THE MACRO SHOW

APRIL 27, 2017

LEGAL

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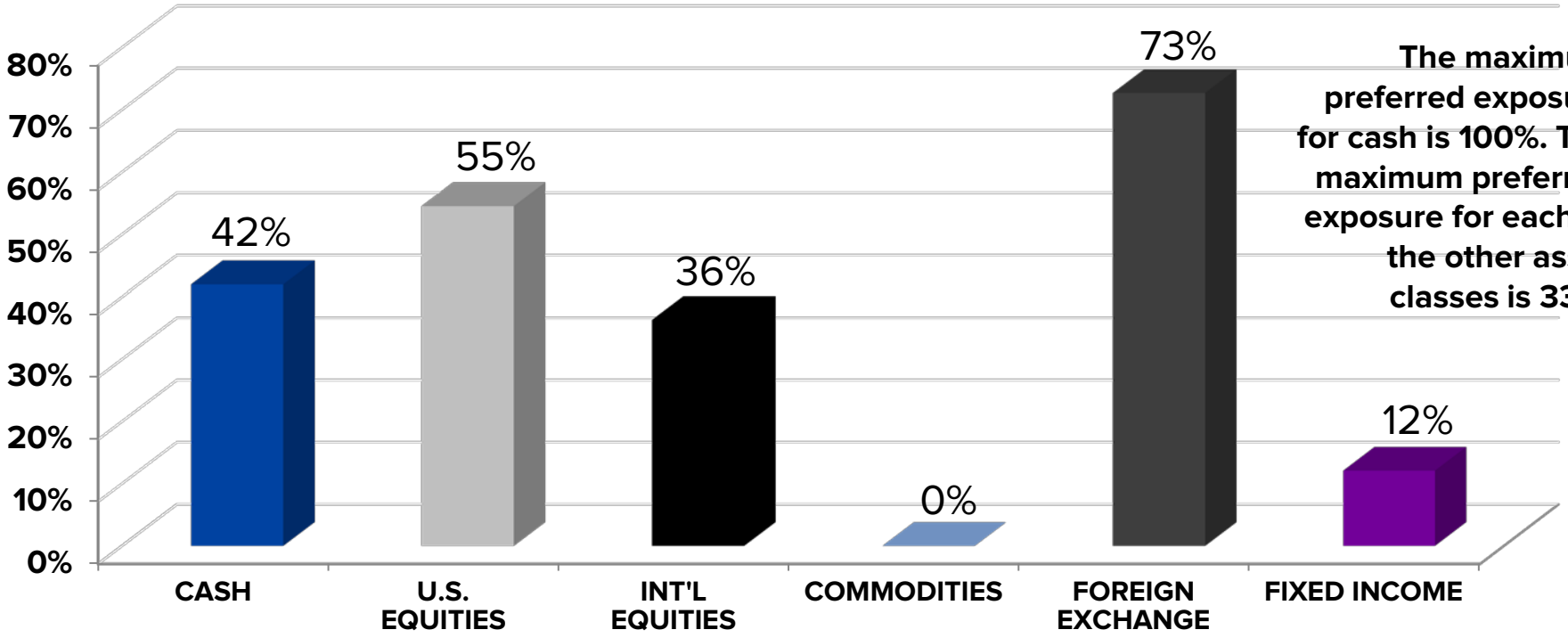
HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/26/2017	38	20	13	0	26	0
4/27/2017	42	18	12	0	24	4

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/26/2017	38%	61%	39%	0%	79%	0%
4/27/2017	42%	55%	36%	0%	73%	12%

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

HEDGEYE ASSET ALLOCATION



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1 RUSSELL

2 FTSE

3 OIL

RUSSELL 2000

Classic ramp back to an all-time closing high of 1419 for the Russell 2000 as the growth component of that (IWO) continues to lead the way. Consensus macro had its biggest net SHORT position in RUT in 2.5 years before the ramp, but now there's an implied volatility DISCOUNT of -7% vs. 30-day realized (so book some gains).

FTSE

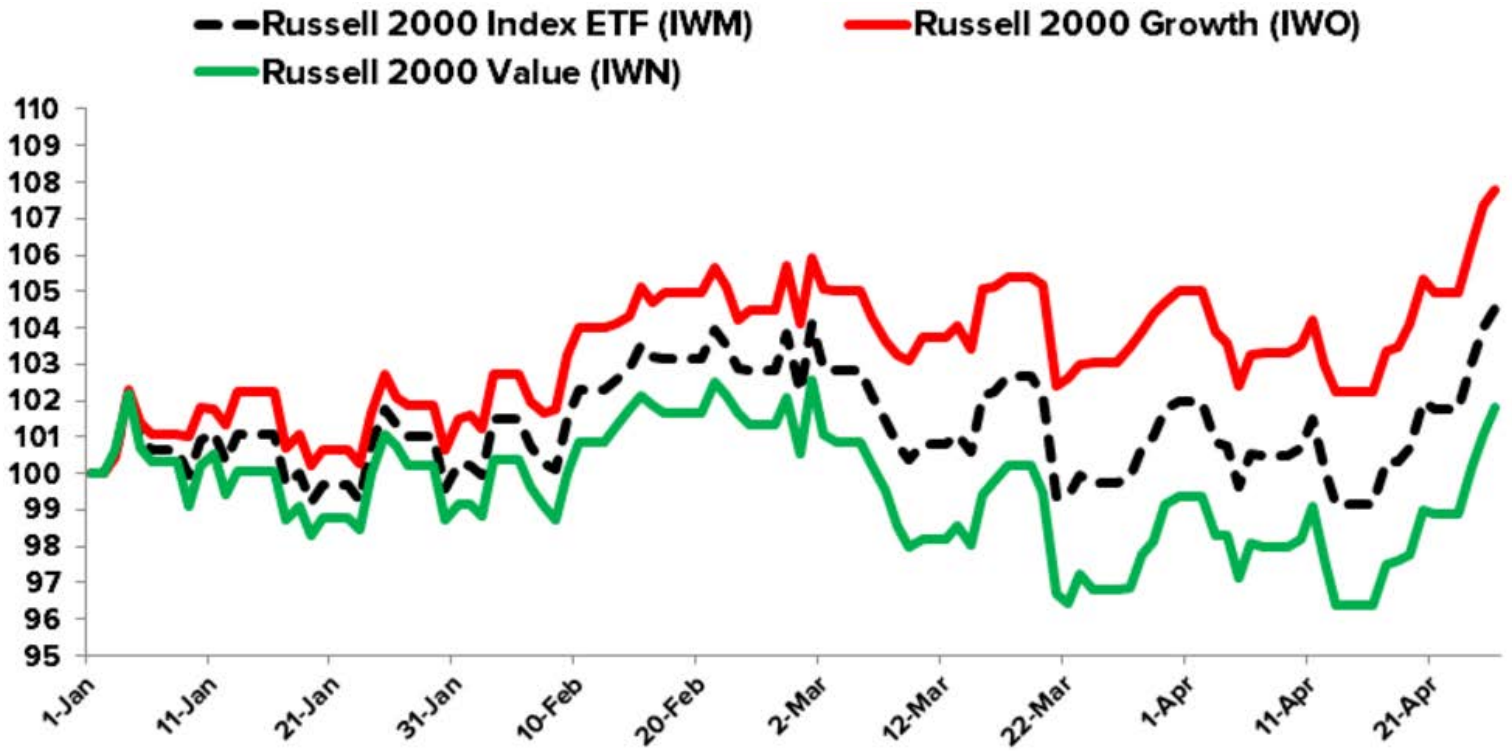
This has been one of the worst places to have allocated equity capital in the last month (FTSE -0.5% this morning and -0.6% in the last month with most U.S./European markets making all-time highs) and that's primarily due to the Pound ripping the consensus macro bear net SHORT position up to $1.29 this morning – still one of my fav FX longs.

OIL

Oil is breaking down below @Hedgeye TREND support of $49.21 WTI this morning so keep your eyes on your fries here as this is one of the major macro market factors that could not only perpetuate a broader equity market correction but a move in High Yield OAS.

MACRO GRIND

RUSSELL 2000: CRUSHING CONSENSUS SHORTS



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HEDGEYE TV

GOLD CONTINUOUS CONTRACT

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LONDON FINANCIAL TIMES INDEX FTSE

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KOSPI SOUTH KOREA SEOUL COMP

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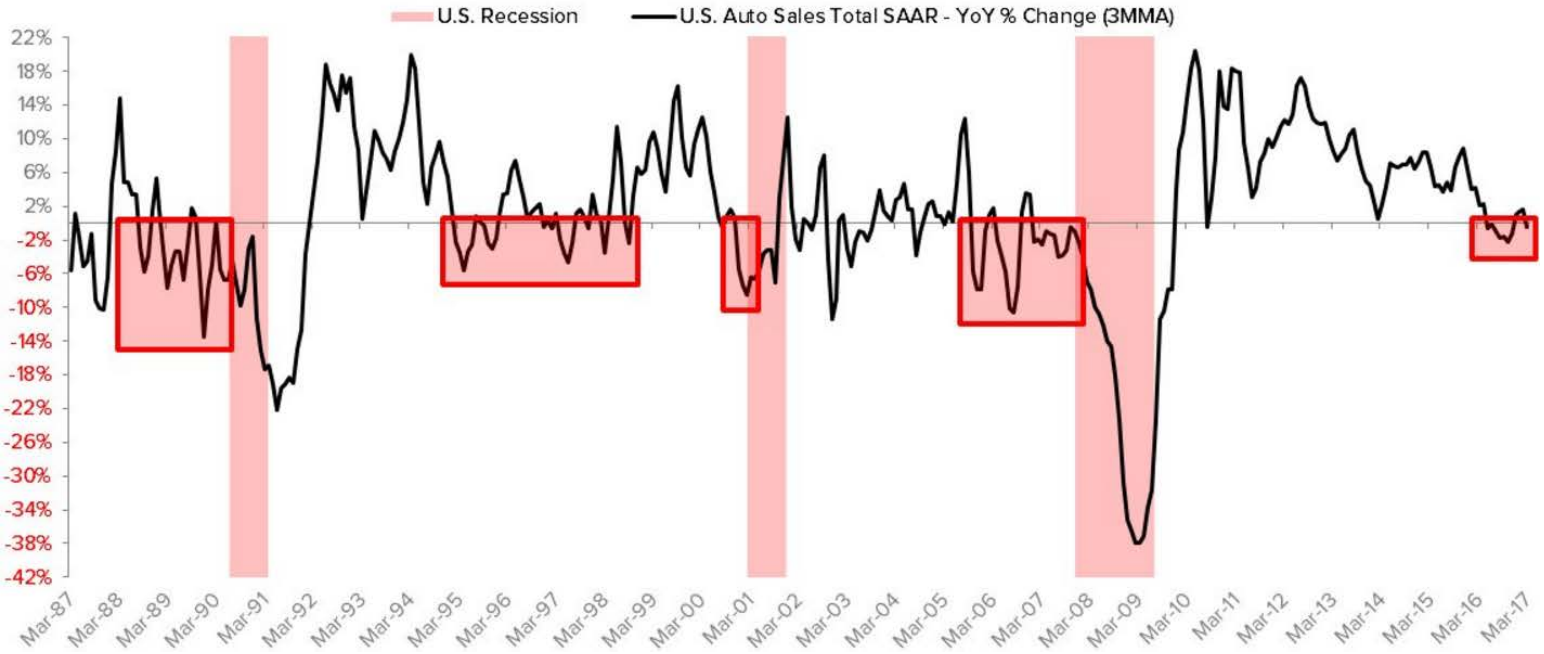
DO AUTO SALES MATTER TO THE CYCLE?

HISTORICALLY, AUTO SALES GROWTH HAS TRADITIONALLY TURNED NEGATIVE MID-TO-LATE CYCLE – BUT NEARLY TWO YEARS PRIOR TO THE ONSET OF RECESSION IN TWO OF THE PAST THREE INSTANCES.



USX-US STEEL GROUP, INC.

April 27, 2017

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HEDGEYE TV

S&P REV. & EARNINGS COMPS & SCORECARD

Q1 2017 QTD

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	4.4%	12.8%	202 / 497
Energy	17.9%	38.3%	8 / 33
Materials	4.8%	46.7%	9 / 25
Industrials	1.9%	0.1%	41 / 67
Consumer Discretionary	3.5%	6.1%	24 / 81
Consumer Staples	-3.2%	2.6%	12 / 37
Healthcare	8.4%	13.7%	22 / 59
Financials	7.8%	18.5%	41 / 65
Information Technology	6.2%	27.0%	27 / 67
Telecom	-4.9%	-3.7%	2 / 4
Utilities	8.7%	7.1%	3 / 28
Real Estate	4.8%	9.9%	13 / 31

Source: BBG

	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	7.6%	7.2%	6.9%	9.2%	-15.9%	-8.3%	-14.9%	SPX	8.8%	-0.49	-0.09	31.3%	0.24	0.76	46.4%	1.02	1.44
Russell 2000	RTY	14.5%	13.9%	13.9%	14.3%	-12.5%	-9.3%	-13.8%	RTY	-6.2%	-0.61	-0.63	4.8%	-0.15	-0.19	7.4%	0.08	-0.17
Nasdaq 100	NDX	8.3%	7.1%	7.4%	10.7%	-12.2%	-6.2%	-17.0%	NDX	18.0%	-0.23	0.27	55.1%	1.13	1.83	57.0%	1.78	2.30
USD Index	UUP	6.3%	6.5%	7.1%	7.7%	-14.2%	-6.8%	-10.1%	UUP	12.7%	-0.05	-0.01	16.1%	0.04	0.12	4.3%	-0.56	-0.41
Consumer Discret.	XLY	8.2%	7.6%	8.0%	9.9%	-13.7%	-11.2%	-20.5%	XLY	26.6%	0.10	0.56	37.6%	0.65	1.21	42.4%	1.41	1.78
Financials	XLF	17.4%	15.8%	15.3%	15.5%	-12.8%	-5.8%	-10.4%	XLF	-12.2%	-0.87	-0.73	0.5%	-0.31	-0.22	4.4%	0.11	-0.02
Healthcare	XLV	7.7%	8.1%	8.9%	11.1%	-7.2%	-7.3%	-18.6%	XLV	42.9%	0.90	1.44	40.2%	1.52	1.90	32.7%	1.52	1.77
Technology	XLK	8.1%	7.4%	7.8%	10.7%	-13.1%	-7.3%	-16.1%	XLK	25.2%	0.10	0.59	50.9%	1.29	1.85	50.9%	2.10	2.29
Consumer Staples	XLP	6.3%	7.0%	7.1%	9.3%	-6.8%	-5.5%	-14.7%	XLP	47.3%	1.05	1.49	40.2%	1.55	1.85	48.9%	2.37	2.39
Utilities	XLU	8.5%	11.2%	10.8%	11.9%	-10.2%	-10.7%	-20.0%	XLU	36.2%	2.18	2.43	7.1%	0.59	0.86	14.1%	1.61	1.73
Energy	XLE	12.2%	14.7%	13.7%	16.0%	-6.4%	-4.3%	-11.6%	XLE	37.6%	1.52	1.53	9.5%	0.51	0.35	18.1%	1.63	0.86
Energy	XOP	23.7%	25.2%	22.6%	27.2%	-3.8%	-0.4%	-8.2%	XOP	32.5%	1.12	1.48	7.9%	0.47	0.45	19.8%	2.08	1.31
Materials	XLB	11.7%	11.1%	11.4%	12.4%	-12.3%	-8.0%	-12.3%	XLB	13.4%	-0.07	0.15	15.3%	0.21	0.35	16.9%	0.53	0.48
Industrials	XLI	10.7%	10.2%	10.0%	11.9%	-12.9%	-5.6%	-10.3%	XLI	9.1%	-0.30	0.01	18.6%	0.24	0.54	25.4%	0.93	1.02
Transports	IYT	14.8%	14.7%	14.3%	14.4%	-16.3%	-14.2%	-16.6%	IYT	-2.2%	-0.68	-0.49	2.7%	-0.68	-0.36	12.5%	-0.07	0.19
Biotech	IBB	14.8%	15.2%	17.4%	17.6%	-9.7%	-14.1%	-26.1%	IBB	18.0%	0.59	0.65	19.6%	1.23	1.21	10.7%	1.16	0.75
WTI Crude Oil	USO	21.1%	22.5%	22.6%	29.2%	11.1%	9.2%	-5.2%	USO	11.1%	1.64	1.70	30.7%	1.69	1.17	30.5%	2.44	1.17
Natural Gas	UNG	28.6%	34.4%	42.0%	33.8%	-2.8%	-10.9%	-22.6%	UNG	16.6%	1.00	0.20	-0.7%	0.00	-0.44	-17.0%	-0.94	-0.96
Gold	GLD	8.7%	9.8%	10.3%	11.3%	-15.2%	-12.4%	-19.4%	GLD	32.0%	1.12	1.10	16.3%	0.58	0.52	12.2%	0.58	0.34
Silver	SLV	13.1%	17.1%	16.5%	18.4%	-6.6%	-8.4%	-17.7%	SLV	43.4%	2.51	1.04	14.3%	1.09	0.06	12.7%	1.13	0.05
Copper	JJC	21.3%	23.5%	24.6%	22.5%	4.7%	-1.9%	-10.9%	JJC	-0.3%	-0.25	-0.29	-5.3%	-0.44	-0.50	-11.4%	-0.70	-0.84
Corn	CORN	13.4%	14.4%	14.0%	21.4%	14.2%	16.6%	18.3%	CORN	54.5%	2.24	1.51	53.3%	2.20	1.76	64.9%	2.24	2.20
Soybeans	SOYB	8.4%	11.1%	13.5%	15.3%	-21.3%	-21.3%	-26.3%	SOYB	60.4%	0.60	0.26	42.0%	0.14	0.02	22.0%	-0.32	-0.36
Wheat	WEAT	15.1%	18.9%	18.6%	24.0%	-24.9%	-16.7%	-18.8%	WEAT	58.7%	0.05	0.04	29.9%	-0.51	-0.28	34.9%	-0.44	-0.10

*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	$89.94	0.47%	2.26%	10.49%
Financial Select Sector	XLF	$23.87	-0.08%	0.59%	2.67%
Health Care Select Sector	XLV	$75.14	0.55%	1.05%	8.99%
Technology Select Sector	XLK	$54.02	-0.11%	1.33%	11.70%
Consumer Staples Select Sector	XLP	$55.27	-0.81%	1.26%	6.88%
Industrial Select Sector	XLI	$66.67	0.02%	2.47%	7.15%
Materials Select Sector	XLB	$53.64	-0.02%	2.35%	7.93%
The Energy Select Sector	XLE	$68.54	-0.33%	-1.95%	-9.00%
Utilities Select Sector	XLU	$51.77	-0.31%	0.90%	6.59%
S&P 500	SPX	2,387.45	-0.05%	1.05%	6.64%

HEDGEYE SECTOR RELATIVE PERFORMANCE

	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$89.94	0.52%	1.22%	3.85%
Financial Select Sector	XLF	$23.87	-0.04%	-0.46%	-3.97%
Health Care Select Sector	XLV	$75.14	0.60%	0.00%	2.36%
Technology Select Sector	XLK	$54.02	-0.06%	0.29%	5.07%
Consumer Staples Select Sector	XLP	$55.27	-0.76%	0.22%	0.25%
Industrial Select Sector	XLI	$66.67	0.06%	1.43%	0.51%
Materials Select Sector	XLB	$53.64	0.03%	1.30%	1.29%
The Energy Select Sector	XLE	$68.54	-0.29%	-2.99%	-15.64%
Utilities Select Sector	XLU	$51.77	-0.26%	-0.15%	-0.05%

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	-0.2%	1.3%	1.5%	2.0%	11.6%	5.1%
	Low Debt/EV	0.0%	2.4%	2.4%	4.5%	12.4%	8.4%
SI	High Short Interest	0.1%	2.1%	2.5%	-0.1%	7.4%	2.2%
	Low Short Interest	0.1%	2.3%	2.1%	4.8%	13.6%	7.6%
BETA	High Beta	-0.1%	3.0%	3.2%	1.2%	17.7%	6.0%
	Low Beta	-0.3%	0.5%	1.6%	5.8%	8.1%	6.7%
YIELD	High Yield	-0.4%	0.5%	1.3%	1.4%	4.9%	1.8%
	Low Yield	0.3%	2.6%	3.0%	4.2%	13.5%	8.7%
MKT CAP	MCAP Bottom 25%	0.1%	1.7%	1.9%	-0.3%	7.6%	2.2%
	MCAP Top 25%	0.0%	2.3%	1.8%	4.2%	13.1%	7.4%
Sales	Top 25% Sales Growth	0.0%	2.0%	2.4%	1.9%	12.9%	6.9%
	Bottom 25% Sales Growth	-0.1%	1.4%	1.8%	1.8%	7.5%	3.4%
EPS	Top 25% EPS Growth	-0.1%	1.8%	2.6%	0.9%	13.6%	6.7%
	Bottom 25% EPS Growth	-0.1%	1.3%	2.1%	3.0%	7.5%	3.8%

**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	0.81%	-0.5	1.0	5	31	-3	65	62	67
3M LIBOR	1.17%	0.0	1.5	2	13	0	55	65	74
2Y T-Note	1.27%	-0.1	9.3	1	5	-13	77	53	71
5Y T-Note	1.82%	-3.0	8.6	-12	-14	-32	93	30	48
10Y T-Note	2.30%	-3.2	8.6	-11	-20	-34	98	17	15
30Y T-Note	2.96%	-2.9	8.6	-5	-13	-25	87	10	-6
2Y-10Y Spread, Bps	103	-3.2	-0.8	-12.6	-25	-21	21	-36	-55
IG SPREAD (AAABBB)	1.54%	0.0	-1.0	0	3	-46	9	-16	-19
HIGH YIELD	5.63%	0.0	-5.2	-62	-56	-192	0	-102	-90
5Y BREAKEVEN	1.83%	-1.7	6.7	-13.2	-18.6	-25.0	57.5	26.8	10.7

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)	141,484	15,681	88,694	34,768	63,147	*0.99X*	*1.53X*
Russell 2000 (mini)	(70,662)	(14,017)	(1,334)	22,766	5,296	*-1.74X*	*-1.39X*
10Y Treasury	31,558	55,314	(195,109)	(193,547)	(75,921)	*0.62X*	*0.75X*
CRUDE OIL	497,267	20,071	517,848	474,710	419,346	*0.95X*	*1.73X*
GOLD	161,263	20,856	92,751	94,498	162,996	*-0.02X*	*0.79X*
COPPER	16,314	(9,552)	35,152	38,128	10,903	*0.17X*	*0.97X*
$USD	43,402	(896)	45,969	49,424	32,311	*0.60X*	*0.20X*
JPY	(29,668)	4,764	(54,323)	(41,660)	3,982	*-0.62X*	*0.02X*
EUR	(20,923)	(6,591)	(32,795)	(66,042)	(71,362)	*1.34X*	*1.48X*
GBP	(101,267)	6,338	(84,920)	(77,387)	(71,472)	*-1.39X*	*-1.84X*

MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (4/26) vs.			
	Prior Day	1M Ave	3M ave	1Y Ave
Total Market Volume*	-6%	7%	10%	52%
Total Exchange Volume**	0.1%	15%	9%	7%

*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

KEY $USD CORRELATIONS

METRIC	15D	30D	90D	120D	180D	52-Wk Rolling 30D Correlation			
						High	Low	% Time Pos	% Time Neg
SPX	-0.59	-0.23	-0.38	-0.19	0.62	*0.95*	*-0.75*	*53%*	*47%*
BRENT Oil	0.81	0.60	0.42	0.34	0.66	*0.77*	*-0.78*	*56%*	*44%*
CRB Index	0.71	0.14	-0.14	0.34	0.75	*0.83*	*-0.86*	*34%*	*66%*
GOLD	-0.21	-0.11	-0.73	-0.72	-0.88	*0.90*	*-0.97*	*17%*	*83%*

**Days = Trading Days*