



THE
MACRO
SHOW

APRIL 11, 2017

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HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/10/2017	43	23	15	0	19	0
4/11/2017	43	23	15	0	19	0

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/10/2017	43%	70%	45%	0%	58%	0%
4/11/2017	43%	70%	45%	0%	58%	0%

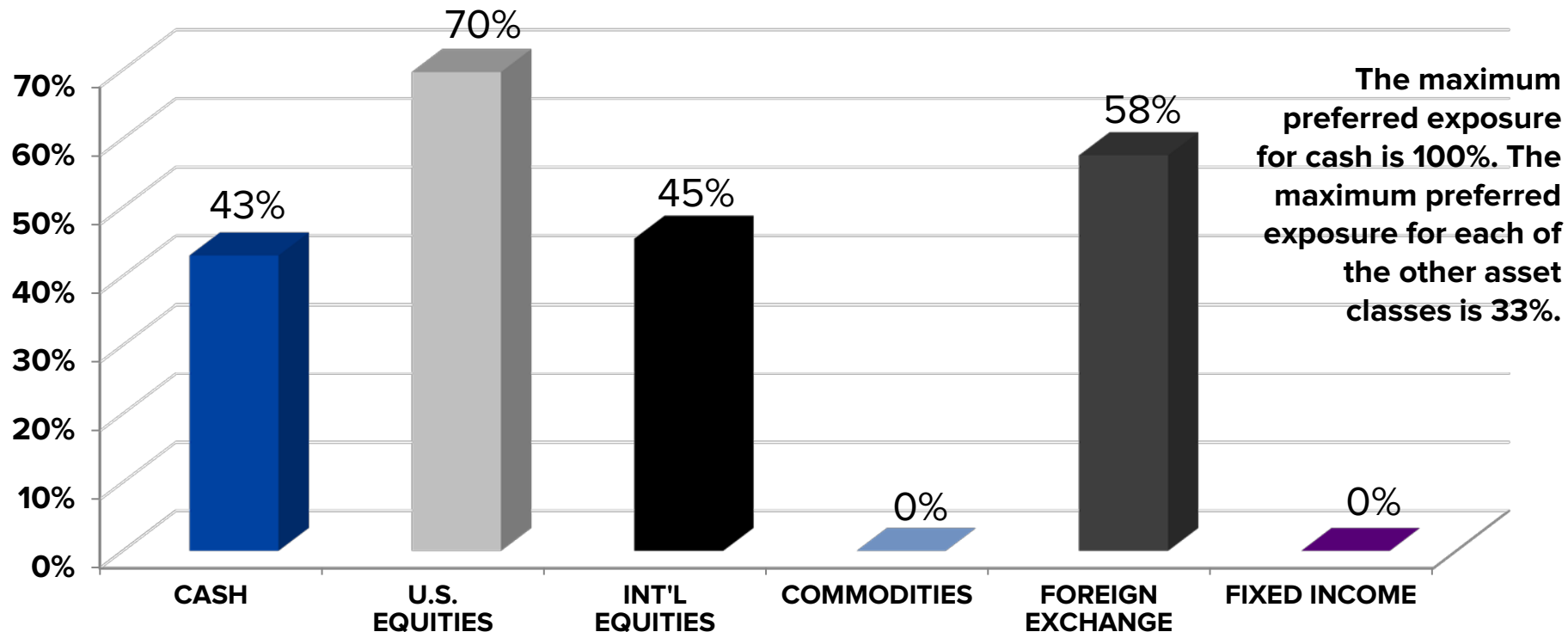
The maximum preferred exposure for cash is 100%. The maximum preferred exposure for each of the other asset classes is 33%.

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1 FINANCIALS



2 GERMANY



3 CONFIDENCE



FINANCIALS

Q1 earnings kick off later this week for the money center banks with Citigroup, JPMorgan, and Wells Fargo. With XLF underperforming SPY by -4.4% YTD, consensus expects the Financials sector to continue to be a source of volatility going forward in an otherwise muted volatility environment domestically. Looking at front-month implied volatility, XLF is widely divergent from other sectors, trading at 17.9% vs. 10.8% for the SPY. With treasury rates and financials consolidating in 2017, we're in the camp that consensus is too cautious on financials if our call on growth accelerating plays out.



GERMANY

The ZEW economic growth expectations survey showed an acceleration in APR at 80.1 for the Current Situation (vs 77.3 in MAR) and the 6-month forward Expectations rose to 19.5 vs 12.8 prior, gaining for two months in a row. Germany (via the etf EWG) remains one country we're comfortable being long of in a basket of countries in Europe over the TAIL duration.

The background of the slide is a close-up, slightly blurred image of the American flag, showing the stars and stripes. The flag is draped and folded, creating a sense of movement and texture. The colors are muted, with the red and white stripes appearing as soft, horizontal bands and the blue field with stars as a darker, textured area.

CONFIDENCE

This morning's NFIB Small Business Confidence data for March showed Trumphoria remains ubiquitous across domestic consumer and business sentiment series. The headline remained just below 12 year highs as the Employee Compensation Plans and Jobs Hard to Fill series continued their Trend improvement – offering continued confirmation of labor market tightening and suggesting the trudging acceleration in earnings growth will continue its northward march. Small businesses (1-499 employees) represent over 99% of total U.S. Employer firms and have, historically, represented >60% of net private sector hiring on a monthly basis. In short, they matter, and employment growth among small firms has shown a modest positive inflection in 2017 YTD after slowing progressively for 2 years.

MACRO GRIND

Implied Volatility Spread % (ATM Put Implied Vol Front Month)

S&P SPDR Sector IMPLIED VOL Spread vs. SPY

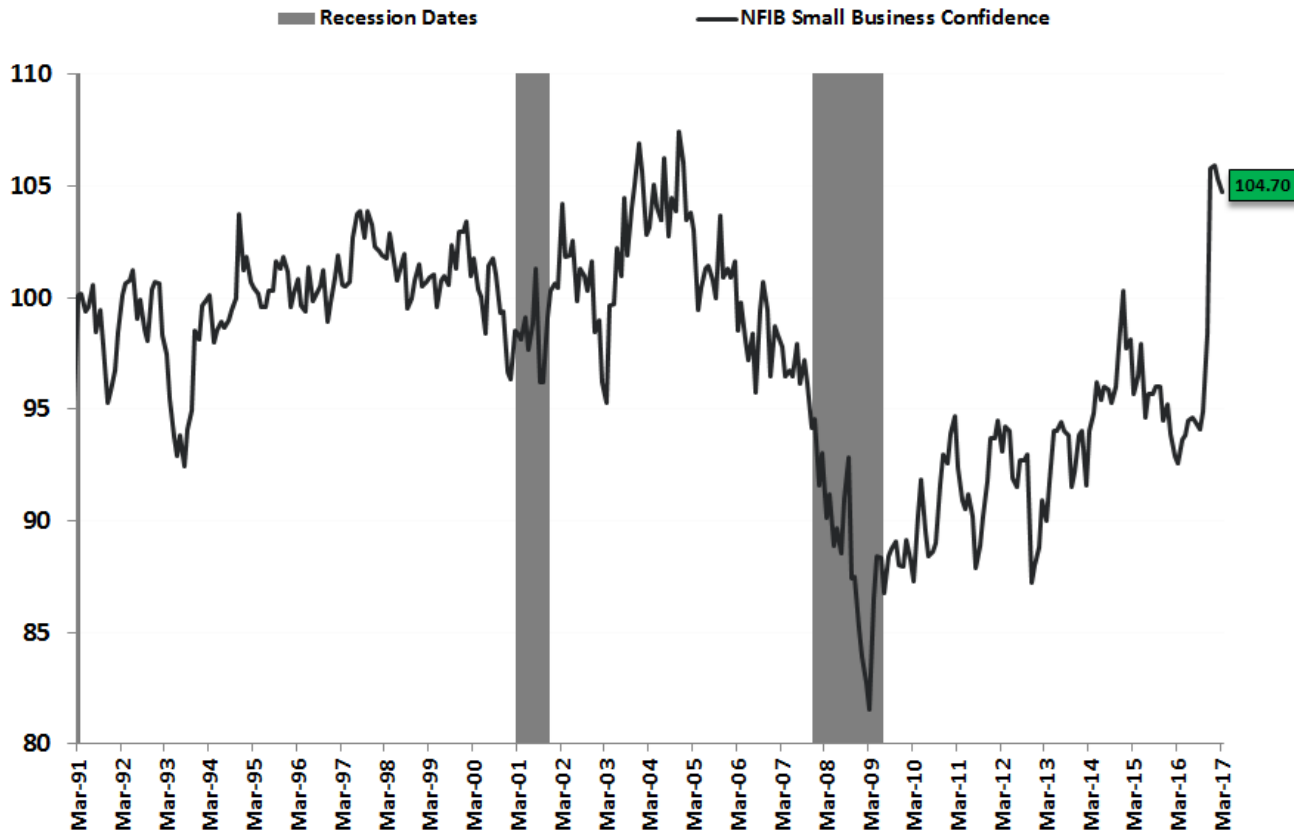
Sector Ticker	I-VOL Spread % (Volatility Points)	1Yr Avg.	3Yr Z-Score
XLF	7.1%	5.3%	1.9
XLE	6.0%	8.1%	-0.7
XLB	2.9%	3.8%	-0.3
XLU	2.1%	3.4%	0.1
XLI	2.0%	2.0%	0.4
XLK	1.7%	1.9%	0.0
XLV	0.9%	2.3%	-1.0
XLY	0.6%	1.7%	-1.1
XLP	-1.5%	-0.2%	-0.2

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NFIB SMALL BUSINESS OPTIMISM

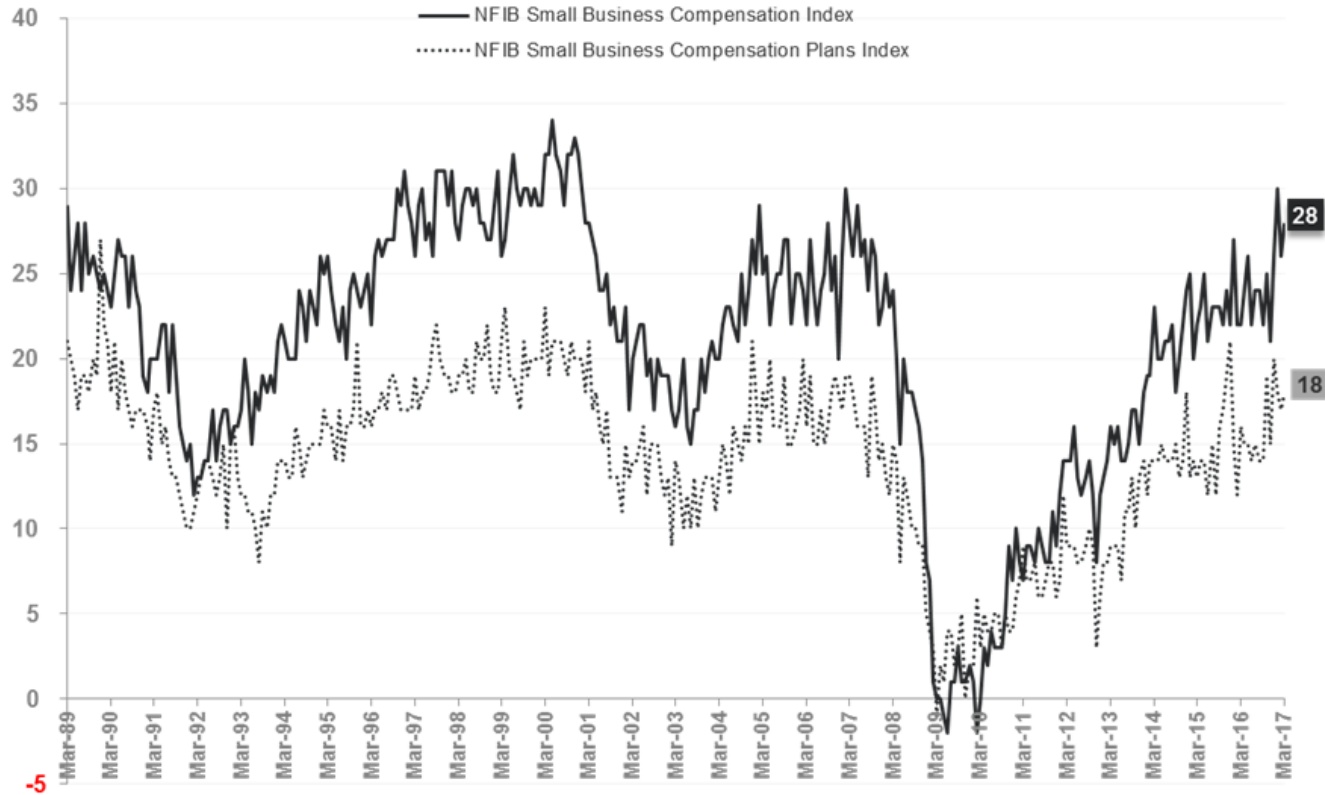


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NFIB SMALL BUSINESS COMPENSATION INDEX



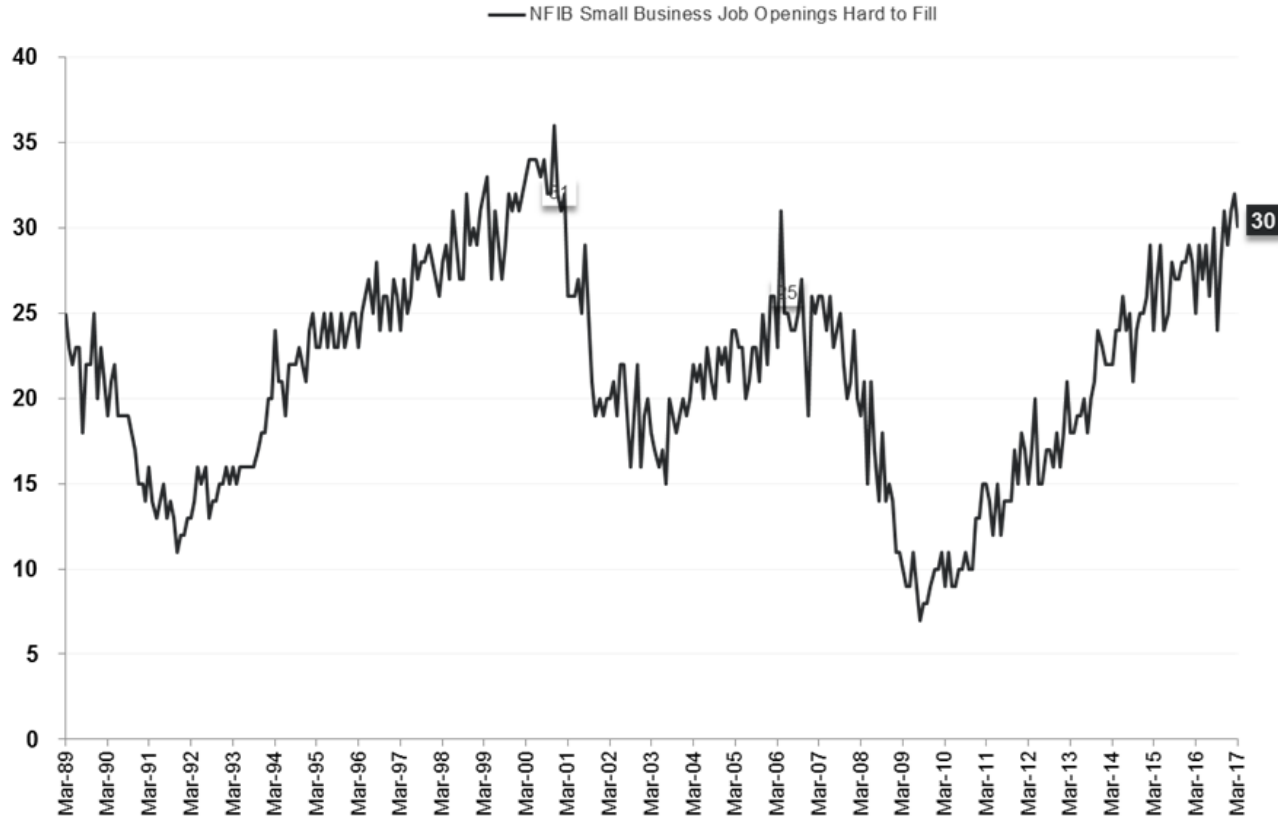
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NFIB SMALL BUSINESS JOB OPENINGS HARD TO FILL

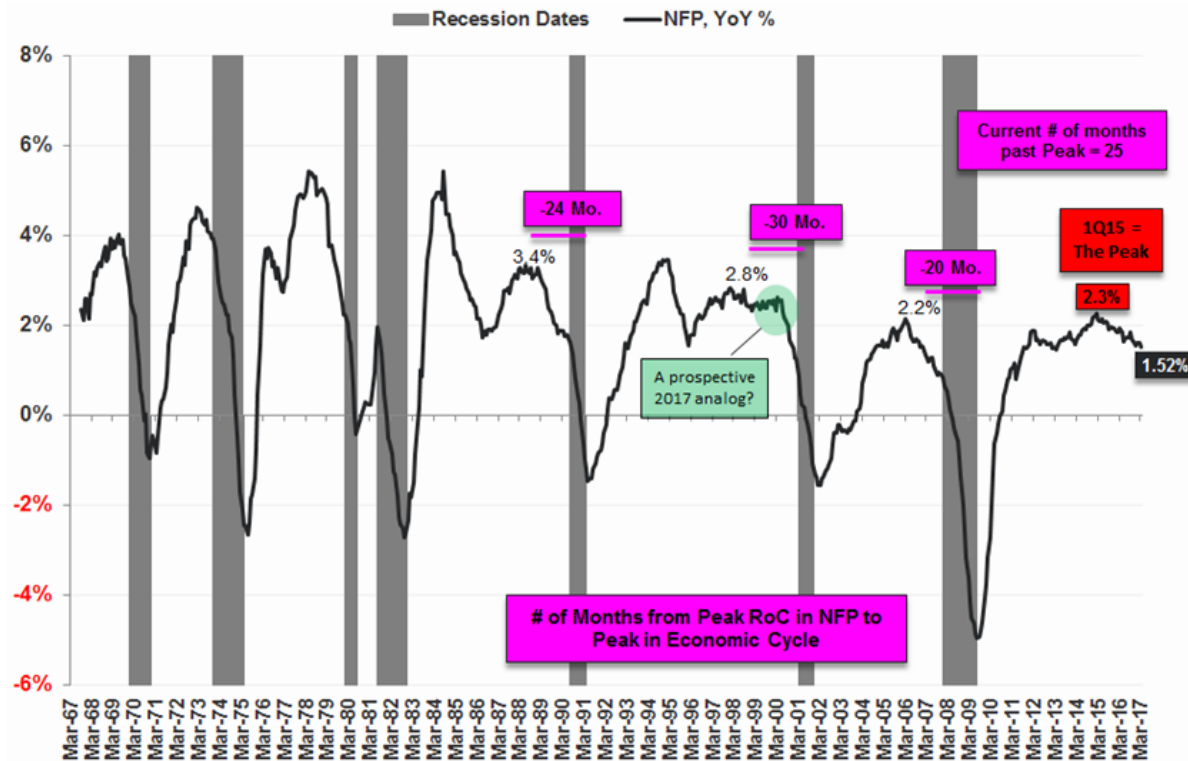


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NONFARM PAYROLL GROWTH YOY

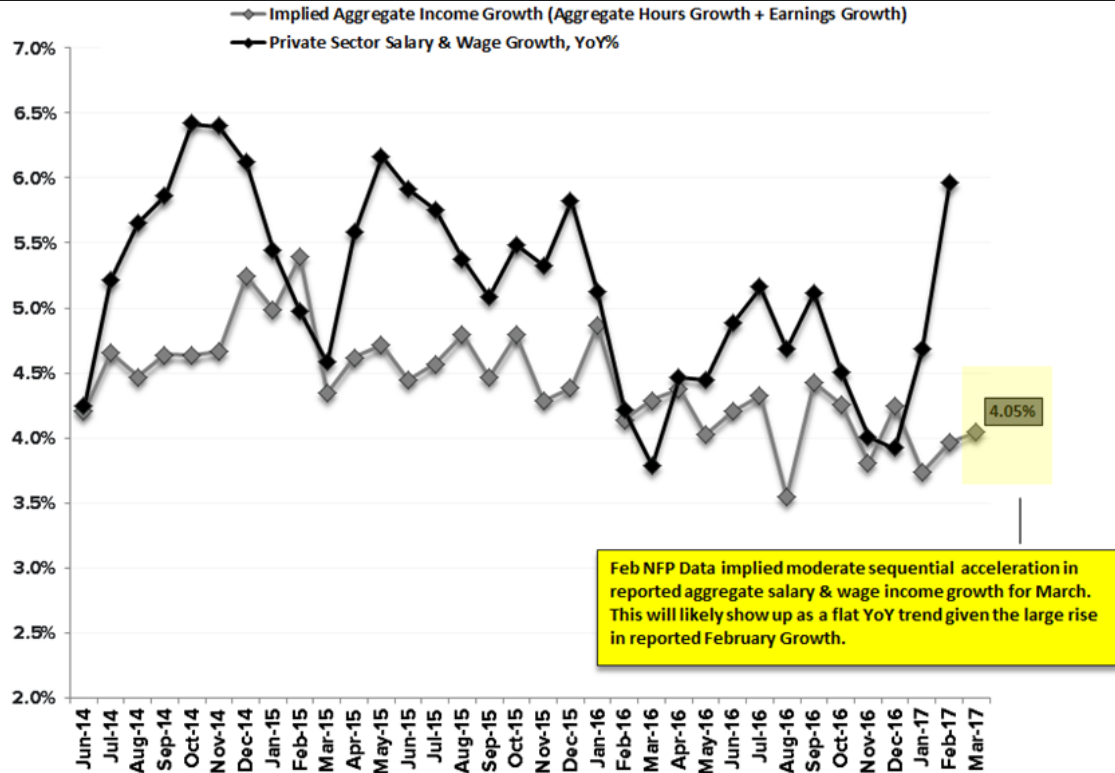


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REPORTED AND IMPLIED INCOME GROWTH

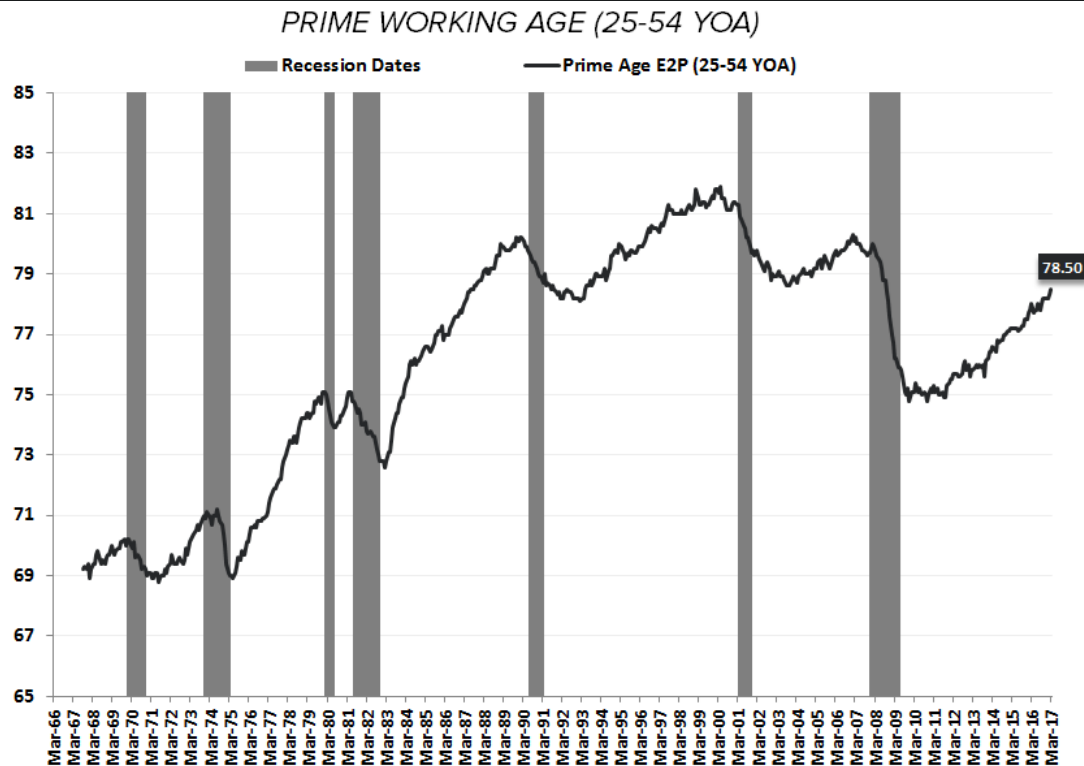


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EMPLOYMENT-TO-POPULATION RATIO

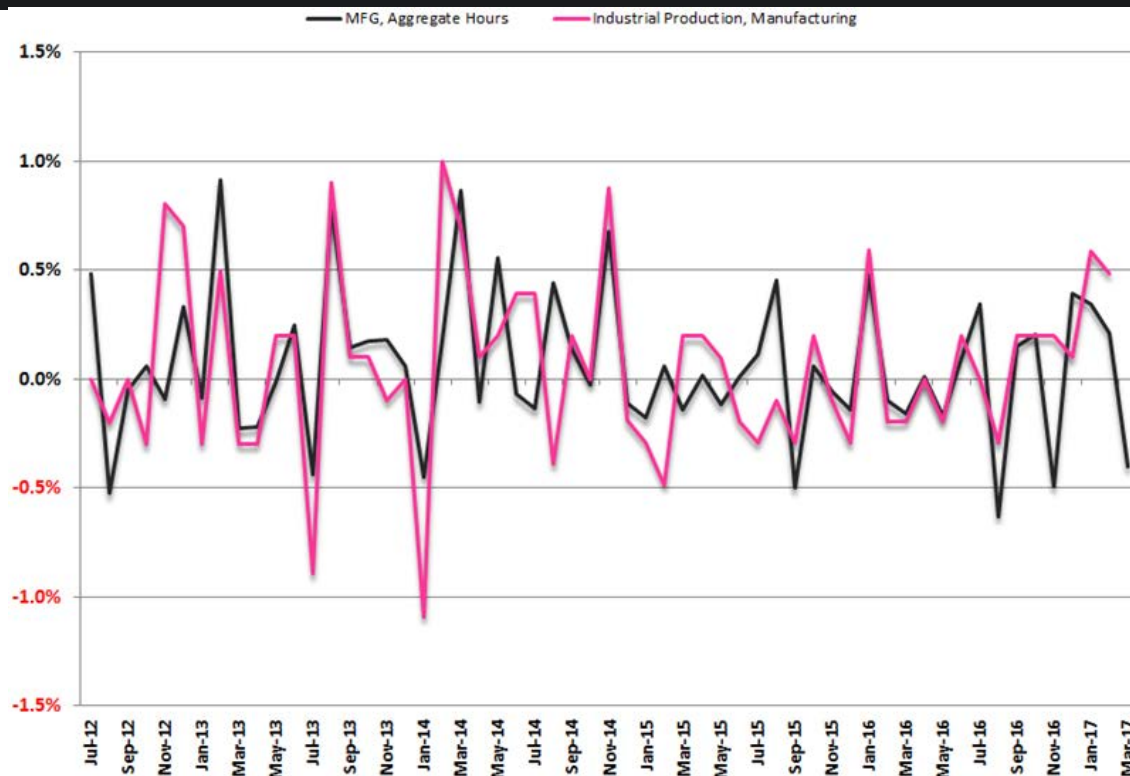


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INDUSTRIAL PROD. VS NFP IMPLIED INDUSTRIAL ACTIVITY

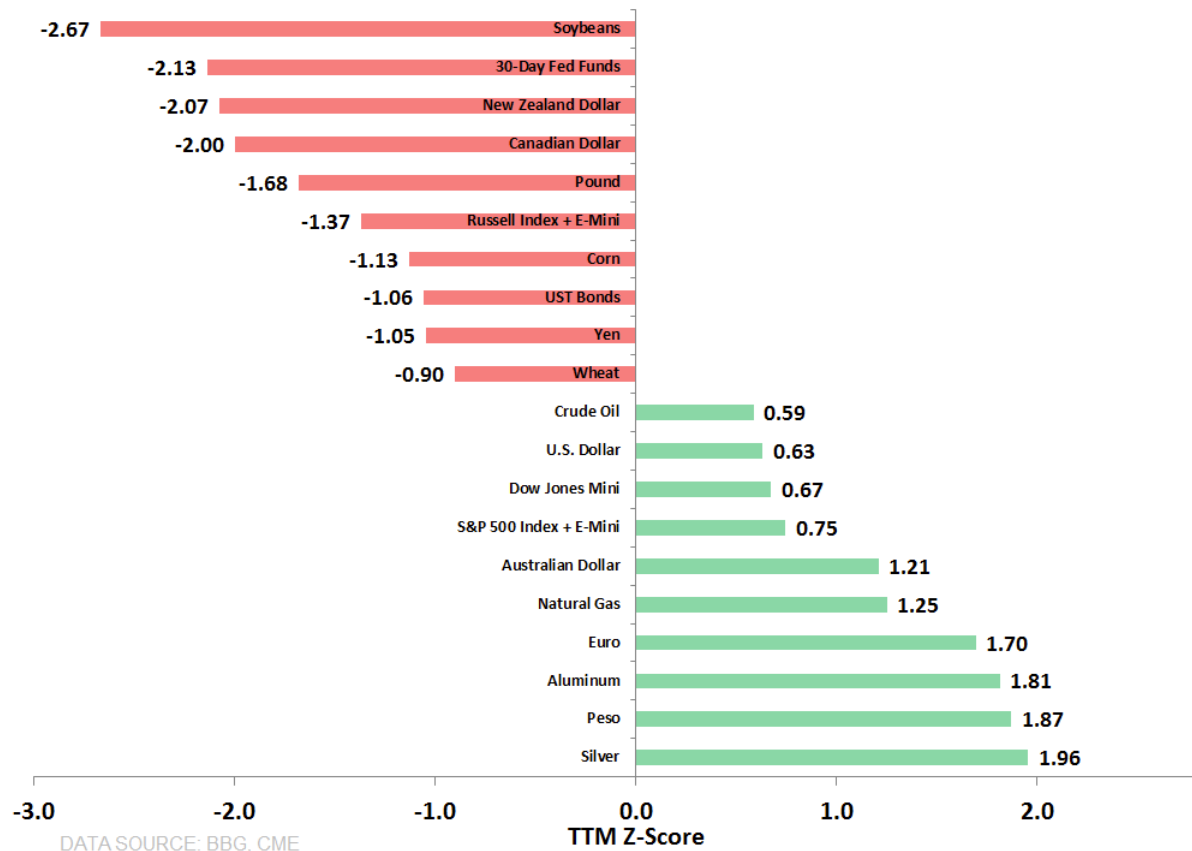


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CFTC Net Futures & Options Positioning (TTM Z-Score)

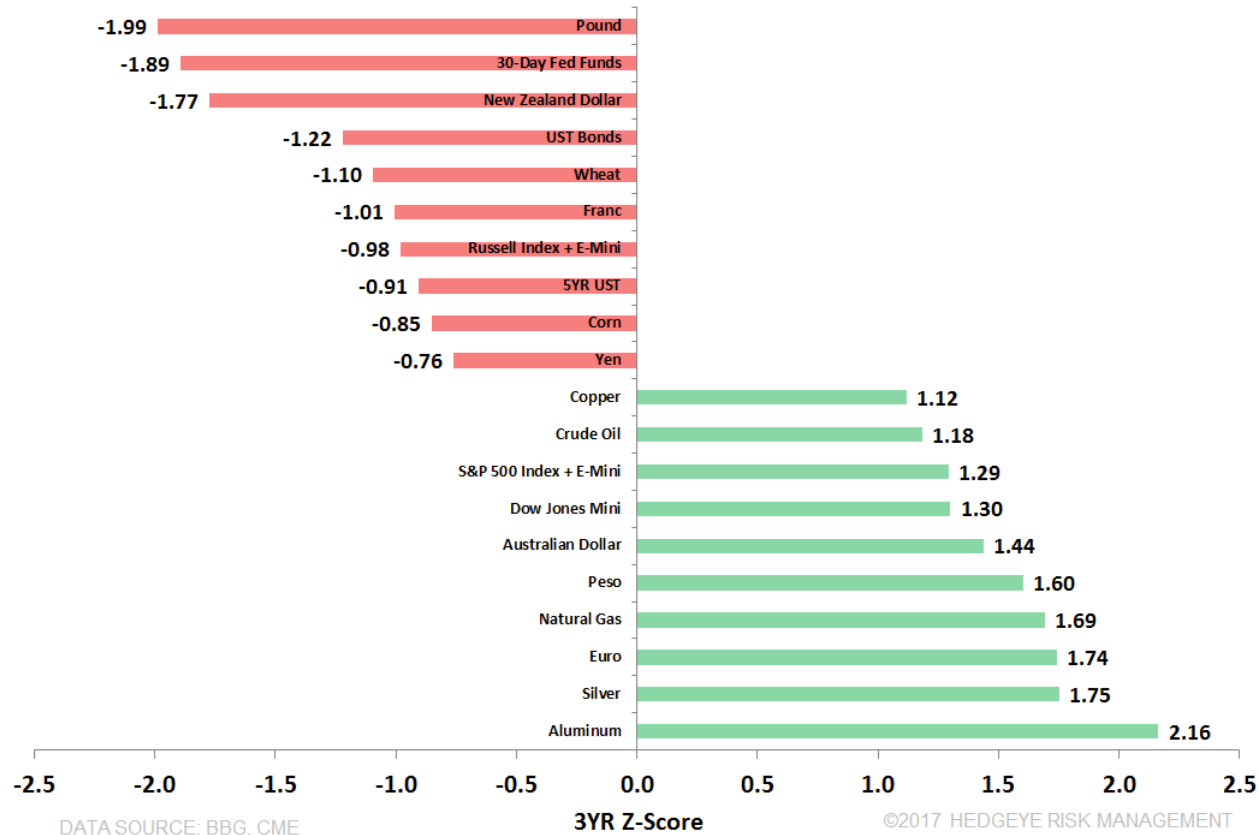


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CFTC Net Futures & Options Positioning (3Yr Z-Score)



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Index/Security	REALIZED VOLATILITY				IMPLIED VOLATILITY*				IMPLIED** VS. REALIZED VOLATILITY									
	Duration of Realized (%)				At-The-Money %				Ticker	30 Day			60 Day			3 Month		
										Premium	Z-Score		Premium	Z-Score		Premium	Z-Score	
	30D	60D	90D	Current	v 1M Avg	v 3M Avg	v 6M Avg.	TTM			3Yr	TTM		3Yr	TTM		3Yr	
S&P 500	SPX	7.4%	6.6%	6.9%	10.5%	6.5%	9.2%	-4.0%	SPX	40.6%	0.51	1.02	59.1%	1.45	1.97	62.2%	1.90	2.27
Russell 2000	RTY	14.6%	14.0%	14.1%	16.3%	5.5%	4.4%	-2.4%	RTY	10.0%	0.21	0.20	17.1%	0.76	0.54	18.9%	1.11	0.57
Nasdaq 100	NDX	7.4%	6.7%	8.1%	12.1%	10.1%	6.9%	-7.5%	NDX	59.5%	1.09	1.76	86.5%	2.63	3.39	61.3%	2.46	2.79
USD Index	UUP	7.2%	6.9%	7.5%	8.8%	12.1%	6.5%	3.8%	UUP	17.2%	0.19	0.17	24.3%	0.50	0.48	9.6%	-0.25	-0.18
Consumer Discret.	XLY	7.1%	6.9%	8.5%	11.4%	7.9%	2.2%	-9.8%	XLY	51.7%	1.01	1.58	69.6%	2.24	2.83	42.8%	1.62	1.91
Financials	XLF	16.1%	15.4%	14.8%	17.9%	9.9%	10.1%	3.6%	XLF	10.3%	-0.04	0.15	16.6%	0.42	0.53	20.8%	1.28	0.86
Healthcare	XLV	8.1%	8.9%	9.1%	11.7%	-0.3%	-3.8%	-16.1%	XLV	43.4%	1.09	1.56	36.7%	1.51	1.81	38.9%	2.22	2.29
Technology	XLK	7.9%	7.2%	9.1%	12.5%	9.5%	8.5%	-3.2%	XLK	52.2%	1.05	1.67	64.3%	2.11	2.60	34.6%	1.58	1.57
Consumer Staples	XLP	5.1%	7.2%	7.8%	9.2%	-3.3%	-5.7%	-16.5%	XLP	86.2%	2.92	3.25	38.6%	1.83	1.91	38.2%	2.05	1.88
Utilities	XLU	10.8%	11.7%	11.9%	12.8%	-1.7%	-4.8%	-15.5%	XLU	17.8%	1.11	1.27	11.4%	1.05	1.20	9.7%	1.32	1.27
Energy	XLE	15.9%	14.7%	13.7%	16.8%	1.5%	1.0%	-8.7%	XLE	7.8%	0.15	0.16	21.4%	1.50	1.00	26.3%	2.61	1.33
Energy	XOP	27.8%	24.6%	22.5%	27.4%	-0.2%	2.0%	-8.6%	XOP	0.3%	-0.24	-0.16	20.2%	1.37	1.21	28.8%	3.43	1.90
Materials	XLB	12.1%	11.5%	11.0%	13.7%	3.6%	4.0%	-5.0%	XLB	4.1%	-0.43	-0.18	18.9%	0.52	0.53	28.6%	1.34	1.07
Industrials	XLI	10.5%	9.8%	9.7%	12.8%	4.3%	4.8%	-3.5%	XLI	22.4%	0.23	0.58	35.5%	1.20	1.43	39.5%	2.01	1.90
Transports	IYT	14.7%	14.4%	14.1%	16.4%	1.3%	-1.9%	-5.1%	IYT	8.2%	-0.27	-0.03	17.7%	0.19	0.50	26.6%	0.83	1.12
WTI Crude Oil	USO	25.6%	21.9%	23.8%	25.3%	-8.7%	-7.3%	-19.5%	USO	-8.7%	-0.41	-0.50	33.9%	2.06	1.35	22.1%	2.12	0.79
Natural Gas	UNG	28.6%	35.8%	45.6%	36.1%	1.2%	-10.0%	-18.3%	UNG	24.2%	1.62	0.46	2.5%	0.21	-0.28	-20.3%	-1.17	-1.06
Gold	GLD	9.6%	10.1%	10.5%	12.7%	7.0%	0.0%	-9.0%	GLD	32.2%	1.43	1.18	25.4%	1.44	1.10	20.0%	1.33	0.88
Silver	SLV	19.3%	17.2%	18.6%	20.1%	5.7%	-1.5%	-11.5%	SLV	3.8%	-0.11	-0.46	16.4%	1.39	0.17	8.1%	0.51	-0.22
Copper	JJC	20.1%	24.3%	24.0%	22.6%	2.1%	-5.3%	-11.4%	JJC	7.2%	-0.15	-0.14	-14.3%	-0.67	-0.83	-2.0%	-0.40	-0.48
Corn	CORN	14.4%	14.3%	14.8%	18.4%	-3.5%	1.3%	0.1%	CORN	20.3%	0.53	0.02	40.7%	1.61	1.13	43.3%	1.36	1.18
Soybeans	SOYB	9.4%	12.2%	14.3%	17.3%	-9.7%	-16.6%	-18.0%	SOYB	84.7%	1.41	0.72	30.9%	-0.13	-0.18	4.3%	-0.60	-0.65
Wheat	WEAT	16.8%	18.8%	18.6%	32.4%	10.6%	11.6%	9.1%	WEAT	82.8%	0.47	0.34	50.9%	-0.11	0.03	34.2%	-0.51	-0.12

*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

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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	\$87.58	0.37%	-0.42%	7.59%
Financial Select Sector	XLF	\$23.46	-0.26%	-1.14%	0.90%
Health Care Select Sector	XLV	\$74.27	-0.19%	-0.12%	7.73%
Technology Select Sector	XLK	\$52.96	-0.19%	-0.66%	9.51%
Consumer Staples Select Sector	XLP	\$54.86	0.29%	0.51%	6.09%
Industrial Select Sector	XLI	\$65.29	0.25%	0.35%	4.93%
Materials Select Sector	XLB	\$52.60	0.02%	0.36%	5.84%
The Energy Select Sector	XLE	\$70.89	0.75%	1.42%	-5.88%
Utilities Select Sector	XLU	\$51.49	0.18%	0.35%	6.01%
S&P 500	SPX	2,357.16	0.07%	-0.24%	5.29%

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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	\$87.58	0.30%	-0.19%	2.31%
Financial Select Sector	XLF	\$23.46	-0.32%	-0.90%	-4.38%
Health Care Select Sector	XLV	\$74.27	-0.26%	0.11%	2.45%
Technology Select Sector	XLK	\$52.96	-0.26%	-0.42%	4.23%
Consumer Staples Select Sector	XLP	\$54.86	0.22%	0.75%	0.81%
Industrial Select Sector	XLI	\$65.29	0.18%	0.59%	-0.35%
Materials Select Sector	XLB	\$52.60	-0.05%	0.60%	0.55%
The Energy Select Sector	XLE	\$70.89	0.68%	1.65%	-11.17%
Utilities Select Sector	XLU	\$51.49	0.11%	0.59%	0.73%

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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	0.4%	0.6%	0.3%	2.8%	9.2%	4.3%
	Low Debt/EV	0.2%	-0.1%	-0.4%	3.3%	6.9%	5.7%
SI	High Short Interest	0.7%	0.7%	0.5%	0.2%	3.7%	1.9%
	Low Short Interest	0.1%	0.0%	-0.8%	4.0%	10.9%	5.6%
BETA	High Beta	0.3%	0.2%	-0.6%	1.8%	12.7%	4.5%
	Low Beta	0.3%	0.6%	1.2%	5.3%	6.4%	5.5%
YIELD	High Yield	0.4%	0.6%	0.5%	0.9%	3.2%	0.9%
	Low Yield	0.3%	0.2%	0.3%	2.6%	6.6%	5.9%
MKTCAP	MCAP Bottom 25%	0.6%	0.4%	0.0%	-0.8%	2.2%	0.3%
	MCAP Top 25%	0.1%	-0.1%	-0.9%	3.9%	11.0%	5.7%
SALES	Top 25% Sales Growth	0.2%	0.6%	1.5%	3.5%	9.0%	6.1%
	Bottom 25% Sales Growth	0.3%	0.3%	-0.4%	1.5%	4.5%	2.2%
EPS	Top 25% EPS Growth	0.3%	0.7%	2.0%	2.6%	10.4%	5.6%
	Bottom 25% EPS Growth	0.5%	0.5%	-0.1%	1.2%	3.8%	1.6%

**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	0.80%	-1.0	4.6	6	29	-2	64	63	67
3M LIBOR	1.16%	0.0	0.8	4	14	0	53	65	73
2Y T-Note	1.28%	-0.8	5.2	-8	9	-12	78	55	72
5Y T-Note	1.90%	-1.7	5.1	-20	3	-24	101	38	57
10Y T-Note	2.36%	-1.8	4.5	-21	-1	-28	105	23	22
30Y T-Note	2.99%	-1.8	3.6	-18	2	-22	90	12	-3
2Y-10Y Spread, Bps	109	-1.0	-0.7	-13.5	-10	-16	26	-32	-50
IG SPREAD (AAABBB)	1.54%	0.0	-2.0	0	4	-46	9	-15	-20
HIGH YIELD	5.67%	0.0	-1.0	-42	-49	-223	3	-99	-88
5Y BREAK EVEN	1.89%	-2.1	-4.5	-11.9	0.5	-19.0	63.5	32.7	16.6

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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)	116,247	(36,907)	71,385	27,993	54,870	0.75X	1.33X
Russell 2000 (mini)	(54,098)	541	20,132	29,091	5,365	-1.37X	-0.94X
10Y Treasury	(16,398)	34,239	(252,050)	(198,004)	(75,937)	0.34X	0.36X
CRUDE OIL	462,560	4,552	519,241	472,896	414,984	0.59X	1.34X
GOLD	115,605	16,455	78,341	91,701	164,353	-0.60X	0.21X
COPPER	26,842	(2,979)	39,135	37,519	9,193	0.54X	1.42X
USD	42,914	(1,315)	47,076	49,711	31,145	0.63X	0.20X
JPY	(50,064)	8,644	(62,028)	(39,346)	7,794	-1.05X	-0.33X
EUR	(10,347)	(3,192)	(39,529)	(71,757)	(72,372)	1.70X	1.63X
GBP	(104,224)	4,178	(78,728)	(75,628)	(69,491)	-1.68X	-1.97X

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MARKET SHARE VOLUME & TOTAL VALUE TRADED

<u>INDEX/SECURITY</u>	<u>VOLUME: (4/10) vs.</u>			
	<u>Prior Day</u>	<u>1M Ave</u>	<u>3M ave</u>	<u>1Y Ave</u>
Total Market Volume*	-4%	-12%	-12%	20%
<hr/>				
Total Exchange Volume**	-8%	-18%	-19%	-20%

*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	0.60	0.61	-0.33	0.40	0.66	0.95	-0.75	53%	47%
BRENT Oil	0.95	0.60	0.34	0.55	0.70	0.77	-0.78	56%	44%
CRB Index	-0.79	0.06	-0.61	0.55	0.75	0.83	-0.86	33%	67%
GOLD	0.38	-0.57	-0.72	-0.80	-0.92	0.90	-0.97	17%	83%

**Days = Trading Days*

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