

THE  
MACRO  
SHOW



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1

CHINA



2

OIL



3

VIX





The background of the slide features a semi-transparent image of the Chinese national flag, which is red with five golden stars. The flag is positioned diagonally across the frame, with the top-left corner being the most visible. The stars are arranged in their traditional pattern: one large star on the left and four smaller stars in an arc to its right.

1

# CHINA

Is “tariff relief” the new bull case? What if PE Powell reads all of this as a “mid-cycle adjustment” again? Shanghai Comp +0.8% diverged from the Hang Seng -0.3%, Singapore -0.3%, India -0.4%, and Thailand -1.0% on the latest “news” while Dr. Copper ramped +1.7% to a lower-high within its Bearish @Hedgeye TREND.

## 2 OIL

Oil backs off, big time, from @Hedgeye TREND resistance of \$58.55 again with immediate-term downside in the @Hedgeye Risk Range to \$53.89. We'll buy it (and certain Energy Stocks) when we pivot to #Quad2 or #Quad3, but this move reminds us the Fed might not be dovish enough to get USD down next week, Oil/Energy is still a sell on the bounces.



### 3 VIX

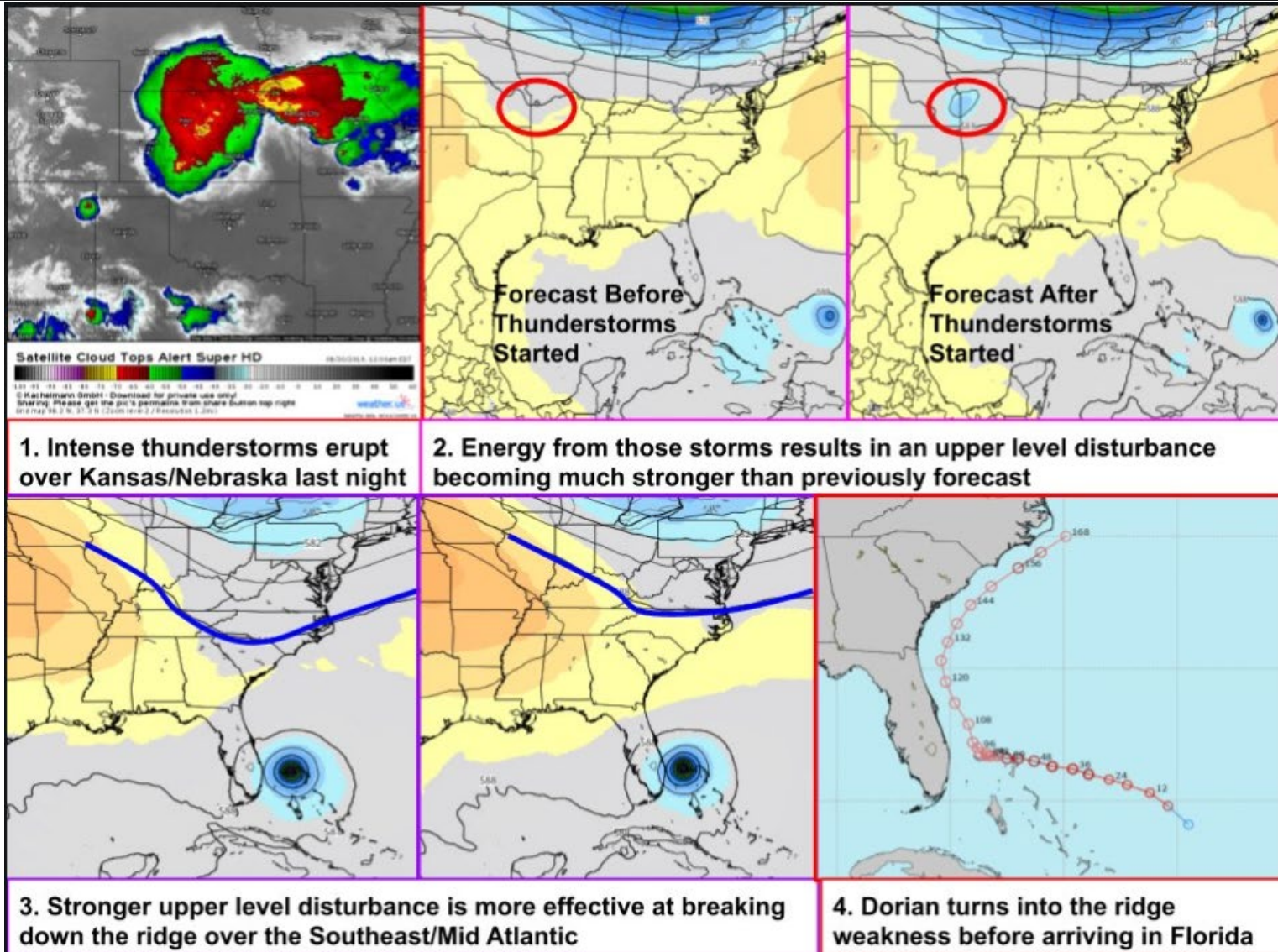
If we assume a U.S. Equity Vol level of sub 15, we can easily get to new all-time SPY highs – any breakout  $> 18$  on the VIX gets us -3.6-4.5% immediate-term downside in SPY. What could possibly go wrong with implied volatility on SPY trading at a crazy complacent -46% DISCOUNT to what's been realized in the last 30-day ahead of the worst Earnings Season of The Cycle?



**CHRISTIAN DRAKE**

MACRO & HOUSING

# CHRONICLING COMPLEXITY ... CHANNELING BUTTERFLY'S







## Buenos Aires

Dec '18: "Amazing & Productive"

**% Complete = 90%**

**% Remaining = 10%**

## Osaka

June '19: "Excellent, Right Back on Track"

**% Complete = 90%**

**% Remaining = 10%**

## NOW

"Maybe we won't further escalate the escalations that have occurred since Osaka"

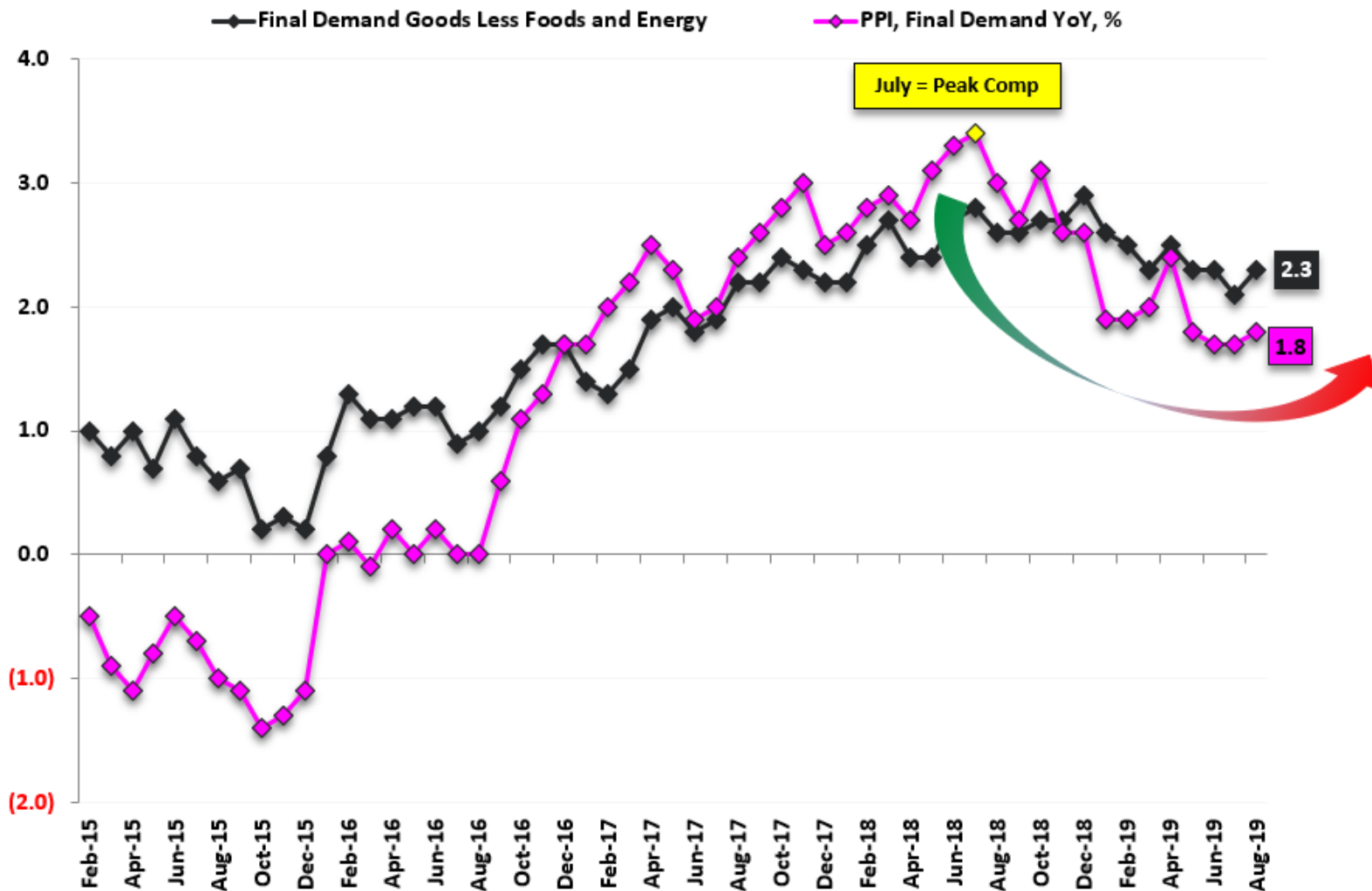
# NAME THAT EPIPHANY!

- **Korea:** +10% boost in government spending
- **Germany:** Green Infrastructure Spending(?)
- **UK:** +4.1% increase in government spending
- **China:** Fresh Infrastructure Spend
- **U.S.:** 50Y and/or Century Bonds?



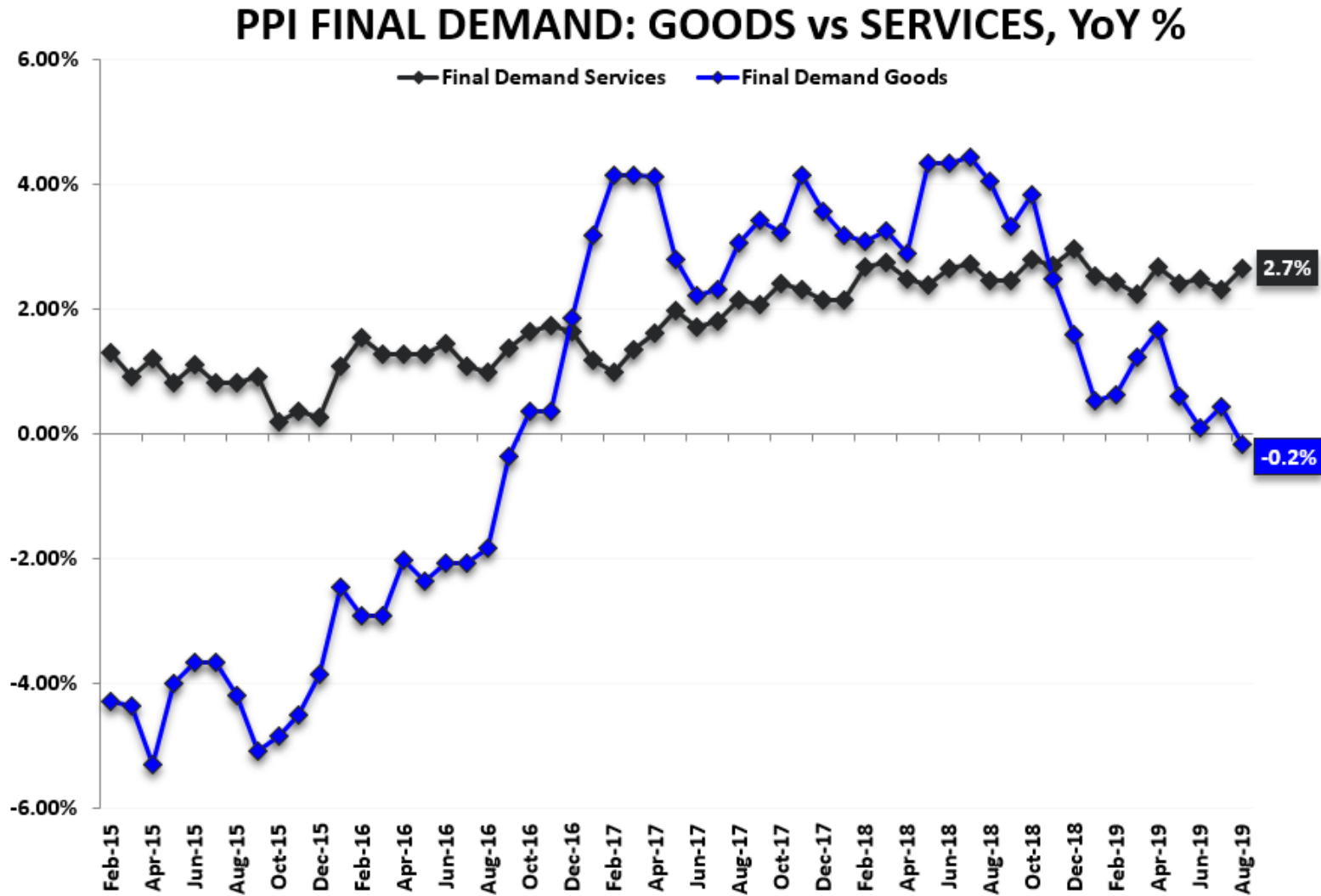
# PPI = THE TURN?

## PPI FINAL DEMAND: HEADLINE & CORE, YoY %



DATA SOURCE: BLOOMBERG

# GOODS VS SERVICES DIVERGENCE, AGAIN

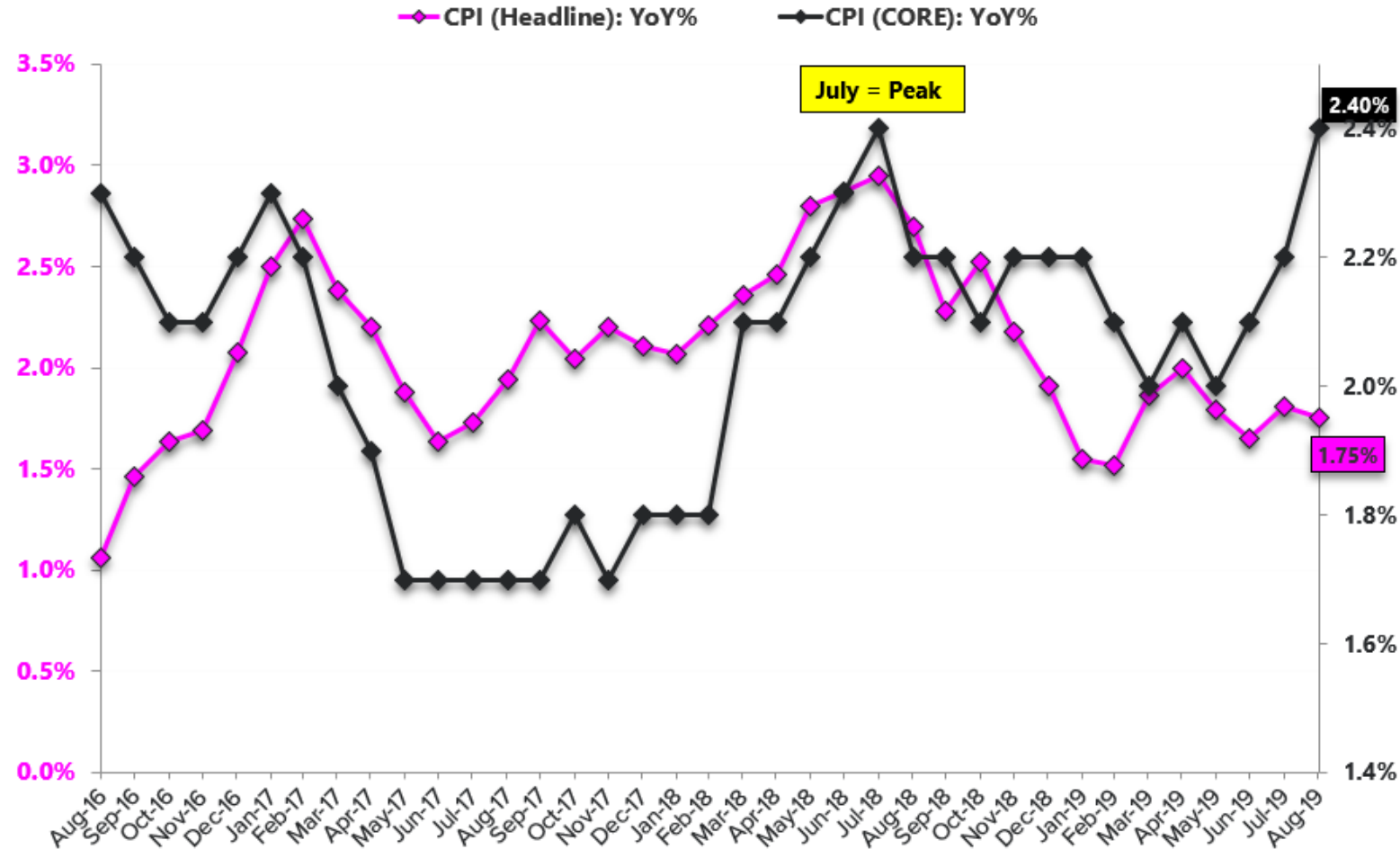


DATA SOURCE: BLOOMBERG, CENSUS BUREAU



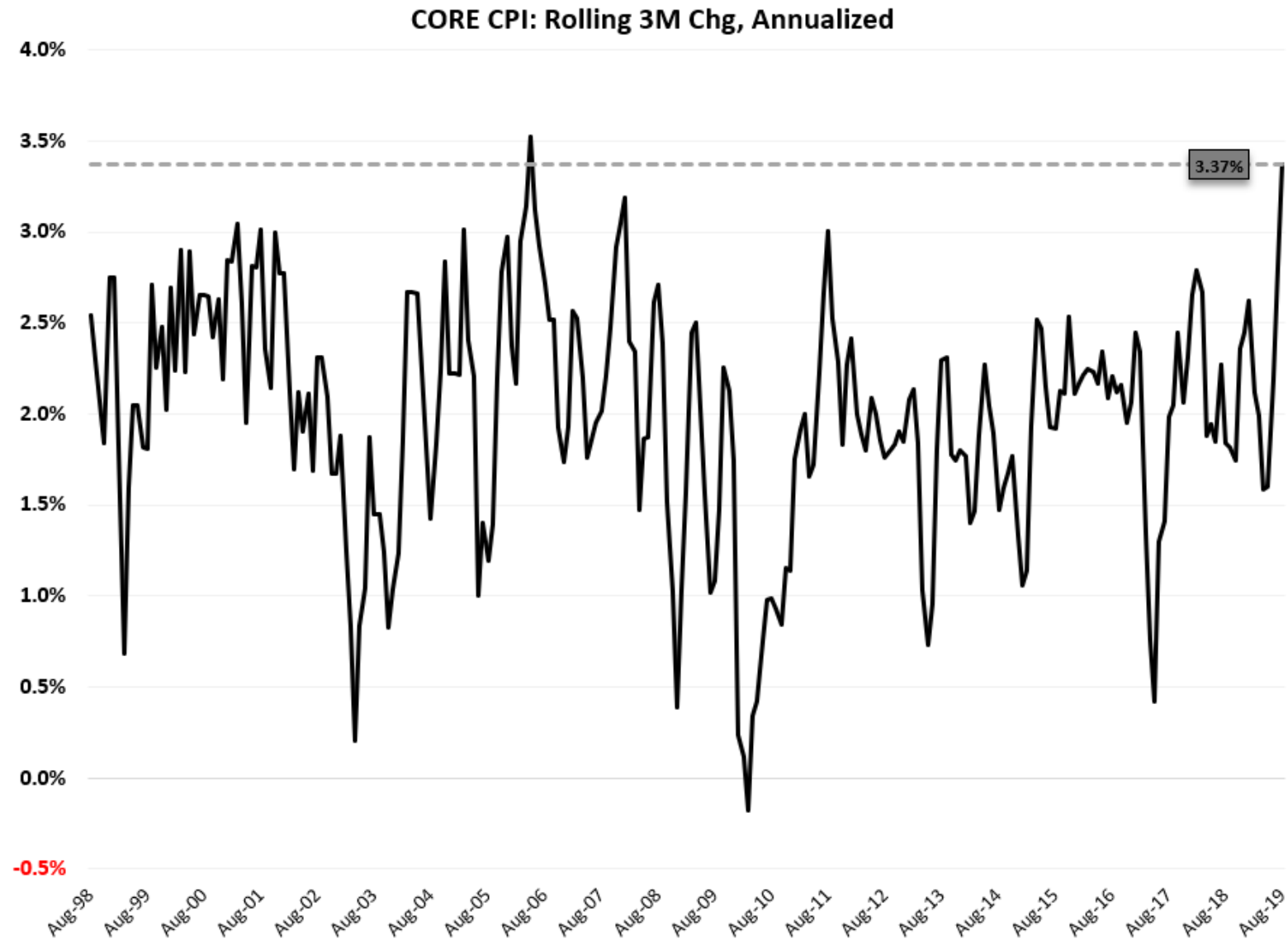
# CPI – COMPS CONTINUE TO EASE FROM HERE

## CPI: HEADLINE & CORE



DATA SOURCE: BLOOMBERG, HEDGEYE

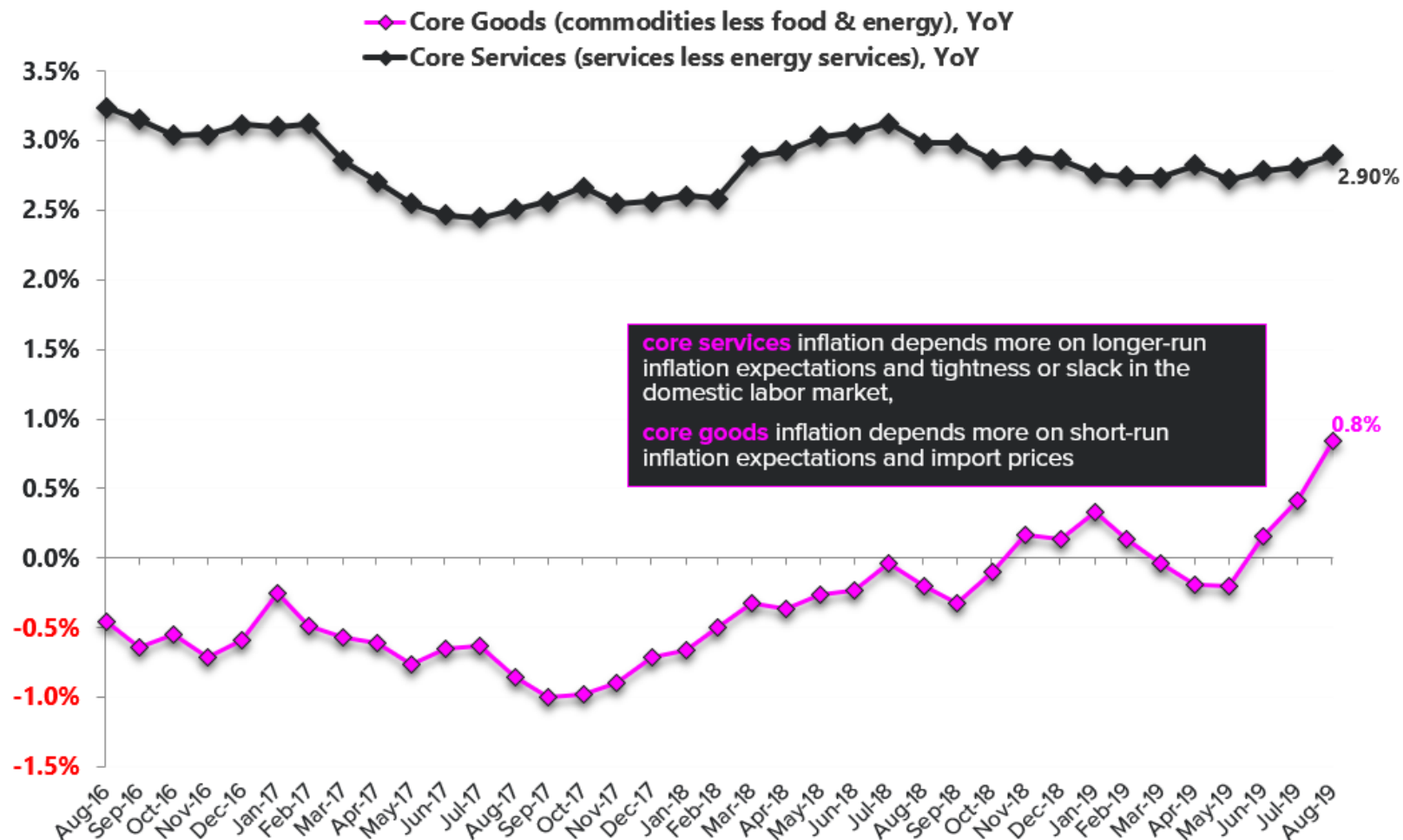
# CPI : CORE BREAKOUT?





# CORE GOODS & SERVICES ↑

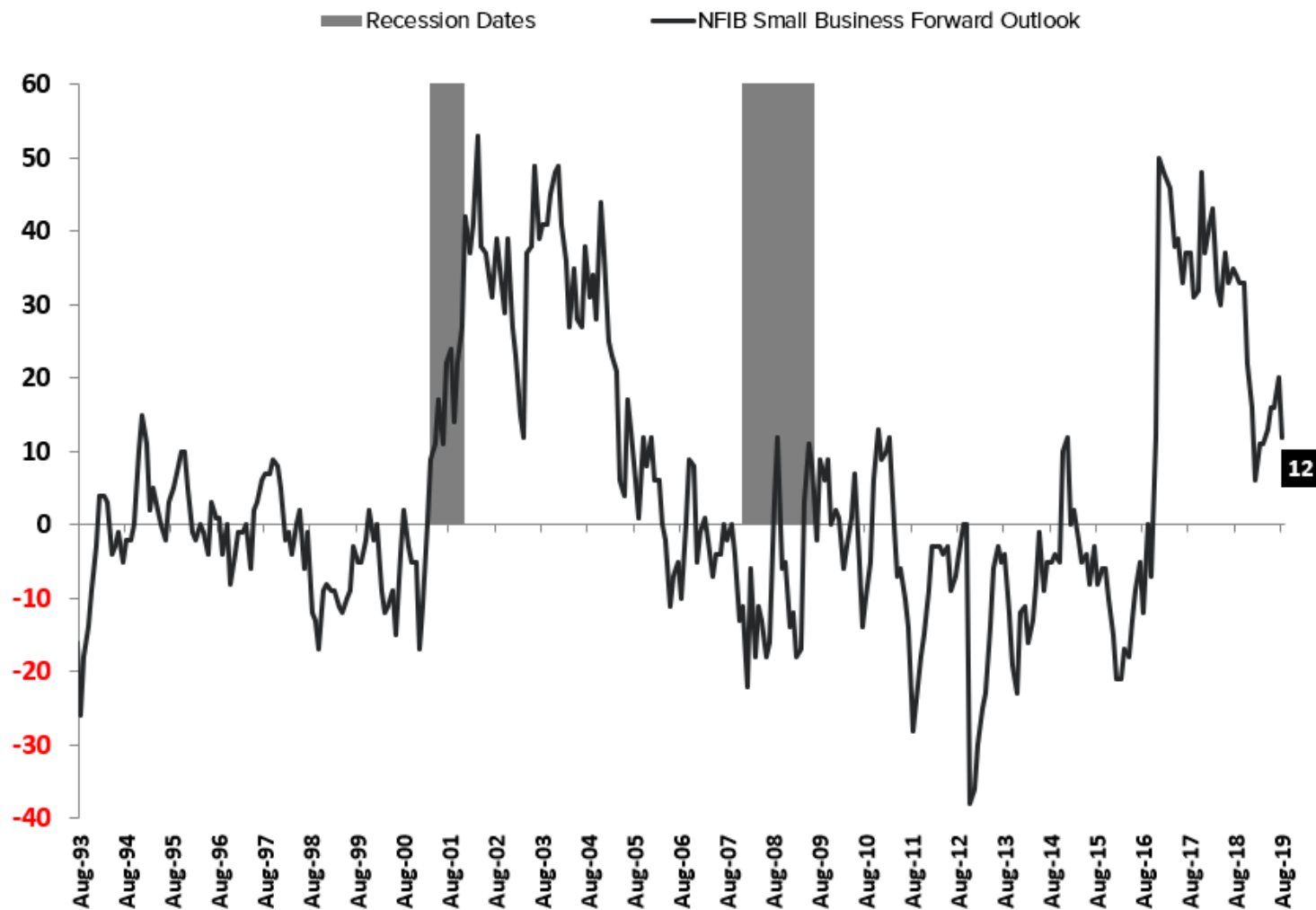
## U.S. CPI: CORE SERVICES VS CORE GOODS



DATA SOURCE: BLOOMBERG, HEDGEYE

# NFIB = THE LEAK LOWER

## SMALL BUSINESS: FORWARD OUTLOOK

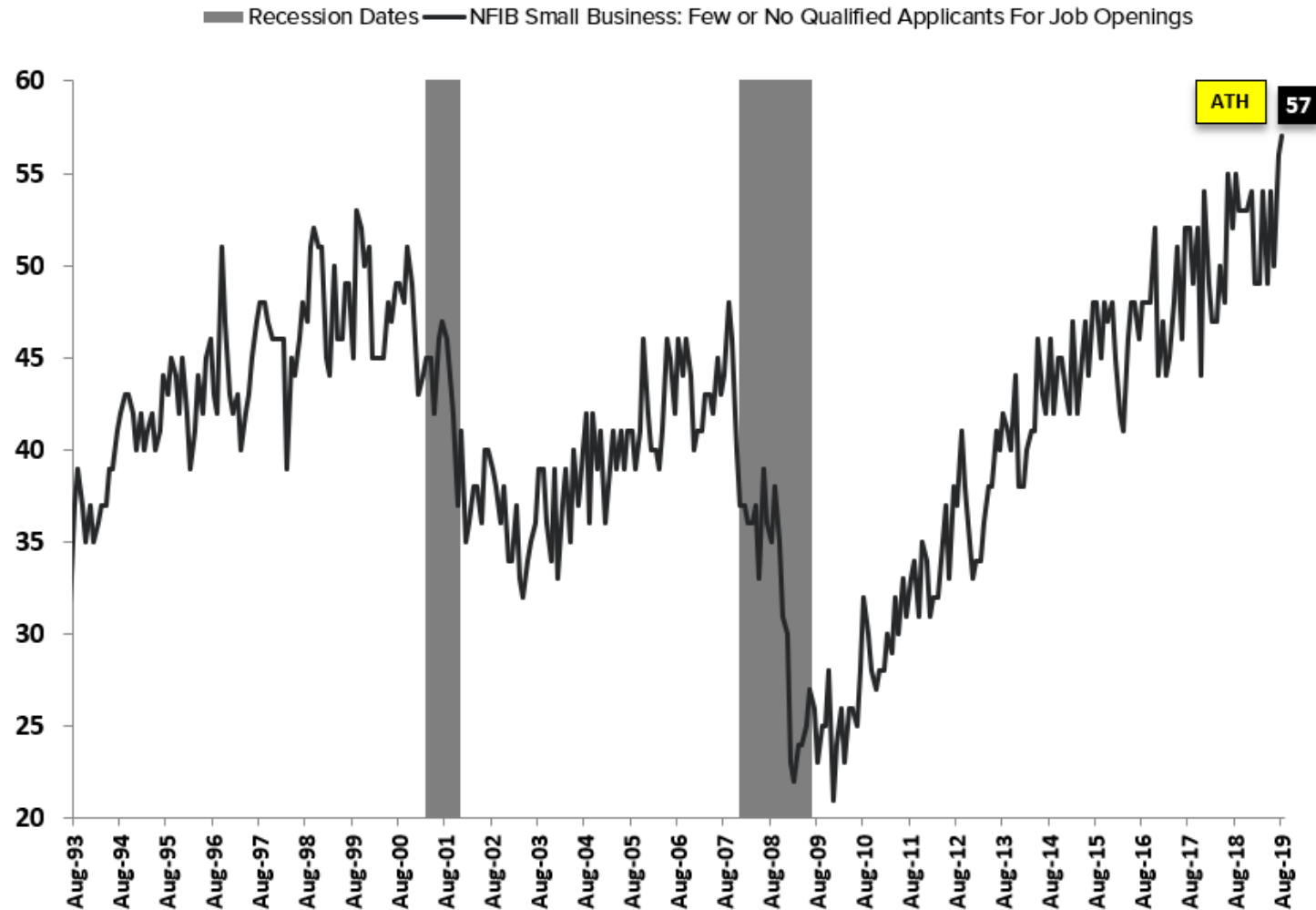


DATA SOURCE: BLOOMBERG, BEA, NFIB



# LABOR: TIGHT & TIGHTENING

## SMALL BUSINESS: Qualified Applicants Index

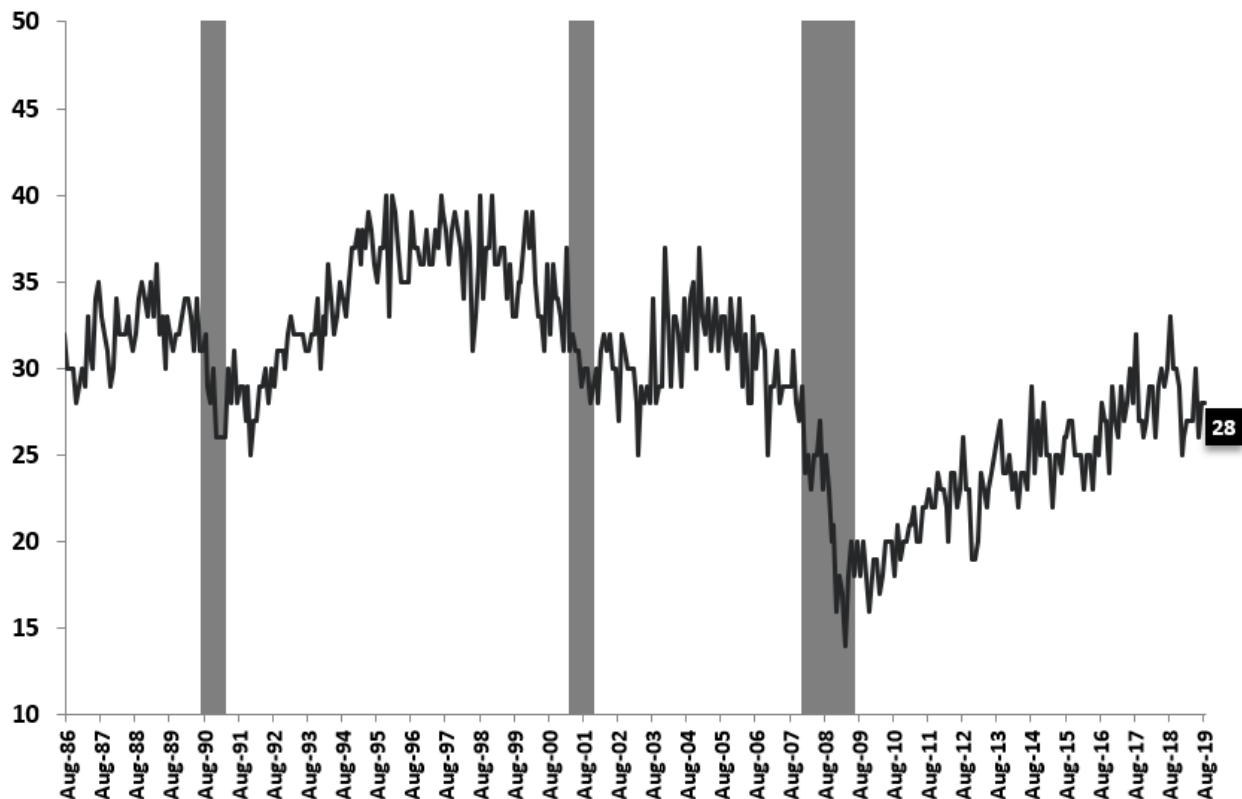


DATA SOURCE: BLOOMBERG, BEA, NFIB

# NFIB: CAPEX PLANS ↓

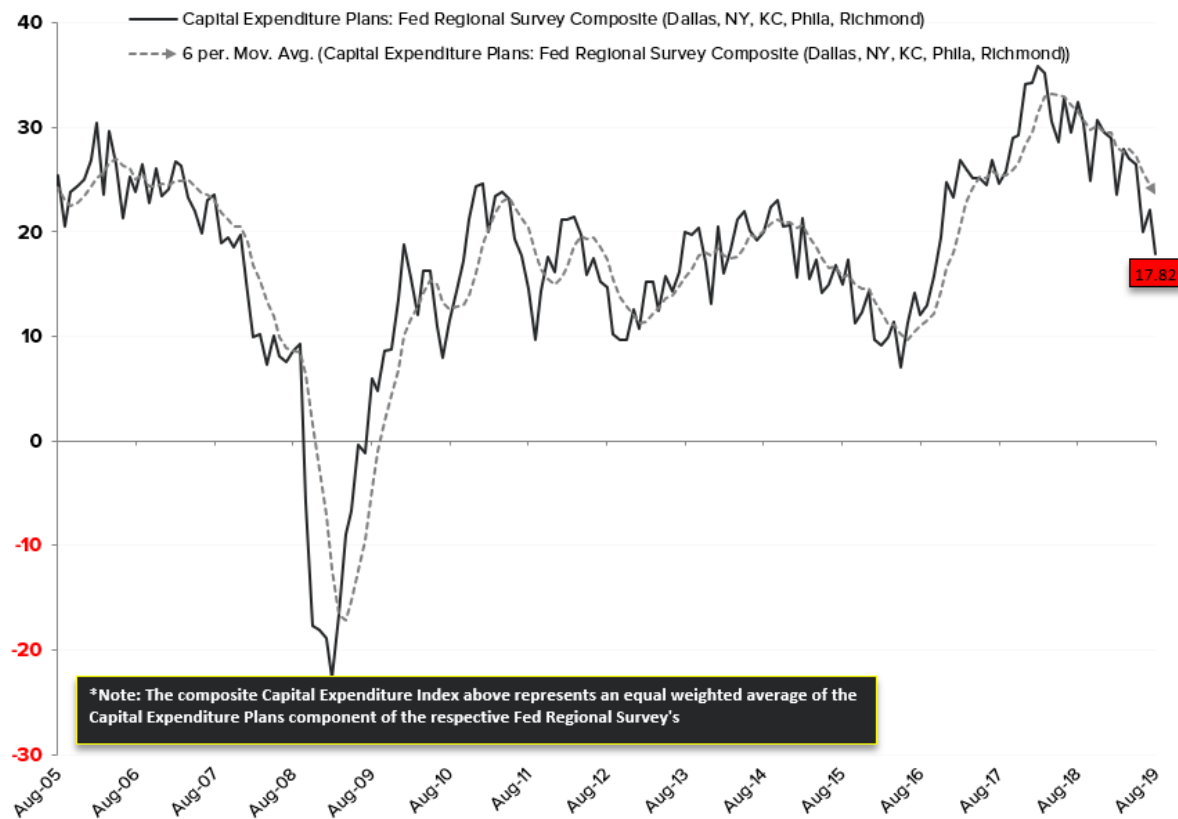
## SMALL BUSINESS CAPEX PLANS

■ Recession Dates — NFIB Small Business Capex Plans Index



DATA SOURCE: BLOOMBERG, BEA, CONFERENCE BOARD

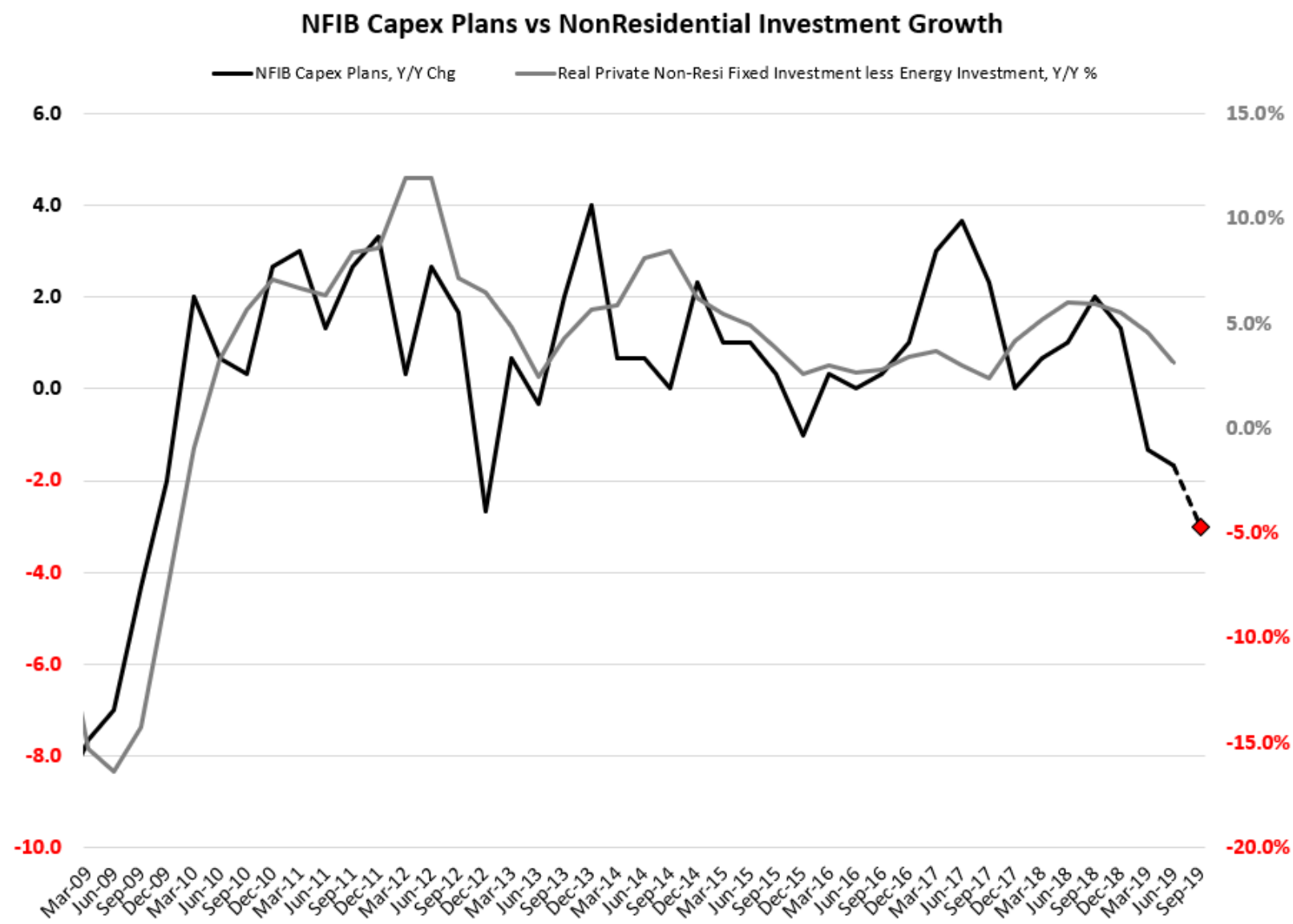
## CAPITAL EXPENDITURE PLANS\*



\*Note: The composite Capital Expenditure Index above represents an equal weighted average of the Capital Expenditure Plans component of the respective Fed Regional Survey's

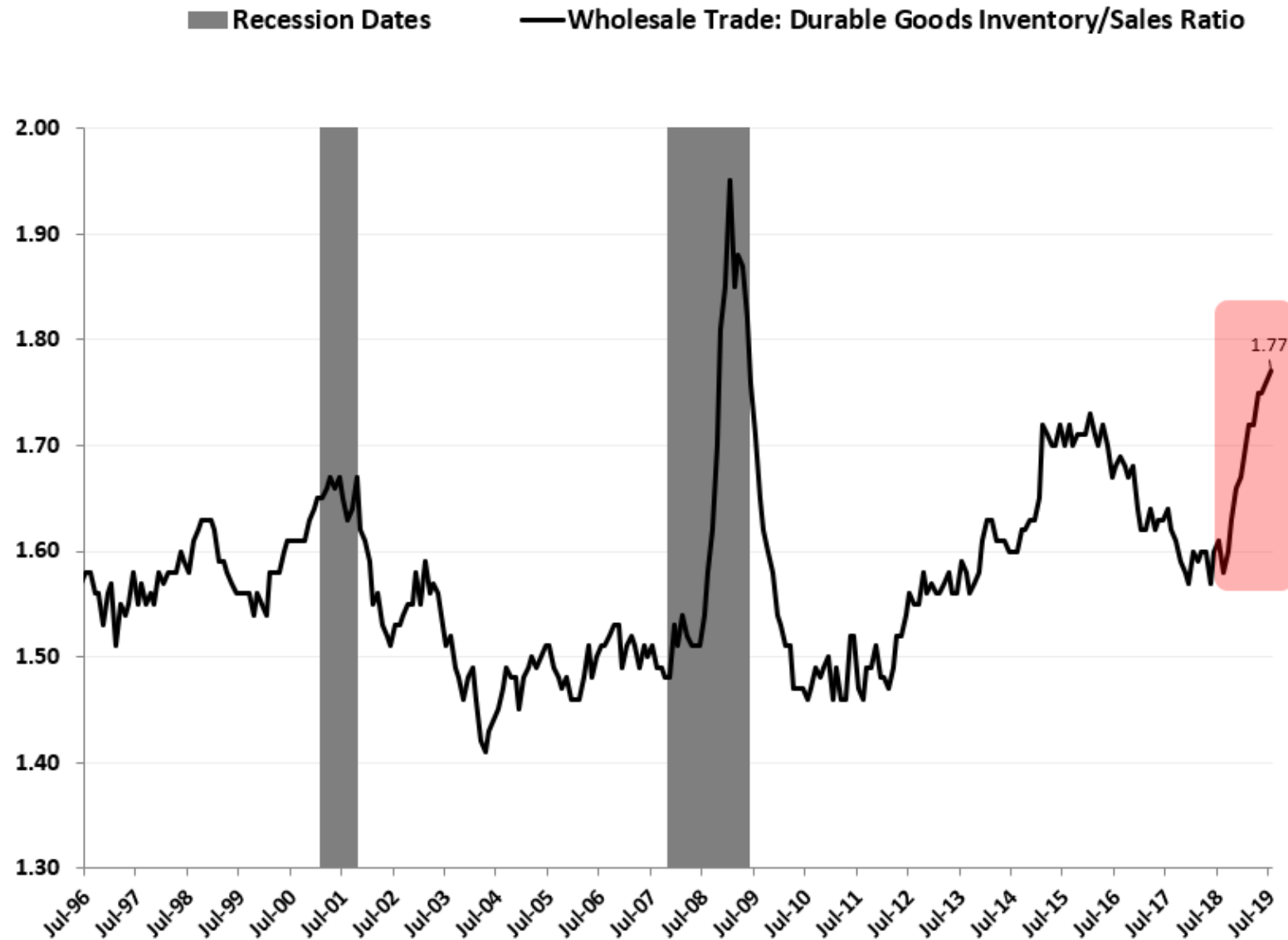
Source: Bloomberg, Regional Fed Surveys, HEDGEYE

# CAPEX PLANS ↓, ACTUAL CAPEX ↓

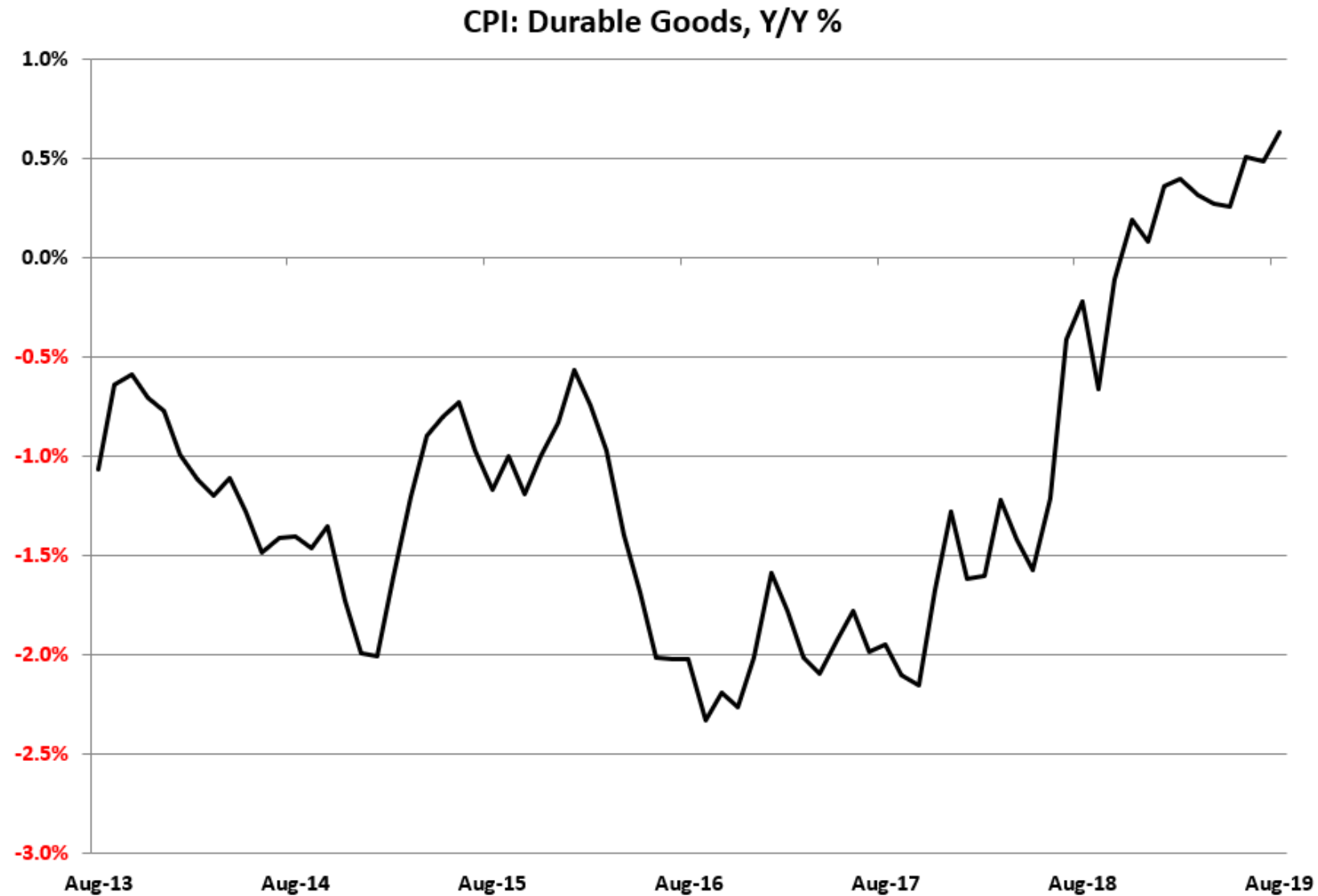




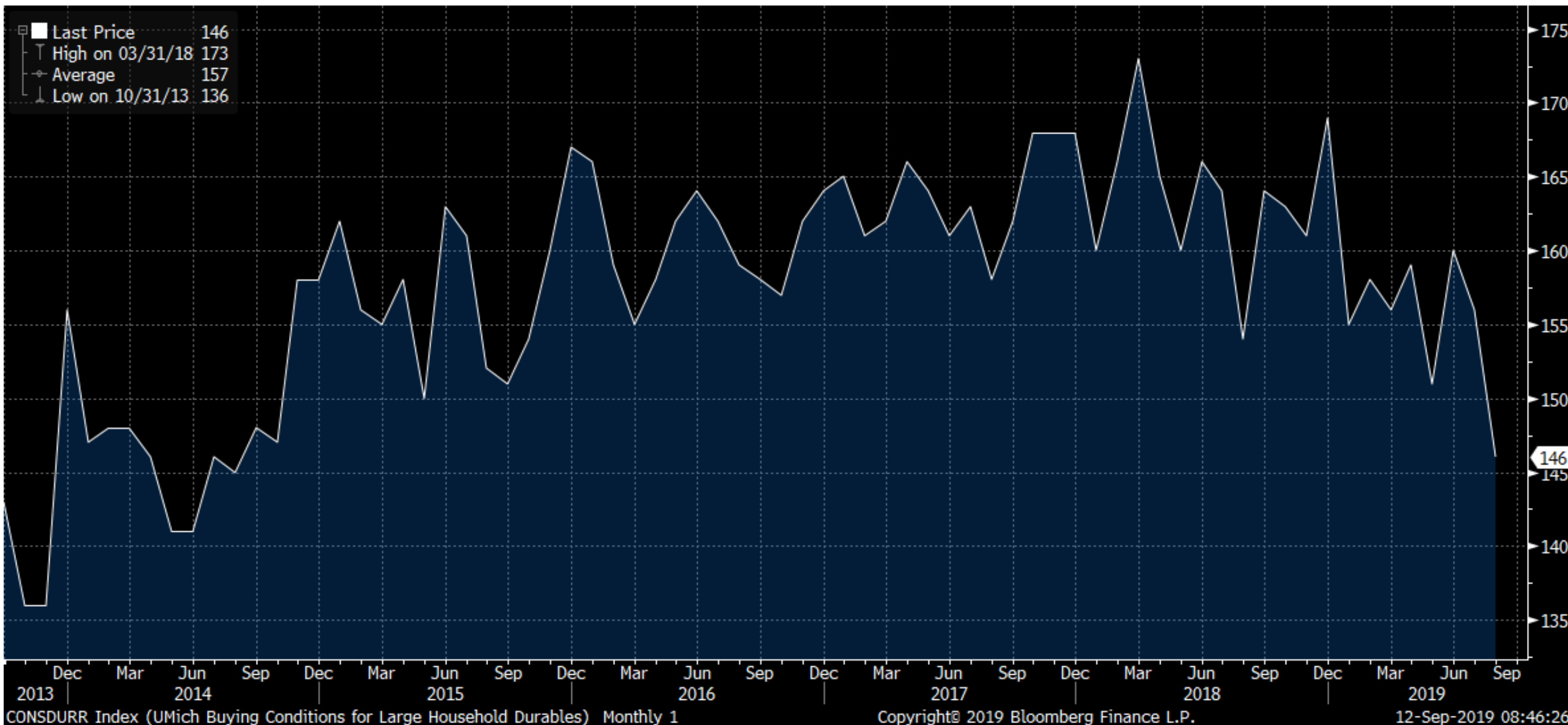
# DURABLES: INVENTORY TO SALES = CYCLE HIGHS



# DURABLES ... PRICES ARE RISING



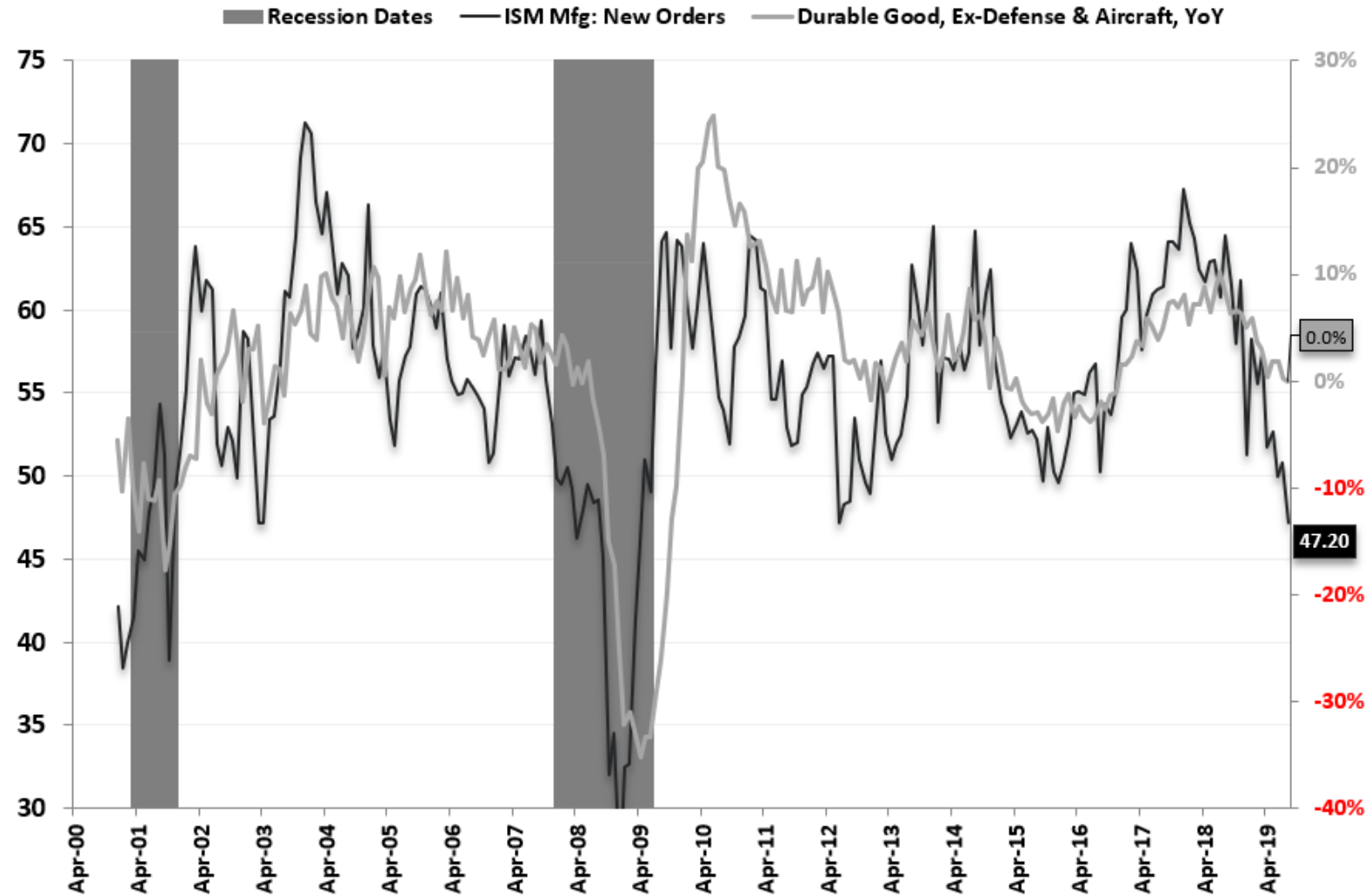
# DURABLES: CONSUMER ATTITUDES ARE SOURING





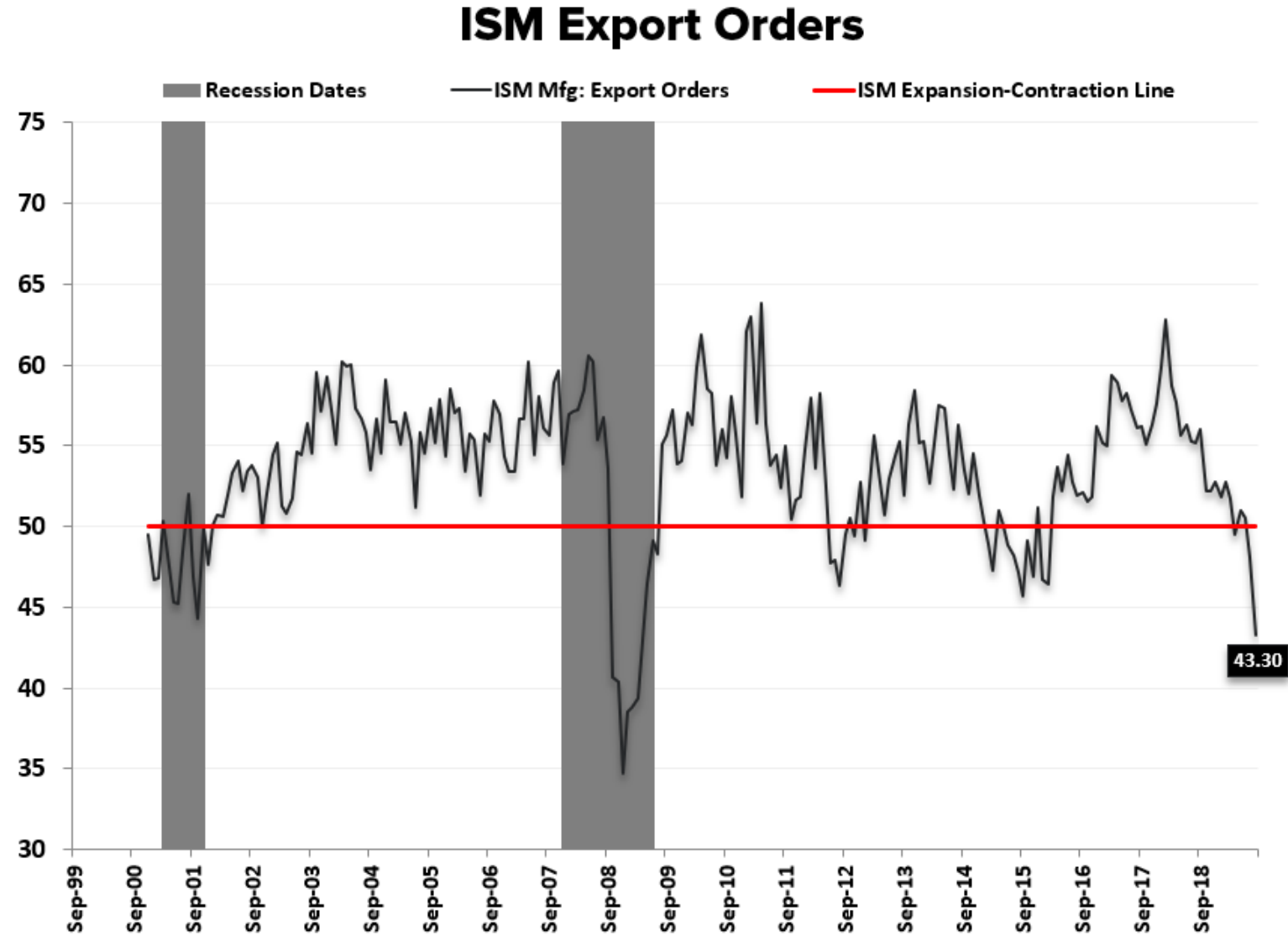
# MFG ACTIVITY IS LIKELY TO REMAIN UNDERWHELMING

## ISM NEW ORDERS vs DURABLES Ex-DEFENSE & AIRCRAFT



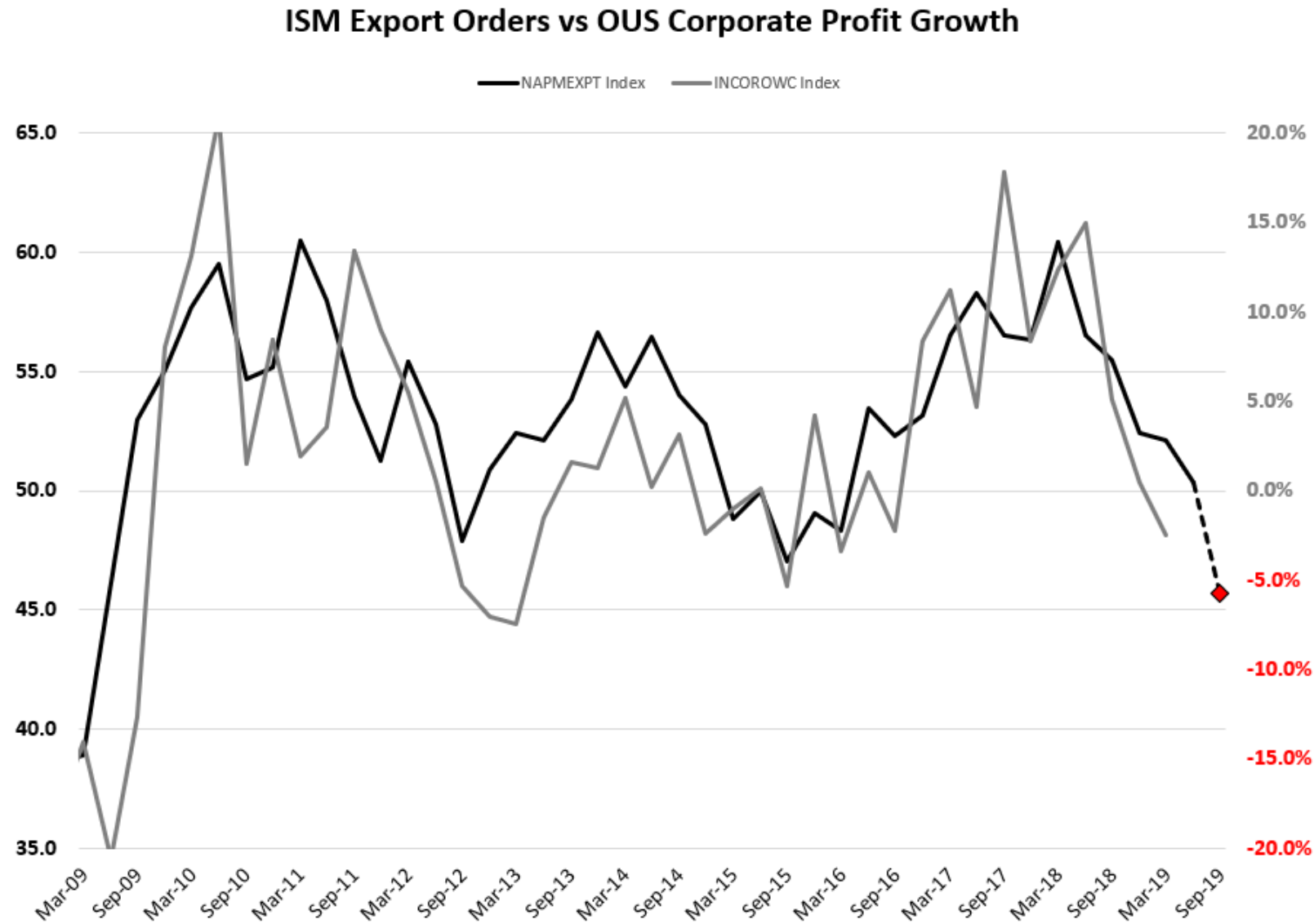
DATA SOURCE: BLOOMBERG, ISM

# ESPECIALLY WITH EXPORT ORDERS ON THE LOWS



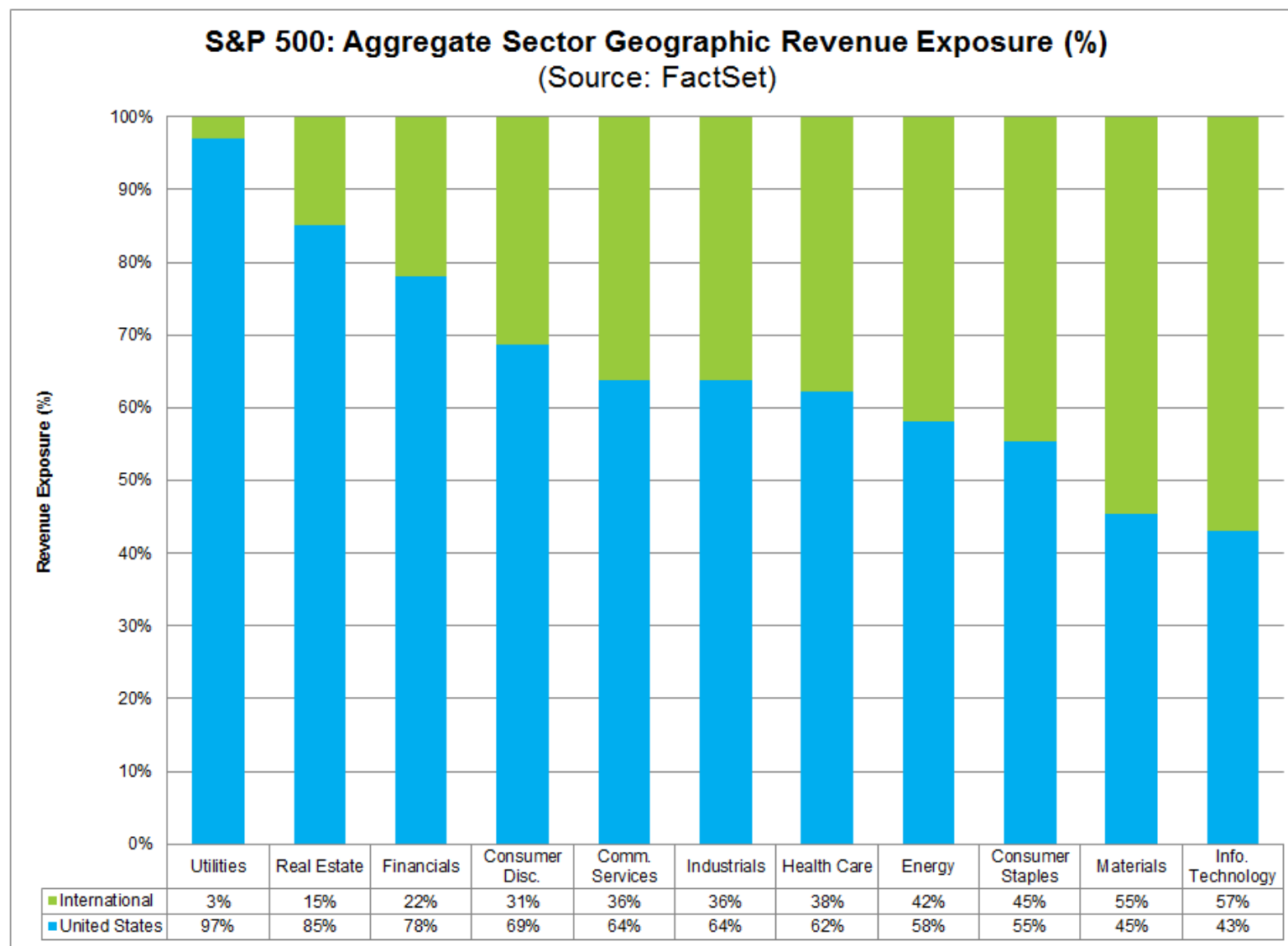
DATA SOURCE: BLOOMBERG, ISM

# ..... NOT GOOD FOR THE PROFIT OUTLOOK



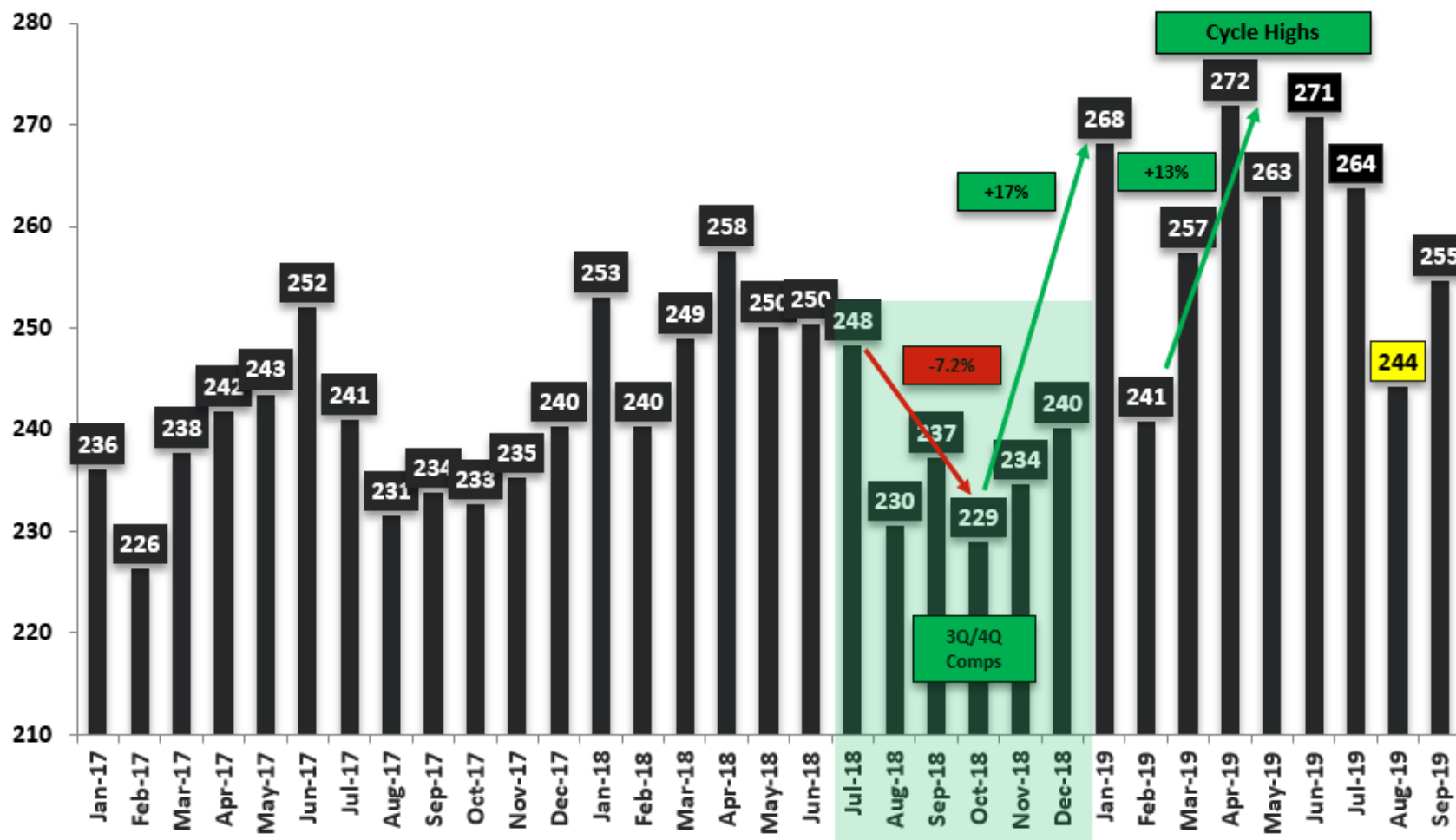


# ROW RISK ...



# PURCHASE APPS: SEPT UPDATE

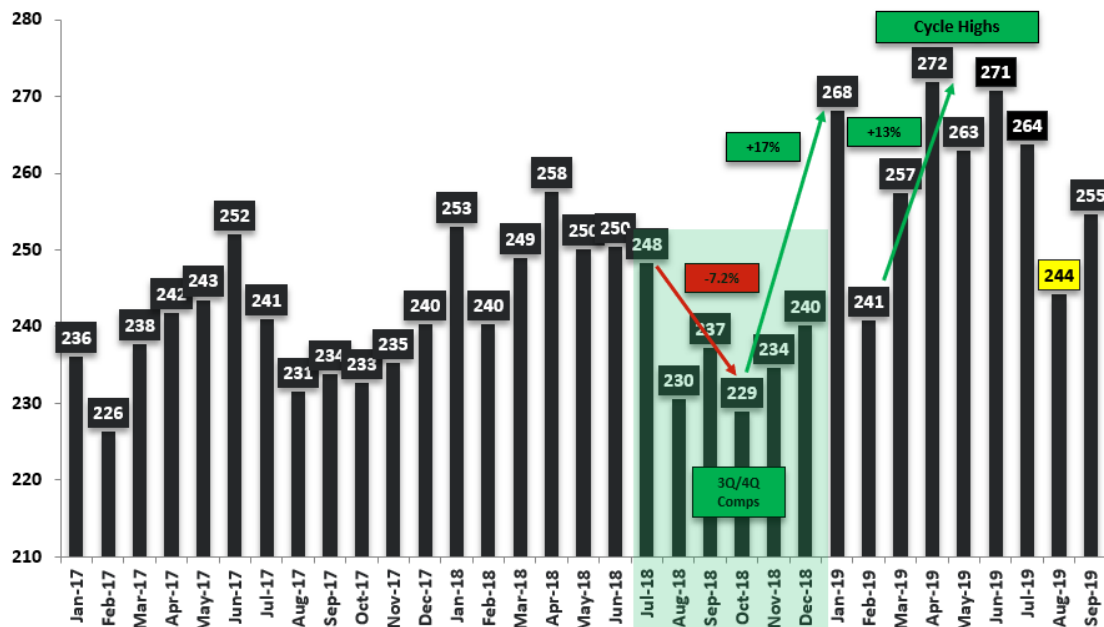
## MBA Mortgage Purchase Applications Monthly



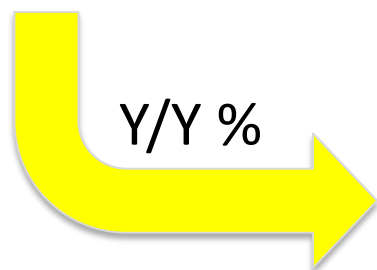
Source: Bloomberg, MBA, HEDGEYE

# PURCHASE APP UPDATE: MIND THE ROC

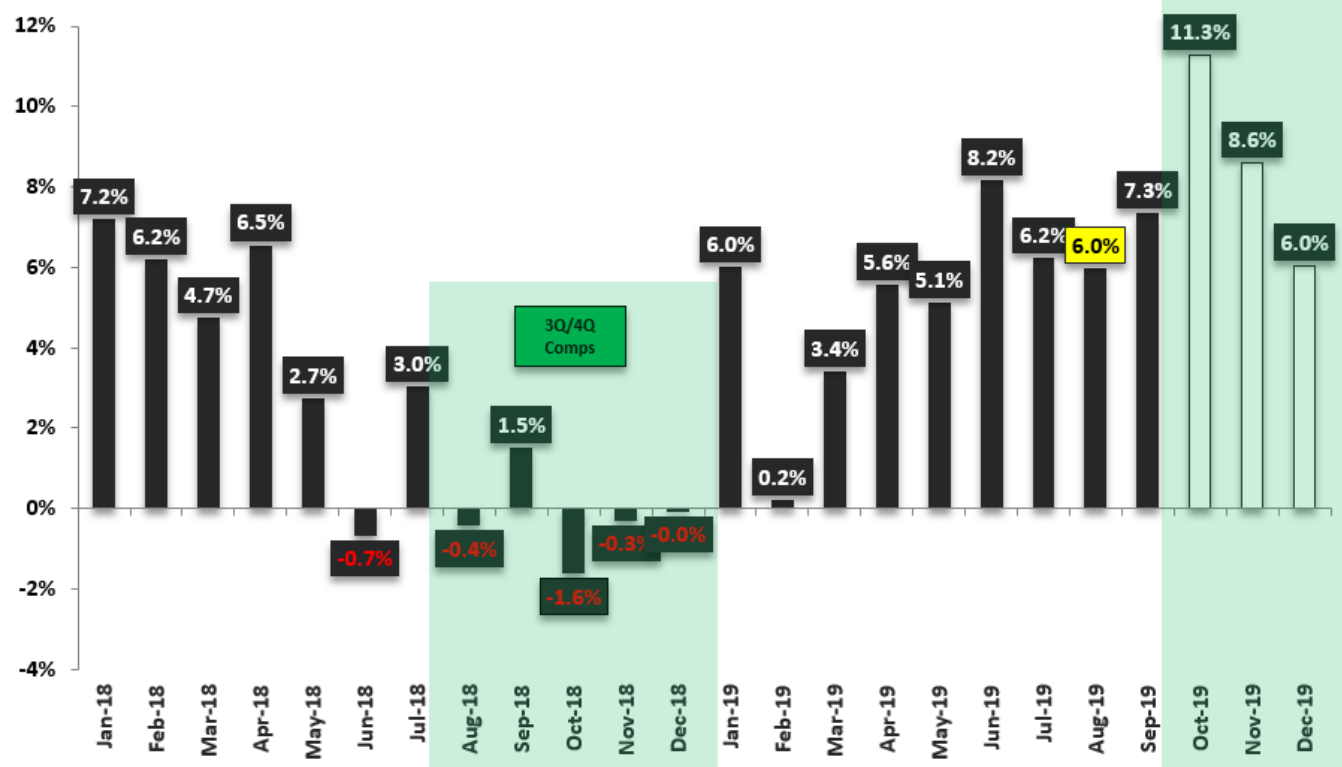
MBA Mortgage Purchase Applications  
Monthly



Source: Bloomberg, MBA, HEDGEYE



MBA Mortgage Purchase Applications  
Monthly, Y/Y %

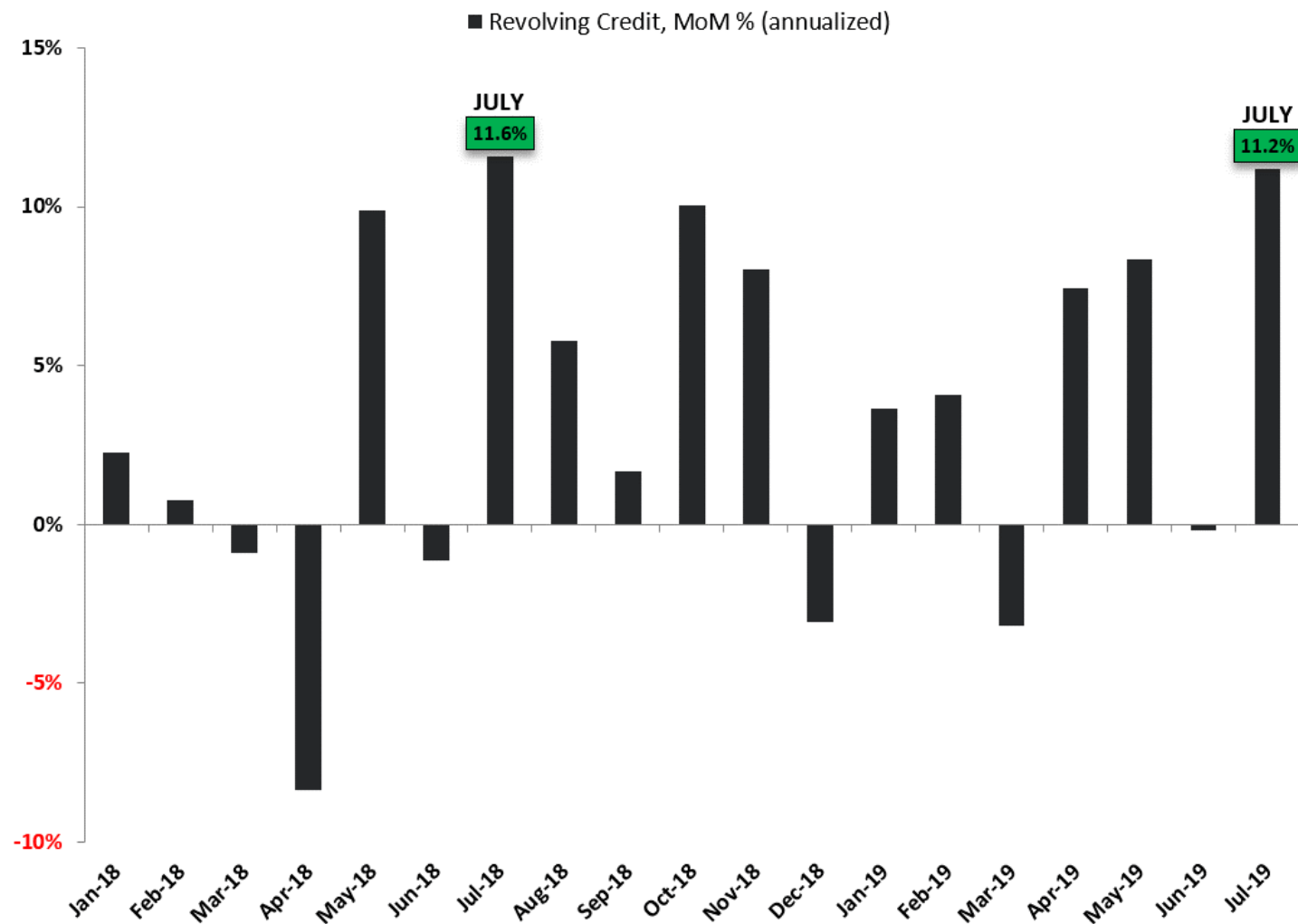


Source: Bloomberg, MBA, HEDGEYE



# NAME THAT DISTORTION!

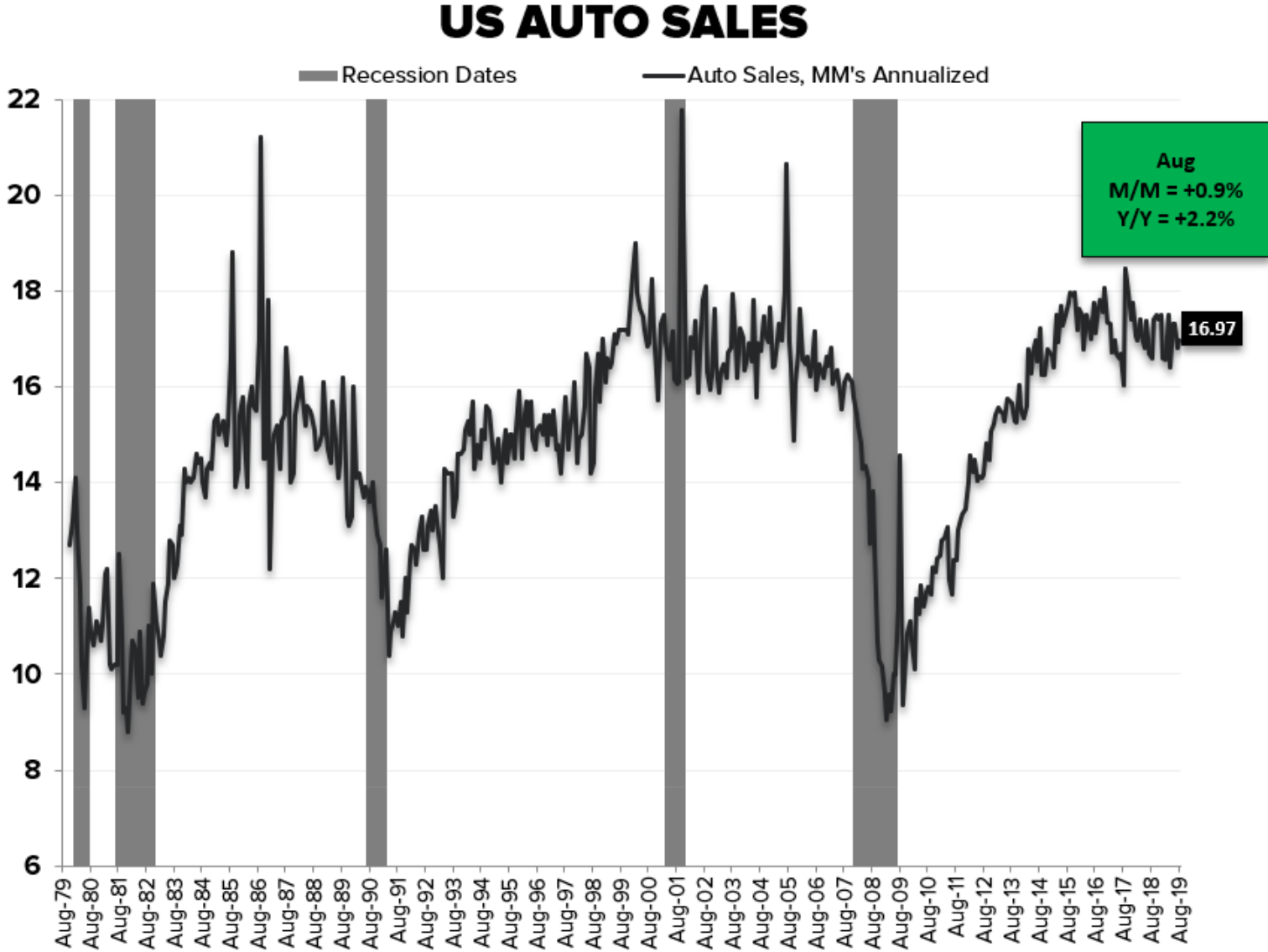
## U.S. CONSUMER REVOLVING CREDIT



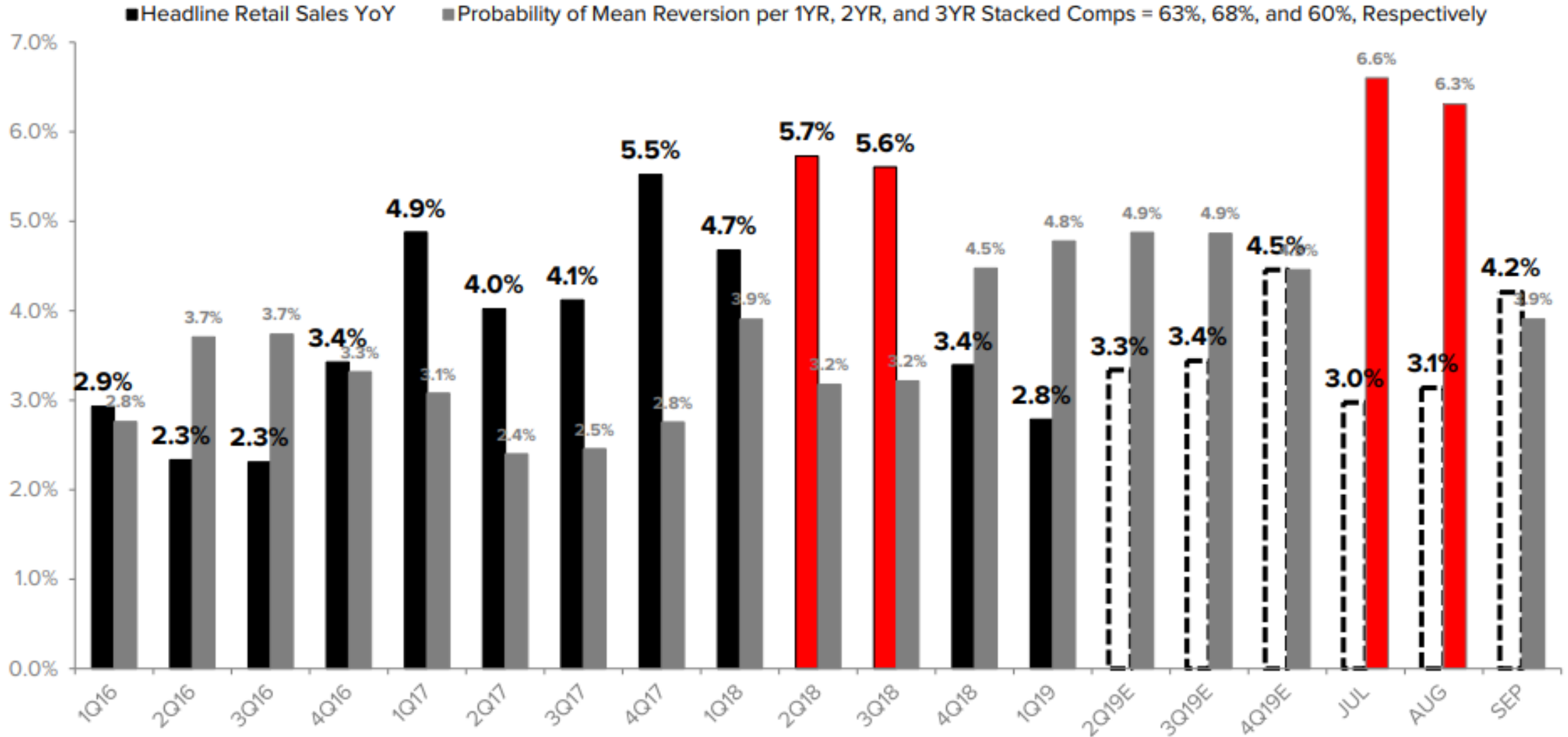
DATA SOURCE: BLOOMBERG

# NAME THAT DISTORTION!





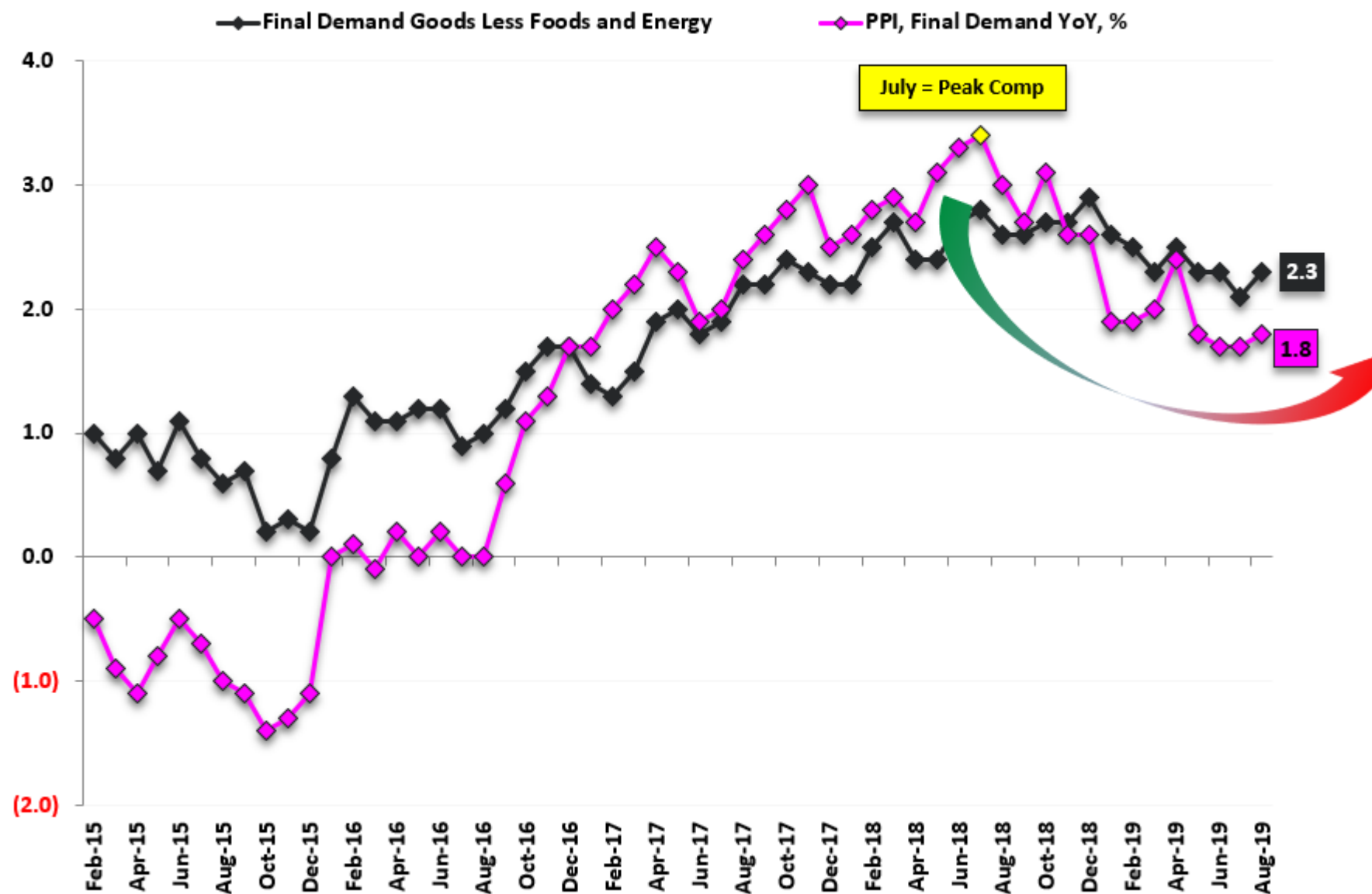
# THIS WON'T HELP!





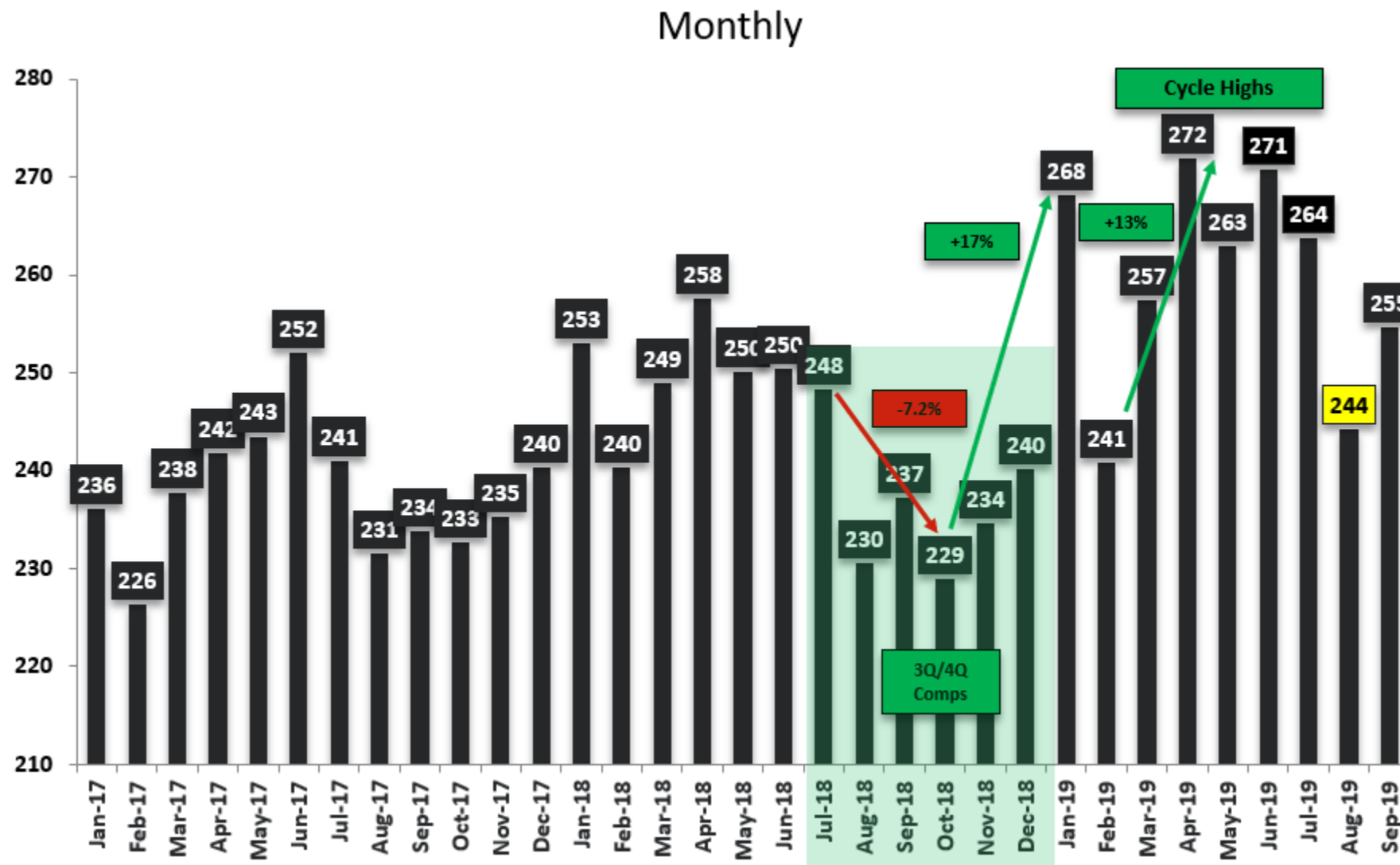
**MACRO GRIND**

# PPI Final Demand: Headline & Core, YoY%



# MBA Mortgage Purchase Applications

The Macro Show  
September 12, 2019



# U.S. CONSUMER & BUSINESS CONFIDENCE

HEDGEYE TV

The Macro Show  
September 12, 2019

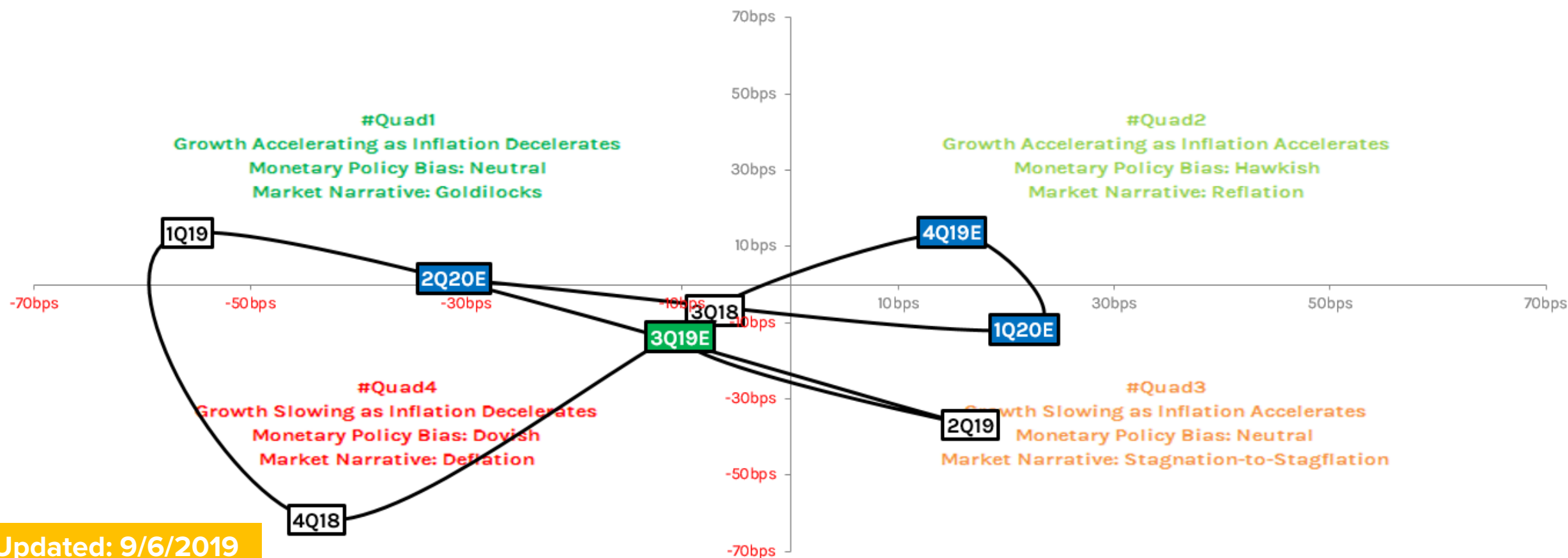
	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	M/M Chg	3M Ave.	6M Ave.	12M Ave.
<b>CONFERENCE BOARD CONSUMER CONFIDENCE</b>	<b>134.7</b>	<b>135.3</b>	<b>137.9</b>	<b>136.4</b>	<b>126.6</b>	<b>121.7</b>	<b>131.4</b>	<b>124.2</b>	<b>129.2</b>	<b>131.3</b>	<b>124.3</b>	<b>135.8</b>	<b>135.1</b>	<b>-0.70</b>	131.7	130.0	130.8
Expectations	109.3	112.5	115.1	112.3	97.7	89.4	103.8	98.3	102.7	105.0	97.6	112.4	107.0	<b>-5.40</b>	105.7	103.8	104.5
Present Situation	172.8	169.4	171.9	172.7	169.9	170.2	172.8	163.0	169.0	170.7	164.3	170.9	177.2	<b>6.30</b>	170.8	169.2	170.2
Business Conditions = Good	40.5	39.9	41.0	42.0	37.5	36.4	40.6	34.7	37.6	38.4	37.5	39.9	42.0	<b>2.10</b>	39.8	38.4	39.0
Business Conditions = Bad	9.3	9.6	9.4	10.7	11.6	10.8	11.1	12.4	11.3	11.7	10.6	11.2	9.8	<b>-1.40</b>	10.5	11.2	10.9
Jobs Plentiful (Present Conditions)	42.3	44.1	45.4	46.8	45.5	46.7	45.7	42.5	46.5	45.3	44.0	45.6	51.2	<b>5.60</b>	46.9	45.9	45.8
Jobs Not-So-Plentiful (Present Conditions)	45.6	41.8	41.2	40.6	42.3	40.7	42.6	43.7	40.2	42.9	40.2	41.9	37.0	<b>-4.90</b>	39.7	41.0	41.3
Jobs Harder to Get (Present Conditions)	12.1	14.1	13.4	12.6	12.2	12.6	11.7	13.8	13.3	11.8	15.8	12.5	11.8	<b>-0.70</b>	13.4	13.2	13.0
Fewer Jobs (6 Mo. Expectations)	13.2	11.4	10.6	11.2	14.6	16.2	12.3	14.3	13.2	13.0	13.9	11.1	13.6	<b>2.50</b>	12.9	13.2	13.0
More Jobs (6 Mo. Expectations)	21.5	22.1	22.3	22.7	16.6	15.3	19.0	16.8	16.7	18.4	17.5	19.9	19.7	<b>-0.20</b>	19.0	18.2	18.9
<b>UNIV. OF MICHIGAN CONSUMER CONFIDENCE</b>	<b>96.2</b>	<b>100.1</b>	<b>98.6</b>	<b>97.5</b>	<b>98.3</b>	<b>91.2</b>	<b>93.8</b>	<b>98.4</b>	<b>97.2</b>	<b>100.0</b>	<b>98.2</b>	<b>98.4</b>	<b>89.8</b>	<b>-8.60</b>	95.5	97.0	96.8
Current Conditions	110.3	115.2	113.1	112.3	116.1	108.8	108.5	113.3	112.3	110.0	111.9	110.7	105.3	<b>-5.40</b>	109.3	110.6	111.5
Expectations	87.1	90.5	89.3	88.1	87.0	79.9	84.4	88.8	87.4	93.5	89.3	90.5	79.9	<b>-10.60</b>	86.6	88.2	87.4
Inflation Rate - 1Y Ahead	3.0	2.7	2.9	2.8	2.7	2.7	2.6	2.5	2.5	2.9	2.7	2.6	2.7	<b>0.10</b>	2.7	2.7	2.7
Inflation Rate - 5Y Ahead	2.6	2.5	2.4	2.6	2.5	2.6	2.3	2.5	2.3	2.6	2.3	2.5	2.6	<b>0.10</b>	2.5	2.5	2.5
<b>BLOOMBERG CONSUMER COMFORT</b>	<b>58.8</b>	<b>60.0</b>	<b>60.2</b>	<b>60.9</b>	<b>59.5</b>	<b>57.9</b>	<b>59.7</b>	<b>60.7</b>	<b>60.3</b>	<b>60.2</b>	<b>62.3</b>	<b>64.2</b>	<b>62.3</b>	<b>-1.93</b>	62.9	61.7	60.7
National Economy	61.9	64.0	65.1	66.7	62.3	60.7	60.7	62.8	63.8	63.1	65.1	68.1	63.4	<b>-4.69</b>	65.5	64.4	63.8
Personal Finance	64.3	63.7	63.9	66.5	64.2	62.2	65.2	66.1	65.3	65.5	68.1	68.6	67.5	<b>-1.08</b>	68.1	66.9	65.6
Buying Climate	50.1	52.3	51.7	49.7	52.1	50.7	53.2	53.0	52.0	52.0	53.6	55.9	55.9	<b>-0.02</b>	55.1	53.7	52.7
Expectations	57.0	57.5	58.5	56.0	50.0	44.5	54.5	47.5	50.0	52.5	50.5	55.0	48.5	<b>-6.50</b>	51.3	50.7	52.1
Age: 18-34 YOA	58.0	55.2	56.5	61.5	57.0	55.8	60.1	60.3	56.5	58.6	60.9	64.2	64.1	<b>-0.14</b>	63.1	60.8	59.2
Age: 35-44 YOA	59.7	62.8	63.3	63.7	58.9	63.8	59.3	65.7	65.0	59.3	63.3	66.0	64.5	<b>-1.45</b>	64.6	63.9	63.0
Age: 45-54 YOA	59.3	63.9	56.7	55.6	63.1	58.8	57.8	55.9	62.4	65.4	62.1	66.6	55.9	<b>-10.71</b>	61.6	61.4	60.4
Age: 55-64 YOA	57.6	60.2	60.9	60.4	54.2	55.8	61.8	61.4	58.4	57.4	61.2	60.7	61.7	<b>0.95</b>	61.2	60.1	59.5
Age: 65+ YOA	59.4	60.9	63.6	62.2	64.1	57.2	58.7	59.9	61.8	59.8	63.9	63.9	63.5	<b>-0.42</b>	63.8	62.1	61.6
Income: 15-25K	33.1	35.4	47.2	48.4	39.0	41.9	41.9	41.2	43.5	48.2	54.6	52.4	45.8	<b>-6.67</b>	50.9	47.6	44.9
Income: 25-40K	46.5	46.1	50.8	53.5	51.9	53.7	57.8	51.8	53.0	57.1	57.8	56.2	59.5	<b>3.39</b>	57.8	55.9	54.1
Income: 40-50K	54.6	51.1	57.3	66.8	63.9	55.4	55.4	55.3	58.3	55.6	64.8	70.0	59.4	<b>-10.57</b>	64.7	60.6	59.4
Income: 50-75K	69.8	68.5	65.2	67.0	70.1	60.0	62.6	66.6	72.7	72.6	62.1	70.9	70.0	<b>-0.90</b>	67.7	69.2	67.4
Income: 75-100K	75.9	77.2	71.0	66.9	70.4	71.0	73.1	75.1	71.5	76.6	75.1	71.2	72.5	<b>1.37</b>	72.9	73.7	72.6
Income: 100K+	80.6	80.0	82.4	82.6	77.6	76.6	73.7	79.5	81.4	78.3	82.6	83.4	81.2	<b>-2.22</b>	82.4	81.1	79.9
<b>NFIB SMALL BUSINESS OPTIMISM</b>	<b>108.8</b>	<b>107.9</b>	<b>107.4</b>	<b>104.8</b>	<b>104.4</b>	<b>101.2</b>	<b>101.7</b>	<b>101.8</b>	<b>103.5</b>	<b>105.0</b>	<b>103.3</b>	<b>104.7</b>	<b>103.1</b>	<b>-1.60</b>	103.7	103.6	104.1
Hiring Plans	26.0	23.0	22.0	22.0	23.0	18.0	16.0	18.0	20.0	21.0	20.0	21.0	20.0	<b>-1.00</b>	20.3	20.0	20.3
Outlook for General Business Conditions	34.0	33.0	33.0	22.0	16.0	6.0	11.0	11.0	13.0	16.0	16.0	20.0	12.0	<b>-8.00</b>	16.0	14.7	17.4
Sales Expectations	26.0	29.0	28.0	24.0	23.0	16.0	16.0	19.0	20.0	23.0	17.0	22.0	17.0	<b>-5.00</b>	18.7	19.7	21.2
Openings Hard to Fill	38.0	38.0	38.0	34.0	39.0	35.0	37.0	39.0	38.0	38.0	36.0	39.0	35.0	<b>-4.00</b>	36.7	37.5	37.2
Compensation	32.0	37.0	34.0	34.0	35.0	36.0	31.0	33.0	34.0	34.0	28.0	32.0	29.0	<b>-3.00</b>	29.7	31.7	33.1
Compensation Plans	21.0	24.0	23.0	25.0	24.0	20.0	18.0	20.0	20.0	24.0	21.0	17.0	19.0	<b>2.00</b>	19.0	20.2	21.3
Higher Prices	17.0	15.0	16.0	16.0	17.0	15.0	13.0	12.0	13.0	10.0	17.0	16.0	11.0	<b>-5.00</b>	14.7	13.2	14.3
Capital Expenditure Plans	33.0	30.0	30.0	29.0	25.0	26.0	27.0	27.0	27.0	30.0	26.0	28.0	28.0	<b>0.00</b>	27.3	27.7	27.8
Credit Conditions - Availability of Loans	(5.0)	(3.0)	(4.0)	(5.0)	(5.0)	(4.0)	(6.0)	(6.0)	(4.0)	(4.0)	(2.0)	(3.0)	(1.0)	<b>2.00</b>	-2.0	-3.3	-3.9
Expected Credit Conditions	(6.0)	(5.0)	(5.0)	(5.0)	(6.0)	(5.0)	(5.0)	(7.0)	(4.0)	(5.0)	(3.0)	(4.0)	(2.0)	<b>2.00</b>	-3.0	-4.2	-4.7



United States	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	← Actuals   Estimates →	3Q19E	4Q19E	1Q20E	2Q20E
Real GDP QoQ SAAR	2.20%	2.00%	2.30%	2.20%	3.20%	3.50%	2.50%	3.50%	2.90%	1.10%	3.10%	2.00%	Hedgeye Estimates	2.35%	1.63%	2.60%	2.08%
YoY Hurdle Rate	0.33%	0.03%	0.50%	0.48%	0.55%	0.50%	0.58%	0.55%	0.80%	0.88%	0.63%	0.88%	YoY Hurdle Rate	0.73%	0.28%	0.78%	0.50%
Real GDP YoY	1.56%	2.03%	2.10%	2.16%	2.42%	2.80%	2.86%	3.20%	3.13%	2.52%	2.65%	2.28%	Hedgeye Estimates	2.15%	2.29%	2.17%	2.18%
2Y Comparative Base Effects	2.78%	2.39%	2.80%	2.35%	2.00%	1.97%	1.86%	1.75%	1.99%	2.41%	2.48%	2.68%	2Y Comparative Base Effects	2.77%	2.66%	2.76%	2.74%
Headline CPI YoY	1.12%	1.80%	2.54%	1.90%	1.97%	2.12%	2.21%	2.71%	2.64%	2.20%	1.64%	1.81%	Headline CPI YoY	1.71%	1.86%	2.08%	1.76%
2Y Comparative Base Effects	0.95%	0.86%	0.51%	0.50%	0.61%	1.13%	1.81%	1.48%	1.54%	1.96%	2.38%	2.31%	2Y Comparative Base Effects	2.30%	2.16%	1.93%	2.26%

## United States

◆ x-axis: First Difference of YoY Headline CPI;  
y-axis: First Difference of YoY Real GDP



Data Source: Bloomberg. Green box = Hedgeye Predictive Tracking Algorithm nowcast. Blue boxes = Hedgeye  $\beta$ -Adjusted Comparative Base Effect Model estimates.

© Hedgeye Risk Management

# Our Risk Management Overlay is Rules-Based

## #QUAD1

- **Goldilocks.** Maximum gross exposure, wide net exposure.
- **Asset Class Overweight(s):** Equities and Credit
- **Asset Class Underweight(s):** Fixed Income and USD
- **Equity Sector Overweight(s):** Tech, Consumer Discretionary, Industrials, and Materials
- **Equity Sector Underweight(s):** Utilities, Consumer Staples, Energy, and Health Care
- **Equity Style Factor Overweight(s):** High Beta, Momentum, Quality, and Growth
- **Equity Style Factor Underweight(s):** Preferreds, Low Beta/Minimum Vol., Value, and High Dividend Yield
- **Fixed Income Overweight(s):** Convertibles, High Yield Credit, High Yield Munis, and Investment Grade Credit
- **Fixed Income Underweight(s):** TIPS, Short Duration Treasuries, MBS, and Long Duration Treasuries

## #QUAD2

- **Reflation.** Maximum gross exposure, wide net exposure.
- **Asset Class Overweight(s):** Equities, Credit, and Commodities
- **Asset Class Underweight(s):** Fixed Income and USD
- **Equity Sector Overweight(s):** Tech, Consumer Discretionary, Industrials, and Energy
- **Equity Sector Underweights(s):** Telecom, Utilities, Consumer Staples, and REITS
- **Equity Style Factor Overweight(s):** Momentum, Growth, High Beta, and Small Caps
- **Equity Style Factor Underweight(s):** Low Beta/Minimum Vol., Preferreds, High Dividend Yield, and Value
- **Fixed Income Overweight(s):** Convertibles, Leveraged Loans, TIPS, and High Yield Credit
- **Fixed Income Underweight(s):** Long Duration Treasuries, Munis, Investment Grade Credit, and Short Duration Treasuries

## #QUAD3

- **Stagnation-to-stagflation.** Middling gross exposure, tight net exposure.
- **Asset Class Overweight(s):** Fixed Income and Commodities
- **Asset Class Underweight(s):** Equities and Credit
- **Equity Sector Overweight(s):** Utilities, Tech, Energy, and REITS
- **Equity Sector Underweight(s):** Financials, Materials, Telecom, and Consumer Staples
- **Equity Style Factor Overweight(s):** Size, Momentum, Quality, and Growth
- **Equity Style Factor Underweight(s):** Preferreds, High Dividend Yield, Value, and Small Caps
- **Fixed Income Overweight(s):** Long Duration Treasuries, Taxable Munis, TIPS, and Investment Grade Credit
- **Fixed Income Underweight(s):** Convertibles, Leveraged Loans, Short Duration Treasuries, and High Yield Credit

## #QUAD4

- **Deflation.** Minimum gross exposure, net short exposure.
- **Asset Class Overweight(s):** Fixed Income and USD
- **Asset Class Underweight(s):** Equities, Credit, and Commodities
- **Equity Sector Overweight(s):** Health Care, Consumer Staples, REITS, and Utilities
- **Equity Sector Underweight(s):** Tech, Energy, Industrials, and Financials
- **Equity Style Factor Overweight(s):** Preferreds, Low Beta/Minimum Vol., and Quality
- **Equity Style Factor Underweight(s):** Momentum, High Beta, and Growth
- **Fixed Income Overweight(s):** Long Duration Treasuries, Taxable Munis, and MBS
- **Fixed Income Underweight(s):** Convertibles, TIPS, Leveraged Loans, and High Yield Credit

# Sector Performance

<u>SECTOR</u>	<u>Ticker</u>	<u>Price</u>	<u>1-Day %</u> <u>Chg</u>	<u>MTD %</u> <u>Chg</u>	<u>QTD %</u> <u>Chg</u>	<u>YTD %</u> <u>Chg</u>
Consumer Discretionary	XLY	\$123.08	0.19%	2.93%	3.26%	24.31%
Financial Select Sector	XLF	\$28.12	0.57%	4.46%	1.88%	18.05%
Health Care Select Sector	XLV	\$91.59	0.99%	1.09%	-1.13%	5.87%
Technology Select Sector	XLK	\$81.32	1.04%	2.25%	4.20%	31.20%
Consumer Staples Select Sector	XLP	\$61.14	0.36%	0.69%	5.29%	20.40%
Industrial Select Sector	XLI	\$78.87	0.93%	4.11%	1.87%	22.45%
Materials Select Sector	XLB	\$58.05	0.96%	2.40%	-0.77%	14.90%
The Energy Select Sector	XLE	\$60.98	0.10%	6.09%	-4.29%	6.33%
Utilities Select Sector	XLU	\$63.20	0.99%	0.99%	5.99%	19.43%
Real Estate Select Sector	XLRE	\$38.83	-0.23%	-0.97%	5.60%	25.26%
Communications Services Sector	XLC	\$51.23	0.53%	3.43%	4.08%	24.10%
S&P 500	SPX	3,000.93	0.72%	2.54%	2.01%	19.71%

# Sector Relative Performance

	<u>Ticker</u>	<u>Price</u>	<u>1-Day %</u> <u>Chg</u>	<u>MTD %</u> <u>Chg</u>	<u>QTD %</u> <u>Chg</u>	<u>YTD %</u> <u>Chg</u>
Consumer Discretionary	XLY	\$123.08	-0.54%	0.38%	1.24%	4.60%
Financial Select Sector	XLF	\$28.12	-0.15%	1.91%	-0.13%	-1.66%
Health Care Select Sector	XLV	\$91.59	0.27%	-1.45%	-3.14%	-13.84%
Technology Select Sector	XLK	\$81.32	0.32%	-0.29%	2.19%	11.49%
Consumer Staples Select Sector	XLP	\$61.14	-0.36%	-1.85%	3.28%	0.69%
Industrial Select Sector	XLI	\$78.87	0.21%	1.56%	-0.14%	2.74%
Materials Select Sector	XLB	\$58.05	0.23%	-0.15%	-2.78%	-4.80%
The Energy Select Sector	XLE	\$60.98	-0.62%	3.54%	-6.30%	-13.38%
Utilities Select Sector	XLU	\$63.20	0.27%	-1.55%	3.98%	-0.28%
Real Estate Select Sector	XLRE	\$38.83	-0.95%	-3.51%	3.59%	5.55%
Communications Services Sector	XLC	\$51.23	-0.19%	0.89%	2.07%	4.39%



# Market Share Volume & Total Value Traded

<u>INDEX/SECURITY</u>	<b>VOLUME: (9/11) vs.</b>			
	<u>Prior Day</u>	<u>1M Ave</u>	<u>3M ave</u>	<u>1Y Ave</u>
Total Market Volume*	-2%	6%	5%	-11%
Total Exchange Volume**	-6%	12%	12%	4%

\*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)

# Style Factor Performance

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	0.9%	5.2%	5.8%	4.8%	4.5%	18.4%
	Low Debt/EV	0.8%	3.1%	4.1%	1.8%	4.7%	19.9%
SI	High Short Interest	1.2%	7.0%	6.5%	1.9%	0.7%	13.0%
	Low Short Interest	0.5%	1.1%	2.6%	3.1%	9.0%	23.0%
BETA	High Beta	1.3%	8.8%	9.1%	3.3%	-0.9%	14.1%
	Low Beta	0.5%	-0.4%	3.0%	4.3%	10.9%	21.6%
YIELD	High Yield	0.9%	6.1%	6.0%	3.0%	-0.3%	10.9%
	Low Yield	0.7%	2.9%	4.0%	2.4%	6.7%	24.0%
MKTCAP	MCAP Bottom 25%	1.2%	8.2%	7.0%	1.6%	-2.8%	9.8%
	MCAP Top 25%	0.6%	1.8%	4.3%	5.6%	9.1%	21.6%
Sales	Top 25% Sales Growth	0.6%	1.8%	3.3%	2.9%	6.3%	22.7%
	Bottom 25% Sales Growth	1.1%	7.1%	7.4%	4.7%	2.4%	13.4%
EPS	Top 25% EPS Growth	0.7%	2.8%	4.2%	4.0%	7.5%	23.5%
	Bottom 25% EPS Growth	0.9%	5.6%	6.2%	4.3%	2.2%	12.6%

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

September 12, 2019

# Rates & Spreads

	Price	1D Bps Chg	5D Bps Chg	1M Bps Chg	3M Bps Chg	vs. 52-Wk, Bps		vs. 3Y Ave	vs. 5Y Ave
						High	Low		
3M T-Bill	1.91%	1.0	-0.7	-2	-27	-57	6	38	94
3M LIBOR	2.13%	0.0	3.0	-4	-30	-69	3	27	85
2Y T-Note	1.69%	-0.2	14.8	9	-20	-128	26	-20	28
5Y T-Note	1.62%	0.2	16.7	10	-28	-148	31	-57	-27
10Y T-Note	1.76%	0.7	18.0	9	-38	-149	34	-72	-54
30Y T-Note	2.24%	0.5	17.2	9	-39	-122	34	-67	-61
2Y-10Y Spread, Bps	7.40	1.8	4.1	1.2	-17	-21	7	-51	-81
IG SPREAD (AAABBB)	1.45%	0.0	-3.0	-4	-13	-44	7	-5	-17
HIGH YIELD	5.66%	6.0	-4.0	-43	-50	-246	7	-47	-85
5Y BREAK EVEN	1.42%	-0.8	5.1	2.2	-11.4	-65.9	12.8	-39.5	-23.1

# Key \$USD Correlations

METRIC	15D	30D	90D	120D	180D	52-Wk Rolling 30D Correlation			
						High	Low	% Time Pos	% Time Neg
SPX	0.43	0.49	-0.07	-0.02	0.62	0.77	-0.72	47%	53%
BRENT Oil	0.05	0.39	-0.05	-0.11	0.30	0.71	-0.79	48%	52%
CRB Index	-0.56	-0.67	-0.56	-0.11	-0.44	0.71	-0.71	36%	64%
GOLD	0.08	0.31	0.35	0.32	0.47	0.54	-0.91	26%	74%

\*Days = Trading Days

# CFTC Non-Commercial Net Long Positioning

## CFTC NON-COMMERCIAL NET LONG POSITIONING

	METRIC	Latest	W/W Chg	3M Ave	6M Ave	1Y Ave	3Y		Z-Score	
							Max	Min	1Y	3Y
EQUITIES	SPX (Index + E-mini)	17,741	(45,534)	51,290	43,777	70,804	249,638	(128,189)	-0.55X	-0.91X
	VIX	(66,642)	(9,489)	(102,042)	(116,634)	(73,721)	92,913	(180,359)	0.11X	0.19X
	Russell 2000 (mini)	(57,552)	7	(67,431)	(38,577)	(46,783)	118,197	(122,916)	-0.28X	-1.10X
	Dow Jones (mini)	37,619	2,566	36,267	28,859	27,293	95,976	(282)	0.85X	-0.27X
	Nasdaq (mini)	25,576	1,385	25,158	14,336	7,646	163,838	(24,815)	1.03X	-0.26X
	Nikkei Index	(6,594)	961	(7,168)	(10,239)	(9,817)	14,214	(16,298)	0.89X	-0.79X
RATES	10Y UST	(344,693)	(35,595)	(356,917)	(296,197)	(327,225)	372,991	(758,490)	-0.10X	-0.66X
	2Y UST	(173,643)	96,138	(267,234)	(182,135)	(239,672)	86,881	(421,551)	0.64X	-0.28X
	5Y UST	(99,616)	(26,764)	(71,988)	(90,855)	(263,709)	6,400	(866,140)	0.62X	0.99X
	UST Bonds	(59,487)	(8,137)	(32,635)	(35,440)	(49,122)	122,839	(142,810)	-0.35X	-1.11X
	30D Fed Funds	(16,670)	28,921	(72,310)	(114,748)	(97,091)	219,071	(286,025)	1.30X	0.47X
	Eurodollar	1,492,553	181,989	943,929	495,313	(582,140)	1,492,553	(3,110,209)	1.69X	2.77X
CURRENCIES	USD	31,732	1,841	27,954	28,060	31,951	56,635	(10,666)	-0.04X	0.45X
	JPY	27,067	(4,972)	92	(35,200)	(57,020)	69,211	(140,151)	2.02X	1.73X
	EUR	(63,970)	(17,341)	(51,164)	(75,034)	(58,010)	147,318	(143,673)	-0.19X	-0.82X
	GBP	(87,669)	2,471	(79,019)	(46,952)	(47,155)	49,216	(113,271)	-1.49X	-1.30X
	AUD	(58,453)	2,004	(58,258)	(56,984)	(53,844)	77,969	(74,181)	-0.38X	-1.18X
	CAD	4,966	(6,225)	6,049	(19,325)	(23,614)	78,001	(99,736)	1.11X	0.36X
	MXN	92,919	(1,231)	114,450	126,445	85,003	156,013	(89,524)	0.16X	0.71X
	NZD	(30,697)	(4,628)	(19,456)	(13,213)	(13,897)	35,981	(35,412)	-1.39X	-1.61X
COMMODITIES	CHF	(5,376)	(2,249)	(12,481)	(23,046)	(21,426)	8,389	(47,216)	1.72X	1.09X
	CRUDE OIL	411,861	(3,862)	424,119	464,631	445,464	784,290	314,891	-0.46X	-0.84X
	GOLD	290,709	2,858	240,757	140,355	70,672	290,709	(103,009)	1.95X	2.04X
	COPPER	(58,936)	(429)	(39,609)	(21,458)	(10,488)	67,602	(60,135)	-2.16X	-2.68X
	Natural Gas	(169,234)	17,785	(177,056)	(116,329)	(63,104)	57,455	(216,003)	-1.43X	-1.89X
	RBOB Gasoline	47,669	(14,003)	72,493	81,185	85,228	114,862	29,519	-2.95X	-1.62X
	ULSD Heating Oil	(5,109)	(5,356)	(6,085)	(10,892)	32	67,696	(25,442)	-0.25X	-1.17X
	Silver	71,063	5,064	42,514	22,872	18,497	107,003	(30,158)	1.73X	1.06X
	Platinum	35,475	11,524	16,346	19,952	15,630	45,610	(11,540)	1.90X	1.17X
	Aluminum	163,475	(2,043)	159,128	161,735	157,727	168,292	122,356	0.55X	1.31X
	Nickel	42,230	(365)	42,658	44,005	37,006	47,708	13,508	0.60X	1.21X
	Corn	(34,841)	(28,546)	179,251	13,645	35,073	372,754	(270,560)	-0.44X	-0.51X
	Soybeans	(37,609)	4,219	(28,786)	(58,260)	(40,936)	210,365	(148,817)	0.08X	-0.68X
	Wheat	(5,246)	(18,911)	23,864	(10,687)	(12,100)	63,219	(143,292)	0.22X	0.64X
	Live Cattle	30,200	(1,203)	53,929	100,282	104,963	183,134	19,421	-1.82X	-1.64X
	Lean Hogs	57,667	(1,846)	68,656	73,165	49,306	97,769	(11,151)	0.29X	0.51X
	Sugar	(156,591)	(15,242)	(83,009)	(76,417)	(41,478)	351,383	(156,591)	-1.94X	-1.37X
	Cotton	(29,075)	3,804	(30,148)	(9,146)	12,591	132,318	(37,827)	-1.18X	-1.98X
	Coffee	(41,631)	(6,297)	(21,032)	(41,038)	(48,046)	67,942	(106,651)	0.26X	-0.38X
	Cocoa	(21,439)	(5,070)	28,603	13,231	6,569	61,244	(43,846)	-1.21X	-0.95X
	Orange Juice	(6,026)	1,308	(6,843)	(6,902)	(6,562)	9,066	(9,416)	0.25X	-0.96X

HEDGEYE TV

The Macro Show  
September 12, 2019



# Volatility

TIME WINDOW SETTING: VOLATILITY_30D PUT_IMP_VOL_30D		TOTAL RETURN PERFORMANCE	IVOL PREMIUM/DISCOUNT IVOL PREM %						REALIZED VOLATILITY TRENDS			IMPLIED VOLATILITY TRENDS		
	TICKER	YTD %	IVOL / RVOL	Yesterday	1W Ago	1M Ago	TTM Z-Score	3Yr Z-Score	RVOL CURRENT	MM %	PERCENTILE 10YR	IVOL CURRENT	MM %	PERCENTILE 10YR
US EQUITIES														
CURRENT														
Technology Sector SPDR ETF	XLK US EQUITY	32.09%	-48%	-34%	-30%	38%	-1.6	-1.8	27.8	38%	93%	14.6	-48%	40%
Vanguard Real Estate REIT ETF	VNQ US EQUITY	25.62%	-8%	-5%	-7%	4%	-0.3	-0.5	14.2	1%	48%	13.0	-11%	33%
Power Shares QQQ Trust ETF	QQQ US EQUITY	25.25%	-35%	-31%	-22%	11%	-1.4	-1.5	25.0	39%	87%	16.2	-18%	53%
Consumer Discretionary Sector SPDR ETF	XLV US EQUITY	25.16%	-34%	-38%	-25%	-7%	-1.3	-1.6	22.8	50%	87%	15.0	6%	50%
Communication Services SPDR ETF	XLC US EQUITY	24.62%	-29%	-25%	-23%	5%	-1.3		23.8	27%	71%	16.9	-14%	25%
Industrials Sector SPDR ETF	XLI US EQUITY	23.70%	-41%	-42%	-19%	-2%	-1.6	-1.8	23.1	35%	87%	13.6	-19%	30%
Consumer Staples Sector SPDR ETF	XLP US EQUITY	21.98%	-36%	31%	120%	0%	-1.2	-1.4	16.3	13%	87%	10.5	-28%	29%
Utilities Sector SPDR ETF	XLU US EQUITY	21.27%	87%	2%	15%	13%	2.9	3.4	12.5	10%	43%	23.3	82%	99%
SPDR S&P 500 ETF Trust	SPY US EQUITY	21.25%	-46%	-43%	-31%	6%	-1.6	-1.8	21.2	46%	87%	11.6	-25%	32%
Financials Sector SPDR ETF	XLF US EQUITY	19.26%	-39%	-36%	-26%	11%	-1.8	-2.0	25.7	43%	85%	15.6	-22%	33%
I-Shares Russell 2000 ETF	IWM US EQUITY	17.98%	-33%	-30%	-18%	12%	-1.6		25.3	47%	88%	16.8	-12%	41%
Materials Sector SPDR ETF	XLB US EQUITY	16.09%	-27%	-16%	-9%	66%	-1.2	-1.4	20.3	34%	66%	14.8	-41%	31%
Energy Sector SPDR ETF	XLE US EQUITY	8.14%	-32%	-32%	-16%	17%	-1.8	-1.8	27.0	47%	83%	18.2	-15%	38%
Health Care Sector SPDR ETF	XLV US EQUITY	6.72%	-35%	-32%	-6%	14%	-1.4	-1.7	18.1	45%	80%	11.8	-17%	21%
INTERNATIONAL EQUITIES														
Euro Stoxx 50 Index	SXSE INDEX	20.99%	-31%	-31%	-25%	4%	-1.8	-1.4	18.8	17%	61%	13.0	-23%	16%
I-Shares MSCI Japan ETF	EWJ US EQUITY	11.16%	-30%	-33%	-20%	9%	-1.6	-1.4	15.7	25%	52%	11.0	-20%	12%
I-Shares MSCI Emerging Markets ETF	EEM US EQUITY	7.57%	-27%	-26%	-15%	13%	-1.8	-1.6	21.6	31%	67%	15.8	-15%	19%
I-Shares China Large-Cap ETF	FXI US EQUITY	6.82%	-30%	-27%	-18%	15%	-2.3	-1.9	23.7	38%	62%	16.6	-16%	8%
CURRENCIES														
PowerShares US Dollar Index ETF	UUP US EQUITY	5.46%	37%	32%	43%	17%	0.1	0.4	4.6	-11%	8%	6.3	5%	12%
Currency Shares Japanese Yen ETF	FXJ US EQUITY	1.30%	-30%	-26%	-14%	8%	-2.3	-2.2	8.9	24%	57%	6.2	-20%	7%
Currency Shares British Pound ETF	FXB US EQUITY	-3.28%	12%	12%	40%	31%	-0.3	0.2	7.9	10%	42%	8.8	-7%	53%
Currency Shares Euro Trust ETF	FXE US EQUITY	-4.41%	36%	13%	22%	0%	1.9	1.7	4.7	-16%	5%	6.4	15%	13%
COMMODITIES														
United States Oil Fund ETF	USO US EQUITY	20.91%	-18%	-18%	-16%	-9%	-1.3	-1.2	39.3	10%	83%	32.1	-2%	64%
SPDR Gold Shares ETF	GLD US EQUITY	16.31%	-18%	-23%	8%	-14%	-1.1	-1.6	16.7	-6%	70%	13.7	-10%	35%
United States Natural Gas Fund ETF	UNG US EQUITY	-10.56%	27%	18%	2%	14%	1.0	0.9	30.7	-14%	33%	39.0	-3%	53%
PowerShares DB Agriculture Fund ETF	DBA US EQUITY	-10.80%	-5%	-1%	0%	23%	-1.5	-1.5	14.2	26%	72%	13.5	-2%	31%
FIXED INCOME														
I-Shares 20+ Year Treasury Bond ETF	TLT US EQUITY	17.49%	-24%	-23%	-4%	9%	-1.6	-1.9	18.6	58%	91%	14.1	9%	66%
I-Shares IBOX IG Corporate Bond ETF	LQD US EQUITY	14.32%	-1%	-6%	13%	12%	-0.6	-0.8	6.6	27%	82%	6.5	11%	73%
I-Shares J.P. Morgan USD EM Bond ETF	EMB US EQUITY	12.94%	-20%	-18%	-4%	22%	-1.1	-1.4	7.6	43%	81%	6.1	-6%	33%
I-Shares IBOX HY Corporate Bond ETF	HYG US EQUITY	11.46%	-29%	-26%	-11%	26%	-1.2	-1.2	6.7	27%	63%	4.8	-28%	16%
I-Shares 7-10 Year Treasury Bond ETF	IEF US EQUITY	8.91%	-10%	-10%	15%	11%	-0.5	-0.6	7.4	38%	82%	6.7	12%	63%

Data Source: CBOE, CME, Bloomberg

## Global Data

Date Time	Country/Region	C	Event	Period	Surv(M)	Actual	Prior	Revised	Ticker
09/11/19 07:00	Mexico	MX	Industrial Production NSA YoY	Jul	-1.80%	-1.70%	-2.90%	--	MXIPTYOY Index
09/11/19 08:00	Brazil	BZ	Retail Sales YoY	Jul	2.20%	4.30%	-0.30%	0.10%	BZRTYOY Index
09/11/19 08:30	United States	US	PPI Final Demand YoY	Aug	1.70%	1.80%	1.70%	--	FDIUFDYO Index
09/11/19 08:30	United States	US	PPI Ex Food, Energy, Trade YoY	Aug	--	1.90%	1.70%	--	FDIUSGUY Index
09/11/19 19:50	Japan	JN	PPI YoY	Aug	-0.80%	-0.90%	-0.60%	--	JNWSYOY Index
09/11/19 19:50	Japan	JN	Core Machine Orders YoY	Jul	-3.70%	0.30%	12.50%	--	JNMOYOY Index
09/12/19 02:00	Germany	GE	CPI YoY	Aug F	1.40%	1.40%	1.40%	--	GRCP20YY Index
09/12/19 02:00	Germany	GE	CPI EU Harmonized YoY	Aug F	1.00%	1.00%	1.00%	--	GRCP2HY Index
09/12/19 02:45	France	FR	CPI EU Harmonized YoY	Aug F	1.20%	1.30%	1.20%	--	FRCPEECY Index
09/12/19 02:45	France	FR	CPI YoY	Aug F	1.10%	1.00%	1.10%	--	FRCPIYOY Index
09/12/19 03:00	China	CH	Foreign Direct Investment YoY CNY	Aug	--	3.60%	8.70%	--	CNDIINRY Index
09/12/19 04:30	Hong Kong	HK	Industrial Production YoY	2Q	--	0.30%	1.40%	--	HKIPIYOY Index
09/12/19 04:30	Hong Kong	HK	PPI YoY	2Q	--	0.80%	0.80%	0.70%	HKPPIC Index
09/12/19 05:00	Eurozone	EC	Industrial Production WDA YoY	Jul	-1.40%	-2.00%	-2.60%	-2.40%	EUIPEMUY Index
09/12/19 07:00	Turkey	TU	One-Week Repo Rate	12-Sep	17.00%	16.50%	19.75%	--	TUBR1WRA Index