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HEDGEYE ASSET ALLOCATION

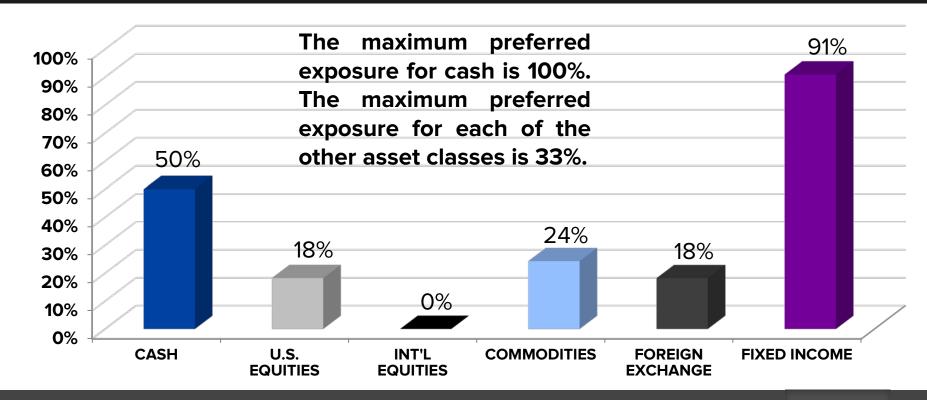
	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
5/20/2016	49	6	0	10	5	30
5/23/2016	50	6	0	8	6	30

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
5/20/2016	49%	18%	0%	30%	15%	91%
5/23/2016	50%	18%	0%	24%	18%	91%

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

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THE MACRO SHOW



1 UST 10YR

20IL

3 EUROPE

UST 10YR

Most things macro (last week) queued off of what we think was another head-fake in rate hike risk. The UST 10YR Yield being +15 basis points week-over-week was a counter TREND move to 1.90% which has since pulled all the way back to 1.82% this morning, flattening the Yield Spread to yet another year-to-date low of +94 basis points wide (10s/2s), which is an explicitly bearish GDP growth signal.

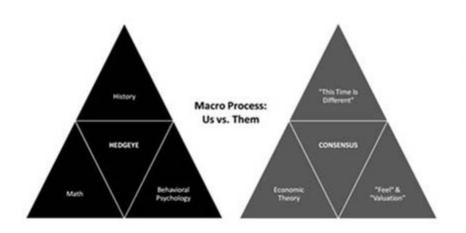
OIL

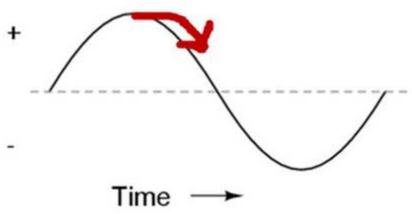
It dislocated from the Correlation Trade last week (USD +0.8%, Gold -1.5%, WTI +3.5%), but is correcting -1.1% this morning (Iran Supply comments) back below \$48 with an immediate-term risk range of \$45.07-50.53.

EUROPE

Teetering on implosion (Equities) again as USD signals immediate-term TRADE overbought vs. Euro at \$1.11-1.12; Italy's stock market is a bloody mess, -1.5% (leading losers), taking its crash to -26% since this time last year; NIRP doesn't work.

HEDGEYE MACRO PROCESS: RATE OF CHANGE





DIFFERENTIATED FROM THE HERD

Macroeconomics and Global Macro Risk Management are two very different fields. We specialize in the latter.

WE FOCUS ON THE SLOPES

Everything that matters in Global Macro occurs on the margin.

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S&P REVENUES & EARNINGS COMPS

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SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	-1.9%	-8.3%	478 / 500
Energy	-30.1%	-109.1%	38 / 38
Materials	-8.7%	-15.0%	27 / 27
Industrials	-2.1%	-7.8%	66 / 66
Consumer Discretionary	5.8%	19.0%	73 / 83
Consumer Staples	0.6%	0.4%	33 / 37
Healthcare	9.3%	8.1%	55 / 57
Financials	-1.7%	-14.2%	91 / 91
Information Technology	-2.8%	-7.3%	61 / 67
Telecom	11.2%	16.1%	5 / 5
Utilities	-10.5%	-2.1%	29 / 29

Source: BBG

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THE MACRO SHOW



HEDGEYE SECTOR PERFORMANCE

			1-Day %	MTD %	YTD %
SECTOR	<u>Ticker</u>	<u>Price</u>	<u>Chg</u>	Chg	<u>Chg</u>
Consumer Discretionary	XLY	\$77.70	0.66%	-1.89%	-0.59%
Financial Select Sector	XLF	\$23.21	0.69%	-0.43%	-2.60%
Health Care Select Sector	XLV	\$69.69	0.93%	-0.14%	-3.25%
Technology Select Sector	XLK	\$42.73	1.21%	1.42%	-0.23%
Consumer Staples Select Sector	XLP	\$52.16	-0.51%	-0.27%	3.31%
Industrial Select Sector	XLI	\$55.03	0.51%	-2.01%	3.81%
Materials Select Sector	XLB	\$46.28	0.72%	-1.74%	6.59%
The Energy Select Sector	XLE	\$66.16	0.59%	-1.99%	9.68%
Utilities Select Sector	XLU	\$48.29	0.23%	-0.27%	11.58%
S&P 500	SPX	2,052.32	0.60%	-0.63%	0.41%

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THE MACRO SHOW

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HEDGEYE SECTOR RELATIVE PERFORMANCE

			1-Day %	MTD %	YTD %
	<u>Ticker</u>	<u>Price</u>	<u>Chg</u>	Chg	Chg
Consumer Discretionary	XLY	\$77.70	0.06%	-1.27%	-1.00%
Financial Select Sector	XLF	\$23.21	0.09%	0.20%	-3.01%
Health Care Select Sector	XLV	\$69.69	0.32%	0.48%	-3.66%
Technology Select Sector	XLK	\$42.73	0.61%	2.05%	-0.64%
Consumer Staples Select Sector	XLP	\$52.16	-1.12%	0.36%	2.90%
Industrial Select Sector	XLI	\$55.03	-0.09%	-1.38%	3.40%
Materials Select Sector	XLB	\$46.28	0.12%	-1.11%	6.18%
The Energy Select Sector	XLE	\$66.16	-0.01%	-1.36%	9.27%
Utilities Select Sector	XLU	\$48.29	-0.37%	0.36%	11.17%

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HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
五	High Debt/EV	0.8%	0.3%	-2.4%	14.4%	0.5%	5.4%
8	Low Debt/EV	0.8%	0.6%	-2.6%	5.9%	-1.2%	0.1%
IS	High Short Interest	1.1%	1.0%	-4.2%	10.6%	-2.9%	1.4%
- 05	Low Short Interest	0.7%	0.6%	-0.4%	8.7%	1.4%	2.7%
BETA	High Beta	1.5%	2.4%	-3.4%	16.4%	-7.5%	-0.6%
8	Low Beta	0.2%	-1.5%	0.4%	5.2%	7.7%	6.1%
YIELD	High Yield	0.8%	-0.2%	-2.8%	8.2%	-0.9%	2.2%
	Low Yield	1.1%	1.3%	-1.7%	11.0%	-2.3%	0.6%
MKT	MCAP Bottom 25%	1.2%	1.2%	-4.0%	10.5%	-4.9%	-0.6%
Σ δ	MCAP Top 25%	0.6%	0.3%	-1.5%	7.3%	-1.5%	0.6%
Sales	Top 25% Sales Growth	1.1%	1.2%	-1.9%	15.4%	-2.7%	2.0%
Sa	Bottom 25% Sales Growth	0.7%	-0.5%	-2.5%	7.0%	-0.2%	1.9%
EPS	Top 25% EPS Growth	1.1%	1.4%	-1.2%	12.7%	-1.4%	1.1%
<u> </u>	Bottom 25% EPS Growth	0.6%	-0.2%	-2.4%	11.5%	-0.3%	4.0%

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

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HEDGEYE RATES & SPREADS

		1D	5D	1M	3M	vs. 52-V	Vk, Bps	vs.	vs.
	Price	Bps Chg	Bps Chg	Bps Chg	Bps Chg	High	Low	3Y Ave	5Y Ave
3M T-Bill	0.31%	0.5	4.1	8	2	-5	36	24	25
3M LIBOR	0.66%	1.8	2.6	2	4	0	38	35	32
2Y T-Note	0.88%	-0.6	13.0	8	13	-22	34	33	44
5Y T-Note	1.36%	-1.3	15.6	5	14	-46	39	-15	10
10Y T-Note	1.84%	-1.0	13.8	-1	9	-66	31	-49	-35
30Y T-Note	2.63%	-1.3	8.0	-3	2	-63	25	-53	-52
2Y-10Y Spread, Bps	96	-0.5	0.8	-8.9	-4	-44	-3	-82	-79
IG SPREAD (AAABBB)	1.79%	2.0	-5.0	-3	-47	-51	12	9	-6
HIGH YIELD	7.42%	4.9	1.6	0	-142	-191	136	86	62
5Y BREAKEVEN	1.51%	-0.6	-1.3	1.5	44.4	-23.6	65.3	-11.0	-24.0
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CFTC NON-COMMERCIAL NET LONG POSITIONING

							Score
METRIC	Latest	W/W Chg	3M Ave	6M Ave	1Y Ave	1Y	3Y
SPX (Index + E-mini)	9,630	(17,605)	(98,435)	(114,510)	(126,903)	1.83X	0.29X
Russell 2000 (mini)	(45,762)	(109)	(58,268)	(53,189)	(40,454)	-0.28X	-0.89X
10Y Treasury	(131,565)	(44,366)	(37,960)	(16,208)	(15,129)	-2.33X	-1.02X
CRUDE OIL	408,569	46,410	348,646	291,596	298,130	1.93X	1.15X
GOLD	227,651	1,767	174,987	91,641	63,791	2.17X	2.99X
COPPER	(30,625)	(7,817)	(13,875)	(23,766)	(20,604)	-0.84X	-1.02X
\$USD	10,447	(1,667)	17,079	28,887	39,944	-1.81X	-0.88X
JPY	58,380	(1,337)	57,634	26,045	(14,720)	1.27X	2.32X
EUR	(19,422)	(1,810)	(45,537)	(88,019)	(94,790)	1.69X	0.70X
GBP	(37,405)	(4,357)	(38,536)	(35,151)	(23,764)	-0.87X	-0.95X

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MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (5/20) vs.						
	Prior Day	1M Ave	3M ave	1Y Ave			
Total Market Volume*	-1%	-16%	-13%	-14%			
Total Exchange Volume**	-8%	-8%	-9%	-9%			
Total Traded Value (R3K)***	23%	10%	12%	6%			

^{*}Total Market Volume = Total US exchange volume plus OTC and OTCBB trading volume for all security types. Calculated by Bloomberg.

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^{**}Tape A+B+C volume = total US exchange volume

^{***} Total Traded Value for Russell 3000 (total mkt proxy)