

THE
MACRO
SHOW

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1

VIX



2

GERMANY



3

UST 2YR



1 VIX

It's hard to believe that PMs can be forced to chase the "upside" in fear of missing a move at the beginning of every month (for the past 4 months) but believe it. Front month VIX = 20.47 with immediate-term upside to 34-36 and implied volatility has been smashed to the lows we saw in early DEC (-40% DISCOUNT to 30-day realized); sell SPY, XLI, XRT.

The background of the slide features a blue-tinted photograph of the Reichstag dome in Berlin, with the German flag visible on the left. The image is used as a backdrop for the text.

2

GERMANY

Bear market bounces are the biggest short-term rallies you'll find. In the face of rancid rate of change economic data (German Retail Sales #slowing to +1.1% y/y and Industrial Production #slowing to -4.7% y/y), the DAX is +1.1% this morning and signaling immediate-term TRADE #overbought within its *Bearish @Hedgeye TREND.*

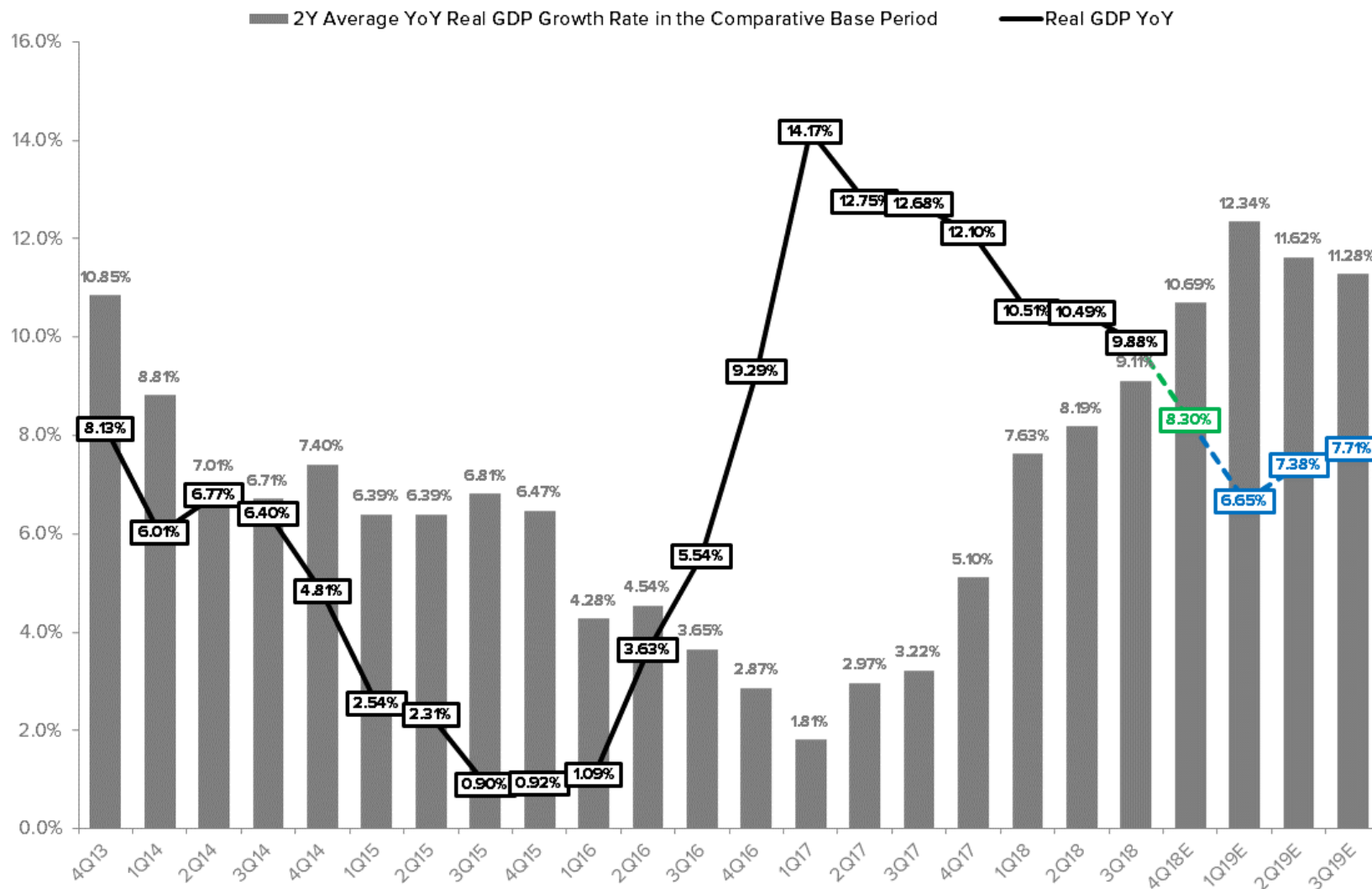
3 UST 2YR

Finally a real bounce in bond yields that Treasury Bulls (we're still in the minority) can buy into. The UST 2YR = 2.59% with the top-end of the risk range = 2.63%; this position (new for us since mid OCT) carries well and the low-end of the range is currently 2.39%; we'd short a lot of Junk (JNK) Credit against that here.

MACRO GRIND

Old China

(Probability of Mean Reversion Using the Hedgeye Macro Comparative Base Effect Methodology = 73%; T10Y)



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

2 Year U.S. Treasury Yield



Volatility Index, CBOE Crude Oil Index



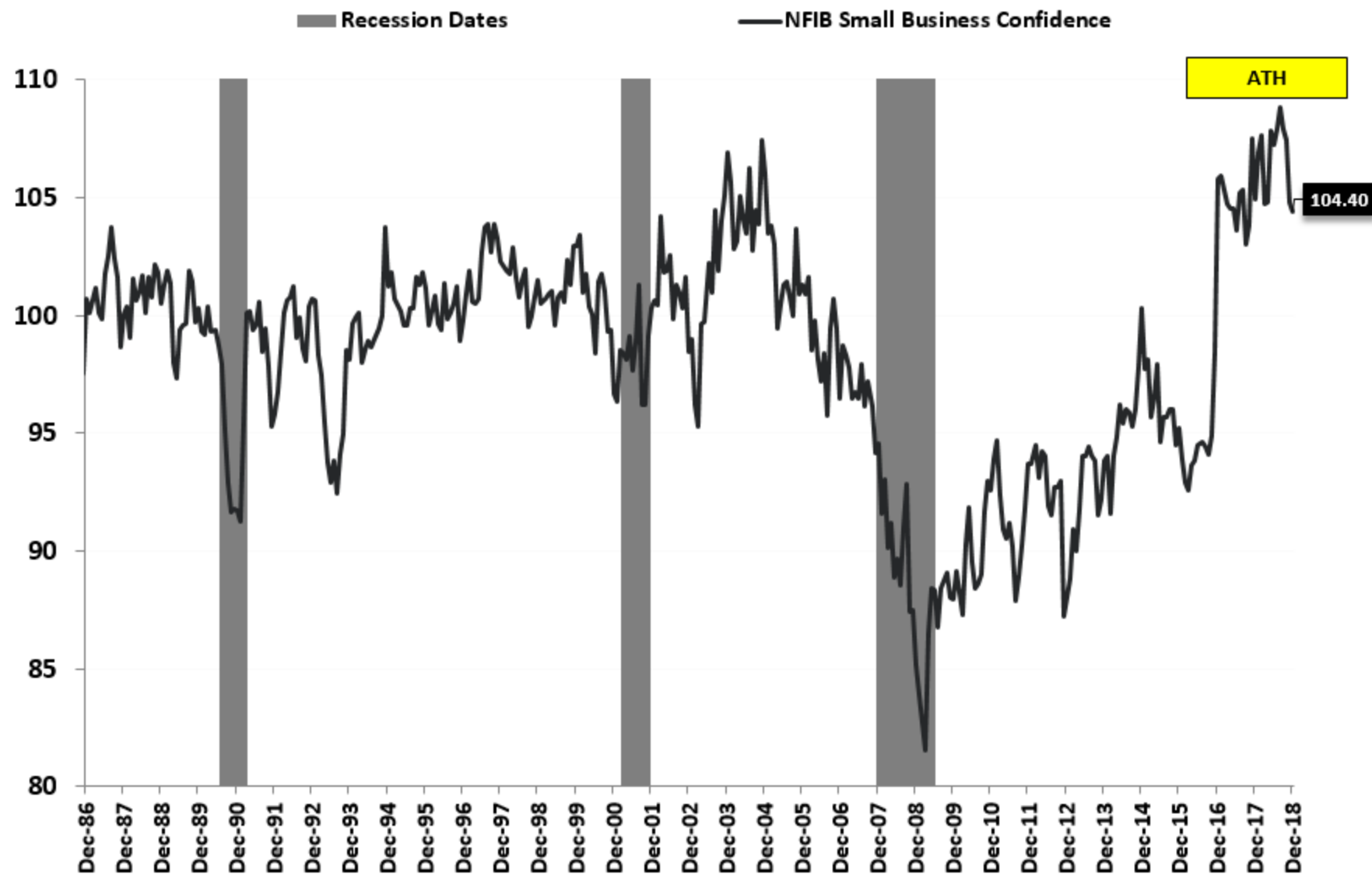
Reuters/Jefferies CRB Index



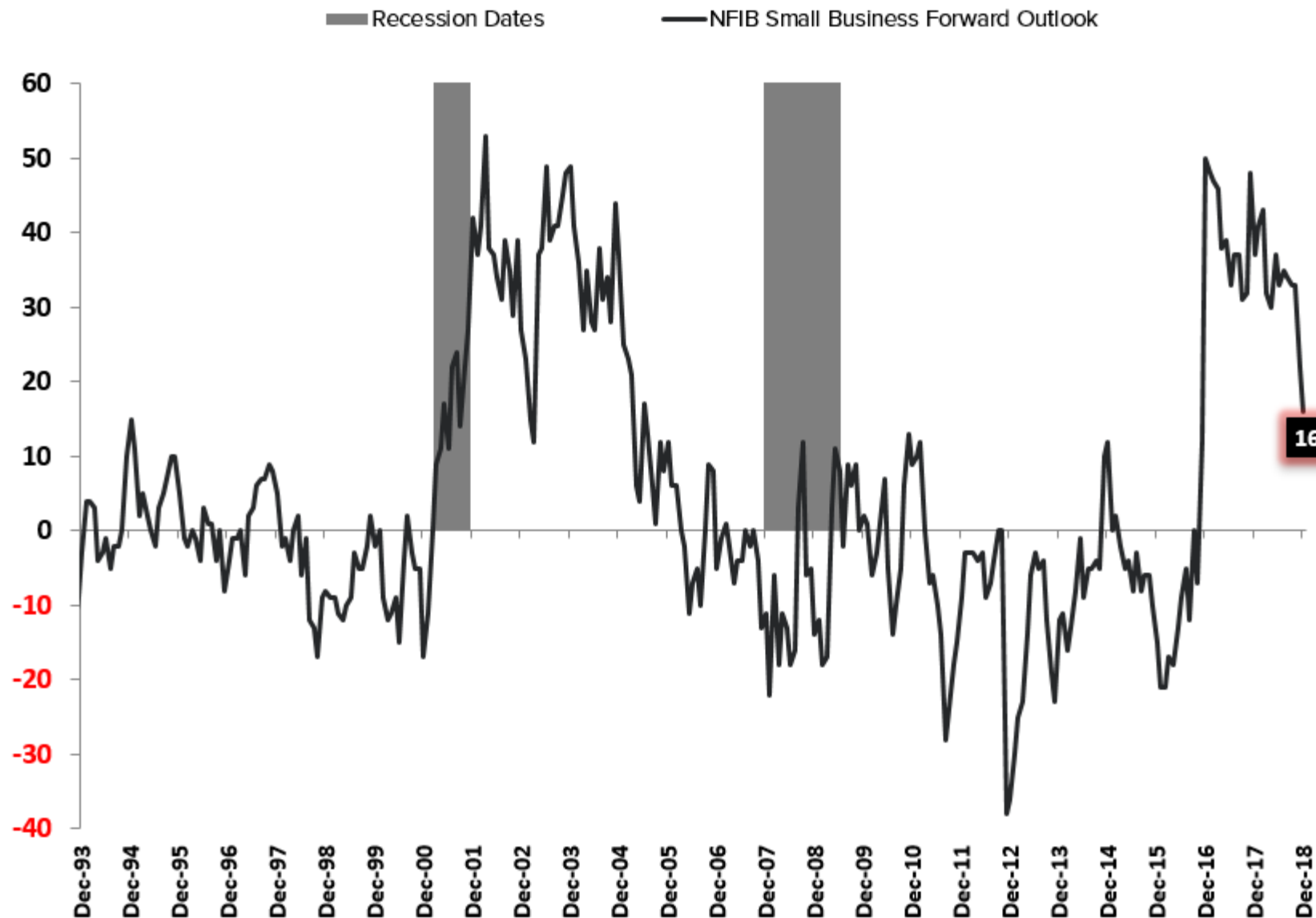
German DAX Composite



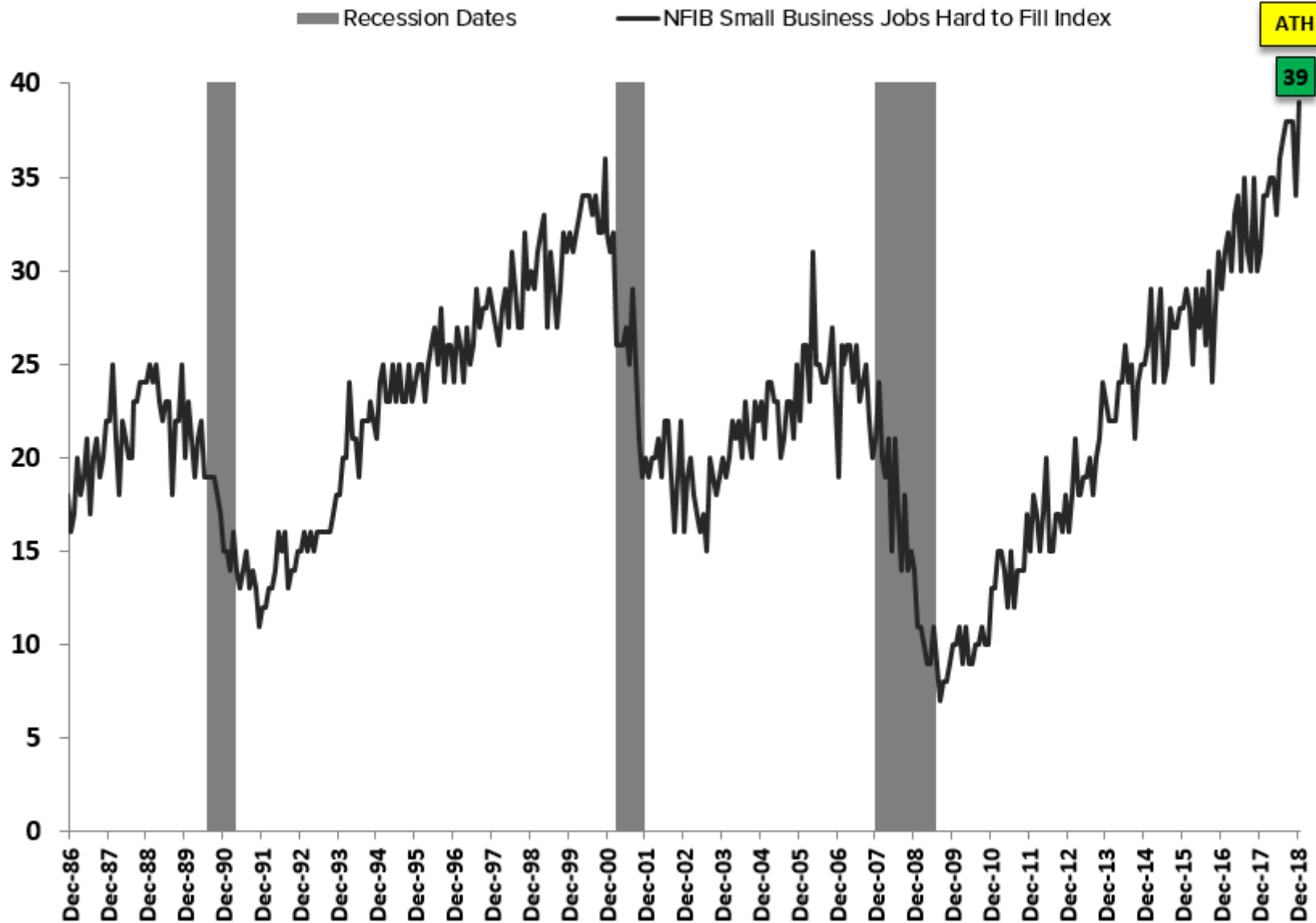
NFIB Small Business Optimism



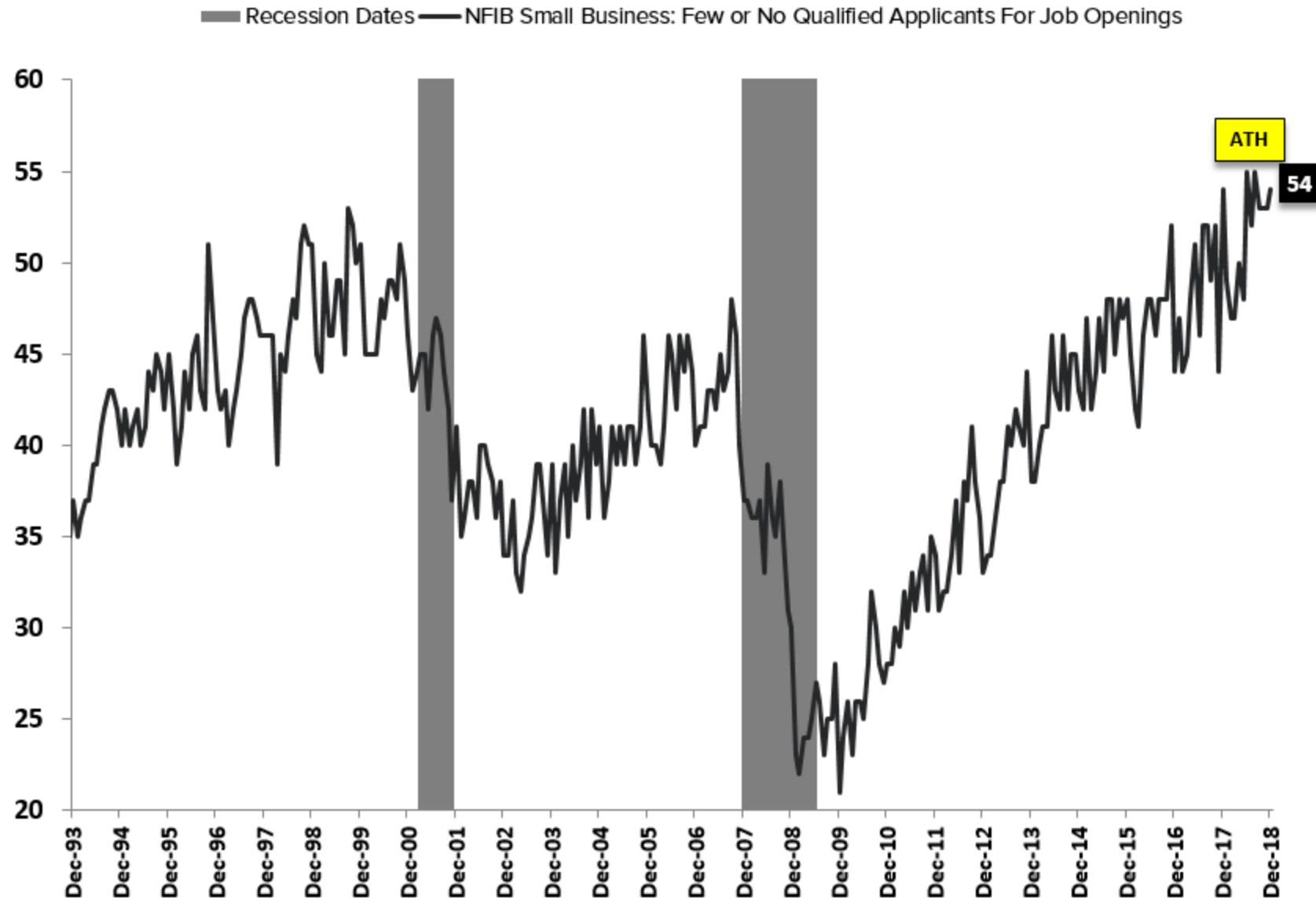
Small Business: Forward Outlook



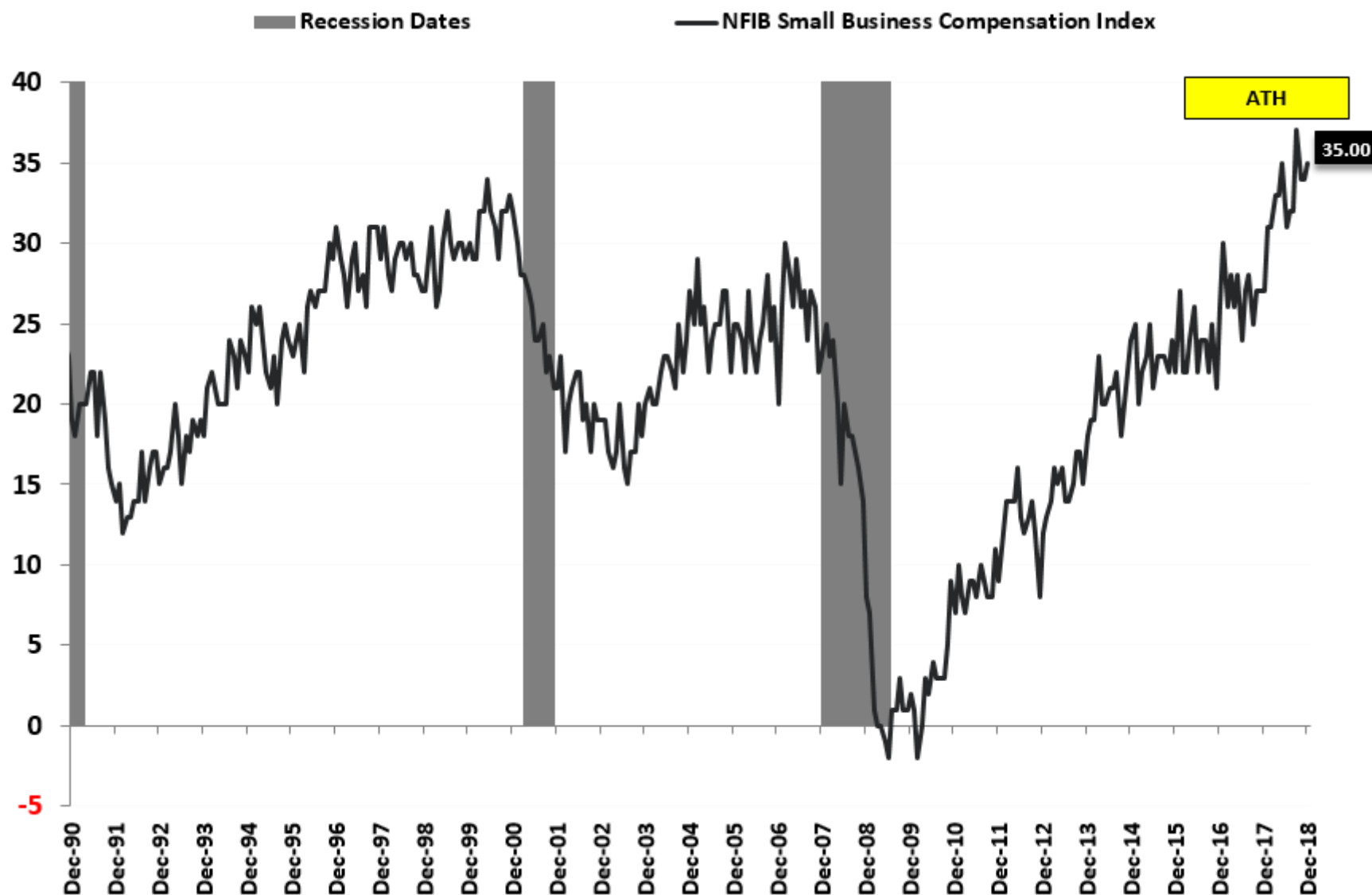
Small Business: Jobs Hard To Fill Index



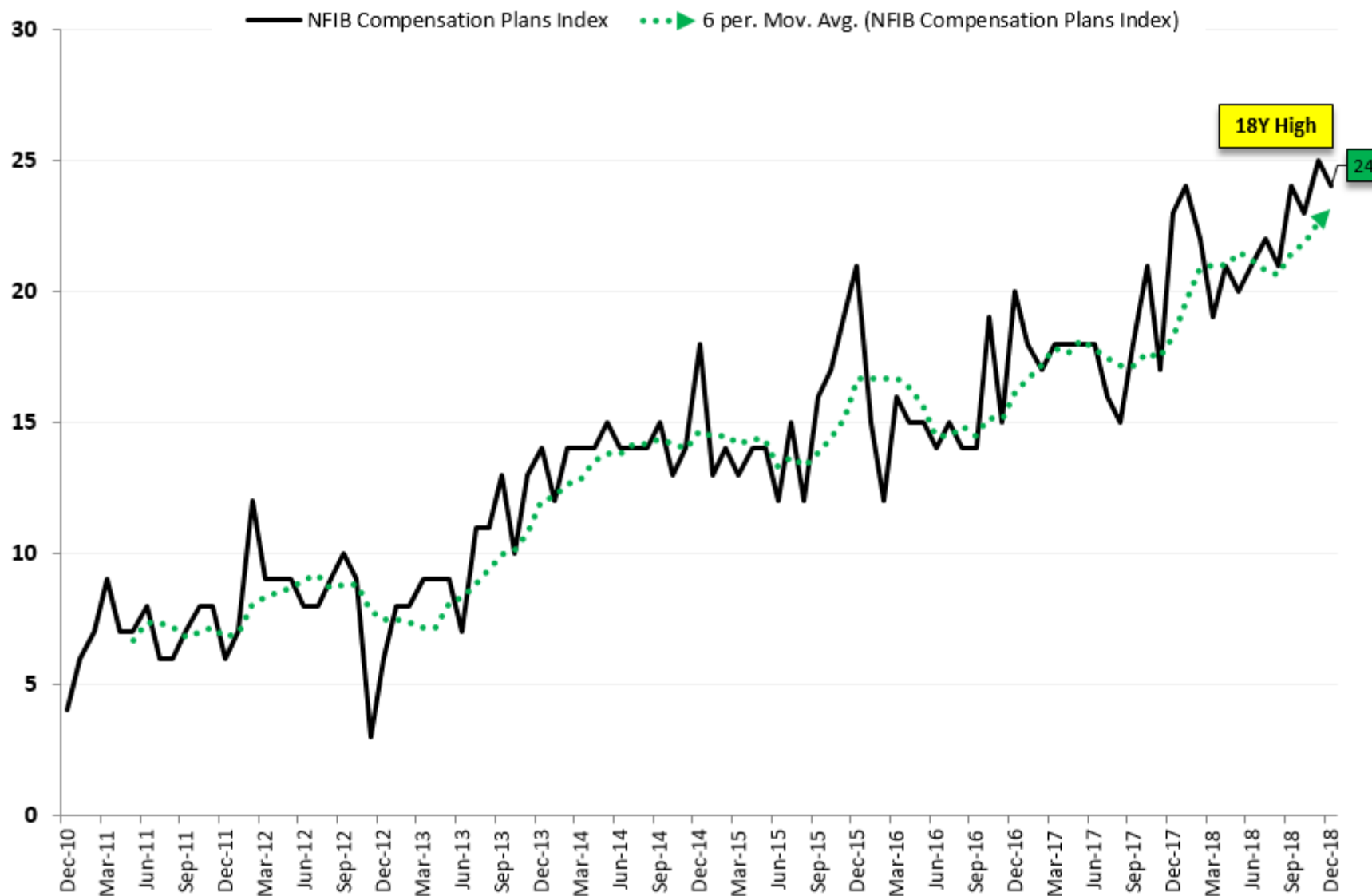
Small Business: Qualified Applicants Index



NFIB: Compensation



NFIB Small Business: Compensation Plans Index



U.S. CONSUMER & BUSINESS CONFIDENCE

HEDGEYE TV

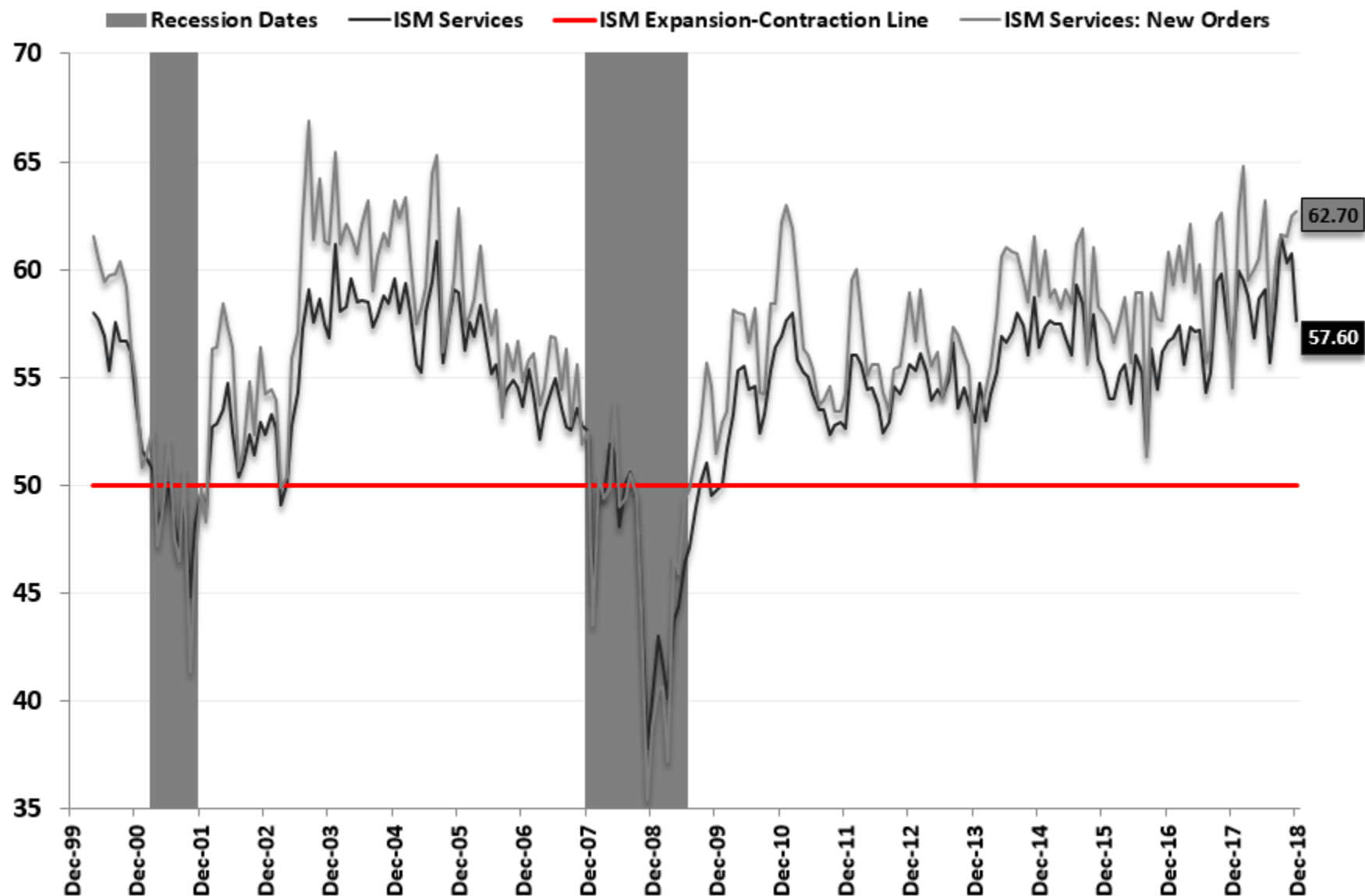
The Macro Show
January 9, 2019

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	M/M Chg	3M Ave.	6M Ave.	12M Ave.
CONFERENCE BOARD CONSUMER CONFIDENCE	124.3	130.0	127.0	125.6	128.8	127.1	127.9	134.7	135.3	137.9	136.4	128.1	-8.30	134.1	133.4	130.3
Expectations	104.0	109.2	106.2	104.3	107.2	104.0	102.4	109.3	112.5	115.1	112.3	99.1	-13.20	108.8	108.5	107.1
Present Situation	154.7	161.2	158.1	157.5	161.2	161.7	166.1	172.8	169.4	171.9	172.7	171.6	-1.10	172.1	170.8	164.9
Business Conditions = Good	35.0	36.5	37.6	34.8	38.6	37.2	38.1	40.5	39.9	41.0	42.0	37.2	-4.80	40.1	39.8	38.2
Business Conditions = Bad	13.0	11.3	13.3	12.3	12.6	11.5	10.3	9.3	9.6	9.4	10.7	11.3	0.60	10.5	10.1	11.2
Jobs Plentiful (Present Conditions)	37.2	39.1	39.5	38.2	42.1	40.4	42.8	42.3	44.1	45.4	46.8	46.2	-0.60	46.1	44.6	42.0
Jobs Not-So-Plentiful (Present Conditions)	46.5	45.8	44.8	46.3	42.3	44.5	42.4	45.6	41.8	41.2	40.6	42.2	1.60	41.3	42.3	43.7
Jobs Harder to Get (Present Conditions)	16.3	15.1	15.7	15.5	15.6	15.1	14.8	12.1	14.1	13.4	12.6	11.6	-1.00	12.5	13.1	14.3
Fewer Jobs (6 Mo. Expectations)	12.5	12.4	12.5	13.2	13.1	13.1	15.2	13.2	11.4	10.6	11.2	14.4	3.20	12.1	12.7	12.7
More Jobs (6 Mo. Expectations)	18.7	22.4	18.9	18.6	19.7	20.0	22.6	21.5	22.1	22.3	22.7	16.6	-6.10	20.5	21.3	20.5
UNIV. OF MICHIGAN CONSUMER CONFIDENCE	95.7	99.7	101.4	98.8	98.0	98.2	97.9	96.2	100.1	98.6	97.5	98.3	0.80	98.1	98.1	98.4
Current Conditions	110.5	114.9	121.2	114.9	111.8	116.5	114.4	110.3	115.2	113.1	112.3	116.1	3.80	113.8	113.6	114.3
Expectations	86.3	90.0	88.8	88.4	89.1	86.3	87.3	87.1	90.5	89.3	88.1	87.0	-1.10	88.1	88.2	88.2
Inflation Rate - 1Y Ahead	2.7	2.7	2.8	2.7	2.8	3.0	2.9	3.0	2.7	2.9	2.8	2.7	-0.10	2.8	2.8	2.8
Inflation Rate - 5Y Ahead	2.5	2.5	2.5	2.5	2.5	2.6	2.4	2.6	2.5	2.4	2.6	2.5	-0.10	2.5	2.5	2.5
BLOOMBERG CONSUMER COMFORT	53.9	56.1	56.8	57.5	55.2	56.4	58.4	58.8	60.0	60.2	60.9	59.5	-1.43	60.2	59.6	57.8
National Economy	56.4	60.1	59.1	57.7	56.4	57.2	59.9	61.9	64.0	65.1	66.7	62.3	-4.39	64.7	63.3	60.5
Personal Finance	59.9	60.6	63.1	64.8	62.6	63.1	64.9	64.3	63.7	63.9	66.5	64.2	-2.32	64.8	64.6	63.5
Buying Climate	45.5	47.6	48.1	49.9	46.6	48.8	50.4	50.1	52.3	51.7	49.7	52.1	2.47	51.1	51.0	49.4
Expectations	52.5	54.5	56.0	52.5	54.5	56.0	53.5	57.0	57.5	58.5	56.0	50.0	-6.00	54.8	55.4	54.9
Age: 18-34 YOA	49.5	52.3	56.5	55.8	53.4	56.3	57.7	58.0	55.2	56.5	61.5	57.0	-4.54	58.3	57.6	55.8
Age: 35-44 YOA	51.0	58.7	57.4	58.2	54.0	55.8	60.3	59.7	62.8	63.3	63.7	58.9	-4.78	62.0	61.5	58.7
Age: 45-54 YOA	55.3	57.1	57.7	58.7	57.1	56.8	62.2	59.3	63.9	56.7	55.6	63.1	7.49	58.5	60.1	58.6
Age: 55-64 YOA	50.7	53.1	52.6	57.9	53.4	53.6	54.9	57.6	60.2	60.9	60.4	54.2	-6.16	58.5	58.0	55.8
Age: 65+ YOA	62.8	60.6	59.8	58.5	58.9	58.2	57.4	59.4	60.9	63.6	62.2	64.1	1.92	63.3	61.3	60.5
Income: 15-25K	34.9	34.6	36.4	38.2	37.5	38.3	41.2	33.1	35.4	47.2	48.4	39.0	-9.37	44.8	40.7	38.7
Income: 25-40K	43.9	45.6	46.5	44.6	44.3	48.2	47.5	46.5	46.1	50.8	53.5	51.9	-1.58	52.1	49.4	47.5
Income: 40-50K	53.5	55.1	58.9	56.0	52.3	49.0	54.7	54.6	51.1	57.3	66.8	63.9	-2.90	62.7	58.1	56.1
Income: 50-75K	55.9	60.3	67.3	64.7	64.6	61.1	66.9	69.8	68.5	65.2	67.0	70.1	3.10	67.4	67.9	65.1
Income: 75-100K	63.3	69.4	70.4	70.4	71.5	69.2	70.0	75.9	77.2	71.0	66.9	70.4	3.57	69.4	71.9	70.5
Income: 100K+	79.8	82.8	79.9	79.1	75.7	80.1	79.8	80.6	80.0	82.4	82.6	77.6	-4.93	80.8	80.5	80.0
NFIB SMALL BUSINESS OPTIMISM	106.9	107.6	104.7	104.8	107.8	107.2	107.9	108.8	107.9	107.4	104.8	104.4	-0.40	105.5	106.9	106.7
Hiring Plans	20.0	18.0	20.0	16.0	18.0	20.0	23.0	26.0	23.0	22.0	22.0	23.0	1.00	22.3	23.2	20.9
Outlook for General Business Conditions	41.0	43.0	32.0	30.0	37.0	33.0	35.0	34.0	33.0	33.0	22.0	16.0	-6.00	23.7	28.8	32.4
Sales Expectations	25.0	28.0	20.0	21.0	31.0	26.0	29.0	26.0	29.0	28.0	24.0	23.0	-1.00	25.0	26.5	25.8
Openings Hard to Fill	34.0	34.0	35.0	35.0	33.0	36.0	37.0	38.0	38.0	38.0	34.0	39.0	5.00	37.0	37.3	35.9
Compensation	31.0	31.0	33.0	33.0	35.0	31.0	32.0	32.0	37.0	34.0	34.0	35.0	1.00	34.3	34.0	33.2
Compensation Plans	24.0	22.0	19.0	21.0	20.0	21.0	22.0	21.0	24.0	23.0	25.0	24.0	-1.00	24.0	23.2	22.2
Higher Prices	11.0	13.0	16.0	14.0	19.0	14.0	16.0	17.0	15.0	16.0	16.0	17.0	1.00	16.3	16.2	15.3
Capital Expenditure Plans	29.0	29.0	26.0	29.0	30.0	29.0	30.0	33.0	30.0	30.0	29.0	25.0	-4.00	28.0	29.5	29.1
Credit Conditions - Availability of Loans	(3.0)	(3.0)	(4.0)	(5.0)	(5.0)	(2.0)	(4.0)	(5.0)	(3.0)	(4.0)	(5.0)	(5.0)	0.00	-4.7	-4.3	-4.0
Expected Credit Conditions	(4.0)	(3.0)	(6.0)	(6.0)	(5.0)	(4.0)	(4.0)	(6.0)	(5.0)	(5.0)	(5.0)	(6.0)	-1.00	-5.3	-5.2	-4.9

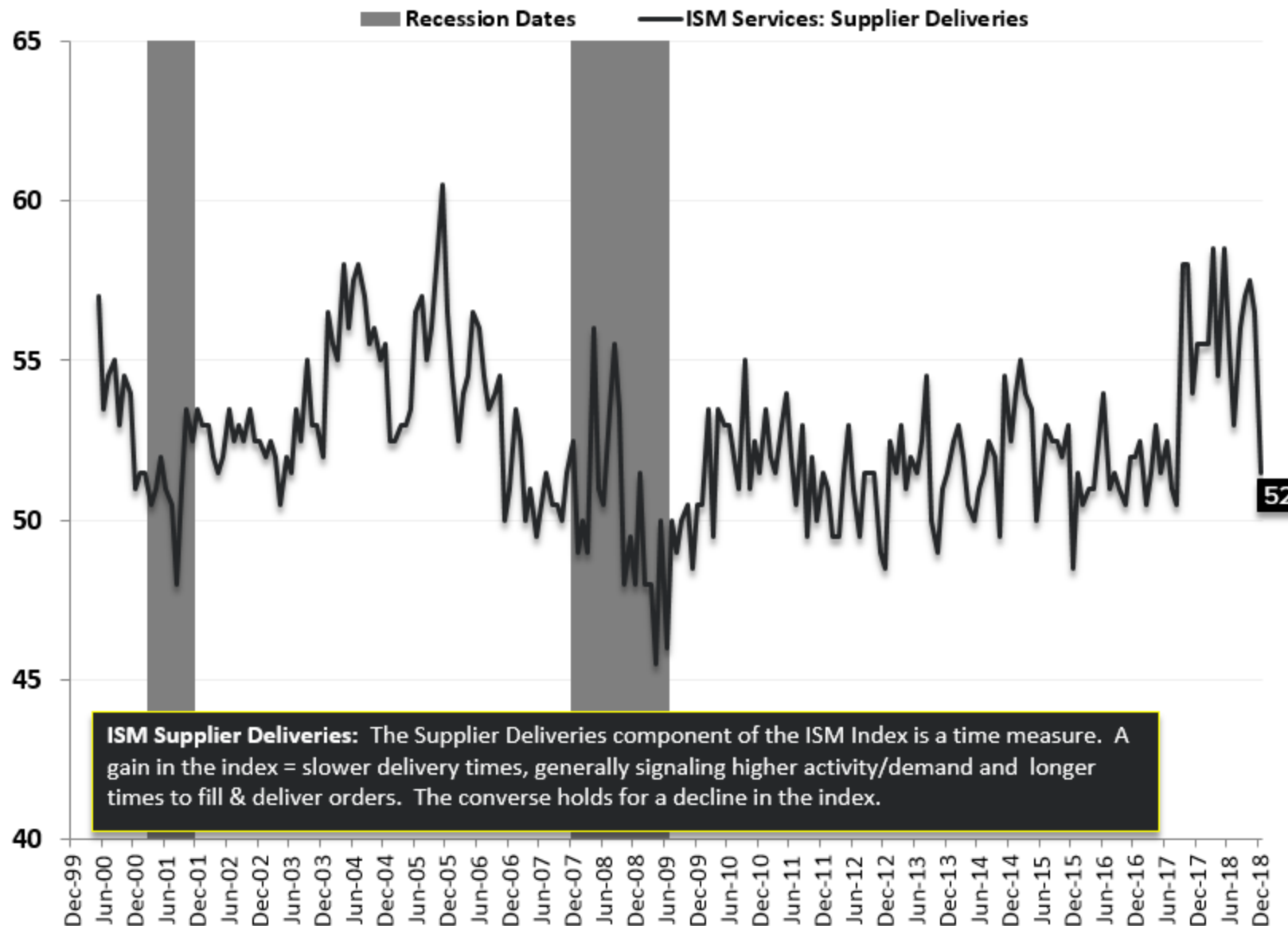
Source: Bloomberg, NFIB, Conference Board, HRM

HEDGEYE

ISM Services



ISM: Supplier Deliveries



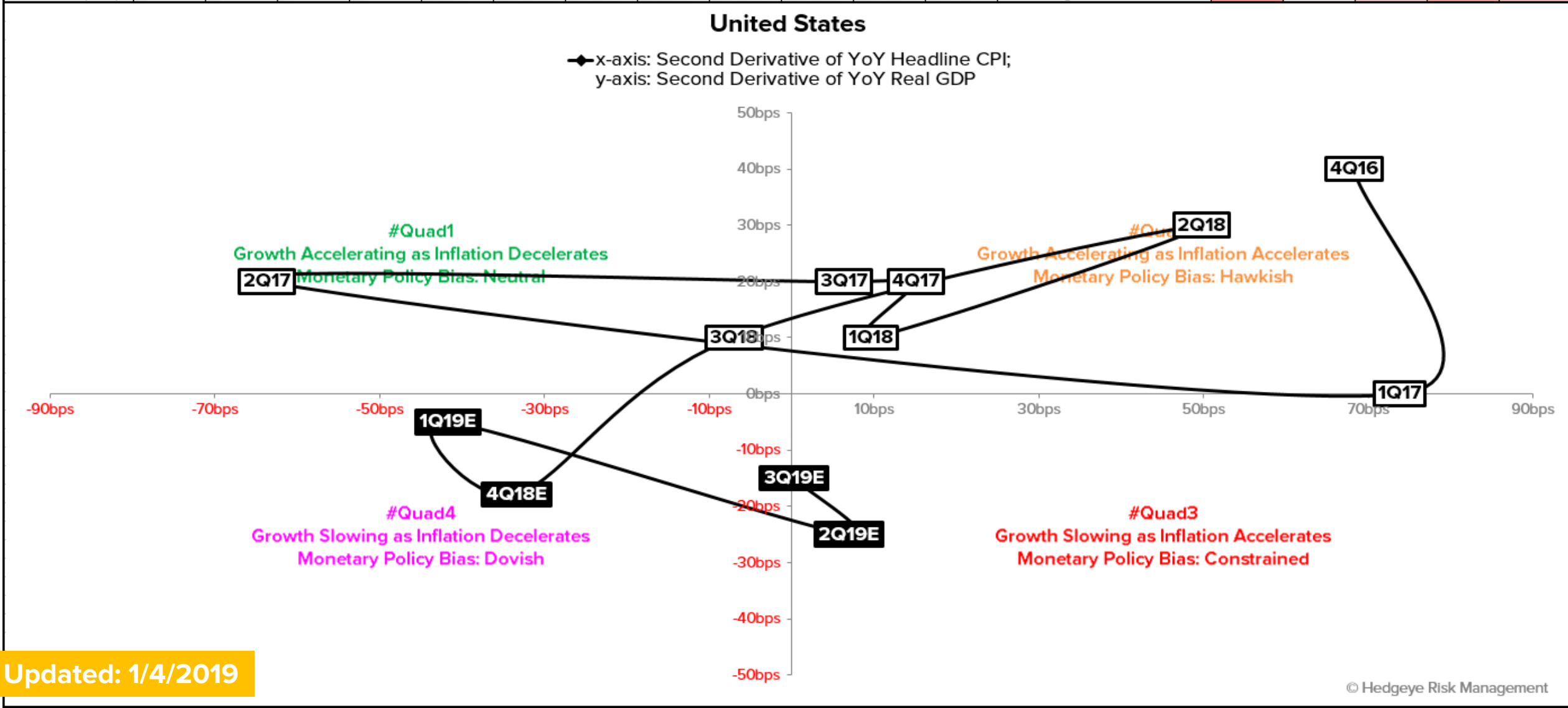
ISM NON- MANUFACTURING

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	M/M Chg
ISM Non-Manufacturing Index	56.0	59.9	59.5	58.8	56.8	58.6	59.1	55.7	58.5	61.6	60.3	60.7	57.6	-3.10
Business Activity	57.8	59.8	62.8	60.6	59.1	61.3	63.9	56.5	60.7	65.2	62.5	65.2	59.9	-5.30
New Orders	54.5	62.7	64.8	59.5	60.0	60.5	63.2	57.0	60.4	61.6	61.5	62.5	62.7	0.20
Business Employment	56.3	61.6	55.0	56.6	53.6	54.1	53.6	56.1	56.7	62.4	59.7	58.4	56.3	-2.10
Supplier Deliveries	55.5	55.5	55.5	58.5	54.5	58.5	55.5	53.0	56.0	57.0	57.5	56.5	51.5	-5.00
Business Inventories	53.5	49.0	53.5	53.5	57.0	57.5	53.5	53.5	54.5	56.0	57.5	57.5	51.5	-6.00
Business Backlog	50.0	50.5	56.0	56.5	52.0	60.5	56.5	51.5	56.5	58.5	53.5	55.5	50.5	-5.00
Export Orders	56.5	58.0	59.5	58.0	61.5	57.5	60.5	58.0	60.5	61.0	57.5	59.5	59.5	2.00
Imports	52.5	54.0	50.0	55.0	54.5	54.0	51.5	52.5	52.0	55.0	51.0	54.5	53.5	-1.00
Inventory Sentiment	62.5	61.0	61.0	58.5	60.0	61.0	57.5	58.0	59.5	59.5	62.0	60.0	59.0	-1.00
Prices	59.9	61.9	61.0	61.5	61.8	64.3	60.7	63.4	62.8	64.2	61.7	64.3	57.6	-6.70

INDEX & COMPONENT DETAIL

ISM NON-MANUFACTURING INDEX	56.0	59.9	59.5	58.8	56.8	58.6	59.1	55.7	58.5	61.6	60.3	60.7	57.6	
M/M Chg	-1.3	3.9	-0.4	-0.7	-2.0	1.8	0.5	-3.4	2.8	3.1	-1.3	0.4	-3.1	
Y/Y Chg	-0.7	3.1	2.1	3.2	-0.5	1.5	1.9	1.4	3.3	2.2	0.5	3.4	1.6	
3M Ave	57.7	57.7	58.5	59.4	58.4	58.1	58.2	57.8	57.8	58.6	60.1	60.9	59.5	
6M Ave	57.0	57.9	58.7	58.6	58.1	58.3	58.8	58.1	57.9	58.4	59.0	59.3	59.1	
TTM Ave.	56.9	57.2	57.4	57.5	57.6	57.7	57.8	57.7	58.0	58.5	58.6	58.7	58.7	
Business Activity	57.8	59.8	62.8	60.6	59.1	61.3	63.9	56.5	60.7	65.2	62.5	65.2	59.9	
M/M Chg	-3.3	2.0	3.0	-2.2	-1.5	2.2	2.6	-7.4	4.2	4.5	-2.7	2.7	-5.3	
Y/Y Chg	-3.6	-0.9	-0.1	1.4	-2.8	0.7	3.2	0.0	2.8	4.3	1.0	4.1	2.1	
3M Ave	60.1	59.6	60.1	61.1	60.8	60.3	61.4	60.6	60.4	60.8	62.8	64.3	62.5	
TTM Ave.	60.2	60.1	60.3	60.1	60.1	60.0	60.3	60.0	60.3	60.9	61.0	61.3	61.2	
New Orders	54.5	62.7	64.8	59.5	60.0	60.5	63.2	57.0	60.4	61.6	61.5	62.5	62.7	
M/M Chg	-4.3	8.2	2.1	-5.3	0.5	0.5	2.7	-6.2	3.4	1.2	-0.1	1.0	0.2	
Y/Y Chg	-6.3	3.4	3.7	0.1	-2.1	1.6	3.0	1.3	4.1	-0.6	-1.1	3.7	8.2	
3M Ave	58.6	58.7	60.7	62.3	61.4	60.0	61.2	60.2	60.2	59.7	61.2	61.9	62.2	
TTM Ave.	59.4	59.5	59.9	59.8	59.9	59.7	60.1	59.8	60.2	60.6	60.5	60.5	60.8	
Employment	56.3	61.6	55.0	56.6	53.6	54.1	53.6	56.1	56.7	62.4	59.7	58.4	56.3	
M/M Chg	0.9	5.3	-6.6	1.6	-3.0	0.5	-0.5	2.5	0.6	5.7	-2.7	-1.3	-2.1	
Y/Y Chg	3.6	7.1	0.1	4.2	1.4	-3.2	-1.9	2.0	0.6	6.0	2.7	3.0	0.0	
3M Ave	56.2	57.8	57.6	57.7	55.1	54.8	53.8	54.6	55.5	58.4	59.6	60.2	58.1	
TTM Ave.	55.0	55.7	55.7	55.8	55.9	56.1	55.8	55.8	56.0	56.5	56.8	56.9	57.0	
Supplier Deliveries	55.5	55.5	55.5	58.5	54.5	58.5	55.5	53.0	56.0	57.0	57.5	56.5	51.5	
M/M Chg	1.5	0.0	0.0	3.0	-4.0	4.0	-3.0	-2.5	3.0	1.0	0.5	-1.0	-5.0	
Y/Y Chg	3.5	3.0	5.0	7.0	1.5	7.0	3.0	2.0	5.5	-1.0	-0.5	2.5	-4.0	
3M Ave	55.8	55.0	55.5	56.5	56.2	57.2	56.2	55.7	54.8	55.3	56.8	57.0	55.2	
TTM Ave.	53.1	53.4	53.6	54.2	54.5	54.9	55.2	55.2	55.6	56.1	56.1	56.0	55.8	
Business Inventories	53.5	49.0	53.5	53.5	57.0	57.5	53.5	53.5	53.5	54.5	56.0	57.5	51.5	
M/M Chg	-1.0	-4.5	4.5	0.0	3.5	0.5	-4.0	0.0	0.0	1.0	1.5	1.5	-6.0	
Y/Y Chg	1.5	1.0	1.5	5.0	4.5	3.5	-4.0	-3.0	0.0	3.0	3.5	3.0	-2.0	
3M Ave	53.5	52.3	52.0	52.0	54.7	56.0	56.0	54.8	53.5	53.8	54.7	56.0	55.0	
TTM Ave.	52.8	52.6	53.0	53.1	53.8	54.2	54.1	53.8	53.6	53.7	54.0	54.4	54.2	

United States	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18		4Q18E	1Q19E	2Q19E	3Q19E	NTM
Real GDP QoQ SAAR	0.40%	1.50%	2.30%	1.90%	1.80%	1.80%	3.00%	2.80%	2.30%	2.20%	4.20%	3.40%	Hedgeye Estimates	1.56%	2.00%	3.11%	2.72%	-
Percentile (T10Y)	21%	41%	59%	46%	46%	44%	69%	64%	59%	56%	90%	82%	Bloomberg Consensus Estimates	2.60%	2.30%	2.49%	2.29%	-
Real GDP YoY	2.00%	1.60%	1.30%	1.50%	1.90%	1.90%	2.10%	2.30%	2.50%	2.60%	2.90%	3.00%	Hedgeye Estimates	2.82%	2.77%	2.52%	2.37%	2.62%
Percentile (T10Y)	51%	33%	23%	28%	54%	51%	64%	67%	72%	74%	90%	90%	Bloomberg Consensus Estimates	3.10%	3.10%	2.70%	2.40%	2.83%
Headline CPI YoY	0.47%	1.08%	1.05%	1.12%	1.80%	2.54%	1.90%	1.97%	2.12%	2.21%	2.71%	2.64%	Hedgeye Estimates	2.31%	1.89%	1.96%	1.96%	2.03%
Percentile (T10Y)	15%	18%	18%	23%	59%	77%	67%	69%	74%	79%	87%	87%	Bloomberg Consensus Estimates	2.27%	2.07%	2.15%	2.25%	2.19%



Our Risk Management Overlay is Rules-Based

#QUAD1

- Maximum gross exposure, tight net exposure. Growth investing bias.
- **Asset Class Overweight(s):** Equities and Credit
- **Asset Class Underweight(s):** Fixed Income
- **Equity Sector Overweight(s):** Tech, Consumer Discretionary and Industrials
- **Equity Sector Underweight(s):** Utilities, Consumer Staples and Energy
- **Equity Style Factor Overweight(s):** Momentum, Growth and High Beta
- **Equity Style Factor Underweight(s):** Low Beta/Minimum Vol., High Dividend Yield and Value
- **Fixed Income Overweight(s):** Convertibles, HY Credit, HY Munis and Leveraged Loans
- **Fixed Income Underweight(s):** Short Duration Treasuries, TIPS and MBS

#QUAD2

- Maximum gross exposure, wide net exposure. Inflation-hedging bias.
- **Asset Class Overweight(s):** Equities and Credit
- **Asset Class Underweight(s):** Fixed Income
- **Equity Sector Overweight(s):** Tech, Industrials and Consumer Discretionary
- **Equity Sector Underweight(s):** Utilities, REITS and Consumer Staples
- **Equity Style Factor Overweight(s):** Momentum, Growth and High Beta
- **Equity Style Factor Underweight(s):** Low Beta/Minimum Vol., High Dividend Yield and Value
- **Fixed Income Overweight(s):** Convertibles, Leveraged Loans, TIPS, HY Credit and IG Credit
- **Fixed Income Underweight(s):** Long Duration Treasuries and Munis

#QUAD3

- Low gross exposures, tight net exposure. Defensive, yield-chasing bias.
- **Asset Class Overweight(s):** Fixed Income
- **Asset Class Underweight(s):** Equities and Credit
- **Equity Sector Overweight(s):** Utilities, REITS and Energy
- **Equity Sector Underweight(s):** Financials, Materials and Consumer Staples
- **Equity Style Factor Overweight(s):** Low Beta/Minimum Vol., Growth and Quality
- **Equity Style Factor Underweight(s):** Value, High Dividend Yield and Small Caps
- **Fixed Income Overweight(s):** Long Duration Treasuries, Taxable Munis and TIPS
- **Fixed Income Underweight(s):** HY Credit, Leveraged Loans, IG Credit and Convertibles

#QUAD4

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

Hedgeye Macro GIP Model Signals

1/4/2019	Hedgeye Macro GIP Model Signals													High-Frequency Economic Data Signals											
	Actuals									Hedgeye Forecasts				Consumption		Manufacturing		Exports		Composite PMI		Headline CPI		Core CPI	
	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18E	1Q19E	2Q19E	3Q19E	6MMA Trend	Percentile of Latest Reading (T10Y)	6MMA Trend	Percentile of Latest Reading (T10Y)	6MMA Trend	Percentile of Latest Reading (T10Y)	6MMA Trend	Percentile of Latest Reading (T10Y)	6MMA Trend	Percentile of Latest Reading (T10Y)	6MMA Trend	Percentile of Latest Reading (T10Y)
Argentina	-	-	-	-	-	-	3	3	2	3	4	1	4	⬇️	22%	-	-	⬆️	79%	-	-	⬆️	100%	-	-
Australia	3	2	3	4	1	3	2	2	4	4	4	-	3	⬆️	50%	⬇️	64%	⬆️	82%	⬇️	64%	➡️	30%	⬇️	7%
Brazil	1	1	1	1	1	2	4	3	2	2	3	3	4	⬆️	37%	⬆️	89%	⬆️	85%	⬆️	97%	⬆️	11%	⬆️	6%
Canada	1	2	2	1	3	3	3	3	2	4	1	3	1	⬇️	11%	⬇️	37%	⬆️	76%	⬇️	37%	⬇️	60%	➡️	57%
China	1	2	1	4	3	3	3	4	3	4	3	2	1	⬇️	1%	⬇️	4%	⬇️	45%	⬇️	0%	⬆️	55%	⬇️	66%
Eurozone	2	2	2	1	1	4	4	3	3	4	1	4	1	➡️	74%	⬇️	3%	⬆️	81%	⬇️	0%	⬇️	60%	⬆️	40%
France	3	2	2	1	1	2	3	3	3	4	1	4	4	⬇️	4%	⬇️	17%	⬇️	82%	⬇️	0%	⬇️	73%	⬇️	9%
Germany	2	3	2	1	2	1	4	3	3	2	1	1	1	⬇️	40%	⬇️	6%	⬇️	76%	⬇️	0%	⬇️	63%	⬆️	78%
India	4	4	4	4	2	2	2	2	4	1	3	2	2	-	-	➡️	91%	⬇️	54%	➡️	86%	⬇️	2%	-	-
Indonesia	4	3	2	2	1	1	4	1	4	3	1	4	2	⬇️	15%	⬆️	83%	⬇️	42%	⬆️	83%	⬆️	9%	⬆️	13%
Italy	2	2	2	2	1	4	4	3	3	4	4	1	1	⬆️	82%	⬇️	3%	⬆️	80%	⬇️	6%	⬇️	50%	⬇️	7%
Japan	1	2	2	2	2	2	3	1	3	1	1	3	1	⬆️	58%	➡️	57%	⬇️	40%	⬆️	71%	⬆️	76%	⬆️	78%
Mexico	3	2	2	3	3	3	4	1	3	4	1	1	1	⬆️	50%	⬇️	3%	⬇️	38%	⬇️	3%	⬆️	73%	⬇️	63%
Russia	1	1	1	1	4	4	1	2	3	3	3	3	2	➡️	52%	⬆️	66%	⬇️	84%	⬆️	51%	⬆️	19%	⬆️	13%
South Africa	1	2	1	1	1	4	4	3	2	2	2	2	4	⬆️	44%	-	-	⬆️	29%	⬇️	26%	⬆️	43%	➡️	25%
South Korea	4	3	2	4	2	4	-	3	3	2	4	1	4	⬇️	22%	➡️	54%	⬇️	36%	➡️	54%	⬇️	30%	⬆️	10%
Spain	3	3	2	1	4	1	4	3	3	1	1	1	1	⬇️	56%	⬇️	6%	➡️	71%	⬇️	9%	⬇️	45%	⬇️	56%
Turkey	3	1	2	2	1	3	4	3	3	3	4	1	4	⬇️	0%	⬇️	3%	⬆️	69%	⬇️	3%	⬆️	97%	⬆️	97%
United Kingdom	-	2	2	2	2	3	4	1	2	4	1	4	4	⬇️	79%	➡️	49%	⬆️	42%	⬇️	6%	⬇️	40%	⬇️	86%
United States	2	2	2	1	2	2	2	2	1	4	4	3	3	⬇️	71%	⬇️	48%	⬇️	64%	⬆️	99%	⬇️	71%	⬇️	85%
MODE/MEAN	1	2	2	1	1	3	4	3	3	4	1	1	1	⬇️	40%	⬇️	38%	⬇️	63%	⬇️	37%	⬇️	51%	⬇️	42%

Data Source: Bloomberg, BIS, World Bank, IMF. Intellectual Property of Hedgeye Risk Management.

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	\$104.25	1.11%	5.29%	5.29%	5.29%
Financial Select Sector	XLF	\$24.31	0.08%	2.06%	2.06%	2.06%
Health Care Select Sector	XLV	\$86.96	0.78%	0.52%	0.52%	0.52%
Technology Select Sector	XLK	\$62.57	0.84%	0.95%	0.95%	0.95%
Consumer Staples Select Sector	XLP	\$51.66	0.92%	1.73%	1.73%	1.73%
Industrial Select Sector	XLI	\$66.58	1.37%	3.37%	3.37%	3.37%
Materials Select Sector	XLB	\$52.00	1.05%	2.93%	2.93%	2.93%
The Energy Select Sector	XLE	\$61.23	0.77%	6.77%	6.77%	6.77%
Utilities Select Sector	XLU	\$53.06	1.24%	0.26%	0.26%	0.26%
Real Estate Select Sector	XLRE	\$31.54	1.74%	1.74%	1.74%	1.74%
Communications Services Sector	XLC	\$44.12	1.68%	6.88%	6.88%	6.88%
S&P 500	SPX	2,574.41	0.97%	2.70%	2.70%	2.70%

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	\$104.25	0.14%	2.60%	2.60%	2.60%
Financial Select Sector	XLF	\$24.31	-0.89%	-0.64%	-0.64%	-0.64%
Health Care Select Sector	XLV	\$86.96	-0.19%	-2.17%	-2.17%	-2.17%
Technology Select Sector	XLK	\$62.57	-0.13%	-1.74%	-1.74%	-1.74%
Consumer Staples Select Sector	XLP	\$51.66	-0.05%	-0.96%	-0.96%	-0.96%
Industrial Select Sector	XLI	\$66.58	0.40%	0.67%	0.67%	0.67%
Materials Select Sector	XLB	\$52.00	0.08%	0.23%	0.23%	0.23%
The Energy Select Sector	XLE	\$61.23	-0.20%	4.07%	4.07%	4.07%
Utilities Select Sector	XLU	\$53.06	0.27%	-2.43%	-2.43%	-2.43%
Real Estate Select Sector	XLRE	\$31.54	0.77%	-0.95%	-0.95%	-0.95%
Communications Services Sector	XLC	\$44.12	0.71%	4.18%	4.18%	4.18%

Market Share Volume & Total Value Traded

<u>INDEX/SECURITY</u>	VOLUME: (1/8) vs.			
	<u>Prior Day</u>	<u>1M Ave</u>	<u>3M ave</u>	<u>1Y Ave</u>
Total Market Volume*	4%	0%	4%	2%
Total Exchange Volume**	-1%	-9%	-5%	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)

Style Factor Performance

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	1.1%	5.1%	-3.5%	-10.2%	-9.5%	5.1%
	Low Debt/EV	1.2%	3.5%	-0.7%	-9.0%	-7.7%	3.5%
SI	High Short Interest	1.2%	4.9%	-3.6%	-9.4%	-10.8%	4.9%
	Low Short Interest	0.9%	2.5%	-2.9%	-10.3%	-5.4%	2.5%
BETA	High Beta	1.0%	6.0%	-2.5%	-15.4%	-13.3%	6.0%
	Low Beta	1.2%	2.3%	-2.7%	-3.7%	-3.3%	2.2%
YIELD	High Yield	1.0%	3.6%	-4.1%	-10.0%	-10.5%	3.6%
	Low Yield	1.3%	4.8%	-1.1%	-10.0%	-8.5%	4.8%
MKT CAP	MCAP Bottom 25%	1.3%	5.0%	-4.0%	-14.4%	-16.1%	5.0%
	MCAP Top 25%	0.9%	2.9%	-1.8%	-9.0%	-3.9%	2.9%
Sales	Top 25% Sales Growth	1.1%	4.1%	-1.7%	-9.5%	-7.4%	4.1%
	Bottom 25% Sales Growth	1.0%	4.7%	-3.0%	-11.7%	-11.9%	4.7%
EPS	Top 25% EPS Growth	1.0%	4.3%	-1.5%	-10.9%	-7.5%	4.3%
	Bottom 25% EPS Growth	1.3%	4.8%	-3.3%	-11.9%	-13.8%	4.8%

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

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	2.44%	3.4	8.3	5	23	-4	105	136	178
3M LIBOR	2.80%	0.0	-1.1	3	38	-3	109	135	182
2Y T-Note	2.59%	4.5	9.8	-13	-30	-39	64	99	140
5Y T-Note	2.58%	4.2	6.8	-11	-49	-52	31	58	75
10Y T-Note	2.73%	3.2	4.4	-12	-50	-53	27	37	38
30Y T-Note	3.00%	1.5	-1.1	-14	-40	-46	21	14	5
2Y-10Y Spread, Bps	14	-1.3	-5.4	0.8	-21	-14	-37	-63	-102
IG SPREAD (AAABBB)	1.86%	0.0	0.0	7	41	-3	66	29	26
HIGH YIELD	7.46%	0.0	-49.0	14	96	-66	194	101	110
5Y BREAK EVEN	1.65%	4.3	16.0	-4.5	-40.2	-53.3	19.1	-9.6	-3.6

Key \$USD Correlations

METRIC	15D	30D	90D	120D	180D	52-Wk Rolling 30D Correlation			
						High	Low	% Time Pos	% Time Neg
SPX	-0.46	0.41	-0.65	-0.66	-0.32	0.73	-0.92	42%	58%
BRENT Oil	-0.37	0.44	-0.71	-0.71	-0.67	0.84	-0.86	31%	69%
CRB Index	-0.29	0.47	0.09	-0.71	-0.73	0.67	-0.94	48%	52%
GOLD	-0.69	-0.76	0.46	0.41	-0.46	0.54	-0.94	9%	91%

*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)	192,577	36,953	192,786	173,117	164,846	249,638	(248,441)	0.64X	1.00X
	VIX	44,245	4,148	(18,586)	(56,411)	(25,921)	92,913	(174,665)	0.97X	1.72X
	Russell 2000 (mini)	(18,153)	973	(36,959)	(6,812)	(1,089)	93,772	(86,821)	-0.38X	-0.30X
	Dow Jones (mini)	23,444	1,457	28,971	27,047	28,252	95,976	(999)	-0.26X	-0.81X
	Nasdaq (mini)	4,624	6,736	8,505	20,359	12,746	163,838	(24,647)	-0.47X	-0.99X
	Nikkei Index	(7,700)	(2,432)	(7,316)	(6,400)	(133)	14,253	(9,128)	-0.99X	-2.08X
RATES	10Y UST	(240,521)	52,121	(462,346)	(488,977)	(376,423)	372,991	(758,490)	0.77X	-0.51X
	2Y UST	(327,281)	94,270	(325,420)	(208,603)	(161,200)	104,027	(421,551)	-1.30X	-1.93X
	5Y UST	(255,246)	17,706	(582,330)	(659,137)	(576,146)	(33,993)	(866,140)	1.90X	0.38X
	UST Bonds	(35,878)	7,623	(85,868)	(57,511)	(9,829)	122,839	(142,810)	-0.41X	-1.00X
	30D Fed Funds	1,033	49,156	(50,128)	10,465	31,038	219,071	(286,025)	-0.32X	0.56X
	Eurodollar	(1,807,500)	80,929	(2,013,892)	(2,298,223)	(2,484,619)	251,098	(3,110,209)	1.82X	-0.16X
CURRENCIES	USD	36,031	(2,073)	38,446	33,283	16,806	56,635	(10,666)	1.09X	0.77X
	JPY	(104,327)	(4,993)	(103,113)	(80,202)	(67,157)	70,342	(140,151)	-0.83X	-1.08X
	EUR	(51,796)	3,969	(37,287)	(11,621)	53,154	147,318	(155,847)	-1.46X	-0.63X
	GBP	(60,151)	(17,104)	(45,725)	(49,379)	(14,151)	49,216	(113,271)	-1.19X	-0.60X
	AUD	(36,792)	8,554	(61,907)	(55,064)	(28,726)	77,969	(74,181)	-0.27X	-1.20X
	CAD	(11,073)	2,102	(10,398)	(22,854)	(10,989)	78,001	(99,736)	-0.00X	-0.18X
	MXN	(783)	(12,226)	32,389	26,748	44,274	117,131	(89,524)	-1.26X	-0.19X
	NZD	3,541	18,639	(24,503)	(24,693)	(10,254)	35,981	(35,412)	0.77X	0.43X
COMMODITIES	CRUDE OIL	371,510	(3,760)	457,734	544,226	631,113	784,290	195,086	-2.17X	-0.80X
	GOLD	24,589	14,317	(41,046)	(43,293)	42,086	286,921	(103,009)	-0.18X	-0.89X
	COPPER	(3,030)	(9,829)	7,047	6,821	24,833	67,602	(44,710)	-1.31X	-0.68X
	Natural Gas	12,048	(6,474)	1,708	(44,347)	(68,648)	57,455	(207,953)	1.60X	1.47X
	RBOB Gasoline	79,307	2,038	90,304	96,778	92,221	114,862	29,519	-1.09X	0.29X
	ULSD Heating Oil	(6,095)	(3,853)	22,882	32,434	34,399	67,696	(6,891)	-2.22X	-1.84X
	Silver	18,723	8,880	(8,714)	(4,716)	2,654	107,003	(30,158)	0.83X	-0.68X
	Platinum	11,815	645	15,280	3,766	13,480	56,853	(11,540)	-0.10X	-0.79X
	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	189,592	32,408	70,640	40,732	100,892	373,443	(166,835)	0.60X	1.06X
	Soybeans	17,113	9,868	(32,889)	(40,688)	26,530	255,950	(113,144)	-0.09X	-0.42X
	Wheat	5,692	17,486	(14,313)	7,657	(12,398)	63,219	(143,292)	0.43X	1.24X
	Live Cattle	112,432	11,826	95,205	80,575	75,444	164,117	7,825	1.14X	0.64X
	Lean Hogs	39,754	(3,102)	34,153	18,296	19,525	90,653	(11,151)	0.87X	-0.10X
	Sugar	(13,317)	(29,225)	12,861	(25,782)	(47,122)	351,383	(131,628)	0.56X	-0.63X
	Cotton	44,702	(3,950)	52,360	72,766	89,500	132,318	(28,816)	-1.77X	-0.87X
	Coffee	(50,657)	(6,464)	(48,506)	(67,372)	(55,389)	67,942	(106,651)	0.20X	-0.93X
	Cocoa	6,887	8,728	(10,478)	3,725	18,971	61,244	(43,846)	-0.45X	-0.10X
	Orange Juice	(6,075)	126	(5,301)	(1,002)	(714)	10,123	(7,592)	-1.31X	-1.79X

HEDGEYE TV

The Macro Show
January 9, 2019

Global AM Data

COUNTRY	Event	MONTH	SURVEY	ACTUAL	PRIOR	REVISED
Netherlands	Manufacturing Production MoM	Nov	--	0.50%	0.40%	--
Netherlands	Manufacturing Production YoY	Nov	--	2.10%	3.40%	3.5%
Netherlands	Industrial Sales YoY	Nov	--	3.9%	10.6%	10.8%
Estonia	Trade Balance	Nov	--	-56.4m	-199.2m	-192.4m
Estonia	Exports YoY	Nov	--	18.0%	17.0%	--
Estonia	Imports YoY	Nov	--	15.0%	20.0%	--
Germany	Trade Balance	Nov	18.6b	20.5b	18.3b	18.9b
Germany	Current Account Balance	Nov	24.8b	21.4b	15.9b	18.9b
Germany	Exports SA MoM	Nov	-0.5%	-0.4%	0.7%	0.9%
Germany	Imports SA MoM	Nov	0%	-1.6%	1.3%	0.8%
France	Consumer Confidence	Dec	90	87	92	91
Slovakia	Trade Balance	Nov	--	68.1m	284.3m	279.3m
Italy	Unemployment Rate	Nov P	10.5%	10.5%	10.6%	--
Lithuania	CPI MoM	Dec	--	-0.6%	-0.1%	--
Lithuania	CPI YoY	Dec	--	1.9%	2.5%	--
Lithuania	Trade Balance	Nov	--	-0.14b	-0.33b	-0.34b
Slovenia	Trade Balance	Nov	--	-0.006b	-0.059b	--
Eurozone	Unemployment Rate	Nov	8.1%	7.9%	8.1%	8.0%
Greece	Industrial Production YoY	Nov	--	3.1%	-1.1%	--
Belgium	Unemployment Rate	Nov	--	5.6%	6.2%	5.5%

Volatility

TIME WINDOW SETTING: VOLATILITY_30D PUT_IMP_VOL_30D		TOTAL RETURN PERFORMANCE	IVOL PREMIUM/DISCOUNT						REALIZED VOLATILITY TRENDS			IMPLIED VOLATILITY TRENDS		
	TICKER	YTD %	IVOL / RVOL	Yesterday	1W Ago	1M Ago	TTM Z-Score	3Yr Z-Score	RVOL	MM %	PERCENTILE	IVOL	MM %	PERCENTILE
US EQUITIES														
CURRENT														
Communication Services SPDR ETF	XLC US EQUITY	6.88%	-15%	-12%	8%	18%	#VALUE!	#VALUE!	32.3	25%	100%	27.4	-10%	71%
Energy Sector SPDR ETF	XLE US EQUITY	6.77%	-20%	-19%	-4%	2%	-1.1	-1.2	34.2	25%	87%	27.3	-2%	78%
I-Shares Russell 2000 ETF	IWM US EQUITY	5.85%	-29%	-24%	-5%	-7%	-1.4	-1.6	31.7	26%	89%	22.4	-4%	69%
Consumer Discretionary Sector SPDR ETF	XLX US EQUITY	5.29%	-35%	-32%	-17%	-15%	-1.5	-1.7	34.6	22%	95%	22.6	-6%	80%
Power Shares QQQ Trust ETF	QQQ US EQUITY	3.41%	-31%	-27%	-15%	-19%	-1.1	-1.3	37.9	18%	98%	26.3	1%	89%
Industrials Sector SPDR ETF	XLI US EQUITY	3.37%	-29%	-27%	-7%	-7%	-1.1	-1.5	32.3	32%	91%	22.8	0%	79%
Materials Sector SPDR ETF	XLB US EQUITY	2.93%	-24%	-13%	2%	2%	-1.0	-1.3	29.3	23%	86%	22.4	-8%	68%
SPDR S&P 500 ETF Trust	SPY US EQUITY	2.74%	-40%	-35%	-18%	-8%	-1.3	-1.6	30.0	36%	94%	18.0	-11%	73%
Vanguard Real Estate REIT ETF	VNQ US EQUITY	2.72%	-32%	-27%	-14%	-16%	-1.9	-1.8	25.9	55%	82%	17.5	24%	59%
Financials Sector SPDR ETF	XLF US EQUITY	2.06%	-23%	-21%	1%	3%	-1.1	-1.2	29.1	22%	84%	22.3	-9%	67%
Consumer Staples Sector SPDR ETF	XLP US EQUITY	1.73%	-22%	-11%	2%	3%	-0.8	-1.2	21.0	40%	95%	16.3	7%	86%
Technology Sector SPDR ETF	XLK US EQUITY	0.95%	-36%	-33%	-19%	-18%	-1.1	-1.4	40.3	20%	99%	25.8	-7%	89%
Health Care Sector SPDR ETF	XLV US EQUITY	0.52%	-31%	-25%	-10%	-3%	-1.2	-1.6	29.1	42%	97%	20.1	1%	86%
Utilities Sector SPDR ETF	XLU US EQUITY	0.26%	-14%	-8%	-3%	2%	-0.9	-1.1	20.7	46%	90%	17.9	24%	82%
INTERNATIONAL EQUITIES														
I-Shares MSCI Japan ETF	EWJ US EQUITY	4.26%	-21%	-17%	5%	-8%	-1.0	-1.1	22.7	19%	83%	17.8	2%	48%
I-Shares MSCI Emerging Markets ETF	EEM US EQUITY	2.23%	-5%	0%	7%	-11%	0.0	-0.4	22.1	-17%	63%	21.1	-12%	48%
Euro Stoxx 50 Index	SX5E INDEX	1.78%	-17%	-11%	14%	16%	-1.0	-1.0	20.2	24%	60%	16.8	-11%	35%
I-Shares China Large-Cap ETF	FXI US EQUITY	1.46%	1%	1%	18%	-12%	0.3	-0.2	23.0	-19%	52%	23.1	-8%	47%
CURRENCIES														
Currency Shares Japanese Yen ETF	FXJ US EQUITY	0.79%	-8%	-3%	20%	8%	-1.4	-0.8	8.8	54%	49%	8.1	31%	23%
PowerShares US Dollar Index ETF	UUP US EQUITY	-0.08%	-16%	-8%	-11%	96%	-0.6	-0.7	7.7	29%	55%	6.5	-45%	13%
Currency Shares Euro Trust ETF	FXE US EQUITY	-0.16%	-10%	-9%	-2%	1%	-0.9	-0.8	7.6	10%	31%	6.8	-2%	12%
Currency Shares British Pound ETF	FXB US EQUITY	-0.23%	30%	32%	48%	34%	1.1	0.8	9.7	-11%	70%	12.6	-13%	88%
COMMODITIES														
United States Oil Fund ETF	USO US EQUITY	8.70%	-5%	-2%	-3%	-5%	-0.5	-0.5	46.5	10%	90%	44.4	10%	86%
PowerShares DB Agriculture Fund ETF	DBA US EQUITY	2.01%	80%	87%	83%	43%	2.2	1.9	8.3	-18%	12%	15.0	3%	55%
PowerShares DB Base Metals Fund ETF	DBB US EQUITY	0.65%	38%	465%	67%	47%	0.0	-0.2	16.5	-5%	34%	22.9	-11%	54%
SPDR Gold Shares ETF	GLD US EQUITY	0.23%	4%	11%	33%	18%	-0.2	-0.2	9.1	7%	7%	9.5	-5%	4%
United States Natural Gas Fund ETF	UNG US EQUITY	0.12%	-32%	-32%	-31%	-19%	-1.7	-2.0	71.4	-32%	97%	48.3	-43%	74%
FIXED INCOME														
I-Shares IBOX HY Corporate Bond ETF	HYG US EQUITY	3.24%	-40%	-39%	5%	27%	-1.7	-1.6	10.6	79%	79%	6.4	-15%	33%
I-Shares J.P. Morgan USD EM Bond ETF	EMB US EQUITY	1.54%	-14%	-15%	-8%	6%	-1.3	-1.5	6.8	5%	67%	5.9	-15%	23%
I-Shares IBOX IG Corporate Bond ETF	LQD US EQUITY	0.52%	50%	62%	80%	42%	1.3	1.4	3.1	-2%	1%	4.7	4%	17%
I-Shares 20+ Year Treasury Bond ETF	TLT US EQUITY	-0.07%	2%	7%	30%	27%	-0.1	-0.2	10.1	22%	18%	10.3	-2%	17%
I-Shares 7-10 Year Treasury Bond ETF	IEF US EQUITY	-0.34%	8%	7%	66%	465%	-0.3	-0.3	5.2	44%	36%	5.6	-73%	31%