



THE
MACRO
SHOW

NOVEMBER 9, 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.

HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
11/8/2016	51	5	5	9	7	23
11/9/2016	60	0	0	10	7	23

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
11/8/2016	51%	15%	15%	27%	21%	70%
11/9/2016	60%	0%	0%	30%	21%	70%

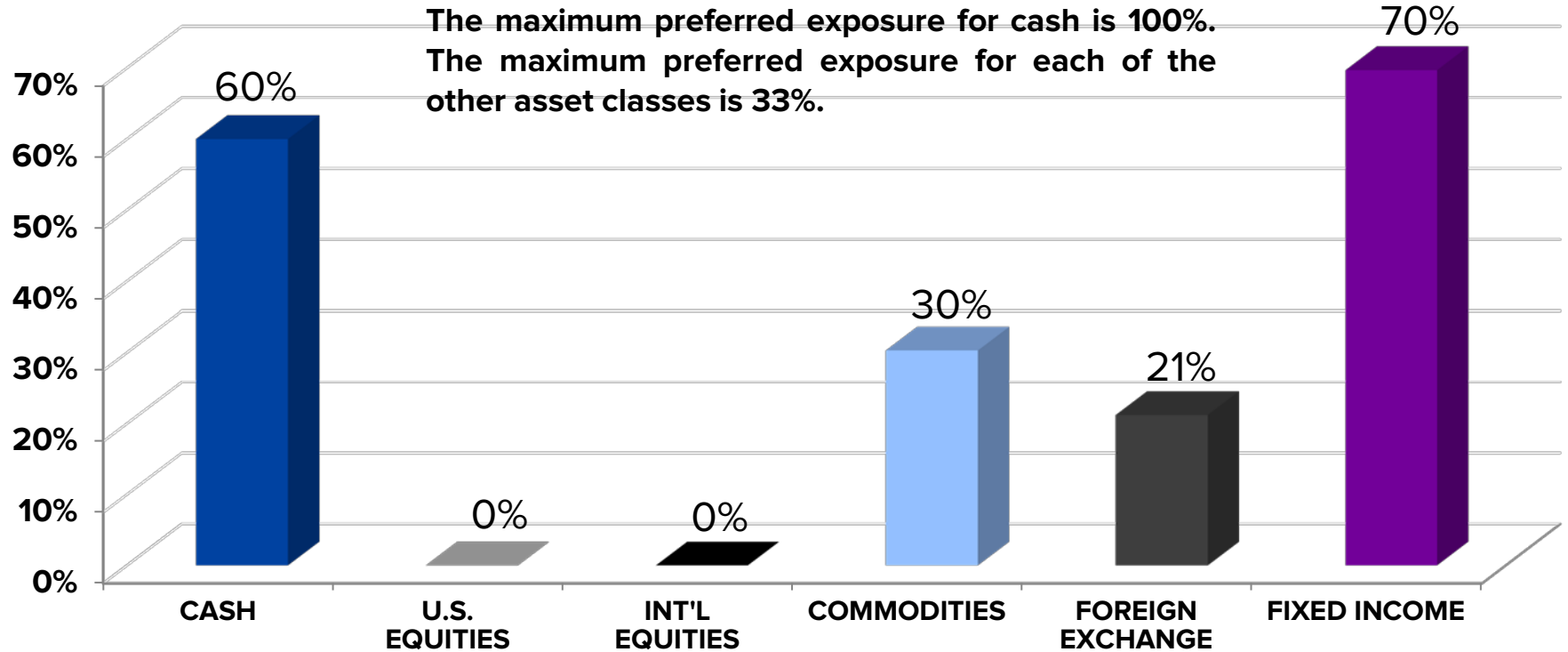
The maximum preferred exposure for cash is 100%. The maximum preferred exposure for each of the other asset classes is 33%.

November 9, 2016

THE MACRO SHOW

HEDGEYE
TV

HEDGEYE ASSET ALLOCATION



November 9, 2016

THE MACRO SHOW

HEDGEYE
TV



1 USD



2 GOLD



3 S&P 500

The background of the slide features a grayscale, high-contrast image of US currency. It includes a close-up of a coin's edge on the left, a one-dollar bill with the number '8' in the top right corner, and a five-dollar bill with the number '57' visible. The text 'IN GOD WE TRUST' and 'THE UNITED STATES OF AMERICA' is partially legible on the bills. A semi-transparent dark gray rectangle is overlaid on the left side of the image, serving as a backdrop for the text.

USD

FX markets read the limit down U.S. Equity Futures (around 12AM limit down curbs were triggered) as an “inflationary” event = Dollar Down (-2% vs Yen), Bond Yields Down Hard, Then Up. We’ll see if that short-term fear holds.



GOLD

The most obvious winner of the election, +2.2% to \$1304/oz = +23.4% YTD.

The background is a dark, semi-transparent image of Wall Street. A street sign for 'WALL ST' is visible, with '11-21' and an arrow pointing right above it. American flags are also visible in the scene.

S&P 500

Neither Trump nor Hillary were going to change that our USA GDP tracker is running at 0.5% (q/q SAAR) here in Q4; intermediate-term TREND resistance remains intact up at 2,155 and my refreshed risk range is 2,075-2,155.

MACRO GRIND

S&P 500 REVENUES & EARNINGS COMPS

Q3 2016 QTD

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	2.9%	2.9%	441 / 499
Energy	-16.2%	-62.4%	34 / 36
Materials	-1.1%	5.5%	26 / 26
Industrials	2.4%	-7.5%	65 / 68
Consumer Discretionary	11.5%	7.9%	56 / 82
Consumer Staples	2.5%	8.4%	29 / 37
Healthcare	7.0%	5.7%	52 / 59
Financials	5.7%	13.0%	64 / 64
Information Technology	4.7%	7.7%	54 / 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

November 9, 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	\$78.82	0.41%	0.92%	0.84%
Financial Select Sector	XLF	\$19.99	0.05%	1.27%	3.31%
Health Care Select Sector	XLV	\$68.37	0.28%	1.50%	-5.08%
Technology Select Sector	XLK	\$47.41	0.49%	-0.02%	10.69%
Consumer Staples Select Sector	XLP	\$52.70	0.42%	-0.19%	4.38%
Industrial Select Sector	XLI	\$58.21	0.60%	1.75%	9.81%
Materials Select Sector	XLB	\$47.26	0.32%	1.09%	8.84%
The Energy Select Sector	XLE	\$69.32	0.13%	1.02%	14.92%
Utilities Select Sector	XLU	\$49.17	0.78%	-0.53%	13.61%
S&P 500	SPX	2,139.56	0.38%	0.63%	4.68%

November 9, 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	\$78.82	0.03%	0.29%	-3.83%
Financial Select Sector	XLF	\$19.99	-0.33%	0.64%	-1.37%
Health Care Select Sector	XLV	\$68.37	-0.10%	0.87%	-9.76%
Technology Select Sector	XLK	\$47.41	0.11%	-0.65%	6.02%
Consumer Staples Select Sector	XLP	\$52.70	0.04%	-0.82%	-0.30%
Industrial Select Sector	XLI	\$58.21	0.23%	1.12%	5.13%
Materials Select Sector	XLB	\$47.26	-0.06%	0.46%	4.17%
The Energy Select Sector	XLE	\$69.32	-0.25%	0.39%	10.24%
Utilities Select Sector	XLU	\$49.17	0.40%	-1.16%	8.93%

November 9, 2016

THE MACRO SHOW

HEDGEYE
TV

HEDGEYE STYLE FACTOR PERFORMANCE

		1D	1W	1M	3M	6M	YTD
FACTOR		% Chg	% Chg	% Chg	% Chg	% Chg	% Chg
Debt	High Debt/EV	0.3%	1.1%	-1.1%	-1.7%	5.0%	9.5%
	Low Debt/EV	0.3%	1.3%	-1.5%	-2.8%	2.9%	4.4%
SI	High Short Interest	0.2%	0.6%	-2.6%	-2.0%	4.6%	3.2%
	Low Short Interest	0.5%	1.8%	1.1%	-0.6%	5.0%	7.4%
BETA	High Beta	0.2%	1.1%	-2.9%	0.7%	10.2%	7.8%
	Low Beta	0.7%	1.6%	0.8%	-4.2%	-0.2%	8.3%
YIELD	High Yield	0.5%	1.1%	-1.2%	-3.6%	1.8%	5.9%
	Low Yield	0.2%	0.8%	-2.7%	-3.1%	5.0%	5.7%
MKI CAP	MCAP Bottom 25%	0.0%	0.5%	-3.2%	-4.2%	0.7%	1.8%
	MCAP Top 25%	0.3%	1.6%	0.5%	-0.4%	6.0%	7.2%
Sales	Top 25% Sales Growth	0.0%	0.8%	-1.9%	-2.0%	4.8%	8.1%
	Bottom 25% Sales Growth	0.5%	1.3%	-0.6%	-2.4%	3.3%	4.4%
EPS	Top 25% EPS Growth	0.4%	1.1%	-1.7%	-2.3%	5.6%	7.1%
	Bottom 25% EPS Growth	0.4%	1.4%	-1.3%	-2.7%	2.7%	6.2%

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

November 9, 2016

THE MACRO SHOW

HEDGEYE
TV

HEDGEYE RATES & SPREADS

	Price	1D	5D	1M	3M	vs. 52-Wk, Bps		vs.	vs.
		Bps Chg	Bps Chg	Bps Chg	Bps Chg	High	Low	3Y Ave	5Y Ave
3M T-Bill	0.42%	1.4	6.5	10	16	-1	35	31	33
3M LIBOR	0.89%	0.0	0.6	1	8	0	53	49	50
2Y T-Note	0.85%	3.6	2.3	2	13	-25	36	24	38
5Y T-Note	1.33%	3.9	3.4	7	18	-50	44	-15	7
10Y T-Note	1.85%	2.9	2.7	14	26	-52	54	-33	-26
30Y T-Note	2.62%	1.4	3.8	16	31	-52	53	-35	-41
2Y-10Y Spread, Bps	100	-0.7	0.5	11.3	13	-27	18	-57	-63
IG SPREAD (AAABBB)	1.62%	0.0	-2.0	-1	-7	-68	6	-8	-19
HIGH YIELD	6.34%	0.0	-0.5	-6	-10	-299	19	-27	-33
5Y BREAKEVEN	1.61%	1.4	-1.4	7.0	25.9	-4.9	75.1	5.3	-10.7

November 9, 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)	22,504	9,311	107,949	94,350	(16,998)	0.31X	0.45X
Russell 2000 (mini)	(7,766)	(13,871)	10,403	(6,721)	(30,647)	0.81X	0.78X
10Y Treasury	(23,361)	(119,700)	85,796	57,853	21,392	-0.60X	0.19X
CRUDE OIL	405,940	(44,508)	374,402	366,542	324,806	1.17X	1.05X
GOLD	172,532	20,725	218,614	227,983	151,291	0.21X	0.96X
COPPER	11,288	25,220	(9,035)	(15,550)	(19,858)	2.06X	1.96X
USD	54,226	262	24,787	18,834	25,027	2.00X	0.93X
JPY	40,430	(1,897)	53,087	47,585	31,887	0.20X	1.28X
EUR	(143,673)	(18,381)	(102,438)	(87,752)	(91,497)	-1.19X	-0.75X
GBP	(78,071)	198	(85,094)	(69,535)	(51,111)	-1.10X	-1.72X

November 9, 2016

THE MACRO SHOW

HEDGEYE
TV

MARKET SHARE VOLUME & TOTAL VALUE TRADED

<u>INDEX/SECURITY</u>	VOLUME: (11/8) vs.			
	<u>Prior Day</u>	<u>1M Ave</u>	<u>3M ave</u>	<u>1Y Ave</u>
Total Market Volume*	-12%	1%	19%	16%

Total Exchange Volume**	-1%	7%	8%	-2%

*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)

November 9, 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	0.83	-0.39	-0.52	0.10	0.18	0.64	-0.91	41%	59%
BRENT Oil	0.78	0.20	0.37	0.01	0.06	0.77	-0.78	43%	57%
CRB Index	-0.61	-0.19	-0.36	0.01	-0.56	0.71	-0.89	17%	83%
GOLD	-0.90	-0.58	-0.72	-0.13	0.08	0.90	-0.92	23%	77%

*Days = Trading Days

November 9, 2016

THE MACRO SHOW

HEDGEYE
TV