

THE MACRO SHOW

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ALL-TIME HIGHS



2

OIL



3

COPPER

The background of the image is a photograph of the New York Stock Exchange building, showing its classical architecture with columns and a pediment featuring a relief sculpture. An American flag is superimposed over the lower half of the image, partially covering the building's facade. The text "ALL-TIME HIGHS" is written in large, white, bold, sans-serif capital letters across the middle of the image, positioned over the flag and the building.

ALL-TIME HIGHS

All-time high trifecta again for the S&P 500 (2477), Nasdaq (6412), and Russell (1450) yesterday as “reflation” had a heck of a bounce within its bearish @Hedgeye TREND. With the top-end of our U.S. Equity Beta (S&P500) risk range only +0.3% higher at 2485, we would still be in booking-gains mode vs. purchases you made 3-4 weeks ago to setup to buy the next dip.



OIL

Following through on yesterday's broad based ***Reflation Rally*** (Chinese demand is back, baby! - #not). WTI is up another +0.9% this morning and signaling immediate-term TRADE overbought within its bearish TREND; the risk range for WTI is now \$45.13-48.56 and hopefully we get some Energy ETF and single stock overbought signals to act on today in RTA.



COPPER

One of these charts looks not like the others (Copper's Supply situation looks much better than most things commodities too), but after moving back above our TREND signal level of \$2.65 in recent weeks, we get the chart-chase to \$2.85 this morning. Bullish indeed, but don't forget Copper went from \$2.92 to sub \$2 in 2015-2016 too.

MACRO GRIND

THE PICTURE OF A **BEARISH TREND**: WTI CRUDE OIL



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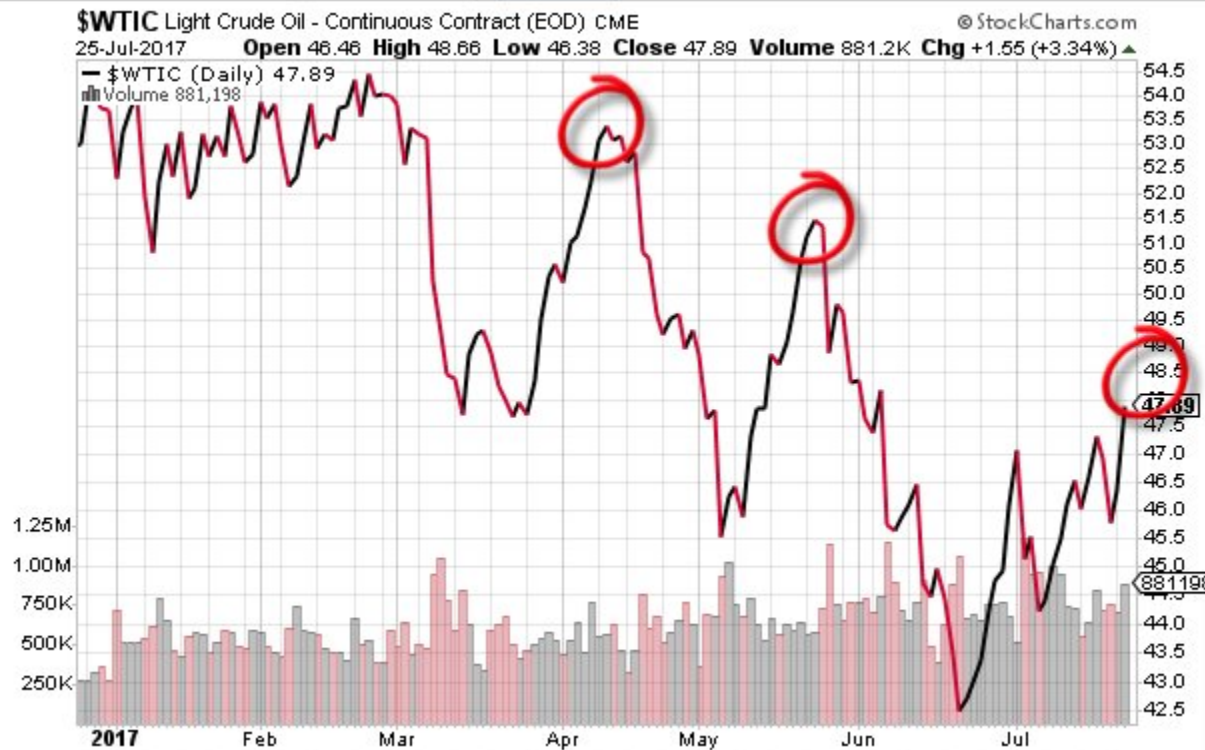


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LIGHT CRUDE OIL



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GERMAN DAX COMPOSITE



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INDIA BOMBAY STOCK EXCHANGE



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\$ RICH — HEDGEYE



YEAH,
I KNOW
BUT IT'S
CHEAP.

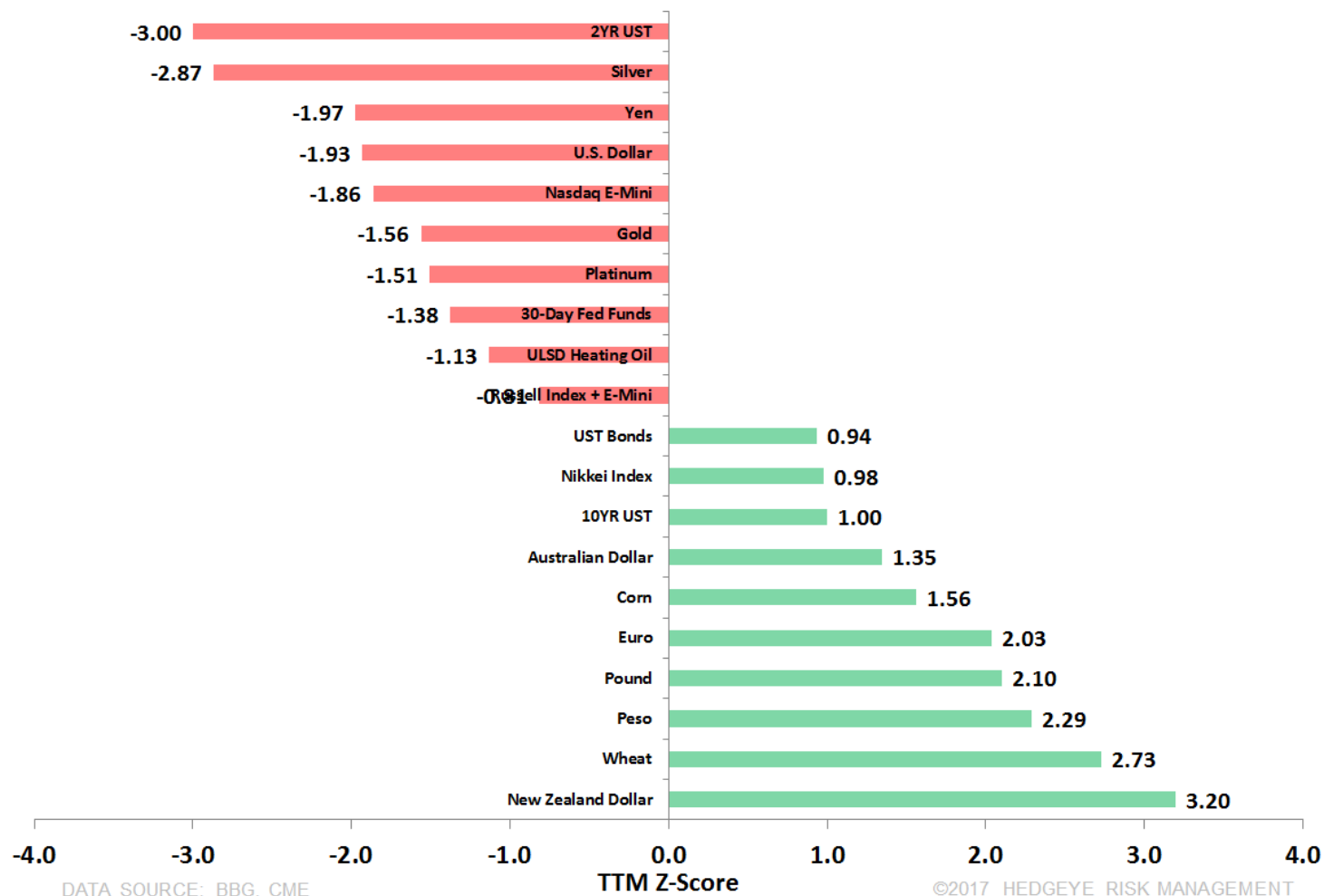


Index/Security	REALIZED VOLATILITY				IMPLIED VOLATILITY*				IMPLIED** VS. REALIZED VOLATILITY									
	Duration of Realized (%)				At-The-Money %				30 Day			60 Day			3 Month			
	Ticker	30D	60D	90D	Current	v 1M Avg	v 3M Avg	v 6M Avg.	Ticker	Premium	TTM	3Yr	Premium	TTM	3Yr	Premium	TTM	3Yr
S&P 500	SPX	7.4%	7.3%	7.3%	7.6%	-5.4%	-8.6%	-16.8%	SPX	-8.9%	-1.02	-0.64	13.2%	-0.56	0.01	23.9%	-0.33	0.33
Russell 2000	RTY	11.3%	12.1%	13.0%	12.2%	-3.7%	-10.0%	-16.6%	RTY	-0.3%	-0.44	-0.32	6.7%	-0.10	-0.10	6.2%	-0.47	-0.29
Nasdaq 100	NDX	13.8%	13.2%	11.8%	12.8%	-11.6%	-0.2%	5.8%	NDX	-13.2%	-1.19	-0.77	0.2%	-1.06	-0.48	17.9%	-0.58	0.16
USD Index	UUP	6.2%	6.1%	6.1%	7.4%	10.8%	8.9%	-1.6%	UUP	8.8%	-0.15	-0.03	20.6%	0.43	0.48	19.1%	0.44	0.39
Euro	FXE	8.1%	7.6%	7.6%	7.7%	14.5%	9.6%	-5.4%	FXE	-7.4%	-0.72	-0.61	2.1%	-0.34	-0.21	2.3%	-0.40	-0.23
Yen	FXJ	7.2%	8.3%	8.1%	8.4%	3.6%	-2.2%	-13.0%	FXJ	19.3%	0.82	0.50	2.9%	0.40	-0.19	7.7%	1.16	0.06
Pound	FXB	7.3%	7.6%	8.3%	7.3%	-3.3%	-7.2%	-15.1%	FXB	0.1%	0.13	-0.14	-1.5%	0.37	-0.16	-4.2%	0.45	-0.31
Consumer Discret.	XLY	9.3%	9.2%	8.9%	10.2%	-8.5%	-2.9%	-5.5%	XLY	6.0%	-0.63	-0.23	16.3%	-0.46	0.14	29.1%	0.09	0.76
Financials	XLF	11.0%	12.6%	14.3%	13.1%	-7.3%	-9.9%	-15.2%	XLF	12.5%	0.06	0.29	3.7%	-0.19	-0.04	-2.2%	-0.66	-0.37
Healthcare	XLV	10.0%	8.9%	8.2%	10.5%	-2.7%	0.1%	-6.0%	XLV	3.8%	-0.74	-0.12	23.3%	0.23	0.82	41.6%	1.40	1.90
Technology	XLK	13.4%	13.1%	11.7%	12.5%	-14.2%	-1.8%	3.4%	XLK	-12.4%	-1.03	-0.70	-0.4%	-0.91	-0.40	18.8%	-0.26	0.34
Consumer Staples	XLP	9.3%	7.9%	7.2%	8.7%	-8.2%	-6.5%	-9.0%	XLP	-9.1%	-1.00	-0.68	13.3%	-0.28	0.22	28.8%	0.42	0.93
Utilities	XLU	9.1%	8.2%	8.2%	9.8%	-9.6%	-9.8%	-18.9%	XLU	7.3%	-0.13	0.24	24.8%	0.95	1.64	36.1%	2.40	3.18
Energy	XLE	15.4%	15.8%	14.6%	14.9%	-10.3%	-10.1%	-10.6%	XLE	-3.0%	-0.48	-0.30	-0.9%	-0.50	-0.17	9.4%	0.38	0.41
Energy	XOP	31.1%	31.4%	28.9%	27.7%	-8.0%	-6.5%	-2.9%	XOP	-8.5%	-0.64	-0.57	-9.6%	-0.84	-0.56	1.9%	0.00	0.24
Materials	XLB	11.1%	11.4%	11.4%	11.5%	-9.5%	-8.3%	-11.6%	XLB	5.7%	-0.44	-0.09	4.8%	-0.59	-0.12	11.0%	-0.26	0.16
Industrials	XLI	8.8%	8.9%	9.5%	11.2%	-0.2%	-0.8%	-6.2%	XLI	16.8%	-0.03	0.31	27.7%	0.72	0.94	25.4%	0.63	0.91
Transports	IYT	12.4%	13.0%	13.6%	14.2%	-1.3%	-5.4%	-10.7%	IYT	10.5%	-0.28	0.05	14.5%	-0.14	0.29	17.8%	0.01	0.47
Biotech	IBB	21.5%	18.7%	17.1%	19.7%	-5.0%	4.5%	0.2%	IBB	-9.2%	-1.07	-0.77	6.6%	-0.10	0.16	18.2%	0.96	1.07
Russell 2000 ETF	IWM	11.5%	12.2%	13.0%	12.8%	-6.4%	-13.5%	1.5%	IWM	1.5%	-0.39	-0.29	5.7%	-0.24	-0.20	5.8%	-0.56	-0.33
Russell 2000 Growth	IWO	12.3%	12.8%	13.0%	12.4%	-4.9%	-9.6%	-17.3%	IWO	-5.3%	-1.00	-0.75	1.7%	-0.93	-0.54	7.0%	-0.90	-0.33
Russell 2000 Value	IWN	12.1%	12.8%	14.0%	11.5%	-15.7%	-21.2%	-26.6%	IWN	-12.5%	-1.04	-0.93	-2.5%	-0.64	-0.62	0.4%	-0.73	-0.58
Facebook	FB	18.1%	18.3%	16.3%	26.1%	0.1%	21.2%	24.1%	FB	59.0%	0.26	0.70	39.9%	-0.07	0.60	54.9%	0.69	1.41
Amazon	AMZN	17.9%	17.6%	17.1%	24.9%	-7.0%	13.7%	17.1%	AMZN	51.2%	0.37	0.57	39.3%	0.06	0.94	42.6%	0.36	1.30
Apple	AAPL	15.7%	19.1%	17.1%	23.2%	0.6%	18.9%	26.7%	AAPL	50.2%	0.75	1.04	21.2%	0.48	0.53	35.3%	1.48	1.38
Netflix	NFLX	45.0%	37.3%	34.0%	29.5%	-21.7%	-11.7%	-11.4%	NFLX	-34.1%	-0.99	-0.92	-15.4%	-1.09	-0.71	1.3%	-0.49	0.04
Google	GOOGL	20.0%	18.2%	17.7%	17.7%	-25.2%	-5.7%	-0.1%	GOOGL	-13.1%	-1.00	-0.70	0.0%	-1.24	-0.45	8.4%	-1.10	-0.01
WTI Crude Oil	USO	30.7%	32.3%	28.8%	27.9%	-4.3%	-7.1%	-1.9%	USO	-4.3%	-0.63	-0.75	-12.1%	-0.99	-0.90	1.5%	-0.15	-0.19
Natural Gas	UNG	32.9%	31.0%	29.9%	32.6%	-1.7%	-3.0%	-9.0%	UNG	-3.6%	-0.58	-0.51	5.9%	0.11	-0.21	13.5%	0.77	0.13
Gold	GLD	9.2%	10.0%	9.7%	11.1%	8.1%	3.6%	-5.5%	GLD	17.0%	0.26	0.39	13.1%	0.24	0.31	20.0%	0.93	0.78
Silver	SLV	16.8%	16.9%	15.7%	19.1%	2.1%	3.5%	-1.1%	SLV	13.5%	0.39	-0.03	18.0%	1.32	0.30	27.6%	2.70	0.91
Copper	JJC	17.1%	19.8%	20.6%	14.6%	-5.7%	-18.8%	-28.8%	JJC	-18.2%	-0.46	-0.61	-26.4%	-0.84	-1.12	-29.8%	-1.18	-1.46
Coffee	JO	32.1%	27.6%	28.1%	26.9%	-5.4%	-2.3%	-2.9%	JO	-17.4%	-1.67	-1.74	-0.8%	-0.34	-0.41	0.9%	-0.19	-0.15
Corn	CORN	24.5%	21.0%	19.2%	21.8%	-13.9%	-8.6%	3.1%	CORN	-8.9%	-1.40	-1.33	3.5%	-0.62	-0.86	12.6%	-0.21	-0.42
Soybeans	SOYB	22.9%	17.6%	15.3%	27.9%	36.3%	39.5%	40.9%	SOYB	3.5%	-0.99	-0.82	45.9%	-0.08	-0.02	39.2%	-0.13	-0.14
Wheat	WEAT	35.5%	28.1%	25.9%	24.9%	-27.6%	-23.9%	-18.3%	WEAT	-29.8%	-1.89	-1.18	-11.5%	-1.63	-0.98	-4.3%	-1.82	-0.96

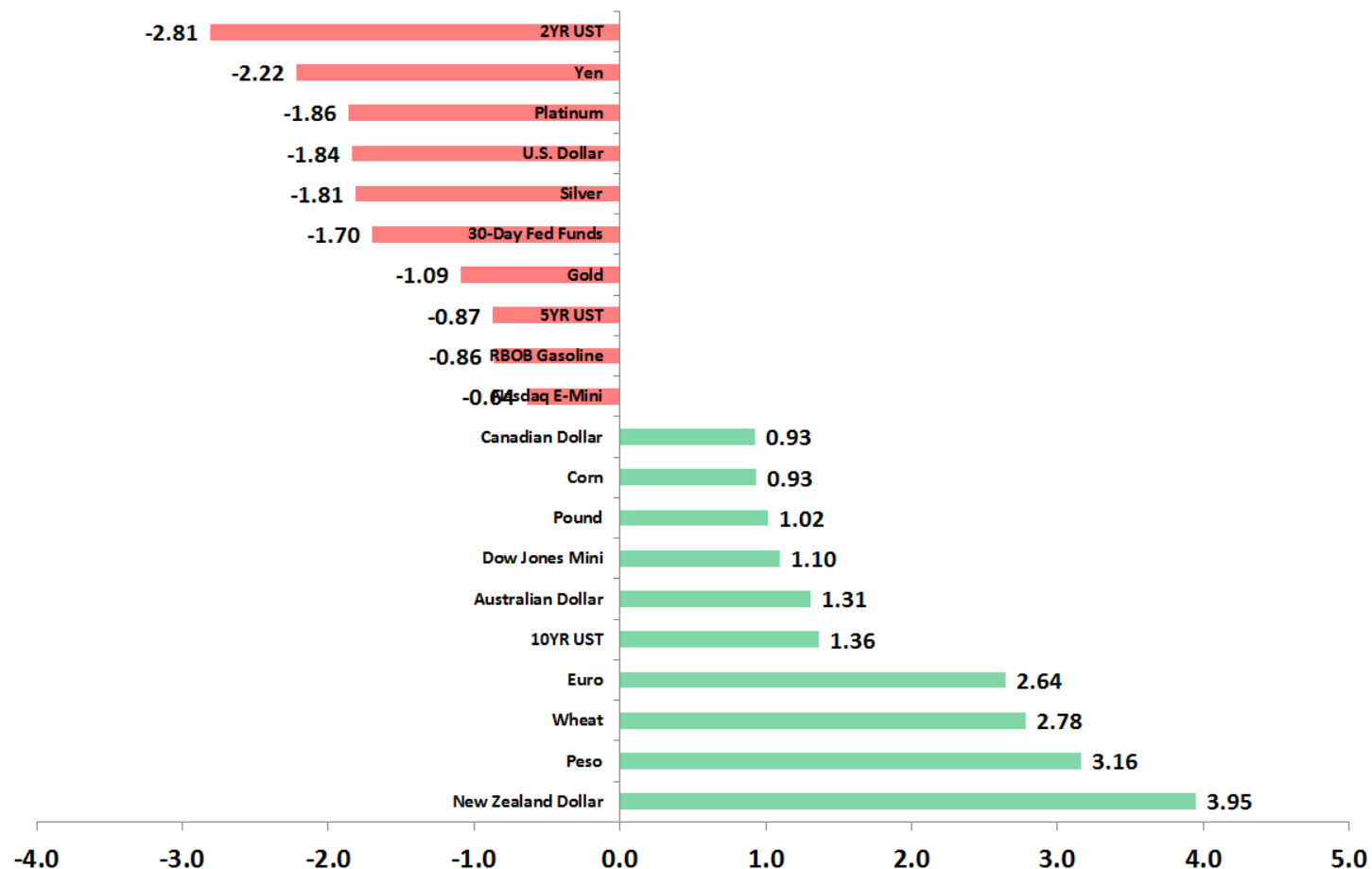
*Implied volatility on at-the-money front month contracts

**Implied volatility of at-the-money options expiring in the given duration vs. realized volatility over the given duration

CFTC Net Futures & Options Positioning (TTM Z-Score)



CFTC Net Futures & Options Positioning (3Yr Z-Score)



DATA SOURCE: BBG, CME

3YR Z-Score

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Q2 2017 QTD S&P 500	SALES GROWTH (YY%)	EARNINGS GROWTH (YY%)	#REPORTED
S&P 500 (Aggregate)	3.7%	6.1%	143 / 500
Energy	15.2%	166.3%	4 / 34
Materials	6.4%	12.3%	8 / 25
Industrials	2.4%	-7.3%	29 / 67
Consumer Discretionary	-2.5%	4.1%	18 / 81
Consumer Staples	1.8%	4.0%	10 / 36
Healthcare	4.7%	8.8%	14 / 61
Financials	5.0%	8.9%	35 / 66
Information Technology	8.8%	9.0%	20 / 67
Telecom	-1.7%	9.5%	1 / 4
Utilities	0.0%	0.0%	0 / 28
Real Estate	1.4%	2.2%	4 / 31
Nasdaq	SALES GROWTH (YY%)	EARNINGS GROWTH (YY%)	#REPORTED
Nasdaq (Aggregate)	7.5%	10.0%	28 / 102
Industrials	9.2%	10.3%	5 / 7
Consumer Discretionary	30.8%	27.5%	3 / 29
Consumer Staples	2.1%	12.1%	1 / 5
Healthcare	1.5%	4.8%	4 / 19
Information Technology	13.5%	8.9%	13 / 40
Telecom Services	2.3%	173.0%	2 / 2

Dow Jones	SALES GROWTH (YY%)	EARNINGS GROWTH (YY%)	#REPORTED
Dow Jones (Aggregate)	2.2%	-0.4%	16 / 30
Energy	0.0%	0.0%	0 / 2
Materials	5.1%	10.5%	1 / 1
Industrials	-3.6%	-24.9%	4 / 5
Consumer Discretionary	1.5%	15.2%	2 / 4
Consumer Staples	0.0%	0.0%	0 / 3
Healthcare	6.0%	10.1%	2 / 4
Financials	2.4%	0.1%	4 / 4
Information Technology	4.4%	7.5%	3 / 6
Telecom	0.0%	0.0%	0 / 1


Russell 2000	SALES GROWTH (YY%)	EARNINGS GROWTH (YY%)	#REPORTED
Russell 2000 (Aggregate)	5.9%	10.8%	294 / 1978
Energy	20.4%	54.4%	3 / 110
Materials	7.2%	34.4%	13 / 76
Industrials	4.0%	-6.6%	37 / 276
Consumer Discretionary	9.0%	116.7%	27 / 270
Consumer Staples	-14.3%	-39.1%	8 / 57
Healthcare	14.9%	176.5%	11 / 326
Financials	10.2%	6.1%	162 / 404
Information Technology	13.5%	3.2%	19 / 290
Telecom	0.0%	0.0%	0 / 21
Utilities	-3.2%	-27.8%	2 / 41
Real Estate	5.6%	5.5%	12 / 107

Source: Bloomberg

HEDGEYE SECTOR PERFORMANCE

HEDGEYE RISK MANAGEMENT - SECTOR PERFORMANCE

SECTOR	Ticker	Price	1-Day %	MTD %	YTD %
			Chg	Chg	Chg
Consumer Discretionary	XLY	\$91.46	0.70%	2.04%	12.36%
Financial Select Sector	XLF	\$25.22	1.24%	2.23%	8.47%
Health Care Select Sector	XLV	\$80.38	-0.72%	1.44%	16.59%
Technology Select Sector	XLK	\$57.50	-0.19%	5.08%	18.90%
Consumer Staples Select Sector	XLP	\$55.28	0.69%	0.62%	6.90%
Industrial Select Sector	XLI	\$68.54	-0.13%	0.63%	10.16%
Materials Select Sector	XLB	\$55.80	1.07%	3.70%	12.27%
The Energy Select Sector	XLE	\$65.81	1.26%	1.37%	-12.63%
Utilities Select Sector	XLU	\$52.49	-0.57%	1.02%	8.07%
S&P 500	SPX	2,477.08	0.29%	2.21%	10.64%



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HEDGEYE SECTOR RELATIVE PERFORMANCE

	<u>Ticker</u>	<u>Price</u>	<u>1-Day %</u> <u>Chg</u>	<u>MTD %</u> <u>Chg</u>	<u>YTD %</u> <u>Chg</u>
Consumer Discretionary	XLY	\$91.46	0.41%	-0.17%	1.72%
Financial Select Sector	XLF	\$25.22	0.95%	0.01%	-2.17%
Health Care Select Sector	XLV	\$80.38	-1.01%	-0.78%	5.95%
Technology Select Sector	XLK	\$57.50	-0.48%	2.87%	8.26%
Consumer Staples Select Sector	XLP	\$55.28	0.40%	-1.60%	-3.74%
Industrial Select Sector	XLI	\$68.54	-0.42%	-1.58%	-0.48%
Materials Select Sector	XLB	\$55.80	0.78%	1.48%	1.63%
The Energy Select Sector	XLE	\$65.81	0.97%	-0.84%	-23.27%
Utilities Select Sector	XLU	\$52.49	-0.86%	-1.19%	-2.57%

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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	0.2%	0.9%	2.3%	2.2%	4.6%	8.0%
	Low Debt/EV	0.4%	1.0%	1.2%	4.3%	9.5%	14.3%
SI	High Short Interest	0.8%	1.1%	1.8%	-1.6%	-3.1%	-0.2%
	Low Short Interest	0.3%	0.7%	2.1%	4.9%	10.9%	14.3%
BETA	High Beta	0.8%	1.8%	5.4%	4.3%	6.4%	12.2%
	Low Beta	0.2%	0.7%	-0.4%	1.4%	7.3%	8.7%
YIELD	High Yield	0.3%	0.6%	0.0%	-0.8%	-0.2%	0.9%
	Low Yield	0.3%	1.2%	2.5%	5.4%	10.0%	15.8%
MKT CAP	MCAP Bottom 25%	0.7%	1.2%	2.6%	-0.4%	-0.6%	3.0%
	MCAP Top 25%	0.3%	0.6%	1.8%	4.6%	9.6%	13.1%
Sales	Top 25% Sales Growth	0.6%	1.4%	2.8%	5.0%	8.3%	14.0%
	Bottom 25% Sales Growth	0.6%	1.2%	1.5%	-0.2%	0.6%	3.0%
EPS	Top 25% EPS Growth	0.7%	1.4%	2.9%	5.0%	8.1%	14.1%
	Bottom 25% EPS Growth	0.5%	1.2%	1.2%	-0.3%	1.4%	2.7%

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

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HEDGEYE RATES & SPREADS

		1D	5D	1M	3M	vs. 52-Wk, Bps		vs.	vs.
	Price	Bps Chg	Bps Chg	Bps Chg	Bps Chg	High	Low	3Y Ave	5Y Ave
3M T-Bill	1.15%	-1.5	10.2	20	34	-4	99	89	97
3M LIBOR	1.31%	0.0	0.7	2	14	0	58	71	84
2Y T-Note	1.39%	2.9	3.8	5	12	-4	75	57	77
5Y T-Note	1.89%	6.5	7.4	13	3	-26	87	34	49
10Y T-Note	2.33%	7.5	7.1	19	0	-31	88	23	15
30Y T-Note	2.91%	7.8	6.6	20	-8	-30	74	10	-11
2Y-10Y Spread, Bps	94	4.2	2.9	13.8	-12	-27	13	-35	-62
IG SPREAD (AAABBB)	1.36%	0.0	-1.0	-8	-18	-39	0	-35	-33
HIGH YIELD	5.60%	0.0	-3.9	0	-3	-115	19	-107	-83
5Y BREAK EVEN	1.69%	3.5	3.0	7.7	-15.4	-38.6	43.9	15.7	-2.4

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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)	89,504	11,942	60,773	74,734	64,800	0.32X	0.94X
Russell 2000 (mini)	(30,033)	7,400	(32,024)	(16,679)	5,820	-0.81X	-0.21X
10Y Treasury	217,543	(6,010)	254,433	29,662	(8,559)	1.00X	1.70X
CRUDE OIL	443,253	37,318	405,317	461,582	427,423	0.20X	1.14X
GOLD	28,820	1,720	102,944	97,847	131,482	-1.38X	-0.92X
COPPER	15,071	3,217	13,240	24,196	20,313	-0.22X	0.85X
\$USD	2,010	(293)	22,265	34,117	35,163	-1.93X	-1.98X
JPY	(131,370)	(17,296)	(61,076)	(57,700)	(23,052)	-1.97X	-1.77X
EUR	93,799	8,466	52,692	9,949	(44,859)	2.03X	2.77X
GBP	(17,622)	4,624	(40,194)	(62,557)	(70,093)	2.10X	0.66X

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MARKET SHARE VOLUME & TOTAL VALUE TRADED

<u>INDEX/SECURITY</u>	VOLUME: (7/25) vs.			
	<u>Prior Day</u>	<u>1M Ave</u>	<u>3M ave</u>	<u>1Y Ave</u>
Total Market Volume*	2%	-3.7%	-9%	2%
Total Exchange Volume**	25%	15%	4%	3%

*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

July 26, 2017

THE MACRO SHOW

HEDGEYE
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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	-0.87	-0.60	-0.89	-0.85	-0.77	0.95	-0.76	45%	55%
BRENT Oil	-0.72	-0.79	0.62	0.71	0.68	0.81	-0.79	59%	41%
CRB Index	0.69	-0.24	-0.83	0.71	-0.69	0.83	-0.90	36%	64%
GOLD	-0.94	0.10	0.29	-0.13	-0.59	0.55	-0.97	21%	79%

**Days = Trading Days*

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