

LEGAL

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. Re-distribution 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.

HEDGEYE ASSET ALLOCATION

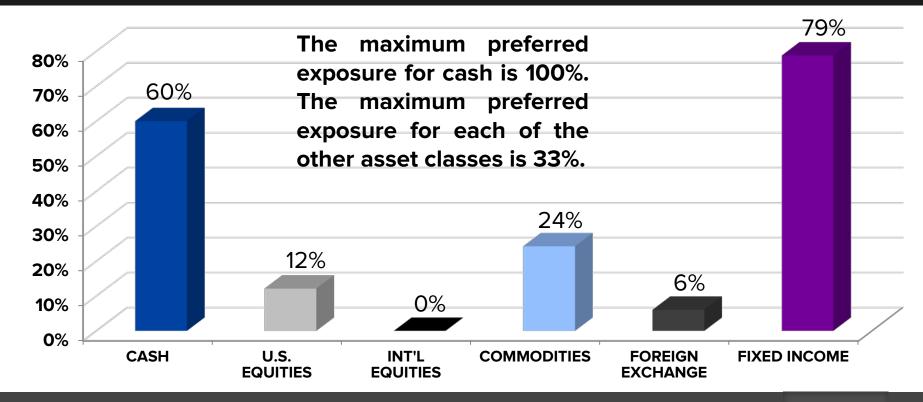
	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
5/10/2016	60	4	0	8	2	26
5/11/2016	60	4	0	8	2	26

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
5/10/2016	60%	12%	0%	24%	6%	79%
5/11/2016	60%	12%	0%	24%	6%	79%

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

HEDGEYE T

HEDGEYE ASSET ALLOCATION



May 11, 2016









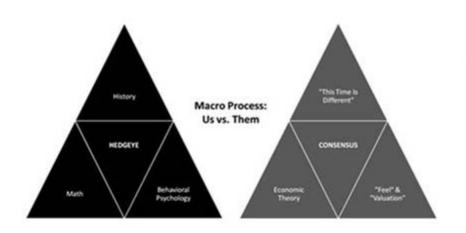
remains our long Gold catalyst.

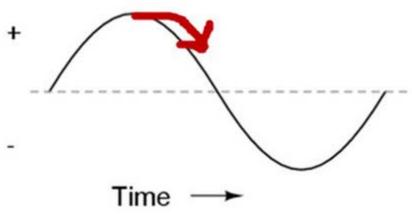
at 1.75% and falling, all-time lows in long-term yields

ITALY

Italy did the 1-day bounce thing then straight back down this morning, leading losers in Europe -1.9% taking the MIB Index crash to -27% since Global Equities peaked in July 2015. The MIB is an important proxy for NIRP crushing the banks.

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.

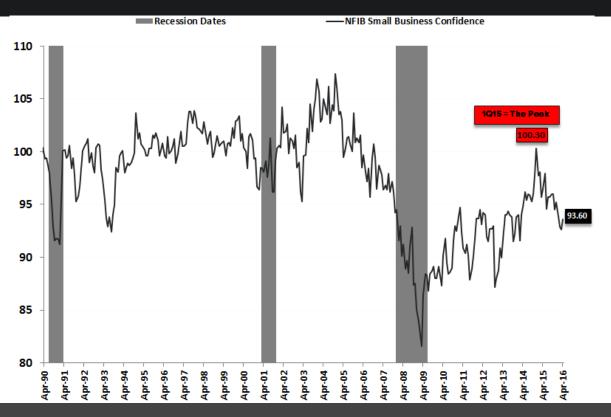
WE FOCUS ON THE SLOPES

Everything that matters in Global Macro occurs on the margin.

May 11, 2016



1015: FORWARD MULTIPLES PEAK



May 11, 2016



S&P REVENUES & EARNINGS COMPS

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	-2.6%	-8.8%	437 / 500
Energy	-31.6%	-108.7%	38 / 38
Materials	-8.9%	-15.3%	25 / 27
Industrials	-2.1%	-7.5%	63 / 65
Consumer Discretionary	7.2%	25.5%	58 / 84
Consumer Staples	0.8%	1.0%	29 / 37
Healthcare	9.4%	8.7%	52 / 57
Financials	-3.3%	-14.3%	89 / 90
Information Technology	-2.8%	-7.9%	53 / 68
Telecom	11.2%	16.1%	5 / 5
Utilities	-10.4%	-1.5%	25 / 29
May 11, 2016			HEDGEYE

OGEYE

HEDGEYE SECTOR PERFORMANCE

			1-Day %	MTD %	YTD %
SECTOR	<u>Ticker</u>	<u>Price</u>	<u>Chg</u>	<u>Chg</u>	<u>Chg</u>
Consumer Discretionary	XLY	\$80.52	1.28%	1.67%	3.02%
Financial Select Sector	XLF	\$23.40	1.43%	0.39%	-1.80%
Health Care Select Sector	XLV	\$70.56	0.84%	1.10%	-2.04%
Technology Select Sector	XLK	\$42.80	1.30%	1.59%	-0.07%
Consumer Staples Select Sector	XLP	\$54.06	0.99%	3.37%	7.07%
Industrial Select Sector	XLI	\$56.34	1.72%	0.32%	6.28%
Materials Select Sector	XLB	\$46.36	1.67%	-1.57%	6.77%
The Energy Select Sector	XLE	\$65.45	1.76%	-3.04%	8.50%
Utilities Select Sector	XLU	\$49.16	0.10%	1.53%	13.59%
S&P 500	SPX	2,084.39	1.25%	0.92%	1.98%

TV

HEDGEYE SECTOR RELATIVE PERFORMANCE

			1-Day %	MTD %	YTD %
	<u>Ticker</u>	<u>Price</u>	<u>Chg</u>	Chg	<u>Chg</u>
Consumer Discretionary	XLY	\$80.52	0.03%	0.74%	1.04%
Financial Select Sector	XLF	\$23.40	0.18%	-0.54%	-3.78%
Health Care Select Sector	XLV	\$70.56	-0.41%	0.18%	-4.02%
Technology Select Sector	XLK	\$42.80	0.05%	0.67%	-2.05%
Consumer Staples Select Sector	XLP	\$54.06	-0.26%	2.44%	5.09%
Industrial Select Sector	XLI	\$56.34	0.47%	-0.60%	4.30%
Materials Select Sector	XLB	\$46.36	0.42%	-2.50%	4.79%
The Energy Select Sector	XLE	\$65.45	0.51%	-3.96%	6.53%
Utilities Select Sector	XLU	\$49.16	-1.15%	0.60%	11.61%

May 11, 2016

THE MACRO SHOW

HEDGEYE

TV

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
五	High Debt/EV	1.6%	-0.3%	4.2%	20.8%	1.3%	7.6%
a	Low Debt/EV	1.1%	1.2%	0.7%	12.5%	0.7%	2.0%
SI	High Short Interest	1.4%	-0.3%	1.7%	18.4%	-3.3%	3.2%
	Low Short Interest	1.3%	1.4%	3.3%	13.9%	3.9%	4.2%
BETA	High Beta	2.1%	-0.5%	3.0%	23.6%	-8.2%	-0.3%
- 86	Low Beta	0.5%	1.7%	1.4%	10.9%	11.6%	9.4%
YIELD	High Yield	1.1%	0.1%	1.8%	15.6%	0.5%	4.7%
¥	Low Yield	1.4%	1.0%	2.3%	16.9%	-1.7%	2.1%
MKT	MCAP Bottom 25%	1.4%	-0.1%	2.3%	18.5%	-4.8%	1.3%
Σ δ	MCAP Top 25%	1.3%	1.2%	2.4%	13.1%	0.8%	2.4%
Sales	Top 25% Sales Growth	1.6%	0.7%	2.7%	21.8%	-2.0%	2.8%
Sa	Bottom 25% Sales Growth	1.1%	0.7%	2.0%	14.1%	2.0%	3.9%
EPS	Top 25% EPS Growth	1.5%	1.0%	2.7%	18.3%	-1.1%	1.1%
<u> </u>	Bottom 25% EPS Growth	1.4%	0.6%	3.0%	18.4%	2.0%	7.0%

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

TV TV

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	0.24%	3.1	4.6	2	-6	-11	29	18	19
3M LIBOR	0.63%	0.0	-0.3	0	1	-1	36	32	29
2Y T-Note	0.72%	1.2	-3.6	2	3	-38	19	18	28
5Y T-Note	1.20%	0.6	-5.2	5	8	-63	23	-31	-6
10Y T-Note	1.75%	0.2	-4.4	4	8	-75	22	-58	-45
30Y T-Note	2.60%	-0.4	-5.3	5	12	-65	23	-56	-55
2Y-10Y Spread, Bps	103	-1.0	-0.8	1.3	5	-37	3	-76	-73
IG SPREAD (AAABBB)	1.79%	0.0	0.0	-17	-47	-51	16	9	-6
HIGH YIELD	7.48%	0.0	16.3	-45	-161	-184	150	95	69
5Y BREAKEVEN	1.54%	3.5	-1.2	8.3	58.8	-20.3	68.5	-8.2	-21.1

TV

CFTC NON-COMMERCIAL NET LONG POSITIONING

CFTC NON-COMMEXCIAL NET LONG POSITIONING						:	core
METRIC	Latest	W/W Chg	3M Ave	6M Ave	1Y Ave	1Y	3Y
SPX (Index + E-mini)	30,589	31,795	(130,978)	(125,765)	(129,120)	2.24X	0.46X
Russell 2000 (mini)	(10.033)	6,436	(59,001)	(53,075)	(39,849)	-0.49A	-1.04X
10Y Treasury	(103,914)	(6,038)	(21,471)	(9,489)	(15,580)	-1.74X	-0.66X
CRUDE OIL	390,844	(12,528)	325,892	283,238	297,958	1.63X	0.89X
GOLD	233,638	49,551	152,934	74,680	57,431	2.59X	3.35X
COPPER	(7,419)	614	(13,935)	(23,886)	(19,230)	0 00V	0.68X
\$USD	9,083	(2,212)	20,441	31,479	41,601	-2.11X	-0.95X
JPY	56,219	(11,169)	55,229	15,722	(17,863)	1.34X	2.39X
EUR	(17,980)	15,304	(49,821)	(97,941)	(100,560)	1.87X	0.72X
GBP	(40,412)	8,603	(38,417)	(34,090)	(23,499)	-1.09X	-1.02X

May 11, 2016

THE MACRO SHOW

HEDGEYE

TV

MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (5/10) vs.						
	Prior Day	1M Ave	3M ave	1Y Ave			
Total Market Volume*	1%	-5%	-1%	-1%			
Total Exchange Volume**	-2%	-7%	-12%	-9%			

TV

^{*}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)

COPPER SPOT PRICE

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	-2.4%	-8.5%	446 / 500
Energy	-31.6%	-108.7%	38 / 38
Materials	-8.8%	-15.1%	26 / 27
Industrials	-2.1%	-7.4%	64 / 65
Consumer Discretionary	7.2%	25.5%	58 / 84
Consumer Staples	0.4%	1.6%	30 / 37
Healthcare	9.2%	8.1%	53 / 57
Financials	-1.7%	-14.3%	90 / 90
Information Technology	-2.7%	-6.7%	54 / 68
Telecom	11.2%	16.1%	5 / 5
Utilities	-10.6%	-2.2%	28 / 29

May 11, 2016



WALT DISNEY CO.



May 11, 2016



GOLD SPOT PRICE



May 11, 2016



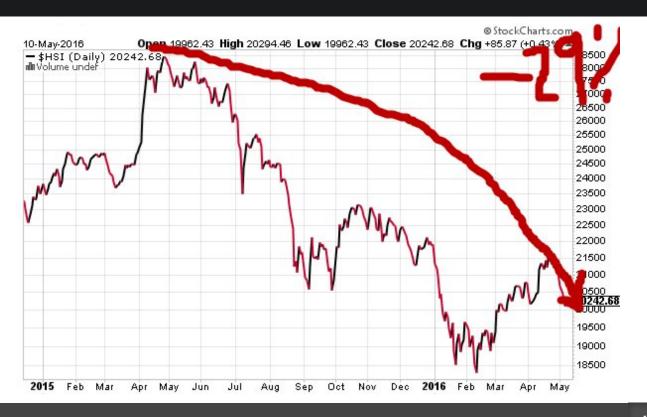
FTSE MIN (MILAN) INDEX



May 11, 2016



HONG KONG HANG SENG INDEX



May 11, 2016

