

#### LEGAL

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#### HEDGEYE ASSET ALLOCATION

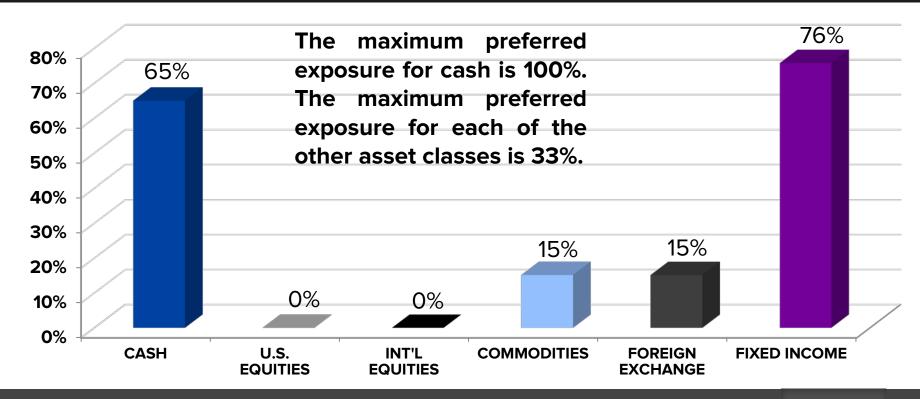
	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
4/20/2016	65	0	0	5	5	25
4/21/2016	65	0	0	5	5	25

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME	
4/20/2016	65%	0%	0%	15%	15%	76%	
4/21/2016	65%	0%	0%	15%	15%	76%	

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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#### HEDGEYE ASSET ALLOCATION



April 21, 2016

THE MACRO SHOW



# 1 EUR/USD

# 2 SENTIMENT

3 #THEDATA





We talk about sentiment extensively from a behavioral standpoint (whether its derivative contract positioning, volume surrounding price moves, implied volatility, II bull/bear spread, etc.), but one notable call-out that sheds light on current bearish sentiment is the decline in forward-looking earnings expectations. We've called out the likeliness of another quarter of declining rev. and earnings comps (so far 108/500 have reported and earnings growth is down -7.5%). But when you look at reported earnings vs. consensus expectations, every sector has beat bottom line for Q1 with aggregate earnings in the S&P 500 surprising to the upside by 5%. So right now you're weighing consensus expectations vs. increasing market-based multiples and we don't think it can last.



the Chicago Fed National Activity Index and the Philly Fed Business Outlook Survey. We reiterate our view that [pending] dour

economic data itself is the catalyst for the market to decline from here.



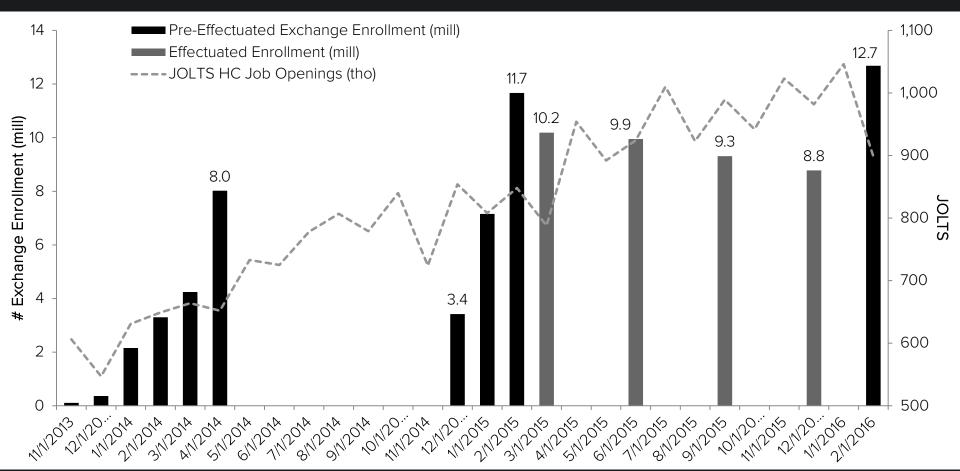
**HEALTHCARE** TOM TOBIN

# HEALTHCARE POSITION MONITOR

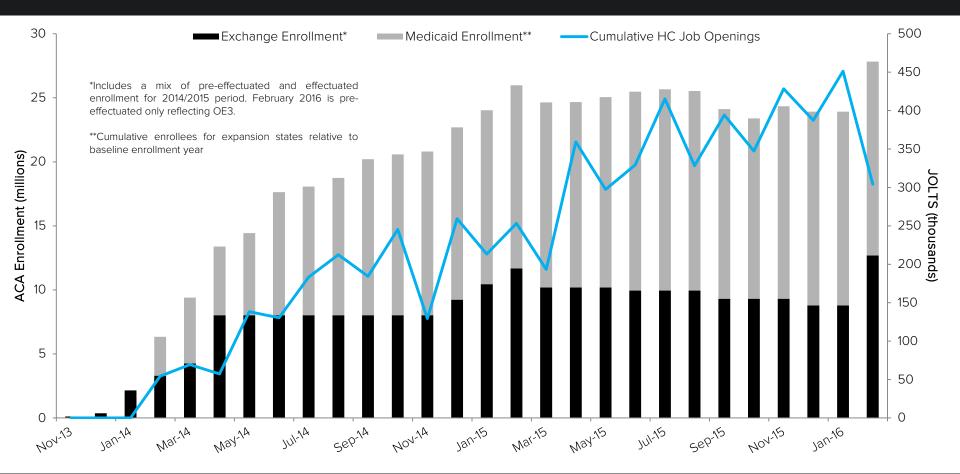
Sentiment	Investm	nent Ideas - Longs	Trade	Trend	Tail	Sentiment	Investment Ideas - Shorts	Trade	Trend	Tail
Score <sup>1</sup>	LONG	_				Score <sup>1</sup>	SHORT			
6	ATHN	athenahealth, Inc.	✓	✓	✓	93	<b>ZBH</b> Zimmer Biomet Holdings, Inc.		×	×
						90	AHS AMN Healthcare Services, Inc.		×	×
						62	MD MEDNAX, Inc.	×	×	×
						45	HOLX Hologic, Inc.	×	×	×
						24	MDRX Allscripts Healthcare Solutions, Inc.		×	×
							0			
Sentiment		encn				A	Short Bench			
Score	<u>LONG</u>		1	1 1	ĺ	Score <sup>1</sup>	SHORT	1		
35	CSLT	Castlight Health, Inc. Class B				n/a	CPHD Cepheid			
76	EVH	Evolent Health Inc Class A				94	MDSO Medidata Solutions, Inc.			
82	CERN	Cerner Corporation				89	ILMN Illumina, Inc.			
						81	WOOF VCA Inc.			
						72	ICLR ICON PIc			
						69	CYH Community Health Systems, Inc.			
						61	Q Quintiles Transnational Holdings, Inc.			
						56	CRL Charles River Laboratories International, Inc.			
						45	DVA DaVita HealthCare Partners Inc.			
						38	LPNT LifePoint Health, Inc.			
						29	QSII Quality Systems, Inc.			
						24	LH Laboratory Corporation of America Holdings			
						19	HCA HCA Holdings, Inc.			
						17	PRXL PAREXEL International Corporation			
						1	DGX Quest Diagnostics Incorporated			
						1	CPSI Computer Programs and Systems, Inc.			

DATA SOURCE: FACTSET HEDGEYE 10

#### **EXCHANGE ENROLLMENT VS JOLTS**



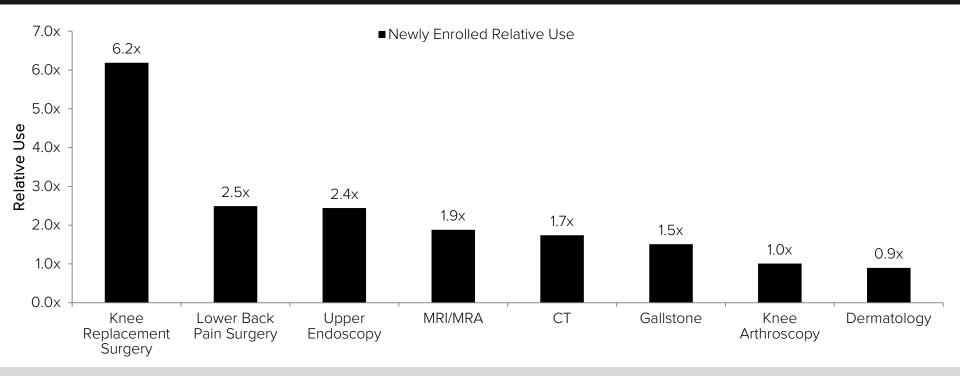
#### **TOTAL ACA ENROLLMENT VS JOLTS**



DATA SOURCE: CMS, KAISER AND BLS

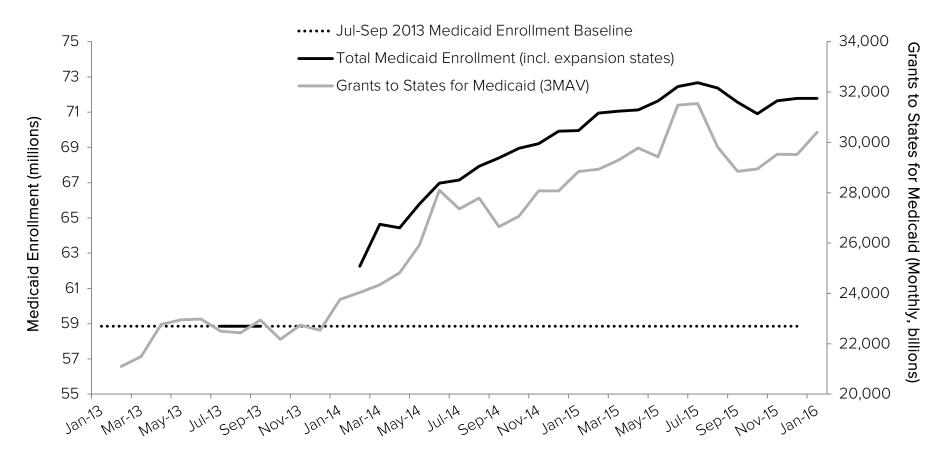
HEDGEYE 12

#### PENT-UP DEMAND NEWLY INSURED

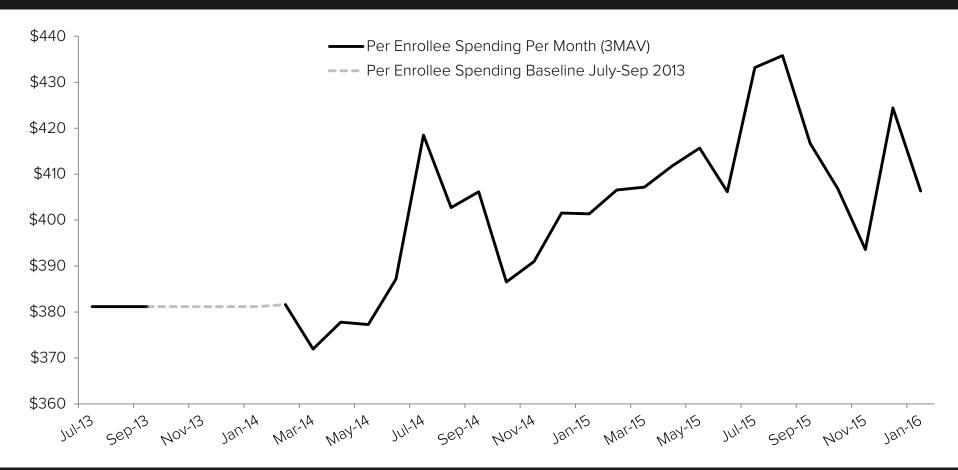


#### SOCIETY OF ACTUARIES ANALYSIS OF KS CLAIMS DATA

## **MEDICAID ENROLLMENT & OUTLAYS**

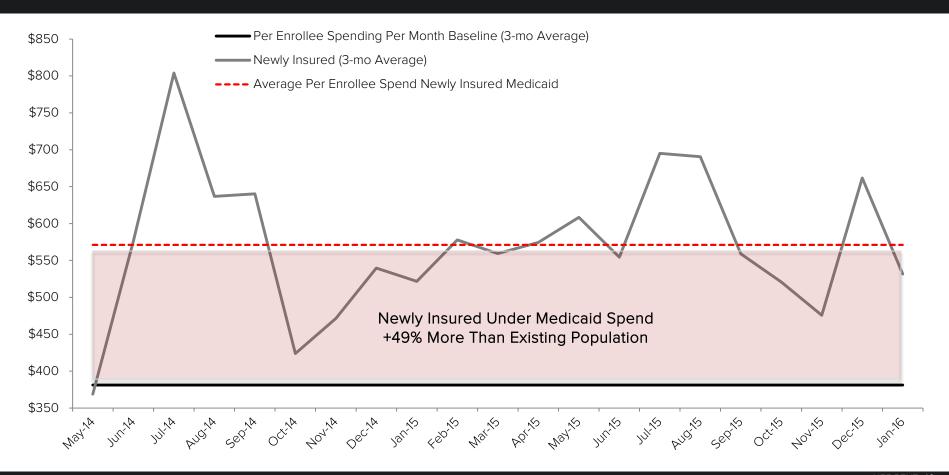


#### MEDICAID PER ENROLLEE SPENDING



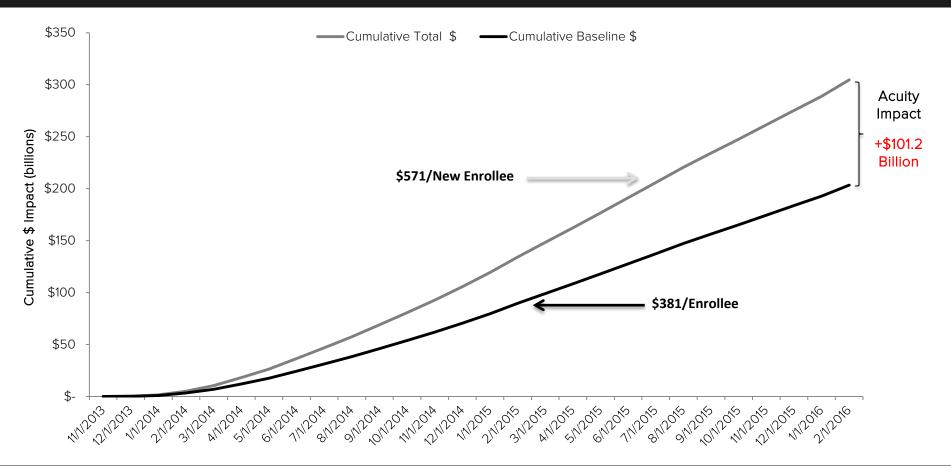
DATA SOURCE: US TREASURY, CMS HEDGEYE 15

#### **NEWLY INSURED MEDICAID SPEND**

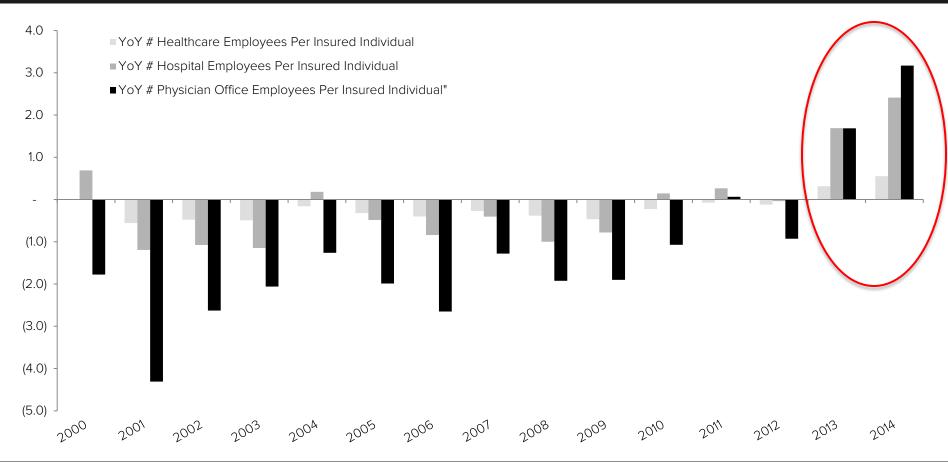


DATA SOURCE: CMS AND US TREASURY HEDGEYE 16

## CUMULATIVE PER CAPITA IMPACT

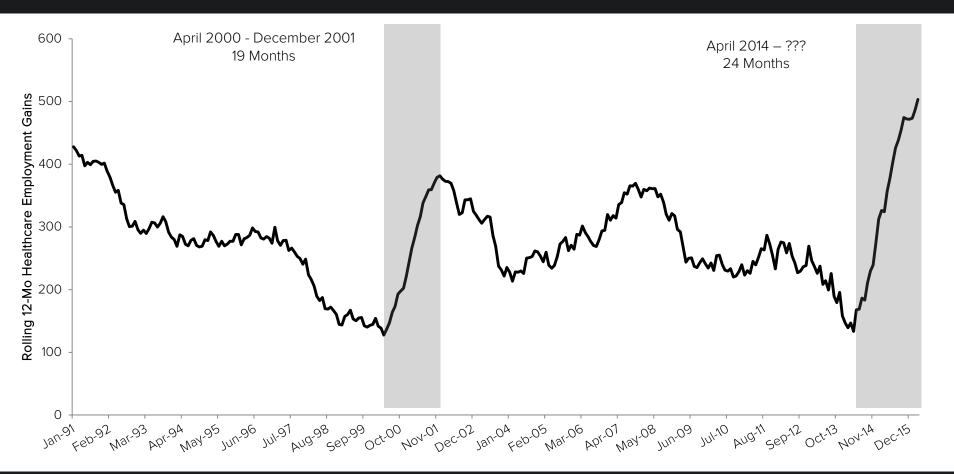


#### **INCREASE DEMAND FOR LABOR**



DATA SOURCE: BLS AND CMS HEDGEYE 18

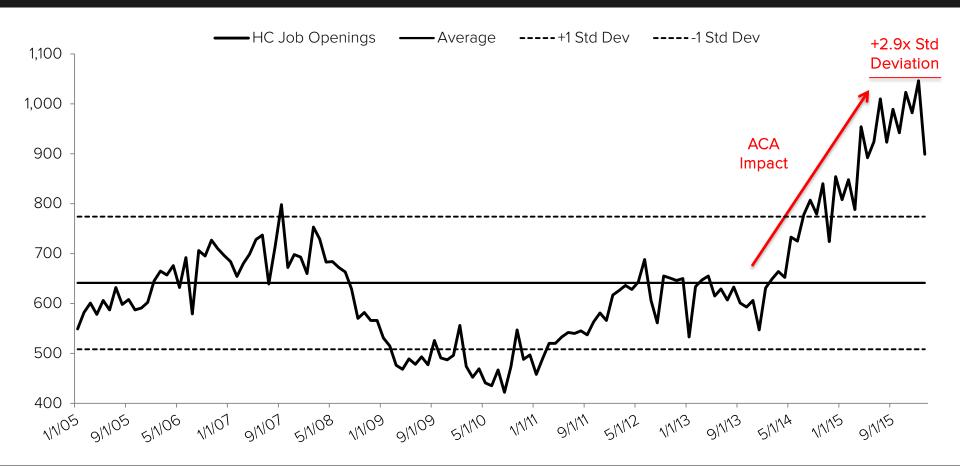
#### **HEALTHCARE EMPLOYMENT GAINS**



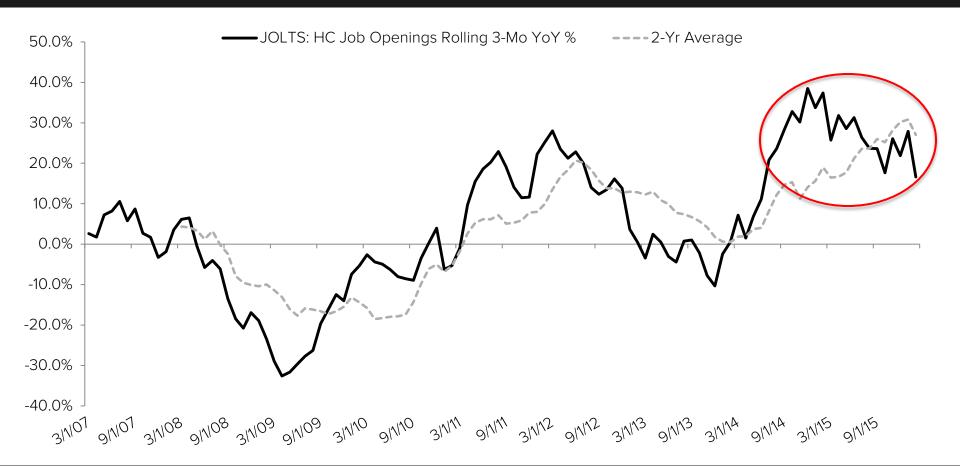
#### **HOSPITAL EMPLOYMENT**



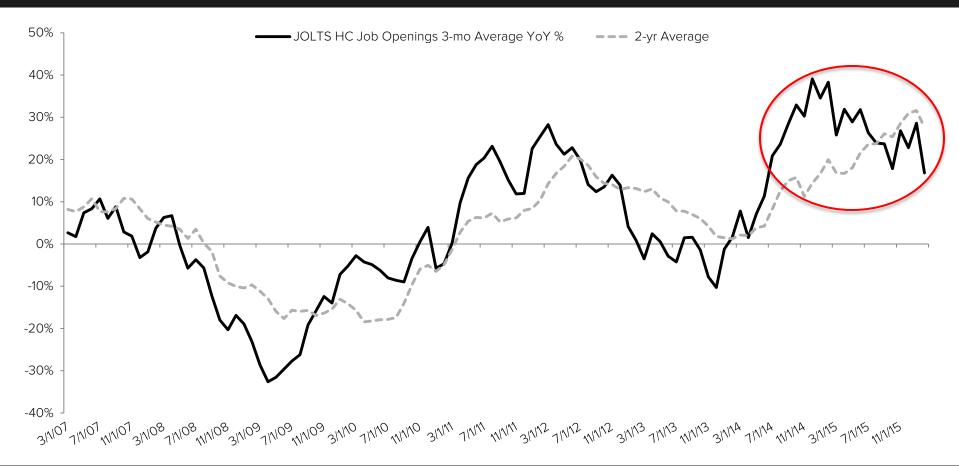
#### **PEAK HC JOB OPENINGS?**



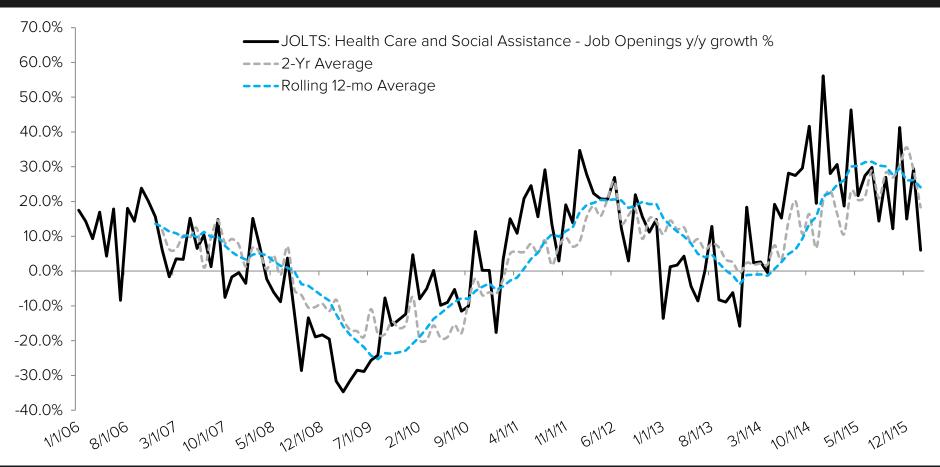
#### **HEALTHCARE JOLTS SLOWING**



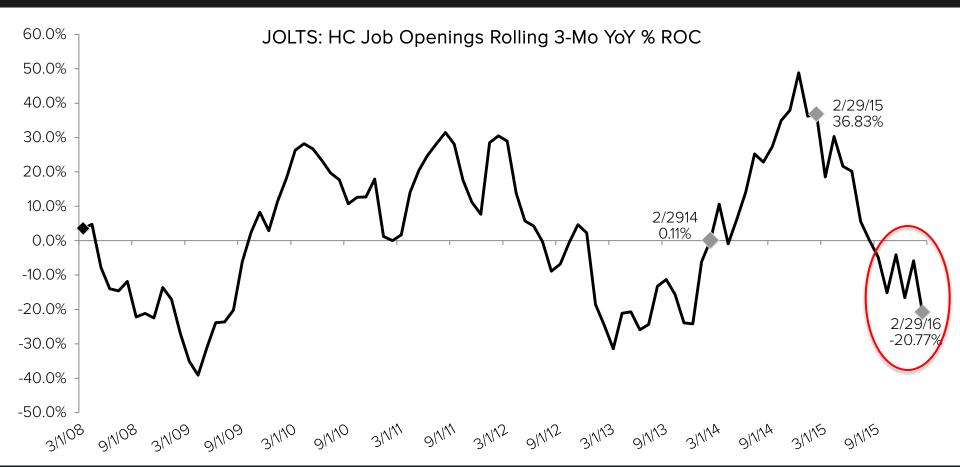
#### **HEALTHCARE JOLTS SLOWING**



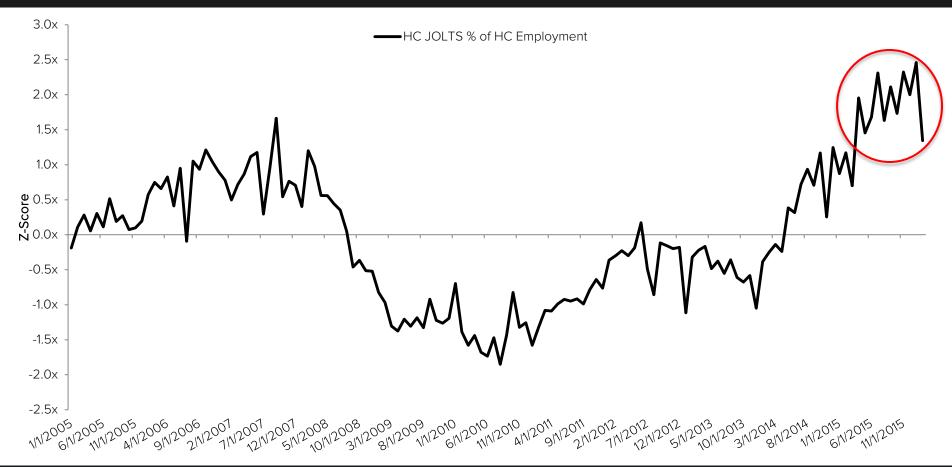
# **HEALTHCARE JOB OPENINGS (JOLTS)**



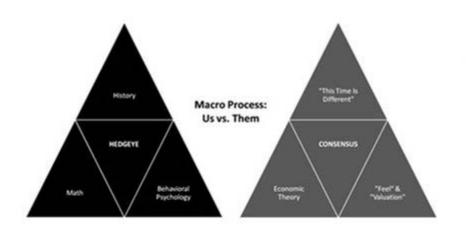
#### **HEALTHCARE JOLTS SLOWING**

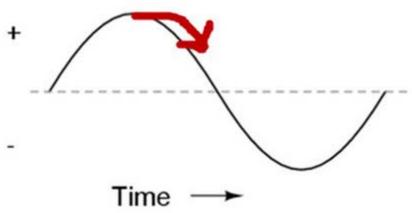


#### **HEALTHCARE JOLTS % EMPLOYMENT**



#### **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.

April 21, 2016

THE MACRO SHOW

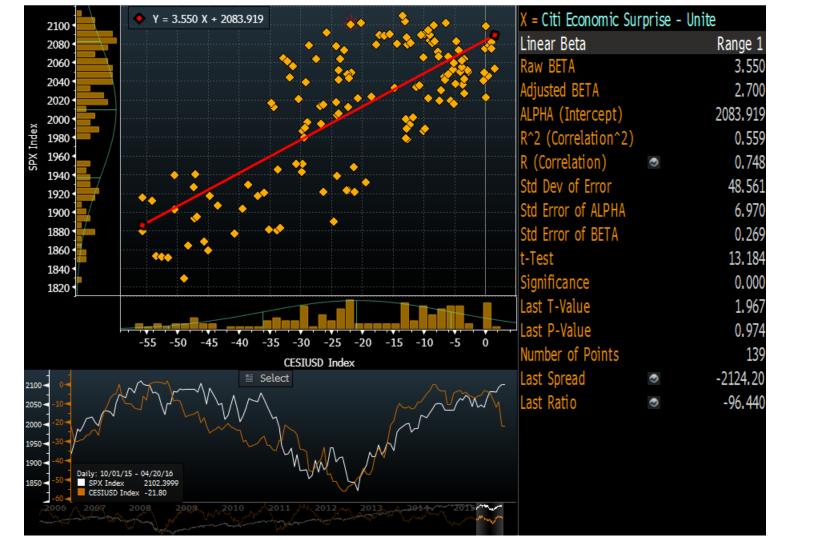


# S&P REVENUE & EARNINGS COMP

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	-0.1%	-10.7%	82 / 500
Energy	-11.2%	3.7%	1 / 38
Materials	-11.4%	-32.9%	3 / 27
Industrials	0.8%	16.4%	13 / 65
Consumer Discretionary	5.6%	14.1%	14 / 85
Consumer Staples	1.9%	-2.6%	8 / 37
Healthcare	14.7%	8.0%	6 / 57
Financials	-6.5%	-19.6%	20 / 90
Information Technology	-3.6%	-14.2%	17 / 67
Telecom	0.0%	0.0%	0 / 5
Utilities	0.0%	0.0%	0 / 29

Source: BBG

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HIGH-FREQUENCY INDICATOR			QUARTERLY AVERAGE DATA		TRENDING DATA		SEQUENTIAL DATA	PERCENTILE OF LATEST READING (TRAILING 10Y)	
			1016	12MMA	3MMA (FEB)	Prior	Latest (FEB)	3MMA	Latest Reading
	UNITED STATES Real PCE YoY % Change	2.70	2.70	2.98	2.70	2.60	2.80	76%	76%
		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
	UNITED STATES Retail Sales Control Group YoY % Change	2.50	3.00	2.88	3.00	3.40	2.70	37%	24%
		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
	UNITED STATES Average Hourly Earnings YoY % Change	2.50	2.30	2.35	2.37	2.30	2.30	66%	59%
C O		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
N	UNITED STATES Real Average Weekly Earnings YoY % Change	1.90	1.00	1.87	0.97	0.70	1.10	60%	61%
s		4015	1016	12MMA	3MMA (FEB)	Prior	Latest (FEB)	3MMA	Latest Reading
U	UNITED STATES Real Disposable Personal Income YoY % Change	3.00	2.70	3.21	2.67	2.60	2.70	68%	68%
M		4015	1016	12MMA	3MMA (FEB)	Prior	Latest (FEB)	3MMA	Latest Reading
P	UNITED STATES Personal Savings Rate (%)	5.00	5.40	5.05	5.23	5.30	5.40	55%	58%
Ţ		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
0	UNITED STATES Nonfarm Payrolls MoM Nominal Change ('000)	282.00	209.00	233.50	209.33	245.00	215.00	70%	71%
N		4015	1Q16	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
	UNITED STATES Fed Labor Market Conditions Index (19 Indicator Composite)	1.90	-2.20	0.73	-2.17	-2.50	-2.10	22%	22%
		4015	1Q16	12MMA	3MMA (week-ended APR 8)	Prior	Latest (week-ended APR 8)	3MMA	Latest Reading
	UNITED STATES Initial Jobless Claims NSA, Rolling 4wk Average, YoY % Change	-6.61	-6.40	-8.79	-6.58	-5.28	-6.40	56%	84%
		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
	UNITED STATES Conference Board Consumer Confidence SA 1985=100	96.00	96.00	96.63	96.00	94.00	96.20	77%	77%
		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
	UNITED STATES Industrial Production YoY % Change	-1.60	-1.70	-0.70	-1.70	-1.76	-2.03	19%	16%
		4015	1016	12MMA	3MMA (FEB)	Prior	Latest (FEB)	3MMA	Latest Reading
	UNITED STATES Durable Goods New Orders NSA YoY % Change	0.00	2.50	-2.45	1.27	0.40	4.60	39%	53%
INVESTMENT		4015	1016	12MMA	3MMA (FEB)	Prior	Latest (FEB)	3MMA	Latest Reading
	UNITED STATES Capital Goods New Orders Non-Defense, Ex-Aircraft & Parts NSA YoY % Change	-3.00	-1.10	-3.49	-2.90	-4.40	2.20	24%	45%
		4015	1016	12MMA	3MMA (FEB)	Prior	Latest (FEB)	3MMA	Latest Reading
	UNITED STATES Factory Orders SA YoY % Change	-4.40	-2.70	-5.93	-3.07	-2.30	-3.00	23%	23%
		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
s	UNITED STATES ISM Manufacturing PMI SA	48.60	49.80	50.50	49.83	49.50	51.80	20%	39%
Ü		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
R	UNITED STATES ISM Services PMI SA	56.90	53.80	56.36	53.80	53.40	54.50	45%	55%
v		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
E	UNITED STATES ISM GDP-Weighted Composite PMI SA	56.00	53.40	55.68	53.37	53.00	54.20	38%	51%
Y		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
S	UNITED STATES NFIB Small Business Optimism Index	95.20	93.10	95.13	93.13	92.90	92.60	51%	45%
		4015	1016	12MMA	3MMA (FEB)	Prior	Latest (FEB)	3MMA	Latest Reading
NET	UNITED STATES Exports YoY % Change	-7.60	-5.50	-5.66	-6.13	-6.70	-4.20	13%	17%
EXPORTS		4015	1016	12MMA	3MMA (FEB)	Prior	Latest (FEB)	3MMA	Latest Reading
LAPORTS	UNITED STATES Imports YoY % Change	-5.50	-2.10	-3.16	-3.57	-4.50	0.30	16%	28%
		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
INFLATION	UNITED STATES CPI YoY % Change	0.50	1.10	0.42	1.10	1.00	0.90	23%	20%
		4015	1016	12MMA	3MMA (FEB)	Prior	Latest (FEB)	3MMA	Latest Reading
	UNITED STATES US Personal Consumption Expenditure Core Price Index YoY SA	1.38	1.67	1.38	1.59	1.66	1.68	50%	58%
		4015	1016	12MMA	3MMA (MAR)	Prior	Latest (MAR)	3MMA	Latest Reading
	UNITED STATES US PPI Final Demand YoY NSA	-1.30	-0.10	-0.83	-0.10	0.00	-0.10	19%	19%

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