



THE
MACRO
SHOW

APRIL 19, 2017

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HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/18/2017	38	24	16	0	22	0
4/19/2017	35	25	17	0	23	0

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/18/2017	38%	73%	48%	0%	67%	0%
4/19/2017	35%	76%	52%	0%	70%	0%

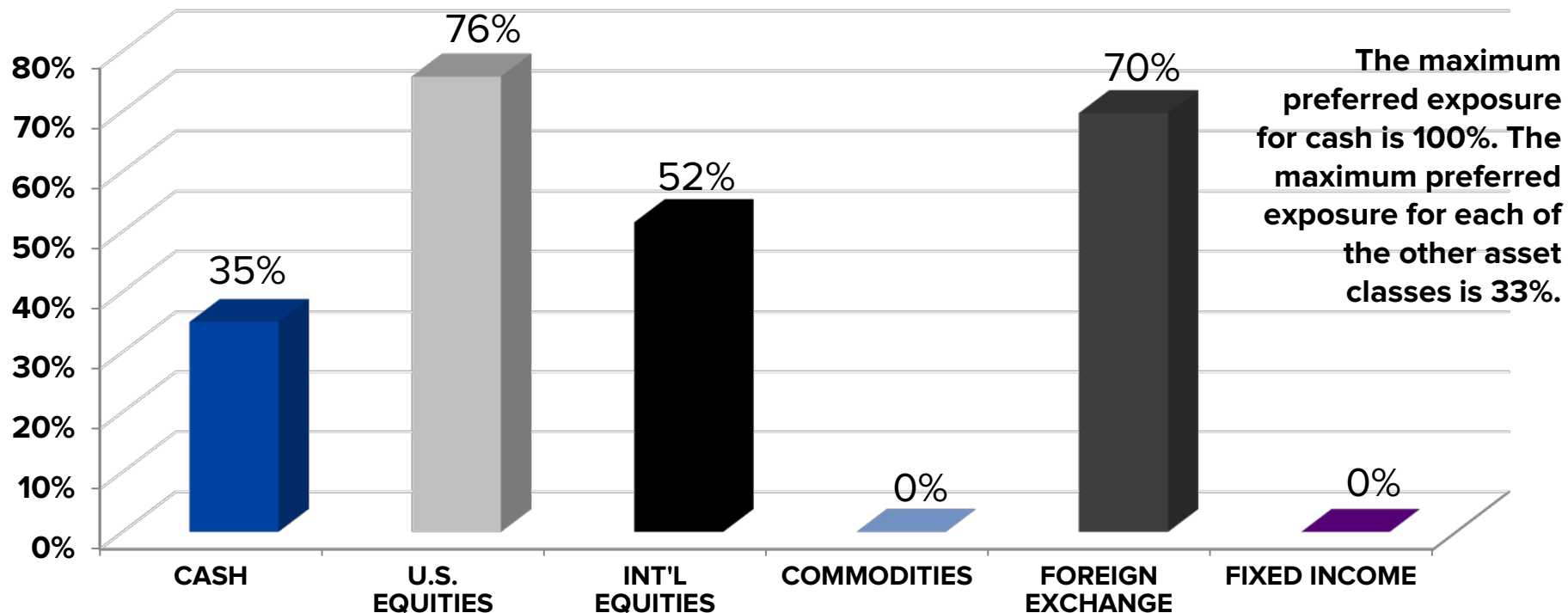
The maximum preferred exposure for cash is 100%. The maximum preferred exposure for each of the other asset classes is 33%.

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1 EPS



2 EURO



3 CHINA

The background of the slide features a close-up, slightly blurred photograph of several stacks of silver coins, likely US quarters, and several blue pens scattered around them. A large, semi-transparent grey number '1' is positioned in the upper left corner, partially overlapping the text.

1 EPS

Don't like Industrials here? Not my favorite sector either! (on Reflation's Rollover)... how about Top S&P 500 EPS growers? Love those in Quad1. Earnings Season is off to a great start – 50 of 498 S&P Companies have reported aggregate year-over-year EPS growth of +16.5%; mainstream bears definitely shouldn't mention that hard data either.



EURO

With the USD pounded by the other currency we like (The Pound) yesterday, we were happy to register an immediate-term overbought SELL signal in the Euro (vs. USD) again. European Equities are bouncing this morning as EUR/USD backs off, in the back half of 2017 we expect slower for longer in the South of Europe to re-emerge as a secular TAIL risk.



CHINA

It has been a nasty 3-days for Chinese stocks post Xi's visit with Trump. The Shanghai Comp was down another -0.8% overnight and down -2.3% in the last 3 days after breaking @Hedgeye TRADE support of 3268.

MACRO GRIND

EURO



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GLOBAL BOND YIELDS

COUNTRY	YIELD	1 DAY	1 MONTH
Germany »	0.19%	+3	-25
United Kingdom »	1.04%	+3	-20
France	0.95%	+7	-15
Italy	2.23%	-1	-11
Spain	1.64%	+0	-21
Netherlands	0.43%	+2	-25
Portugal	3.74%	-4	-49
Greece	6.50%	-6	-69
Switzerland	-0.25%	+1	-19

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LONDON FINANCIAL TIMES INDEX



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EURO STOXX 50 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)	5.5%	16.5%	50 / 498
Energy	0.0%	0.0%	0 / 33
Materials	12.0%	32.0%	1 / 25
Industrials	7.3%	-31.3%	8 / 67
Consumer Discretionary	2.2%	3.7%	10 / 81
Consumer Staples	-4.5%	4.1%	5 / 37
Healthcare	6.8%	13.3%	4 / 59
Financials	7.8%	23.7%	12 / 65
Information Technology	7.0%	27.4%	9 / 67
Telecom	0.0%	0.0%	0 / 4
Utilities	0.0%	0.0%	0 / 28
Real Estate	3.8%	4.5%	1 / 31

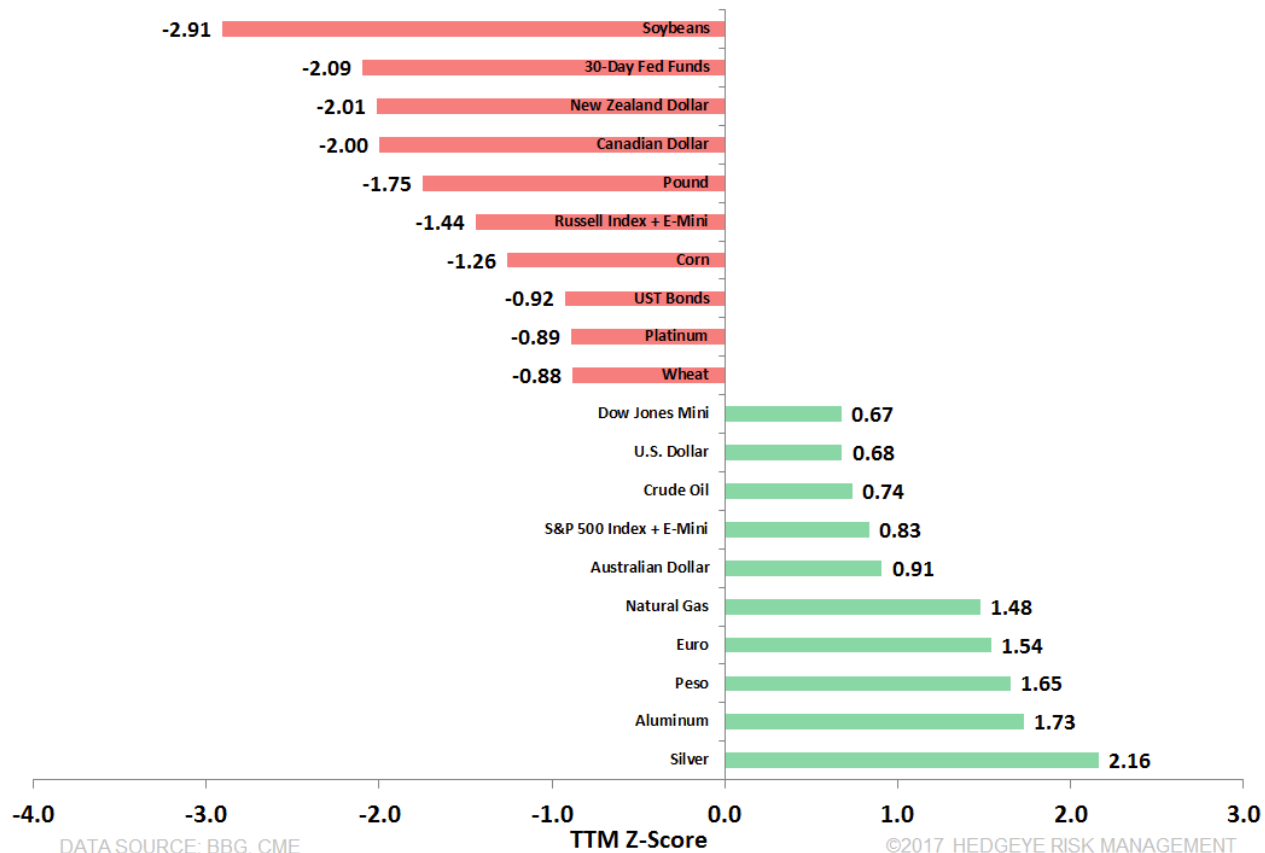
Source: BBG

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

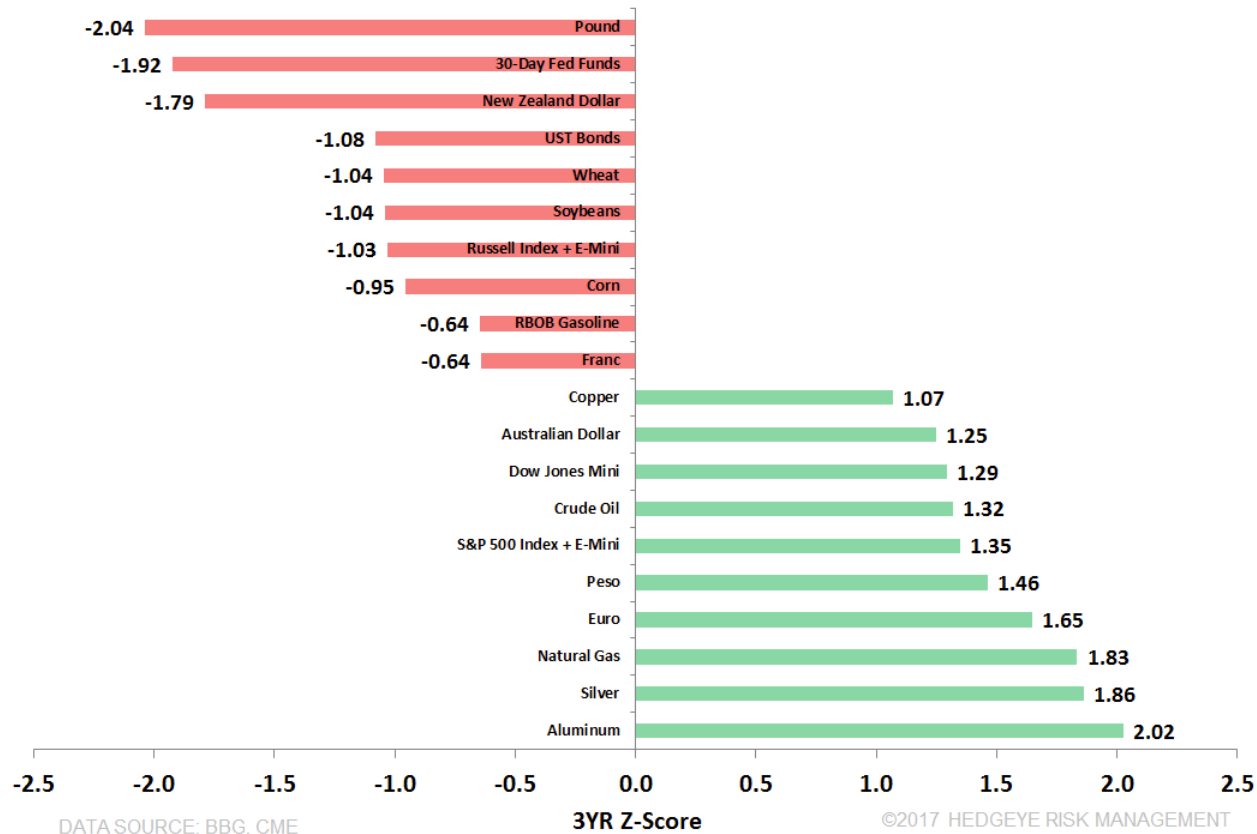


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CFTC Net Futures & Options Positioning (3Yr Z-Score)



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Index/Security	REALIZED VOLATILITY				IMPLIED VOLATILTY*				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	6.8%	7.0%	6.8%	11.7%	9.9%	19.2%	8.0%	SPX	73.6%	1.35	2.04	65.1%	1.56	2.14	72.9%	2.19	2.65
Russell 2000	RTY	14.1%	14.2%	14.0%	17.2%	5.5%	8.9%	3.1%	RTY	22.1%	0.71	0.78	18.4%	0.80	0.61	20.5%	1.19	0.66
Nasdaq 100	NDX	7.2%	7.1%	7.4%	12.9%	8.6%	13.2%	-0.8%	NDX	80.5%	1.57	2.38	83.3%	2.26	3.07	81.8%	3.11	3.65
USD Index	UUP	6.9%	6.6%	7.6%	9.6%	13.0%	16.5%	12.7%	UUP	40.2%	1.14	1.04	31.5%	0.83	0.79	6.8%	-0.41	-0.30
Consumer Discret.	XLY	7.2%	7.3%	8.0%	12.7%	14.7%	14.2%	1.4%	XLY	76.7%	1.74	2.45	71.8%	2.15	2.80	62.4%	2.61	2.96
Financials	XLF	14.4%	15.3%	14.6%	18.3%	4.8%	11.8%	5.8%	XLF	28.2%	0.56	0.84	16.7%	0.38	0.52	24.8%	1.45	1.06
Healthcare	XLV	7.7%	9.0%	9.1%	12.9%	6.9%	6.8%	-6.6%	XLV	67.1%	1.82	2.43	42.7%	1.71	2.07	45.6%	2.44	2.62
Technology	XLK	7.1%	7.4%	7.8%	13.1%	8.3%	13.6%	2.2%	XLK	85.0%	1.88	2.71	65.2%	1.94	2.52	66.3%	3.16	3.19
Consumer Staples	XLP	5.5%	6.7%	7.4%	11.2%	14.1%	14.5%	2.3%	XLP	103.9%	3.12	3.79	60.4%	2.84	3.08	48.8%	2.56	2.46
Utilities	XLU	10.6%	11.4%	11.6%	14.5%	9.4%	8.0%	-3.6%	XLU	37.7%	2.37	2.57	20.9%	1.80	2.01	17.2%	2.02	2.03
Energy	XLE	15.4%	15.0%	13.9%	18.0%	6.2%	8.3%	-1.5%	XLE	17.2%	0.57	0.59	25.1%	1.72	1.19	33.5%	2.98	1.69
Energy	XOP	26.9%	25.1%	23.0%	28.5%	2.2%	5.7%	-4.3%	XOP	6.3%	0.00	0.15	18.3%	1.19	1.08	29.2%	3.07	1.90
Materials	XLB	11.1%	11.8%	11.1%	16.1%	15.5%	20.4%	12.9%	XLB	44.5%	1.30	1.30	27.2%	0.93	0.89	37.0%	1.76	1.46
Industrials	XLI	10.3%	10.3%	9.8%	15.5%	16.3%	24.1%	16.4%	XLI	51.1%	1.24	1.70	38.6%	1.28	1.54	48.2%	2.39	2.34
Transports	IYT	14.2%	15.0%	14.0%	19.8%	17.1%	17.5%	14.2%	IYT	39.5%	0.82	1.32	26.9%	0.61	0.99	37.7%	1.40	1.80
WTI Crude Oil	USO	24.8%	21.0%	22.6%	24.9%	-5.6%	-7.2%	-19.8%	USO	-5.6%	-0.35	-0.43	32.4%	1.89	1.27	23.8%	2.12	0.86
Natural Gas	UNG	30.1%	35.5%	44.3%	34.6%	-1.8%	-11.1%	-21.4%	UNG	14.8%	0.94	0.14	-2.7%	-0.11	-0.50	-20.5%	-1.16	-1.07
Gold	GLD	9.2%	10.0%	10.8%	14.8%	15.6%	14.9%	5.6%	GLD	61.3%	2.95	2.56	42.1%	2.41	2.03	29.2%	1.91	1.46
Silver	SLV	15.3%	17.1%	18.5%	20.7%	6.8%	1.9%	-8.2%	SLV	35.5%	2.11	0.73	18.2%	1.51	0.26	10.2%	0.76	-0.10
Copper	JJC	21.7%	25.0%	24.7%	23.2%	7.8%	-0.4%	-7.9%	JJC	6.9%	-0.15	-0.14	-9.6%	-0.55	-0.66	-9.0%	-0.62	-0.75
Corn	CORN	12.7%	14.2%	13.9%	19.5%	2.7%	7.2%	7.2%	CORN	53.8%	2.30	1.49	53.6%	2.25	1.79	62.1%	2.15	2.09
Soybeans	SOYB	8.2%	11.9%	14.2%	14.7%	-25.1%	-28.3%	-29.8%	SOYB	79.5%	1.16	0.61	38.7%	0.04	-0.04	19.9%	-0.38	-0.40
Wheat	WEAT	15.5%	18.2%	18.3%	23.0%	-26.0%	-20.8%	-22.8%	WEAT	48.6%	-0.10	-0.10	9.6%	-0.94	-0.60	2.7%	-1.48	-0.72

*implied volatility on at-the-money front month contracts

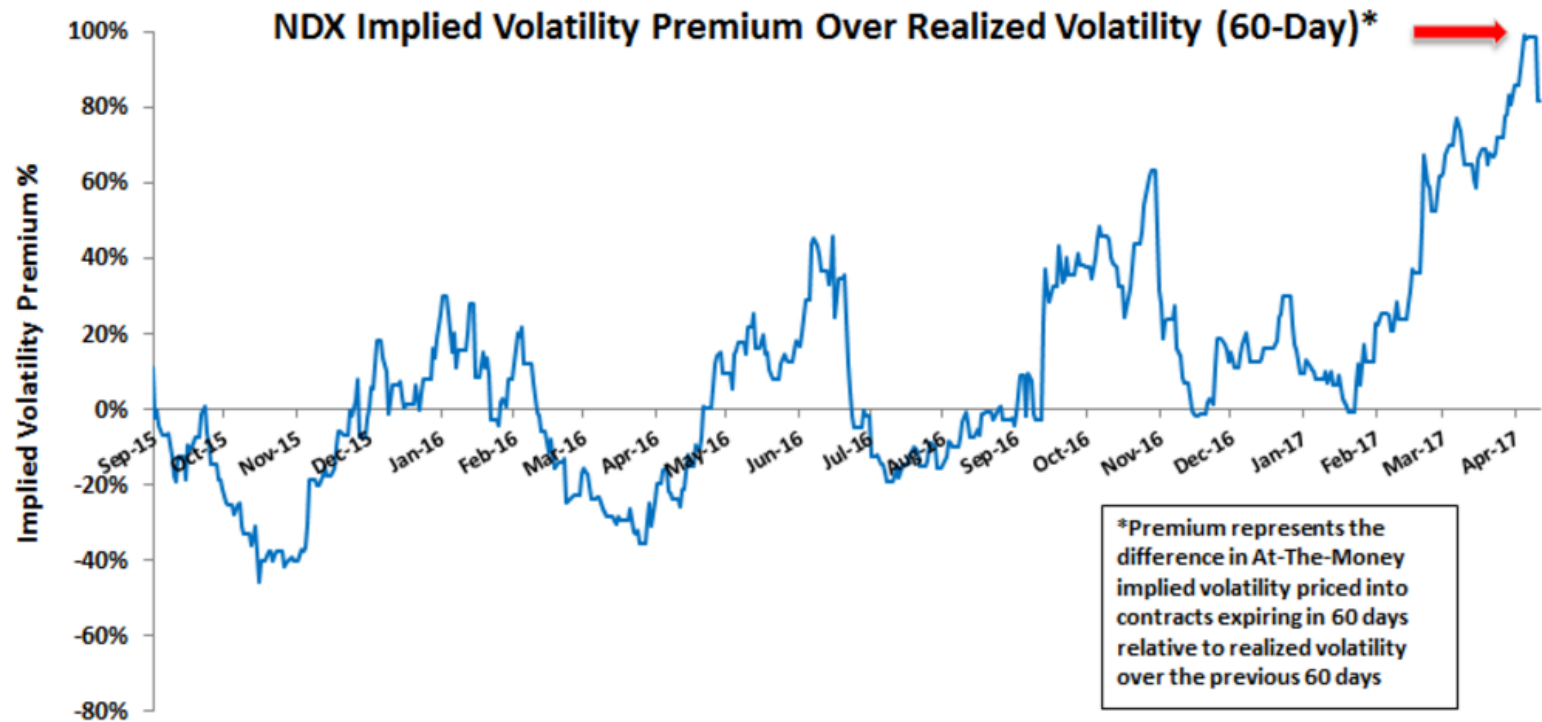
**implied volatility of at-the-money options expiring in the given duration vs. realized volatility over the given duration

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JUST IN TIME FOR THE BIGGEST UP DAY IN A MONTH AND A HALF



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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	\$87.45	0.01%	-0.57%	7.43%
Financial Select Sector	XLF	\$23.08	-0.94%	-2.74%	-0.73%
Health Care Select Sector	XLV	\$73.44	-1.09%	-1.24%	6.53%
Technology Select Sector	XLK	\$52.84	-0.02%	-0.88%	9.26%
Consumer Staples Select Sector	XLP	\$55.48	0.45%	1.65%	7.29%
Industrial Select Sector	XLI	\$64.51	-0.32%	-0.85%	3.68%
Materials Select Sector	XLB	\$51.62	-0.12%	-1.51%	3.86%
The Energy Select Sector	XLE	\$68.81	-0.94%	-1.56%	-8.64%
Utilities Select Sector	XLU	\$52.03	0.23%	1.40%	7.12%
S&P 500	SPX	2,342.19	-0.29%	-0.87%	4.62%

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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	\$87.45	0.30%	0.30%	2.82%
Financial Select Sector	XLF	\$23.08	-0.65%	-1.87%	-5.35%
Health Care Select Sector	XLV	\$73.44	-0.80%	-0.37%	1.91%
Technology Select Sector	XLK	\$52.84	0.27%	-0.01%	4.65%
Consumer Staples Select Sector	XLP	\$55.48	0.74%	2.52%	2.67%
Industrial Select Sector	XLI	\$64.51	-0.03%	0.02%	-0.94%
Materials Select Sector	XLB	\$51.62	0.17%	-0.64%	-0.75%
The Energy Select Sector	XLE	\$68.81	-0.65%	-0.69%	-13.26%
Utilities Select Sector	XLU	\$52.03	0.52%	2.27%	2.51%

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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	-0.3%	-1.0%	-1.1%	1.9%	11.5%	3.9%
	Low Debt/EV	-0.2%	-0.7%	-1.5%	2.8%	8.8%	5.6%
SI	High Short Interest	-0.6%	-1.6%	-1.6%	-1.3%	7.0%	0.3%
	Low Short Interest	-0.2%	-0.5%	-1.6%	3.4%	11.9%	5.3%
BETA	High Beta	-0.5%	-1.8%	-2.3%	0.6%	14.9%	2.6%
	Low Beta	0.1%	0.7%	0.9%	5.1%	7.1%	6.4%
YIELD	High Yield	0.0%	-0.1%	-0.4%	0.6%	4.5%	1.1%
	Low Yield	-0.4%	-1.2%	-1.1%	2.2%	10.6%	5.7%
MKT CAP	MCAP Bottom 25%	-0.3%	-1.1%	-1.7%	-0.6%	6.9%	1.0%
	MCAP Top 25%	-0.3%	-0.6%	-1.8%	3.3%	11.6%	5.2%
Sales	Top 25% Sales Growth	-0.4%	-1.4%	-0.6%	2.2%	11.7%	5.3%
	Bottom 25% Sales Growth	-0.1%	-0.5%	-1.3%	0.8%	6.0%	2.2%
EPS	Top 25% EPS Growth	-0.4%	-1.3%	-0.1%	1.8%	11.6%	5.0%
	Bottom 25% EPS Growth	-0.2%	-0.4%	-1.0%	1.2%	6.0%	2.2%

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

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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	0.80%	0.0	-0.5	8	28	-3	64	62	67
3M LIBOR	1.16%	#VALUE!	#VALUE!	#VALUE!	#VALUE!	0	53	64	73
2Y T-Note	1.16%	-4.1	-7.3	-15	-6	-24	67	42	60
5Y T-Note	1.70%	-7.6	-13.1	-32	-24	-45	81	17	36
10Y T-Note	2.17%	-8.2	-12.8	-33	-26	-47	85	4	2
30Y T-Note	2.84%	-7.4	-9.3	-27	-18	-38	75	-3	-19
2Y-10Y Spread, Bps	101	-4.1	-5.5	-17.8	-20	-23	19	-39	-58
IG SPREAD (AAABBB)	1.55%	0.0	-1.0	1	3	-45	10	-15	-19
HIGH YIELD	5.70%	1.7	4.8	-32	-51	-193	7	-95	-83
5Y BREAK EVEN	1.76%	-5.1	-10.2	-25.5	-16.5	-31.8	50.7	19.9	3.8

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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)	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

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MARKET SHARE VOLUME & TOTAL VALUE TRADED

<u>INDEX/SECURITY</u>	VOLUME: (4/13) vs.			
	<u>Prior Day</u>	<u>1M Ave</u>	<u>3M ave</u>	<u>1Y Ave</u>
Total Market Volume*	-2%	8%	10%	51%
Total Exchange Volume**	15%	-4%	-9%	-11%
Total Traded Value (R3K)***	-4%	-14%	-20%	-18%

*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

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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	0.10	0.40	-0.41	0.26	0.65	0.95	-0.75	54%	46%
BRENT Oil	0.32	0.20	0.30	0.51	0.68	0.77	-0.78	56%	44%
CRB Index	-0.04	-0.04	-0.50	0.51	0.75	0.83	-0.86	33%	67%
GOLD	-0.26	-0.52	-0.76	-0.75	-0.90	0.90	-0.97	17%	83%

*Days = Trading Days

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