THE MACRO SHOW

APRIL 5, 2017

LEGAL

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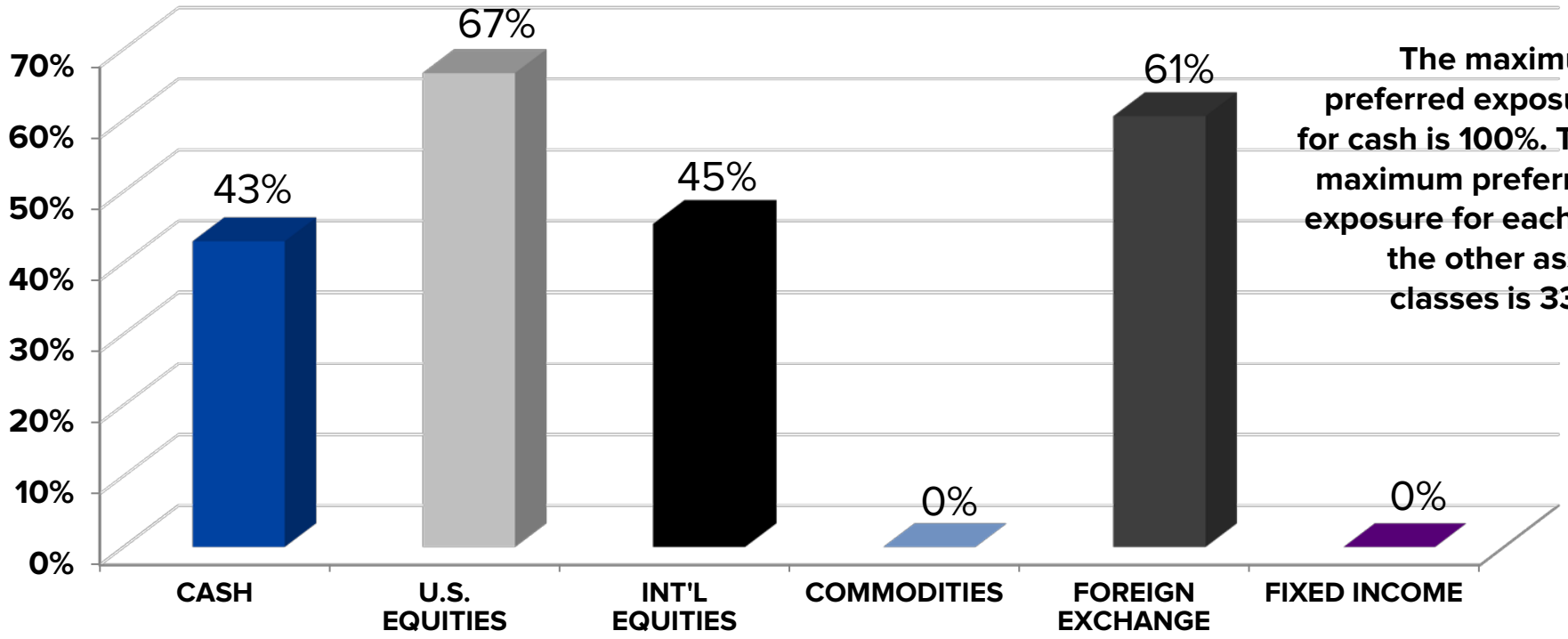
HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/4/2017	44	20	15	0	21	0
4/5/2017	43	22	15	0	20	0

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/4/2017	44%	61%	45%	0%	64%	0%
4/5/2017	43%	67%	45%	0%	61%	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



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

1 POUND

2 CHINA

3 OIL

POUND

+0.4% GBP vs. USD this morning as USD signals overbought but, more importantly, British economic data continues to confound consensus econs & journos who continue to whine about “Brexit Risks”. UK Services PMI ***#accelerates*** to 55.0 MAR vs. 53.3 FEB and we still think a long-term bottoming process in the Pound is underway.

CHINA

There was a big ramp in the Shanghai overnight with Chinese stocks closing +1.5% (right back to the YTD highs). This is partly why the Reflation Trade has a bid this morning (Copper +1.5%), so we'll be looking for short-selling opportunities in names tethered to that (like CAT, which caught an Old Wall upgrade yesterday).

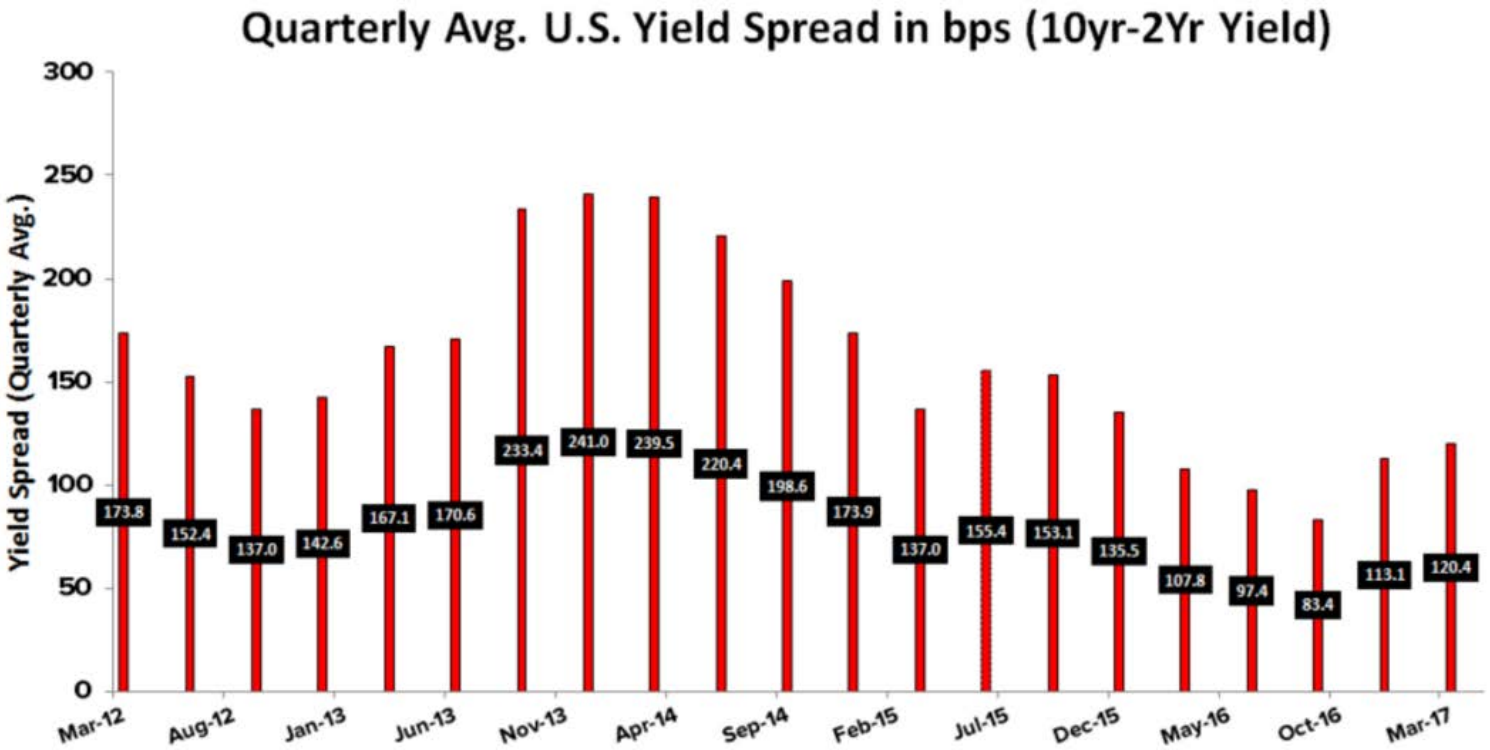
OIL

Another +1.2% pop for WTI this morning taking it just inside the top-end of our refreshed $49.29-51.90/barrel risk range. With Oil's Volatility (OVX) failing @Hedgeye TREND resistance of 32 (again), trading Oil and/or Energy related securities isn't for the faint of heart; not a macro exposure we would be chasing on the reflation bounce.

MACRO GRIND

HARD DATA?
YEAH, IT'S SOFT DATA ON VIAGRA.
B. Rich
HEDGEYE

YIELD SPREAD: HIGHEST QUARTERLY AVG IN 5 QUARTERS



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BRITISH POUND TO U.S. DOLLAR INDEX

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VOLATILITY INDEX – CBOE CRUDE OIL

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RUSSIAN TRADING SYSTEM INDEX

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FRENCH CAC 40 INDEX

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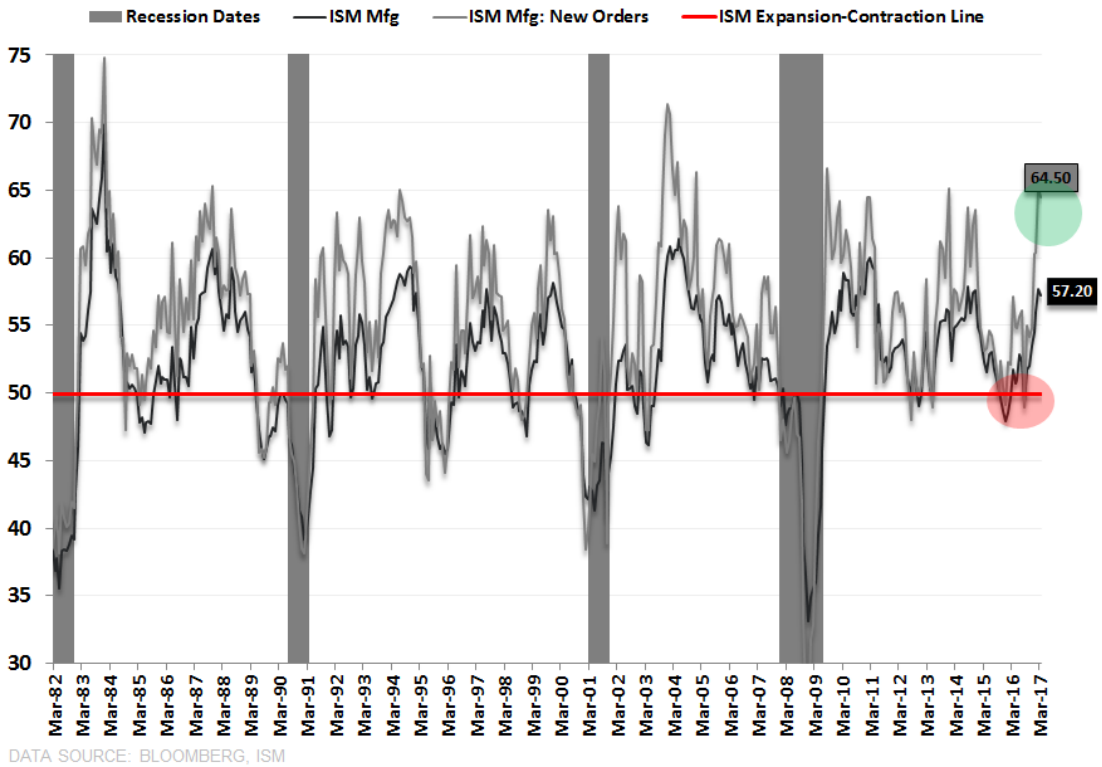
SHANGHAI STOCK EXCHANGE COMP

ISM MANUFACTURING



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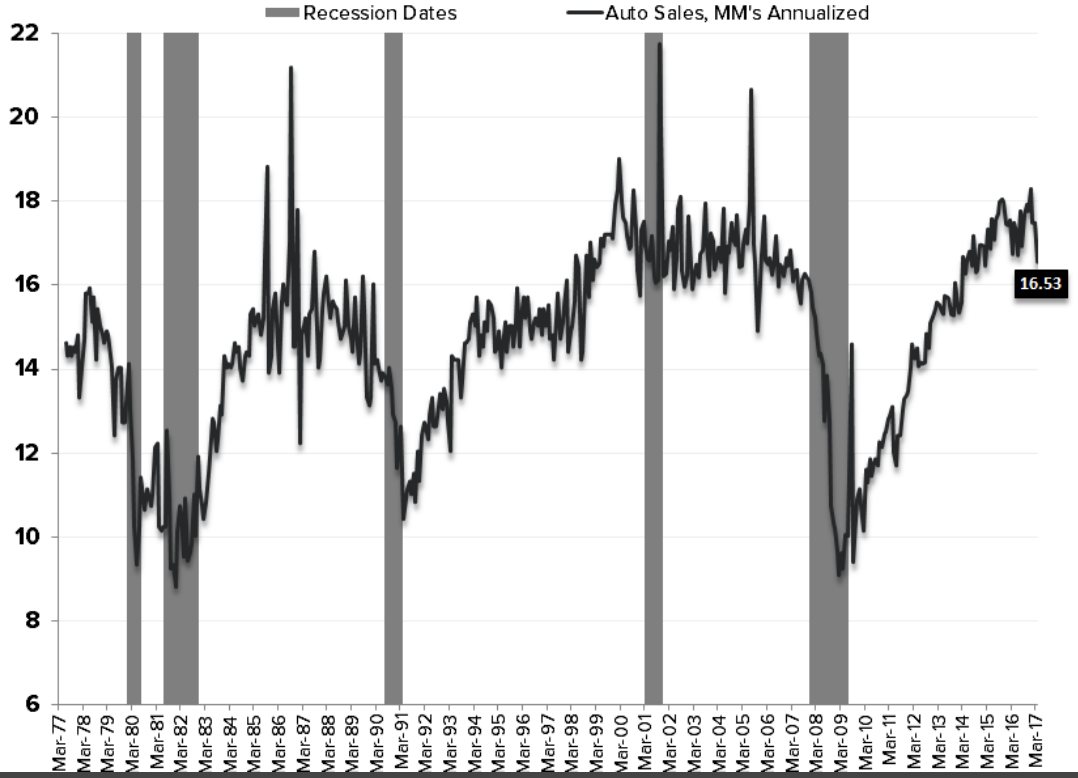
U.S. AUTO SALE



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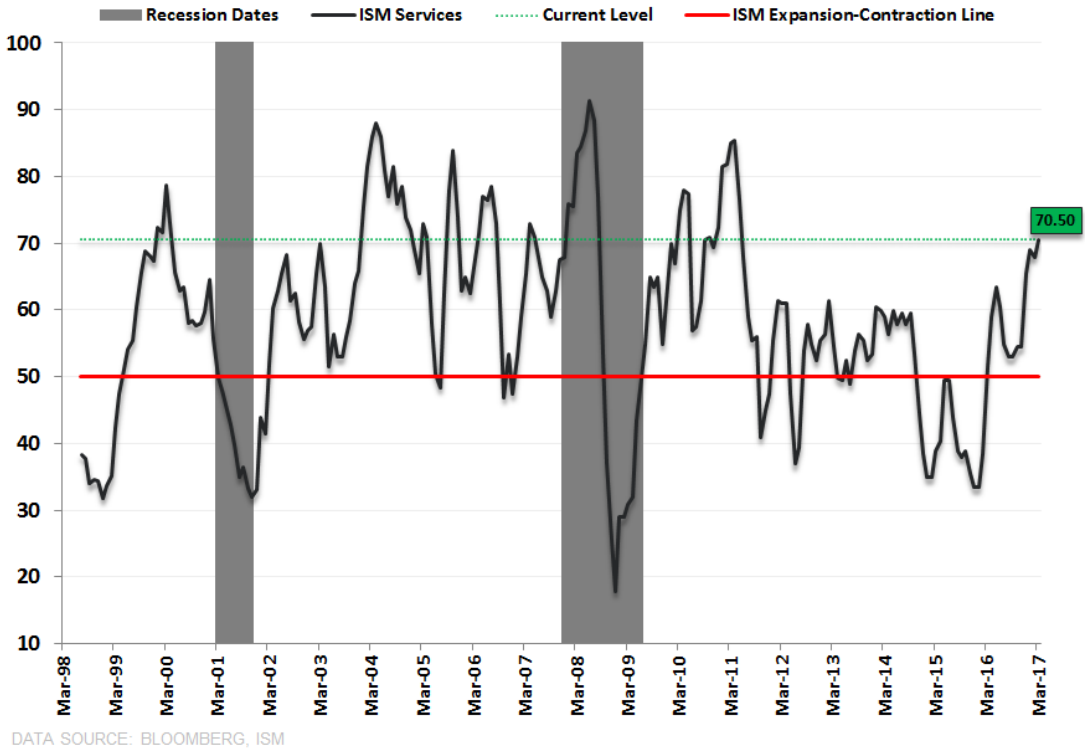
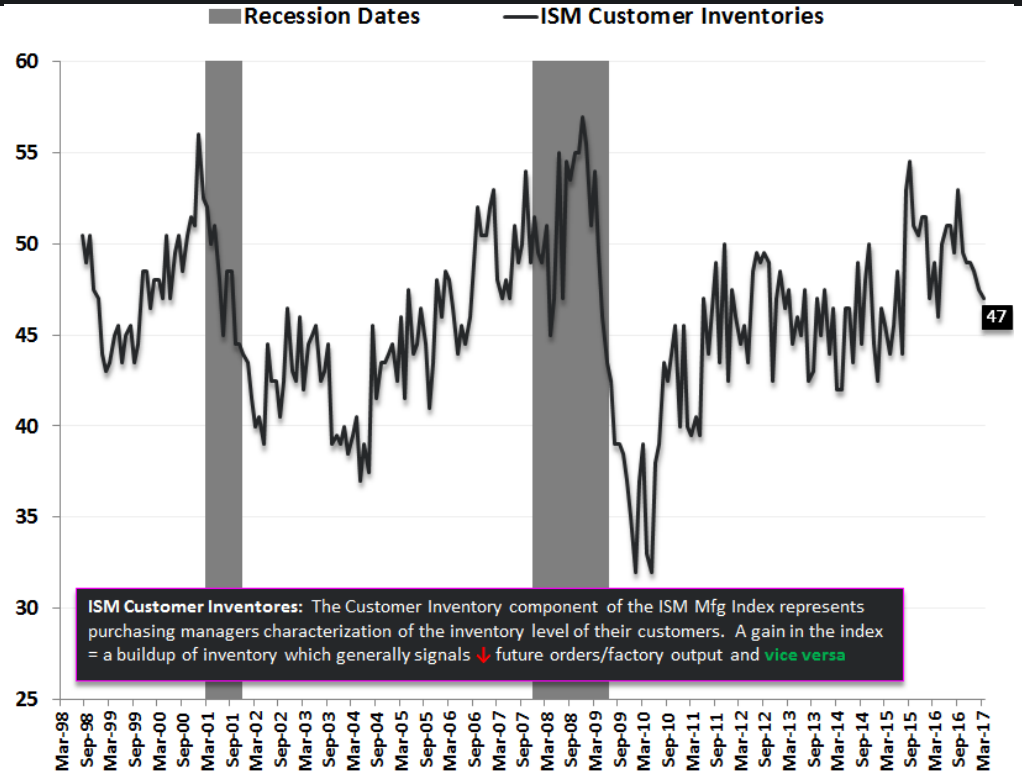
ISM: PRICES PAID



ISM: CUSTOMER INVENTORIES



	REALIZED VOLATILITY				IMPLIED VOLATILTY*				IMPLIED** VS. REALIZED VOLATILITY									
		Duration of Realized (%)			At-The-Money %					30 Day			60 Day			3 Month		
											Z-Score			Z-Score			Z-Score	
Index/Security	Ticker	30D	60D	90D	Current	v 1M Avg	v 3M Avg	v 6M Avg.	Ticker	Premium	TTM	3Yr	Premium	TTM	3Yr	Premium	TTM	3Yr
S&P 500	SPX	7.4%	6.6%	7.0%	10.1%	3.9%	4.9%	-8.3%	SPX	33.9%	0.32	0.80	55.9%	1.36	1.87	57.9%	1.78	2.11
Russell 2000	RTY	15.0%	14.0%	14.1%	16.0%	4.6%	2.2%	-4.4%	RTY	5.3%	0.00	-0.04	14.6%	0.63	0.40	18.1%	1.09	0.52
Nasdaq 100	NDX	7.5%	6.6%	8.4%	11.4%	5.9%	-0.7%	-13.5%	NDX	47.2%	0.75	1.36	78.2%	2.45	3.14	48.2%	1.87	2.15
USD Index	UUP	7.1%	6.8%	7.5%	8.8%	15.6%	5.5%	3.8%	UUP	13.7%	0.04	0.03	24.3%	0.51	0.48	8.2%	-0.32	-0.25
Consumer Discret.	XLY	7.7%	6.8%	8.8%	10.8%	3.2%	-4.9%	-15.6%	XLY	34.4%	0.45	0.93	65.7%	2.17	2.72	36.5%	1.30	1.58
Financials	XLF	16.1%	15.4%	15.0%	17.2%	7.4%	5.7%	-0.4%	XLF	6.5%	-0.17	0.00	13.5%	0.31	0.39	18.0%	1.14	0.71
Healthcare	XLV	8.6%	9.1%	9.4%	11.2%	-4.7%	-8.7%	-19.9%	XLV	32.6%	0.71	1.14	28.9%	1.13	1.41	31.7%	1.82	1.86
Technology	XLK	7.9%	7.2%	9.3%	11.8%	6.2%	1.4%	-9.1%	XLK	50.3%	1.02	1.62	68.8%	2.41	2.87	35.6%	1.67	1.63
Consumer Staples	XLP	5.3%	7.2%	8.4%	9.4%	-2.9%	-5.9%	-16.4%	XLP	89.3%	3.29	3.46	35.5%	1.73	1.76	28.6%	1.49	1.33
Utilities	XLU	12.3%	11.8%	13.7%	13.5%	1.6%	-1.2%	-12.1%	XLU	4.6%	0.22	0.40	13.8%	1.29	1.39	-2.2%	0.07	0.11
Energy	XLE	16.0%	14.8%	16.4%	15.6%	-6.0%	-6.9%	-15.9%	XLE	-3.9%	-0.41	-0.39	11.8%	0.85	0.49	3.9%	0.74	0.13
Energy	XOP	26.8%	23.8%	29.7%	26.5%	-3.0%	-1.9%	-12.1%	XOP	-3.2%	-0.38	-0.34	16.4%	1.18	0.99	-4.7%	0.33	-0.15
Materials	XLB	12.2%	11.6%	11.1%	13.1%	0.4%	-0.7%	-9.4%	XLB	9.1%	-0.21	0.00	14.9%	0.33	0.35	25.4%	1.19	0.92
Industrials	XLI	10.8%	9.9%	9.8%	12.9%	5.8%	4.8%	-3.2%	XLI	17.5%	0.05	0.38	35.7%	1.25	1.45	41.6%	2.23	2.06
Transports	IYT	15.3%	14.7%	14.1%	16.2%	-0.5%	-4.1%	-6.7%	IYT	1.6%	-0.50	-0.32	15.3%	0.10	0.37	24.7%	0.76	1.01
WTI Crude Oil	USO	24.8%	22.8%	28.7%	25.4%	-8.4%	-7.7%	-19.9%	USO	-8.4%	-0.35	-0.43	17.7%	1.12	0.55	-3.1%	0.22	-0.39
Natural Gas	UNG	31.1%	37.5%	46.2%	34.7%	-3.6%	-14.9%	-21.6%	UNG	11.6%	0.79	0.03	-6.5%	-0.33	-0.61	-23.6%	-1.40	-1.17
Gold	GLD	10.2%	10.1%	11.0%	12.2%	3.1%	-5.0%	-13.3%	GLD	17.3%	0.52	0.46	22.0%	1.24	0.91	12.6%	0.78	0.41
Silver	SLV	19.4%	17.0%	18.6%	18.8%	-1.5%	-9.6%	-18.1%	SLV	-6.2%	-0.84	-0.84	12.6%	0.98	-0.02	4.9%	0.10	-0.40
Copper	JJC	21.3%	25.4%	24.2%	24.3%	6.2%	0.5%	-4.0%	JJC	10.6%	-0.10	-0.06	-0.6%	-0.34	-0.37	6.7%	-0.13	-0.12
Corn	CORN	14.6%	13.9%	15.2%	20.0%	5.1%	10.7%	8.3%	CORN	34.7%	1.39	0.66	60.5%	2.76	2.19	59.7%	2.09	2.00
Soybeans	SOYB	10.4%	13.6%	14.5%	25.2%	24.0%	20.0%	17.9%	SOYB	125.3%	2.49	1.43	62.1%	0.48	0.41	25.1%	-0.33	-0.32
Wheat	WEAT	17.7%	19.2%	19.0%	48.5%	73.2%	65.2%	64.9%	WEAT	141.5%	1.39	1.11	103.8%	0.92	0.84	38.0%	-0.41	-0.05

*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

HEDGEYE SECTOR PERFORMANCE

SECTOR	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$87.46	-0.16%	-0.56%	7.44%
Financial Select Sector	XLF	$23.65	-0.13%	-0.34%	1.72%
Health Care Select Sector	XLV	$74.38	-0.05%	0.03%	7.89%
Technology Select Sector	XLK	$53.30	0.08%	-0.02%	10.22%
Consumer Staples Select Sector	XLP	$54.65	0.29%	0.13%	5.69%
Industrial Select Sector	XLI	$65.09	0.26%	0.05%	4.61%
Materials Select Sector	XLB	$52.40	0.36%	-0.02%	5.43%
The Energy Select Sector	XLE	$70.29	0.73%	0.56%	-6.68%
Utilities Select Sector	XLU	$51.46	0.31%	0.29%	5.95%
S&P 500	SPX	2,360.16	0.06%	-0.11%	5.42%

HEDGEYE SECTOR RELATIVE PERFORMANCE

	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$87.46	-0.22%	-0.45%	2.03%
Financial Select Sector	XLF	$23.65	-0.18%	-0.23%	-3.70%
Health Care Select Sector	XLV	$74.38	-0.11%	0.14%	2.47%
Technology Select Sector	XLK	$53.30	0.02%	0.09%	4.80%
Consumer Staples Select Sector	XLP	$54.65	0.24%	0.24%	0.27%
Industrial Select Sector	XLI	$65.09	0.21%	0.15%	-0.81%
Materials Select Sector	XLB	$52.40	0.31%	0.09%	0.01%
The Energy Select Sector	XLE	$70.29	0.67%	0.67%	-12.10%
Utilities Select Sector	XLU	$51.46	0.26%	0.40%	0.53%

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	0.1%	0.2%	-1.9%	1.3%	9.2%	3.9%
	Low Debt/EV	-0.3%	-0.5%	-1.0%	3.5%	7.4%	5.5%
SI	High Short Interest	-0.3%	-0.2%	-1.8%	-1.4%	3.9%	1.0%
	Low Short Interest	0.0%	0.0%	-1.3%	3.9%	11.3%	5.6%
BETA	High Beta	0.0%	0.7%	-2.2%	1.3%	13.9%	4.4%
	Low Beta	0.0%	-0.1%	-0.2%	4.2%	6.0%	4.9%
YIELD	High Yield	0.1%	0.1%	-1.7%	-1.3%	2.7%	0.3%
	Low Yield	-0.2%	0.1%	-0.8%	3.0%	7.1%	5.6%
MKT CAP	MCAP Bottom 25%	-0.3%	-0.4%	-2.0%	-2.8%	2.3%	-0.4%
	MCAP Top 25%	0.0%	-0.1%	-1.1%	4.4%	12.0%	6.0%
Sales	Top 25% Sales Growth	0.1%	0.7%	0.0%	3.3%	9.2%	5.6%
	Bottom 25% Sales Growth	-0.1%	-0.1%	-1.8%	0.0%	5.2%	2.1%
EPS	Top 25% EPS Growth	0.1%	0.9%	-0.2%	2.4%	10.0%	5.0%
	Bottom 25% EPS Growth	0.0%	-0.1%	-1.8%	-0.7%	4.2%	1.2%

**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	0.77%	1.5	0.0	8	24	-2	61	60	65
3M LIBOR	1.15%	0.0	-0.2	5	14	-1	53	65	72
2Y T-Note	1.25%	2.6	-5.0	-5	4	-15	76	53	70
5Y T-Note	1.89%	3.8	-7.4	-12	-4	-26	100	36	55
10Y T-Note	2.36%	4.1	-5.7	-12	-8	-28	104	22	22
30Y T-Note	3.00%	4.7	-2.5	-7	-4	-21	91	13	-2
2Y-10Y Spread, Bps	111	1.5	-0.8	-6.4	-12	-13	29	-30	-48
IG SPREAD (AAABBB)	1.56%	0.0	3.0	7	5	-46	11	-13	-18
HIGH YIELD	5.68%	0.7	-53.0	-9	-44	-232	1	-97	-86
5Y BREAKEVEN	1.92%	-1.0	-3.3	-13.3	2.9	-15.5	66.9	36.1	20.0

CFTC NON-COMMERCIAL NET LONG POSITIONING

METRIC	Latest	W/W Chg	3M Ave	6M Ave	1Y Ave	Z-Score 1Y	Z-Score 3Y
SPX (Index + E-mini)	153,154	73,568	67,646	23,193	50,652	1.21X	1.69X
Russell 2000 (mini)	(54,639)	(13,879)	26,317	31,770	5,185	-1.37X	-0.96X
10Y Treasury	(50,637)	17,925	(271,687)	(196,655)	(77,275)	0.15X	0.08X
CRUDE OIL	458,008	(16,981)	523,964	472,744	412,808	0.55X	1.30X
GOLD	99,150	33,179	75,235	93,228	165,276	-0.82X	-0.01X
COPPER	29,821	7,960	40,160	36,614	8,485	0.66X	1.56X
$USD	44,229	(1,977)	47,423	49,337	30,651	0.73X	0.28X
JPY	(58,708)	13,826	(63,026)	(35,540)	9,792	-1.24X	-0.48X
EUR	(7,155)	11,090	(41,961)	(75,224)	(73,125)	1.85X	1.67X
GBP	(108,402)	4,869	(76,603)	(75,034)	(68,329)	-1.96X	-2.10X

MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (4/4) vs.			
	Prior Day	1M Ave	3M ave	1Y Ave
Total Market Volume*	-10%	-3%	0%	35%
Total Exchange Volume**	-9%	-9%	-9%	-11%

*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	90D	120D	180D	52-Wk Rolling 30D Correlation High	Low	% Time Pos	% Time Neg
SPX	0.80	0.64	-0.26	0.46	0.66	*0.95*	*-0.75*	*53%*	*47%*
BRENT Oil	0.68	0.59	0.33	0.52	0.71	*0.77*	*-0.78*	*54%*	*46%*
CRB Index	-0.16	0.13	-0.53	0.52	0.75	*0.83*	*-0.86*	*31%*	*69%*
GOLD	-0.46	-0.56	-0.71	-0.83	-0.93	*0.90*	*-0.97*	*17%*	*83%*

**Days = Trading Days*