

THE
MACRO
SHOW

DISCLAIMER

Hedgeye Risk Management is a registered investment advisor, registered with the State of Connecticut. Hedgeye Risk Management is not a broker dealer and does not provide investment advice to individuals. This research does not constitute an offer to sell, or a solicitation of an offer to buy any security. This research is presented without regard to individual investment preferences or risk parameters; it is general information and does not constitute specific investment advice. This presentation is based on information from sources believed to be reliable. Hedgeye Risk Management is not responsible for errors, inaccuracies or omissions of information. The opinions and conclusions contained in this report are those of Hedgeye Risk Management, and are intended solely for the use of Hedgeye Risk Management's clients and subscribers. In reaching these opinions and conclusions, Hedgeye Risk Management and its employees have relied upon research conducted by Hedgeye Risk Management's employees, which is based upon sources considered credible and reliable within the industry. Hedgeye Risk Management is not responsible for the validity or authenticity of the information upon which it has relied.

TERMS OF USE

This report is intended solely for the use of its recipient. Redistribution or republication of this report and its contents are prohibited. For more detail please refer to the appropriate sections of the Hedgeye Services Agreement and the Terms of Use at www.hedgeye.com.

1

VIX

2

UST 10YR

3

SPY





1 VIX

Literally a layup to sell any #Quad4 Short into the close on Friday as implied vol on SPY dropped to a -15% DISCOUNT vs. 30-day realized and there's immediate-term upside in front-month VIX to 74.85 which still makes most of Equity uninvestable.



2

UST 10YR

The Fed needs to get Treasury Bond Volatility under control or “stocks”, Gold, and bonds are all going to go down, at the same time. The Hedgeye signal says the lows for the UST are in with a big higher-low of 0.57% now and immediate-term upside to 1.18% so we’d be booking more gains on the Long Bond in particular with UST 10yr down -15bps this morning.

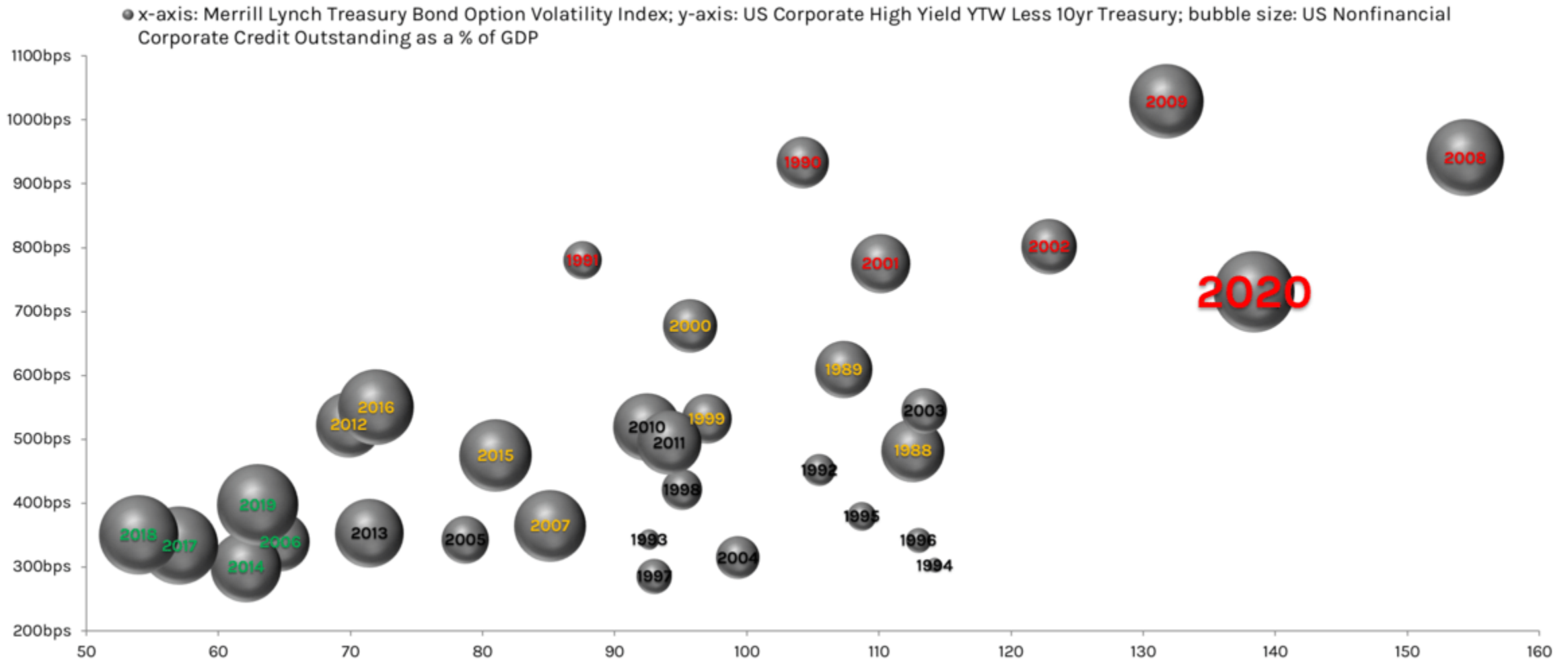


3 SPY

We don't see how we don't get the 3rd timeout (-7% limit down) for stocks this morning - Australia was down -9.5%, London and Germany are -7-8% on the European open, and we have immediate-term downside in the @Hedgeye SPX Risk Range -11.1% lower at 2411.


MACRO GRIND

When The MOVE Moves, Fuhgeddaboutit!



10-Year Government Bond Yields

COUNTRY	YIELD	1 DAY
Germany »	-0.57%	-1
United Kingdom »	0.38%	-2
France	0.05%	+4
Italy	1.98%	+20
Spain	0.74%	+13
Netherlands	-0.25%	+0
Portugal	0.95%	+15
Greece	2.25%	+21
Switzerland	-0.61%	+2



Light Crude Oil



German DAX Composite



Hong Kong Hang Seng



Tokyo Nikkei Average

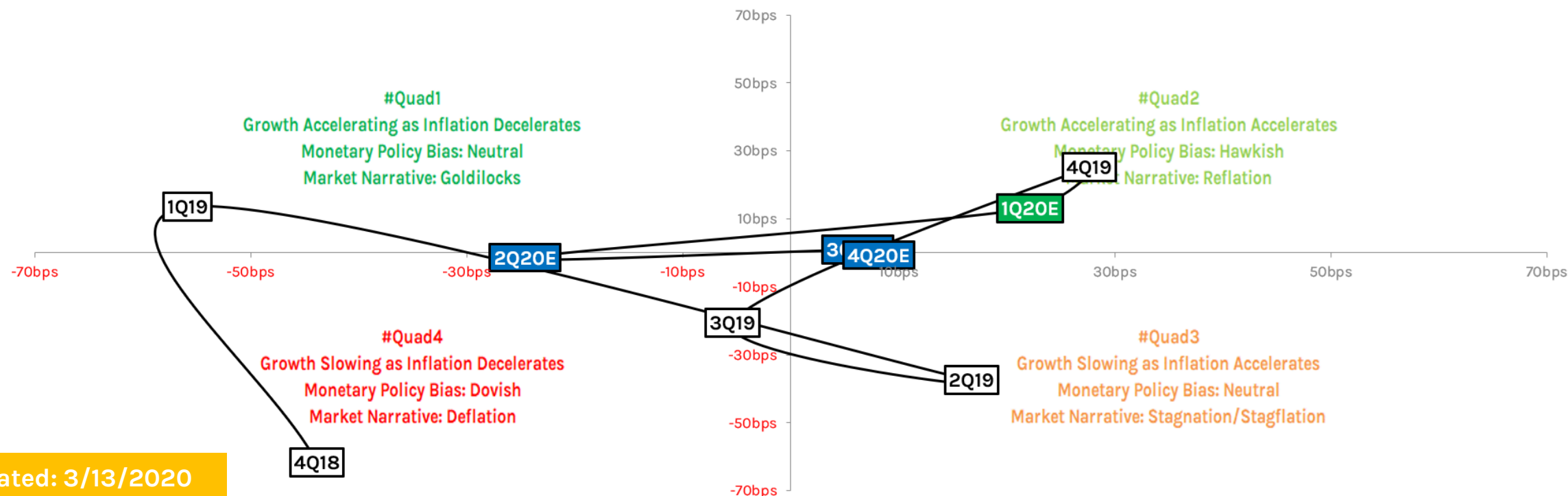


Our Research Process is REPEATABLE

United States	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	← Actuals Estimates →	1Q20E	2Q20E	3Q20E	4Q20E
Real GDP QoQ SAAR	2.30%	2.20%	3.20%	3.50%	2.50%	3.50%	2.90%	1.10%	3.10%	2.00%	2.10%	2.10%	Real GDP QoQ SAAR	3.58%	1.94%	2.12%	2.05%
Real GDP YoY	2.10%	2.16%	2.42%	2.80%	2.86%	3.20%	3.13%	2.52%	2.65%	2.28%	2.07%	2.33%	Real GDP YoY	2.46%	2.44%	2.45%	2.45%
3yr Comparative Base Effects	2.80%	2.35%	2.00%	1.97%	1.86%	1.75%	1.99%	2.41%	2.48%	2.68%	2.77%	2.66%	3yr Comparative Base Effects	2.76%	2.74%	2.60%	2.42%
Headline CPI YoY	2.54%	1.90%	1.97%	2.12%	2.21%	2.71%	2.64%	2.20%	1.64%	1.81%	1.76%	2.03%	Headline CPI YoY	2.26%	2.01%	2.07%	2.15%
2yr Comparative Base Effects	0.51%	0.50%	0.61%	1.13%	1.81%	1.48%	1.54%	1.96%	2.38%	2.31%	2.30%	2.16%	2yr Comparative Base Effects	1.93%	2.26%	2.20%	2.12%

United States

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



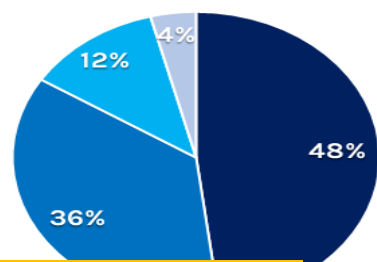
Data Source: Bloomberg. Green box = Hedgeye Predictive Tracking Algorithm nowcast. Blue boxes = Hedgeye β -Adjusted Comparative Base Effect Model estimates.

© Hedgeye Risk Management

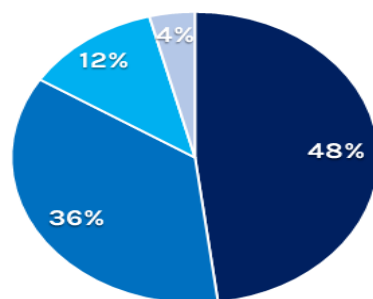
What Works In Each Quad?

Quad 1: Goldilocks				Quad 2: Reflation				Quad 3: Stagflation				Quad 4: Deflation			
Exposure	ETF	Hypothetical Long-Only Balanced Portfolio*	Hypothetical Long-Short Market Neutral Portfolio**	Exposure	ETF	Hypothetical Long-Only Balanced Portfolio*	Hypothetical Long-Short Market Neutral Portfolio**	Exposure	ETF	Hypothetical Long-Only Balanced Portfolio*	Hypothetical Long-Short Market Neutral Portfolio**	Exposure	ETF	Hypothetical Long-Only Balanced Portfolio*	Hypothetical Long-Short Market Neutral Portfolio**
Tech	XLK	6.0%	6.0%	Tech	XLK	6.0%	6.0%	Utilities	XLU	6.0%	6.0%	Consumer Staples	XLP	4.5%	4.5%
Consumer Discretionary	XLV	6.0%	6.0%	Consumer Discretionary	XLV	6.0%	6.0%	Tech	XLK	6.0%	6.0%	Health Care	XLV	4.5%	4.5%
Industrials	XLI	6.0%	6.0%	Industrials	XLI	6.0%	6.0%	Energy	XLE	6.0%	6.0%	REITS	VNQ	4.5%	4.5%
Materials	XLB	6.0%	6.0%	Energy	XLE	6.0%	6.0%	REITS	VNQ	6.0%	6.0%	Utilities	XLU	4.5%	4.5%
Utilities	XLU	-	-5.4%	Telecom	IYZ	-	-5.4%	Financials	XLF	-	-5.4%	Tech	XLK	-	-4.1%
Consumer Staples	XLP	-	-5.4%	Utilities	XLU	-	-5.4%	Materials	XLB	-	-5.4%	Energy	XLE	-	-4.1%
Energy	XLE	-	-5.4%	Consumer Staples	XLP	-	-5.4%	Telecom	IYZ	-	-5.4%	Industrials	XLI	-	-4.1%
Health Care	XLV	-	-5.4%	REITS	VNQ	-	-5.4%	Consumer Staples	XLP	-	-5.4%	Financials	XLF	-	-4.1%
High Beta	SPHB	6.0%	6.0%	Momentum	MTUM	6.0%	6.0%	Secular Growers	QQQ	6.0%	6.0%	Low Beta	SPLV	4.5%	4.5%
Momentum	MTUM	6.0%	6.0%	Growth	IWF	6.0%	6.0%	Low Beta	SPLV	6.0%	6.0%	Dividend Yield	SPHD	4.5%	4.5%
Cyclicals	IWN	6.0%	6.0%	Small Caps	IWM	6.0%	6.0%	Quality	QUAL	6.0%	6.0%	Defensives	DEF	4.5%	4.5%
Mid Caps	MDY	6.0%	6.0%	High Beta	SPHB	6.0%	6.0%	Growth	IWF	6.0%	6.0%	Quality	QUAL	4.5%	4.5%
Low Beta	SPLV	-	-5.4%	Low Beta	SPLV	-	-5.4%	Small Caps	IWM	-	-5.4%	Momentum	MTUM	-	-4.1%
Defensives	DEF	-	-5.4%	Value	IWD	-	-5.4%	Dividend Yield	SPHD	-	-5.4%	High Beta	SPHB	-	-4.1%
Dividend Yield	SPHD	-	-5.4%	Dividend Yield	SPHD	-	-5.4%	Value	IWD	-	-5.4%	Growth	IWF	-	-4.1%
Mega Caps	DIA	-	-5.4%	Defensives	DEF	-	-5.4%	Cyclicals	IWN	-	-5.4%	Secular Growers	QQQ	-	-4.1%
Convertibles	CWB	9.0%	9.0%	BDCs	BIZD	9.0%	9.0%	Munis	MUB	10.0%	10.0%	Long Duration Treasuries	TLT	10.0%	10.0%
High Yield Credit	HYG	9.0%	9.0%	Convertibles	CWB	9.0%	9.0%	Long Duration Treasuries	TLT	10.0%	10.0%	Medium Duration Treasuries	IEF	10.0%	10.0%
Leveraged Loans	BKLN	9.0%	9.0%	Preferreds	PFF	9.0%	9.0%	TIPS	TIP	10.0%	10.0%	Munis	MUB	10.0%	10.0%
BDCs	BIZD	9.0%	9.0%	Leveraged Loans	BKLN	9.0%	9.0%	Investment Grade Credit	LQD	10.0%	10.0%	MBS	MBB	10.0%	10.0%
TIPS	TIP	-	-8.1%	Long Duration Treasuries	TLT	-	-8.1%	BDCs	BIZD	-	-9.0%	Convertibles	CWB	-	-9.0%
Short Duration Treasuries	SHY	-	-8.1%	Munis	MUB	-	-8.1%	Preferreds	PFF	-	-9.0%	TIPS	TIP	-	-9.0%
MBS	MBB	-	-8.1%	Investment Grade Credit	LQD	-	-8.1%	Convertibles	CWB	-	-9.0%	Leveraged Loans	BKLN	-	-9.0%
Medium Duration Treasuries	IEF	-	-8.1%	Medium Duration Treasuries	IEF	-	-8.1%	Leveraged Loans	BKLN	-	-9.0%	High Yield Credit	HYG	-	-9.0%
EUR/USD	FXE	12.0%	12.0%	EM FX	CEW	12.0%	12.0%	G10 FX	UDN	8.0%	8.0%	DXY	UUP	12.0%	12.0%
DXY	UUP	-	-10.8%	DXY	UUP	-	-10.8%	EM FX	CEW	-	-7.2%	EUR/USD	FXE	-	-10.8%
Copper	JJC	4.0%	4.0%	Crude Oil	USO	4.0%	4.0%	Crude Oil	USO	4.0%	4.0%	Gold	GLD	12.0%	12.0%
Agriculture	DBA	-	-3.6%	Agriculture	DBA	-	-3.6%	Base Metals	DBB	-	-3.6%	Crude Oil	USO	-	-10.8%

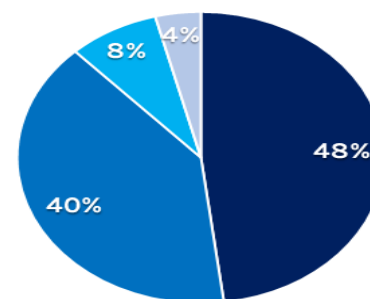
■ Equities
■ Fixed Income
■ Currencies
■ Commodities/Real Assets



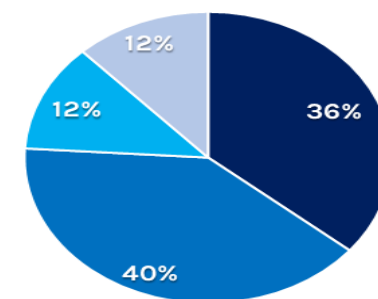
■ Equities
■ Fixed Income
■ Currencies
■ Commodities/Real Assets



■ Equities
■ Fixed Income
■ Currencies
■ Commodities/Real Assets



■ Equities
■ Fixed Income
■ Currencies
■ Commodities/Real Assets



Updated: 3/4/2020

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	\$102.30	6.19%	-11.68%	-18.43%	-18.43%
Financial Select Sector	XLF	\$23.05	13.16%	-13.31%	-25.11%	-25.11%
Health Care Select Sector	XLV	\$90.66	6.94%	-2.11%	-11.00%	-11.00%
Technology Select Sector	XLK	\$84.19	11.73%	-4.73%	-8.16%	-8.16%
Consumer Staples Select Sector	XLP	\$56.61	8.51%	-2.38%	-10.11%	-10.11%
Industrial Select Sector	XLI	\$62.94	7.81%	-13.88%	-22.74%	-22.74%
Materials Select Sector	XLB	\$46.51	7.02%	-11.78%	-24.28%	-24.28%
The Energy Select Sector	XLE	\$32.19	9.23%	-28.89%	-46.39%	-46.39%
Utilities Select Sector	XLU	\$57.67	5.45%	-7.25%	-10.76%	-10.76%
Real Estate Select Sector	XLRE	\$35.31	8.78%	-4.02%	-8.69%	-8.69%
Communications Services Sector	XLC	\$46.19	8.99%	-9.00%	-13.87%	-13.87%
S&P 500	SPX	2,711.02	9.29%	-8.23%	-16.09%	-16.09%

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	\$102.30	-3.10%	-3.45%	-2.35%	-2.35%
Financial Select Sector	XLF	\$23.05	3.87%	-5.08%	-9.03%	-9.03%
Health Care Select Sector	XLV	\$90.66	-2.35%	6.13%	5.09%	5.09%
Technology Select Sector	XLK	\$84.19	2.44%	3.50%	7.93%	7.93%
Consumer Staples Select Sector	XLP	\$56.61	-0.78%	5.85%	5.97%	5.97%
Industrial Select Sector	XLI	\$62.94	-1.48%	-5.64%	-6.66%	-6.66%
Materials Select Sector	XLB	\$46.51	-2.27%	-3.55%	-8.19%	-8.19%
The Energy Select Sector	XLE	\$32.19	-0.06%	-20.66%	-30.30%	-30.30%
Utilities Select Sector	XLU	\$57.67	-3.84%	0.98%	5.33%	5.33%
Real Estate Select Sector	XLRE	\$35.31	-0.51%	4.21%	7.40%	7.40%
Communications Services Sector	XLC	\$46.19	-0.30%	-0.77%	2.21%	2.21%

Market Share Volume & Total Value Traded

<u>INDEX/SECURITY</u>	VOLUME: (3/13) vs.			
	<u>Prior Day</u>	<u>1M Ave</u>	<u>3M ave</u>	<u>1Y Ave</u>
Total Market Volume*	-12%	21%	49%	63%
Total Exchange Volume**	-9%	33%	88%	131%

*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	ID % Chg	IW % Chg	IM % Chg	3M % Chg	6M % Chg	YTD % Chg
Debt	High Debt/EV	8.1%	-16.8%	-30.3%	-26.9%	-25.1%	-28.8%
	Low Debt/EV	8.1%	-9.1%	-18.9%	-12.9%	-7.3%	-14.4%
SI	High Short Interest	7.8%	-14.2%	-27.1%	-24.3%	-21.6%	-25.8%
	Low Short Interest	8.6%	-10.2%	-21.1%	-16.3%	-12.2%	-17.5%
BETA	High Beta	6.5%	-21.0%	-38.4%	-37.0%	-34.1%	-38.6%
	Low Beta	6.5%	-8.2%	-13.0%	-7.3%	-5.1%	-8.9%
YIELD	High Yield	10.0%	-19.3%	-34.3%	-34.6%	-33.5%	-35.9%
	Low Yield	7.7%	-10.7%	-21.6%	-16.0%	-9.9%	-17.4%
MKT CAP	MCAP Bottom 25%	8.7%	-17.5%	-33.4%	-33.2%	-31.7%	-34.5%
	MCAP Top 25%	9.4%	-8.2%	-17.6%	-11.3%	-5.6%	-12.9%
Sales	Top 25% Sales Growth	9.0%	-11.9%	-24.1%	-17.6%	-12.5%	-19.6%
	Bottom 25% Sales Growth	9.1%	-14.2%	-26.8%	-25.5%	-23.1%	-26.8%
EPS	Top 25% EPS Growth	9.1%	-14.1%	-27.6%	-22.4%	-18.5%	-24.7%
	Bottom 25% EPS Growth	8.7%	-13.4%	-23.7%	-21.0%	-19.6%	-22.3%

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

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	0.24%	-5.9	-20.6	-133	-131	-223	13	-147	-87
3M LIBOR	0.84%	0.0	-15.6	-95	-116	-179	10	-116	-60
2Y T-Note	0.49%	0.9	-1.6	-95	-111	-198	25	-147	-102
5Y T-Note	0.72%	11.3	10.8	-73	-94	-172	41	-144	-117
10Y T-Note	0.96%	15.6	19.8	-66	-86	-168	65	-143	-129
30Y T-Note	1.53%	8.9	24.2	-54	-72	-152	83	-126	-125
2Y-10Y Spread, Bps	47.00	14.7	21.4	29.7	25	31	40	4	-27
IG SPREAD (AAABBB)	1.95%	-3.0	39.0	70	63	-3	71	49	35
HIGH YIELD	8.27%	5.0	191.0	317	303	0	329	223	183
5Y BREAK EVEN	0.56%	-1.7	-62.1	-110.9	-107.7	-136.2	2.4	-121.3	-110.0

Key \$USD Correlations

METRIC	15D	30D	90D	120D	180D	52-Wk Rolling 30D Correlation			
						High	Low	% Time Pos	% Time Neg
SPX	0.40	0.67	0.36	0.13	0.04	0.80	-0.78	53%	47%
BRENT Oil	0.55	0.73	-0.02	-0.04	-0.03	0.84	-0.88	40%	60%
CRB Index	-0.08	0.40	-0.07	-0.04	-0.35	0.71	-0.82	27%	73%
GOLD	-0.42	-0.45	0.02	-0.06	0.04	0.74	-0.91	36%	64%

*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)	(3,217)	(8,247)	19,221	15,145	30,517	249,638	(128,189)	-0.97X	-1.18X
	VIX	(63,322)	(5,836)	(129,296)	(153,265)	(135,034)	92,913	(218,362)	1.66X	0.35X
	Russell 2000 (mini)	22,513	(1,543)	45,039	16,850	(25,676)	72,749	(150,863)	0.87X	0.68X
	Dow Jones (mini)	15,749	1,487	26,609	31,661	30,590	95,976	(282)	-1.35X	-1.01X
	Nasdaq (mini)	18,160	(13,663)	20,551	25,508	20,711	113,412	(24,815)	-0.21X	-0.21X
RATIOS	Nikkei Index	957	2,378	(5,392)	(6,826)	(8,583)	14,214	(16,298)	2.56X	1.22X
	10Y UST	(21,246)	(44,968)	(181,960)	(181,633)	(242,662)	372,991	(758,490)	2.09X	1.14X
	2Y UST	(44,826)	3,966	(215,968)	(223,776)	(203,112)	67,767	(421,551)	1.53X	1.14X
	5Y UST	65,383	130,110	(219,586)	(208,041)	(147,655)	65,383	(866,140)	2.00X	1.14X
	UST Bonds	(43,304)	(20,733)	(50,010)	(56,267)	(46,131)	122,839	(142,810)	0.13X	-0.59X
	30D Fed Funds	342,920	54,408	337,149	278,816	85,432	397,055	(286,025)	1.23X	2.07X
CURRENCIES	Eurodollar	1,575,551	(558,723)	1,202,930	1,250,421	905,536	2,134,274	(3,110,209)	1.20X	1.72X
	USD	12,412	(10,035)	16,374	24,179	26,061	46,206	(10,666)	-1.80X	-0.44X
	JPY	9,801	51,595	(32,486)	(24,981)	(28,349)	32,039	(140,151)	1.12X	1.56X
	EUR	(12,437)	71,564	(73,066)	(69,981)	(72,104)	147,318	(123,765)	2.48X	1.33X
	GBP	25,154	(7,597)	20,186	(15,572)	(32,291)	49,216	(113,271)	1.36X	1.33X
	AUD	(57,587)	(3,001)	(39,272)	(41,781)	(49,561)	77,969	(74,181)	-0.73X	-0.93X
	CAD	(3,597)	(12,743)	16,367	20,239	1,460	78,001	(99,736)	-0.17X	0.04X
	MXN	112,467	(18,715)	153,350	137,710	132,494	170,379	(21,903)	-0.92X	0.63X
COMMODITIES	NZD	(15,713)	1,312	(6,447)	(21,517)	(18,026)	35,981	(42,544)	0.17X	-0.40X
	CHF	1,945	4,585	(1,208)	(7,778)	(15,009)	4,899	(47,216)	1.31X	1.54X
	CRUDE OIL	387,810	(4,482)	480,267	457,333	462,213	784,290	332,714	-1.30X	-1.05X
	GOLD	258,458	(10,218)	254,922	242,998	195,637	292,066	(103,009)	0.68X	1.29X
	COPPER	(38,731)	(914)	(17,973)	(26,448)	(25,210)	67,602	(60,135)	-0.66X	-1.49X
	Natural Gas	(211,728)	20,476	(228,052)	(196,264)	(158,654)	57,455	(262,534)	-0.79X	-1.63X
	RBOB Gasoline	87,266	(5,972)	110,351	91,060	85,438	129,000	29,519	0.09X	0.28X
	ULSD Heating Oil	(24,052)	2,174	(13,034)	(7,185)	(8,782)	67,696	(27,674)	-1.51X	-1.53X
	Silver	43,475	(2,198)	64,303	57,708	41,082	107,003	(30,158)	0.09X	0.35X
	Platinum	31,107	(749)	57,656	48,024	34,356	69,306	(11,540)	-0.17X	0.49X
	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	(19,565)	20,624	(24,504)	(50,644)	(16,182)	372,754	(270,560)	-0.02X	-0.27X
	Soybeans	3,931	11,343	(17,597)	2,343	(27,783)	210,365	(148,817)	0.57X	0.05X
	Wheat	21,399	1,623	36,618	22,472	7,174	63,219	(143,292)	0.43X	0.85X
	Live Cattle	26,127	(5,029)	80,689	73,009	84,098	183,134	19,421	-1.26X	-1.67X
	Lean Hogs	37,002	(1,153)	30,291	36,969	55,776	97,769	(11,151)	-0.79X	-0.16X
	Sugar	114,981	(66,642)	132,764	(4,237)	(42,289)	228,364	(205,161)	1.30X	1.75X
	Cotton	(599)	(12,205)	28,181	10,832	423	129,851	(37,827)	-0.04X	-1.04X
	Coffee	12,629	2,284	23,795	2,436	(18,736)	46,860	(106,651)	0.89X	1.43X
	Cocoa	55,849	(15,856)	62,808	50,599	31,836	81,269	(43,846)	0.76X	1.33X
	Orange Juice	(5,689)	474	(6,349)	(6,300)	(6,537)	5,540	(9,416)	1.21X	-0.60X

HEDGEYE TV

The Macro Show
March 16, 2020

Volatility

TIME WINDOW SETTING:		TICKER	TOTAL RETURN PERFORMANCE YTD %	IVOL PREMIUM/DISCOUNT					REALIZED VOLATILITY TRENDS			IMPLIED VOLATILITY TRENDS			
VOLATILITY_30D				IVOL PREM %					RVOL		PERCENTILE	IVOL		PERCENTILE	
PUT_IMP_VOL_30D				IVOL / RVOL	Yesterday	1W Ago	1M Ago	TTM Z-Score	3Yr Z-Score	CURRENT	MM %	10YR	CURRENT	MM %	10YR
US EQUITIES															
CURRENT															
Technology Sector SPDR ETF	XLK US EQUITY	-8.16%	-17%	-17%	7%	-6%	-1.0	-0.8	68.9	269%	100%	57.4	227%	100%	
Power Shares QQQ Trust ETF	QQQ US EQUITY	-9.53%	-16%	-16%	15%	8%	-1.3	-0.9	59.7	299%	100%	50.0	208%	100%	
Consumer Staples Sector SPDR ETF	XLP US EQUITY	-10.11%	-15%	-15%	24%	26%	-0.8	-0.6	52.9	543%	100%	45.0	333%	100%	
Utilities Sector SPDR ETF	XLU US EQUITY	-10.76%	4%	4%	-3%	23%	-0.4	-0.3	52.9	565%	100%	54.8	458%	100%	
Health Care Sector SPDR ETF	XLV US EQUITY	-11.00%	-8%	-8%	11%	1%	-0.8	-0.7	49.6	257%	100%	45.7	226%	100%	
Vanguard Real Estate REIT ETF	VNQ US EQUITY	-13.70%	-10%	-10%	13%	0%	-1.0	-0.7	59.6	475%	100%	53.6	416%	100%	
Communication Services SPDR ETF	XLC US EQUITY	-13.87%	-13%	-13%	22%	11%	-1.2		57.2	320%	100%	49.6	227%	99%	
SPDR S&P 500 ETF Trust	SPY US EQUITY	-16.32%	-15%	-15%	11%	-5%	-1.0	-0.8	59.5	387%	100%	50.6	338%	100%	
Consumer Discretionary Sector SPDR ETF	XLY US EQUITY	-18.43%	8%	8%	51%	14%	-0.5	-0.3	55.5	376%	100%	59.8	348%	100%	
Industrials Sector SPDR ETF	XLI US EQUITY	-22.74%	8%	8%	39%	-2%	-0.2	-0.1	62.7	323%	100%	68.0	371%	100%	
Materials Sector SPDR ETF	XLB US EQUITY	-24.28%	5%	5%	52%	-12%	-0.3	-0.2	59.9	242%	100%	63.0	310%	100%	
Financials Sector SPDR ETF	XLF US EQUITY	-25.11%	47%	47%	80%	2%	1.2	1.3	74.5	414%	100%	109.3	642%	100%	
I-Shares Russell 2000 ETF	IWM US EQUITY	-27.89%	-6%	-6%	30%	0%	-0.7	-0.7	60.4	337%	100%	56.5	309%	100%	
Energy Sector SPDR ETF	XLE US EQUITY	-46.39%	-9%	-9%	36%	-2%	-0.6	-0.6	91.9	335%	100%	83.6	303%	100%	
INTERNATIONAL EQUITIES															
I-Shares China Large-Cap ETF	FXI US EQUITY	-13.36%	8%	8%	18%	-25%	0.2	0.3	40.9	51%	95%	44.1	117%	99%	
I-Shares MSCI Emerging Markets ETF	EEM US EQUITY	-19.46%	21%	21%	39%	-22%	0.2	0.7	53.4	142%	100%	64.4	273%	100%	
I-Shares MSCI Japan ETF	EWJ US EQUITY	-21.89%	17%	17%	35%	-1%	0.3	0.3	42.5	241%	100%	49.7	304%	100%	
Euro Stoxx 50 Index	SX5E INDEX	-30.71%	29%	29%	39%	-24%	1.0	0.5	52.4	253%	100%	67.7	499%	100%	
CURRENCIES															
PowerShares US Dollar Index ETF	UUP US EQUITY	5.66%	14%	14%	95%	49%	-0.5	-0.2	13.9	310%	100%	15.9	213%	100%	
Currency Shares Japanese Yen ETF	FXJ US EQUITY	0.32%	-7%	-7%	16%	-1%	-1.0	-0.9	18.8	296%	100%	17.5	273%	100%	
Currency Shares Euro Trust ETF	FXE US EQUITY	-1.07%	29%	29%	34%	28%	1.2	1.4	9.2	140%	65%	11.8	142%	79%	
Currency Shares British Pound ETF	FXB US EQUITY	-6.74%	-3%	-3%	-9%	-27%	-0.4	-0.5	12.0	46%	96%	11.6	92%	88%	
COMMODITIES															
SPDR Gold Shares ETF	GLD US EQUITY	0.27%	25%	25%	17%	6%	1.1	1.1	25.6	163%	96%	31.9	208%	99%	
PowerShares DB Base Metals Fund ETF	DBB US EQUITY	-9.50%	462%	462%	194%	903%	-0.6	0.3	16.0	3%	42%	89.8	-42%	90%	
PowerShares DB Agriculture Fund ETF	DBA US EQUITY	-13.95%	11%	11%	9%	25%	-0.4	-0.7	17.7	71%	93%	19.7	52%	89%	
United States Oil Fund ETF	USO US EQUITY	-45.67%	-2%	-2%	40%	25%	-0.5	-0.4	105.8	281%	100%	103.5	197%	100%	
FIXED INCOME															
I-Shares 20+ Year Treasury Bond ETF	TLT US EQUITY	13.98%	-9%	-9%	88%	-10%	-0.2	-0.6	31.4	145%	99%	28.7	147%	100%	
I-Shares 7-10 Year Treasury Bond ETF	IEF US EQUITY	6.74%	84%	84%	129%	5%	1.6	1.1	10.6	101%	98%	19.5	253%	100%	
I-Shares IBOXX IG Corporate Bond ETF	LQD US EQUITY	-3.33%	35%	35%	195%	18%	1.1	1.0	25.0	560%	100%	33.8	654%	100%	
I-Shares IBOXX HY Corporate Bond ETF	HYG US EQUITY	-8.19%	13%	13%	76%	-24%	-0.1	-0.1	23.5	373%	100%	26.5	603%	100%	
I-Shares J.P. Morgan USD EM Bond ETF	EMB US EQUITY	-12.03%	36%	36%	79%	49%	1.2	0.7	34.2	902%	100%	46.3	810%	100%	
Data Source: CBOE, CME, Bloomberg															

Data Source: CBOE, CME, Bloomberg

Macro Data Callouts

1. There's hardly any prose I can add to the Chinese hard data released over the weekend that could contextualize just how bad these figures are:

JAN-FEB YTD Retail Sales: -2,850bps to -20.5% YoY – first contraction ever

JAN-FEB YTD Industrial Production: -1,920bps to -13.5% YoY – first contraction ever

JAN-FEB YTD Fixed Assets Investment: -2,990bps to -24.5% YoY – first contraction ever

Key Takeaway: I'll be honest, I didn't make a lot of noise about our nowcast for Chinese GROWTH turning negative when it first did a couple weeks back on the PMI and Business Confidence data because I wanted to respect the history of the N-GDP-SEC data series in that it's never registered a YoY contraction – even in the thralls of 2008. My bashfulness was unwarranted; last week's Trade and Credit data had since confirmed it and our nowcast is now three times as negative after these data. Much like with Keith's PRICE, VOLUME, VOLATILITY model, I expressly designed the nonlinear interpolation component of our nowcast algorithm to spot phase transitions in economic activity (e.g. Quads), rather than trying to identify deviations from some assumed “general equilibrium” state of the economy. There's nothing “general” or “equilibrium” about these crashing Chinese GROWTH metrics.

2. Lots of central bank activity over the past 72hrs to catch up on:

Bank of Canada cut rates -50bps to 0.75% on Friday afternoon

Bank of Korea cut rates -50bps to 0.75% – KOSPI closed -3.2% overnight

Bank of Japan doubled the size of its ETF purchase program – Japanese “stahks” closed down -2.5% overnight

Fed slashed rates -100bps to 0-0.25% and upped QE by \$700B (see attached for my recap note) – futures limit down this AM

Key Takeaway: Judging by the general tone of the questions hitting our inbox on Friday – i.e. everyone fearing missing out on the upside from this or that policy measure – there's more than a decent amount of downside risk for investors to manage over the next few weeks. I can't stress this enough: investors must respect the x-axis when they study crises charts. Nothing happens in a straight line. Investor consensus must also learn to respect the cadence of high-frequency data as well. Take China for example: our nowcast for Chinese GROWTH turned negative on March 4th. The Shanghai Composite has endured a -9.2% drawdown since its 3/5 intraday high en route to closing down -3.4% overnight on this weekend's news. No, it's not all “priced in” just because it looks “cheap” (on the wrong numbers).

3. The first clean read at the impact of SARS-CoV-2 on the US economy came via Friday's MAR University of Michigan Consumer Confidence release:

Headline: -5.1pts to a 4mo low of 95.9

Current Conditions: -2.3pts to a 3mo low of 112.5

Expectations: -6.8pts to a 4mo low of 85.3

NTM Prices: -10bps to 2.3% - slowest RoC since DEC '16

Key Takeaway: Consumers anticipate “Deep Quad 4” ahead. Discretionary purchases will likely fall off a cliff in the coming months.

Macro Daily Data Dump

Country/Region	C	Event	Period	Surv(M)	Actual	Prior	Revised	Ticker
Mexico	MX	Industrial Production NSA YoY	Jan	-1.50%	-1.60%	-1.00%	--	MXIPTYOY Index
India	IN	Exports YoY	Feb	--	2.90%	-1.70%	--	INMTEXUY Index
India	IN	Imports YoY	Feb	--	2.50%	-0.70%	--	INMTIMUY Index
United States	US	Import Price Index YoY	Feb	-1.50%	-1.20%	0.30%	--	IMP1YOY% Index
United States	US	Export Price Index YoY	Feb	-0.60%	-1.30%	0.50%	0.40%	EXP1CYOY Index
United States	US	U. of Mich. Sentiment	Mar P	95	95.9	101	--	CONSENT Index
United States	US	U. of Mich. Current Conditions	Mar P	112.8	112.5	114.8	--	CONSCURR Index
United States	US	U. of Mich. Expectations	Mar P	88.1	85.3	92.1	--	CONSEXP Index
United States	US	U. of Mich. 1 Yr Inflation	Mar P	2.40%	2.30%	2.40%	--	CONSPXMD Index
United States	US	U. of Mich. 5-10 Yr Inflation	Mar P	--	2.30%	2.30%	--	CONSP5MD Index
Canada	CA	Bank of Canada Rate Decision	13-Mar	--	0.75%	1.25%	--	CABROVER Index
United States	US	FOMC Rate Decision (Upper Bound)	15-Mar	--	0.25%	1.25%	--	FDTR Index
United States	US	FOMC Rate Decision (Lower Bound)	15-Mar	--	0.00%	1.00%	--	FDTRFTRL Index
United States	US	Interest Rate on Excess Reserves	15-Mar	--	0.10%	1.10%	--	IRRBIOER Index
Japan	JN	Core Machine Orders YoY	Jan	-1.10%	-0.30%	-3.50%	--	JNMOYOY Index
China	CH	Retail Sales YTD YoY	Feb	-4.00%	-20.50%	--	--	CNRSACMY Index
China	CH	Property Investment YTD YoY	Feb	--	-16.30%	--	--	CHRCXINY Index
China	CH	Industrial Production YTD YoY	Feb	-3.00%	-13.50%	--	--	CHVAICY Index
China	CH	Fixed Assets Ex Rural YTD YoY	Feb	-2.00%	-24.50%	--	--	CNFAYOY Index
Indonesia	ID	Exports YoY	Feb	-5.60%	11.00%	-3.71%	-2.12%	IDEXPY Index
Indonesia	ID	Imports YoY	Feb	-3.10%	-5.11%	-4.78%	-4.82%	IDIMPTLY Index
Japan	JN	BOJ Policy Balance Rate	19-Mar	-0.10%	-0.10%	-0.10%	--	BOJDPBAL Index
Japan	JN	BOJ 10-Yr Yield Target	19-Mar	0.00%	0.00%	0.00%	--	BOJDPRLT Index
India	IN	Wholesale Prices YoY	Feb	2.43%	2.26%	3.10%	--	INFINFY Index
South Korea	SK	BoK 7-Day Repo Rate	16-Mar	--	0.75%	1.25%	--	KORP7DR Index
South Africa	SA	BER Consumer Confidence	1Q	-10	-9	-7	--	SACWC Index
Italy	IT	CPI EU Harmonized YoY	Feb F	0.30%	0.20%	0.30%	--	ITCPEY Index

Hedgeye Macroeconomic Data Sequencer

HEDGEYE MACROECONOMIC DATA SEQUENCER	QUARTERLY AVERAGE DELTA		TRENDING DELTA		SEQUENTIAL DELTA		PERCENTILE BASIS (10Y)	RoC	HISTORICAL CONTEXT	
	Dec-19	Mar-20	12MMA	6MMA (JAN)	Prior	Latest (JAN)	Latest Reading	JAN	Best Since	Worst Since
Mexico Industrial Production Total Yearly % Change	-2.08	-1.60	-1.82	-1.82	-0.98	-1.60	13%	-0.62	12/31/2019	11/30/2019
Russia Merchandise Trade Imports YoY % Change	9.16	3.69	2.46	6.43	7.68	3.69	48%	-3.99	12/31/2019	8/31/2019
Russia Merchandise Trade Exports YoY % Change	-8.63	-4.28	-4.85	-7.94	-3.04	-4.28	33%	-1.24	12/31/2019	11/30/2019
University of Michigan Consumer Sentiment Index	97.20	98.90	97.09	98.05	101.00	95.90	72%	-5.10	2/29/2020	10/31/2019
University of Michigan Current Economic Conditions Index	113.43	113.90	111.73	113.67	114.80	112.50	83%	-2.30	2/29/2020	11/30/2019
University of Michigan Consumer Expectations Index	86.80	89.30	87.69	88.05	92.10	85.30	70%	-6.80	2/29/2020	10/31/2019
UMich Expected Change in Prices During the Next Year: Median	2.43	2.40	2.56	2.42	2.40	2.30	2%	-0.10	2/29/2020	12/31/2016
UMich Expected Change in Prices During the Next 5-10 Years: Median	2.33	2.37	2.40	2.35	2.30	2.30	1%	0.00	1/31/2020	12/31/2019
Bank of Canada Overnight Lending Rate	#N/A	#N/A	1.29	1.08	0.75	0.75	0%	0.00	3/12/2020	-
Federal Funds Target Rate - Upper Bound	#N/A	#N/A	1.25	1.08	1.25	0.25	0%	-1.00	3/13/2020	-
Japan Machinery Orders: Private Sector (exc. volatile orders) YoY	-1.43	-0.30	-0.72	-2.33	-3.50	-0.30	32%	3.20	11/30/2019	12/31/2019
China 70 Cities Newly Built Commercial Residential Buildings Prices MoM Average	0.38	0.15	0.48	0.33	0.27	0.02	19%	-0.25	1/31/2020	4/30/2015
China Retail Sales Cumulative Value YoY	8.03	-6.25	5.78	3.33	8.00	-20.50	0%	-28.50	12/31/2019	-
China Value Added of Industry YoY Cumulative	5.63	-3.90	4.20	2.43	5.70	-13.50	0%	-19.20	12/31/2019	-
China Fixed Assets Investment (Excluding Rural Households) Cumulative YoY	5.27	-9.55	3.15	0.37	5.40	-24.50	0%	-29.90	12/31/2019	-
China Completed Investment in Real Estate(Cumulative)YoY	10.13	-3.20	8.59	5.85	9.90	-16.30	0%	-26.20	12/31/2019	-
China Surveyed Unemployment Rate in Urban Areas - Nationwide	5.13	5.70	5.24	5.33	5.20	6.20	100%	1.00	-	12/31/2019
Indonesia Exports YoY	-3.72	4.44	-4.91	-1.33	-2.12	11.00	71%	13.12	7/31/2018	1/31/2020
Indonesia Import Total YoY	-10.43	-4.97	-8.46	-7.27	-4.82	-5.11	33%	-0.29	1/31/2020	12/31/2019
Bank Of Japan Policy-Rate Balance Rate	#N/A	#N/A	-0.10	-0.10	-0.10	-0.10	0%	0.00	-	-
India Wholesale Price Index All Commodities YoY	1.11	2.68	1.88	1.51	3.10	2.26	44%	-0.84	1/31/2020	11/30/2019
South Korea Official Bank Rate by Monetary Policy Committee Meeting	#N/A	#N/A	1.38	1.08	0.75	0.75	0%	0.00	2/27/2020	-
Italy HICP YoY NSA	0.30	0.30	0.53	0.28	0.40	0.20	17%	-0.20	1/31/2020	11/30/2016
Eurostat Italy Core HICP YoY NSA	0.67	0.55	0.54	0.60	0.50	0.60	25%	0.10	11/30/2019	1/31/2020