



THE  
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APRIL 7, 2017

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# HEDGEYE ASSET ALLOCATION

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/6/2017	46	20	14	0	20	0
4/7/2017	46	20	14	0	20	0

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/6/2017	46%	61%	42%	0%	61%	0%
4/7/2017	46%	61%	42%	0%	61%	0%

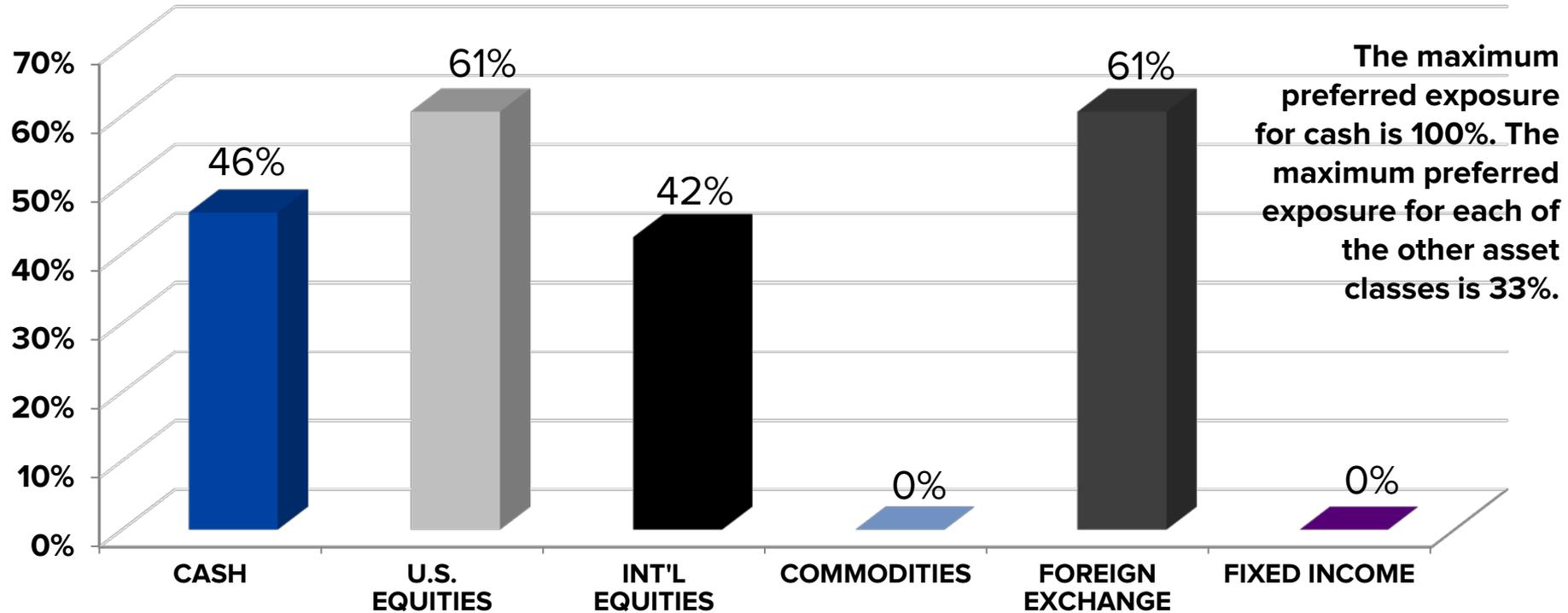
The maximum preferred exposure for cash is 100%. The maximum preferred exposure for each of the other asset classes is 33%.

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# HEDGEYE ASSET ALLOCATION



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OIL



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GOLD



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10YR YIELDS



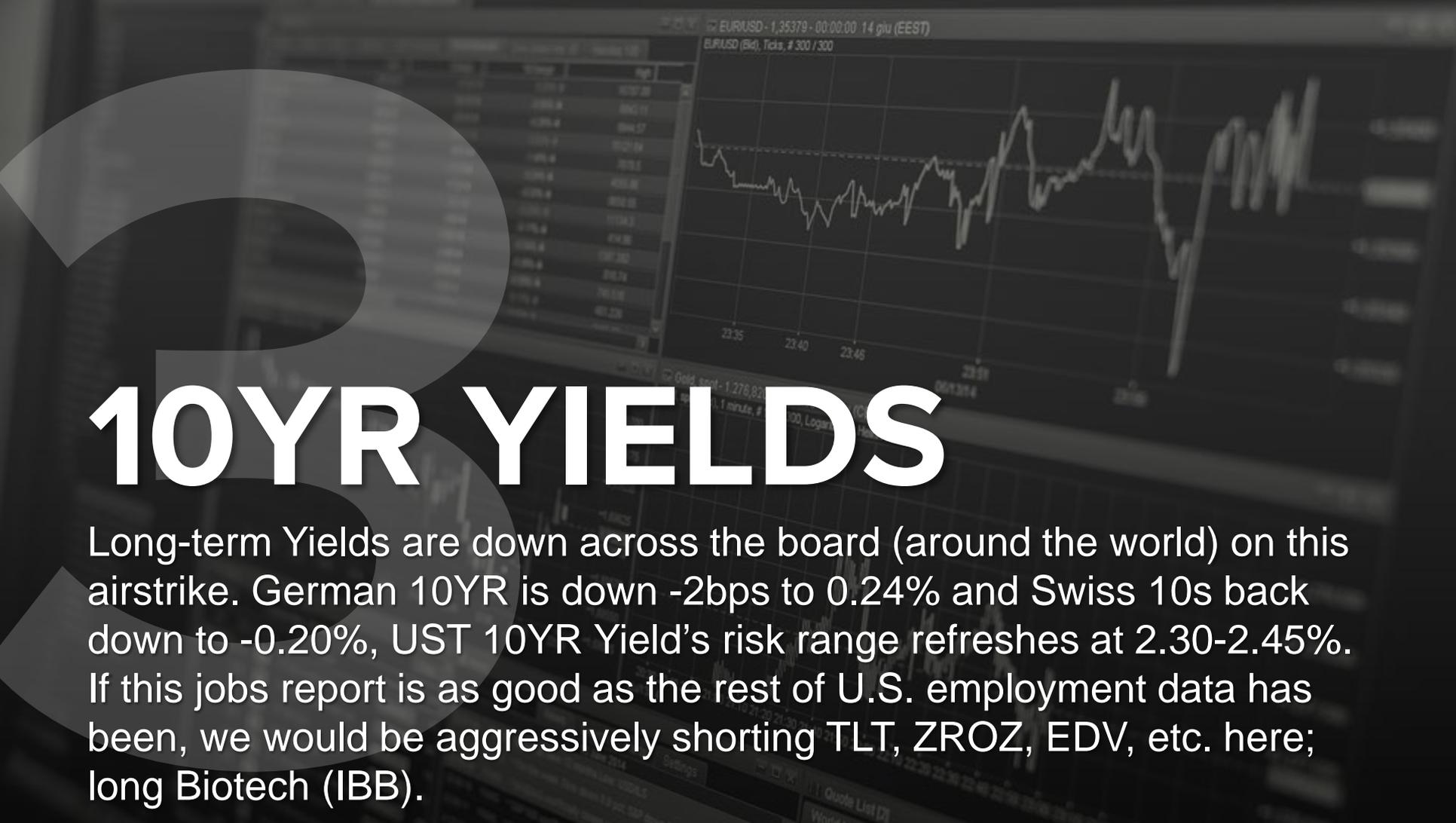
# OIL

If you didn't know why Oil has been acting quite well, now you know – big breakout, back above @Hedgeye TREND resistance of \$50.90/barrel (WTI), +1.4% to \$52.43. This keeps the Reflation Trade from not buckling on itself, good for the reflation/deflation component of credit spreads too, Russian stock market is down -2.9% on the bombs.



# GOLD

Risk off, rates down, Gold up +1.0% to the top end of it's immediate-term \$1240-1269 risk range so we might come back to this on the short side if we see another rate of change acceleration in the U.S. jobs report. This geopolitical risk off trade provides some opportunity into new USA economic data being reported.

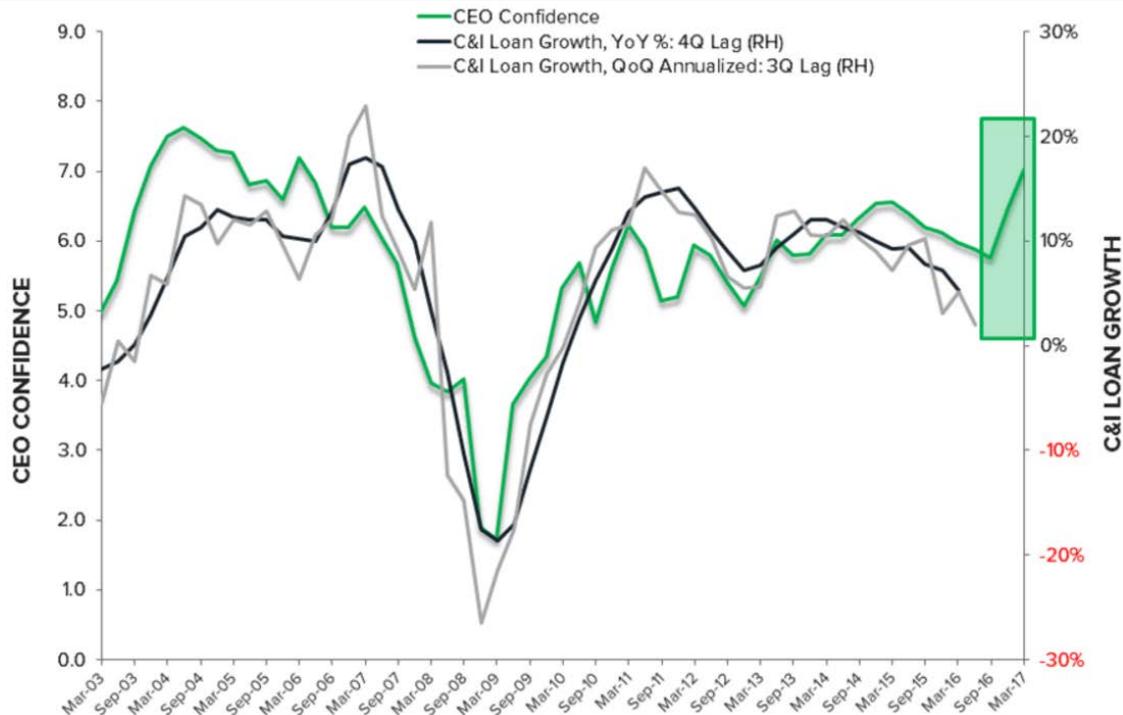
The background of the image is a dark, semi-transparent overlay of financial market data. It features a large, light-colored number '3' on the left side. The data includes a line chart showing price fluctuations over time, with labels such as 'EURUSD - 1,35379 - 00:00:00 14 jul (EEST)', 'EURUSD (Bid), Ticks, # 300 / 300', and 'Gold spot - 1,276,82'. There are also some numerical values and text like '1 minute, #', '100, Loga', and 'Code List [D]' visible in the background.

# 10YR YIELDS

Long-term Yields are down across the board (around the world) on this airstrike. German 10YR is down -2bps to 0.24% and Swiss 10s back down to -0.20%, UST 10YR Yield's risk range refreshes at 2.30-2.45%. If this jobs report is as good as the rest of U.S. employment data has been, we would be aggressively shorting TLT, ZROZ, EDV, etc. here; long Biotech (IBB).

**MACRO GRIND**

# CEO CONFIDENCE VS C&I LOAN GROWTH



Source: Bloomberg, Federal Reserve, Chief Executive Magazine, Hedgeye

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# 10-YEAR GOVERNMENT YIELDS

United States »	2.32%	-2	-20
Canada	1.54%	+0	-19
Brazil	10.08%	+1	-15
Mexico	7.15%	+10	-16

Germany »	0.24%	-2	-8
United Kingdom »	1.07%	-2	-12
France	0.88%	-1	-7
Italy	2.22%	-3	+4
Spain	1.59%	0	-13
Netherlands	0.47%	-1	-12
Portugal	3.85%	-2	-9
Greece	6.83%	-7	-17
Switzerland	-0.20%	-1	-2

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# LIGHT CRUDE OIL



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# RUSSIAN TRADING SYSTEM



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# SHANGHAI STOCK EXCHANGE COMP



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Index/Security	REALIZED VOLATILITY				IMPLIED VOLATILITY*				IMPLIED** VS. REALIZED VOLATILITY									
	Ticker	Duration of Realized (%)			Current	At-The-Money %			Ticker	30 Day			60 Day			3 Month		
		30D	60D	90D		v 1M Avg	v 3M Avg	v 6M Avg.		Premium	TTM	3Yr	Premium	TTM	3Yr	Premium	TTM	3Yr
S&P 500	SPX	7.5%	6.7%	6.9%	10.2%	5.1%	7.1%	-6.3%	SPX	35.0%	0.35	0.84	54.5%	1.29	1.80	58.3%	1.77	2.11
Russell 2000	RTY	15.6%	14.2%	14.1%	16.4%	6.9%	5.4%	-1.6%	RTY	3.7%	-0.08	-0.12	14.9%	0.64	0.41	18.7%	1.12	0.55
Nasdaq 100	NDX	7.5%	6.7%	8.4%	11.7%	7.8%	3.0%	-10.8%	NDX	51.9%	0.88	1.51	80.4%	2.47	3.19	51.6%	2.01	2.31
USD Index	UUP	7.1%	6.8%	7.5%	8.4%	9.2%	1.4%	-0.8%	UUP	9.6%	-0.14	-0.12	18.4%	0.21	0.22	6.2%	-0.45	-0.34
Consumer Discret.	XLY	7.4%	6.8%	8.7%	10.9%	4.3%	-2.6%	-14.0%	XLY	47.4%	0.88	1.43	73.0%	2.44	3.03	38.7%	1.41	1.69
Financials	XLF	16.2%	15.5%	15.0%	17.4%	8.2%	7.4%	0.9%	XLF	9.1%	-0.08	0.11	12.2%	0.25	0.33	17.6%	1.09	0.69
Healthcare	XLV	8.2%	8.9%	9.3%	11.4%	-3.0%	-6.7%	-18.6%	XLV	34.3%	0.77	1.20	31.0%	1.23	1.52	35.3%	2.03	2.08
Technology	XLK	8.0%	7.2%	9.4%	12.4%	10.3%	7.4%	-4.2%	XLK	54.3%	1.13	1.76	65.6%	2.22	2.69	33.5%	1.53	1.51
Consumer Staples	XLP	5.1%	7.2%	8.3%	9.7%	1.2%	-1.3%	-12.5%	XLP	87.1%	3.09	3.34	43.8%	2.19	2.24	31.1%	1.63	1.46
Utilities	XLU	11.2%	11.7%	13.2%	12.4%	-5.5%	-8.4%	-18.7%	XLU	22.3%	1.41	1.57	11.2%	1.05	1.18	0.0%	0.30	0.33
Energy	XLE	16.0%	14.6%	16.2%	16.0%	-3.4%	-3.8%	-13.2%	XLE	0.0%	-0.22	-0.21	18.6%	1.31	0.85	6.2%	0.92	0.26
Energy	XOP	27.5%	24.3%	29.4%	26.7%	-2.9%	-0.9%	-11.3%	XOP	2.4%	-0.35	-0.30	19.3%	1.34	1.16	-1.6%	0.61	0.04
Materials	XLB	12.2%	11.5%	11.1%	13.8%	5.2%	5.1%	-4.2%	XLB	9.2%	-0.21	0.01	16.9%	0.43	0.44	24.6%	1.12	0.87
Industrials	XLI	10.6%	9.9%	9.7%	12.7%	4.4%	4.1%	-4.2%	XLI	21.7%	0.21	0.55	33.8%	1.14	1.35	40.2%	2.10	1.96
Transports	IYT	14.7%	14.4%	14.0%	16.2%	0.0%	-3.3%	-6.4%	IYT	7.7%	-0.28	-0.05	20.2%	0.33	0.64	27.1%	0.88	1.16
WTI Crude Oil	USO	24.9%	21.9%	28.3%	26.0%	-7.2%	-5.3%	-17.8%	USO	-7.2%	-0.49	-0.58	28.9%	1.79	1.11	-1.7%	0.32	-0.32
Natural Gas	UNG	31.0%	36.3%	45.5%	34.9%	-2.2%	-13.6%	-21.1%	UNG	14.2%	0.96	0.12	1.0%	0.13	-0.33	-21.0%	-1.22	-1.08
Gold	GLD	9.7%	10.1%	10.8%	12.3%	4.2%	-3.4%	-12.1%	GLD	24.7%	0.98	0.82	22.6%	1.26	0.95	14.9%	0.95	0.55
Silver	SLV	19.1%	16.9%	18.5%	19.1%	0.4%	-7.1%	-16.4%	SLV	-2.1%	-0.54	-0.68	13.4%	1.06	0.02	5.0%	0.11	-0.39
Copper	JJC	20.0%	24.9%	24.3%	21.2%	-4.5%	-11.5%	-16.6%	JJC	3.6%	-0.20	-0.21	-19.9%	-0.82	-1.02	-17.0%	-0.88	-1.10
Corn	CORN	14.2%	14.0%	15.3%	18.9%	-0.3%	4.5%	2.6%	CORN	27.6%	0.96	0.34	49.8%	2.12	1.61	46.7%	1.50	1.35
Soybeans	SOYB	10.5%	13.5%	14.4%	15.8%	-17.1%	-23.8%	-25.5%	SOYB	55.2%	0.59	0.21	13.5%	-0.50	-0.51	3.1%	-0.62	-0.67
Wheat	WEAT	17.6%	19.0%	19.0%	37.8%	33.4%	29.6%	27.6%	WEAT	98.2%	0.72	0.54	74.7%	0.36	0.39	53.3%	0.07	0.24

\*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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# HEDGEYE SECTOR PERFORMANCE

<u>SECTOR</u>	<u>Ticker</u>	<u>Price</u>	<u>1-Day % Chg</u>	<u>MTD % Chg</u>	<u>YTD % Chg</u>
Consumer Discretionary	XLY	\$87.52	0.31%	-0.49%	7.52%
Financial Select Sector	XLF	\$23.62	0.64%	-0.46%	1.59%
Health Care Select Sector	XLV	\$74.28	0.18%	-0.11%	7.75%
Technology Select Sector	XLK	\$53.09	0.02%	-0.41%	9.78%
Consumer Staples Select Sector	XLP	\$54.55	0.00%	-0.05%	5.49%
Industrial Select Sector	XLI	\$65.06	0.28%	0.00%	4.56%
Materials Select Sector	XLB	\$52.64	0.53%	0.44%	5.92%
The Energy Select Sector	XLE	\$70.63	0.80%	1.04%	-6.23%
Utilities Select Sector	XLU	\$51.62	-0.25%	0.60%	6.28%
S&P 500	SPX	2,357.49	0.19%	-0.22%	5.30%

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# HEDGEYE SECTOR RELATIVE PERFORMANCE

	<u>Ticker</u>	<u>Price</u>	<u>1-Day % Chg</u>	<u>MTD % Chg</u>	<u>YTD % Chg</u>
Consumer Discretionary	XLY	\$87.52	0.12%	-0.27%	2.22%
Financial Select Sector	XLF	\$23.62	0.45%	-0.24%	-3.71%
Health Care Select Sector	XLV	\$74.28	-0.02%	0.11%	2.45%
Technology Select Sector	XLK	\$53.09	-0.17%	-0.19%	4.48%
Consumer Staples Select Sector	XLP	\$54.55	-0.19%	0.17%	0.19%
Industrial Select Sector	XLI	\$65.06	0.08%	0.22%	-0.74%
Materials Select Sector	XLB	\$52.64	0.34%	0.66%	0.62%
The Energy Select Sector	XLE	\$70.63	0.61%	1.27%	-11.53%
Utilities Select Sector	XLU	\$51.62	-0.44%	0.83%	0.98%

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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	0.6%	0.0%	-0.4%	2.0%	9.9%	4.2%
	Low Debt/EV	0.3%	-1.0%	-0.2%	3.1%	7.0%	5.5%
SI	High Short Interest	0.9%	-0.6%	0.2%	-0.5%	4.0%	1.5%
	Low Short Interest	0.2%	-0.4%	-0.6%	3.5%	11.2%	5.5%
BETA	High Beta	0.9%	-0.7%	-0.8%	1.9%	13.2%	4.6%
	Low Beta	0.1%	0.3%	0.6%	4.0%	6.7%	5.2%
YIELD	High Yield	0.4%	0.0%	-0.4%	-0.6%	3.2%	0.7%
	Low Yield	0.6%	-0.5%	0.4%	2.7%	7.2%	5.8%
MKT CAP	MCAP Bottom 25%	0.9%	-0.7%	-0.3%	-1.8%	2.4%	0.0%
	MCAP Top 25%	0.2%	-0.6%	-0.8%	3.8%	11.5%	5.8%
Sales	Top 25% Sales Growth	0.7%	0.2%	1.3%	3.5%	9.6%	6.2%
	Bottom 25% Sales Growth	0.5%	-0.5%	-0.3%	0.5%	4.9%	2.1%
EPS	Top 25% EPS Growth	0.7%	0.2%	1.4%	2.3%	10.9%	5.4%
	Bottom 25% EPS Growth	0.5%	-0.4%	-0.5%	0.1%	3.8%	1.4%

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

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# HEDGEYE RATES & SPREADS

	Price	1D	5D	1M	3M	vs. 52-Wk, Bps		vs. 3Y Ave	vs. 5Y Ave
		Bps Chg	Bps Chg	Bps Chg	Bps Chg	High	Low		
3M T-Bill	0.80%	0.5	5.1	6	29	-2	64	62	67
3M LIBOR	1.15%	0.0	0.1	4	14	-1	53	64	72
2Y T-Note	1.23%	0.4	-1.6	-9	3	-16	74	51	68
5Y T-Note	1.84%	0.7	-6.3	-19	-7	-31	95	31	50
10Y T-Note	2.32%	0.5	-4.7	-18	-8	-32	100	18	17
30Y T-Note	2.97%	0.1	-2.3	-13	-2	-25	88	10	-6
2Y-10Y Spread, Bps	108	-2.0	-5.2	-10.8	-13	-16	26	-33	-51
IG SPREAD (AAABBB)	1.58%	3.0	1.0	8	8	-42	13	-11	-16
HIGH YIELD	5.68%	4.5	-43.5	-22	-38	-228	4	-97	-87
5Y BREAK EVEN	1.91%	-1.7	-4.6	-14.7	1.9	-17.1	65.4	34.5	18.4

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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)	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

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# MARKET SHARE VOLUME & TOTAL VALUE TRADED

<u>INDEX/SECURITY</u>	VOLUME: (4/6) vs.			
	<u>Prior Day</u>	<u>1M Ave</u>	<u>3M ave</u>	<u>1Y Ave</u>
Total Market Volume*	-15%	-12%	-10%	22%
-----				
Total Exchange Volume**	-19%	-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)

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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	0.67	0.64	-0.30	0.41	0.66	0.95	-0.75	53%	47%
BRENT Oil	0.87	0.59	0.34	0.55	0.70	0.77	-0.78	55%	45%
CRB Index	-0.58	0.13	-0.57	0.55	0.75	0.83	-0.86	32%	68%
GOLD	0.23	-0.58	-0.71	-0.81	-0.93	0.90	-0.97	17%	83%

\*Days = Trading Days

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