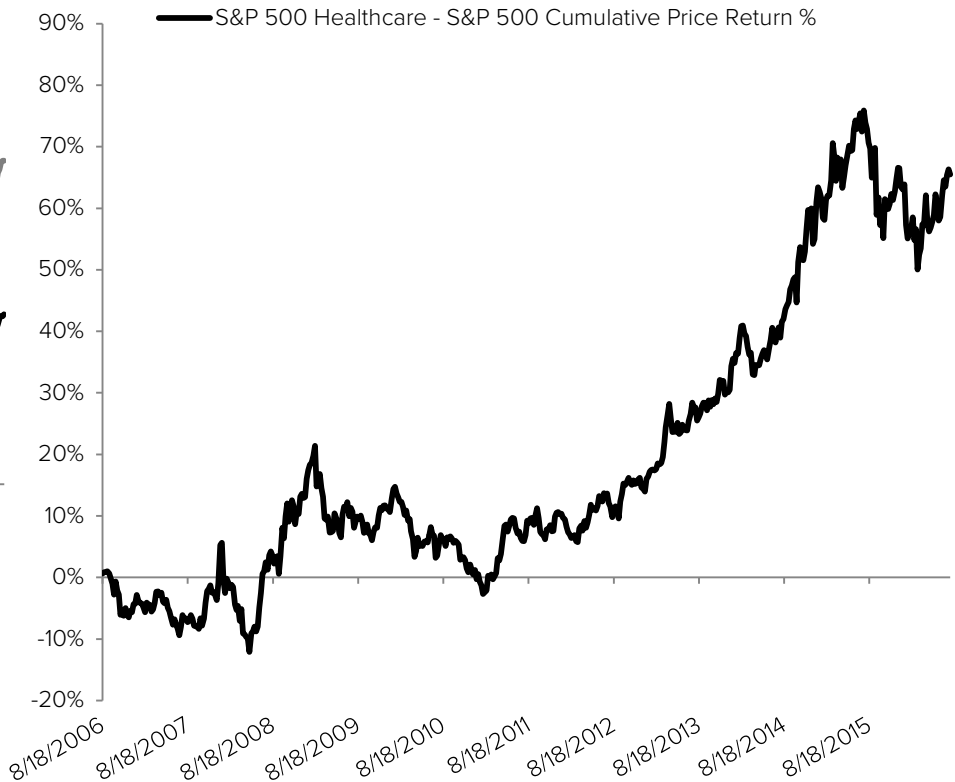
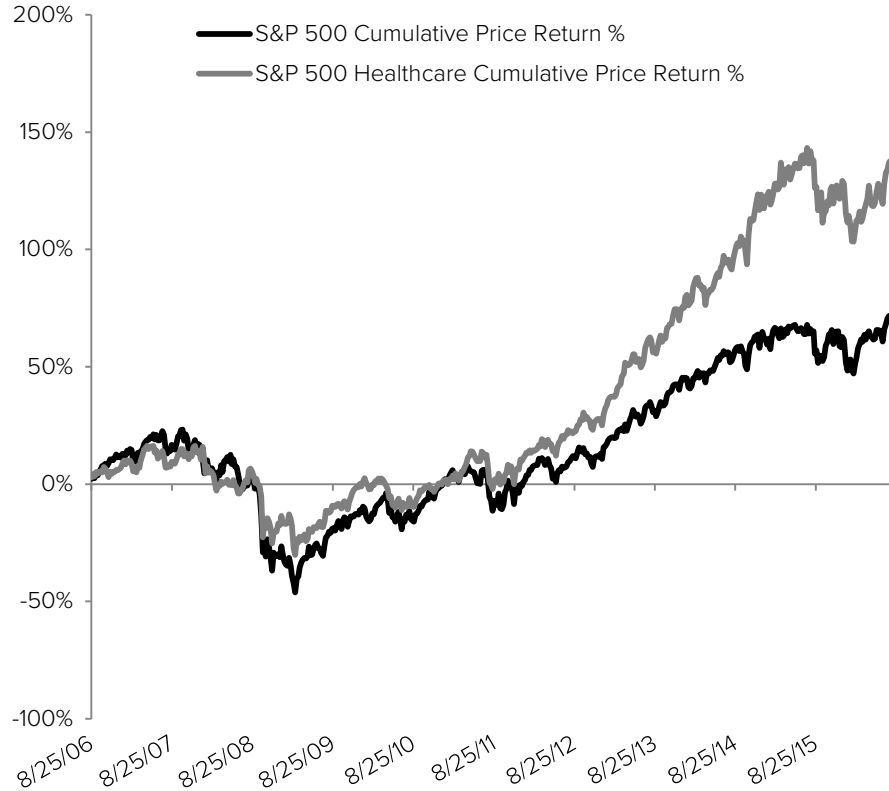
# HEALTHCARE OUTPERFORMING

## GROWTH SPREAD AT RECESSIONARY LEVELS



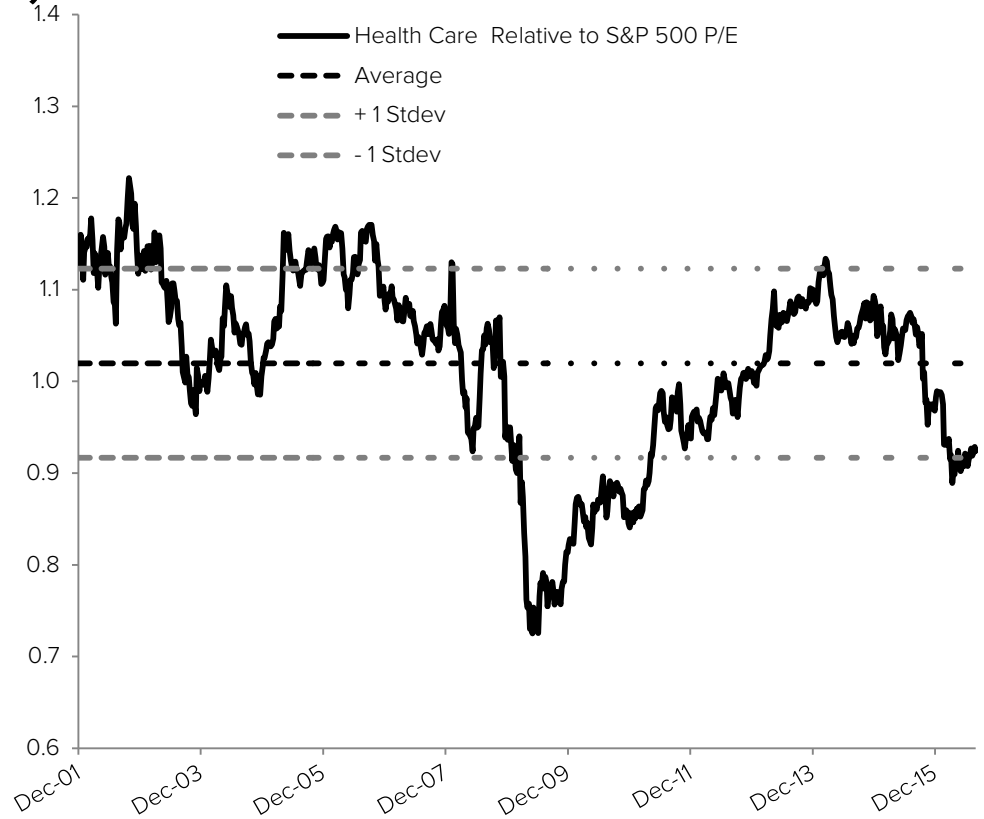
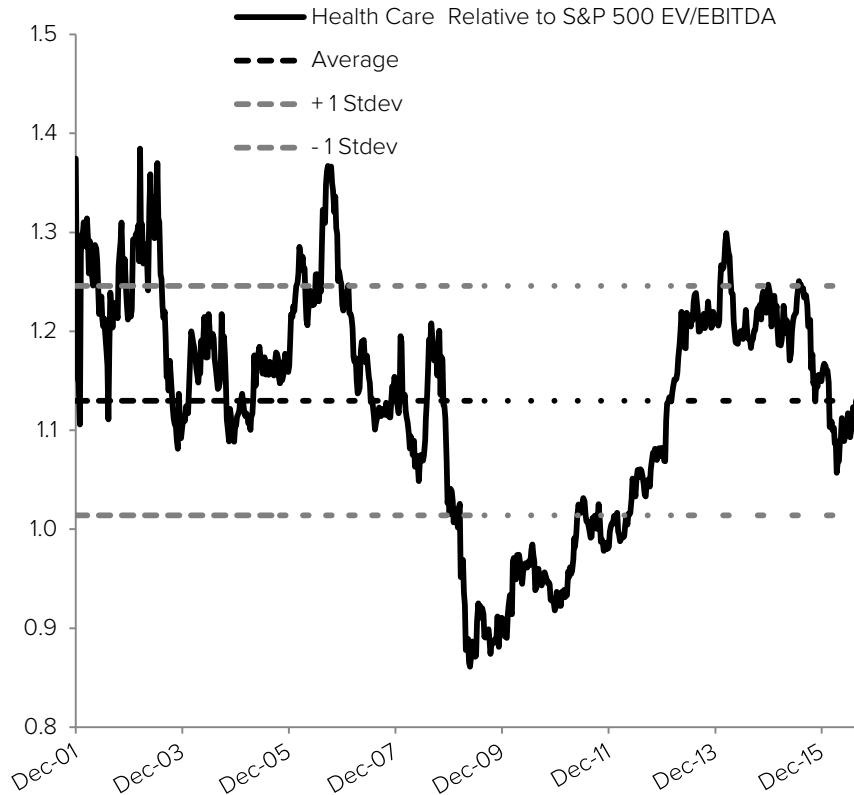
# HEALTHCARE STARTING TO CRACK?

## S&P 500 HEALTHCARE UNDERPERFORMING YTD BY 289 BPS

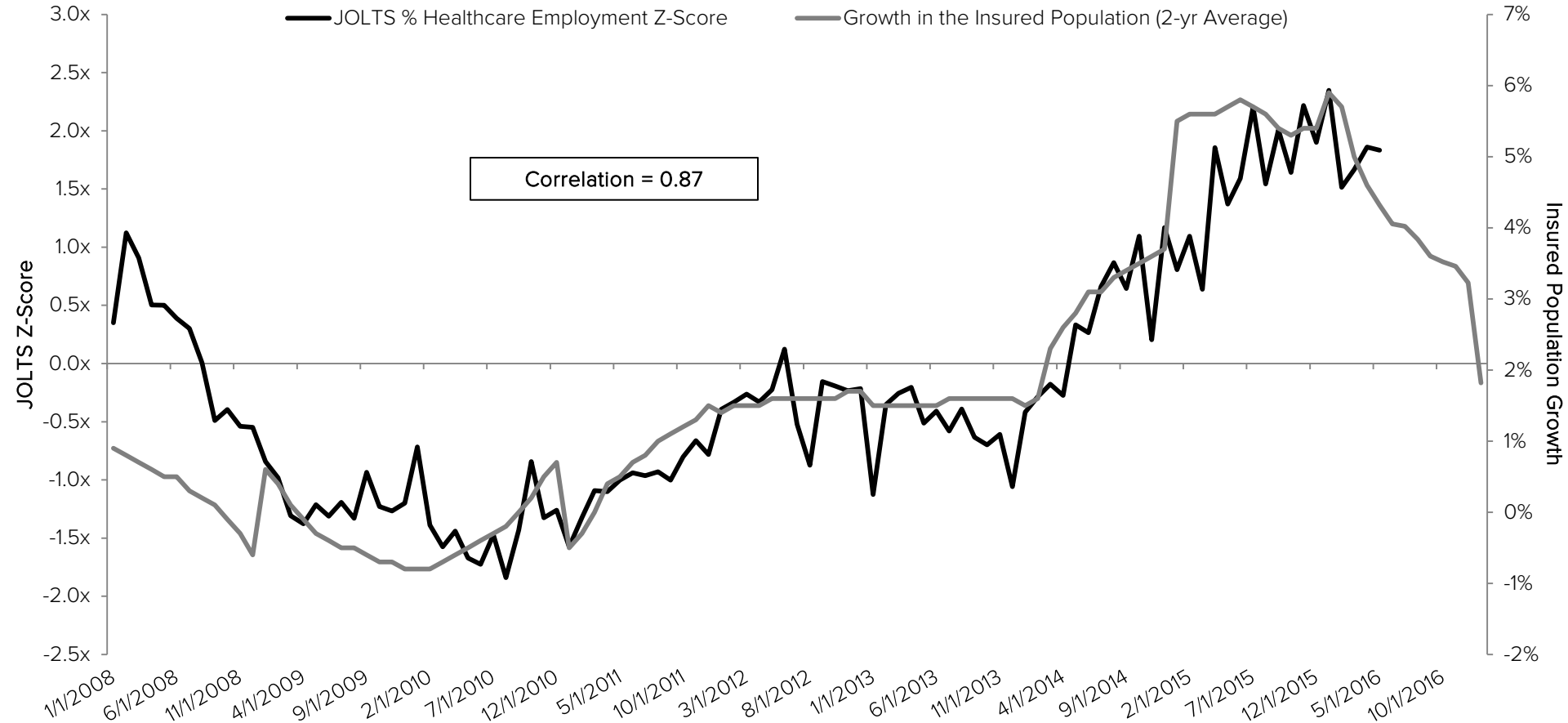


# RELATIVE HEALTHCARE MULTIPLES

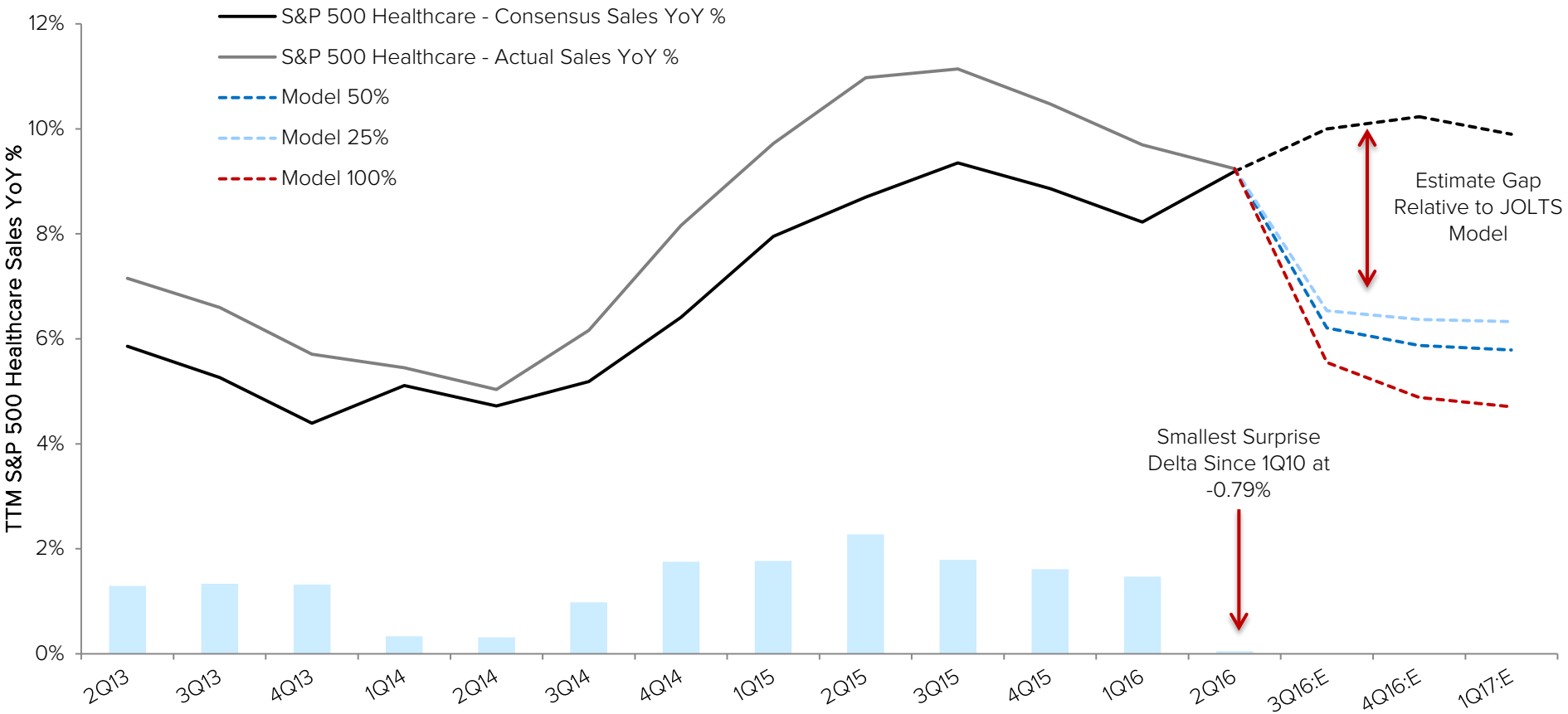
## VALUATIONS HAVE COME IN, BUT CAN GO LOWER...



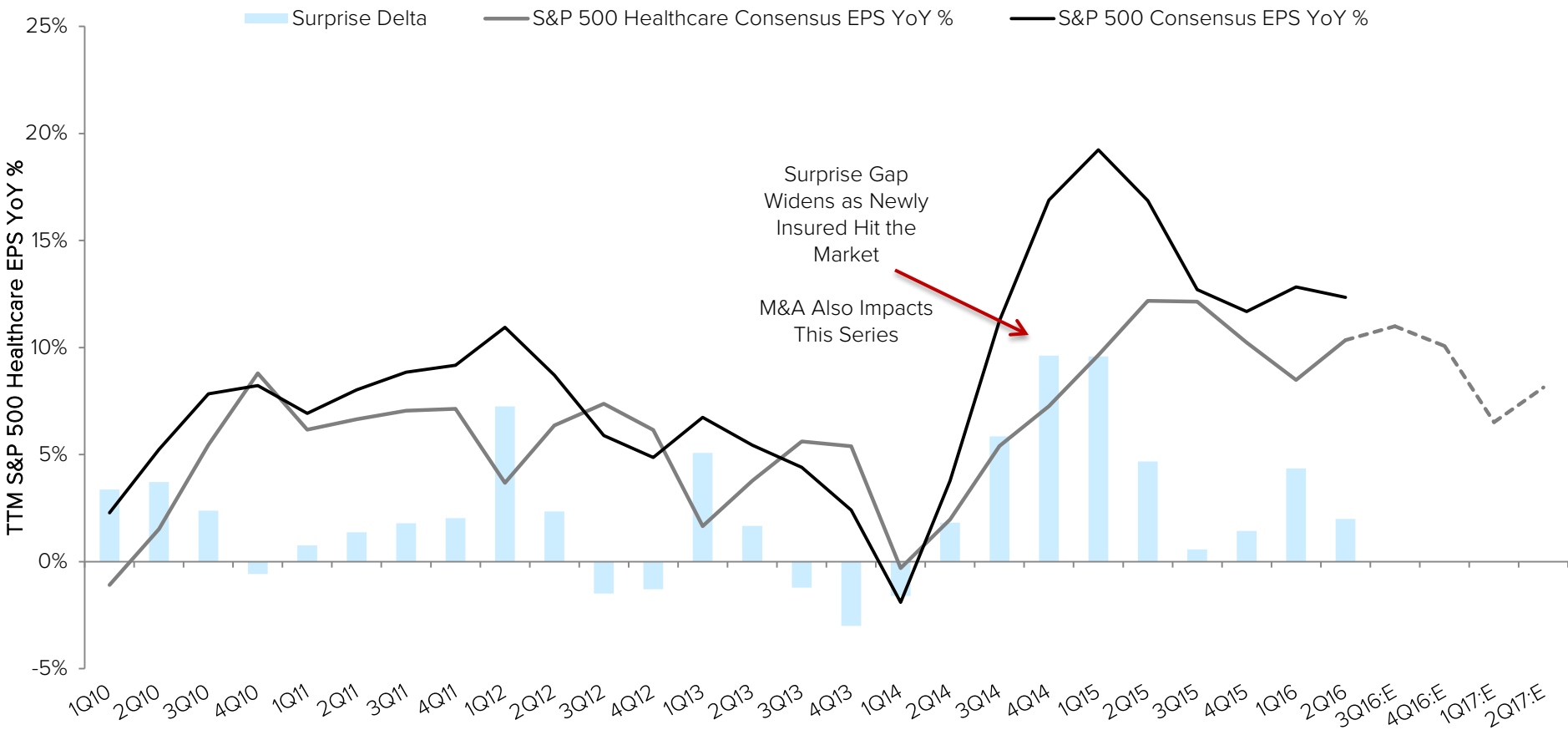
# INSURED POPULATION GROWTH



# S&P 500 HEALTHCARE SALES GROWTH



# S&P 500 HEALTHCARE EPS GROWTH



# HEALTHCARE EARNINGS SCORECARD

## Sales

Health Services					3Q16: Estimate			4Q16: Estimate		
Industry	Expected (3/31/16)	Blended	Reported	Surprise	3/31/2016	8/9/2016	Revision	6/30/2016	8/9/2016	Revision
Hospital/Nursing Management	8.3%	7.0%	5.9%	-1.3%	7.0%	4.6%	-2.4%	3.4%	2.8%	-0.6%
Managed Health Care	14.7%	17.8%	17.8%	3.1%	10.0%	11.2%	1.2%	3.9%	8.7%	4.8%
Medical/Nursing Services	13.3%	15.3%	15.7%	2.0%	12.5%	13.7%	1.2%	12.5%	12.2%	-0.3%
Services to Health Industry	10.6%	10.7%	10.7%	0.1%	11.7%	11.5%	-0.2%	9.1%	9.1%	0.0%
<b>Health Services</b>	<b>13.1%</b>	<b>15.1%</b>	<b>15.1%</b>	<b>2.0%</b>	<b>9.7%</b>	<b>10.2%</b>	<b>0.5%</b>	<b>8.0%</b>	<b>7.8%</b>	<b>-0.2%</b>

Health Technology					3Q16: Estimate			4Q16: Estimate		
Industry	Expected (3/31/16)	Blended	Reported	Surprise	3/31/2016	8/9/2016	Revision	6/30/2016	8/9/2016	Revision
Biotechnology	3.8%	5.7%	5.8%	1.9%	5.9%	4.9%	-1.0%	4.6%	2.9%	-1.7%
Equipment/Supplies	4.3%	7.2%	8.3%	2.9%	6.5%	5.4%	-1.1%	6.9%	3.5%	-3.4%
Pharmaceuticals: Major	4.1%	7.8%	7.7%	3.7%	4.7%	6.0%	1.3%	2.9%	3.0%	0.1%
<b>Health Technology</b>	<b>3.8%</b>	<b>5.7%</b>	<b>5.8%</b>	<b>1.9%</b>	<b>5.9%</b>	<b>4.9%</b>	<b>-1.0%</b>	<b>4.6%</b>	<b>2.9%</b>	<b>-1.7%</b>

## EPS

Health Services					3Q16: Estimate			4Q16: Estimate		
Industry	Expected (3/31/16)	Blended	Reported	Surprise	3/31/2016	8/9/2016	Revision	6/30/2016	8/9/2016	Revision
Hospital/Nursing Management	7.2%	-1.1%	-2.2%	-8.3%	21.1%	12.8%	-8.3%	21.9%	20.2%	-1.7%
Managed Health Care	13.1%	12.4%	12.4%	-0.7%	18.4%	14.4%	-4.0%	34.6%	31.9%	-2.7%
Medical/Nursing Services	10.0%	8.3%	8.9%	-1.7%	10.9%	3.9%	-7.0%	14.4%	9.2%	-5.2%
Services to Health Industry	12.3%	10.1%	10.1%	-2.2%	12.1%	9.0%	-3.1%	9.7%	8.6%	-1.1%
<b>Health Services</b>	<b>11.8%</b>	<b>9.6%</b>	<b>9.6%</b>	<b>-2.2%</b>	<b>17.0%</b>	<b>12.3%</b>	<b>-4.7%</b>	<b>25.5%</b>	<b>23.1%</b>	<b>-2.4%</b>

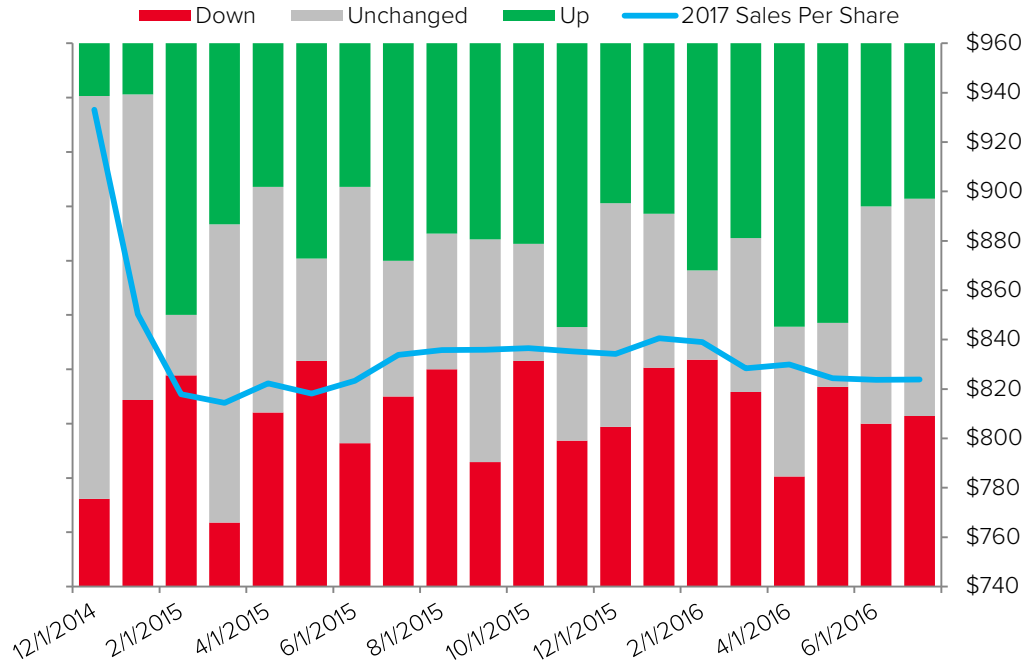
Health Technology					3Q16: Estimate			4Q16: Estimate		
Industry	Expected (3/31/16)	Blended	Reported	Surprise	3/31/2016	8/9/2016	Revision	6/30/2016	8/9/2016	Revision
Biotechnology	---	---	---	---	---	---	---	---	---	---
Equipment/Supplies	6.3%	6.3%	7.9%	0.0%	11.8%	7.5%	-4.3%	9.7%	6.3%	-3.4%
Pharmaceuticals: Major	7.8%	8.6%	8.7%	0.8%	7.8%	8.1%	0.3%	7.6%	6.3%	-1.3%
<b>Health Technology*</b>	<b>7.1%</b>	<b>7.5%</b>	<b>8.3%</b>	<b>0.4%</b>	<b>9.8%</b>	<b>7.8%</b>	<b>-2.0%</b>	<b>8.7%</b>	<b>6.3%</b>	<b>-2.4%</b>

\*Average of Equipment/Supplies and Pharma Major due to incomplete data for Biotechnology EPS

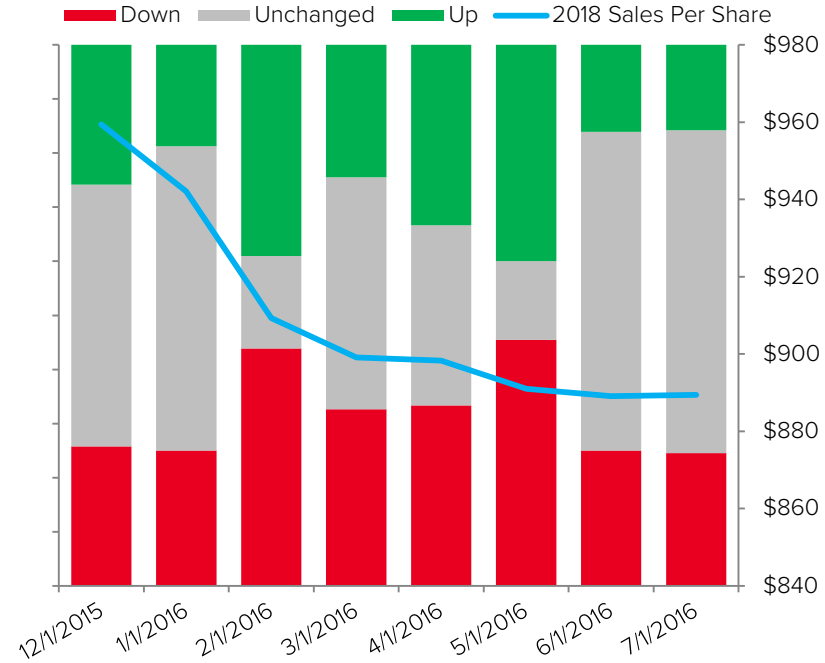
# CONSENSUS ESTIMATE REVISIONS

## 2017/2018 SALES ESTIMATES TRENDING LOWER

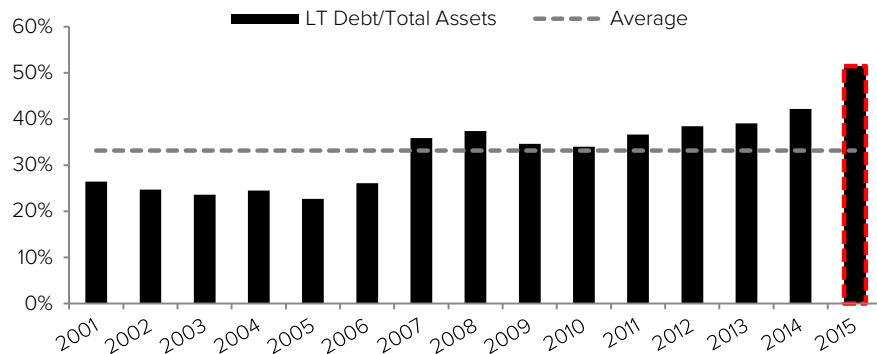
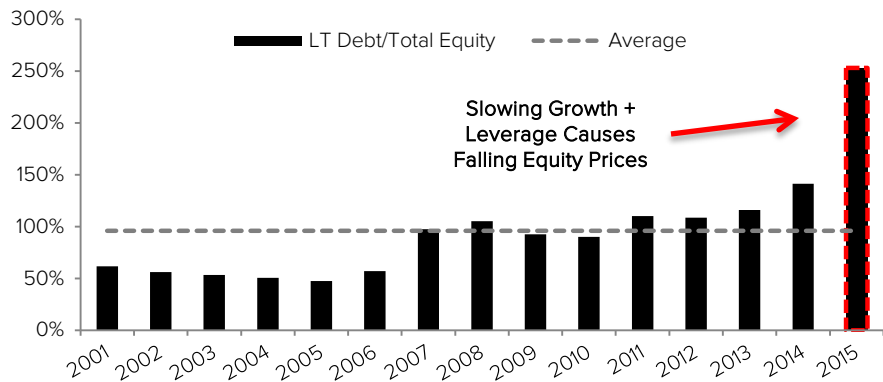
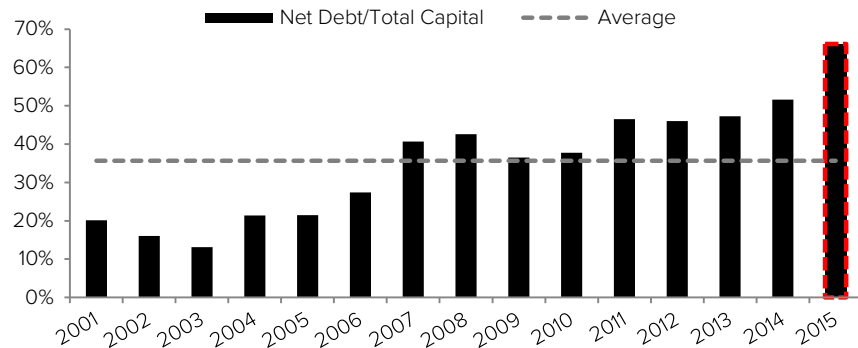
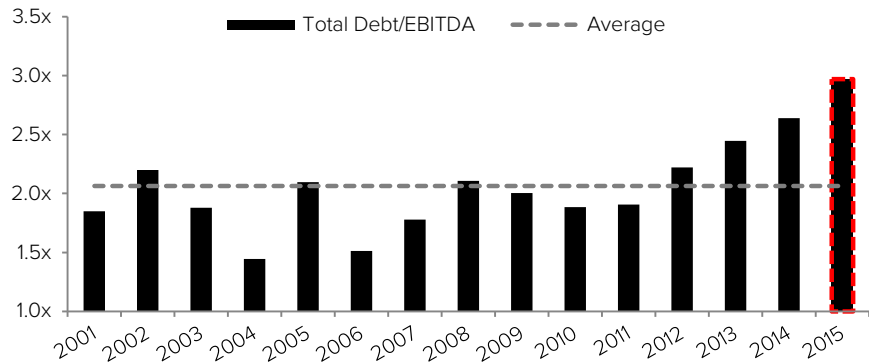
2017 Sales Per Share Estimates  
North American Health Services



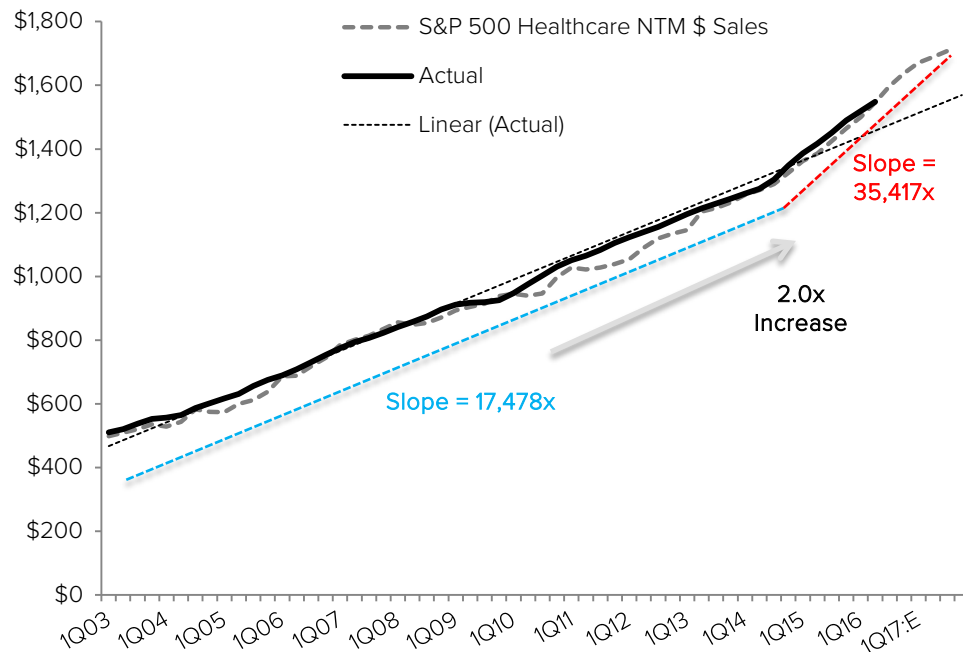
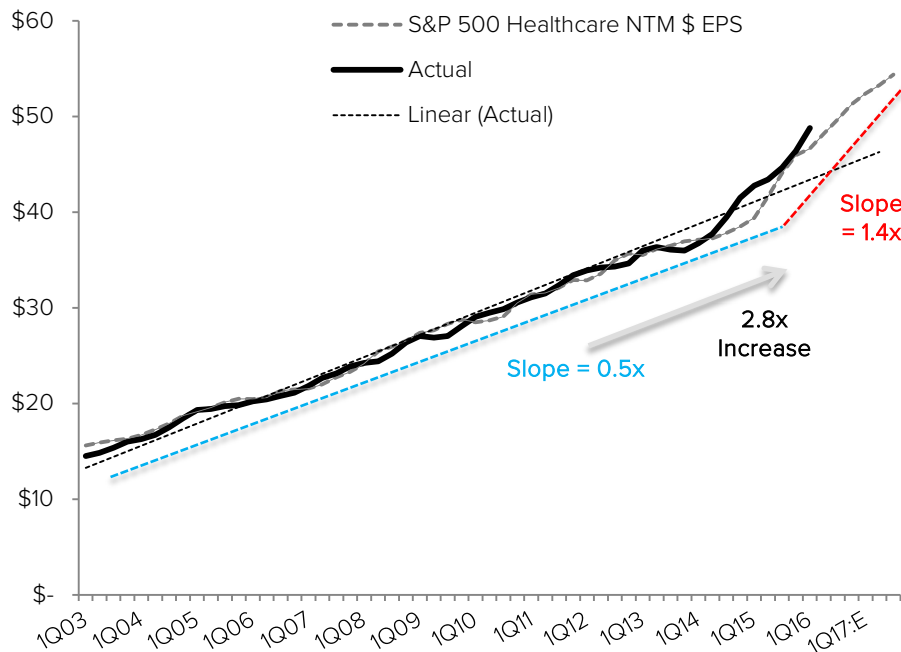
2018 Sales Per Share Estimates  
North American Health Services



# LEVERAGE AT 15-YEAR HIGH



# ABSOLUTE SALES AND EPS ESTIMATES

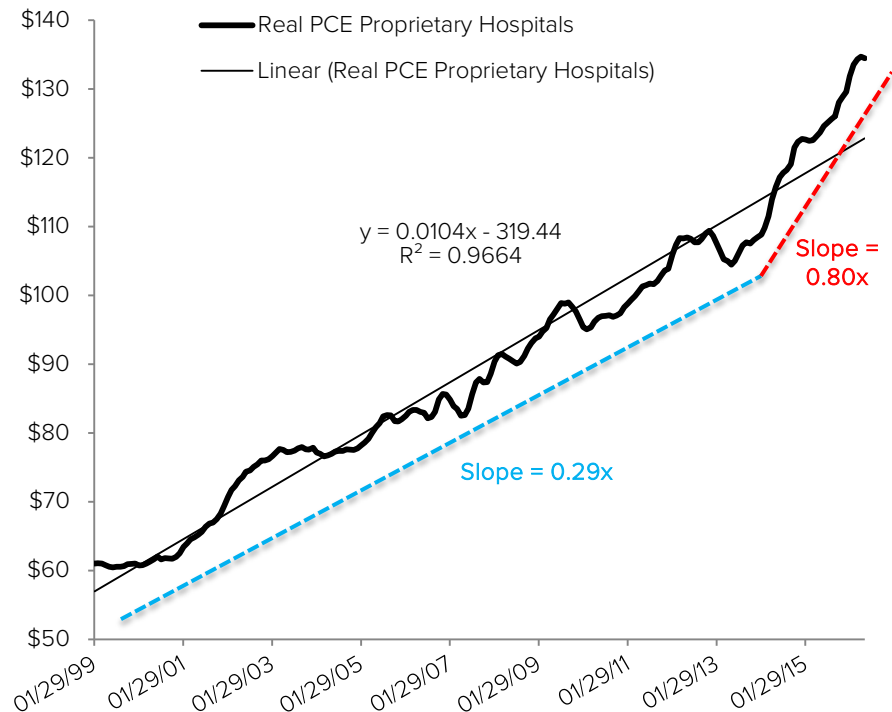
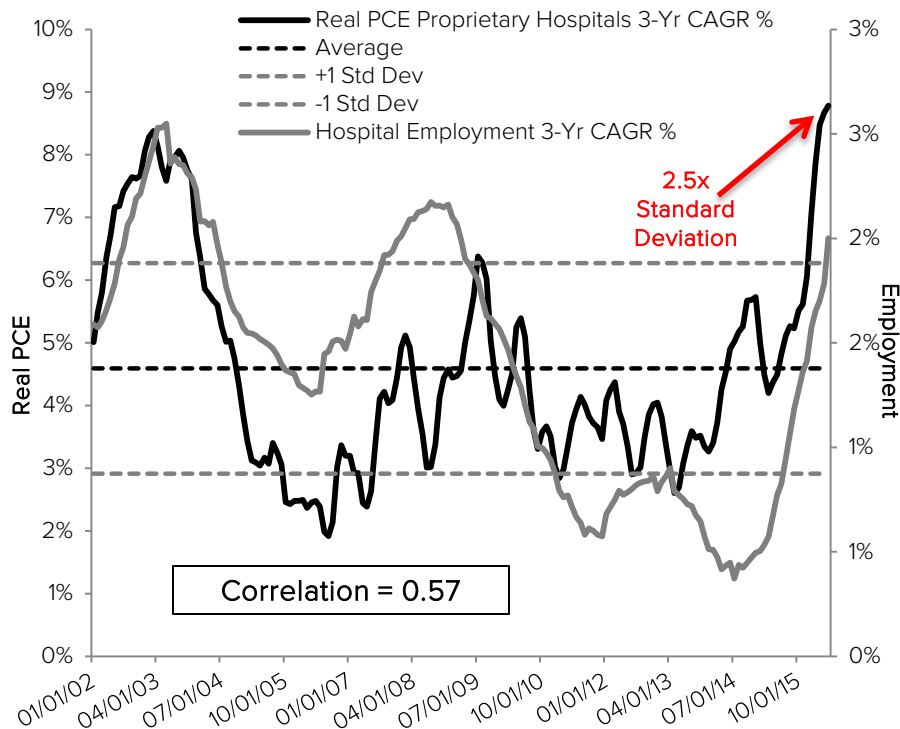


## CONSENSUS DEVIATING FROM LONG-TERM TREND

Reasonable given level of M&A and Stimulus.... but likely to mean revert amid slowing growth. Rate of change significant with slope increase 2.0x for Sales and 2.8x for EPS (> Sales due to operating leverage).

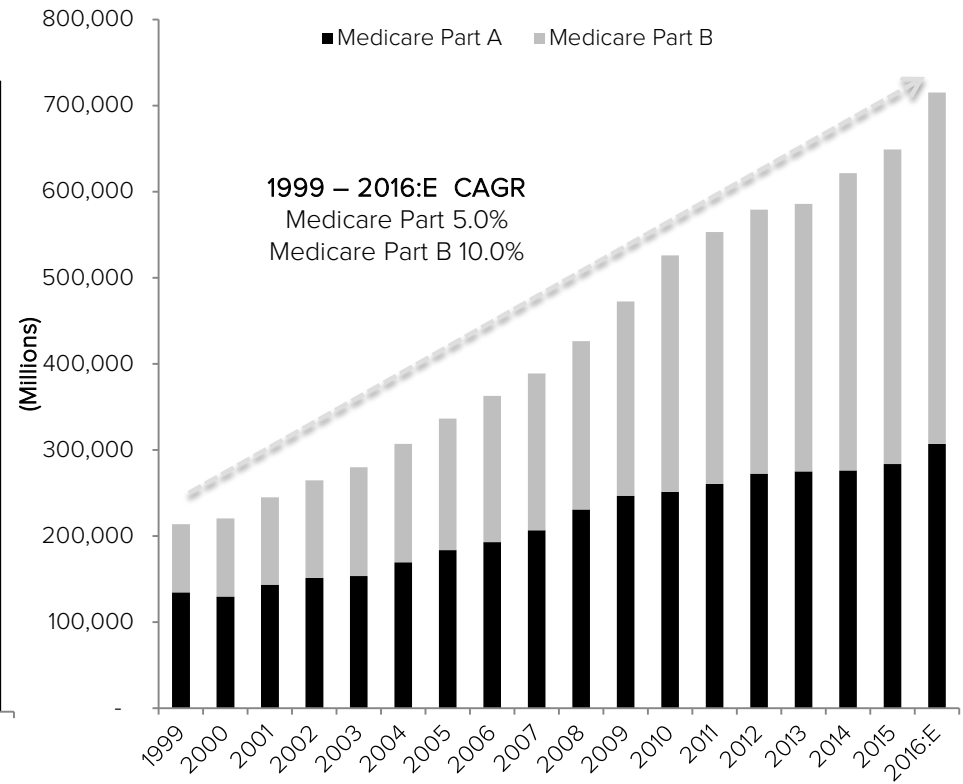
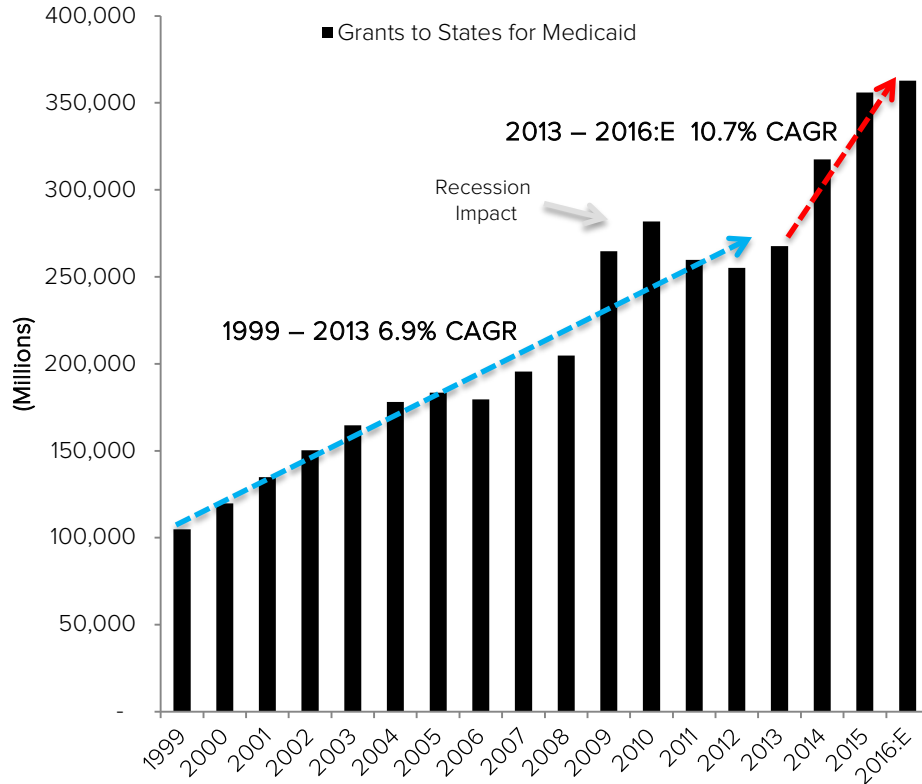
# REAL PCE PROPRIETARY HOSPITALS

## REAL PCE GROWTH ACCELERATED WITH NEWLY INSURED

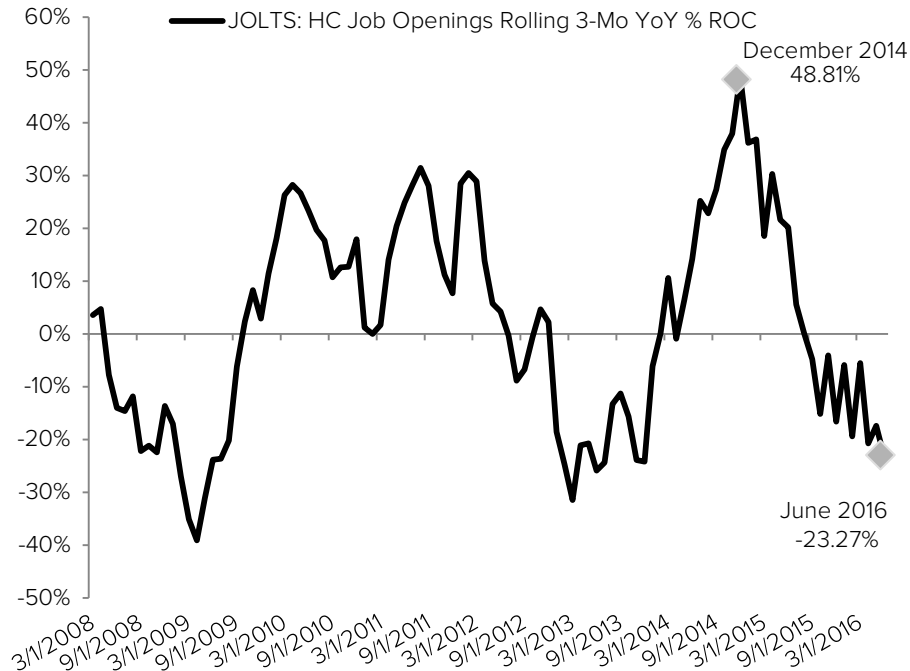
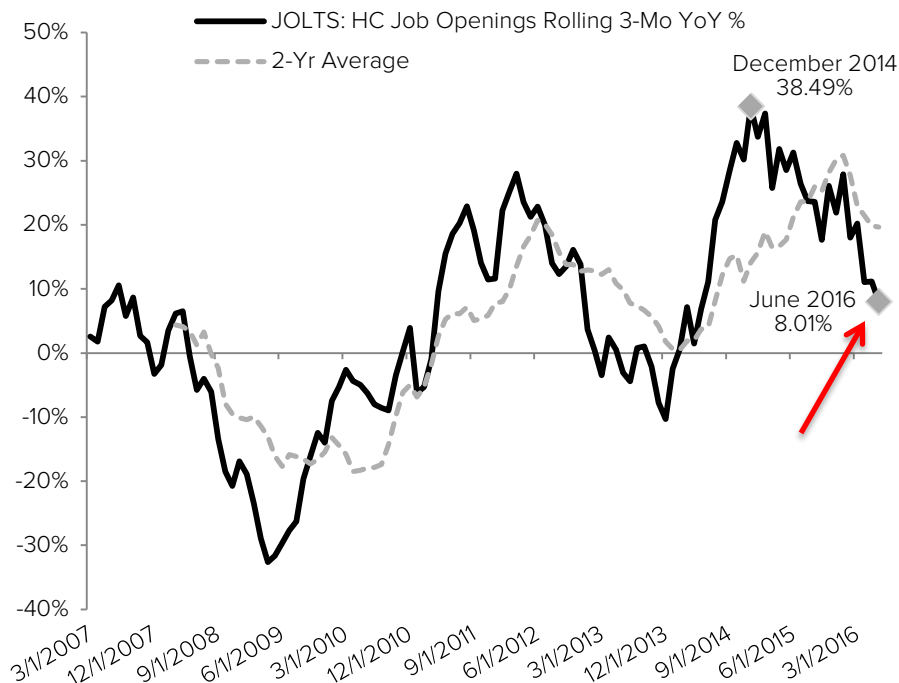


# FEDERAL GOVERNMENT OUTLAYS

## 2013-2015 FASTEST GROWTH IN MEDICAID EX-RECESSION



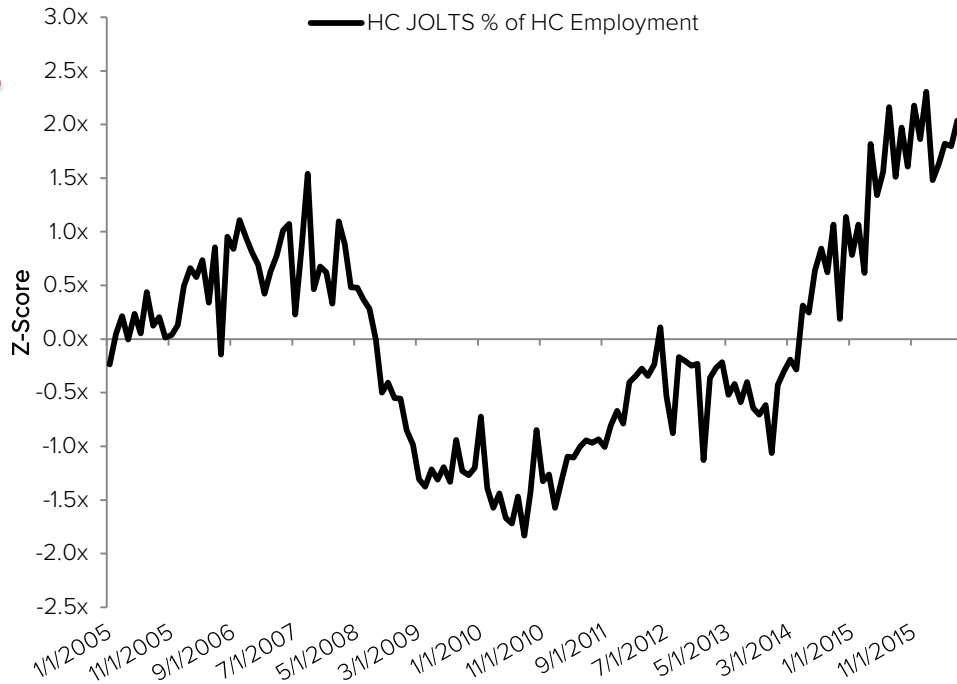
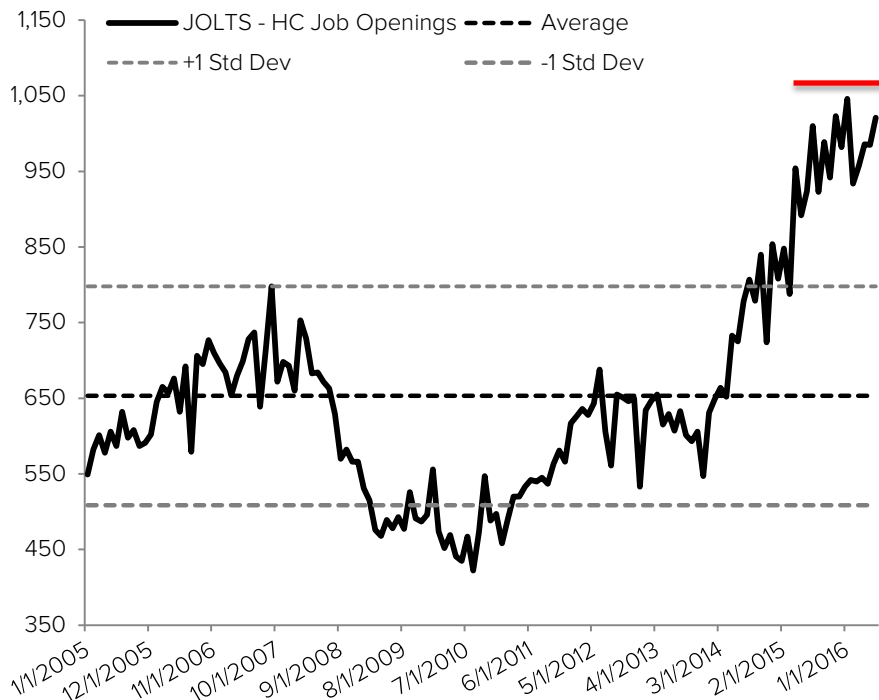
# HEALTHCARE JOB OPENINGS (JOLTS)



## HEALTHCARE JOB OPENINGS SLOWING...

After peaking in December 2014, Healthcare Job Openings posted the slowest growth in approximately 2-years. We expect growth to slow further as we comp out of stimulus.

# HEALTHCARE JOB OPENINGS (JOLTS)

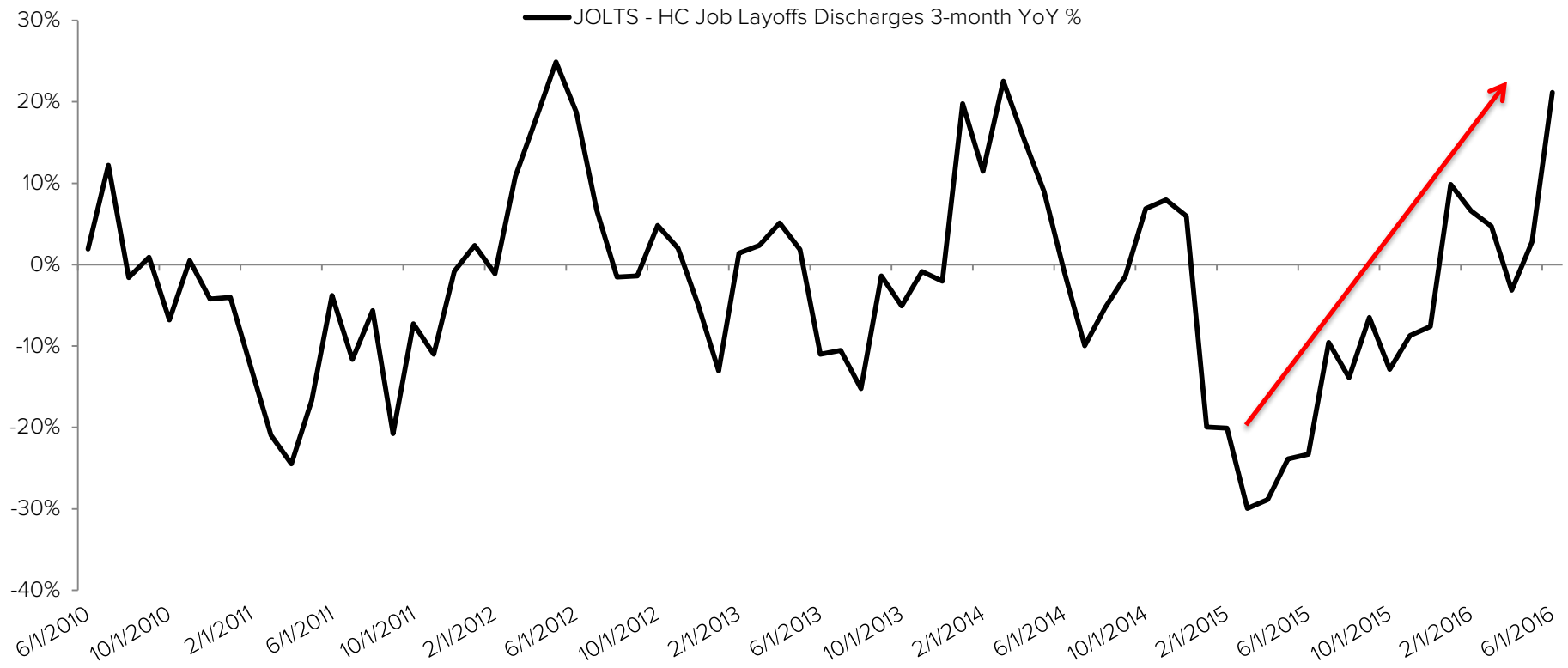


## HEALTHCARE JOB OPENINGS EXTENDED...

We have observed similar patterns across multiple metrics tied to medical consumption, enrollment, and employment suggesting that the Healthcare Economy is extended.

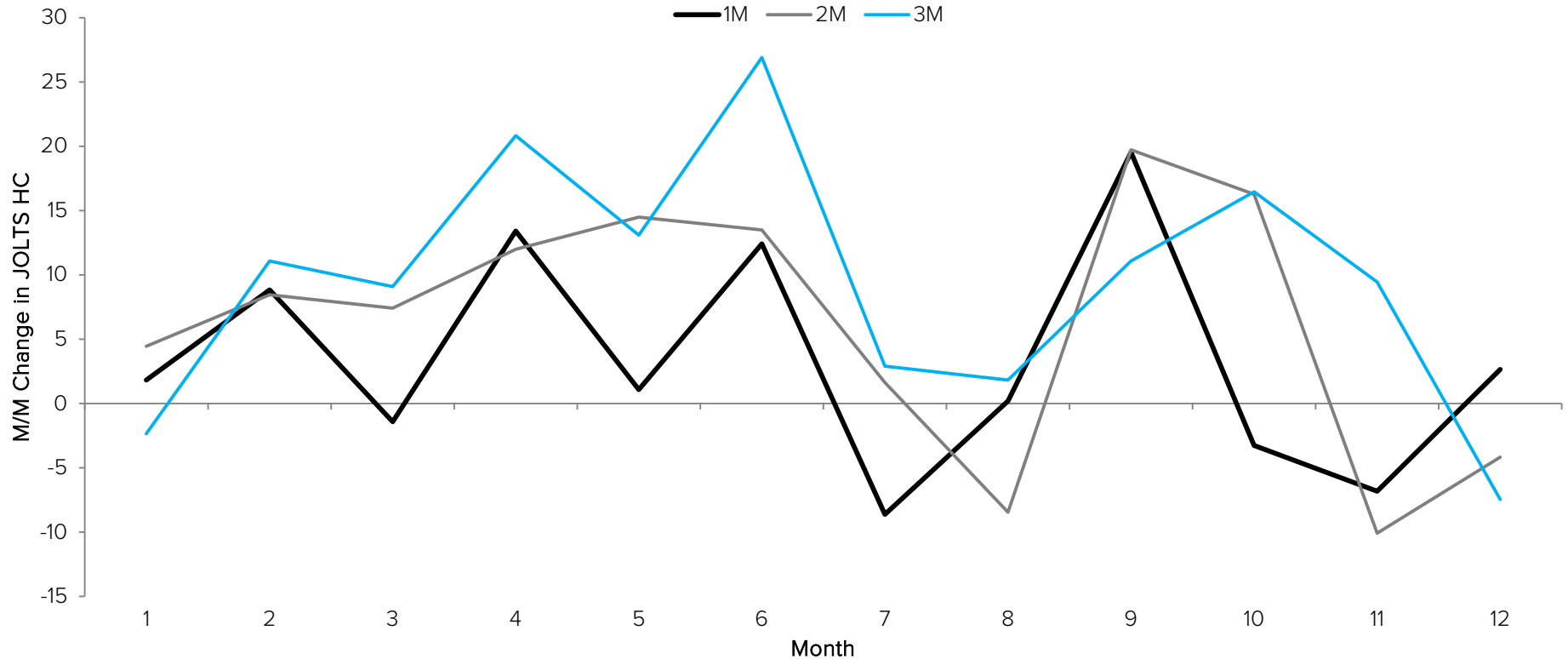
# JOLTS HC LAYOFFS AND DISCHARGES

LARGEST MONTHLY YOY INCREASE SINCE APRIL 2009

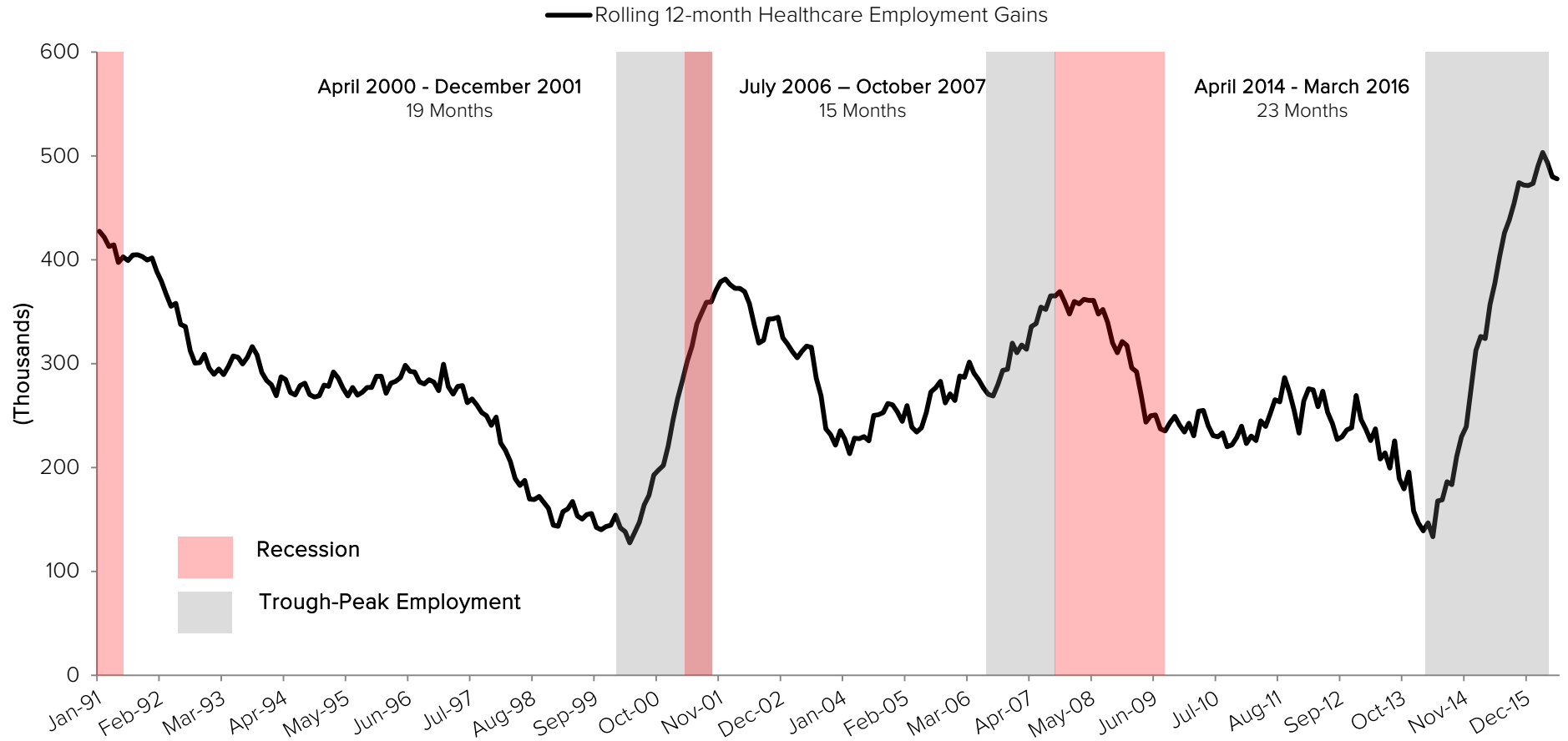


# SEASONALITY IN HIRING TRENDS

## ENTERING A SEASONALLY WEAK PERIOD FOR JOLTS

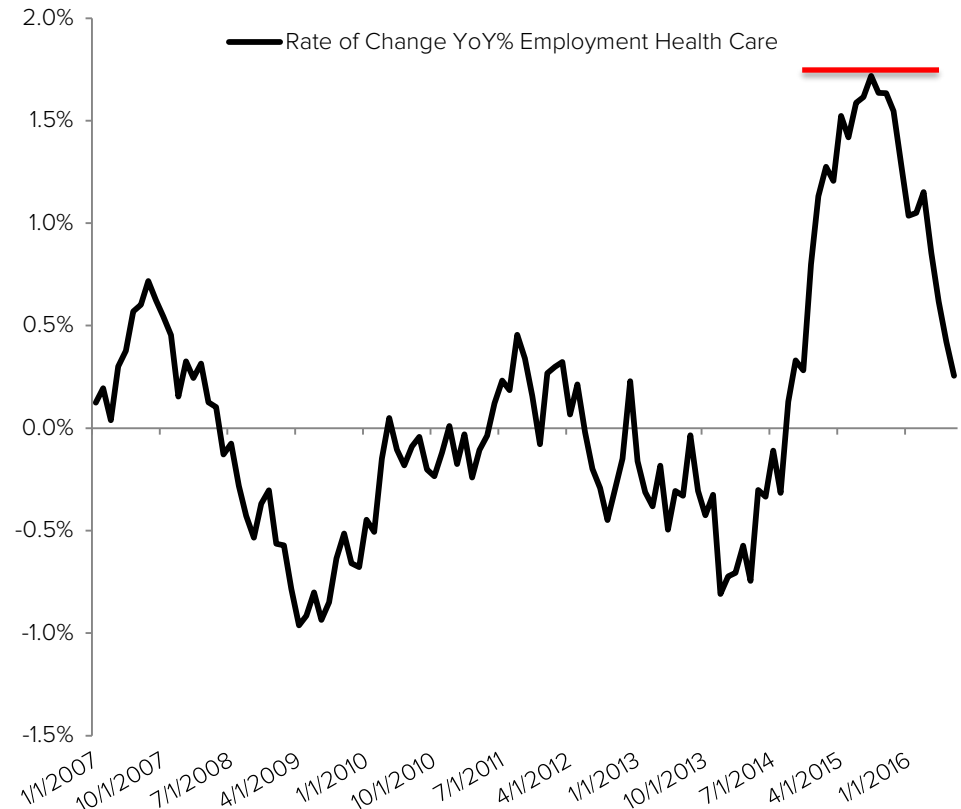
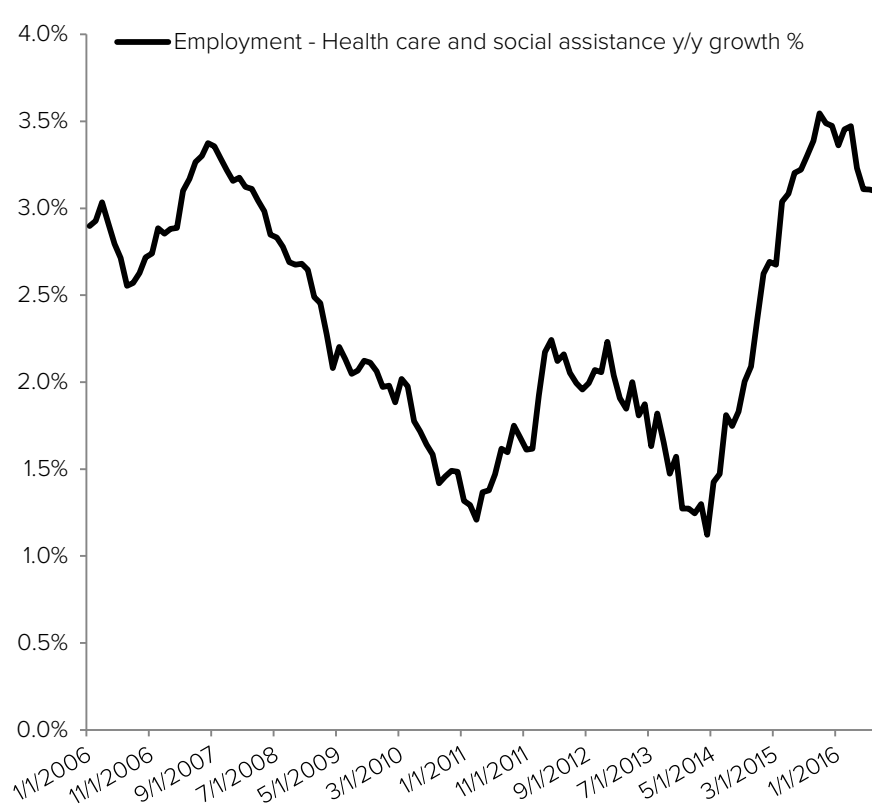


# HEALTHCARE EMPLOYMENT GAINS



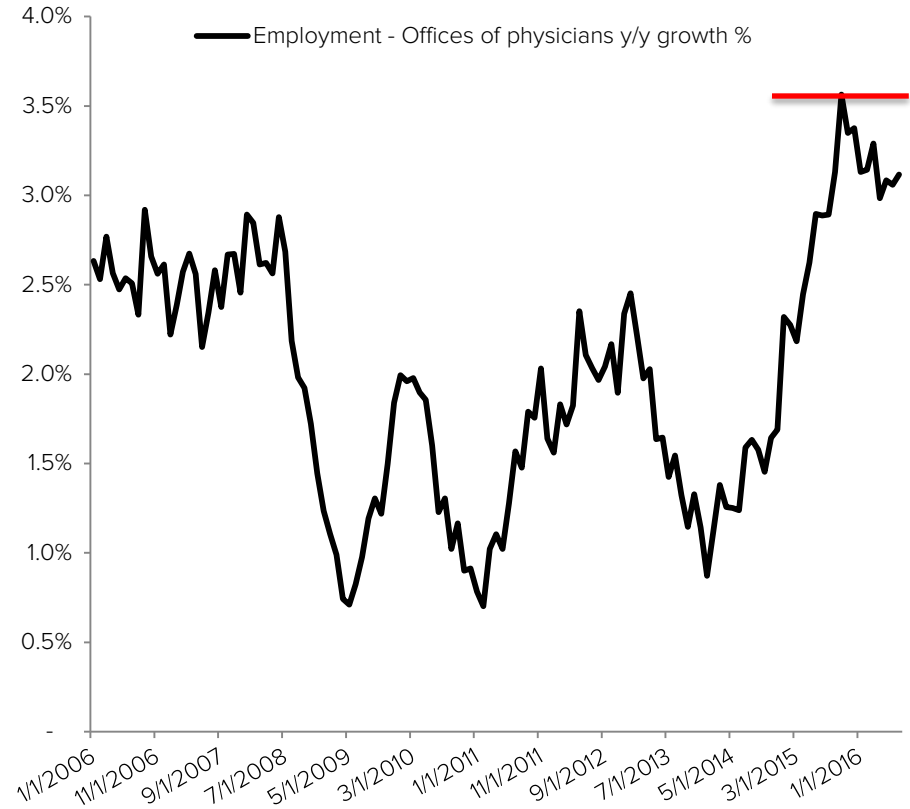
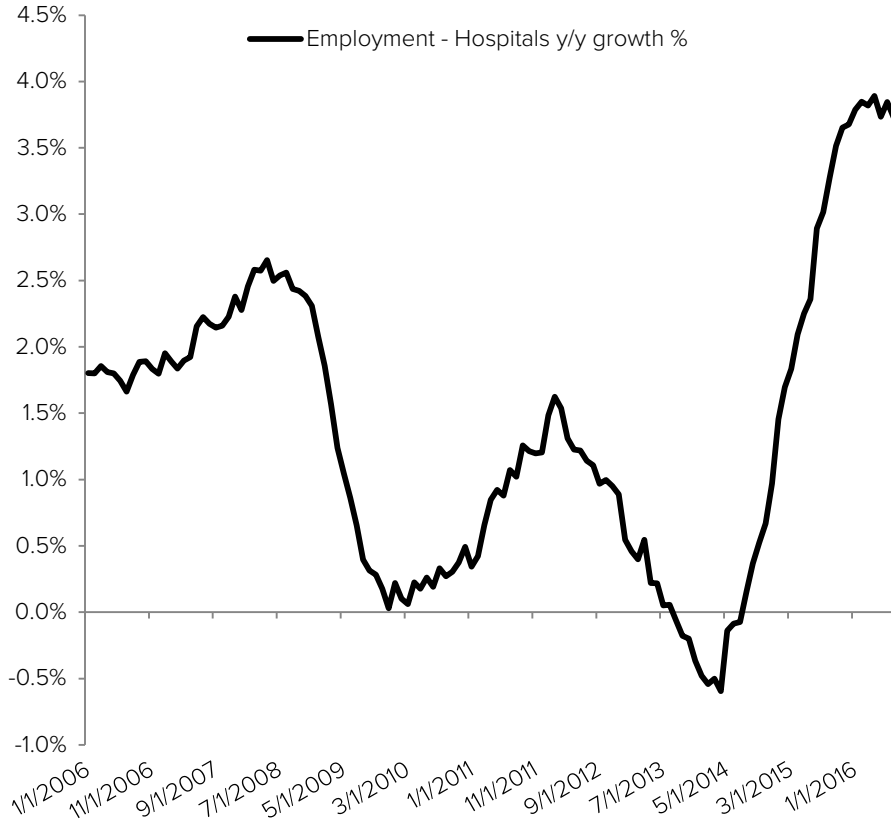
# HEALTHCARE EMPLOYMENT SLOWING

## RATE OF CHANGE NEGATIVE SINCE SEPTEMBER 2015



# HEALTHCARE EMPLOYMENT SLOWING

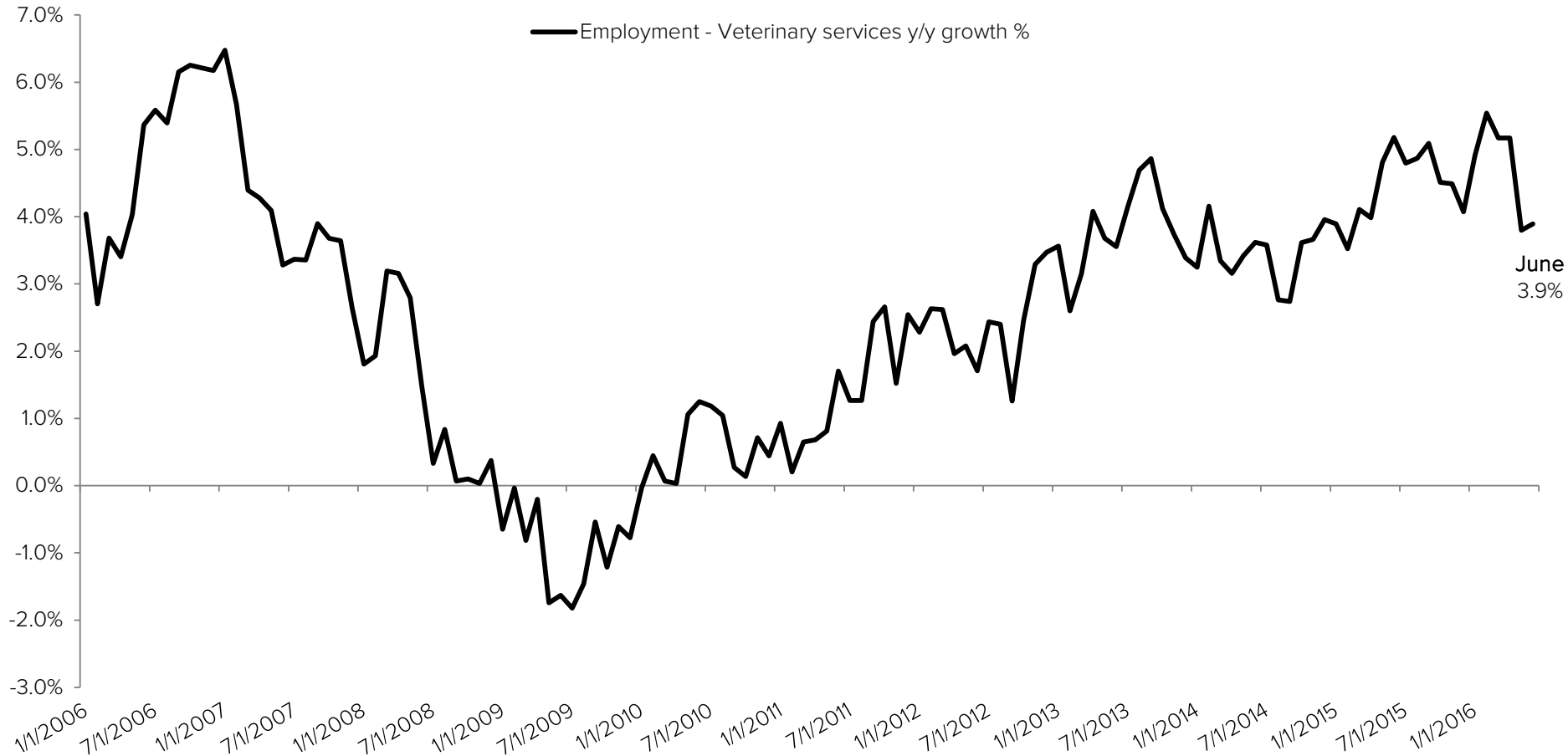
## HOSPITAL EMPLOYMENT LOOKS TOP HEAVY



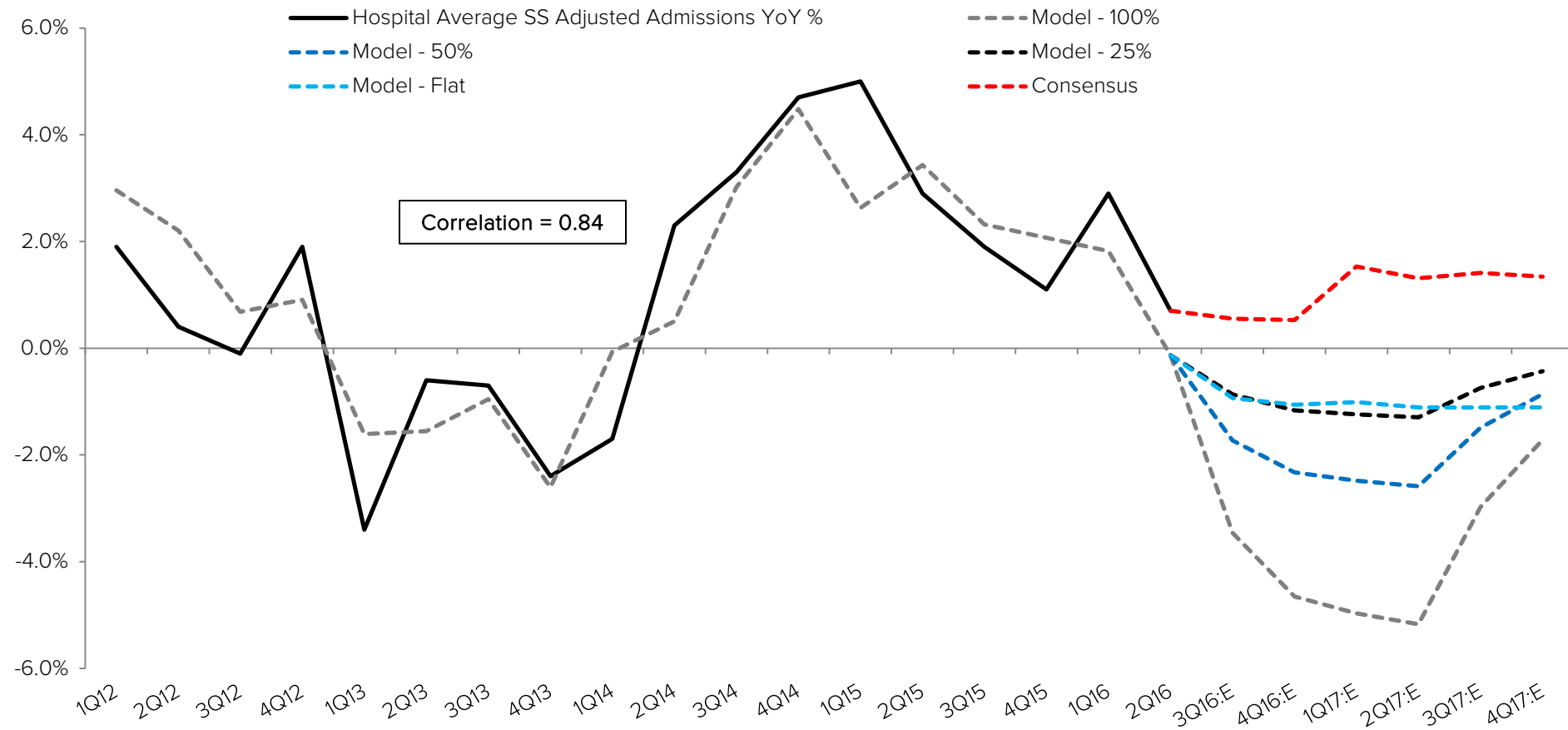
# MEDICAL EQUIPMENT EMPLOYMENT



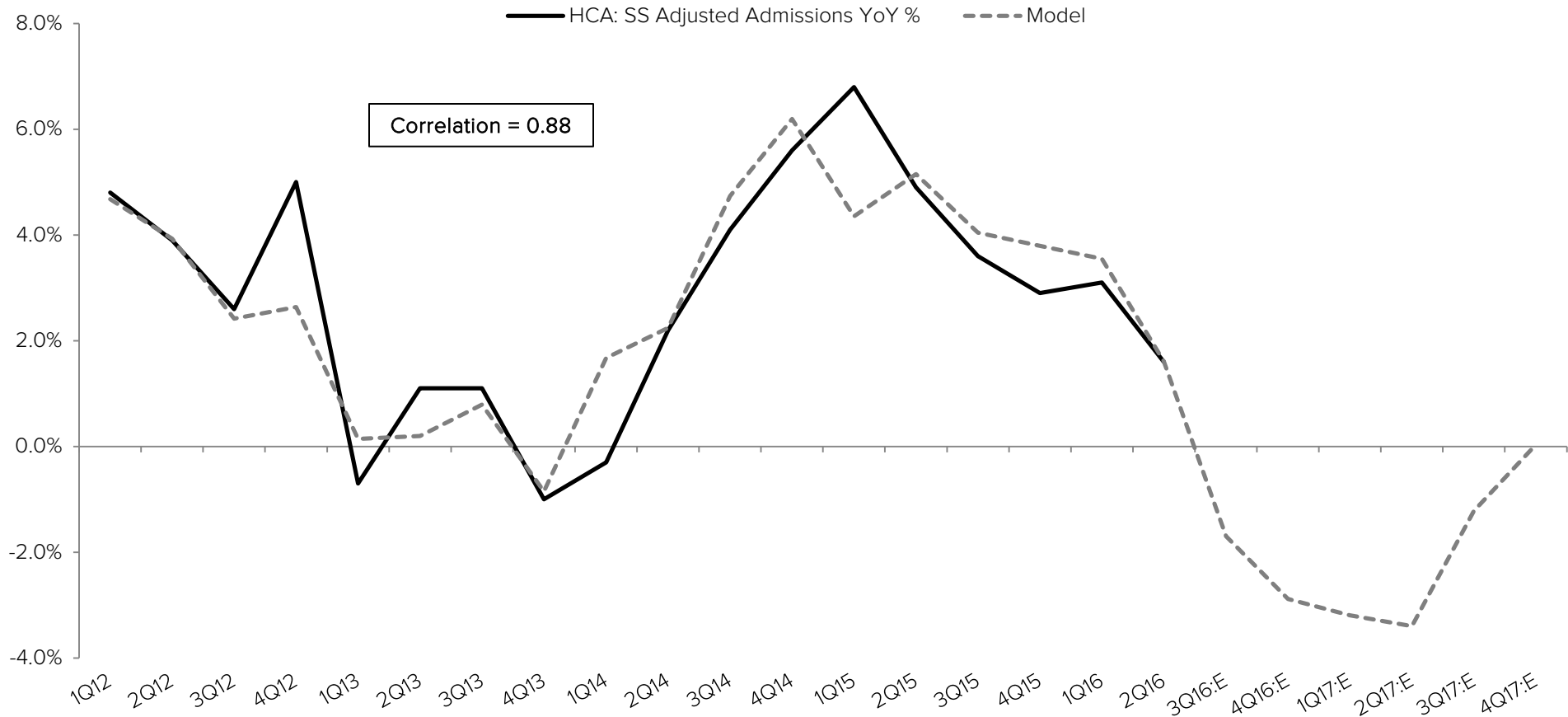
# VETERINARY EMPLOYMENT



# HOSPITAL ADMISSIONS JOLTS MODEL



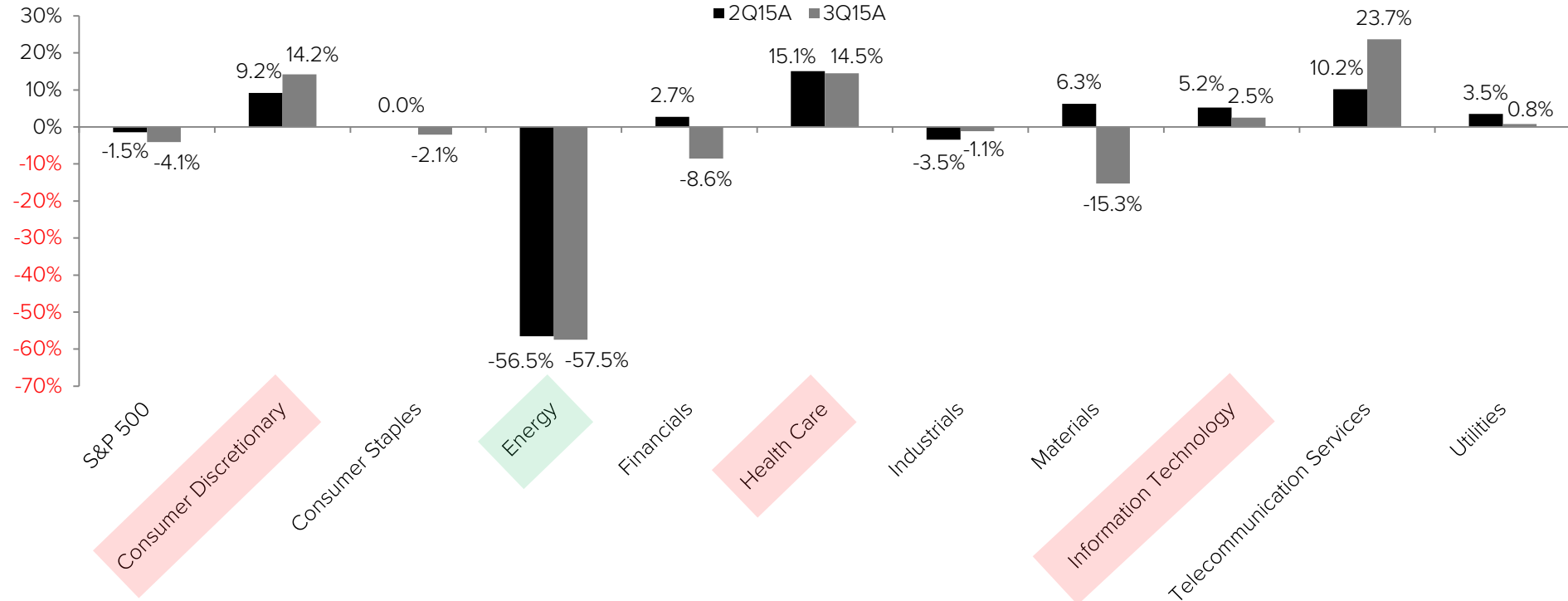
# HCA | JOLTS AND ADMISSIONS MODEL



# BASE EFFECTS FOR EPS GROWTH

COMPARES ARE DIFFICULT FOR #LATECYCLE CONSUMPTION-ORIENTED SECTORS SUCH AS CONSUMER DISCRETIONARY, HEALTH CARE AND, TO A LESSER EXTENT, TECH. ENERGY COMPARES ARE A LAYUP TO THE EXTENT CRUDE OIL PRICES CAN STAY AROUND/ABOVE CURRENT LEVELS.

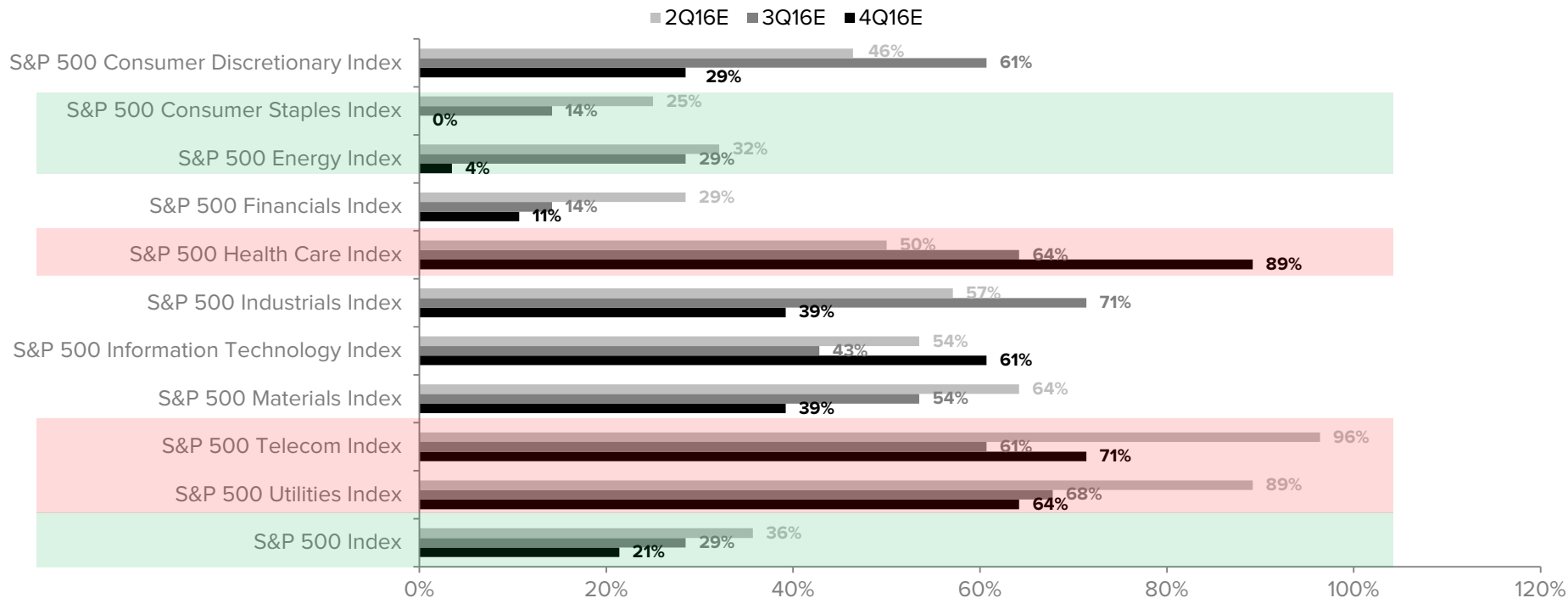
## YoY % Change in EPS by S&P 500 Sector (Annual Compares)



# EPS COMPARES: HISTORICAL CONTEXT

HEALTH CARE, TELECOM AND UTILITIES FACE THE MOST DIFFICULT EPS GROWTH COMPARES THROUGH YEAR-END, WHILE CONSUMER STAPLES AND ENERGY EXPERIENCE THE GREATEST TAILWINDS. BASE EFFECTS FOR THE INDEX AS A WHOLE ARE ACTUALLY QUITE MANAGEABLE.

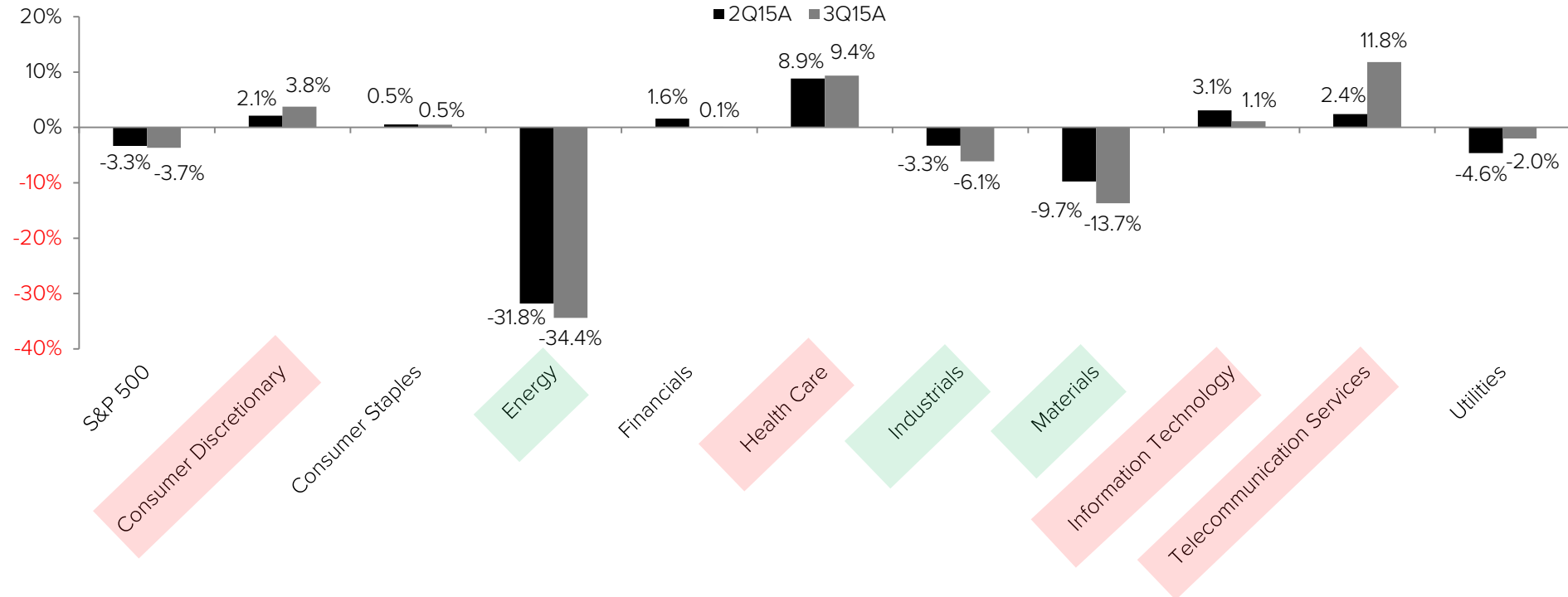
2Y Average EPS Growth Rate in the Respective Comparative Base Period  
(Values Shown as a Percentile of the Respective Trailing 10Y Sample)



# BASE EFFECTS FOR REVENUE GROWTH

CONSUMER DISCRETIONARY, HEALTH CARE, TECH AND TELECOM HAVE THE MOST DIFFICULT COMPARES ACROSS SECTORS, WHILE ENERGY, MATERIALS AND INDUSTRIALS HAVE EASY COMPARES.

## YoY % Change in Sales by S&P 500 Sector (Annual Compares)



# VALUATION MONITOR

Friday, August 05, 2016

## Absolute

Index	Multiple Current	EV/EBITDA				Multiple Current	EV/Sales				Multiple Current	P/E			
		Z-Score					Z-Score					Z-Score			
		1 Yr.	3 Yr.	5 Yr.	10 Yr.		1 Yr.	3 Yr.	5 Yr.	10 Yr.		1 Yr.	3 Yr.	5 Yr.	10 Yr.
S&P 500	10.6x	1.7	1.7	1.6	2.2	2.2x	1.7	1.7	1.6	2.2	17.3x	1.6	1.7	1.5	1.9
S&P 500 Health Care	12.0x	1.4	1.0	1.1	1.5	2.3x	1.2	0.9	1.1	1.6	16.0x	0.6	-0.4	0.5	0.9
Industry															
Equipment & Supplies	14.5x	2.4	2.2	2.0	2.6	4.1x	2.7	2.4	2.3	2.8	20.1x	2.5	2.4	2.1	1.9
Providers & Services	8.7x	0.0	-0.7	0.3	0.5	0.5x	-0.3	-1.2	-0.1	0.8	14.6x	-0.1	-0.2	0.6	0.8
Technology	12.9x	1.3	-0.6	-0.6	0.3	4.3x	1.1	-0.6	-0.5	0.5	26.3x	1.1	-0.8	-1.0	-0.3
Biotechnology	10.5x	0.2	-1.0	-0.8	-0.6	5.7x	-0.1	-1.1	-0.1	0.3	13.2x	-0.1	-1.2	-1.2	-1.2
Pharmaceuticals	12.6x	1.3	1.1	1.2	1.7	4.7x	1.5	1.2	1.3	1.8	16.3x	0.4	-0.2	0.6	1.1
Life Sciences	17.2x	1.7	1.1	1.3	1.9	4.5x	1.8	1.2	1.4	2.1	21.8x	1.5	0.8	1.0	1.3

## Relative to S&P 500

		EV/EBITDA					EV/Sales					P/E			
Index	Multiple Current	Z-Score				Multiple Current	Z-Score				Multiple Current	Z-Score			
		1 Yr.	3 Yr.	5 Yr.	10 Yr.		1 Yr.	3 Yr.	5 Yr.	10 Yr.		1 Yr.	3 Yr.	5 Yr.	10 Yr.
S&P 500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S&P 500 Health Care	1.1x	-0.2	-1.2	-0.2	0.3	1.1x	-0.4	-1.5	-0.8	-0.3	0.9x	-0.7	-1.7	-1.6	-0.6
Industry															
Equipment & Supplies	1.4x	2.3	2.2	2.1	2.2	1.9x	2.9	2.6	2.8	1.9	1.2x	2.2	2.6	2.9	0.7
Providers & Services	0.8x	-0.9	-1.9	-2.5	-2.6	0.2x	-1.1	-1.9	-2.4	-0.8	0.8x	-1.0	-1.7	-1.2	-0.6
Technology	1.2x	0.4	-1.0	-1.4	-0.8	2.0x	0.2	-1.0	-1.5	-0.5	1.5x	0.2	-1.1	-1.5	-1.3
Biotechnology	1.0x	-0.5	-1.2	-1.6	-1.8	2.6x	-0.7	-1.5	-1.8	-1.7	0.8x	-0.7	-1.3	-1.8	-2.0
Pharmaceuticals	1.2x	-0.7	-0.4	0.5	0.9	2.1x	-0.7	-0.6	0.4	0.9	0.9x	-1.1	-2.1	-0.9	0.2
Life Sciences	1.6x	0.3	0.1	0.7	1.2	2.0x	0.4	0.4	0.9	1.6	1.3x	0.1	-0.8	0.3	0.1

**MACRO GRIND**

# Q2 S&P REVENUE & EARNINGS COMPS

Q2 2016 QTD

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	-0.4%	-4.1%	453 / 500
Energy	-24.2%	-81.6%	37 / 37
Materials	-7.3%	-9.1%	27 / 27
Industrials	-1.0%	-2.0%	67 / 68
Consumer Discretionary	8.0%	12.0%	60 / 83
Consumer Staples	0.4%	0.2%	28 / 36
Healthcare	9.0%	5.0%	54 / 57
Financials	0.9%	-5.2%	92 / 92
Information Technology	0.0%	-2.2%	55 / 67
Telecom	9.6%	3.5%	5 / 5
Utilities	-2.4%	8.9%	28 / 28

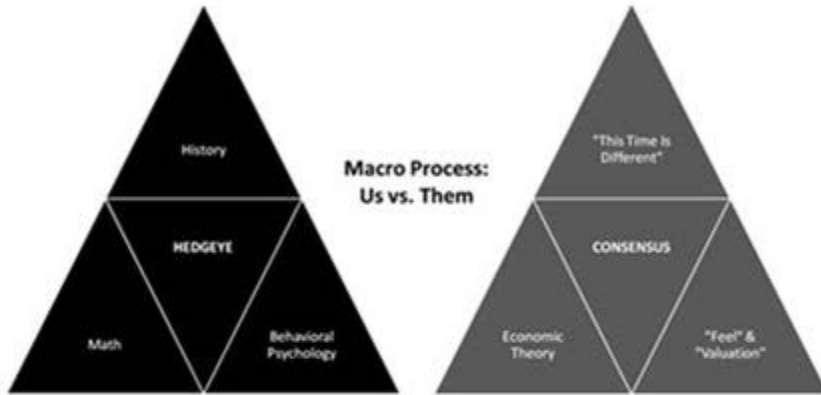
Source: BBG

August 11, 2016

THE MACRO SHOW

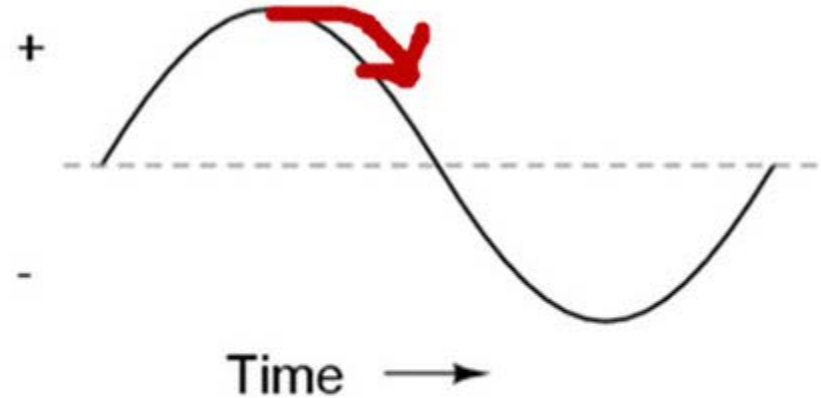
HEDGEYE  
TV

# 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.

August 11, 2016

THE MACRO SHOW

HEDGEYE  
TV

# 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	\$81.23	0.21%	-0.48%	3.93%
Financial Select Sector	XLF	\$23.88	-0.79%	0.97%	0.21%
Health Care Select Sector	XLV	\$74.54	-0.34%	-0.88%	3.48%
Technology Select Sector	XLK	\$46.99	-0.32%	1.16%	9.71%
Consumer Staples Select Sector	XLP	\$54.90	0.37%	0.37%	8.73%
Industrial Select Sector	XLI	\$58.34	-0.05%	0.52%	10.05%
Materials Select Sector	XLB	\$48.73	0.02%	0.08%	12.23%
The Energy Select Sector	XLE	\$67.33	-1.09%	-0.07%	11.62%
Utilities Select Sector	XLU	\$50.71	0.02%	-2.71%	17.17%
S&P 500	SPX	2,175.49	-0.29%	0.09%	6.44%

August 11, 2016

THE MACRO SHOW

HEDGEYE  
TV

# 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	\$81.23	0.50%	-0.56%	-2.51%
Financial Select Sector	XLF	\$23.88	-0.50%	0.89%	-6.23%
Health Care Select Sector	XLV	\$74.54	-0.05%	-0.97%	-2.96%
Technology Select Sector	XLK	\$46.99	-0.03%	1.08%	3.28%
Consumer Staples Select Sector	XLP	\$54.90	0.65%	0.28%	2.30%
Industrial Select Sector	XLI	\$58.34	0.24%	0.43%	3.62%
Materials Select Sector	XLB	\$48.73	0.31%	0.00%	5.79%
The Energy Select Sector	XLE	\$67.33	-0.80%	-0.16%	5.19%
Utilities Select Sector	XLU	\$50.71	0.31%	-2.79%	10.73%

August 11, 2016

THE MACRO SHOW

HEDGEYE  
TV

# HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	-0.6%	-0.3%	1.6%	4.7%	25.9%	10.9%
	Low Debt/EV	-0.1%	0.3%	2.0%	4.2%	18.5%	7.0%
SI	High Short Interest	-0.4%	0.4%	2.8%	5.2%	22.3%	5.2%
	Low Short Interest	-0.3%	0.3%	2.1%	3.7%	17.6%	7.7%
BETA	High Beta	-1.0%	0.4%	4.7%	6.1%	31.6%	5.9%
	Low Beta	0.1%	0.0%	-1.4%	3.5%	15.5%	13.4%
YIELD	High Yield	-0.4%	-0.1%	1.1%	4.0%	18.7%	9.7%
	Low Yield	-0.4%	0.4%	3.9%	6.3%	26.8%	9.0%
MKT CAP	MCAP Bottom 25%	-0.4%	0.2%	2.2%	2.7%	21.6%	5.1%
	MCAP Top 25%	-0.2%	0.5%	2.0%	3.8%	17.5%	6.3%
Sales	Top 25% Sales Growth	-0.4%	0.2%	2.0%	4.6%	27.9%	8.4%
	Bottom 25% Sales Growth	-0.3%	0.5%	2.7%	5.3%	21.6%	9.5%
EPS	Top 25% EPS Growth	-0.3%	0.2%	3.1%	4.4%	24.9%	6.7%
	Bottom 25% EPS Growth	-0.6%	0.2%	1.4%	3.1%	22.1%	8.8%

*\*Mean Performance of Top Quartile vs. Bottom Quartile, S&P500 Companies*

August 11, 2016

THE MACRO SHOW

HEDGEYE  
TV

# HEDGEYE RATES & SPREADS

	Price	1D Bps Chg	5D Bps Chg	1M Bps Chg	3M Bps Chg	vs. 52-Wk, Bps		vs. 3Y Ave	vs. 5Y Ave
						High	Low		
3M T-Bill	0.28%	2.1	1.1	1	7	-8	33	20	21
3M LIBOR	0.81%	0.0	3.9	14	18	0	50	46	45
2Y T-Note	0.71%	-1.6	3.1	11	0	-39	21	13	26
5Y T-Note	1.11%	-3.7	1.8	16	-9	-72	22	-39	-13
10Y T-Note	1.55%	-4.3	-0.7	19	-20	-83	23	-72	-58
30Y T-Note	2.26%	-4.6	-4.4	16	-35	-88	17	-81	-81
2Y-10Y Spread, Bps	84	-2.7	-3.8	8.6	-21	-44	2	-86	-84
IG SPREAD (AAABBB)	1.69%	0.0	3.0	-8	-10	-61	5	-1	-16
HIGH YIELD	6.44%	0.0	-24.1	-22	-104	-289	8	-16	-33
5Y BREAK EVEN	1.32%	-2.6	5.8	-9.5	-18.5	-31.8	46.6	-26.4	-40.2

August 11, 2016

THE MACRO SHOW

HEDGEYE  
TV

# 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)	132,682	(42,606)	75,588	(27,695)	(91,087)	1.89X	1.57X
Russell 2000 (mini)	(1,948)	5,991	(26,839)	(42,920)	(42,839)	2.76X	1.10X
10Y Treasury	96,007	(45,131)	18,751	(1,360)	(2,628)	1.51X	1.87X
CRUDE OIL	294,109	(15,342)	358,345	342,119	302,140	-0.14X	-0.71X
GOLD	267,289	10,359	237,190	195,062	109,023	1.57X	2.69X
COPPER	2,759	(2,112)	(22,624)	(18,279)	(21,233)	1.72X	1.36X
USD	17,560	(4,853)	12,364	16,402	30,330	-0.79X	-0.53X
JPY	37,153	3,211	43,017	49,123	9,803	0.55X	1.56X
EUR	(116,265)	5,289	(67,670)	(58,746)	(86,164)	-0.69X	-0.47X
GBP	(82,151)	(3,920)	(51,169)	(44,793)	(30,716)	-2.42X	-2.41X

August 11, 2016

THE MACRO SHOW

HEDGEYE  
TV

# MARKET SHARE VOLUME & TOTAL VALUE TRADED

		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	0.28%	0.0	1.6	1	4	-8	33	20	21
3M LIBOR	0.82%	0.0	3.8	15	19	0	51	47	45
2Y T-Note	0.68%	-2.8	1.5	8	-4	-42	19	11	23
5Y T-Note	1.07%	-3.6	0.1	12	-14	-75	18	-43	-17
10Y T-Note	1.51%	-4.0	-3.5	15	-25	-87	19	-76	-62
30Y T-Note	2.23%	-3.4	-6.9	13	-38	-91	14	-85	-84
2Y-10Y Spread, Bps	83	-1.2	-5.0	7.3	-21	-45	0	-87	-86
IG SPREAD (AAABBB)	1.70%	0.0	2.0	-7	-10	-60	6	0	-15
HIGH YIELD	6.35%	-1.3	-29.7	-31	-111	-297	0	-25	-42
5Y BREAK EVEN	1.29%	-3.5	-1.0	-13.0	-25.5	-35.3	43.1	-29.8	-43.6

August 11, 2016

THE MACRO SHOW

HEDGEYE  
TV

# KEY \$USD CORRELATIONS

METRIC	15D	30D	90D	120D	180D	52-Wk Rolling 30D Correlation			
						High	Low	% Time Pos	% Time Neg
SPX	0.16	0.26	0.59	-0.07	-0.47	0.73	-0.91	58%	42%
BRENT Oil	0.76	0.11	-0.12	-0.41	-0.66	0.73	-0.78	37%	63%
CRB Index	0.57	0.15	-0.41	-0.41	-0.83	0.71	-0.91	24%	76%
GOLD	-0.91	-0.70	0.53	0.22	-0.65	0.90	-0.95	24%	76%

*\*Days = Trading Days*

August 11, 2016

THE MACRO SHOW

HEDGEYE  
TV