THE MACRO SHOW

APRIL 26, 2017

LEGAL

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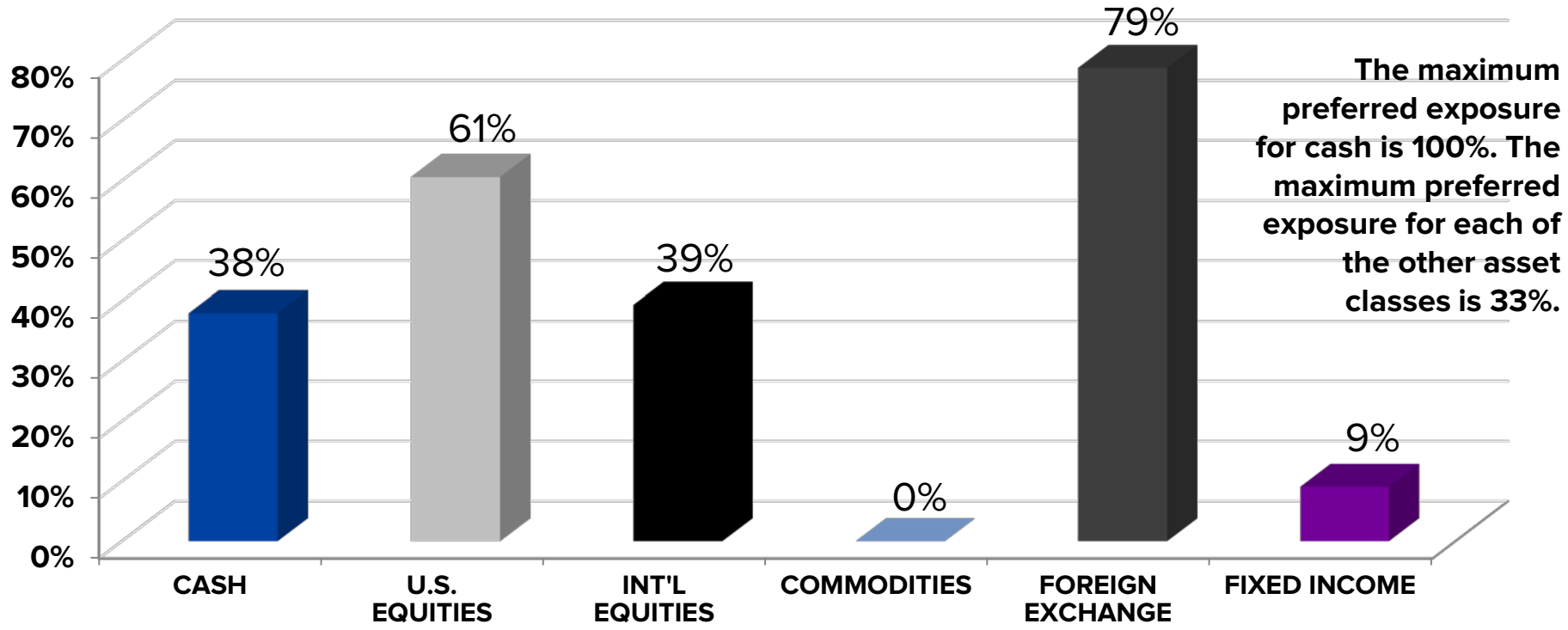
HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/25/2017	39	22	14	0	25	0
4/26/2017	38	20	13	0	26	3

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/25/2017	39%	67%	42%	0%	76%	0%
4/26/2017	38%	61%	39%	0%	79%	9%

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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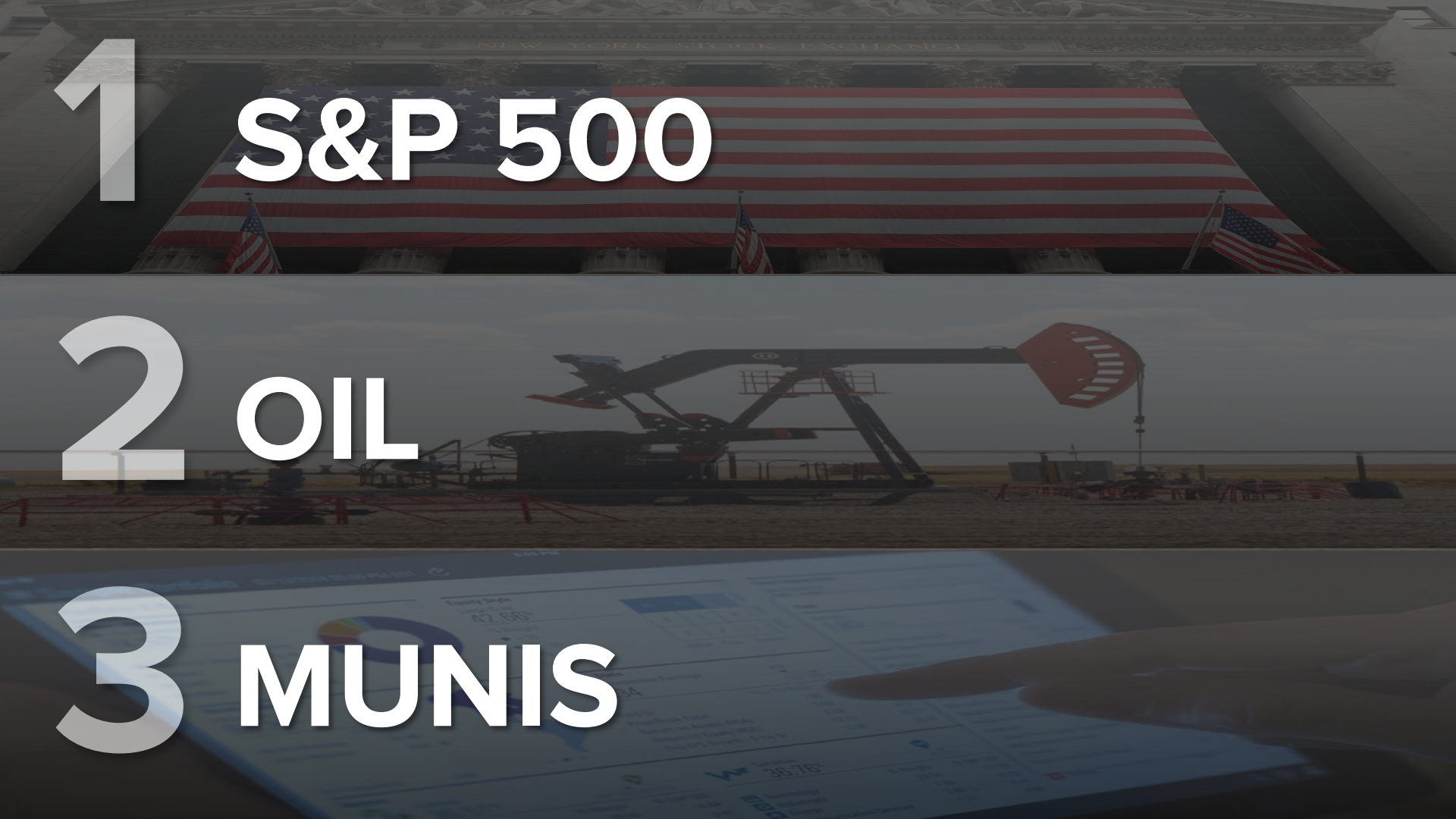
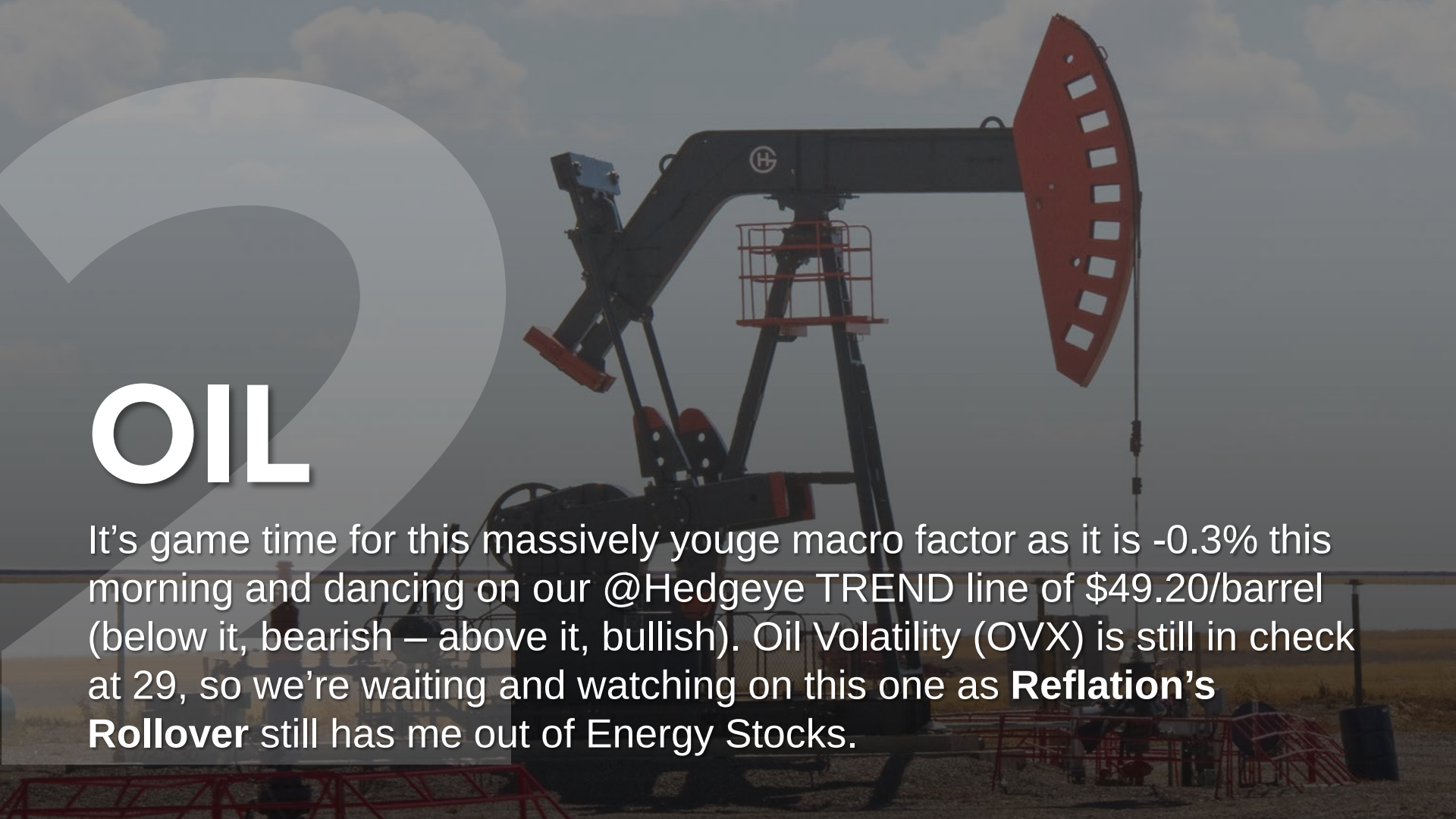
HEDGEYE TV


1 S&P 500
2 OIL
3 MUNIS

S&P 500

If you bought the dips, you earned the opportunity to sell the rips – with an immediate-term risk range of 2356-2395, the S&P 500 is at the top-end of its range (so is the Nasdaq and Russell) and the implied volatility premium (vs. 30-day realized) on SPY has crashed from +108% only 2 weeks ago to +2% this morning #BearsCapitulated.



OIL

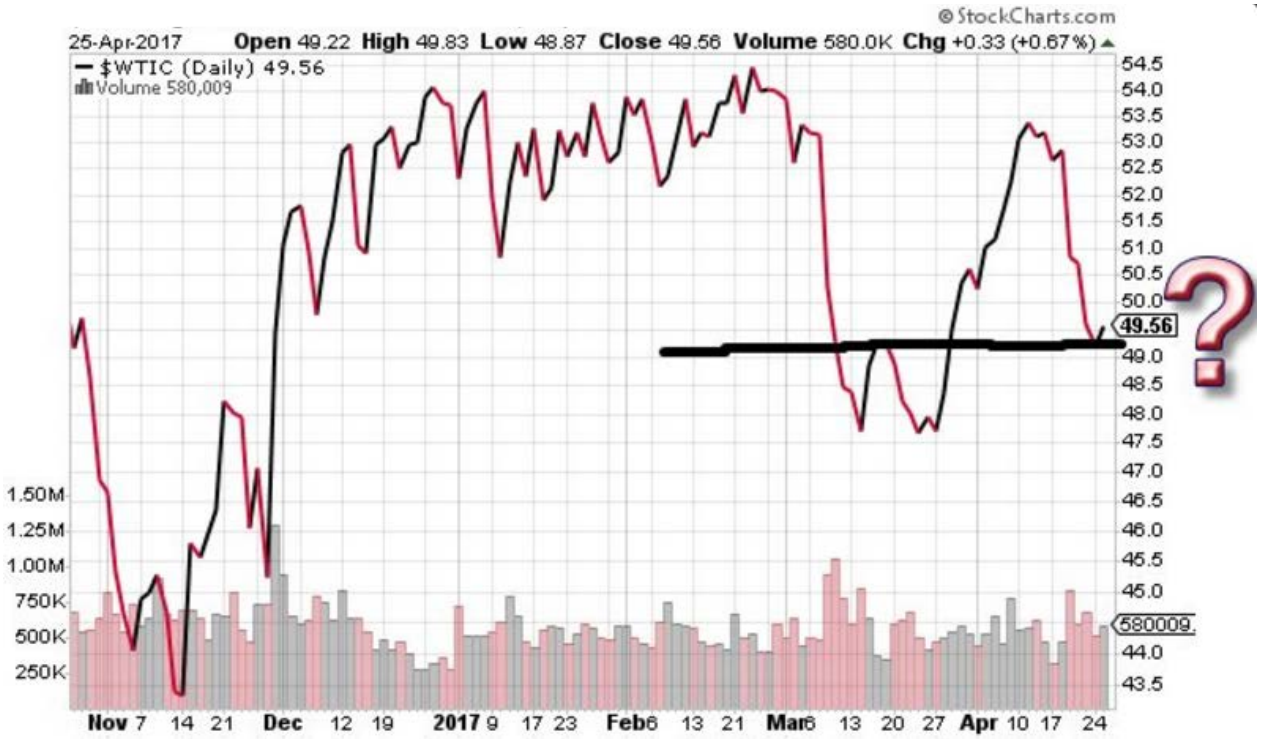
It’s game time for this massively youge macro factor as it is -0.3% this morning and dancing on our @Hedgeye TREND line of $49.20/barrel (below it, bearish – above it, bullish). Oil Volatility (OVX) is still in check at 29, so we’re waiting and watching on this one as **Reflation’s Rollover** still has me out of Energy Stocks.

MUNIS

Booking U.S./European Equity gains? We rolled some into Municipal Bonds (MUB) yesterday because A) UST 10YR Yield tapped the top-end of our risk range and B) Munis corrected to the low-end of their range but have earned back their bullish TREND status. Thinking a low-beta camp to hang out in for the next equity market correction…

MACRO GRIND

LIGHT CRUDE OIL



FRENCH CAC 40 INDEX

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SOUTH KOREA SEOUL COMPOSITE

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TOKYO NIKKEI 225 AVERAGE INDEX

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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)	4.7%	12.8%	152 / 497
Energy	20.2%	6.5%	6 / 33
Materials	5.5%	51.1%	7 / 25
Industrials	2.7%	-2.5%	30 / 67
Consumer Discretionary	3.5%	6.1%	21 / 81
Consumer Staples	-5.0%	0.0%	8 / 37
Healthcare	8.7%	12.6%	17 / 59
Financials	7.8%	18.7%	35 / 65
Information Technology	6.0%	26.7%	18 / 67
Telecom	-4.9%	-3.7%	2 / 4
Utilities	3.6%	14.6%	1 / 28
Real Estate	0.6%	3.7%	7 / 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	8.0%	7.2%	6.9%	9.1%	-16.8%	-9.3%	-15.8%	SPX	2.3%	-0.67	-0.30	29.7%	0.18	0.70	42.8%	0.87	1.28
Russell 2000	RTY	15.0%	13.9%	13.9%	14.4%	-11.8%	-8.6%	-13.1%	RTY	-7.1%	-0.65	-0.67	5.4%	-0.11	-0.15	8.4%	0.16	-0.11
Nasdaq 100	NDX	8.4%	7.1%	7.4%	10.7%	-12.4%	-6.5%	-17.2%	NDX	16.2%	-0.28	0.21	53.8%	1.09	1.78	56.3%	1.75	2.27
USD Index	UUP	7.0%	6.7%	7.3%	7.5%	-16.7%	-9.5%	-12.8%	UUP	-2.4%	-0.68	-0.58	10.6%	-0.23	-0.12	0.4%	-0.79	-0.59
Consumer Discret.	XLY	8.2%	7.6%	7.9%	10.3%	-10.5%	-7.8%	-17.5%	XLY	30.5%	0.23	0.71	40.7%	0.78	1.35	42.9%	1.44	1.81
Financials	XLF	17.4%	15.9%	15.3%	14.7%	-17.1%	-10.4%	-14.8%	XLF	-13.8%	-0.92	-0.80	-2.6%	-0.44	-0.37	2.0%	-0.04	-0.15
Healthcare	XLV	8.5%	8.6%	9.0%	10.9%	-8.9%	-9.0%	-20.1%	XLV	25.1%	0.26	0.74	29.9%	0.97	1.36	32.5%	1.51	1.76
Technology	XLK	8.3%	7.5%	7.8%	10.4%	-15.2%	-9.6%	-18.2%	XLK	23.3%	0.04	0.53	46.3%	1.11	1.66	51.0%	2.10	2.29
Consumer Staples	XLP	6.2%	6.7%	6.9%	9.0%	-9.4%	-8.1%	-17.0%	XLP	49.6%	1.12	1.58	38.9%	1.48	1.78	44.2%	2.09	2.12
Utilities	XLU	9.7%	11.6%	10.8%	11.8%	-10.5%	-11.0%	-20.4%	XLU	18.0%	1.02	1.26	3.7%	0.31	0.58	15.0%	1.71	1.83
Energy	XLE	14.0%	14.7%	13.7%	15.9%	-7.2%	-5.1%	-12.4%	XLE	13.1%	0.35	0.40	8.1%	0.40	0.27	17.3%	1.56	0.82
Energy	XOP	25.4%	25.2%	22.6%	27.7%	-2.2%	1.4%	-6.6%	XOP	16.9%	0.44	0.68	9.4%	0.57	0.54	20.7%	2.15	1.36
Materials	XLB	12.5%	11.1%	11.4%	12.1%	-14.5%	-10.5%	-14.6%	XLB	-1.1%	-0.70	-0.39	13.5%	0.10	0.26	19.4%	0.68	0.59
Industrials	XLI	11.2%	10.4%	10.0%	11.6%	-14.6%	-7.5%	-12.2%	XLI	3.7%	-0.50	-0.21	14.9%	0.05	0.36	25.9%	0.96	1.05
Transports	IYT	15.1%	14.9%	14.3%	16.2%	-6.0%	-3.5%	-6.1%	IYT	8.1%	-0.32	-0.05	11.0%	-0.25	0.10	19.2%	0.32	0.62
Biotech	IBB	15.5%	16.2%	17.5%	17.5%	-10.1%	-14.4%	-26.4%	IBB	16.8%	0.53	0.59	11.5%	0.69	0.66	10.1%	1.11	0.71
WTI Crude Oil	USO	21.6%	22.4%	22.6%	29.5%	11.9%	10.1%	-4.4%	USO	11.9%	1.34	1.38	31.8%	1.76	1.23	31.5%	2.51	1.22
Natural Gas	UNG	27.7%	34.5%	42.2%	33.9%	-2.6%	-10.6%	-22.4%	UNG	23.9%	1.49	0.45	-0.6%	0.00	-0.44	-17.2%	-0.95	-0.97
Gold	GLD	10.0%	10.1%	10.6%	11.8%	-11.1%	-8.1%	-15.4%	GLD	18.0%	0.33	0.43	17.7%	0.67	0.60	13.6%	0.68	0.43
Silver	SLV	15.1%	17.1%	18.5%	18.6%	-5.7%	-7.6%	-16.9%	SLV	23.1%	1.15	0.28	10.7%	0.69	-0.12	2.9%	-0.16	-0.53
Copper	JJC	21.5%	24.0%	24.6%	24.0%	11.6%	4.7%	-4.8%	JJC	6.6%	-0.16	-0.14	-0.1%	-0.31	-0.33	-2.6%	-0.42	-0.48
Corn	CORN	12.9%	14.2%	14.1%	18.2%	-2.1%	-0.4%	1.0%	CORN	47.4%	1.86	1.19	41.6%	1.59	1.15	64.6%	2.23	2.19
Soybeans	SOYB	8.4%	11.1%	13.5%	21.4%	8.9%	9.6%	2.7%	SOYB	147.9%	2.74	1.76	81.4%	1.00	0.76	28.2%	-0.24	-0.26
Wheat	WEAT	15.6%	19.0%	18.9%	23.9%	-25.0%	-16.8%	-18.9%	WEAT	55.7%	0.00	0.00	25.6%	-0.59	-0.35	26.4%	-0.71	-0.27

*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	$89.52	0.79%	1.79%	9.98%
Financial Select Sector	XLF	$23.89	0.89%	0.67%	2.75%
Health Care Select Sector	XLV	$74.73	0.43%	0.50%	8.40%
Technology Select Sector	XLK	$54.08	0.52%	1.44%	11.83%
Consumer Staples Select Sector	XLP	$55.72	0.40%	2.09%	7.75%
Industrial Select Sector	XLI	$66.66	0.48%	2.46%	7.14%
Materials Select Sector	XLB	$53.65	1.61%	2.37%	7.95%
The Energy Select Sector	XLE	$68.77	0.85%	-1.62%	-8.70%
Utilities Select Sector	XLU	$51.93	-0.13%	1.21%	6.92%
S&P 500	SPX	2,388.61	0.61%	1.10%	6.69%

HEDGEYE SECTOR RELATIVE PERFORMANCE

	Ticker	Price	1-Day % Chg	MTD % Chg	YTD % Chg
Consumer Discretionary	XLY	$89.52	0.18%	0.69%	3.29%
Financial Select Sector	XLF	$23.89	0.28%	-0.42%	-3.94%
Health Care Select Sector	XLV	$74.73	-0.18%	-0.60%	1.71%
Technology Select Sector	XLK	$54.08	-0.09%	0.35%	5.14%
Consumer Staples Select Sector	XLP	$55.72	-0.21%	0.99%	1.06%
Industrial Select Sector	XLI	$66.66	-0.13%	1.36%	0.45%
Materials Select Sector	XLB	$53.65	1.00%	1.27%	1.26%
The Energy Select Sector	XLE	$68.77	0.24%	-2.71%	-15.39%
Utilities Select Sector	XLU	$51.93	-0.74%	0.11%	0.23%

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	0.5%	1.4%	1.7%	2.3%	11.9%	5.3%
	Low Debt/EV	0.4%	2.7%	2.4%	4.6%	12.5%	8.4%
SI	High Short Interest	0.8%	2.3%	2.4%	-0.2%	7.4%	2.2%
	Low Short Interest	0.6%	2.2%	2.0%	4.7%	13.5%	7.5%
BETA	High Beta	0.9%	3.1%	3.3%	1.3%	17.9%	6.1%
	Low Beta	0.3%	0.7%	1.8%	6.1%	8.4%	7.0%
YIELD	High Yield	0.5%	0.6%	1.7%	1.6%	5.1%	2.0%
	Low Yield	0.6%	2.5%	2.6%	3.9%	13.2%	8.4%
MKT CAP	MCAP Bottom 25%	0.4%	1.7%	1.7%	-0.4%	7.8%	2.1%
	MCAP Top 25%	0.7%	2.1%	1.7%	4.1%	13.2%	7.3%
Sales	Top 25% Sales Growth	0.7%	1.8%	2.5%	2.1%	13.0%	7.0%
	Bottom 25% Sales Growth	0.5%	1.4%	1.8%	1.9%	7.7%	3.5%
EPS	Top 25% EPS Growth	0.9%	1.7%	2.7%	1.1%	13.9%	6.9%
	Bottom 25% EPS Growth	0.4%	1.5%	2.2%	3.0%	7.8%	3.9%

**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	0.80%	0.0	1.5	5	32	-3	64	62	67
3M LIBOR	1.17%					0	54	65	73
2Y T-Note	1.28%	0.0	9.4	1	5	-12	79	54	72
5Y T-Note	1.85%	0.0	11.6	-9	-11	-29	96	32	51
10Y T-Note	2.33%	0.0	11.8	-8	-17	-31	101	20	18
30Y T-Note	2.98%	0.0	11.5	-3	-10	-23	89	12	-4
2Y-10Y Spread, Bps	105	-1.6	0.8	-11.0	-23	-20	22	-34	-54
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	1.84%	0.1	8.5	-11.4	-16.8	-23.2	59.3	28.6	12.5

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: (4/13) vs.			
	Prior Day	1M Ave	3M ave	1Y Ave
Total Market Volume*	8%	14%	18%	62%
Total Exchange Volume**	6%	15%	9%	7%
Total Traded Value (R3K)***	0%	12%	4%	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	-0.16	-0.09	-0.73	-0.72	-0.88	*0.90*	*-0.97*	*17%*	*83%*

**Days = Trading Days*