THE MACRO SHOW

APRIL 20, 2017

LEGAL

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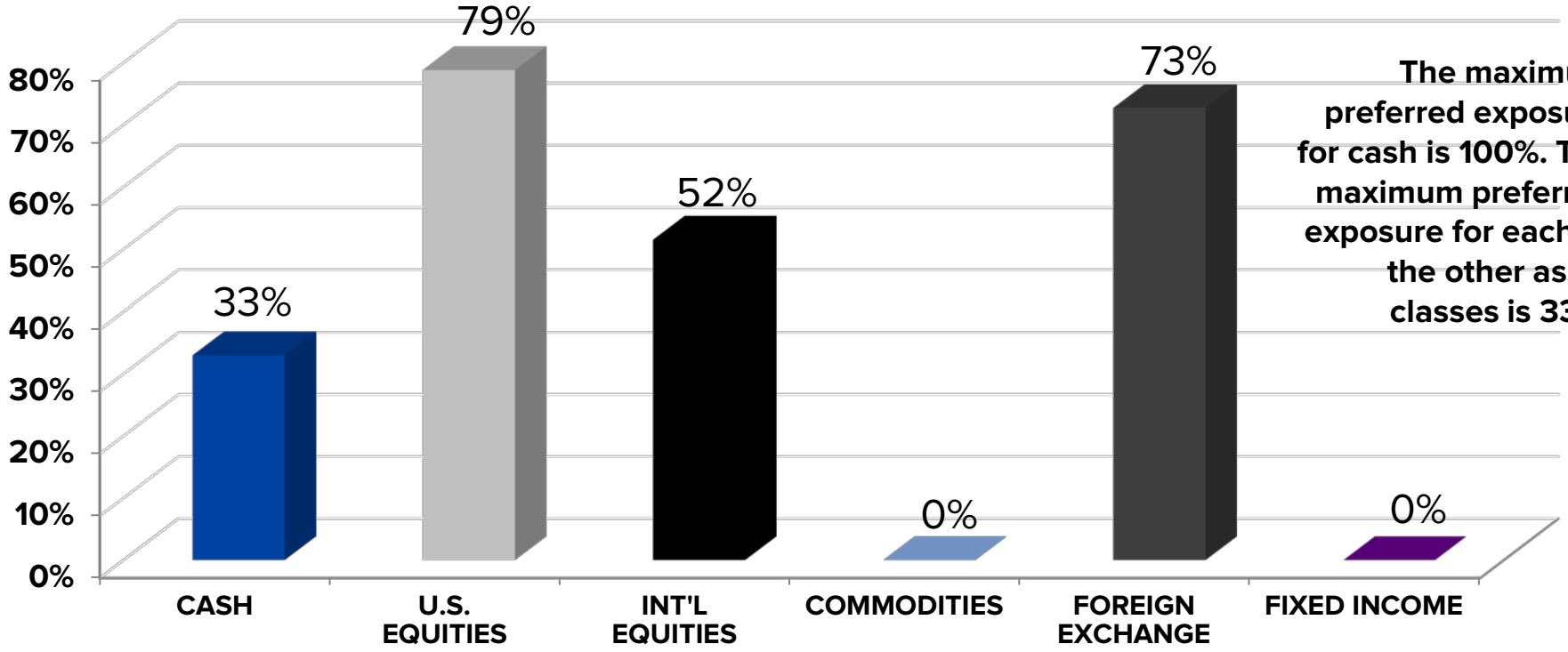
HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/19/2017	35	25	17	0	23	0
4/20/2017	33	26	17	0	24	0

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/19/2017	35%	76%	52%	0%	70%	0%
4/20/2017	33%	79%	52%	0%	73%	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



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HEDGEYE TV

1 KOSPI
2 OIL
3 COMMODITIES

KOSPI

Despite the manic media's focus on the O'Reilly Factor, Asia traded strong overnight with the Hang Seng +1.0% and the KOSPI confirming its bullish @Hedgeye TREND +0.5% at 2149. With its "geopolitical risk" becoming a consensus concern, there's now a massive implied volatility premium in the EWY (South Korean ETF).

OIL

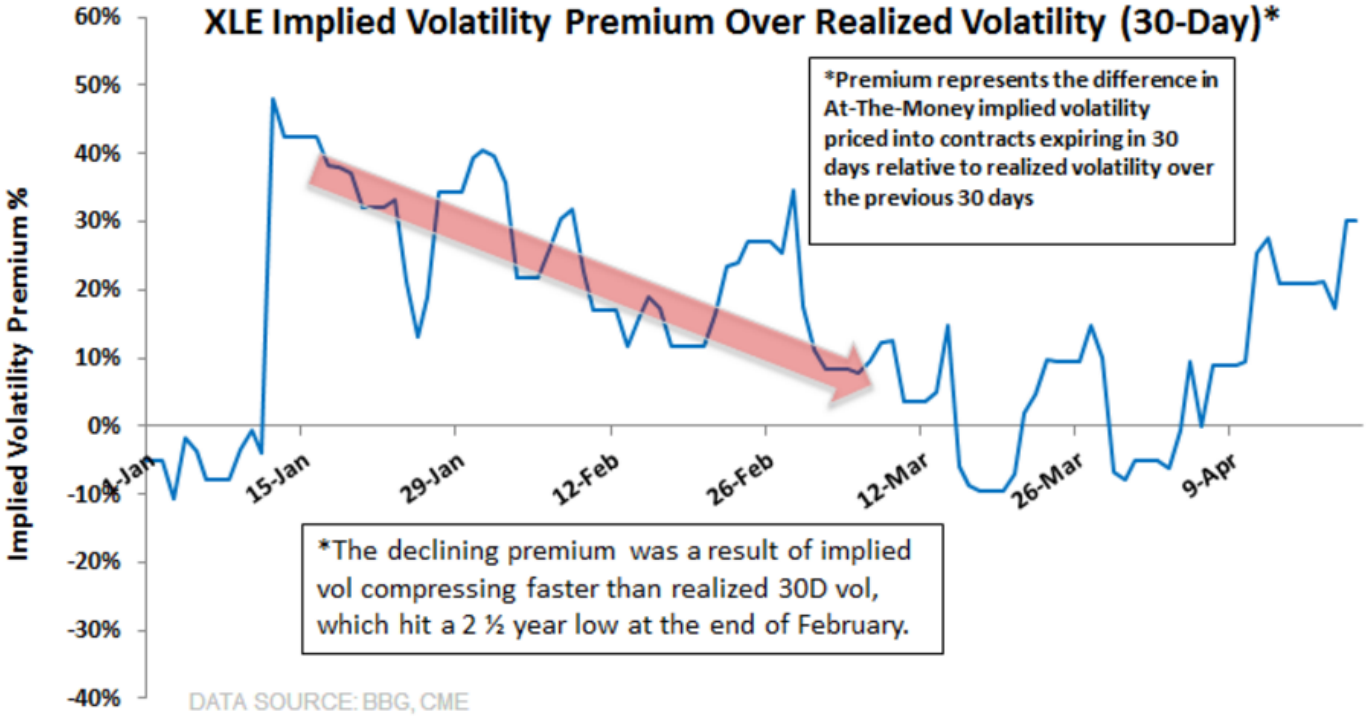
Forget the TV guy, how about the Oil Factor? Wow what an intraday move in WTI that was, taking Energy Stocks (XLE) -1.5% on the day (and the S&P 500 down -0.17% with the Nasdaq +0.23%) to -10.0% YTD, but Oil's Volatility (OVX) isn't confirming this as bearish TREND in Oil unless it holds above 31-32… thinking about buying XLE…

COMMODITIES

And we're not thinking about buying the CRB Index (-1.5% yesterday to 185) as our ***Reflation Rollover*** Macro Theme for Q2 continues to play out with XME (Metals/Mining) getting smoked. Long Oil and/or related securities vs. short Copper and metals is what we're thinking…

MACRO GRIND

THE OIL FACTOR: A CASE OF COMPLACENCY



BRITISH POUND TO U.S. DOLLAR

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10-YEAR GOVERNMENT BOND YIELDS

COUNTRY	YIELD	1 DAY	1 MONTH
Germany »	0.23%	+3	-20
United Kingdom »	1.08%	+2	-15
France	0.95%	+1	-16
Italy	2.29%	+4	-5
Spain	1.70%	+5	-11
Netherlands	0.47%	+3	-21
Portugal	3.78%	+1	-40
Greece	6.51%	0	-76
Switzerland	-0.24%	+1	-18

VOLATILITY INDEX – CBOE CRUDE OIL

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REUTERS/JEFFERIES CRB INDEX

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FRENCH CAC 40 INDEX

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SOUTH KOREA SEOUL COMPOSITE

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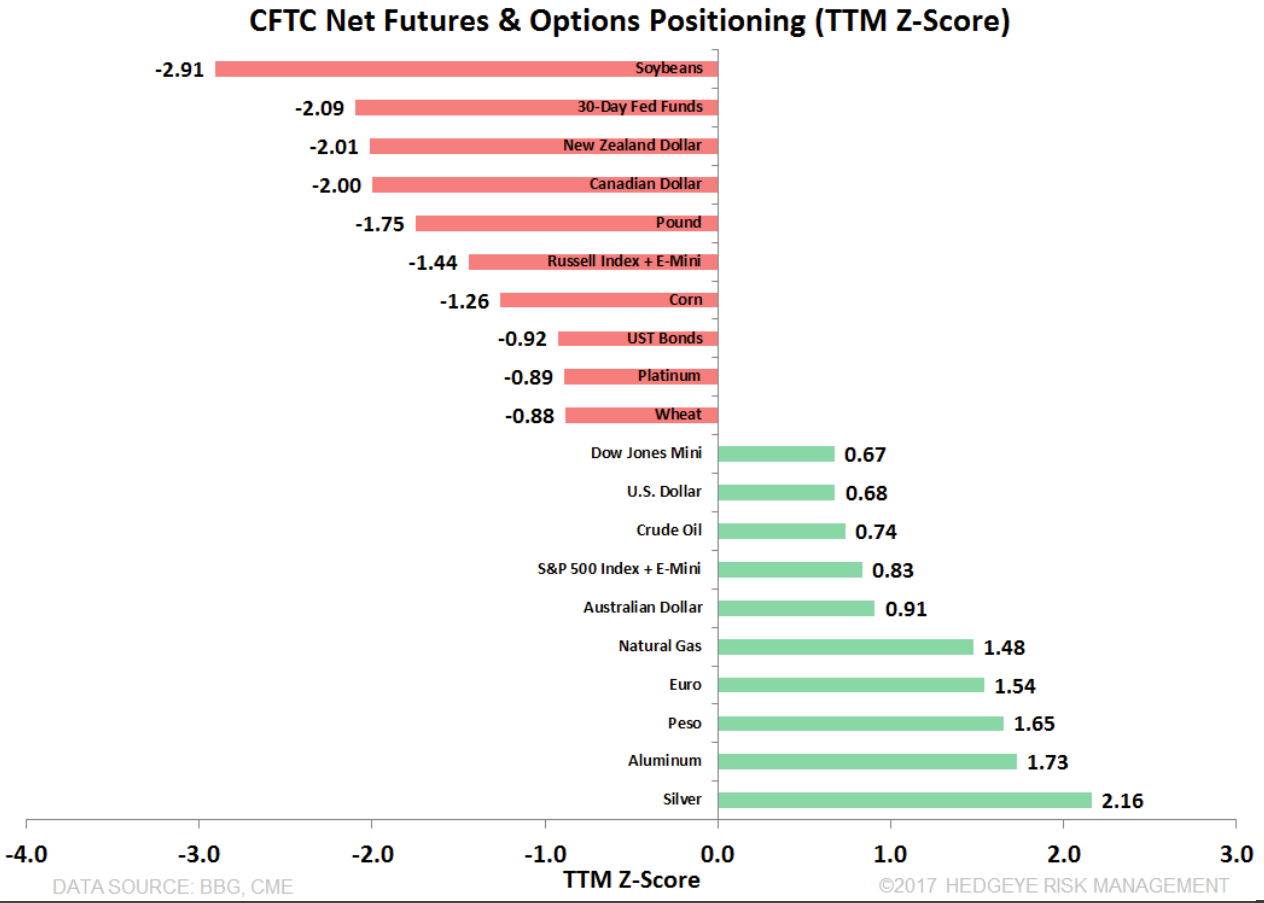
S&P REV. & EARNINGS COMPS & SCORECARD

Q1 2017 QTD

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	6.1%	16.8%	64 / 498
Energy	7.2%	-7.0%	1 / 33
Materials	12.0%	32.0%	1 / 25
Industrials	6.6%	-22.4%	11 / 67
Consumer Discretionary	2.5%	3.6%	11 / 81
Consumer Staples	-4.5%	4.1%	5 / 37
Healthcare	8.6%	16.0%	4 / 59
Financials	8.3%	22.5%	18 / 65
Information Technology	7.0%	25.7%	11 / 68
Telecom	0.0%	0.0%	0 / 4
Utilities	0.0%	0.0%	0 / 28
Real Estate	-5.2%	-3.5%	2 / 31

Source: BBG


CFTC Net Futures & Options Positioning (TTM Z-Score)
-2.91 Soybeans
-2.09 30-Day Fed Funds
-2.01 New Zealand Dollar
-2.00 Canadian Dollar
-1.75 Pound
-1.44 Russell Index + E-Mini
-1.26 Corn
-0.92 UST Bonds
-0.89 Platinum
-0.88 Wheat
Dow Jones Mini 0.67
U.S. Dollar 0.68
Crude Oil 0.74
S&P 500 Index + E-Mini 0.83
Australian Dollar 0.91
Natural Gas 1.48
Euro 1.54
Peso 1.65
Aluminum 1.73
Silver 2.16
-4.0
-3.0
-2.0
-1.0
0.0
1.0
2.0
3.0
TTM Z-Score
DATA SOURCE: BBG, CME
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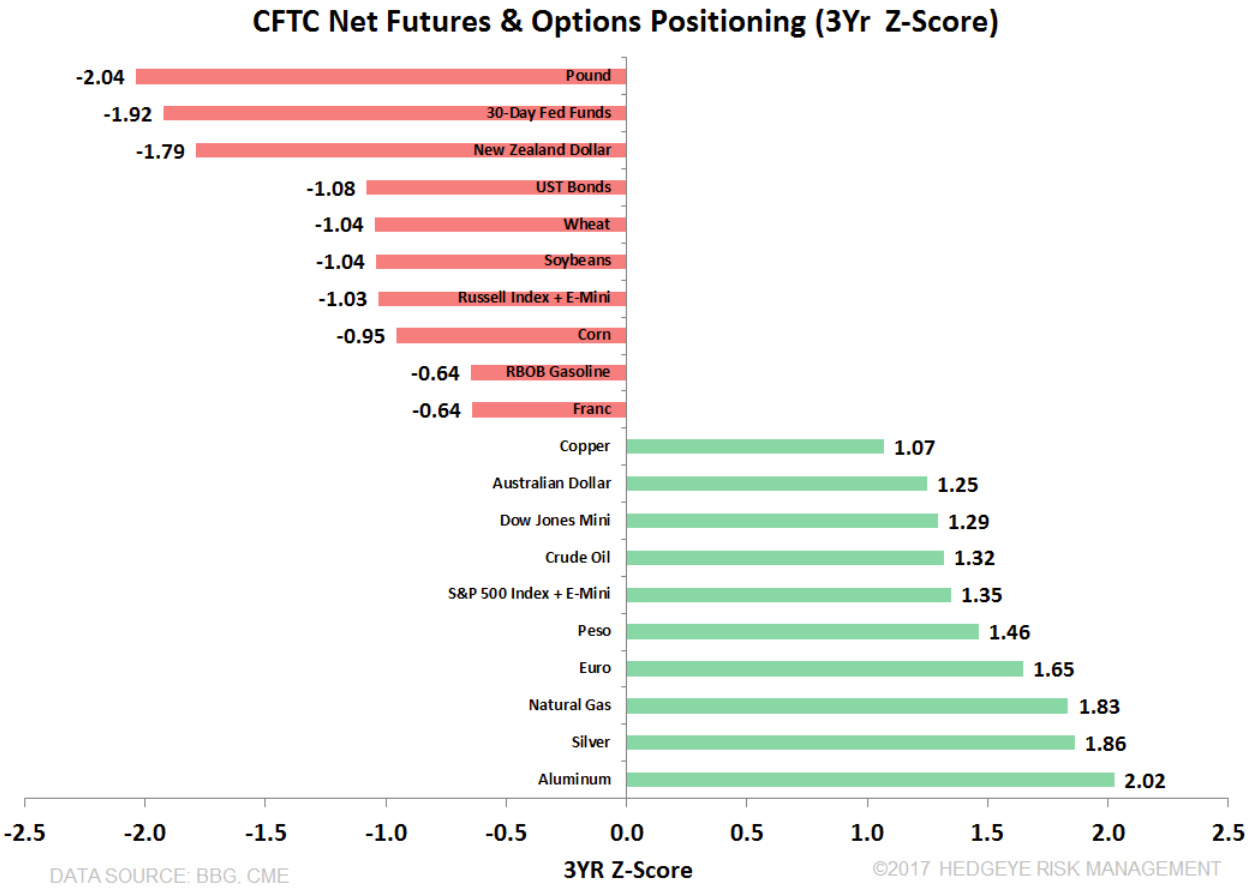

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	REALIZED VOLATILITY				IMPLIED VOLATILTY*				IMPLIED** VS. REALIZED VOLATILITY									
		Duration of Realized (%)			At-The-Money %					30 Day			60 Day			3 Month		
											Z-Score			Z-Score			Z-Score	
Index/Security	Ticker	30D	60D	90D	Current	v 1M Avg	v 3M Avg	v 6M Avg.	Ticker	Premium	TTM	3Yr	Premium	TTM	3Yr	Premium	TTM	3Yr
S&P 500	SPX	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

HEDGEYE SECTOR PERFORMANCE

SECTOR	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$87.53	0.09%	-0.48%	7.53%
Financial Select Sector	XLF	$23.01	-0.30%	-3.03%	-1.03%
Health Care Select Sector	XLV	$73.66	0.30%	-0.94%	6.85%
Technology Select Sector	XLK	$52.80	-0.08%	-0.96%	9.18%
Consumer Staples Select Sector	XLP	$55.27	-0.38%	1.26%	6.88%
Industrial Select Sector	XLI	$64.57	0.09%	-0.75%	3.78%
Materials Select Sector	XLB	$51.69	0.14%	-1.37%	4.00%
The Energy Select Sector	XLE	$67.80	-1.47%	-3.00%	-9.98%
Utilities Select Sector	XLU	$51.67	-0.69%	0.70%	6.38%
S&P 500	SPX	2,338.17	-0.17%	-1.04%	4.44%

HEDGEYE SECTOR RELATIVE PERFORMANCE

	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$87.53	0.26%	0.56%	3.09%
Financial Select Sector	XLF	$23.01	-0.13%	-2.00%	-5.47%
Health Care Select Sector	XLV	$73.66	0.47%	0.10%	2.41%
Technology Select Sector	XLK	$52.80	0.10%	0.08%	4.74%
Consumer Staples Select Sector	XLP	$55.27	-0.21%	2.30%	2.45%
Industrial Select Sector	XLI	$64.57	0.26%	0.29%	-0.66%
Materials Select Sector	XLB	$51.69	0.31%	-0.33%	-0.43%
The Energy Select Sector	XLE	$67.80	-1.30%	-1.97%	-14.42%
Utilities Select Sector	XLU	$51.67	-0.52%	1.74%	1.95%

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	-0.1%	-1.0%	-1.2%	2.6%	10.7%	3.8%
	Low Debt/EV	0.3%	-0.3%	-1.3%	3.5%	8.8%	5.9%
SI	High Short Interest	0.2%	-1.4%	-1.3%	-0.4%	6.3%	0.6%
	Low Short Interest	0.0%	-0.5%	-1.7%	3.8%	11.6%	5.3%
BETA	High Beta	-0.1%	-1.7%	-2.4%	1.2%	13.7%	2.5%
	Low Beta	-0.1%	0.4%	0.8%	5.6%	7.2%	6.3%
YIELD	High Yield	-0.3%	-0.5%	-0.7%	1.1%	3.9%	0.8%
	Low Yield	0.3%	-0.8%	-0.8%	2.9%	10.4%	6.0%
MKT CAP	MCAP Bottom 25%	0.2%	-1.0%	-1.5%	0.2%	6.4%	1.1%
	MCAP Top 25%	-0.2%	-0.6%	-1.9%	3.1%	11.0%	5.0%
Sales	Top 25% Sales Growth	-0.2%	-1.4%	-0.7%	2.3%	10.7%	5.0%
	Bottom 25% Sales Growth	0.0%	-0.6%	-1.4%	1.5%	5.8%	1.9%
EPS	Top 25% EPS Growth	-0.3%	-1.5%	-0.2%	1.7%	11.2%	4.8%
	Bottom 25% EPS Growth	0.0%	-0.5%	-1.1%	2.0%	5.9%	2.2%

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

HEDGEYE RATES & SPREADS

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	0.80%	-0.5	-0.5	7	30	-3	64	62	66
3M LIBOR	1.16%					0	53	64	72
2Y T-Note	1.18%	1.6	-2.5	-14	-4	-22	68	44	62
5Y T-Note	1.74%	4.0	-2.8	-28	-22	-41	85	21	40
10Y T-Note	2.21%	4.6	-2.5	-29	-26	-43	90	8	7
30Y T-Note	2.87%	3.8	-1.3	-24	-17	-34	78	1	-15
2Y-10Y Spread, Bps	104	3.0	0.0	-14.8	-21	-20	22	-36	-55
IG SPREAD (AAABBB)	1.55%	0.0	-3.0	1	1	-45	10	-15	-19
HIGH YIELD	5.68%	-1.8	0.9	-34	-57	-191	5	-97	-85
5Y BREAKEVEN	1.76%	0.2	-11.7	-25.3	-19.6	-31.6	50.9	20.0	4.0

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)	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*

MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (4/13) vs.			
	Prior Day	1M Ave	3M ave	1Y Ave
Total Market Volume*	5%	13%	15%	58%
Total Exchange Volume**	9%	4%	-1%	-3%
Total Traded Value (R3K)***	9%	-3%	-10%	-8%

*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	0.30	0.43	-0.40	0.20	0.65	*0.95*	*-0.75*	*54%*	*46%*
BRENT Oil	0.31	0.20	0.31	0.49	0.68	*0.77*	*-0.78*	*56%*	*44%*
CRB Index	0.30	0.00	-0.45	0.49	0.75	*0.83*	*-0.86*	*33%*	*67%*
GOLD	-0.41	-0.49	-0.77	-0.74	-0.90	*0.90*	*-0.97*	*17%*	*83%*

**Days = Trading Days*