

Sabrient Systems, LLC

TheMacroReport

Focus: Global Oil

June 11, 2012

Daniel Sckolnik
G. Michael Phillips, Ph.D.
James Chong, Ph.D.

Co-published by Sabrient Systems, LLC and MacroRisk Analytics

TheMacroReport

Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

Note from the Editor:

The MacroReport is designed to move beyond both the scope and limits of traditional reports. In addition to an in-depth review of macroeconomic trends, we provide unique tools and model portfolios, based on our patented and proprietary quantitative analysis, for fund managers and institutional investors to incorporate into their own portfolio decisions.

The focus of this edition of the MacroReport is global oil. We take a look at the big-picture trends and the possible impact on U.S. markets in terms of three discrete scenarios: High Oil Prices, Medium Oil Prices and Low Oil Prices.

To interpret our analysis we provide the following tools:

The Scenario Box, which indicates the degree of impact of each scenario upon a variety of asset classes and major U.S. indexes. (Pg. 17)

Scenario-based Optimized ETF Portfolios and Optimized Stock Portfolios, which analyze trends from a multiple-factor approach. (Pg. 23-28)

QuickResponse Portfolios, based on single-factor trends within each scenario, including those for oil, currencies, bonds and volatility. (Pg. 29-35)

Correlation Matrices, which helps investors identify which economic factors are most important in determining the short run and long run fluctuations in the value of their individual holdings, and can facilitate more effective portfolio construction and diversification. (Pg. 36-51)

MacroReport InterActive, a virtual "time-machine" which gives subscribers a method to track the current trends in the scenarios explored in previous issues via our updated Optimized Portfolios, Quick Response Portfolios and respective performance charts.

Thank you for reading The MacroReport.

TheMacroReport

Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

Welcome to The MacroReport

What's inside:

The Eurozone's failed efforts to rein in its sovereign debt crisis has been a primary factor in the steep drop in price of light sweet crude oil and the 100-point loss for the S&P 500 Index. *With the dollar serving lately as the "safe-haven" of choice, will oil continue to drop in price along with the equity markets, or will a concerted effort by key central banks stem the flight from riskier investments and reverse oil's recent downtrend?*

The heat of concern centered on Iran's quest to increase its enriched uranium stockpile seems to have cooled, deflating some of the volatility that impacted crude prices earlier in 2012. *Will the relative stability in the Middle East feed the downtrend in oil, or will a flock of geopolitical Black Swans descend to drive up crude prices to pre "crash of '08" levels?*

Shale oil retains the potential as a game-changer for the United States' energy needs, though *potential* remains the operative phrase. *With Presidential elections just around the corner, will the subject of U.S. independence from foreign oil move to the forefront of national debate and stimulate a coherent energy policy?*

The MacroReport will consider three scenarios driven by a combination of these circumstances and events, evaluate impact on the U.S. market, and conclude with a series of economic factor-based ETF portfolios, S&P 1500 portfolios, and QuickResponse™ stock choices geared to each scenario.

In addition, The MacroReport expands its valuable interactive component that is currently available to our subscribers at [MacroReport InterActive](#). It is a rich resource that we encourage you to utilize.

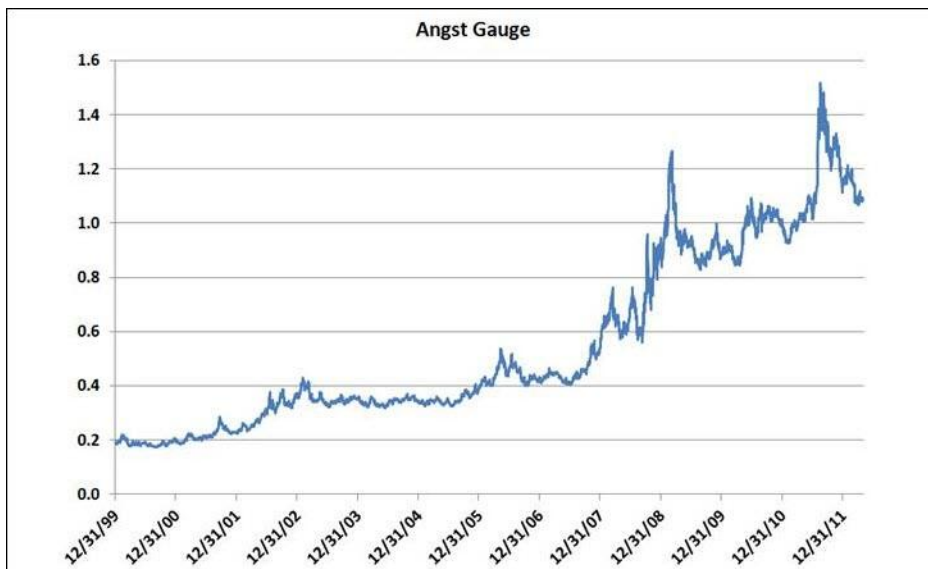
New to the MacroReport: *The Angst Gauge*, a barometer that gives readers an instant snapshot of the current state of the domestic macroeconomic picture, is available on page 4.

TheMacroReport

Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

Current Angst Level: 1.087



The MacroReport introduces the Angst Gauge, an at-a-glance take on the U.S. economy that provides a quick read on the country's overall psychology and sentiment from a macroeconomic perspective. The MacroReport looks forward to having this metric incorporated into the national economic dialogue.

The Angst Gauge, driven by MacroRisk's key 18 economic factors, is designed to have a performance similar to other measures of societal stress or worry, but is tilted towards financial market anxiety. During times of growing economic and social uncertainty this gauge will tend to rise, and it will have a tendency to fall in more stable times.

Over the course of the past several years, the Angst Gauge has been primarily propelled by a combination of debt instability and high civilian unemployment rates. This may be seen in Charts 1-4, where familiar economic references are offered up for comparison.

TheMacroReport

Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

Angst Gauge

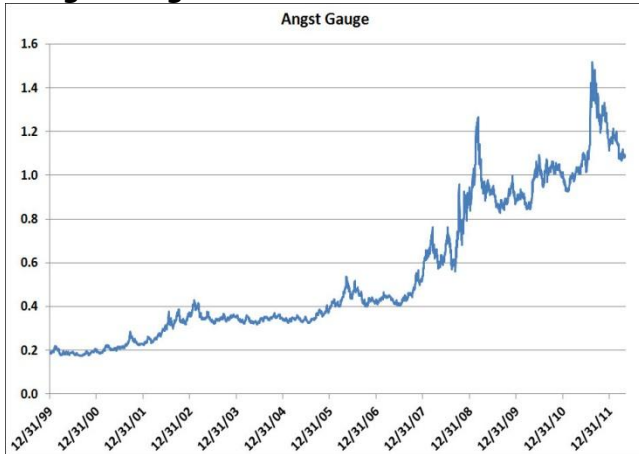


Chart 1

Angst vs. S&P 500

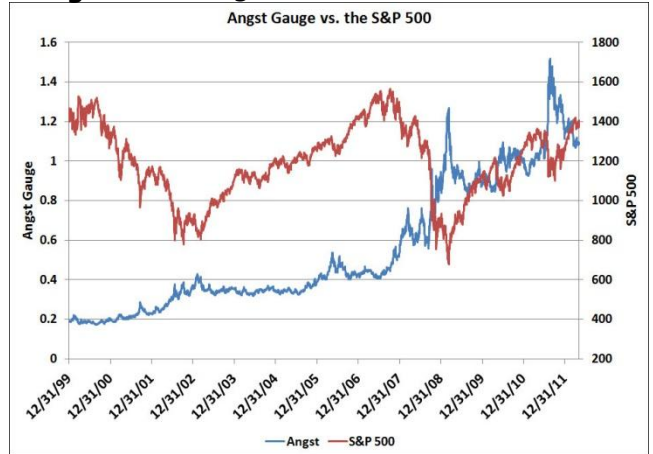


Chart 2

Angst vs. VIX

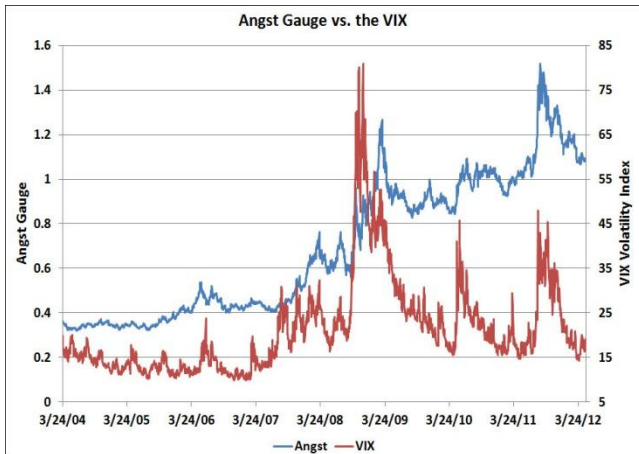


Chart 3

Angst vs. Unemployment

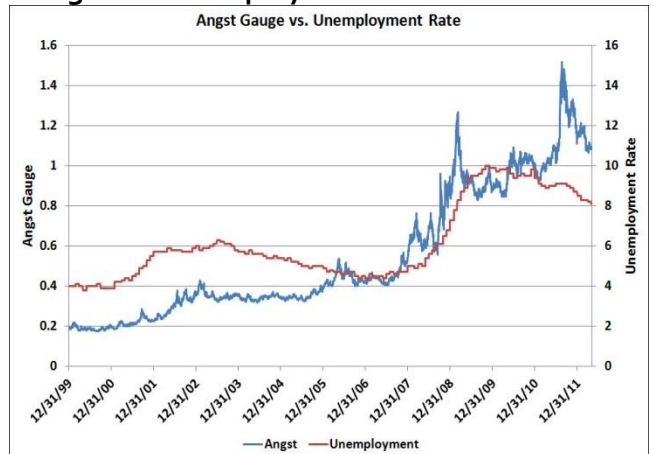


Chart 4

Source: MacroRisk Analytics

TheMacroReport

Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

“The Big Throw” May Take Awhile To Catch On

As recently as late February, the Managing Director of the International Monetary Fund, Christine Lagarde, expressed her concern over the dangers that the rise in global oil prices posed to the world economy. That concern seems almost quaint after light sweet crude prices (WTI) have plunged about 20% in the space of a mere three months.

The chief culprit is readily identifiable as the Eurozone, with its complex array of systemic problems including both sovereign debt and banking liquidity issues. While the recent spate of weak domestic economic reports from the U.S. certainly contributed to investor concern, April's 0.1% increase in the unemployment rate probably would have been shrugged off had a coherent solution been put forth by the EU.

However, the key Eurozone leaders continue to struggle to find a satisfactory endgame to the regions intrinsic problems. Undoubtedly, the two rounds of the Long Term Refinancing Operation (LTRO) put forth by the European Central Bank (ECB) over the last six months were effective short-term solutions for the growing bank liquidity problems in the Eurozone. But the credit problem grows worse, and though Germany's robust economy has managed to halt the slide of the region into a formal recession for now, the crucial debt-to-GDP ratio of Greece, Spain and even France remain stubbornly high, representing levels that make debt payback virtually impossible.

Investors' confidence has been diminished by the spate of red flags waving across Europe at the moment. Fitch just cut Spain's credit rating down close to junk levels. Perhaps more disturbing, Moody's has cut the ratings of several German banks, indicating a certain level of contagion that has even impacted Europe's largest economy. Investors are also hearing a growing chorus of frank, yet disconcerting, comments by EU officials on the inevitability of a Greek exit from the Eurozone.

Risk appetite remains, of course, as evidenced by the most recent auction of Spanish debt. There was more demand than anticipated, with over \$750 million of 10-year bonds sold. Spain must pay an interest rate of 6.044% on those bonds, which is up from April's rate of 5.743%.

TheMacroReport

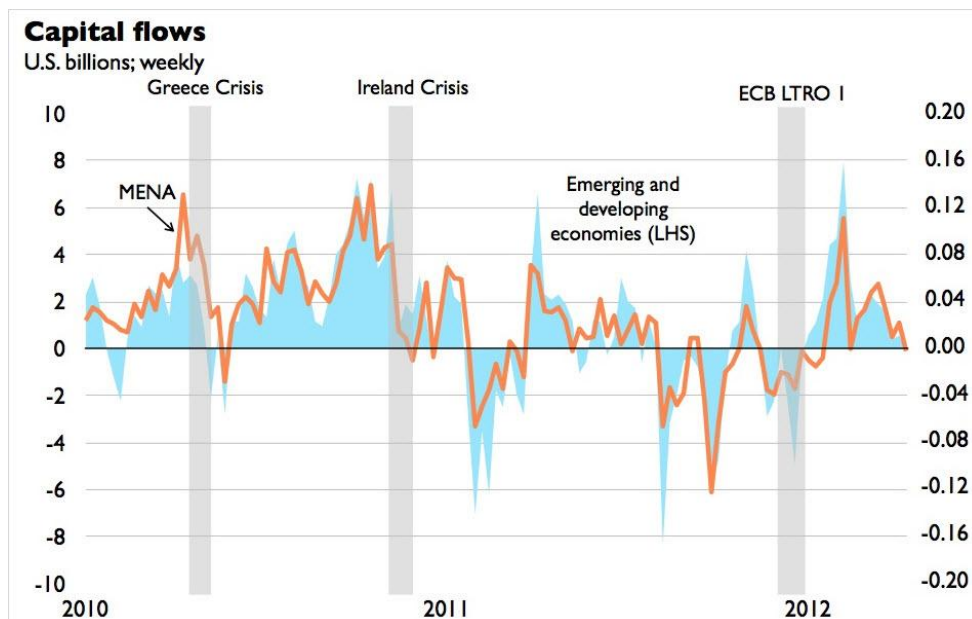
Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

“The Big Throw” May Take Awhile To Catch On (cont’d)

However, with the Spanish government reportedly on the cusp of requesting bailout funds from the Eurozone’s finance ministers, one wonders who will really end up paying that interest in the long run, as an upcoming IMF report may indicate that Spanish banks will require over \$50 billion in funds just to cover capital shortfalls.

The idea of more bailouts seems to placate investors in the short run, as is obvious by seeing Wall Street’s positive response to the last round of funds provided to Greece earlier this year. A bailout of Spain would likely have a similar effect on the markets, but, like the two LTROs and the Greek fix before it, the underlying debt problems remain. (Chart 5)



Source: IMF

Chart 5

TheMacroReport

Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

“The Big Throw” May Take Awhile To Catch On (cont’d)

A proposed vehicle for shared debt burden in the form of Eurobonds continues to gain traction, though Germany remains reticent to sign off on a deal that would certainly cause a rise in its own interest rates.

Should such a vehicle manage to manifest, it would indicate a level of commitment and stability that would cheer the markets. But Eurobonds, or a similar instrument, could require European Union treaty revisions, something that could take years to enact. Still, a consensus on the concept by EU leaders could be all that investors need to shift the flow of funds back to equities and commodities.

Expectations are already high for the upcoming EU summit scheduled for June 28, though Germany’s Angela Merkel has already tried to dampen those expectations, emphasizing that solutions will likely be incremental, rather than deciding “the big throw.” The Big Throw is exactly what investors want to see, but they surely will have to be patient. That same patience may bode well for the dollar, but less so for U.S. equities, European bourses, and U.S. dollar denominated commodities such as oil.

The Bottom Line: Capital continues to flow in the direction of the U.S. dollar for the moment, as it hits heights not seen in close to two years. Crude oil prices, absent any significant geopolitical event, will continue to trend in the opposite direction, at least until a clear resolution is reached for the Eurozone. That resolution may be a positive consensus in the form of Eurobonds, or a negative one in the form of sovereign debt defaults. The uncertainty lies in the muddle of the middle, where investors currently are prone to lose their risk appetite.

The War Premium Departs For the Moment

Three months ago, the price of oil was at its 10-month high, courtesy of up-trending equity markets and a feisty Iran that was bent upon saber-rattling. Fast-forward to the present, and oil is mired in the murk, looking for a level of support that it has yet to find. The shift can be attributed to a combination of macroeconomic factors, including a prospective drop in demand from both developed and emerging nations, but a key difference is that, for the moment at least, the fear of an Iran-Israeli conflict has been removed from the equation.

This “war premium” is one of the components that make oil as a commodity rather unique. In fact, it might be fair to categorize it in the class of volatility assets due to its extremely reactive nature to all things geopolitical.

It remains, of course, subject to actual supply and demand, and OPEC is meeting next week in Vienna to address that side of things. Yet it is fear of disruption that drives up oil prices in short time frames and the deflation of that fear that, when coupled with a general market downtrend, causes the sort of correction that crushed crude prices down to YTD lows.

This month’s scheduled nuclear talks between Tehran and representatives of the European Union, the U.S., China and Russia will center upon Iran’s production of high-grade uranium. Iran may be forced to back off from its stance of refusing to curb production, as the impact of central bank sanctions is already having a strong impact on its economy. Coupled with the oil embargo that the EU is about to impose, Iran’s options appear to be limited. If it resists the pressure to comply, the damage to its economy will be severe.

Tehran may revert back to threats of blocking the Strait of Hormutz, through which approximately one-sixth of the world’s oil travels. This scenario has been labeled as akin to economic suicide for Iran, though the threat of such action has contributed to spiking prices already this year. However, Iran’s cost of oil production may soon be hovering close to the current price of oil, and if it gets closer to that threshold, it might become compelled to try to rattle the markets once again.

TheMacroReport

Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

The War Premium Departs For the Moment (cont'd)

One factor in this equation is that, this being a U.S. Presidential election year, the Obama administration will probably maintain a hard-nosed stance in any negotiations with Tehran. If stubbornness becomes the modus operandi all around, than the situation could easily revert to the same one that occurred earlier this year in which Israel gets jumpy, the region gets tense, and the "war premium" reenters the picture.

The problem this time around is that the global economic picture has deteriorated in the last several months, and a spike in oil prices could run head-on into a weakened equity market. It is a one-two punch that would have a strong global economic impact, and one that hopefully can be avoided.

Perhaps somewhat more of a Black Swan in nature is another problem in the Middle East. According to UN Secretary-General Ban Ki-moon, Syria is about to enter into a full-blown civil war. While most countries are calling for the ouster of Syrian President Bashar al-Assad, he does have one stalwart ally: Russia.

Russia has a strong vested interest in Syria, one that is represented in both armaments contracts and energy deals. It probably doesn't want to be on the wrong end of a losing battle, but there may be more in play here.

Russia, like Iran, has a strong interest in keeping the cost of oil high. It is the world's leading oil producer, at an estimated 9.5 million barrels per day, and the second leading exporter just behind Saudi Arabia. Russia's economy has proven relatively robust, but, according to the IMF, its non-oil fiscal deficit remains at about 10% of GDP. That deficit would increase fairly quickly if oil prices remain weak. While the amount of oil that Syria produces remains relatively modest, ranking 34th in the world, a disruption in its production could have its own "war premium" effect. The current commotion in Syria may provide Russia with a way to assure that its oil revenue increases rather than falls, though it's likely that any collateral damage won't be factored into Russia's bottom line.

TheMacroReport

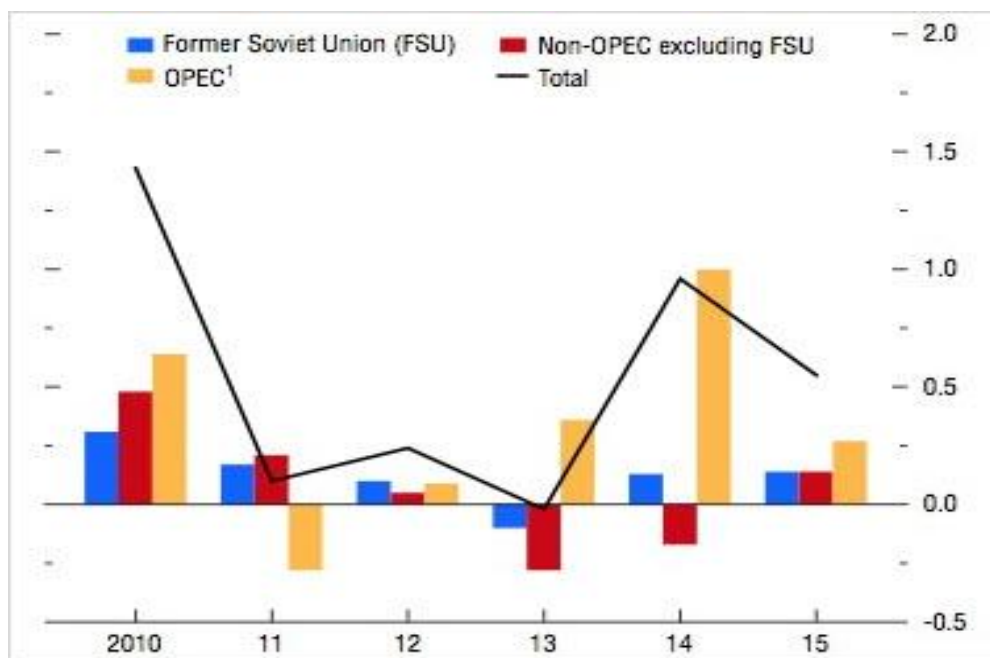
Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

The War Premium Departs For the Moment (cont'd)

The Bottom Line: How the geopolitics of the Middle East unfolds within the next several weeks has the potential to strongly influence the price of oil, and beyond that, the global economy. A breakthrough on nuclear talks with Iran is unlikely, however, based on its history throughout similar talks. The most likely outcome is an extension of talks, a continuation of the status quo, and a delay of resolution. For those who have been listening, it is a familiar refrain.

Projected Growth in Crude Oil Capacity
(Million barrels a day)



Source: EIA

Chart 6

Is Shale the Grail for U.S. Energy Independence?

The idea that the U.S. has the possibility of divorcing itself from foreign oil dependence is a seductive one, and one that would be hard pressed to encounter resistance, even in as divided a house as Congress. The problem, of course, is agreeing on the best way to accomplish the task, and a consensus in that arena is problematic indeed.

Shale oil seems as if it could be a large part of a total solution to the energy needs of the U.S., but as is often the case for complex issues, the devil is firmly ensconced in the details. While there are indeed huge reserves of shale oil in the continental U.S., extracting it at a profit remains daunting. Even if the issue of profitable extraction is addressed, additional problems remain in the areas of transportation and regulation. The mere mention of the word "fracking," the primary method of shale extraction, generates an environmental debate that may actually hinder the development of more effective technologies moving forward, due to the fear of regulations impacting profit potential.

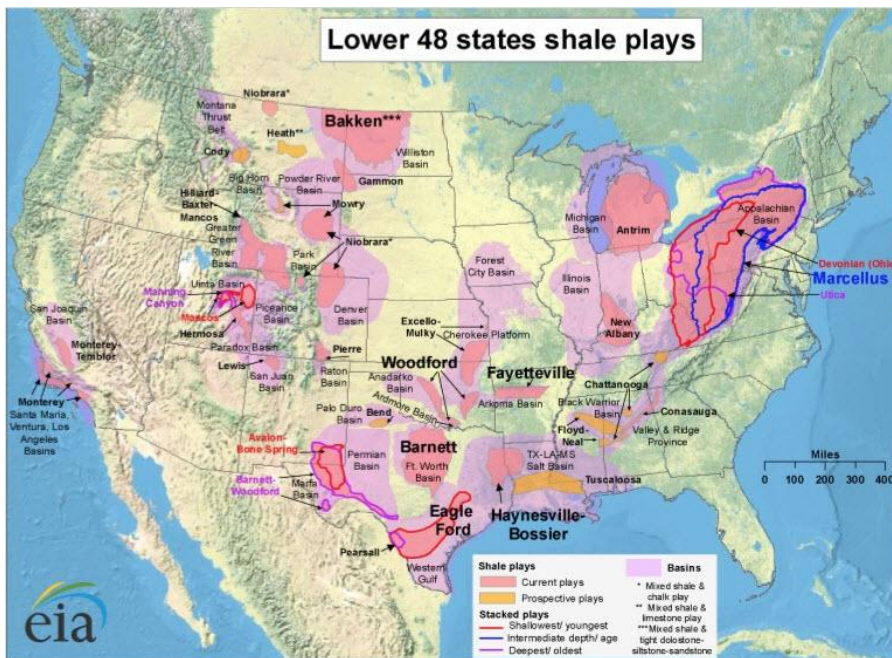
There is reason for hope, of course. Production of oil from U.S. shale plays has tripled over the past three years, increasing from about 250 thousand barrels per day to nearly 900 thousand barrels per day. Major contributions have come from the Bakken and Eagle Ford shale plays. The U.S. Department of Energy puts the technically recoverable oil at these two plays at roughly seven billion barrels, while the total estimates of all shale plays for the lower 48 states are given to be 24 billion barrels. (Chart 7)
(Note: These estimates reflect oil reserves only, not natural gas reserves.)

While these numbers may seem impressive in the abstract, the fact that the U.S. consumes about 45% more in oil and related petrol products than it produces means that the country is a long way from the Holy Grail of oil independence. On the other hand, the country has experienced a slight decline in foreign oil over the course of the last eight years, due to increased automotive efficiency and domestic production increases. This current trend should be expected to continue. (Chart 8)

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

Is Shale the Grail for U.S. Energy Independence? (cont'd)

In any event, shale oil is a resource that has yet to live up to its potential, and it may be years before shale oil production actually impacts the price of oil in a meaningful way.



Source EIA

Chart 7

The Bottom Line: The upcoming Presidential debates will certainly include the discussion of an array of energy topics, including increased drilling, decreased regulations, and alternative energy R&D. Will there be any comments that actually impact oil prices at this point in time? Only if a freshly-baked political hot potato emerges, such as a Solyndra-type loan controversy or a man-made ecological disaster such as British Petroleum's Deepwater Horizon spill.

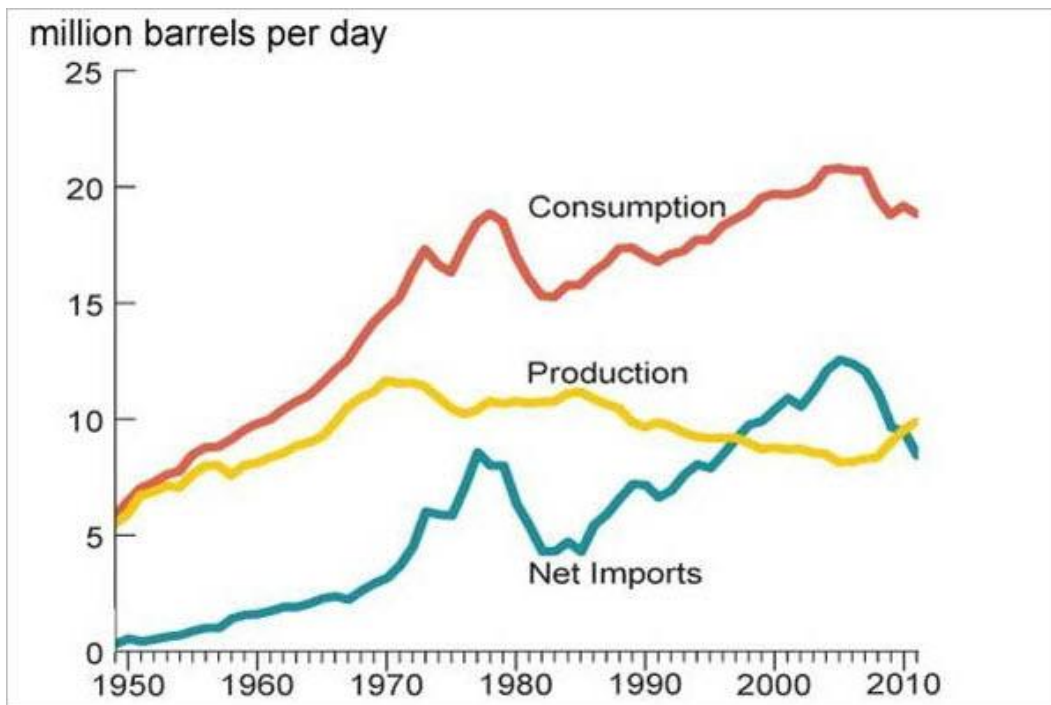
Of course, there is always the chance that a true Black Swan event will impact the discourse, but shy of that, macroeconomic events will drive oil prices to a greater degree than any reference to future energy policies.

TheMacroReport

Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

U.S. Petroleum and Other Liquids, Consumption, Production, and Imports (1949-2011)



Source: EIA

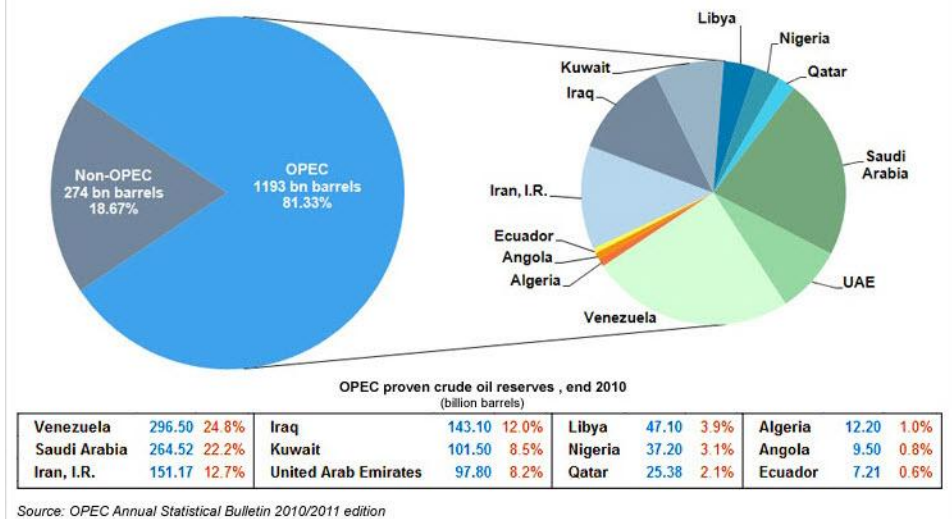
Chart 8

TheMacroReport

Focus: Global Oil

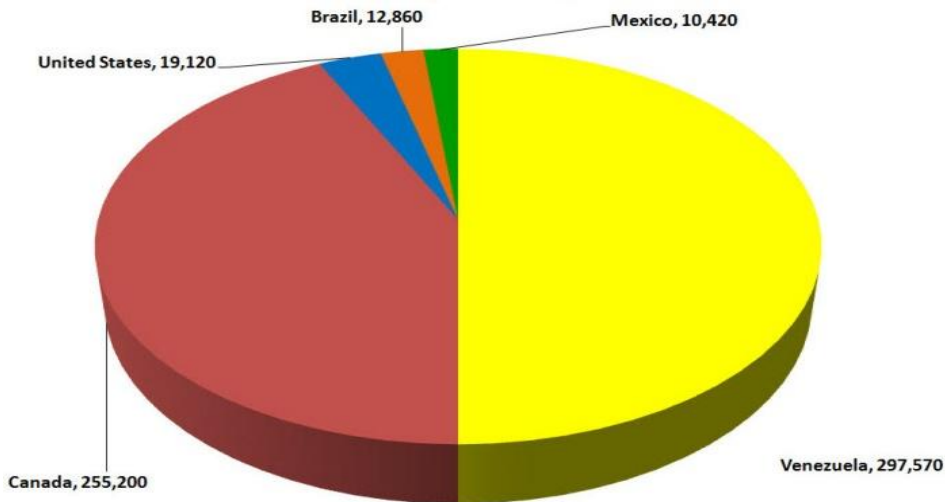
Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

OPEC Share of World Crude Oil Reserves 2010



Source: OPEC

Oil Reserves in the Americas (Millions of Barrels)



Source: MacroRisk Analytics

TheMacroReport

Focus: Global Oil

Daniel Sckolnik, G. Michael Phillips, Ph.D., James Chong, Ph.D.

The Ultimate Bottom Line

The current price level of oil reflects the high degree of uncertainty that permeates the psyche of Wall Street as opposed to the more straightforward equation of supply and demand. Though a thousand arguments could be made as to the reasons a default by one or more of the PIIGS (Portugal, Ireland, Italy, Greece and Spain) would not necessarily result in a global financial meltdown, the fact is that such an event contains a multitude of unknowns. After the debacle of 2008, risk-off is a concept that many asset managers now understand.

The dollar remains as the go-to asset under conditions of market stress, with the resultant effect of driving down both equities and commodities, with oil key among them.

The good news is that a concerted effort by the world's central banks, in the form of stimulus and easing, could revive investors' interest in risk. It happened back in November of 2011, when a coordinated effort led by the Fed, and followed by ECB, Bank of Japan, Swiss National Bank, Bank of Canada, and Bank of England had the desired effect of reversing a steep decline in the global equity markets. The not-so-good news is that by nature, central banks tend to be slow and reactive, not fast and proactive. The possibility remains that an additional 10-15% correction in the market could occur before any collective action would be taken by the central banks.

The Scenario Box on the following page serves as a reference for the possible impact of three scenarios on the U.S. markets: Low Crude Oil Prices, Medium Crude Oil Prices and High Crude Oil Prices. The specific arenas of impact are then tagged with the likely direction of response for each individual scenario.

In addition, the charts and graphs on the next several pages provide an in-depth analysis of the three scenarios, and offer Optimized ETF Portfolios and Optimized S&P 1500 Portfolios for each scenario, as well as QuickResponse™ stock portfolios based on single macroeconomic factors.

Focus: Global Oil—Three Possible Economic Scenarios

The Scenario Box: Low Crude Prices, Medium Crude Prices, and High Crude Prices

SCENARIO	SHIPPING AND TRANSPORTATION		EQUITY MARKETS		INFLATION AND PRICES			OTHER FACTORS		
	Baltic Dry Shipping Index	Dow Jones Transportation	SPX - S&P 500	VIX - Market Volatility	CPI-U: Motor Fuel	PMI	Euro	KBW Bank Index	Rogers Commodity Index	Consumer Confidence
Low	Rises	Rises Sharply	Rises	Falls	Falls	Rises Sharply	Falls	Rises	Falls Sharply	Rises
Medium	No Change	Rises Slightly	No Change	No Change	No Change	Rises Slightly	No Change	No Change	No Change	Rises Slightly
High	Falls	Falls Sharply	Falls Sharply	Rises Sharply	Rises	Falls Sharply	Rises	Falls	Rises Sharply	Falls Sharply

Source: MacroRisk Analytics

With crude prices currently deep into correction territory, having sustained a 20% drop from YTD highs in just three months, it would be reasonable to say that light sweet crude oil (WTI), at \$83 as of publication, is priced on the low side. However, for the purpose of this report, any price below \$70 falls into the Low Crude Prices scenario.

Referencing light sweet crude's price range within the last 12 months, the level of \$110 is being used for the High Crude Prices scenario. The Medium Crude Prices scenario fills the gap between the two.

The three economic scenarios were constructed by considering changes in each of the driving factors as shown in the table at the top of this page.

The assets that were selected as proxies to best reflect trends within the multiple scenarios include: the VIX, as a representative of market sentiment, the Rogers International Commodity Index, which is heavily weighted towards the energy sector, and the S&P 500 as a proxy for equity market performance.

These changes were then analyzed in terms of their impact on a set of 18 MacroRisk Factors (go to [MacroReport InterActive](#) for a detailed explanation of MacroRisk's methodology), and from there, on the Indexes and ETFs that are being analyzed.

Emerging trends within each scenario may be tracked by using either commodity spot prices, individual indexes, or representative ETFs that consist of stocks or indexes that best reflect the respective asset, such as USO, SPY, and VXX.

Global Oil Scenarios at a Glance

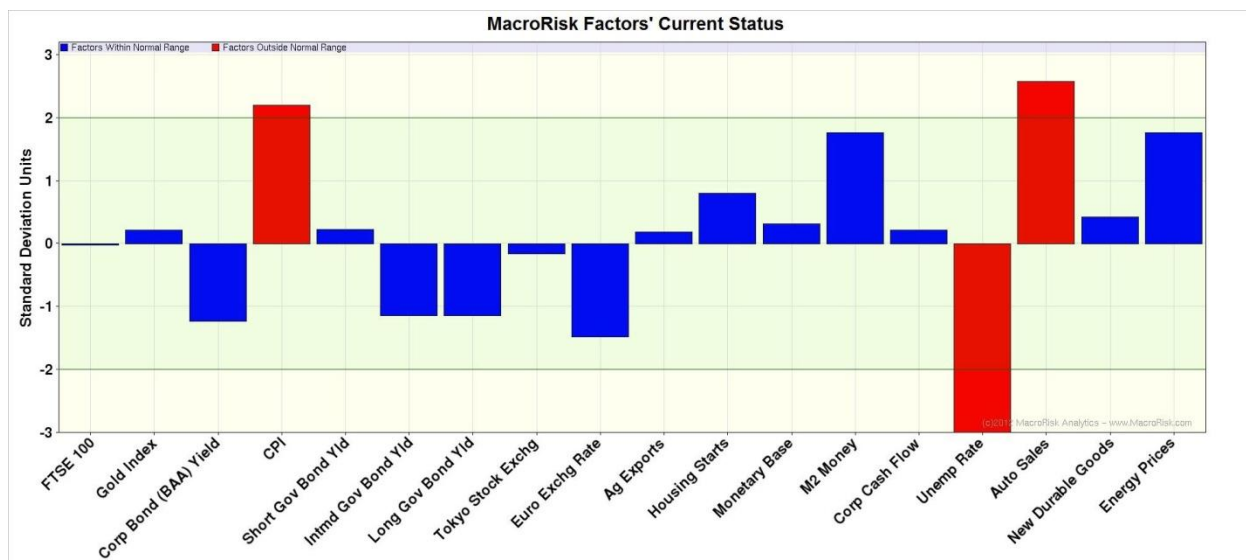
Economic scenarios, such as the High Crude Prices, Low Crude Prices, and Medium Crude Prices, can be represented in terms of factors. For most stocks, funds, and indexes, the [18 MacroRisk Factors](#), taken together, explain over 95% of the movement in price over time.

Each of the 18 factors is represented by a corresponding bar on the graph; these bars signal whether the value of each factor is higher or lower than normal. If the bar sits on top of the line, the value is higher than average, if the bar drops below the line, the value is lower than average.

On the graph, any factor that is inside the green zone is behaving normally. These are colored blue. The closer the bar is to the top of the green "normal" zone, the more the factor has been changing recently. If a factor moves up or down significantly, the bar crosses the green boundary line and turns red, indicating a level of risk potential.

This graph provides a snapshot of the current economy.

Current Status of the Economy



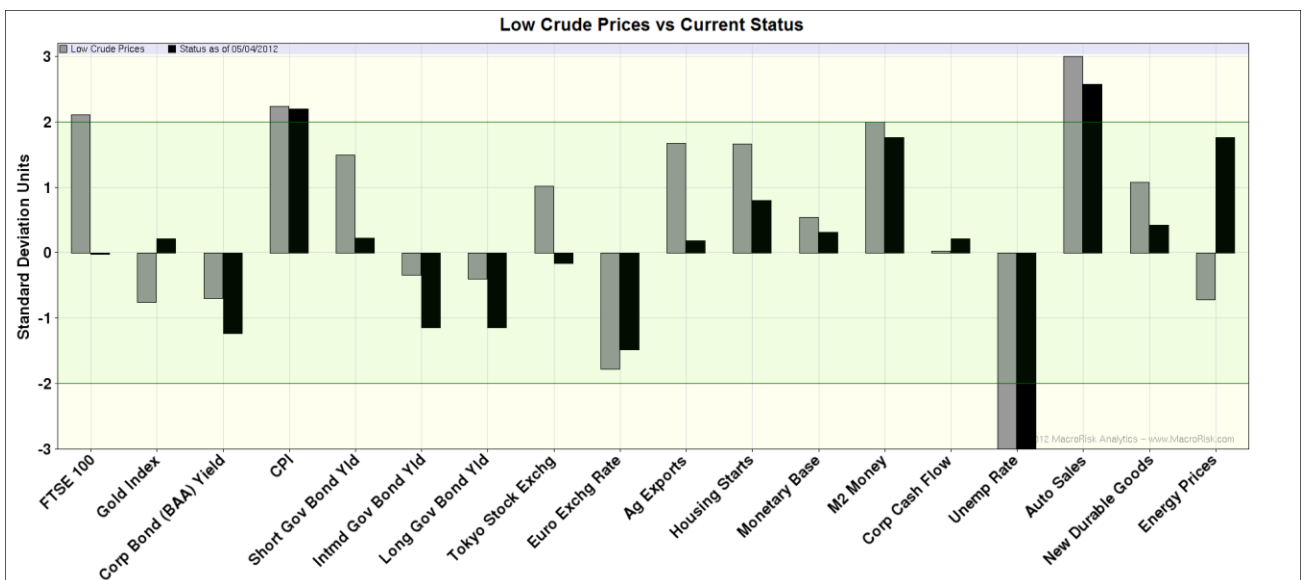
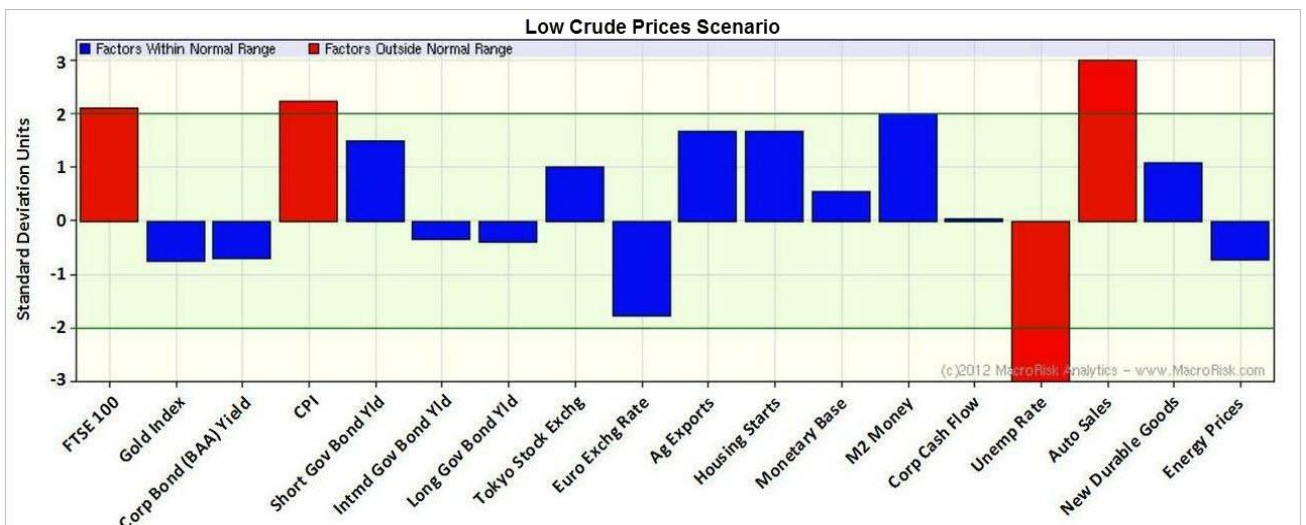
Source: MacroRisk Analytics

The series of graphs on the following pages provide a snapshot of the three Global Oil scenarios: **Low Crude Prices**, **Medium Crude Prices** and **High Crude Prices**. In turn, each of the three projected scenarios are then compared to the current economic status, providing an easy, visual reference.

Low Crude Prices Scenario

Low crude prices would be expected to jump-start many of the world economies, lowering overall financial risk, increasing consumer confidence, boosting orders for durable goods, and increasing the profitability of shipping and transportation services.

This would be expected to result in a substantial increase in world stock indexes and short-term Treasuries, but also a substantial decrease in intermediate- and long-term Treasuries. Agricultural exports from the United States would increase substantially, as would other measures of domestic economic activity including housing starts, auto sales, and orders for durable goods. Overall energy prices would be expected to decline, as would the price of gold.

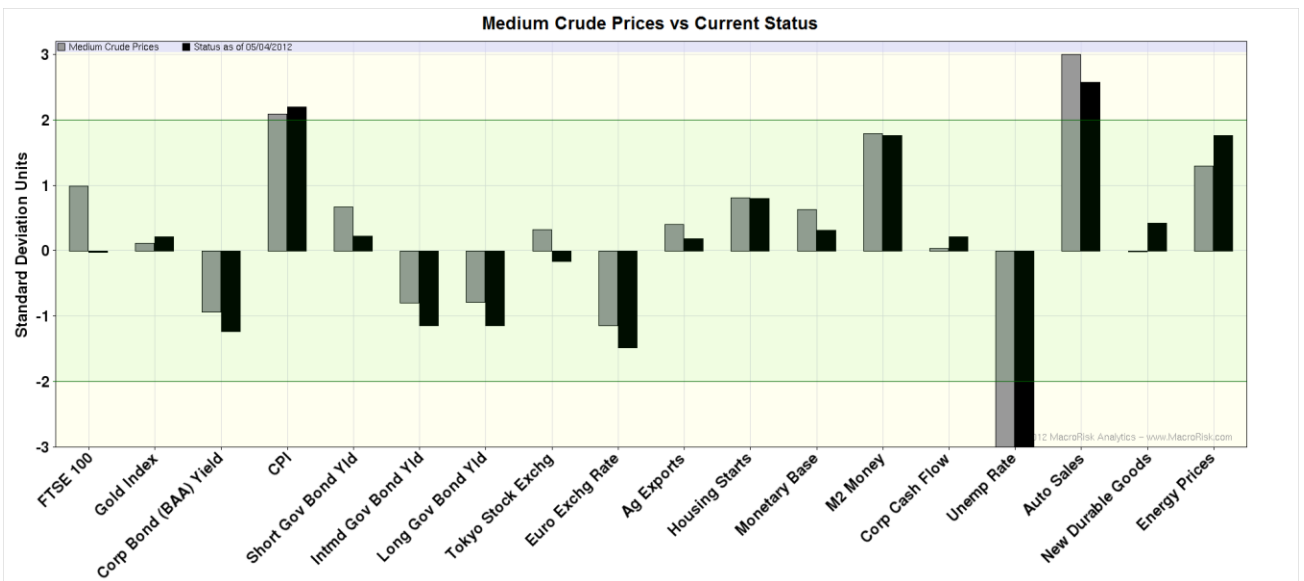


Source: MacroRisk Analytics

Medium Crude Prices Scenario

Medium crude prices are just below the status quo. This scenario would help reduce concerns about increasing transportation costs and slightly increase the profitability of transportation stocks; it would also increase consumer confidence a small amount and lead to a slight increase in orders for durable goods.

This scenario would be anticipated to result in a slight increase in BAA bond yield and short-term Treasuries, as well as for intermediate and long-term Treasury yields. Inflationary expectations would be expected to moderate somewhat; demand for automobiles would rise; and overall energy prices would be expected to stabilize or decline.

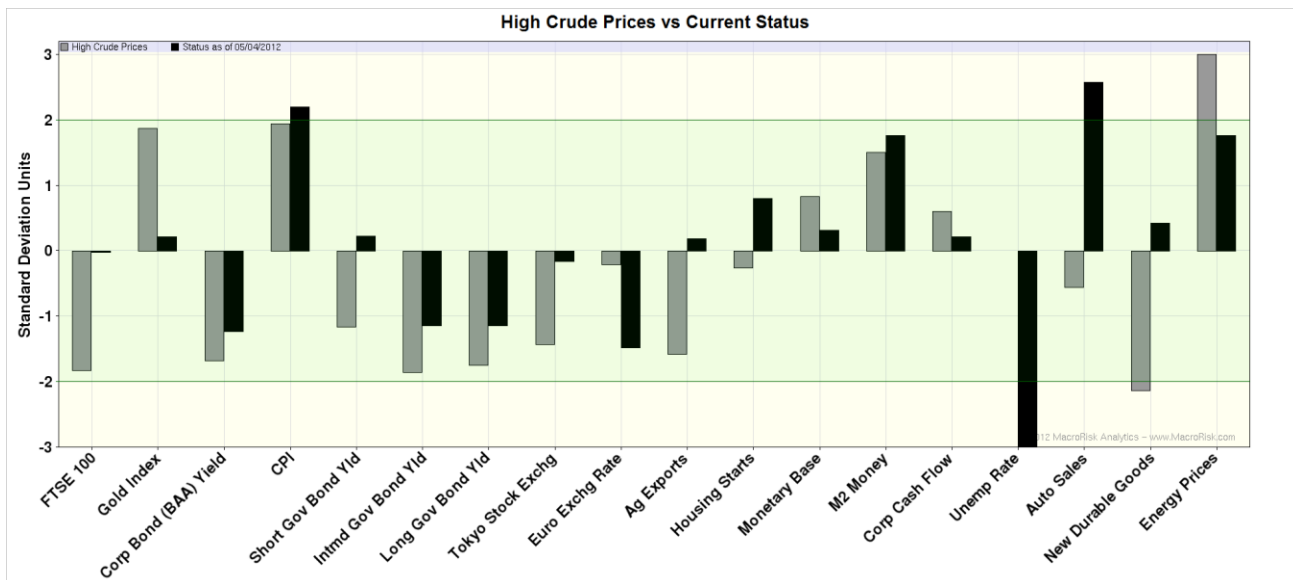
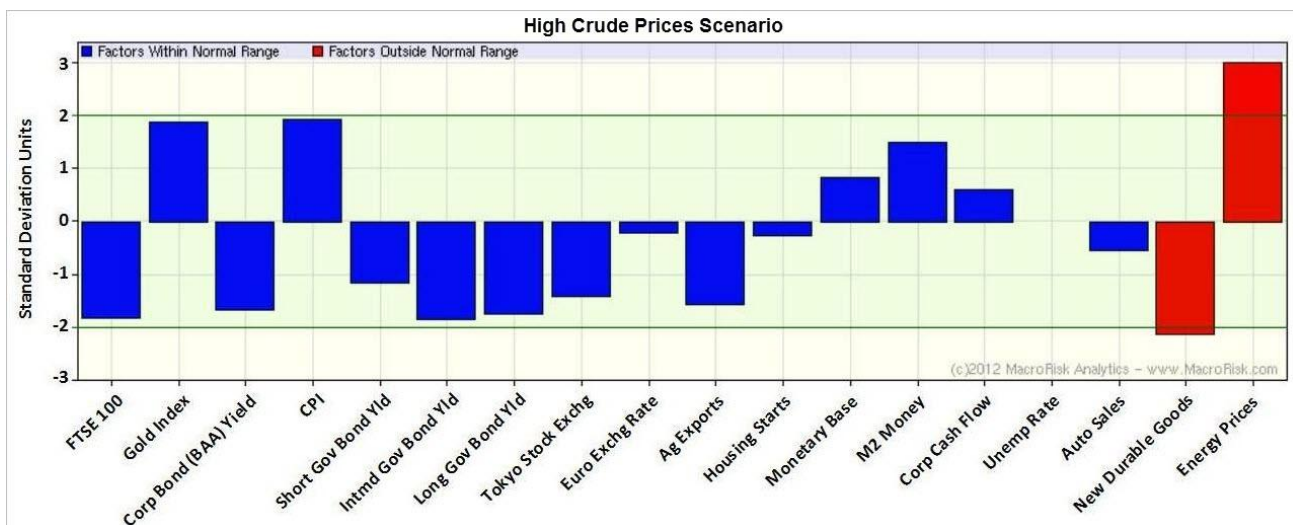


Source: MacroRisk Analytics

High Crude Prices Scenario

The High Crude Prices scenario is expected to be a hammer-blow to the world economy, sharply increasing perceived risk, sharply reducing consumer confidence, and putting the brakes on orders for goods worldwide which would result in substantial excess capacity in the shipping industry and a plummeting stock market.

In this scenario, Gold would jump while world equity markets would plummet. Overall sharply higher energy prices would also be expected to lead to imploding exports, dissolving orders for durable goods, falling housing starts, and a crash in automobile sales. While energy prices rise, so would the unemployment rate. The economic components as well as the non-economic components of market volatility would be expected to rise.

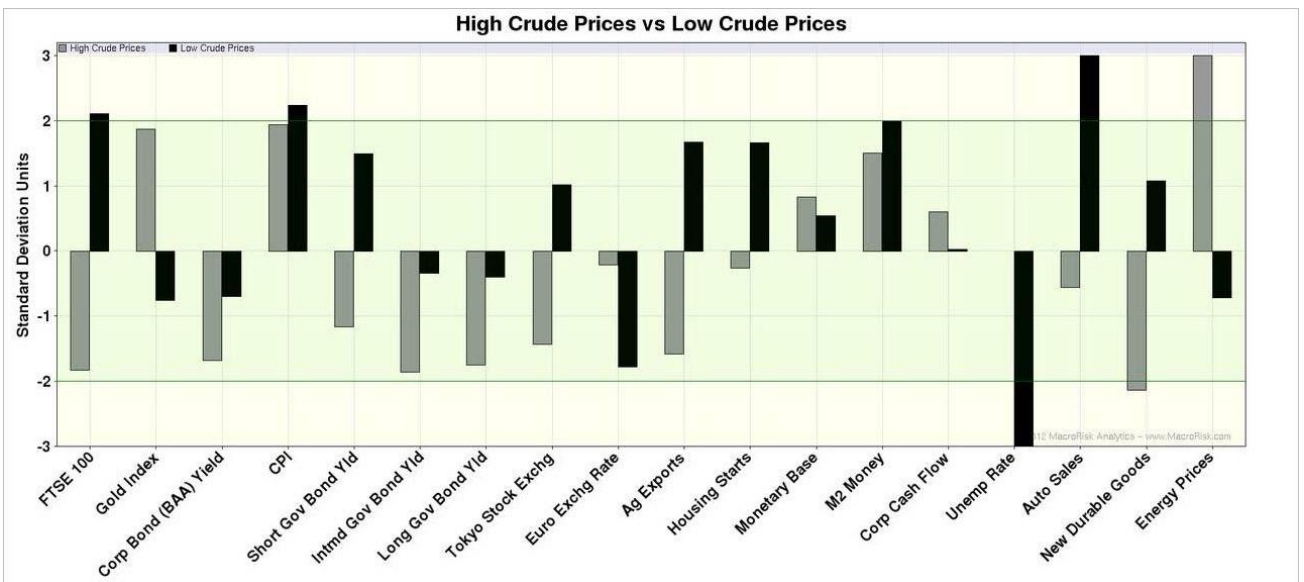


Source: MacroRisk Analytics

High Crude Prices vs. Low Crude Prices Scenarios

The Low Crude Prices scenario, not surprisingly, offers an extremely high level of contrast to the High Crude Prices scenario, particularly in Auto Sales, Agricultural Exports and Gold Index. In addition, key international bourses, reflected in both the FTSE and Tokyo Stock Exchange, would likely experience a strong upward trend in response to lower oil prices.

Meanwhile, under a High Oil Prices scenario, energy prices across the board would skyrocket, while New Durable Goods and Government Bond Yields would collectively experience a notable decline.



Source: MacroRisk Analytics

Scenario-Based Optimized ETF Portfolios

The following optimized portfolios are based on our analysis of the three Crude Prices scenarios as seen through the prism of the 18 MacroRisk Factors referenced on the preceding pages.

Please note that in general, the optimized portfolios may be regarded as representative of a “forward-looking” perspective of six months out, timed from events that trigger each respective scenario.

Optimized Portfolio of ETFs			
Low Crude Prices Scenario			
ETF Name	Symbol	Weight	
SPDR Series Trust S&P Regl Bkg	KRE	35.71%	
United Sts 12 Month Oil Fd L Unit Ben Int	USL	9.78%	
Direxion Shs ETF Tr 7 10Yr Tres Bu	TYD	7.89%	
Direxion Shs ETF Tr Dly Enrgy Bear3	ERY	5.99%	
Direxion Dly30Yr Ty Bear 3X Intraday	TMV	5.00%	
iShares Tr DJ Home Constn	ITB	3.99%	
Proshares Tr Pshs Ult Semic	USD	3.98%	
iShares Silver Trust iShares	SLV	3.94%	
First Tr Us IPO Index Fd Shs	FPX	2.00%	
Powershares ETF Trust Bnkg Sec Por	PJB	2.00%	
SPDR Series Trust S&P Homebuil	XHB	2.00%	
iShares Tr Barclys 10-20Yr	TLH	1.99%	
Direxion Shs ETF Tr 20Yr Tres Bull	TMF	1.99%	
United Sts Gasoline Fd Lp Units	UGA	1.99%	
Claymore Exchange Trd Fd Tr Guggen Defn Eq	DEF	1.98%	
Powershares ETF Trust Dyn Retail Ptf	PMR	1.98%	
Vanguard World Fd Extended Dur	EDV	1.97%	
Proshares Tr Pshs Ultra Ind	UXI	1.95%	
iShares Inc MSCI Thailand	THD	1.94%	
Proshares Tr Pshs Ult Mcap4	MVV	1.93%	

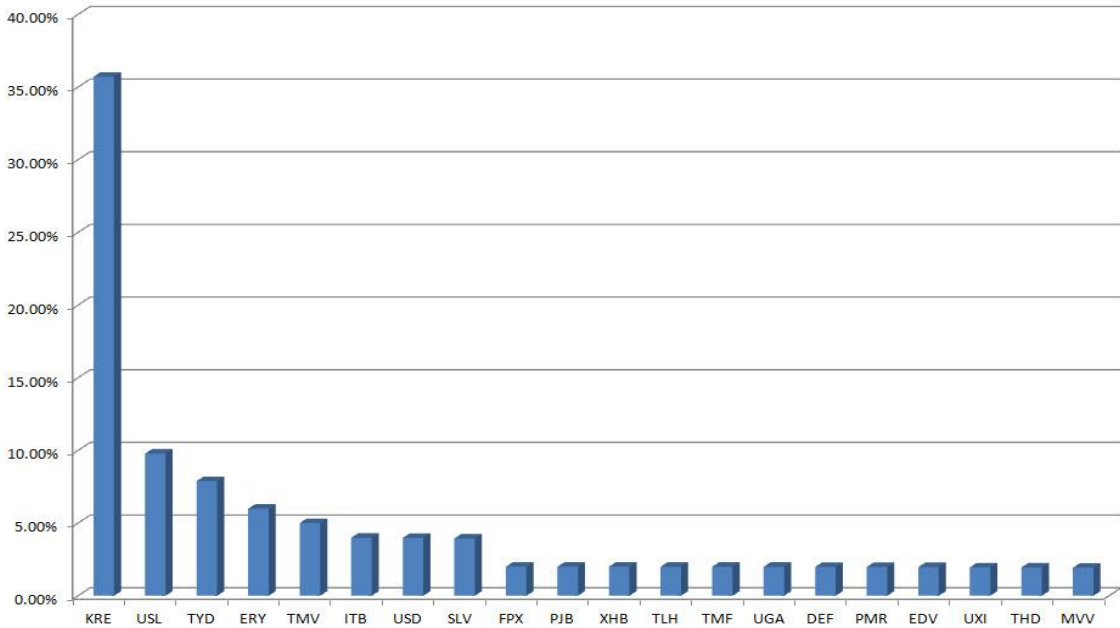
Optimized Portfolio of ETFs			
Medium Crude Prices Scenario			
ETF Name	Symbol	Weight	
United Sts Gasoline Fd Lp Units	UGA	13.90%	
SPDR Series Trust S&P Regl Bkg	KRE	13.89%	
Direxion Shs ETF Tr 7 10Yr Tres Bu	TYD	9.87%	
iShares Inc MSCI Thailand	THD	7.75%	
Direxion Shs ETF Tr 20Yr Tres Bull	TMF	7.09%	
Proshares Tr Pshs Ultra Ind	UXI	5.86%	
iShares Tr DJ Home Constn	ITB	3.99%	
Proshares Tr II Shrt Silv New	ZSL	3.99%	
Ultrashort DJ-Aig Crudeoil Nav	SCO	3.98%	
Powershares ETF Trust Dyn En Ex Prod	PXE	3.95%	
Proshares Tr Ult R/Est New	URE	2.00%	
Proshares Tr Pshs Ultra Dow	DDM	1.99%	
Powershares ETF Trust Dyn Bldg Cnstr	PKB	1.99%	
Powershares ETF Trust Dyn Netwkg Prt	PXQ	1.99%	
Proshares Tr Basic Mat New	SMN	1.99%	
iShares Tr Barclys 10-20Yr	TLH	1.99%	
SPDR Series Trust Brclys Lg Trs	TLO	1.99%	
Claymore Exchange Trd Fd Tr Guggen Defn Eq	DEF	1.98%	
Powershares ETF Trust Dyn Retail Ptf	PMR	1.98%	
Vanguard World Fd Extended Dur	EDV	1.97%	
Direxion Dly30Yr Ty Bear 3X Intraday	TMV	1.96%	
iShares Tr DJ Health Care	IHF	1.94%	
Vanguard Bd Index Fd Inc Long Term Bond	BLV	1.93%	

Source: MacroRisk Analytics

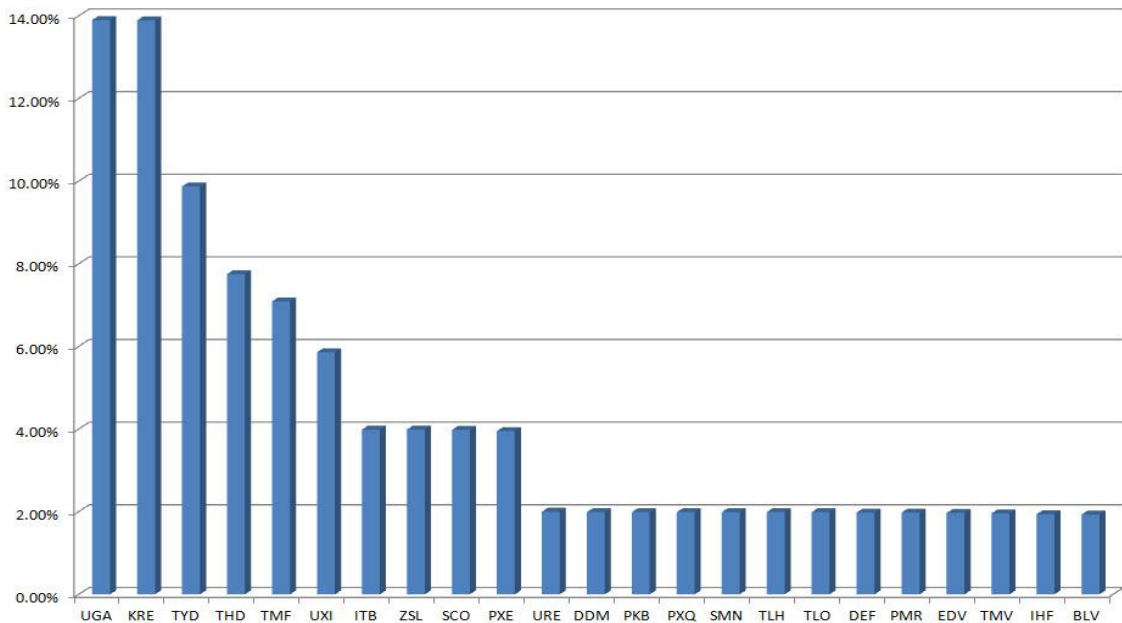
Optimized Portfolio of ETFs			
High Crude Prices Scenario			
ETF Name	Symbol	Weight	
Direxion Shs ETF Tr 7 10Yr Tres Bu	TYD	37.50%	
Proshares Tr Pshs Ultra Uti	UPW	15.38%	
Vanguard Bd Index Fd Inc Long Term Bond	BLV	11.57%	
Ultrashort DJ-Aig Crudeoil Nav	SCO	10.00%	
iShares Tr Barclys 10-20Yr	TLH	3.98%	
Powershares ETF Trust Dyn Phrma Port	PJP	2.00%	
Proshares Tr Ultst Oil New	DUG	1.99%	
First Tr Exchange Traded Fd Consumr Staple	FXG	1.99%	
Proshares Tr Pshs Sht Oil&G	DDG	1.98%	
SPDR Series Trust Lng Trm Corp B	LWC	1.98%	
Currencyshs Japanese Yen Tr Japanese Yen	FXJ	1.97%	
Proshares Tr Pshs Shtfinl E	SEF	1.97%	
Proshares Tr II Ultra Gold	UGL	1.96%	
Proshares Tr Pshs Ultra Tec	ROM	1.94%	
SPDR Gold Trust Gold Shs	GLD	1.91%	
iShares Tr Barclys 20+ Yr	TLT	1.89%	

Charts of Optimized ETF Portfolio Weights

**Optimized Portfolio of ETFs
Low Crude Prices Scenario**



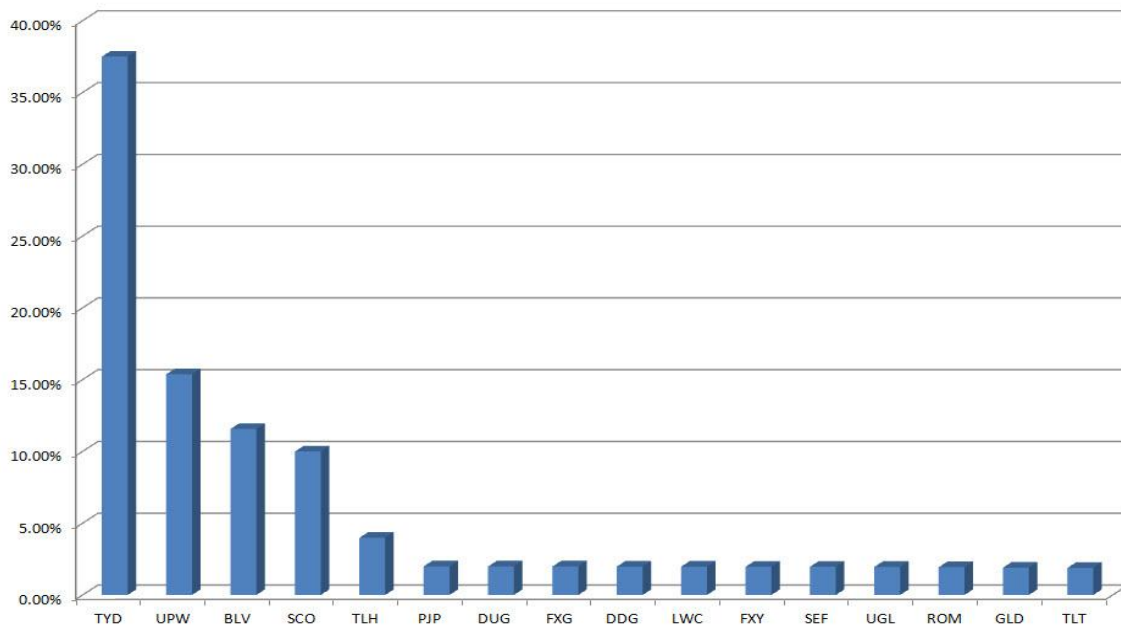
**Optimized Portfolio of ETFs
Medium Crude Prices Scenario**



Source: MacroRisk Analytics

Charts of Optimized ETF Portfolio Weights

**Optimized Portfolio of ETFs
High Crude Prices Scenario**



Source: MacroRisk Analytics

Scenario-Based Optimized Stock (S&P 1500) Portfolios

Please note that in general, the optimized portfolios may be regarded as representative of a “forward-looking” perspective of six months out, timed from events that trigger each respective scenario.

Optimized Portfolio of S&P 1500 Securities		
Low Crude Prices Scenario		
Company Name	Symbol	Weight
Trimble Navigation Ltd	TRMB	19.61%
Mentor Graphics Corp	MENT	12.93%
Fastenal Co	FAST	9.97%
Pulte Group Inc	PHM	7.99%
Pinnacle Finl Partners Inc	PNFP	7.97%
Sanderson Farms Inc	SAFM	5.97%
Fair Isaac Corp	FICO	3.98%
Big Lots Inc	BIG	3.95%
Granite Constr Inc	GVA	3.95%
Church & Dwight Inc	CHD	3.92%
Boston Scientific Corp	BSX	2.00%
Pacwest Bancorp Del	PACW	2.00%
Advance Auto Parts Inc	AAP	1.99%
Cal Maine Foods Inc	CALM	1.99%
Ehealth Inc	EHTH	1.99%
Health Net Inc	HNT	1.99%
Volterra Semiconductor Corp	VLTR	1.98%
Kraft Foods Inc	KFT	1.96%
Buffalo Wild Wings Inc	BWLD	1.93%
Lockheed Martin Corp	LMT	1.93%

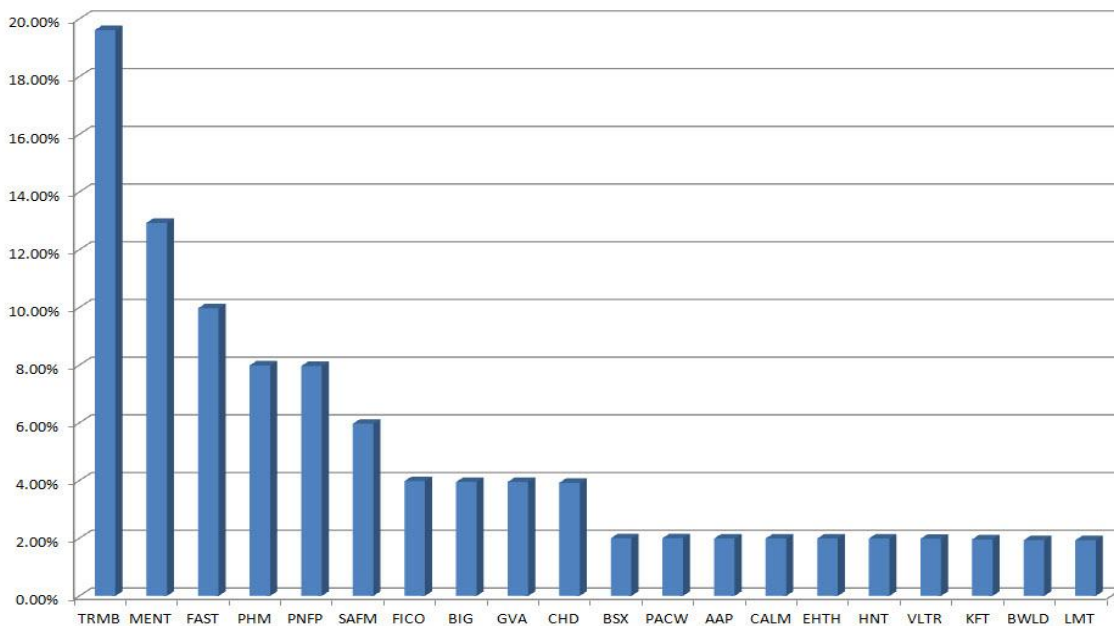
Optimized Portfolio of S&P 1500 Securities		
Medium Crude Prices Scenario		
Company Name	Symbol	Weight
Trimble Navigation Ltd	TRMB	15.69%
Mentor Graphics Corp	MENT	11.95%
Big Lots Inc	BIG	11.14%
Cubist Pharmaceuticals Inc	CBST	7.97%
Pinnacle Finl Partners Inc	PNFP	7.97%
Church & Dwight Inc	CHD	7.83%
Buffalo Wild Wings Inc	BWLD	5.79%
Ehealth Inc	EHTH	3.98%
Heartland Pmt Sys Inc	HPY	3.96%
Ncr Corp New	NCR	3.96%
Unitedhealth Group Inc	UNH	3.94%
Boston Scientific Corp	BSX	2.00%
Viropharma Inc	VPHM	2.00%
Akorn Inc	AKRX	1.99%
Fair Isaac Corp	FICO	1.99%
Insight Enterprises Inc	NSIT	1.99%
Alliant Energy Corp	LNT	1.98%
Diebold Inc	DBD	1.96%
Panera Bread Co	PNRA	1.89%

Source: MacroRisk Analytics

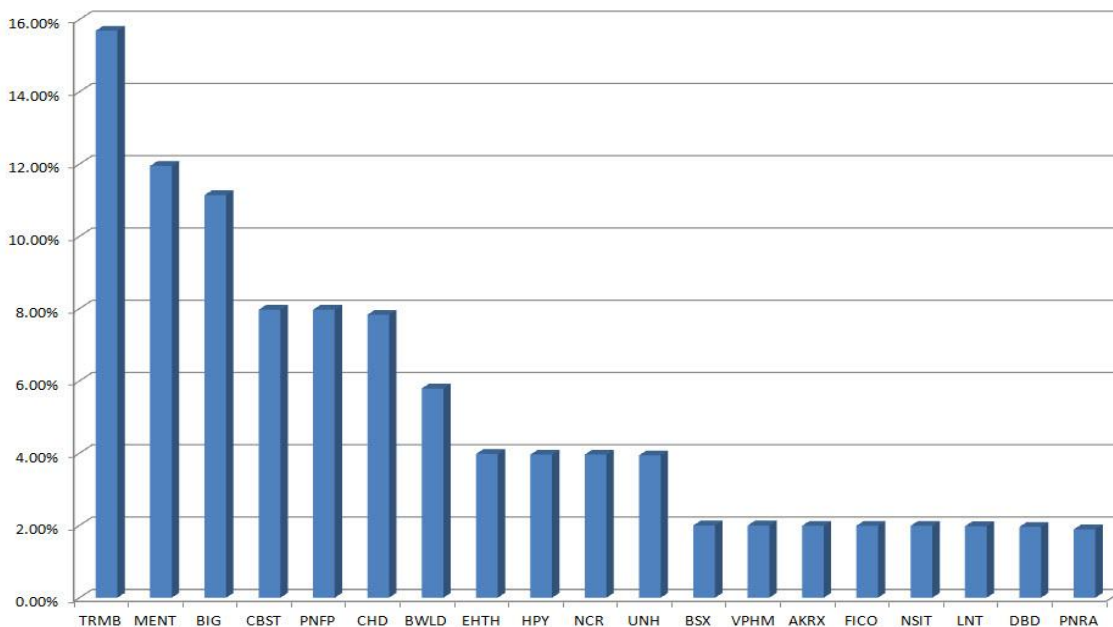
Optimized Portfolio of S&P 1500 Securities		
High Crude Prices Scenario		
Company Name	Symbol	Weight
Consolidated Edison Inc	ED	19.60%
Centerpoint Energy Inc	CNP	13.89%
First Cash Finl Svcs Inc	FCFS	7.99%
Exelon Corp	EXC	7.86%
Church & Dwight Inc	CHD	7.83%
Vertex Pharmaceuticals Inc	VRTX	5.95%
Green Mtn Coffee Roasters In	GMCR	5.95%
Ehealth Inc	EHTH	3.98%
Firstenergy Corp	FE	3.95%
Wendys Co	WEN	2.00%
El Paso Elec Co	EE	2.00%
Quality Sys Inc	QSII	2.00%
Stamps Com Inc	STMP	1.99%
Dean Foods Co New	DF	1.99%
Unisource Energy Corp	UNS	1.98%
Dominion Res Inc Va New	D	1.98%
Treehouse Foods Inc	THS	1.98%
Kellogg Co	K	1.97%
Baxter Intl Inc	BAX	1.97%
Ralcorp Hldgs Inc New	RAH	1.94%
Kensy Nash Corp	KNSY	1.23%

Charts of Optimized S&P 1500 Portfolio Weights

**Optimized Portfolio of S&P 1500 Securities
Low Crude Prices Scenario**



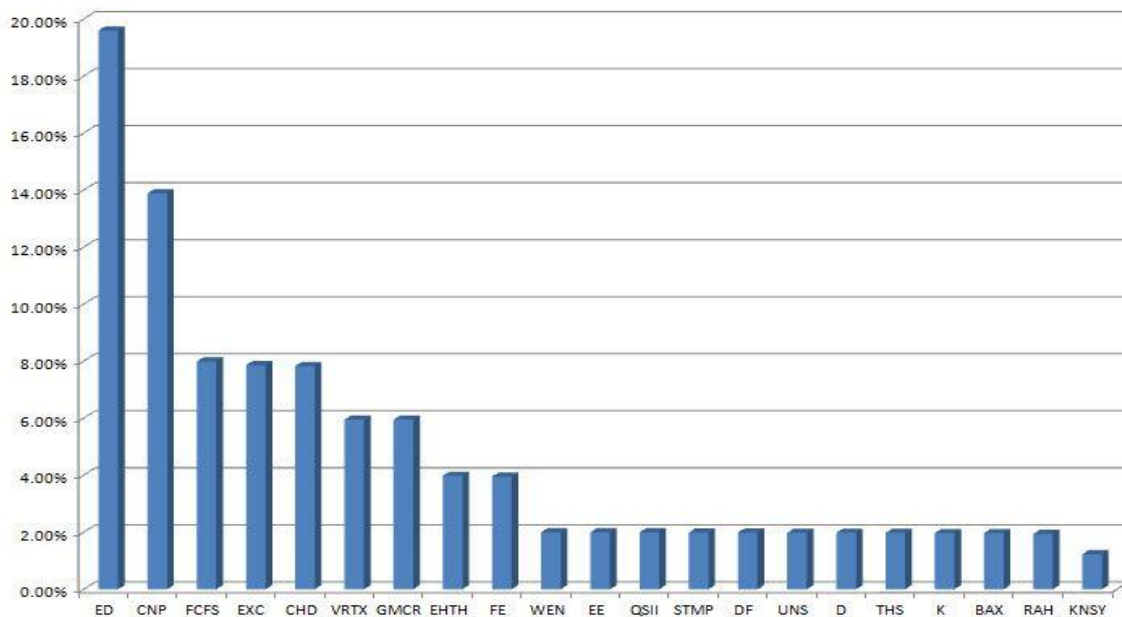
**Optimized Portfolio of S&P 1500 Securities
Medium Crude Prices Scenario**



Source: MacroRisk Analytics

Charts of Optimized S&P 1500 Portfolio Weights

Optimized Portfolio of S&P 1500 Securities
High Crude Price Scenario

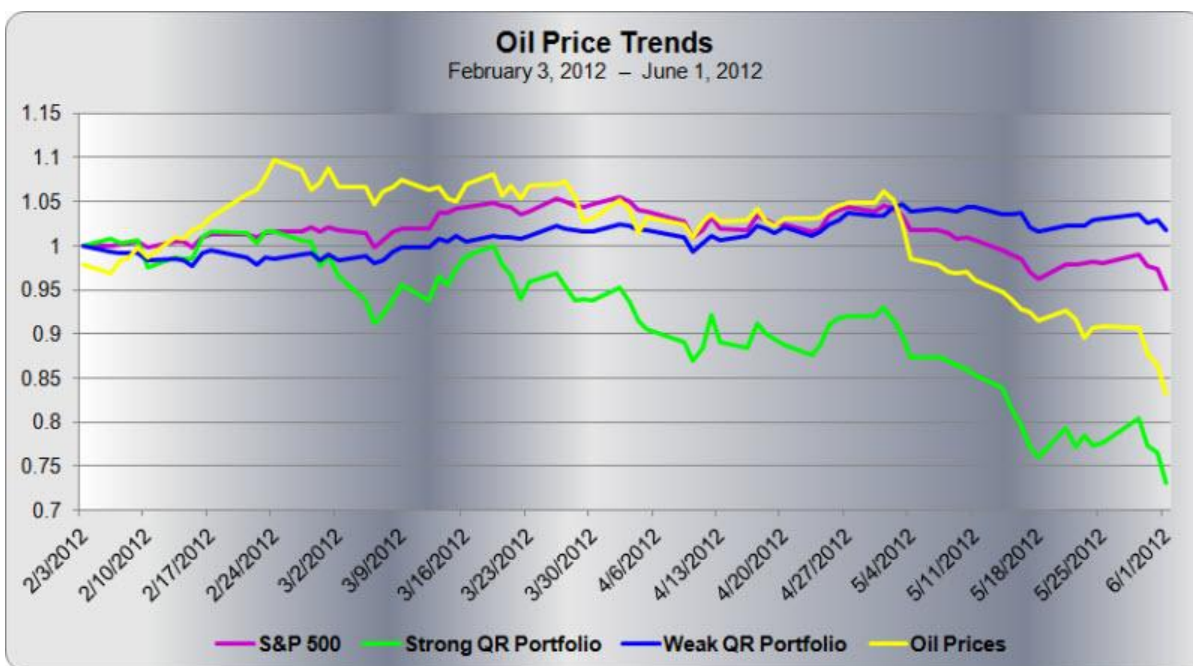


Source: MacroRisk Analytics

Sabrient's QuickResponse™ Portfolios

The QuickResponse Portfolios provide money managers an opportunity to take advantage of a specific asset's trend, while lessening the degree of volatility that would normally be expected if one were to buy only that specific asset.

So, for example, if oil prices trend higher, the Strong Oil Price Trend portfolio would provide a valid vehicle to take advantage of that trend. In turn, the Weak Oil Price Trend portfolio serves as a way to participate in the opposite trend. In either case, the portfolio's diversification potentially minimizes the loss as compared with the asset by itself.



For the QuickResponse Portfolios, Sabrient applies its proprietary quantitative methodology to single macroeconomic factors that lend themselves to back-testing for verification. It is a similar algorithm to one used six years ago to design the Sabrient Defensive Equity Index, tracked by the Guggenheim Defensive Equity ETF (DEF) which currently carries a Morningstar 5-Star rating.

The stocks in the QuickResponse Portfolios are rebalanced weekly, using year-long data to generate those stocks that perform well in the respective upward or downward movement.

Sabrient's QuickResponse™ Portfolios

For The MacroReport: Focus-Global Oil, we selected the strong and weak trends of the following five macroeconomic indicators to identify stocks that should outperform their benchmarks during each trend:

- U.S. dollar
- Euro
- Oil Prices
- 10-year Treasuries
- VIX Volatility Index

These QuickResponse Portfolios may be found on pages 31-35.

Subscribers also have access to an extended set of QuickResponse Portfolios at [MacroReport InterActive](#), including ones for the Australian dollar and copper. The online portfolios offer daily price updates and weekly rebalancing of each discrete portfolio. In addition, the online portfolios are expanded to 50 stocks, providing a more in-depth selection for consideration.

Note: QuickResponse Portfolios are intended as long positions and are not recommended for shorting. Future editions of The MacroReport will likely include lists of short candidates for these and other scenarios as a service for long-short fund managers as well as for those seeking specific hedging ideas.

Strong/Weak U.S. Dollar Trends

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market during periods of a **rising U.S. dollar**.

Strong U.S. Dollar Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	CASY	Caseys	Non-Cyclical Consumer Goods Services	58.00	2,233
2	ORLY	O'Reilly Automotive	Cyclical Consumer Goods Services	102.00	12,721
3	CMTL	Comtech	Technology	29.60	581
4	STC	Stewart Information Services	Financials	14.00	263
5	DLTR	Dollar Tree	Cyclical Consumer Goods Services	101.30	11,565
6	AZO	AutoZone	Cyclical Consumer Goods Services	388.90	14,716
7	ALGT	Allegiant	Industrials	64.20	1,226
8	THS	TreeHouse	Non-Cyclical Consumer Goods Services	58.80	2,070
9	MNTA	Momenta	Healthcare	14.00	729
10	FCFS	First Cash Financial Services	Financials	37.80	1,097
11	LMT	Lockheed Martin	Industrials	84.30	27,659
12	SO	Southern	Utilities	45.40	39,506
13	CELG	Celgene	Healthcare	70.70	31,324
14	BIG	Big Lots	Cyclical Consumer Goods Services	36.10	2,366
15	KMB	Kimberly-Clark	Basic Materials	79.80	31,185
16	AAP	Advance Auto Parts	Cyclical Consumer Goods Services	82.10	6,031
17	DPS	Dr Pepper Snapple Group	Non-Cyclical Consumer Goods Services	41.10	8,645
18	EHTH	eHealth	Financials	17.50	338
19	HTLD	Heartland	Industrials	14.10	1,193
20	IBKR	Interactive Brokers Group Inc	Financials	14.30	655

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market during periods of a **falling U.S. dollar**, and could be considered “defensive U.S. dollar” stocks.

Weak U.S. Dollar Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	MS	Morgan Stanley	Financials	13.50	28,282
2	HAYN	Haynes	Basic Materials	56.00	719
3	SGY	Stone Energy	Energy	22.90	1,187
4	VRTS	Virtus	Financials	76.60	603
5	ASTE	Astec Industries	Industrials	28.90	678
6	MTRX	Matrix Service	Energy	11.10	295
7	MKSI	MKS Instruments	Industrials	25.00	1,354
8	AEGN	Insituform	Industrials	16.80	689
9	SF	Stifel Financial	Financials	32.80	1,799
10	BAS	BAS	Energy	11.20	559
11	TRN	Trinity Industries	Industrials	25.40	2,121
12	PVTB	PrivateBancorp	Financials	15.00	1,067
13	GT	Goodyear	Cyclical Consumer Goods Services	10.70	2,594
14	FOR	Forestar Real Estate Group Inc	Financials	14.60	527
15	GVA	Granite	Industrials	23.40	938
16	OI	Owens-Illinois	Basic Materials	20.20	3,499
17	BGC	General Cable	Industrials	29.20	1,526
18	MOV	Movado Group	Cyclical Consumer Goods Services	25.70	492
19	OSK	Oshkosh Truck	Industrials	22.30	1,985
20	RBN	Robbins & Myers	Industrials	45.30	1,987

Strong/Weak Oil Price Trends

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market during periods of dramatically **rising oil prices**.

Strong Oil Price Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	TEX	Terex	Industrials	18.60	2,275
2	SPN	Superior	Energy	21.20	3,638
3	AREX	Approach Resources Inc	Energy	29.50	982
4	SGY	Stone Energy	Energy	22.90	1,187
5	GPOR	Gulfport	Energy	20.80	1,196
6	LZB	La-Z-Boy	Cyclical Consumer Goods Services	15.00	777
7	PETD	Petroleum Development	Energy	26.30	698
8	CRUS	Cirrus Logic	Technology	25.60	1,690
9	LUFK	Lufkin Industries	Energy	61.70	2,179
10	OIS	Oil States	Energy	69.60	3,741
11	BID	Sothebys	Cyclical Consumer Goods Services	30.90	2,162
12	KOP	Koppers	Basic Materials	35.50	772
13	TSO	Tesoro Corporation	Energy	22.10	3,138
14	BYI	Bally	Cyclical Consumer Goods Services	46.70	1,983
15	BGC	General Cable	Industrials	29.20	1,526
16	CRR	CARBO Ceramics	Energy	81.70	1,901
17	HOS	Hornbeck Offshore	Energy	34.70	1,227
18	GLW	Corning	Industrials	12.90	20,256
19	RS	Reliance Steel	Basic Materials	49.90	3,928
20	OSK	Oshkosh Truck	Industrials	22.30	1,985

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market during periods when **oil prices are low or falling** and could be considered "defensive oil" stocks.

Weak Oil Price Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	STBA	S&T Bancorp	Financials	17.40	509
2	LDL	Lydall	Industrials	12.50	212
3	SFNC	Simmons	Financials	24.40	418
4	AAON	AAON	Industrials	19.10	468
5	SCOR	comScore Inc	Cyclical Consumer Goods Services	18.60	647
6	KIRK	Kirklands	Cyclical Consumer Goods Services	13.50	237
7	VECO	Veeco	Technology	34.30	1,404
8	APOG	Apogee Enterprises	Cyclical Consumer Goods Services	15.70	454
9	SKX	Skechers	Cyclical Consumer Goods Services	17.80	708
10	PBY	Pep Boys	Cyclical Consumer Goods Services	11.20	604
11	BRC	Brady	Industrials	29.90	1,507
12	WDFC	WD-40	Non-Cyclical Consumer Goods Services	46.70	740
13	MLM	Martin Marietta	Basic Materials	68.60	3,472
14	GPS	The Gap	Cyclical Consumer Goods Services	27.10	13,416
15	UFPI	Universal	Basic Materials	37.60	0
16	UFCS	United Fire & Casualty	Financials	20.90	531
17	LL	Lumber Liquidators Inc	Cyclical Consumer Goods Services	29.50	768
18	CAKE	Cheesecake Factory	Cyclical Consumer Goods Services	31.70	1,717
19	CEC	CEC Entertainment	Cyclical Consumer Goods Services	36.00	655
20	FFBC	First Financial	Financials	16.20	959

Strong/Weak Euro Trends

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market during periods of a dramatically **rising euro**.

Strong Euro Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	ORLY	O'Reilly Automotive	Cyclical Consumer Goods Services	102.00	12,721
2	ALGT	Allegiant	Industrials	64.20	1,226
3	STC	Stewart Information Services	Financials	14.00	263
4	AZO	AutoZone	Cyclical Consumer Goods Services	388.90	14,716
5	BMJ	Bristol-Myers	Healthcare	33.00	55,536
6	DLTR	Dollar Tree	Cyclical Consumer Goods Services	101.30	11,565
7	LMT	Lockheed Martin	Industrials	84.30	27,659
8	AAP	Advance Auto Parts	Cyclical Consumer Goods Services	82.10	6,031
9	CMTL	Comtech	Technology	29.60	581
10	DUK	Duke	Utilities	21.40	29,024
11	KMB	Kimberly-Clark	Basic Materials	79.80	31,185
12	KSS	Kohls	Cyclical Consumer Goods Services	46.80	11,496
13	SAFM	Sanderson Farms	Non-Cyclical Consumer Goods Services	54.00	1,169
14	PGN	Progress Energy	Utilities	54.30	16,231
15	ED	ConEd	Utilities	58.80	17,286
16	FLO	Flowers Foods	Non-Cyclical Consumer Goods Services	20.30	2,718
17	BIG	Big Lots	Cyclical Consumer Goods Services	36.10	2,366
18	WMT	Wal-Mart	Cyclical Consumer Goods Services	59.20	200,878
19	SO	Southern	Utilities	45.40	39,506
20	VZ	Verizon	Telecommunications Services	40.90	116,170

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market during periods when the **euro is low or falling**, and could be considered “defensive euro” stocks.

Weak Euro Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	PETD	Petroleum Development	Energy	26.30	698
2	HAYN	Haynes	Basic Materials	56.00	719
3	IVZ	Invesco	Financials	22.10	10,065
4	AVD	American Vanguard	Basic Materials	25.00	683
5	HZO	MarineMax	Cyclical Consumer Goods Services	10.00	244
6	WDR	Waddell & Reed	Financials	28.70	2,573
7	DNR	Denbury	Energy	15.70	6,570
8	RECN	Resources Connection	Industrials	11.90	522
9	ACAT	Arctic Cat	Cyclical Consumer Goods Services	34.20	535
10	SGY	Stone Energy	Energy	22.90	1,187
11	KWR	Quaker Chemical	Basic Materials	41.90	590
12	ASTE	Astec Industries	Industrials	28.90	678
13	JEF	Jefferies	Financials	13.40	2,852
14	SFY	Swift Energy	Energy	19.80	897
15	GPOR	Gulfport	Energy	20.80	1,196
16	ICON	Iconix	Cyclical Consumer Goods Services	15.60	1,078
17	SKS	Saks	Cyclical Consumer Goods Services	9.90	1,597
18	FOR	Forestar Real Estate Group Inc	Financials	14.60	527
19	SHLD	Sears	Cyclical Consumer Goods Services	50.90	5,958
20	LNC	Lincoln National	Financials	21.50	6,487

Strong/Weak 10-Year Treasuries Trends

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market during periods of dramatically rising 10-year Treasury yields.

Strong 10-Year Treasury Yield Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	TEX	Terex	Industrials	18.60	2,275
2	MLHR	Herman Miller	Industrials	18.50	1,073
3	BGC	General Cable	Industrials	29.20	1,526
4	WWD	Woodward Governor	Industrials	37.70	2,646
5	LNC	Lincoln National	Financials	21.50	6,487
6	MS	Morgan Stanley	Financials	13.50	28,282
7	URI	United Rentals	Industrials	38.00	3,835
8	CIR	CIRCOR	Industrials	32.80	573
9	CLF	Cleveland-Cliffs	Basic Materials	51.40	7,762
10	HNI	HNI	Industrials	22.60	1,038
11	HAYN	Haynes	Basic Materials	56.00	719
12	ATI	Allegheny	Basic Materials	35.40	4,164
13	WHR	Whirlpool	Cyclical Consumer Goods Services	61.60	4,714
14	RTI	RTI	Basic Materials	24.60	765
15	LNN	Lindsay Manufacturing	Industrials	60.60	779
16	ANR	Alpha Natural Resources	Energy	11.40	2,899
17	AAON	AAON	Industrials	19.10	468
18	BC	Brunswick	Cyclical Consumer Goods Services	22.70	2,057
19	TXT	Textron	Industrials	23.20	6,612
20	THO	Thor Industries	Cyclical Consumer Goods Services	29.60	1,595

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market during periods when 10-year Treasury yields are low or dropping.

Weak 10-Year Treasury Yield Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	ORLY	O'Reilly Automotive	Cyclical Consumer Goods Services	102.00	12,721
2	MCD	McDonalds	Cyclical Consumer Goods Services	91.40	92,347
3	DLTR	Dollar Tree	Cyclical Consumer Goods Services	101.30	11,565
4	ALGT	Allegiant	Industrials	64.20	1,226
5	EE	El Paso Electric	Utilities	30.30	1,201
6	KMB	Kimberly-Clark	Basic Materials	79.80	31,185
7	SJM	Smucker	Non-Cyclical Consumer Goods Services	77.60	8,632
8	AZO	AutoZone	Cyclical Consumer Goods Services	388.90	14,716
9	DUK	Duke	Utilities	21.40	29,024
10	FORR	Forrester Research	Technology	33.70	764
11	AMSF	AMERISAFE	Financials	26.80	482
12	BBBY	Bed Bath & Beyond	Cyclical Consumer Goods Services	72.10	0
13	AAPL	Apple Inc.	Technology	546.10	521,970
14	ED	ConEd	Utilities	58.80	17,286
15	SO	Southern	Utilities	45.40	39,506
16	GIS	General Mills	Non-Cyclical Consumer Goods Services	39.60	25,349
17	CHG	CH Energy	Utilities	65.60	975
18	PGN	Progress Energy	Utilities	54.30	16,231
19	COST	Costco Wholesale	Cyclical Consumer Goods Services	84.90	36,584
20	WMT	Wal-Mart	Cyclical Consumer Goods Services	59.20	200,878

Strong/Weak VIX Trends

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market during dramatically **rising VIX levels**.

Strong VIX Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	ED	ConEd	Utilities	58.80	17,286
2	SO	Southern	Utilities	45.40	39,506
3	AZO	AutoZone	Cyclical Consumer Goods Services	388.90	14,716
4	ORLY	OReilly Automotive	Cyclical Consumer Goods Services	102.00	12,721
5	DUK	Duke	Utilities	21.40	29,024
6	MCD	McDonalds	Cyclical Consumer Goods Services	91.40	92,347
7	PGN	Progress Energy	Utilities	54.30	16,231
8	HSY	Hershey	Non-Cyclical Consumer Goods Services	68.40	11,249
9	DLTR	Dollar Tree	Cyclical Consumer Goods Services	101.30	11,565
10	PCG	PG&E	Utilities	43.80	18,616
11	KMB	Kimberly-Clark	Basic Materials	79.80	31,185
12	K	Kellogg	Non-Cyclical Consumer Goods Services	50.90	18,189
13	AEP	American Electric	Utilities	37.60	18,514
14	XEL	Xcel Energy	Utilities	27.40	13,386
15	CAG	ConAgra Foods	Non-Cyclical Consumer Goods Services	25.70	10,618
16	PPL	PPL	Utilities	27.40	15,881
17	WR	Westar	Utilities	28.10	3,572
18	FDO	Family Dollar	Cyclical Consumer Goods Services	67.20	7,827
19	KFT	Kraft	Non-Cyclical Consumer Goods Services	38.60	69,218
20	D	Dominion Resources	Utilities	52.50	29,827

The Sabrient model indicates that these QuickResponse™ Stocks should outperform the market when **VIX levels are low or dropping**, and could be considered “defensive VIX” stocks.

Weak VIX Trend					
Sabrient's QuickResponse™ Stocks					
RANK	TICKER	COMPANY	SECTOR	PRICE (2012-05-16)	MKT CAP (MIL)
1	ANR	Alpha Natural Resources	Energy	11.40	2,899
2	LXU	Lsb Industries	Basic Materials	27.60	723
3	SFY	Swift Energy	Energy	19.80	897
4	MSA	Mine Safety Appliances	Industrials	43.00	1,560
5	ACO	AMCOL	Basic Materials	29.90	952
6	HAYN	Haynes	Basic Materials	56.00	719
7	LNN	Lindsay Manufacturing	Industrials	60.60	779
8	NSIT	Insight Enterprises	Technology	16.30	743
9	DDD	3D Systems	Technology	26.70	1,413
10	HLX	Helix	Energy	18.30	1,997
11	MTRN	Brush Engineered Materials	Industrials	23.40	490
12	LDL	Lydall	Industrials	12.50	212
13	VRTS	Virtus	Financials	76.60	603
14	SGY	Stone Energy	Energy	22.90	1,187
15	NOG	NOG	Energy	17.60	1,145
16	GT	Goodyear	Cyclical Consumer Goods Services	10.70	2,594
17	ACAT	Arctic Cat	Cyclical Consumer Goods Services	34.20	535
18	ROCK	Gibraltar Steel	Cyclical Consumer Goods Services	10.60	329
19	TG	Tredegar	Basic Materials	13.90	449
20	GPOR	Gulfport	Energy	20.80	1,196

Correlations of Returns and Values

The correlation matrix analysis provides valuable insights regarding the impact of economic factors on assets. By knowing which assets are most positively correlated with an economic factor, investors can construct portfolios tilted towards that factor. Similarly, by identifying assets that are most negatively correlated with an economic factor, investors can construct portfolios tilted away from that factor.

This powerful tool helps investors identify which economic factors are most important in determining the short run and long run fluctuations in the value of their individual holdings and can facilitate more effective diversification and portfolio construction.

On the following pages are three discrete categories of Correlation Tables: (1) ETF-based Returns and Values, (2) S&P 1500-based Returns and Values, and (3) MSCI Global Indexes-based Returns and Values. Taken together, they offer a rich opportunity for analysis of the macroeconomic landscape through the prism of ETFs, stocks, and global indexes.

These three categories of Correlation Tables provide both correlations of **returns**, defined here as **short-term information**, and correlation of **values**, which capture **longer term trends**, thereby providing a choice of timelines to correspond to multiple portfolio needs.

Correlation Tables featuring Rogers Commodity Index, Dow Jones Transportation Index, Euro/Dollar Exchange Rate, Baltic Dry Shipping Index, and the KBW Banking Index can be found on pages 37-52.

Note: For a number of additional Correlation Tables, please visit our interactive site, [MacroReport InterActive](#). Featured on the site are tables that include the three categories referenced above in comparison to the following indexes:

- Baltic Dry Shipping Index
- Consumer Confidence Index
- Consumer Price Index (Fuel)
- Dow Jones Transportation Index
- Euro/U.S. Dollar Exchange Rate
- ISM Purchasing Index
- KBW Bank Index
- Rogers Commodity Index
- S&P 500 Index
- VIX (Market Volatility Index)

Correlation of Index-Based Returns: MSCI Global Equity Indexes to the Rogers Commodity Index

These two tables list the global equity indexes with the highest and lowest correlations with the Rogers Commodity Index. The tables include correlations of **returns**, which illustrate *short-term* information.

Top 15 Correlations of Returns of MSCI Global Equity Indexes to the Rogers Commodity Index

MSCI Index	to the Rogers Commodity Index	to the Baltic Dry Shipping Index	to the CBOE S&P 500 Index	to the Euro/US Dollar Exchange Rate	to the CBOE Market Volatility Index (VIX)	to the Consumer Price Index (Motor Fuel - Urban)	to the ISM's Purchasing Managers Index	to the Dow Jones Transportation Index	to the KBW Bank Index	to the Consumer Confidence Index
CANADA	0.7306	-0.0788	0.8005	0.5533	-0.6839	0.0050	0.0261	0.7440	0.6977	0.1390
NORWAY	0.6676	-0.0301	0.7174	0.5934	-0.6024	0.0088	0.0102	0.6388	0.6095	0.0765
WRLD EX USA	0.6631	-0.0547	0.7172	0.5737	-0.6126	0.0148	0.0173	0.6553	0.6082	0.0756
THE WRLD INDEX	0.6593	-0.0689	0.9339	0.6612	-0.7955	-0.0120	0.0115	0.8648	0.8254	0.1104
WRLD EX EMU	0.6539	-0.0762	0.9514	0.6341	-0.8137	-0.0146	0.0138	0.8826	0.8445	0.1165
WRLD EX AUSTRALIA	0.6539	-0.0675	0.9428	0.6681	-0.8035	-0.0141	0.0107	0.8729	0.8344	0.1102
WRLD EX UK	0.6499	-0.0737	0.9470	0.6679	-0.8072	-0.0142	0.0088	0.8803	0.8430	0.1144
UNITED KINGDOM	0.6491	-0.0217	0.7107	0.5235	-0.6015	0.0078	0.0314	0.6319	0.5808	0.0650
EUROPE EX EMU	0.6488	-0.0241	0.7291	0.5717	-0.6227	0.0055	0.0311	0.6545	0.6118	0.0686
EAFE	0.6394	-0.0501	0.6901	0.5640	-0.5896	0.0158	0.0157	0.6288	0.5827	0.0652
NORDIC COUNTRIES	0.6384	-0.0460	0.7302	0.6072	-0.6191	0.0087	0.0503	0.6574	0.6392	0.0887
EUROPE EX GERMANY	0.6350	-0.0241	0.7360	0.6108	-0.6251	0.0059	0.0196	0.6652	0.6255	0.0680
EUROPE EX SWITZERLAND	0.6332	-0.0295	0.7395	0.6105	-0.6224	0.0039	0.0150	0.6679	0.6292	0.0730
EUROPE	0.6317	-0.0276	0.7401	0.6152	-0.6258	0.0030	0.0157	0.6698	0.6311	0.0709
EMU + UK	0.6300	-0.0276	0.7381	0.6089	-0.6205	0.0034	0.0122	0.6669	0.6260	0.0703

Canada tops the list of the top 15 correlations of **returns** to the Rogers Commodity Index. Asian countries form the majority of the bottom list of correlations of **returns**, with the notable exception of Greece.

Bottom 15 Correlations of Returns of MSCI Global Equity Indexes to the Rogers Commodity Index

MSCI Index	to the Rogers Commodity Index	to the Baltic Dry Shipping Index	to the CBOE S&P 500 Index	to the Euro/US Dollar Exchange Rate	to the CBOE Market Volatility Index (VIX)	to the Consumer Price Index (Motor Fuel - Urban)	to the ISM's Purchasing Managers Index	to the Dow Jones Transportation Index	to the KBW Bank Index	to the Consumer Confidence Index
PHILIPPINES	0.1826	-0.0881	-0.0433	-0.0216	0.0275	0.1257	0.0776	-0.0703	-0.0723	0.0000
JAPAN	0.2369	-0.0889	0.1177	0.0798	-0.1326	0.0381	0.0041	0.1259	0.0749	0.0000
GREECE	0.2441	-0.1343	0.3448	0.3542	-0.3325	0.0553	-0.1023	0.3397	0.2989	0.0993
TAIWAN	0.2741	-0.1243	0.1766	0.0225	-0.1615	0.1127	-0.0621	0.1343	0.1418	-0.0383
FAR EAST	0.2976	-0.0948	0.1649	0.1128	-0.1666	0.0426	0.0046	0.1637	0.1165	-0.0109
KOREA	0.3054	-0.1175	0.1854	0.0491	-0.1532	0.0666	-0.0346	0.1449	0.1286	-0.0334
INDONESIA	0.3132	-0.0614	0.1197	0.0683	-0.0859	0.0906	0.0054	0.1100	0.0935	0.0611
MALAYSIA	0.3481	-0.0626	0.1017	0.0656	-0.0958	0.0368	-0.0367	0.0809	0.0432	0.0704
AC FAR EAST	0.3490	-0.1087	0.1868	0.1012	-0.1689	0.0595	-0.0139	0.1657	0.1320	-0.0305
HONG KONG	0.3522	-0.0552	0.1577	0.0960	-0.1120	0.0187	-0.0171	0.1328	0.1024	-0.0748
GOLDEN DRAGON	0.3592	-0.0939	0.1776	0.0868	-0.1382	0.0496	-0.0302	0.1436	0.1249	-0.0764
CHINA	0.3609	-0.0760	0.1611	0.1086	-0.1148	0.0171	-0.0119	0.1335	0.1064	-0.0878
ZHONG HUA	0.3630	-0.0711	0.1622	0.1064	-0.1155	0.0178	-0.0135	0.1350	0.1066	-0.0852
AC ASIA	0.3633	-0.1176	0.1995	0.1090	-0.1792	0.0584	-0.0150	0.1750	0.1422	-0.0312
EM FAR EAST	0.3642	-0.1093	0.1874	0.0789	-0.1517	0.0676	-0.0301	0.1492	0.1317	-0.0473

Source: MacroRisk Analytics

Correlation of Index-Based Values: MSCI Global Equity Indexes to the Rogers Commodity Index

These two tables list the global equity indexes with the highest and lowest correlations with the Rogers Commodity Index. The tables include correlations of **values**, which capture longer term trends.

Top 15 Correlations of Values of MSCI Global Equity Indexes to the Rogers Commodity Index

MSCI Index	to the Rogers Commodity Index	to the Baltic Dry Shipping Index	to the CBOE S&P 500 Index	to the Euro/US Dollar Exchange Rate	to the CBOE Market Volatility Index (VIX)	to the Consumer Price Index (Motor Fuel - Urban)	to the ISM's Purchasing Managers Index	to the Dow Jones Transportation Index	to the KBW Bank Index	to the Consumer Confidence Index
CANADA	0.9413	-0.3074	0.4263	0.6951	-0.5137	-0.2548	0.7264	0.5555	0.6657	0.3724
GOLDEN DRAGON	0.9072	-0.4380	0.5317	0.6121	-0.5954	-0.1220	0.7132	0.6166	0.7697	0.5007
AC ASIA EX JAPAN	0.9015	-0.4556	0.5520	0.6030	-0.5994	-0.1058	0.6866	0.6297	0.7772	0.4989
EM ASIA	0.8991	-0.4425	0.5454	0.6071	-0.5991	-0.1225	0.6933	0.6331	0.7722	0.4872
PACIFIC EX JAPAN	0.8989	-0.4282	0.5788	0.5951	-0.6305	-0.1168	0.7160	0.6656	0.7848	0.4955
TAIWAN	0.8984	-0.3538	0.4577	0.6717	-0.5252	-0.0830	0.7111	0.5354	0.7293	0.4376
ZHONG HUA	0.8980	-0.4771	0.5639	0.5703	-0.6244	-0.1409	0.7033	0.6511	0.7800	0.5274
HONG KONG	0.8971	-0.5375	0.5991	0.5360	-0.6193	-0.0285	0.6393	0.6231	0.7992	0.5769
AC PACIFIC EX JAPAN	0.8956	-0.4633	0.5916	0.5734	-0.6433	-0.1098	0.7046	0.6755	0.8010	0.5227
AC FAR EAST EX JAPAN	0.8928	-0.4879	0.5920	0.5626	-0.6371	-0.0901	0.6855	0.6639	0.8039	0.5387
CHINA	0.8908	-0.4487	0.5452	0.5793	-0.6212	-0.1841	0.7229	0.6567	0.7659	0.5031
AC ASIA PACIFIC	0.8904	-0.4535	0.5586	0.6027	-0.5919	-0.0897	0.6765	0.6229	0.7749	0.4925
EM FAR EAST	0.8880	-0.4805	0.5941	0.5576	-0.6459	-0.1057	0.6931	0.6762	0.8048	0.5347
SINGAPORE	0.8873	-0.4643	0.5298	0.6219	-0.5423	-0.0178	0.6413	0.5663	0.7612	0.4945
AC PACIFIC	0.8854	-0.4722	0.5825	0.5800	-0.6135	-0.0796	0.6757	0.6426	0.7907	0.5153

Similar to the returns correlations table, Canada is the most highly correlated with the Rogers Commodity Index, while a rash of Asian equity indexes have high **value** correlations as well.

The Philippines edges out the USA as having the least correlation of **values** with the Rogers Commodity Index, while a blend of Asia and Europe fills out the remaining bottom correlations rankings.

Bottom 15 Correlations of Values of MSCI Global Equity Indexes to the Rogers Commodity Index

MSCI Index	to the Rogers Commodity Index	to the Baltic Dry Shipping Index	to the CBOE S&P 500 Index	to the Euro/US Dollar Exchange Rate	to the CBOE Market Volatility Index (VIX)	to the Consumer Price Index (Motor Fuel - Urban)	to the ISM's Purchasing Managers Index	to the Dow Jones Transportation Index	to the KBW Bank Index	to the Consumer Confidence Index
PHILIPPINES	0.2126	-0.8020	0.8039	-0.3392	-0.6228	0.4527	0.0682	0.5853	0.6654	0.7172
USA	0.4231	-0.7455	0.9980	-0.1814	-0.9375	0.2170	0.4756	0.9275	0.9291	0.7677
NORTH AMERICA	0.5015	-0.7368	0.9880	-0.0956	-0.9404	0.1767	0.5278	0.9357	0.9490	0.7647
THAILAND	0.5198	-0.7565	0.7498	0.0002	-0.6262	0.3044	0.2848	0.5851	0.7403	0.7552
IRELAND	0.5310	-0.7247	0.9354	0.0028	-0.9108	0.1885	0.5276	0.8802	0.9402	0.7856
WRLD EX EUROPE	0.6049	-0.7185	0.9555	0.0406	-0.9191	0.1362	0.5849	0.9212	0.9650	0.7501
WRLD EX EMU	0.6588	-0.6911	0.9282	0.1207	-0.9072	0.1041	0.6233	0.9116	0.9678	0.7358
SPAIN	0.7039	0.1322	-0.0036	0.8291	-0.1794	-0.4334	0.6252	0.2291	0.2978	-0.0120
WRLD EX AUSTRALIA	0.7293	-0.6277	0.8660	0.2520	-0.8732	0.0484	0.6816	0.8824	0.9576	0.6952
WRLD EX UK	0.7359	-0.6233	0.8603	0.2627	-0.8696	0.0423	0.6868	0.8799	0.9562	0.6919
THE WRLD INDEX	0.7390	-0.6195	0.8575	0.2677	-0.8675	0.0391	0.6876	0.8785	0.9539	0.6881
INDONESIA	0.7410	-0.4400	0.4072	0.4617	-0.4178	-0.1473	0.3742	0.4756	0.5537	0.4325
MALAYSIA	0.7416	-0.7343	0.7324	0.2763	-0.7351	-0.0132	0.4792	0.7419	0.8343	0.7313
DENMARK	0.7418	-0.5946	0.7757	0.3224	-0.7999	0.0761	0.7194	0.7938	0.9258	0.7010
PORTUGAL	0.7523	0.1768	-0.0516	0.9009	-0.1010	-0.2904	0.6437	0.1349	0.2957	-0.0028

Source: MacroRisk Analytics

Correlation of Index-Based Returns: MSCI Global Equity Indexes to the Dow Jones Transportation Index

These two tables list the global equity indexes with the highest and lowest correlations with the Dow Jones Transportation Index. The tables include correlations of **returns**, which illustrate short-term information.

Top 15 Correlations of Returns of MSCI Global Equity Indexes to the Dow Jones Transportation Index

MSCI Index	to the Dow Jones Transportation Index	to the Baltic Dry Shipping Index	to the CBOE S&P 500 Index	to the Euro/US Dollar Exchange Rate	to the CBOE Market Volatility Index (VIX)	to the Consumer Price Index (Motor Fuel - Urban)	to the ISM's Purchasing Managers Index	to the KBW Bank Index	to the Consumer Confidence Index	to the Rogers Commodity Index
USA	0.9326	-0.0710	0.9986	0.6484	-0.8492	-0.0338	0.0046	0.9047	0.1257	0.5639
NORTH AMERICA	0.9304	-0.0731	0.9966	0.6504	-0.8479	-0.0306	0.0069	0.9001	0.1292	0.5909
WRLD EX EUROPE	0.9058	-0.0865	0.9696	0.6266	-0.8292	-0.0193	0.0085	0.8698	0.1243	0.6261
WRLD EX EMU	0.8826	-0.0762	0.9514	0.6341	-0.8137	-0.0146	0.0138	0.8445	0.1165	0.6539
WRLD EX UK	0.8803	-0.0737	0.9470	0.6679	-0.8072	-0.0142	0.0088	0.8430	0.1144	0.6499
WRLD EX AUSTRALIA	0.8729	-0.0675	0.9428	0.6681	-0.8035	-0.0141	0.0107	0.8344	0.1102	0.6539
THE WRLD INDEX	0.8648	-0.0689	0.9339	0.6612	-0.7955	-0.0120	0.0115	0.8254	0.1104	0.6593
CANADA	0.7440	-0.0788	0.8005	0.5533	-0.6839	0.0050	0.0261	0.6977	0.1390	0.7306
GERMANY	0.6793	-0.0471	0.7448	0.6242	-0.6136	-0.0132	-0.0061	0.6470	0.0855	0.5967
EUROPE EX UK	0.6728	-0.0295	0.7378	0.6419	-0.6234	0.0008	0.0092	0.6397	0.0725	0.6113
EUROPE	0.6698	-0.0276	0.7401	0.6152	-0.6258	0.0030	0.0157	0.6311	0.0709	0.6317
EMU	0.6693	-0.0300	0.7338	0.6411	-0.6139	0.0005	0.0016	0.6348	0.0722	0.6012
FRANCE	0.6680	-0.0194	0.7328	0.6290	-0.6205	0.0081	-0.0005	0.6298	0.0664	0.6103
EUROPE EX SWITZERLAND	0.6679	-0.0295	0.7395	0.6105	-0.6224	0.0039	0.0150	0.6292	0.0730	0.6332
EMU + UK	0.6669	-0.0276	0.7381	0.6089	-0.6205	0.0034	0.0122	0.6260	0.0703	0.6300

North American and "World" indexes are leaders among the top 15 correlations of **returns** to the Dow Jones Transportation Index. Asian indexes form the remainder of the Bottom 15 **returns** correlations.

Bottom 15 Correlations of Returns of MSCI Global Equity Indexes to the Dow Jones Transportation Index

MSCI Index	to the Dow Jones Transportation Index	to the Baltic Dry Shipping Index	to the CBOE S&P 500 Index	to the Euro/US Dollar Exchange Rate	to the CBOE Market Volatility Index (VIX)	to the Consumer Price Index (Motor Fuel - Urban)	to the ISM's Purchasing Managers Index	to the KBW Bank Index	to the Consumer Confidence Index	to the Rogers Commodity Index
PHILIPPINES	-0.0703	-0.0881	-0.0433	-0.0216	0.0275	0.1257	0.0776	-0.0723	0.0000	0.1826
MALAYSIA	0.0809	-0.0626	0.1017	0.0656	-0.0958	0.0368	-0.0367	0.0432	0.0704	0.3481
INDONESIA	0.1100	-0.0614	0.1197	0.0683	-0.0859	0.0906	0.0054	0.0935	0.0611	0.3132
JAPAN	0.1259	-0.0889	0.1177	0.0798	-0.1326	0.0381	0.0041	0.0749	0.0000	0.2369
HONG KONG	0.1328	-0.0552	0.1577	0.0960	-0.1120	0.0187	-0.0171	0.1024	-0.0748	0.3522
CHINA	0.1335	-0.0760	0.1611	0.1086	-0.1148	0.0171	-0.0119	0.1064	-0.0878	0.3609
TAIWAN	0.1343	-0.1243	0.1766	0.0225	-0.1615	0.1127	-0.0621	0.1418	-0.0383	0.2741
ZHONG HUA	0.1350	-0.0711	0.1622	0.1064	-0.1155	0.0178	-0.0135	0.1066	-0.0852	0.3630
GOLDEN DRAGON	0.1436	-0.0939	0.1776	0.0868	-0.1382	0.0496	-0.0302	0.1249	-0.0764	0.3592
KOREA	0.1449	-0.1175	0.1854	0.0491	-0.1532	0.0666	-0.0346	0.1286	-0.0334	0.3054
EM FAR EAST	0.1492	-0.1093	0.1874	0.0789	-0.1517	0.0676	-0.0301	0.1317	-0.0473	0.3642
THAILAND	0.1506	-0.0301	0.1870	0.2010	-0.1621	0.0640	0.0603	0.1473	-0.0091	0.4225
FAR EAST	0.1637	-0.0948	0.1649	0.1128	-0.1666	0.0426	0.0046	0.1165	-0.0109	0.2976
EM ASIA	0.1650	-0.1243	0.2077	0.0933	-0.1693	0.0646	-0.0306	0.1484	-0.0468	0.3837
AC FAR EAST	0.1657	-0.1087	0.1868	0.1012	-0.1689	0.0595	-0.0139	0.1320	-0.0305	0.3490

Source: MacroRisk Analytics

Correlation of Index-Based Values: MSCI Global Equity Indexes to the Dow Jones Transportation Index

These two tables list the global equity indexes with the highest and lowest correlations with the Dow Jones Transportation Index. The tables include correlations of **values**, which capture longer term trends.

Top 15 Correlations of Values of MSCI Global Equity Indexes to the Dow Jones Transportation Index

MSCI Index	to the Dow Jones Transportation Index	to the Baltic Dry Shipping Index	to the CBOE S&P 500 Index	to the Euro/US Dollar Exchange Rate	to the CBOE Market Volatility Index (VIX)	to the Consumer Price Index (Motor Fuel - Urban)	to the ISM's Purchasing Managers Index	to the KBW Bank Index	to the Consumer Confidence Index	to the Rogers Commodity Index
NORTH AMERICA	0.9357	-0.7368	0.9880	-0.0956	-0.9404	0.1767	0.5278	0.9490	0.7647	0.5015
USA	0.9275	-0.7455	0.9980	-0.1814	-0.9375	0.2170	0.4756	0.9291	0.7677	0.4231
WRLD EX EUROPE	0.9212	-0.7185	0.9555	0.0406	-0.9191	0.1362	0.5849	0.9650	0.7501	0.6049
WRLD EX EMU	0.9116	-0.6911	0.9282	0.1207	-0.9072	0.1041	0.6233	0.9678	0.7358	0.6588
WRLD EX AUSTRALIA	0.8824	-0.6277	0.8660	0.2520	-0.8732	0.0484	0.6816	0.9576	0.6952	0.7293
IRELAND	0.8802	-0.7247	0.9354	0.0028	-0.9108	0.1885	0.5276	0.9402	0.7856	0.5310
WRLD EX UK	0.8799	-0.6233	0.8603	0.2627	-0.8696	0.0423	0.6868	0.9562	0.6919	0.7359
THE WRLD INDEX	0.8785	-0.6195	0.8575	0.2677	-0.8675	0.0391	0.6876	0.9539	0.6881	0.7390
UNITED KINGDOM	0.8494	-0.5708	0.8153	0.3133	-0.8325	0.0051	0.6839	0.9151	0.6378	0.7581
DENMARK	0.7938	-0.5946	0.7757	0.3224	-0.7999	0.0761	0.7194	0.9258	0.7010	0.7418
EUROPE EX EMU	0.7927	-0.5220	0.7377	0.4298	-0.7801	-0.0315	0.7207	0.8938	0.6148	0.8164
SWEDEN	0.7627	-0.4750	0.6835	0.4572	-0.7528	-0.0968	0.7754	0.8597	0.5808	0.8199
NORWAY	0.7613	-0.5136	0.7468	0.4270	-0.7579	0.0395	0.6734	0.8795	0.5893	0.8352
NORDIC COUNTRIES	0.7423	-0.4582	0.6701	0.4864	-0.7319	-0.0683	0.7786	0.8565	0.5661	0.8345
MALAYSIA	0.7419	-0.7343	0.7324	0.2763	-0.7351	-0.0132	0.4792	0.8343	0.7313	0.7416

In terms of **values** correlations between the MSCI Global Equity Indexes and the Dow Jones Transportation Index, the list is again led by North America, while the bottom 15 includes several European national indexes, including 4 of the 5 "PIIGS."

Bottom 15 Correlations of Values of MSCI Global Equity Indexes to the Dow Jones Transportation Index

MSCI Index	to the Dow Jones Transportation Index	to the Baltic Dry Shipping Index	to the CBOE S&P 500 Index	to the Euro/US Dollar Exchange Rate	to the CBOE Market Volatility Index (VIX)	to the Consumer Price Index (Motor Fuel - Urban)	to the ISM's Purchasing Managers Index	to the KBW Bank Index	to the Consumer Confidence Index	to the Rogers Commodity Index
PORTUGAL	0.1349	0.1768	-0.0516	0.9009	-0.1010	-0.2904	0.6437	0.2957	-0.0028	0.7523
SPAIN	0.2291	0.1322	-0.0036	0.8291	-0.1794	-0.4334	0.6252	0.2978	-0.0120	0.7039
GREECE	0.2335	0.0006	0.0475	0.8739	-0.1922	-0.3035	0.6651	0.3979	0.1212	0.7989
INDIA	0.3125	-0.1748	0.2044	0.8111	-0.2618	-0.2036	0.6094	0.4938	0.1589	0.8514
AUSTRIA	0.4206	-0.1547	0.2728	0.8051	-0.3928	-0.2130	0.7203	0.5877	0.2818	0.8665
ITALY	0.4389	-0.0796	0.2617	0.7630	-0.4045	-0.2582	0.7441	0.5538	0.2309	0.7970
NEW ZEALAND	0.4418	-0.4890	0.5129	0.5150	-0.4695	0.1685	0.4595	0.7038	0.5171	0.8101
INDONESIA	0.4756	-0.4400	0.4072	0.4617	-0.4178	-0.1473	0.3742	0.5537	0.4325	0.7410
JAPAN	0.4841	-0.4408	0.4921	0.5335	-0.4660	0.0072	0.5248	0.6745	0.4368	0.7597
FINLAND	0.5224	-0.1812	0.3846	0.6872	-0.4917	-0.2018	0.8071	0.6435	0.3043	0.8375
FAR EAST	0.5326	-0.4738	0.5301	0.5602	-0.5158	-0.0016	0.5742	0.7267	0.4813	0.8214
TAIWAN	0.5354	-0.3538	0.4577	0.6717	-0.5252	-0.0830	0.7111	0.7293	0.4376	0.8984
FRANCE	0.5368	-0.2157	0.3924	0.7322	-0.5090	-0.1922	0.7375	0.6710	0.3565	0.8555
EMU	0.5545	-0.2199	0.4061	0.7159	-0.5221	-0.1922	0.7496	0.6785	0.3557	0.8408
CANADA	0.5555	-0.3074	0.4263	0.6951	-0.5137	-0.2548	0.7264	0.6657	0.3724	0.9413

Source: MacroRisk Analytics

Correlation of ETFs to the Euro/Dollar Exchange Rate: Returns

The following tables list the ETFs with the highest and lowest correlations with the Euro/Dollar Exchange Rate. The tables include correlations of **returns**, which illustrate short-term information, as well as correlations of **values**, which capture longer term trends.

Correlations of ETFs to the Euro/US Dollar Exchange Rate			
Top 15 Returns			
ETF Name	ETF Symbol	Returns Correlation	Values Correlation
CURRENCYSHARES EURO TR EURO SHS	FXE	0.9827	0.9997
POWERSHS DB US DOLLAR INDEX DOLL INDX BEAR	UDN	0.9631	0.9797
PROSHARES TR II PSH ULTRA EURO	ULE	0.9579	0.9986
CURRENCYSHARES SWEDISH KRONA SWEDISH KRONA	FXS	0.8555	0.9042
SPDR SERIES TRUST BRCLYS INTL ET	BWX	0.8407	0.5051
SPDR SERIES TRUST SHRT INTL ETF	BWZ	0.8228	0.9159
SPDR SERIES TRUST BRCLY INTL CRP	IBND	0.8106	0.7690
ISHARES INC MSCI EMU INDEX	EZU	0.8059	0.6973
SPDR INDEX SHS FDS EURO STOXX 50	FEZ	0.8028	0.6869
ISHARES TR S&PCIT11-3YRTB	ISHG	0.7966	0.9506
WISDOMTREE TRUST INTL LRGCAP DV	DOL	0.7947	0.5515
ISHARES INC MSCI NETHR INV	EWN	0.7930	0.6209
ISHARES INC MSCI BELG INVE	EWK	0.7927	0.6883
ISHARES INC MSCI FRANCE	EWQ	0.7910	0.7241
ISHARES INC MSCI GERMAN	EWG	0.7906	0.5630

European and International ETFs form the majority of the top 15 correlations of ETFs to the Euro/Dollar Exchange Rate by **returns**, while “short” funds dominate the list of those with the lowest correlations of **returns**.

Correlations of ETFs to the Euro/US Dollar Exchange Rate			
Bottom 15 Returns			
ETF Name	ETF Symbol	Returns Correlation	Values Correlation
PROSHARES TR II ULTRASHRT EURO	EUO	-0.9811	-0.9898
POWERSHS DB US DOLLAR INDEX DOLL INDX BULL	UUP	-0.9636	-0.9399
PROSHARES TR ULSH MSCI EURP	EPV	-0.7869	0.3063
DIREXION SHS ETF TR DLY DEV MKT BE	DPK	-0.7735	0.2914
PROSHARES TR PSHS SH MSCI EA	EFZ	-0.7729	-0.1068
PROSHARES TR PSHS ULT SH MS	EFU	-0.7691	0.1086
DIREXION SHS ETF TR DLY EM BR3X NEW	EDZ	-0.6709	0.3163
PROSHARES TR SHT MSCI NEW	EEV	-0.6681	0.1642
PROSHARES TR PSHS SH MSCI EM	EUM	-0.6661	-0.0161
DIREXION SHS ETF TR LATN AM BEAR3X	LHB	-0.6656	0.4024
PROSHARES TR ULSH MSCI BRZL	BZQ	-0.6561	0.1280
PROSHARES TR PSHS ULTSHRT J	EWV	-0.6542	0.1004
PROSHARES TR PSHS SHRT S&P5	SH	-0.6510	0.5251
RYDEX ETF TRUST GUG INV 2XS&P5	RSW	-0.6507	0.5879
PROSHARES TR ULT SHR S&P500	SPXU	-0.6502	0.6430

Source: MacroRisk Analytics

Correlation of ETFs to the Euro/Dollar Exchange Rate: Values

Both commodity and currency ETFs appear in the top 15 **values** list of the highest correlation to the Euro/Dollar Exchange Rate, while fixed income funds have a strong presence in the bottom 15 **values** correlation list.

Correlations of ETFs to the Euro/US Dollar Exchange Rate			
Top 15 Values			
ETF Name	ETF Symbol	Values Correlation	Returns Correlation
CURRENCYSHARES EURO TR EURO SHS	FXE	0.9997	0.9827
PROSHARES TR II PSH ULTRA EURO	ULE	0.9986	0.9579
POWERSHS DB US DOLLAR INDEX DOLL INDX BEAR	UDN	0.9797	0.9631
WISDOMTREE TRUST EURO DEBT FUND	EU	0.9604	0.3606
ISHARES TR S&PCIT11-3YRTB	ISHG	0.9506	0.7966
SPDR SERIES TRUST SHRT INTL ETF	BWZ	0.9159	0.8228
PROSHARES TR II ULT DJ UBS COM	UCD	0.9081	0.4339
POWERSHS DB MULTI SECT COMM PS DB AGRICUL	DBA	0.9071	0.4766
CURRENCYSHARES SWEDISH KRONA SWEDISH KRONA	FXS	0.9042	0.8555
GREENHAVEN CONT CMDTY INDEX UNIT BEN INT	GCC	0.8920	0.5251
TEUCRIUM COMMODITY TR NATURAL GAS FD	NAGS	0.8919	0.1406
UNITED STS 12 MONTH NAT GAS UNIT BEN INT	UNL	0.8829	0.0870
CLAYMORE EXCHANGE TRD FD TR GUGGENHEIM SOL	TAN	0.8748	0.5471
UNITED STATES NATL GAS FUND UNIT PAR \$0.001	UNG	0.8731	0.1036
GLOBAL X FDS GLB X GLD EXPL	GLDX	0.8682	0.4250

Correlations of ETFs to the Euro/US Dollar Exchange Rate			
Bottom 15 Values			
ETF Name	ETF Symbol	Values Correlation	Returns Correlation
PROSHARES TR II ULTRASHRT EURO	EUO	-0.9898	-0.9811
POWERSHS DB US DOLLAR INDEX DOLL INDX BULL	UUP	-0.9399	-0.9636
SPDR SERIES TRUST BRCLY CP US BD	BABS	-0.8885	-0.3529
POWERSHARES ETF TR II BUILD AMER ETF	BAB	-0.8869	-0.3280
MARKET VECTORS ETF TR MKTVEC LMUNETF	MLN	-0.8861	-0.1814
POWERSHARES GLOBAL ETF TRUST NY MUNI BD ETF	PZT	-0.8847	-0.1798
ISHARES TR BARCLYS GOVT CR	GBF	-0.8816	-0.3937
MARKET VECTORS ETF TR MKTVEC INTMUET	ITM	-0.8807	-0.1732
SPDR SERIES TRUST NUVN BRCLY MUN	TFI	-0.8787	-0.1119
ISHARES TR S&P CAL AMTFR M	CMF	-0.8773	-0.0783
ISHARES TR S&P SH NTL AMTF	SUB	-0.8751	-0.0779
VANGUARD BD INDEX FD INC LONG TERM BOND	BLV	-0.8739	-0.4660
SPDR SERIES TRUST NUVN CALI MUNI	CXA	-0.8738	-0.2487
ISHARES TR 10+YR GOVT/CR	GLJ	-0.8737	-0.3787
SPDR SERIES TRUST NUV HGHYLD MUN	HYMB	-0.8729	-0.1039

Source: MacroRisk Analytics

Correlation of ETFs to the Baltic Dry Shipping Index: Returns

The following tables list the ETFs with the highest and lowest correlations with the Baltic Dry Shipping Index. The tables include correlations of **returns**, which illustrate short-term information, as well as correlations of **values** which capture longer term trends.

Correlations of ETFs to the Baltic Dry Shipping Index			
Top 15 Returns			
ETF Name	ETF Symbol	Returns Correlation	Values Correlation
DIREXION SHS ETF TR INDIA BEAR 3X	INDZ	0.1852	0.7713
DIREXION SHS ETF TR GLD MNRS BEAR 3	DUST	0.1361	-0.2227
PROSHARES TR BASIC MAT NEW	SMN	0.1314	0.7388
PROSHARES TR II ULTRASHRT NEW	GLL	0.1253	0.1109
PROSHARES TR ULSH MSCI BRZL	BZQ	0.1106	0.7911
PROSHARES TR SHT BASIC MAT	SBM	0.1102	0.7443
BARCLAYS BK PLC IPTH S&P VIX NE	VXX	0.1072	0.7697
DIREXION SHS ETF TR DLY SCOND 3XBR	SOXS	0.1062	0.6095
PROSHARES TR II VIX SHTRM FUT	VIXY	0.1060	0.7746
PROSHARES TR II SHRT SILV NEW	ZSL	0.1051	0.3506
ADVISORSHARES TR ACTIV BEAR ETF	HDGE	0.1050	0.7980
PROSHARES TR II VIX MDTRM FUTR	VIXM	0.1000	0.7341
DIREXION SHS ETF TR DLY EM BR3X NEW	EDZ	0.0975	0.7700
PROSHARES TR PSHS SEMICONDU	SSG	0.0971	0.6081
PROSHARES TR SHT MSCI NEW	EEV	0.0970	0.7943

ETFs that are bearish on the emerging markets are most prominent among the top 15 **returns** correlated to the Baltic Dry Shipping Index, while India-oriented ETFs are a common theme in the bottom 15 **returns** correlation list.

Correlations of ETFs to the Baltic Dry Shipping Index			
Bottom 15 Returns			
ETF Name	ETF Symbol	Returns Correlation	Values Correlation
WISDOMTREE TRUST INDIAN RUP ETF	ICN	-0.2137	-0.1545
MARKET VECTORS ETF TR INDIA SMALL CP	SCIF	-0.2078	-0.1554
EGA EMERGING GLOBAL SHS TR EGS INDI INF ET	INXX	-0.2062	-0.2300
PIMCO ETF TR 1-5 US TIP IDX	STPZ	-0.1850	-0.6066
WISDOMTREE TRUST INDIA ERNGS FD	EPI	-0.1843	-0.2298
DIREXION SHS ETF TR INDIA BULL 3X	INDL	-0.1841	-0.1279
ISHARES TR BRC 0-5 YR TIP	STIP	-0.1770	-0.6048
EGA EMERGING GLOBAL SHS TR EGS INDIA SC E	SCIN	-0.1731	-0.1408
CLAYMORE EXCHANGE TRD FD TR GUGGENHEIM SOL	TAN	-0.1694	0.0443
MARKET VECTORS ETF TR SOLAR ENRG ETF	KWT	-0.1684	0.0219
ISHARES TR S&P INDIA 50	INDY	-0.1618	-0.2196
POWERSHARES INDIA ETF TR INDIA PORT	PIN	-0.1578	-0.1729
CLAYMORE EXCHANGE TRD FD TR GUGG CRP BD 201	BSCG	-0.1503	-0.8162
GLOBAL X FDS GLB X ARGENT20	ARGT	-0.1499	-0.1097
CLAYMORE EXCHANGE TRD FD TR GUGG CRP BD 201	BSCF	-0.1497	-0.8331

Source: MacroRisk Analytics

Correlation of ETFs to the Baltic Dry Shipping Index: Values

Bear Emerging Markets ETFs are also most common among the top 15 **values** correlation list, while three of the Claymore “specific date” fixed income ETFs head the bottom 15 **values** correlation list.

Correlations of ETFs to the Baltic Dry Shipping Index			
Top 15 Values			
ETF Name	ETF Symbol	Values Correlation	Returns Correlation
ADVISORSHARES TR ACTIV BEAR ETF	HDGE	0.7980	0.1050
PROSHARES TR SHT MSCI NEW	EEV	0.7943	0.0970
PROSHARES TR ULSH MSCI BRZL	BZQ	0.7911	0.1106
PROSHARES TR PSHS SH MSCI EM	EUM	0.7807	0.0968
DIREXION SHS ETF TR CHINA BEAR 3X	YANG	0.7778	0.0945
PROSHARES TR II VIX SHTRM FUT	VIXY	0.7746	0.1060
DIREXION SHS ETF TR INDIA BEAR 3X	INDZ	0.7713	0.1852
DIREXION SHS ETF TR DLY EM BR3X NEW	EDZ	0.7700	0.0975
PROSHARES TR PSHS SHTFINL E	SEF	0.7699	0.0856
BARCLAYS BK PLC IPTH S&P VIX NE	VXX	0.7697	0.1072
PROSHARES TR ULSH MSCI MEXC	SMK	0.7629	0.0430
PROSHARES TR ULTSHT CHINA 2	FXP	0.7551	0.0954
PROSHARES TR FTSE CHINA 25	YXI	0.7525	0.0875
PROSHARES TR SHRT RL EST FD	REK	0.7484	0.0747
PROSHARES TR PSHS ULT SH MS	EFU	0.7459	0.0435

Correlations of ETFs to the Baltic Dry Shipping Index			
Bottom 15 Values			
ETF Name	ETF Symbol	Values Correlation	Returns Correlation
CLAYMORE EXCHANGE TRD FD TR GUGG CRP BD 201	BSCE	-0.8562	-0.1122
CLAYMORE EXCHANGE TRD FD TR GUGG CRP BD 201	BSCF	-0.8331	-0.1497
CLAYMORE EXCHANGE TRD FD TR GUGG CRP BD 201	BSCD	-0.8250	-0.0809
PROSHARES TR PSHS ULT NASB	BIB	-0.8215	-0.0783
POWERSHARES ETF TRUST II CEF INC COMPST	PCEF	-0.8212	-0.0814
MARKET VECTORS ETF TR BNK & BROKERAG	RKH	-0.8193	-0.0925
SPDR SERIES TRUST BARC CAPTL ETF	SCPB	-0.8167	-0.0918
CLAYMORE EXCHANGE TRD FD TR GUGG CRP BD 201	BSCG	-0.8162	-0.1503
PIMCO ETF TR ENHAN SHRT MAT	MINT	-0.8136	-0.1460
ISHARES TR NASDAQ BIO INDX	IBB	-0.8112	-0.0772
FIRST TR EXCNGE TRD ALPHADEX SML CAP VAL AL	FYT	-0.8105	-0.1030
SPDR SERIES TRUST S&P BIOTECH	XBI	-0.8099	-0.0875
POWERSHARES ETF TRUST II KBW HG YLD FIN	KBWD	-0.8080	-0.0785
ISHARES TR PHILL INVSTMRK	EPHE	-0.8019	-0.1054
CLAYMORE EXCHANGE TRD FD TR GUGG BULL 2015	BSJF	-0.8017	-0.0397

Source: MacroRisk Analytics

Correlation of ETFs to the KBW Bank Index: Returns

The following tables list the ETFs with the highest and lowest correlations with the KBW Bank Index. The tables include correlations of **returns**, which illustrate short-term information, as well as correlations of **values** which capture longer term trends.

Correlations of ETFs to the KBW Bank Index			
Top 15 Returns			
ETF Name	ETF Symbol	Returns Correlation	Values Correlation
SPDR SERIES TRUST S&P BK ETF	KBE	0.9752	0.9946
ISHARES TR DJ US FINL SVC	IYG	0.9712	0.9940
SELECT SECTOR SPDR TR SBI INT-FINL	XLF	0.9681	0.9949
ISHARES TR DJ REGIONAL BK	IAT	0.9658	0.9459
VANGUARD WORLD FDS FINANCIALS ETF	VFH	0.9657	0.9922
ISHARES TR DJ US FINL SEC	IYF	0.9645	0.9884
PROSHARES TR ULTRA FNCLS NE	UYG	0.9645	0.9833
DIREXION SHS ETF TR DLY FIN BULL NE	FAS	0.9635	0.9104
MARKET VECTORS ETF TR BNK & BROKERAG	RKH	0.9553	0.9327
FIRST TR EXCHANGE TRADED FD FINLS ALPHADEX	FXO	0.9510	0.9668
SPDR SERIES TRUST S&P REGL BKG	KRE	0.9425	0.8566
ISHARES TR DJ BROKER-DEAL	IAI	0.9310	0.8968
SPDR SERIES TRUST S&P CAP MKTS	KCE	0.9305	0.9653
ISHARES TR S&P 500 VALUE	IVE	0.9300	0.9259
ISHARES TR RUSL 3000 VALU	IWW	0.9300	0.9376

ETFs in the Financial Sector form the majority of the top 15 KBW Bank Index **returns** correlations list.

Correlations of ETFs to the KBW Bank Index			
Bottom 15 Returns			
ETF Name	ETF Symbol	Returns Correlation	Values Correlation
PROSHARES TR PSHS SHTFINL E	SEF	-0.9646	-0.8366
DIREXION SHS ETF TR DLY FIN BEAR NE	FAZ	-0.9645	-0.6525
PROSHARES TR PSHS ULTSHT FI	SKF	-0.9643	-0.7477
PROSHARES TR SHT KBW REGBNK	KRS	-0.9139	-0.6159
PROSHARES TR PSHS ULSHT SP5	SDS	-0.9048	-0.6604
PROSHARES TR PSHS SHRT S&P5	SH	-0.9046	-0.7248
RYDEX ETF TRUST GUG INV 2XS&P5	RSW	-0.9046	-0.6602
DIREXION SHS ETF TR DLY LRG CAP BEA	BGZ	-0.9037	-0.6018
PROSHARES TR ULT SHR S&P500	SPXU	-0.9035	-0.5907
DIREXION SHS ETF TR DLY MC3X SHS N	MWN	-0.8951	-0.6503
PROSHARES TR ULT SH MDPC400	SMDD	-0.8894	-0.6305
PROSHARES TR PSHS ULSHRUS200	TWM	-0.8887	-0.6586
PROSHARES TR PSHS SHTRUSS20	RWM	-0.8886	-0.7566
DIREXION SHS ETF TR DLY SMCAP BEAR3	TZA	-0.8884	-0.5517
PROSHARES TR PSHS ULSHT MD4	MZZ	-0.8883	-0.7192

Source: MacroRisk Analytics

Correlation of ETFs to the KBW Bank Index: Values

“Short” and “ultra-short” equity ETFs tend to dominate the bottom 15 values correlations list.

Correlations of ETFs to the KBW Bank Index			
Top 15 Values			
ETF Name	ETF Symbol	Values Correlation	Returns Correlation
SELECT SECTOR SPDR TR SBI INT-FINL	XLF	0.9949	0.9681
SPDR SERIES TRUST S&P BK ETF	KBE	0.9946	0.9752
ISHARES TR DJ US FINL SVC	IYG	0.9940	0.9712
VANGUARD WORLD FDS FINANCIALS ETF	VFH	0.9922	0.9657
FOCUSSHARES TR MRNSTR FIN SVC	FFL	0.9898	0.8522
REVENUESHARES ETF TR S&P500 FINL FD	RWW	0.9889	0.7816
ISHARES TR DJ US FINL SEC	IYF	0.9884	0.9645
PROSHARES TR ULTRA FNCLS NE	UYG	0.9833	0.9645
DIREXION SHS ETF TR DLY LRG CAP BUL	BGU	0.9818	0.9048
PROSHARES TR ULTRPRO S&P500	UPRO	0.9785	0.9043
POWERSHARES ETF TRUST DYN MEDIA PORT	PBS	0.9732	0.8628
POWERSHARES ETF TRUST DYNAMIC MKT PT	PWC	0.9711	0.8564
PROSHARES TR PSHS ULT1000 V	UVG	0.9707	0.7132
PROSHARES TR PSHS ULT MCP V	UVU	0.9677	0.7438
FIRST TR EXCHANGE TRADED FD FINLS ALPHADEX	FXO	0.9668	0.9510

Correlations of ETFs to the KBW Bank Index			
Bottom 15 Values			
ETF Name	ETF Symbol	Values Correlation	Returns Correlation
BARCLAYS BK PLC IPATH S&P VIX NE	VXX	-0.9454	-0.7572
PROSHARES TR II VIX SHTRM FUT	VIXY	-0.9442	-0.7577
PROSHARES TR PSHS SH MSCI EA	EFZ	-0.9282	-0.8446
PROSHARES TR PSHS ULSHRT TE	TLL	-0.9235	-0.6177
BARCLAYS BK PLC IPATH S&P MT ET	VXZ	-0.9188	-0.7647
PROSHARES TR II VIX MDTRM FUTR	VIXM	-0.9176	-0.7500
FACTORSHARES S&P ANTI-EQTY P COM UNITS BEN	FSA	-0.8998	-0.7560
ADVISORSHARES TR ACTIV BEAR ETF	HDGE	-0.8984	-0.8537
PROSHARES TR PSHS SH MSCI EM	EUM	-0.8850	-0.8406
PROSHARES TR PSHS ULT SH MS	EFU	-0.8775	-0.8455
PROSHARES TR SHT BASIC MAT	SBM	-0.8438	-0.7913
PROSHARES TR PSHS SHTFINL E	SEF	-0.8366	-0.9646
WISDOMTREE TRUST JAPANESE YEN F	JYF	-0.8362	0.0584
PROSHARES TR SHT MSCI NEW	EEV	-0.8294	-0.8448
CURRENCYSHS JAPANESE YEN TR JAPANESE YEN	FXY	-0.8195	0.0638

Source: MacroRisk Analytics

Correlation of S&P 1500 to the Euro/Dollar Exchange Rate: Returns

The following tables list the S&P 1500 stocks with the highest and lowest correlations with the Euro/Dollar Exchange Rate. The tables include correlations of **returns**, which illustrate short-term information, as well as correlations of **values**, which capture longer term trends.

Correlations of S&P 1500 Companies to the Euro/US Dollar Exchange Rate			
Top 15 Returns			
Company Name	Ticker	Returns Correlation	Values Correlation
LOEWS CORP	L	0.6422	0.2845
FRANKLIN RES INC	BEN	0.6294	0.4072
SCHLUMBERGER LTD	SLB	0.6274	0.6439
PRICE T ROWE GROUP INC	TROW	0.6267	-0.2847
AFFILIATED MANAGERS GROUP	AMG	0.6235	-0.2504
TREDEGAR CORP	TG	0.6221	-0.5387
LEUCADIA NATL CORP	LUK	0.6218	0.6936
OCCIDENTAL PETE CORP DEL	OXY	0.6217	0.0556
EXXON MOBIL CORP	XOM	0.6191	-0.5240
PRINCIPAL FINL GROUP INC	PFG	0.6168	0.1429
INVESCO LTD	IVZ	0.6161	-0.1835
FRANKLIN STREET PPTYS CORP	FSP	0.6142	0.9152
ALCOA INC	AA	0.6128	0.8330
MARATHON OIL CORP	MRO	0.6125	-0.1320
MORGAN STANLEY	MS	0.6125	0.5454

Loews Corporation is the most highly correlated of all S&P 1500 to the Euro/Dollar Exchange Rate **returns** list, while CV, a Vermont Utility, heads the list of the bottom 15 **returns** list.

Correlations of S&P 1500 Companies to the Euro/US Dollar Exchange Rate			
Bottom 15 Returns			
Company Name	Ticker	Returns Correlation	Values Correlation
CENTRAL VT PUB SVC CORP	CV	0.0808	-0.3873
BARNES & NOBLE INC	BKS	0.0934	0.4073
STANDARD REGISTER CO	SR	0.1120	0.6986
NETFLIX INC	NFLX	0.1235	0.8588
REGENERON PHARMACEUTICALS	REGN	0.1571	-0.5727
GREEN MTN COFFEE ROASTERS IN	GMCR	0.1623	0.7265
DIAMOND FOODS INC	DMND	0.1636	0.8105
LIQUIDITY SERVICES INC	LQDT	0.1797	-0.8084
BLYTH INC	BTH	0.2048	-0.6408
GOODRICH CORP	GR	0.2059	-0.8773
MOTOROLA MOBILITY HLDGS INC	MMI	0.2141	-0.7524
RALCORP HLDGS INC NEW	RAH	0.2180	0.4703
MOMENTA PHARMACEUTICALS INC	MNTA	0.2227	0.3674
PHARMERICA CORP	PMC	0.2263	-0.2388
USA MOBILITY INC	USMO	0.2379	0.6307

Source: MacroRisk Analytics

Correlation of S&P 1500 to the Euro/Dollar Exchange Rate: Values

Insurance software provider Solera Holdings is most correlated to the Euro/Dollar Exchange rate **values** list, while Utilities comprise the top three companies on the bottom 15 **values** correlation list, showing a high degree of negative correlations.

Correlations of S&P 1500 Companies to the Euro/US Dollar Exchange Rate			
Top 15 Values			
Company Name	Ticker	Values Correlation	Returns Correlation
SOLERA HOLDINGS INC	SLH	0.9192	0.4860
FRANKLIN STREET PPTYS CORP	FSP	0.9152	0.6142
INVACARE CORP	IVC	0.9019	0.4110
FIRST SOLAR INC	FSLR	0.9002	0.3654
CHRISTOPHER & BANKS CORP	CBK	0.8965	0.3549
CHECKPOINT SYS INC	CKP	0.8910	0.4299
FRONTIER COMMUNICATIONS CORP	FTR	0.8883	0.3238
AMERICAN GREETINGS CORP	AM	0.8873	0.3529
ROVI CORP	ROVI	0.8837	0.3579
NRG ENERGY INC	NRG	0.8833	0.4889
ROGERS CORP	ROG	0.8816	0.5308
NTELOS HLDGS CORP	NTLS	0.8772	0.3670
PEABODY ENERGY CORP	BTU	0.8740	0.5464
CAREER EDUCATION CORP	CECO	0.8721	0.2765
DIGITAL GENERATION INC	DGIT	0.8673	0.4814

Correlations of S&P 1500 Companies to the Euro/US Dollar Exchange Rate			
Bottom 15 Values			
Company Name	Ticker	Values Correlation	Returns Correlation
SOUTHERN CO	SO	-0.9140	0.3753
DUKE ENERGY CORP NEW	DUK	-0.9140	0.4282
PROGRESS ENERGY INC	PGN	-0.9118	0.4136
BRISTOL MYERS SQUIBB CO	BMJ	-0.9004	0.3777
CAMBREX CORP	CBM	-0.8882	0.3269
MCDONALDS CORP	MCD	-0.8830	0.4399
GOODRICH CORP	GR	-0.8773	0.2059
CONSOLIDATED EDISON INC	ED	-0.8736	0.4155
AKORN INC	AKRX	-0.8703	0.3019
XCEL ENERGY INC	XEL	-0.8682	0.4682
RLI CORP	RLI	-0.8627	0.4344
STAMPS COM INC	STMP	-0.8549	0.2890
AMEREN CORP	AEE	-0.8489	0.5038
KIMBERLY CLARK CORP	KMB	-0.8473	0.4424
AMERICAN TOWER CORP NEW	AMT	-0.8462	0.3647

Source: MacroRisk Analytics

Correlation of S&P 1500 to the Baltic Dry Shipping Index: Returns

The following tables list the S&P 1500 stocks with the highest and lowest correlations with the Baltic Dry Shipping Index. The tables include correlations of **returns**, which illustrate short-term information, as well as correlations of **values** which capture longer term trends.

Correlations of S&P 1500 Companies to the Baltic Dry Shipping Index			
Top 15 Returns			
Company Name	Ticker	Returns Correlation	Values Correlation
PHARMERICA CORP	PMC	0.1191	0.6269
CONSOLIDATED EDISON INC	ED	0.1141	-0.1090
COLDWATER CREEK INC	CWTR	0.1098	0.0409
THORATEC CORP	THOR	0.1064	-0.1116
PPL CORP	PPL	0.0870	0.2538
REYNOLDS AMERICAN INC	RAI	0.0866	-0.3387
LIQUIDITY SERVICES INC	LQDT	0.0857	-0.4203
SOUTHERN CO	SO	0.0847	-0.3033
TREEHOUSE FOODS INC	THS	0.0841	0.3596
VECTREN CORP	VVC	0.0825	-0.3355
BRISTOL MYERS SQUIBB CO	BMJ	0.0806	-0.1719
BARNES & NOBLE INC	BKS	0.0791	0.0189
PHILIP MORRIS INTL INC	PM	0.0788	-0.6149
ALTRIA GROUP INC	MO	0.0779	-0.4933
LORILLARD INC	LO	0.0742	-0.5283

In terms of **returns**, both cigarette manufacturers and electrical companies are among the top 15 S&P 1500 companies with the greatest degree of correlation to the Baltic Dry Shipping Index, while manufacturing companies are among the bottom 15.

Correlations of S&P 1500 Companies to the Baltic Dry Shipping Index			
Bottom 15 Returns			
Company Name	Ticker	Returns Correlation	Values Correlation
EASTMAN CHEM CO	EMN	-0.1977	-0.8444
STEEL DYNAMICS INC	STLD	-0.1896	-0.6238
FIRST SOLAR INC	FSLR	-0.1819	0.1972
GOLDMAN SACHS GROUP INC	GS	-0.1769	-0.4597
CORINTHIAN COLLEGES INC	COCO	-0.1710	-0.7533
ALBEMARLE CORP	ALB	-0.1645	-0.7215
STR HLDGS INC	STRI	-0.1631	0.1649
FREEPORT-MCMORAN COPPER & GO	FCX	-0.1617	-0.3031
DUN & BRADSTREET CORP DEL NE	DNB	-0.1608	-0.8410
ITT CORP NEW	ITT	-0.1593	-0.7442
NETFLIX INC	NFLX	-0.1585	-0.0442
OM GROUP INC	OMG	-0.1559	-0.1389
NEWPORT CORP	NEWP	-0.1559	-0.7824
PERKINELMER INC	PKI	-0.1540	-0.7729
CERADYNE INC	CRDN	-0.1521	-0.1871

Source: MacroRisk Analytics

Correlation of S&P 1500 to the Baltic Dry Shipping Index: Values

As well, electrical companies appear on the top 15 **values** correlation list, with service industry companies well represented on the bottom 15 **values** correlation list.

Correlations of S&P 1500 Companies to the Baltic Dry Shipping Index			
Top 15 Values			
Company Name	Ticker	Values Correlation	Returns Correlation
EXELON CORP	EXC	0.7799	0.0687
RF MICRODEVICES INC	RFMD	0.7415	-0.0183
PUBLIC SVC ENTERPRISE GROUP	PEG	0.7165	0.0741
ELECTRONIC ARTS INC	EA	0.7151	0.0179
EQT CORP	EQT	0.6983	-0.0103
DECKERS OUTDOOR CORP	DECK	0.6844	-0.0904
EXPEDIA INC DEL	EXPE	0.6774	0.0019
PHARMERICA CORP	PMC	0.6269	0.1191
OPNET TECHNOLOGIES INC	OPNT	0.5698	-0.0655
RADIOSHACK CORP	RSH	0.5650	-0.0137
BARRETT BILL CORP	BBG	0.5538	0.0229
NEWMONT MINING CORP	NEM	0.5367	-0.0951
CASH AMER INTL INC	CSH	0.5352	-0.0601
AMAZON COM INC	AMZN	0.4984	-0.0638
DIAMOND FOODS INC	DMND	0.4872	0.0008

Correlations of S&P 1500 Companies to the Baltic Dry Shipping Index			
Bottom 15 Values			
Company Name	Ticker	Values Correlation	Returns Correlation
LSI CORPORATION	LSI	-0.8841	-0.1356
TRUEBLUE INC	TBI	-0.8832	-0.0758
IDEXX LABS INC	IDXX	-0.8802	-0.1060
SCIENTIFIC GAMES CORP	SGMS	-0.8682	-0.1081
VOXX INTL CORP	VOXX	-0.8547	-0.1378
MOLINA HEALTHCARE INC	MOH	-0.8536	-0.1251
HORACE MANN EDUCATORS CORP N	HMN	-0.8505	-0.1171
EASTMAN CHEM CO	EMN	-0.8444	-0.1977
DUN & BRADSTREET CORP DEL NE	DNB	-0.8410	-0.1608
VULCAN MATLS CO	VMC	-0.8389	-0.0172
MTS SYS CORP	MTSC	-0.8389	-0.0607
WESTERN DIGITAL CORP	WDC	-0.8373	-0.0943
PS BUSINESS PKS INC CALIF	PSB	-0.8365	-0.1331
BANK MUTUAL CORP NEW	BKMU	-0.8358	-0.0817
BOTTOMLINE TECH DEL INC	EPAY	-0.8298	-0.0951

Source: MacroRisk Analytics

Correlation of S&P 1500 to the KBW Bank Index: Returns

The following tables list the S&P 1500 stocks with the highest and lowest correlations with the KBW Bank Index. The tables include correlations of **returns**, which illustrate short-term information, as well as correlations of the index **values** which capture longer term trends.

Correlations of S&P 1500 Companies to the KBW Bank Index			
Top 15 Returns			
Company Name	Ticker	Returns Correlation	Values Correlation
JPMORGAN CHASE & CO	JPM	0.9220	0.9595
BB&T CORP	BBT	0.9202	0.8327
WELLS FARGO & CO NEW	WFC	0.9196	0.7731
SUNTRUST BKS INC	STI	0.9151	0.9293
M & T BK CORP	MTB	0.9148	0.9716
CULLEN FROST BANKERS INC	CFR	0.9133	0.9131
PNC FINL SVCS GROUP INC	PNC	0.9114	0.8638
KEYCORP NEW	KEY	0.9072	0.9098
US BANCORP DEL	USB	0.9052	0.6042
CITIGROUP INC	C	0.9033	0.8781
ASSOCIATED BANC CORP	ASBC	0.8986	0.9778
COMMERCE BANCSHARES INC	CBSH	0.8977	0.9071
NORTHERN TR CORP	NTRS	0.8971	0.9842
PRINCIPAL FINL GROUP INC	PFG	0.8944	0.9677
METLIFE INC	MET	0.8909	0.8931

Not surprisingly, the Banking Industry is well represented among the top 15 KBW Bank Index correlations list of **returns**. The bottom 15 list of **returns** correlations is comprised of a broad combination of Utilities and Consumer Goods and Services.

Correlations of S&P 1500 Companies to the KBW Bank Index			
Bottom 15 Returns			
Company Name	Ticker	Returns Correlation	Values Correlation
CENTRAL VT PUB SVC CORP	CV	0.0323	-0.3300
MOTOROLA MOBILITY HLDGS INC	MMI	0.2094	-0.3984
DIAMOND FOODS INC	DMND	0.2135	-0.2167
BARNES & NOBLE INC	BKS	0.2248	0.3394
STANDARD REGISTER CO	SR	0.2310	-0.2050
NETFLIX INC	NFLX	0.2486	0.3192
REGENERON PHARMACEUTICALS	REGN	0.2644	0.4952
GREEN MTN COFFEE ROASTERS IN	GMCR	0.2718	-0.2361
EXPEDIA INC DEL	EXPE	0.2887	-0.3479
LIQUIDITY SERVICES INC	LQDT	0.2955	0.1903
NOVATEL WIRELESS INC	NVTL	0.3091	0.4778
NEWMONT MINING CORP	NEM	0.3110	-0.7819
QUESTCOR PHARMACEUTICALS INC	QCOR	0.3121	-0.1886
RALCORP HLDGS INC NEW	RAH	0.3137	0.0226
KENSEY NASH CORP	KNSY	0.3139	0.2117

Source: MacroRisk Analytics

Correlation of S&P 1500 to the KBW Bank Index: Values

Banks dominate the top 15 **values** correlations list as well. Newmont Mining Company has the highest degree of negative correlation with the KBW Bank Index, and is joined by a variety of Oil and Utility companies on the bottom 15 **values** correlations list.

Correlations of S&P 1500 Companies to the KBW Bank Index			
Top 15 Values			
Company Name	Ticker	Values Correlation	Returns Correlation
NORTHERN TR CORP	NTRS	0.9842	0.8971
ASSOCIATED BANC CORP	ASBC	0.9778	0.8986
REGIONS FINANCIAL CORP NEW	RF	0.9720	0.8784
M & T BK CORP	MTB	0.9716	0.9148
HUNTINGTON BANCSHARES INC	HBAN	0.9682	0.8799
PRINCIPAL FINL GROUP INC	PFG	0.9677	0.8944
PROLOGIS INC	PLD	0.9649	0.8030
FIRST HORIZON NATL CORP	FHN	0.9612	0.8597
PRUDENTIAL FINL INC	PRU	0.9607	0.8846
PENNSYLVANIA RL ESTATE INVT	PEI	0.9604	0.7934
CITY NATL CORP	CYN	0.9601	0.8858
JPMORGAN CHASE & CO	JPM	0.9595	0.9220
ILLINOIS TOOL WKS INC	ITW	0.9570	0.8089
DOW CHEM CO	DOW	0.9568	0.8186
COMERICA INC	CMA	0.9560	0.8808

Correlations of S&P 1500 Companies to the KBW Bank Index			
Bottom 15 Values			
Company Name	Ticker	Values Correlation	Returns Correlation
NEWMONT MINING CORP	NEM	-0.7819	0.3110
PHARMERICA CORP	PMC	-0.5906	0.3582
EXELON CORP	EXC	-0.5816	0.5865
EQT CORP	EQT	-0.5765	0.6168
DECKERS OUTDOOR CORP	DECK	-0.5745	0.4313
CABOT OIL & GAS CORP	COG	-0.5644	0.5256
RANGE RES CORP	RRC	-0.4937	0.4704
TRUE RELIGION APPAREL INC	TRLG	-0.4818	0.5544
BRIGHTPOINT INC	CELL	-0.4426	0.6114
RF MICRODEVICES INC	RFMD	-0.4367	0.6105
MOTOROLA MOBILITY HLDGS INC	MMI	-0.3984	0.2094
PUBLIC SVC ENTERPRISE GROUP	PEG	-0.3915	0.6355
WASTE CONNECTIONS INC	WCN	-0.3710	0.6046
EXPEDIA INC DEL	EXPE	-0.3479	0.2887
EL PASO ELEC CO	EE	-0.3433	0.5867

Source: MacroRisk Analytics

Disclaimer

This information contained in this report is neither a solicitation to buy nor an offer to sell securities.

Sabrient Systems, LLC (Sabrient), is an independent California limited liability corporation. Other than annual or monthly fees from subscribers to its rankings, strategies, products, and services, and a percentage of the AUM of the ETFs that track the Sabrient indices, Sabrient does not receive, directly or indirectly, any consideration for publishing its rankings, strategies, or indices. Sabrient is not an investment advisor, and this report is not investment advice.

MacroRisk Analytics is a creation of the Center for Computationally Advanced Statistical Techniques (c4cast.com, Inc.).

Customer agrees not to publish, reproduce or otherwise disclose any data, information or reports generated by or based on The MacroReport. Except to the extent otherwise stated in this agreement, The MacroReport is provided to customer "as is" and without any warranties, express or implied, and c4cast.com, Inc. ("c4cast.com") and Sabrient and the applicable manufacturers and authors of the data information or technology underlying The MacroReport ("underlying technology") disclaim any and all warranties regarding The MacroReport or any results therefrom, either express or implied, including but not limited to the implied warranties of merchantability or fitness for use or for a particular purpose.

c4cast.com and Sabrient represent and warrant that they own or otherwise have represents and warrants that it owns or otherwise has the right to offer The MacroReport, and to deliver The MacroReport, if and when applicable, to customer. Any and all resulting actions or omissions taken by customer based on the use of or results obtained from The MacroReport are taken by customer at customer's sole and exclusive risk and decision, and customer will indemnify and hold c4cast.com and Sabrient and their directors, officers and employees harmless from any and all damages and liabilities of customer and of all third parties (except to the extent stated elsewhere) arising from customer's use of and access to The MacroReport. The MacroReport is not error-free, and is also not warranted by c4cast.com or Sabrient to be available for any minimum period of time.

Third party data information used by c4cast.com or Sabrient has not been verified nor is c4cast.com or Sabrient responsible to verify the accuracy of such information. Furthermore, c4cast.com and Sabrient are not responsible for any updates to previously used third party data information nor advising customer of any such updates. Neither c4cast.com nor Sabrient nor any manufacturer or author of The MacroReport or underlying technology shall be liable for any indirect, consequential, punitive, special or incidental damages, third party damages, or for any loss of profits even if advised of such possibility arising from this agreement, the unavailability, use of or access to The MacroReport. c4cast.com and Sabrient are not responsible for the performance or quality of The MacroReport.

Except to the extent related to the proprietary indemnity obligations stated below, should for any reason, whether under contract or tort law or otherwise, c4cast.com or Sabrient is liable to customer, c4cast.com's and Sabrient's maximum liability shall not exceed the amount(s) paid by affected customer for The MacroReport giving rise to such damages or liability. Notwithstanding the foregoing in this paragraph, c4cast.com and Sabrient shall hold customer harmless and will defend customer from and against all damages and liabilities (including, but not limited to all third party reasonable and entitled attorneys' fees and legal costs) and claims made by or actions commenced by third parties that The MacroReport infringes any United States patent, copyright, or other proprietary right, or is based on trade secrets misappropriation of such third parties, provided that customer (i) provides prompt notice to c4cast.com and/or Sabrient of such claim or action, (ii) permits c4cast.com and/or Sabrient to control the defense of such claim or action, (iii) provides reasonable assistance in the defense or any claim or action, and (iv) c4cast.com and/or Sabrient is granted the sole right to settle such claim or action.

Sabrient Systems, LLC MacroRisk Analytics

Sabrient Systems, LLC
115 S. La Cumbre Lane, #100
Santa Barbara, CA 93105
805.730.7777

MacroRisk Analytics
750 East Walnut Street
Pasadena, CA 91101
888.502.3605