

Tuesday, August 25, 2015

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Market Elements

August 24, 2015

Research Comment

[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

- Black Monday:** Chinese shares dove 8.5% (*sans* plunge protection); Euro markets closed 5% lower; **N.Amer. fell 3-4%**; **VIX high was 53**.
- U.S. 10y yield caught a safe-haven bid, falling as much as 13bps to 1.9% then gyrated with stocks; peripheral Euro bond continued to fall; corporate credit risk surged; **U.S. 10y BE rate broke below 1.5%**.
- JPY surged 2.8% with **carry trade IV** rising as much as 35%; EUR rallied 1.7%; Renminbi 12m forward surged 1.4% (**devaluation concerns**); Saudi Riyal 12m forward rose to a 12y high (**peg concerns**).
- Crude sank 5.4% to a 6y low**; **iron ore fell 5%**, **copper 2.6%**, gold rose as high as \$1,170, with strength peaking as equities hit their low.

Levels*

Currencies (USD per)

Symbol	H/L	Level	%Chg
DX	★	93.42	-1.7%
EUR		1.1583	1.7%
CHF	●	1.0714	1.4%
GBP	★	1.5767	0.5%
JPYx10	●	0.0843	2.9%
CAD	L	0.7530	-0.7%
AUD	L	0.7163	-2.1%
NZD	L	0.6496	-2.8%
BRL	L	0.2814	-1.5%
MXNx10	L	0.5824	-1.1%
ZAR	L	0.0755	-2.0%
KRWx10	●	0.8396	0.4%
CNY	L	0.1562	-0.3%

Commodities

Symbol	H/L	Level	%Chg
BB Cmnty	L	85.85	-2.2%
WTI Oil	L	38.27	-5.4%
NMX Gas	●	2.67	-0.3%
Gold	●	1,153.8	-0.6%
Silver	●	14.77	-3.6%
Platinum	●	989.4	-3.0%
Palladium	L	573.45	-4.9%
CMX Cu	L	223.80	-2.6%
LME Al 3m	L	0.69	-1.7%
LME Ni 3m	L	4.32	-6.7%
LME Zn 3m	L	0.77	-3.3%
Lumber	L	226.50	-4.2%
Corn	●	380.50	0.9%

Government 10-Yr Benchmark

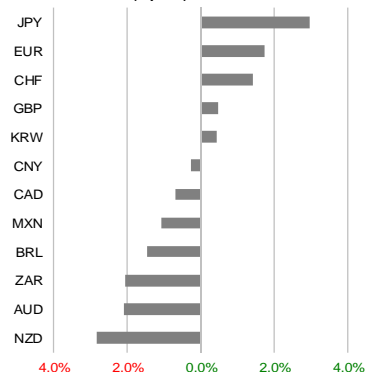
Symbol	H/L	Level	Chg
U.S.		2.02	-0.02
Canada	●	1.27	-0.00
U.K.		1.82	0.13
Germany		0.59	0.03
France		0.98	0.03
Italy		1.90	0.04
Spain		2.04	0.02
Portugal		2.69	0.06
Switzerland		(0.21)	-0.03
Australia	●	2.50	-0.09
Hong Kong	●	1.42	0.00
India	●	7.89	0.10
Japan		0.35	-0.02

Equity Indices & Sentiment

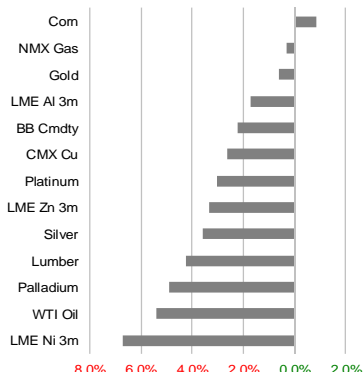
Symbol	H/L	Level	%Chg
MSCI World	L	1,590	-3.7%
MSCI EM	L	771	-5.1%
S&P 500	●	1,893	-3.9%
S&P/TSX	L	13,053	-3.1%
STOXX 50	●	3,073	-5.4%
FTSE 100	L	5,899	-4.7%
Hang Seng	L	21,252	-5.2%
Topix		1,481	-5.9%
S&P/ASX	L	5,001	-4.1%
CSI 300		3,276	-8.7%
CDX IG 5Yr	H	88	6.4%
ARMS		1.8	-37.0%
VIX	H	41	45.3%

Moves

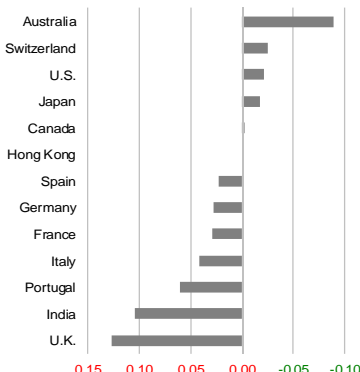
Currencies (spot)



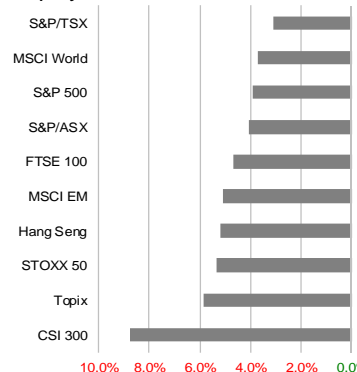
Commodities



Government 10-Yr Benchmarks

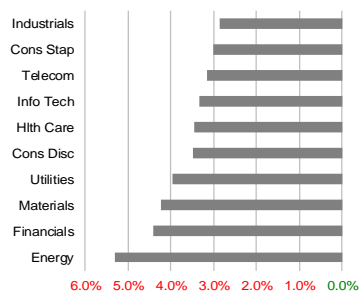


Equity Indices

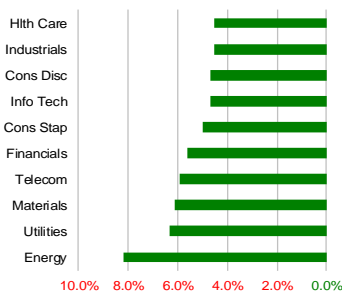


Sectors

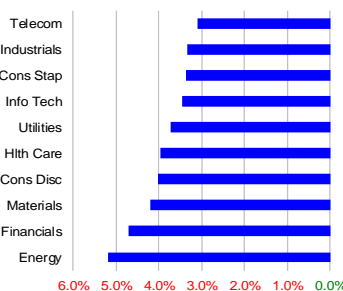
MSCI World



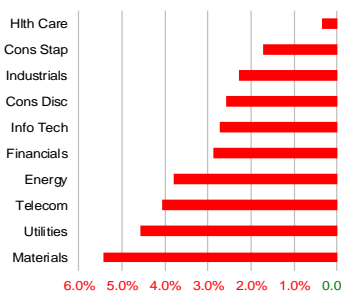
S&P Europe 350



S&P 500



S&P/TSX Composite



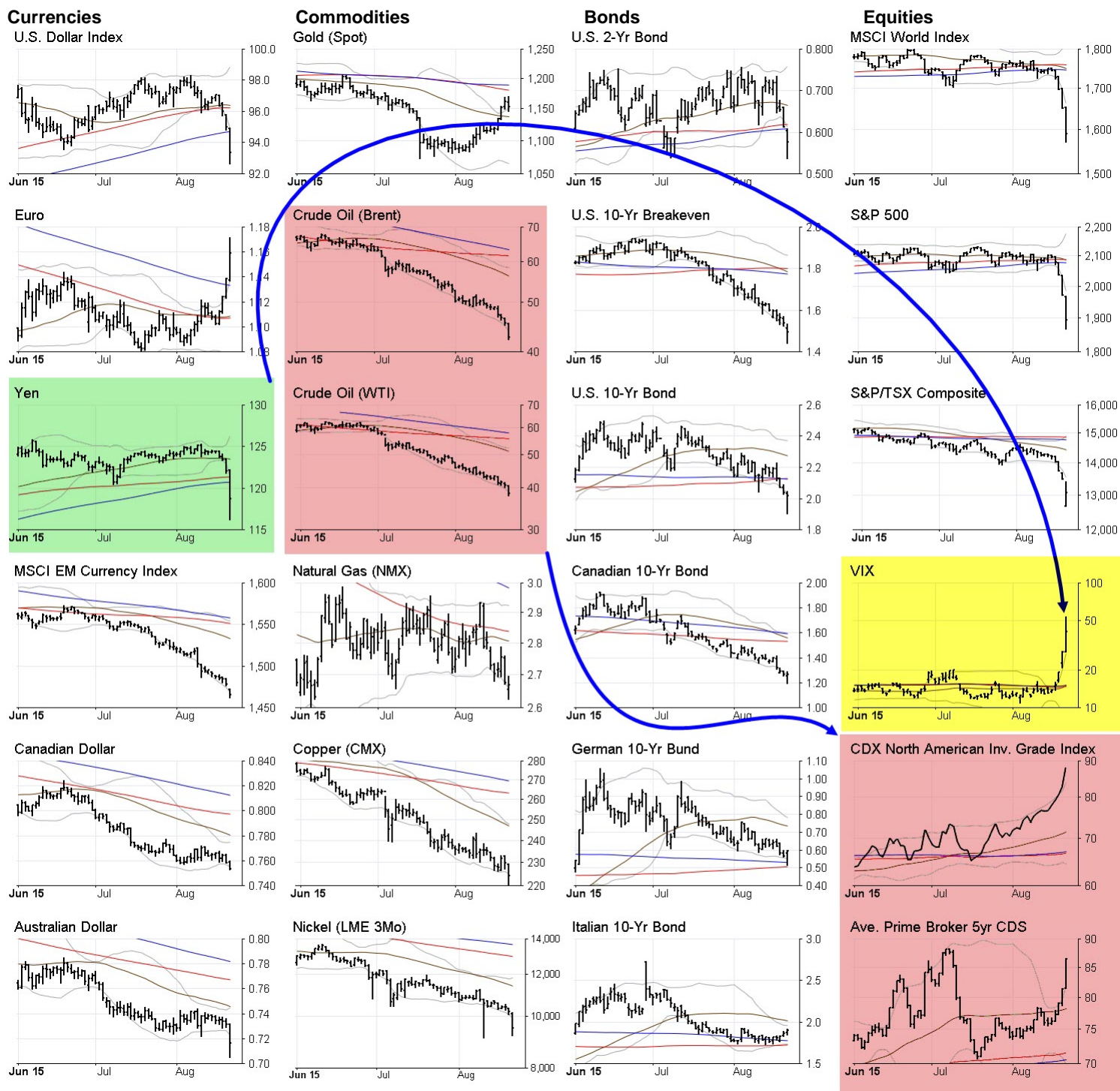
Source for all data and graphics in this publication: BMO Capital Markets, Bloomberg, Thomson

* H/L = at a new closing 52-wk High/Low; ★/● = within 10% of the 52-week High/Low; Colour codes are **inverted** for bond and sentiment indications

Daily Charts

3-Month View with 26-Day Bollinger Bands and 150-, 200- and 50-Day Moving Averages

- Fundamentally, the **credit market** is not positioned for sub \$40 oil.
- Technically, in markets without a major concern (above), this extreme **volatility** is to be bought.
 - In markets with a major concern, the buy point comes when **yen** carry trade implied volatility surges 40% in a day.



Intra Day Charts

2-Day 1-Minute View

- Brent took out the low by day's end. WTI was close. Not nice.

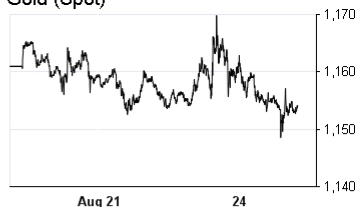
Currencies

U.S. Dollar Index



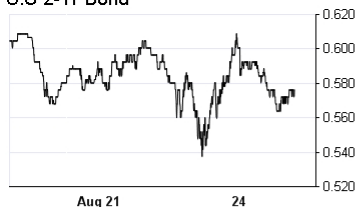
Commodities

Gold (Spot)



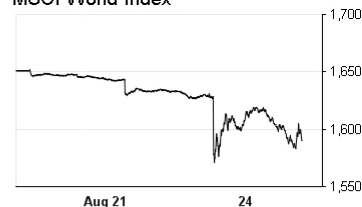
Bonds

U.S. 2-Yr Bond

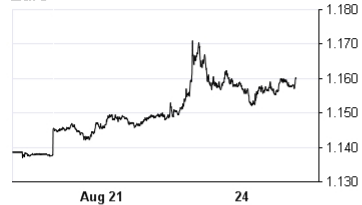


Equities

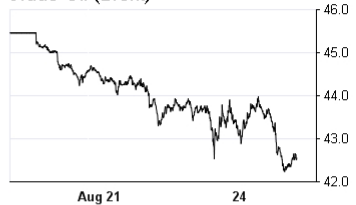
MSCI World Index



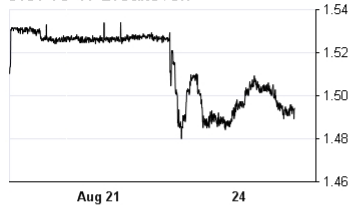
Euro



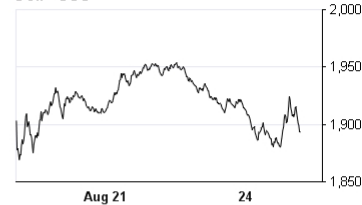
Crude Oil (Brent)



U.S. 10-Yr Breakeven



S&P 500



Yen



Crude Oil (WTI)



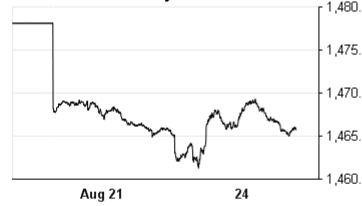
U.S. 10-Yr Bond



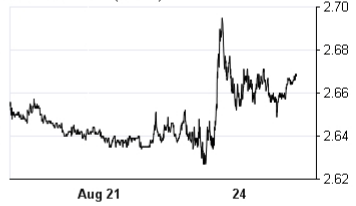
S&P/TSX Composite



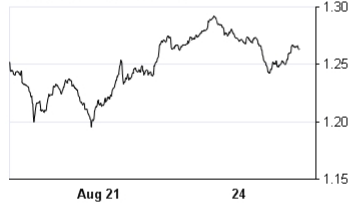
MSCI EM Currency Index



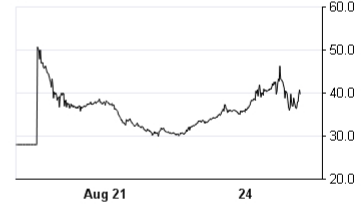
Natural Gas (NMX)



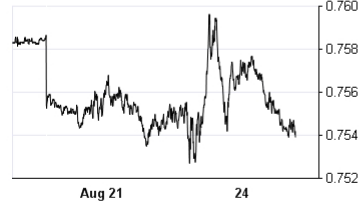
Canadian 10-Yr Bond



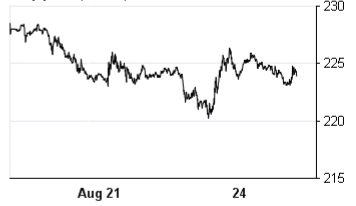
VIX



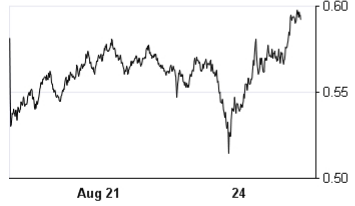
Canadian Dollar



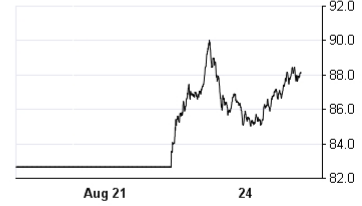
Copper (CMX)



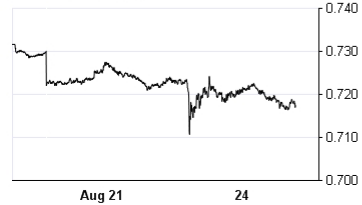
German 10-Yr Bund



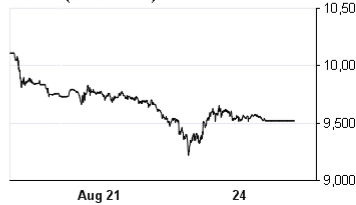
CDX North American Inv. Grade Index



Australian Dollar



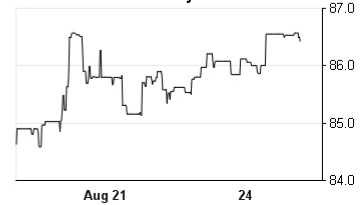
Nickel (LME 3Mo)



Italian 10-Yr Bond



Ave. Prime Broker 5yr CDS



Daily Sector Charts

3-Month View with 26-Day Bollinger Bands and 150-, 200- and 50-Day Moving Averages

- **U.S.** – at a 52-week low: Energy, Materials, Telecommunications Services.
- **Canada** – at a 52-week low: Energy, Materials, Industrials, Financials, Utilities.
- **Europe** – at a 52-week low: Energy, Materials, Utilities.

S&P 500



S&P/TSX Composite



S&P Europe 350



Market Movers – Largest Daily Percentage Moves

S&P Global 1200 ex U.S. & Canada			S&P 500			S&P/TSX Composite			
Name	Symbol	% Chg	Name	Symbol	% Chg	Name	Symbol	% Chg	
Energy	Ultrapar Participacoes	UGPA3 BZ	-2.2%	National Oilwell Varco	NOV	0.1%	Trican Well Service	TCW	1.9%
	China Petroleum & Chemical	386 HK	-3.0%	Diamond Offshore Drilling	DO	-2.2%	Veresen Inc	VSN	0.6%
	Empresas COPEC	COPEC CI	-3.3%	Cameron	CAM	-2.5%	Pason Systems	PSI	-0.2%
	Tenaris SA	TEN IM	-9.6%	Marathon Oil	MRO	-8.5%	Surge Energy	SGY	-12.7%
	Tullow Oil	TLWL LN	-10.5%	Cabot Oil & Gas	COG	-9.8%	Bankers Petroleum	BNK	-13.3%
	Santos Ltd	STO AU	-11.3%	Newfield Exploration	NFX	-10.4%	Penn West Petroleum	PWT	-18.9%
Materials	Sociedad Quimica y Minera de Chile	SQM US	-0.4%	Sigma-Aldrich	SIAL	-0.2%	Nevsun Resources	NSU	0.8%
	Cemex	CEMEXCPO MM	-1.1%	Sealed Air	SEE	-2.6%	Canfor Corp	CFP	-1.1%
	LG Chem Ltd	051910 KS	-1.8%	Sherwin-Williams Co	SHW	-2.7%	West Fraser Timber	WFT	-1.6%
	Anglo American	AAL LN	-9.9%	CF Industries	CF	-6.1%	IAMGOLD Corp	IMG	-10.5%
	Gerdau SA	GGB US	-10.1%	Newmont Mining	NEM	-6.9%	Kinross Gold	K	-11.4%
	Glencore PLC	GLEN LN	-13.0%	Freeport-McMoRan	FCX	-9.4%	Centerra Gold	CG	-11.9%
Industrials	OSRAM Licht	OSR GR	2.5%	Pall Corp	PLL	-0.2%	Progressive Waste Solutions	BIN	-0.6%
	GEA Group AG	G1A GR	-0.2%	Precision Castparts	PCP	-0.8%	SNC-Lavalin Group	SNC	-0.9%
	TNT Express	TNTE NA	-0.3%	United Rentals	URI	-1.2%	Toromont Industries	TIH	-1.0%
	Japan Airlines	9201 JP	-7.5%	Robert Half	RHI	-5.2%	Transcontinental	TCL/A	-3.4%
	East Japan Railway	9020 JP	-7.9%	American Airlines Group	AAL	-5.4%	Black Diamond Group	BDI	-9.2%
	Central Japan Railway	9022 JP	-8.7%	Equifax Inc	EFX	-5.6%	Bombardier	BBD/B	-14.0%
Cons Disc	adidas AG	ADS GR	-0.3%	Gap Inc	GPS	-0.6%	Great Canadian Gaming	GC	0.4%
	ProSiebenSat.1 Media	PSM GR	-0.5%	AutoNation	AN	-1.9%	Linamar Corp	LNR	0.4%
	Pirelli & C.	PC IM	-0.7%	BorgWarner	BWA	-1.9%	Martinrea	MRE	0.3%
	Galaxy Entertainment Group	27 HK	-8.0%	Wynn Resorts	WYNN	-6.5%	Restaurant Brands International	QSR	-3.6%
	Kering	KER FP	-8.2%	Coach Inc	COH	-6.5%	Performance Sports Group	PSG	-3.9%
	Fuji Heavy Industries	7270 JP	-8.4%	Netflix Inc	NFLX	-6.8%	Aimia Inc	AIM	-4.1%
Cons Stap	Wal-Mart de Mexico	WALMEX* MM	0.2%	Keurig Green Mountain	GMCR	2.3%	Empire Co Ltd	EMP/A	0.7%
	Henkel AG & Co KGaA	HEN3 GR	-0.3%	Whole Foods Market	WFM	0.6%	North West Co Inc	NWC	-0.8%
	Aeon Co Ltd	8267 JP	-0.6%	Sysco Corp	SY	-1.1%	Maple Leaf Foods	MFI	-1.4%
	Casino Guichard Perrachon	CO FP	-7.0%	Colgate-Palmolive	CL	-4.7%	Cott Corp	BCB	-2.2%
	Delhaize Group	DELB BB	-7.1%	Molson Coors Brewing	TAP	-5.0%	Metro Inc	MRU	-2.5%
	Pernod Ricard	RI FP	-7.6%	CVS Health	CVS	-11.7%	Saputo Inc	SAP	-2.7%
Health Care	Cochlear Ltd	COH AU	0.2%	Hospira Inc	HSP	0.4%	Valeant Pharmaceuticals	VRX	-0.2%
	Merck KGaA	MRK GR	-0.0%	Cerner Corp	CERN	-1.7%	Extendicare	EXE	-1.8%
	Sonic Healthcare	SHL AU	-1.7%	Cardinal Health	CAH	-2.0%	Chartwell Retirement Residence	CSH-U	-2.5%
	Ono Pharmaceutical	4528 JP	-6.2%	Biogen Inc	BIIB	-5.9%	Concordia Healthcare	CXR	-2.7%
	Otsuka Holdings	4578 JP	-6.9%	Mallinckrodt	MNK	-7.2%	Prometic Life Sciences	PLI	-3.4%
	Shionogi	4507 JP	-7.2%	Abbott Laboratories	ABT	-7.3%			
Financials	Fubon Financial Holding	2881 TT	0.9%	Plum Creek Timber Co	PCL	-2.2%	Intact Financial	IFC	-0.4%
	RSA Insurance Group	RSA LN	0.8%	Chubb Corp	CB	-2.2%	Canadian Western Bank	CWB	-0.4%
	MunichRe	MUV2 GR	-0.1%	Loews Corp	L	-2.6%	Fairfax Financial Holdings	FFH	-0.5%
	Mitsubishi UFJ Financial Group	8306 JP	-8.3%	CBRE Group	CBG	-7.0%	Pure Industrial Real Estate Tr	AAR-U	-4.7%
	Shinsei Bank	8303 JP	-8.4%	Regions Financial	RF	-7.1%	Artis REIT	AX-U	-4.9%
	Sumitomo Realty & Development	8830 JP	-8.4%	Northern Trust	NTRS	-7.4%	Colliers Intl	CIG	-5.1%
Technology	Ricoh Co Ltd	7752 JP	-0.1%	Skyworks Solutions	SWKS	1.8%	Sierra Wireless	SW	-0.8%
	Delta Electronics	2308 TT	-1.8%	Linear Technology	LLTC	-0.3%	BlackBerry	BB	-1.8%
	Infineon Technologies	IFX GR	-1.8%	Micron Technology	MU	-0.6%	DH Corp	DH	-2.2%
	Nintendo	7974 JP	-8.1%	Adobe Systems	ADBE	-5.8%	Computer Modelling Group	CMG	-3.9%
	Murata Manufacturing	6981 JP	-8.7%	Xerox Corp	XRX	-7.1%	Mitel Networks	MNW	-4.8%
	MediaTek Inc	2454 TT	-9.8%	Citrix Systems	CTXS	-9.3%	Avigilon Corp	AVO	-6.1%
Telecom	America Movil	AMXL MM	-0.9%	Verizon Communications	VZ	-3.0%	TELUS Corp	T	-3.3%
	Chunghwa Telecom	2412 TT	-2.5%	AT&T Inc	T	-3.0%	Rogers Communications	RCI/B	-4.4%
	SoftBank Group Corp	9984 JP	-3.1%	Level 3 Communications	LVT	-3.7%	BCE Inc	BCE	-4.4%
	Nippon Telegraph & Telephone	9432 JP	-6.6%	CenturyLink	CTL	-4.6%	Mantoba Telecom Services	MBT	-4.6%
	Millicom Intl Cellular	MIC SS	-6.7%	Frontier Communications Corp	FTR	-4.7%			
	China Mobile	941 HK	-7.9%						
Utilities	AGL Energy	AGL AU	-1.7%	AGL Resources	GAS	28.3%	Emera Inc	EMA	-2.6%
	Hong Kong & China Gas	3 HK	-2.1%	Pepco Holdings Inc	POM	-0.3%	Innervex Renewable Energy	INE	-2.9%
	APA Group	APA AU	-2.6%	Exelon Corp	EXC	-1.1%	TransAlta Corp	TA	-3.0%
	Tokyo Electric Power Co	9501 JP	-8.0%	Entergy Corp	ETR	-5.0%	Just Energy Group	JE	-5.9%
	RWE AG	RWE GR	-8.3%	PG&E Corp	PCG	-5.0%	Atco	ACO/X	-6.0%
	Cia Energetica de Minas Gerais	CIG US	-10.1%	Duke Energy	DUK	-5.6%	Canadian Utilities	CU	-7.0%

Bold = move of more than 5%

U.S. Market Movers

Energy

Table with columns: Symbol, HL, Last, %Chg. Rows include ESV, NE, RIG, DO, NBR, HP, RDC, PTEN, UNT, ATW, PES, SLB, HAL, BHI, NOV, CAM, FTI, OII, DRQ, OIS, TDW, CRR, SPN, CKH, EXH, SLCA, BRS, HLX, NR, TTI, HOS, ERA, BAS, MTRX, XOM, CVX, COP, OXY, MRO, HES, MUR, APA, DVN.

Materials

Table with columns: Symbol, HL, Last, %Chg. Rows include LYB, DD, DOW, EMN, FMC, MON, MOS, CF, PX, APD, ARG, ECL, PPG, SHW, SIAL, IFF, ASH, VAL, RPM, ALB, VMC, MLM, BLL, SEE, PKG, AA, FCX, NEM, NUE, IP.

Industrials

Table with columns: Symbol, HL, Last, %Chg. Rows include UTX, BA, HON, LMT, GD, RTN, NOC, PCP, LLL, COL, ITT, FLR, EMR, ROK, GE, MMM, TYC, CAT, DE, PCAR, CMI, DHR, ITW, ETN, PH, DOV, FAST, GWV, WM, RSG, UPS, FDX, CHRW, EXPD, LUV, DAL, UNP, NSC, CSX.

Health Care

Table with columns: Symbol, HL, Last, %Chg. Rows include MDT, BAX, SYK, BDJ, ISRG, STJ, ZBH, BSX, HSP, MCK, CAH, ESRX, DGX, UNH, ANTM, HUM, AET, CI, AMGN, REGN, GILD, ALXN, VRTX, CELG, BIIB, JNJ, PFE, MRK, ABT, ABBV, BMY, LLY, AGN, TMO.

Consumer Discretionary

Table with columns: Symbol, HL, Last, %Chg. Rows include DLPH, JCI, BWA, GM, F, HOG, MHK, PHM, DHI, NVR, WHR, NWT, HAS, COH, VFC, RL, NKE, LVLS, WYNN, IGT, CCL, RCL, MAR, HOT, WYN, MCD, YUM, SBUX, DRI, CMG, APOL, DV, HRB, OMC, IPG, CBS, DISCA, CMCSA, SIRI, TWC, SNI, DIS, TWX, FOXA, VIAB, GCI, GPC, AMZN, PCLN, EXPE, NFLX, KSS, SHLD, M, JWN, JCP, TGT, DG, DLTR, TJX, GPS, LB, ROST, URBAN, GES, BBY, HD, LOW, SPLS, TIF, AZO, ORLY, KMX, BBBY.

Consumer Staples

Table with columns: Symbol, HL, Last, %Chg. Rows include CVS, WBA, SYY, KR, WFM, WMT, COST, TAP, STZ, BF/B, KO, PEP, MNST, CCE, DPS, ADM, MDLZ, GIS, K, GMCR, CPB, CAG, MJB, WWAV, HSY, SUM, HAIN, TSN, HRL, MKC, PM, MO, RAI, PG, CL, KMB, CLX, ENR, CHD, AVP, EL, Utilities, SO, EXC, DIJ, NEE, AEP, ETR, PPL, FE, EIX, ES, PNW, POM, WR, GXP, HE, CNL, IDA, ALE, EE, PNM, UIL, NFG, UGI, GAS, STR, ATO, PNY, OGS, WGL, NJR, SWX, SJI.

Technology

Table with columns: Symbol, HL, Last, %Chg. Rows include GOOGL, EBAY, YHOO, AKAM, VRSN, ACN, CTSH, LDOS, V, MA, ADP, WU, PAYX, FIS, CSC, FISV, ADS, ADBE, INTU, CRM, CTXS, ADSK, MSFT, ORCL, SYMC, CA, RHT, ATVI, EA, CSCO, QCOM, MSI, JNPR, HRS, FFIV, AAPL, IBM, HPQ, TDC, EMC, STX, NTAP, WDC, SNDK, FLIR, GLW, APH, TEL, AVL, XRX, AMAT, KLAC, LRCX, INTC, TXN, BRCM, FSLR, NVDA, ADI, MU, CREE, ALTR, XLNX, LLTC, AMD, MCHP, Telecom Services, T, VZ, CTL, FTR, WIN, TMUS, S.

Financials

Table with columns: Symbol, HL, Last, %Chg. Rows include WFC, USB, CMA, PNC, BBT, STI, FITB, RF, MTB, KEY, HBAN, AMT, NYCB, HCBK, PBCT, BAC, JPM, C, LUK, CME, MHFI, ICE, MCO, AXP, COF, DFS, SLML, BLK, BEN, BLK, STT, TROW, NTRS, AMP, AMG, IVZ, LM, GS, MS, SCHW, MMC, AON, MET, PRU, AFL, PFG, LNC, UNM, AIG, L, HIG, GNW, BRK/B, TRV, ACE, ALL, CB, PGR, XL, VNO, PLD, BXP, SLG, EQR, AVB, SPG, KIM, MAC, FRT, PSA, HST, HCP, WY, CCI, VTR.

H/L = at a new closing 52-wk High/Low; */● = within 10% of the 52-wk High/Low; Bold = move of more than 5%

Canadian Market Movers

Energy				Materials				Industrials				Consumer Discretionary				Technology				Financials							
Symbol	HL	Last	%Chg	Symbol	HL	Last	%Chg	Symbol	HL	Last	%Chg	Symbol	HL	Last	%Chg	Symbol	HL	Last	%Chg	Symbol	HL	Last	%Chg	Symbol	HL	Last	%Chg
PD	L	5.33	-3.0%	CUS	L	1.10	-7.5%	BDD/B	L	1.11	-13.9%	MG	L	62.26	-2.9%	SUM	L	7.09	-0.2%	XIU	L	19.43	-3.0%				
ESI	L	8.80	-2.8%	CHE-U	L	17.65	-3.2%	CAE	L	13.61	-2.9%	LNR	L	64.00	0.3%	GIB/A	L	45.83	-2.3%	XSP	L	21.89	-4.1%				
TDG	L	2.17	-3.1%	POT	L	32.33	-2.0%	MDA	L	74.70	-2.6%	MRE	L	11.20	0.2%	DH	L	37.99	-2.2%	XIC	L	20.75	-2.9%				
SCL	L	25.40	-0.5%	AGU	L	125.95	-1.8%	MAL	L	15.85	-2.3%	DI/B	L	32.81	-0.9%	OTC	L	56.37	-2.5%	XDV	L	20.47	-2.9%				
SES	L	8.09	-7.6%	CCL/B	L	163.96	-4.6%	HRX	*	11.24	-2.9%	DOO	L	25.39	-3.0%	CSU	L	526.71	-3.3%	XFN	L	27.83	-2.6%				
PSI	L	17.20	-0.1%	ITP	L	13.76	-4.7%	DRT	L	4.88	0.0%	PSG	L	17.79	-3.8%	DSG	*	20.75	-3.3%	CPD	L	12.88	-3.1%				
MTL	L	16.45	-3.2%	WPK	L	39.42	-1.6%	SNC	L	37.62	-0.8%	GIL	L	39.31	-2.4%	CMG	L	11.23	-3.8%	ZEB	L	20.16	-2.0%				
CEU	L	5.34	-8.8%	CAS	L	8.20	-2.3%	ARE	L	11.60	-2.9%	AYA	L	27.97	-1.8%	ESL	L	46.89	-3.0%	RY	L	70.71	-2.8%				
TCW	L	1.10	1.8%	TCK/B	L	7.68	-7.4%	BDT	L	10.96	-0.7%	GC	L	18.13	0.3%	RKN	L	3.55	-3.2%	TD	L	49.02	-2.5%				
CFW	L	3.91	-5.3%	TRQ	L	3.81	-4.2%	WSP	L	42.51	-2.2%	GH	L	10.02	2.9%	KXS	L	32.68	-2.4%	BNS	L	55.88	-2.8%				
EFX	L	10.28	-3.6%	FM	L	6.50	-4.2%	BAD	L	19.32	-2.1%	IT	L	11.90	-3.3%	ABT	L	7.81	-2.6%	BMO	L	66.18	-4.0%				
TESO US	L	7.23	-6.2%	LUN	L	3.86	-8.9%	BLD	L	1.52	-6.7%	TRZ/B	L	6.50	-4.9%	BB	L	9.24	-1.8%	CM	L	86.00	-2.3%				
FRC	L	4.15	-1.8%	S	L	1.01	-3.8%	LMP	L	14.00	-4.6%	WB	*	20.41	-3.5%	WIN	L	9.24	-1.8%	NA	L	40.90	-1.7%				
NAL	L	9.81	-8.3%	HBM	L	5.98	-8.0%	TIH	*	34.65	-1.0%	QSR	L	49.99	-3.6%	SW	L	27.09	-0.8%	CWB	L	22.15	-0.4%				
SU	L	32.93	-3.9%	TCM	L	0.60	-4.7%	WPT	L	4.00	-11.1%	MTY	L	31.98	0.1%	MITL US	L	7.28	-5.4%	LB	L	45.44	-1.3%				
IMO	L	43.39	-3.1%	CS	L	0.64	-8.5%	AFN	L	35.15	-0.1%	CAO	*	33.50	-0.0%	SVC	L	2.97	-1.3%	MIC	L	27.96	-2.9%				
HSE	L	21.61	-4.5%	MDI	L	3.85	-1.7%	NFI	*	17.96	-2.7%	BPF US	L	16.70	-1.4%	CDV	L	4.52	-3.0%	HCG	L	25.98	-2.9%				
CVE	L	15.92	-5.2%	IVN	L	0.65	-7.1%	ATA	L	12.88	-1.7%	AW-U	L	24.72	-3.1%	ET	L	14.76	-3.8%	EQB	L	48.50	-4.1%				
IOC US	L	34.27	-0.0%	ABX	L	9.57	-9.0%	XTC	L	13.78	-3.5%	PZA	L	13.00	-1.4%	GSIG US	L	12.33	-5.9%	FN	L	16.69	-3.1%				
CNQ	L	26.01	-2.9%	G	L	18.75	-8.1%	FTT	L	20.03	-1.1%	KEG-U	L	16.69	-1.9%	PUR	L	5.51	-4.3%	MKP	L	11.54	-2.0%				
ECA	L	7.73	-5.6%	K	L	2.41	-11.3%	RUS	L	19.50	-2.0%	EI	L	13.44	-2.9%	AVO	L	13.30	-6.1%	FC	L	11.88	-1.6%				
CPG	L	12.65	-5.4%	AEM	L	32.74	-5.0%	RCH	*	63.62	0.1%	AIM	L	11.57	-4.0%	CLS	L	15.51	-3.8%	OCX	*	73.75	-3.2%				
TOU	L	28.59	-3.4%	ELD	L	4.12	-8.0%	MIL US	L	3.00	-8.5%	MDZ/A	L	25.04	-6.7%	CSIQ US	L	16.28	-6.4%	X	L	45.39	-1.0%				
COS	L	5.76	-6.6%	YRI	L	2.70	-10.2%	WJX	L	19.62	-3.9%	CJ/R/B	L	12.94	-0.4%	EFN	L	17.70	-2.8%								
ARX	L	16.23	-3.9%	IMG	L	2.21	-10.5%	CVL	L	12.76	-3.1%	SJR/B	L	25.97	-2.0%	IGM	L	34.73	-4.1%								
MEG	L	10.34	-3.0%	IGT	*	14.70	-0.4%	TCL/A	L	13.54	-3.4%	QBR/B	L	28.33	-1.2%	CIX	L	29.90	-2.8%								
VET	L	38.83	-7.1%	FNV	L	57.78	-5.2%	BIN	*	34.82	-0.5%	CCA	L	64.59	-2.3%	AGF/B	L	5.50	-4.8%								
BTE	L	5.90	-0.5%	CG	L	6.65	-11.9%	RBA	*	36.97	-1.4%	XSR	L	4.75	-5.1%	TCN	L	10.73	-3.3%								
POU	L	11.86	-5.8%	NGD	L	2.76	-8.0%	RBA US	*	27.87	-2.1%	CGO	L	53.70	-0.5%	DC/A	L	9.55	-0.6%								
PRE	L	3.34	-3.1%	AGI	L	5.26	-7.7%	BYD-U	*	60.74	0.6%	LGF US	*	35.47	-3.4%	U	L	5.00	-1.9%								
PEY	L	25.36	-2.0%	SMF	L	3.47	-6.2%	DCI	L	11.45	-4.5%	IMAX US	L	29.18	-5.4%	SII	L	2.23	0.4%								
PSK	L	23.18	-3.5%	NG	L	4.38	-7.3%	BDI	L	7.44	-9.1%	CGX	*	46.00	-0.6%	AD	L	26.42	-2.7%								
ERF	L	6.28	-9.3%	DGC	L	14.09	-3.5%	KBL	L	45.19	-4.5%	HDX/B	L	8.32	-1.1%	GS	L	20.36	-3.8%								
UPL US	L	6.61	-0.3%	PVG	L	7.00	-4.6%	HNL	L	2.56	-2.2%	THI	*	49.52	-3.0%	GCG/A	L	16.45	-3.5%								
WCP	L	9.25	-6.8%	PHY/U	L	9.50	-1.0%	MSI	L	14.69	-2.1%	TS/B	L	4.06	1.2%	GMP	L	4.13	-3.7%								
VII	L	11.49	-6.7%	SEA	L	8.28	-5.3%	STN	L	30.47	-1.3%	Y	L	17.18	-1.7%	CF	L	5.41	-3.0%								
PWT	L	0.77	-18.9%	GKI	L	5.39	-3.0%	WJA	L	22.58	-3.2%	UNS	*	56.62	-0.6%	MFC	L	19.97	-2.3%								
PGF	L	1.43	-1.3%	BTO	L	1.55	-7.7%	CHR/B	L	5.33	-0.3%	HBC	L	22.93	-3.1%	CU	L	32.03	-7.0%								
TET	L	3.53	-1.1%	XGD	L	8.14	-6.8%	AC	L	10.88	-2.2%	SCC	L	7.28	-4.5%	ACO/X	L	35.50	-6.0%								
BNP	L	3.13	-6.5%	P	L	3.86	-7.4%	EIF	*	25.10	-4.7%	JE	*	7.15	-5.9%	TA	L	6.23	-3.0%								
ATH	L	1.30	-3.7%	AR	L	1.35	-4.9%	CNR	L	72.74	-1.9%	BEP-U	L	34.92	-5.7%	SLF	L	39.26	-3.7%								
BNE	L	16.95	-6.4%	TXG	L	1.19	-9.1%	CP	L	180.47	-2.6%	RNW	L	10.51	-4.2%	POW	L	27.72	-3.3%								
NBZ	L	3.31	-1.1%	LSG	L	1.09	-5.2%	TFI	L	21.73	-2.0%	NPI	L	14.76	-5.0%	IAG	L	40.21	-1.9%								
FRU	L	8.76	-5.0%	CNL	L	3.00	-4.1%	STB	L	5.09	-1.9%	ATP	L	2.73	-3.2%	FFH	L	605.74	-0.4%								
RRX	L	6.77	-5.0%	OR	L	14.99	-4.0%	WTE	L	24.97	-2.6%	CPX	L	19.03	-3.7%	IFC	*	89.60	-0.4%								
PXT	L	7.38	-5.2%	SSL	L	3.69	-5.8%	Health Care				AQN	L	8.85	-5.9%	XRE	L	14.64	-3.3%								
BIR	L	5.05	-4.3%	OGC	L	2.38	-7.0%	Symbol	HL	Last	%Chg	BLX	L	12.42	-3.6%	HR-U	L	20.55	-2.6%								
SGY	L	2.00	-12.6%	GUY	*	4.04	-1.2%	NVDQ US	L	11.13	-4.1%	INE	L	9.87	-2.9%	REF-U	L	39.69	-3.5%								
AOI	L	1.67	-12.1%	CGG	L	1.85	-7.9%	NHC	L	5.88	-3.1%	CSE	L	3.02	-0.7%	DRG-U	L	8.85	-2.3%								
KEL	L	5.09	-7.7%	ASR	*	2.88	-4.3%	CSH-U	L	11.27	-2.5%	CUP/U	L	10.28	-1.2%	CUF-U	L	15.72	-3.2%								
NVA	L	4.11	-5.5%	NSU	L	3.67	0.8%	DR	L	15.08	-4.0%	Consumer Staples				CRR-U	L	12.36	-3.4%								
BNK	L	1.83	-13.2%	R	L	0.54	-6.8%	ACC	*	7.99	0.9%	Symbol	HL	Last	%Chg	AP-U	L	34.02	-4.4%								
BXE	L	1.95	-7.1%	SLW	L	16.42	-7.7%	SIA	L	14.85	-2.9%	Symbol	HL	Last	%Chg	D-U	L	20.54	-4.3%								
CR	L	3.54	-4.0%	PA	L	8.64	-8.0%	RLC	*	11.95	-0.3%	BCE	*	52.26	-4.4%	BOX-U	L	23.65	-2.2%								
OXC	L	0.87	11.5%	FR	L	4.54	-7.7%	PLJ	L	1.70	-3.4%	T	L	42.58	-3.3%	BEI-U	L	50.99	-4.3%								
PPY	L	5.53	-4.8%	SSO	L	8.33	-6.1%	GUD	L	6.81	-3.5%	MBT	*	27.43	-4.6%	CAR-U	L	26.59	-3.8%								
TOG	L	4.70	-8.7%	SVM	L	0.89	-3.2%	VRX	L	291.70	-0.2%	RCl/B	*	44.85	-4.4%	NPR-U	L	19.28	-3.7%								
CJ	L	9.27	-5.9%	PHS/U	L	5.71	-3.3%	CXR	L	90.65	-2.7%	Telecom Services				REF-U	L	24.15	-3.9%								
AAV	L	6.30	-4.2%	DPM	L	2.16	-5.6%	CPH	L	7.67	-6.2%	Symbol	HL	Last	%Chg	SRU-U	*	28.46	-3.2%								
LTS	L	0.32	-13.6%	DDC	L	15.29	-9.5%	COM	L	11.87	-2.9%	BCE	*	52.26	-4.4%	CRT-U	*	11.99	-2.4%								
SPE	L	1.90	-8.2%	THO	L	11.33	-8.7%	MSL	L	2.12	-1.9%	T	L	42.58	-3.3%	MRT-U	L	14.39	0.9%								
LRE	L	0.35	-9.0%	MPV	L	4.15	-2.8%	EXE	L	7.65	-1.8%	MBT	*	27.43	-4.6%	AX-U	L	11.99	-4.9%								
RMP	L	1.34	-4.9%	LUC	L	1.61	-7.4%	Consumer Discretionary				RCl/B	*	44.85	-4.4%	INN-U	L	4.86	-3.3%								
SRX	L	3.51	-4.3%	III	L	7.30	-6.7%	Symbol	HL	Last	%Chg	NWH-U	L	7.87	0.7%												
KEY	L	37.12	-3.7%	SWY	L	0.71	-4.0%	Symbol	HL	Last	%Chg	BAM/A	L	40.68	-3.3%												
PKI	L	20.75	-2.2%	PTM	L	0.37	0.0%	Symbol	HL	Last	%Chg	FCR	L	17.09	-2.8%												
ENB	L	50.58	-3.3%	FVI	L	3.42	-9.2%	Symbol	HL	Last	%Chg	DRM	L	8.02	-2.7%												
TRP	L	43.43	-2.7%	MAG	L	9.55	-2.9%	Symbol	HL	Last	%Chg	MRC	L	130.29	-4.9%												
PPL	L	33.50	-3.5%	LIF	L	12.17	-2.9%	Symbol	HL	Last	%Chg	BPY-U	L	27.22	-3.4%												
IPL	L	25.00	-2.2%	WFT	L	50.76	-1.6%	Symbol	HL	Last	%Chg	GRT-U	L	38.35													

Trends & Inflection Points

August 25, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

The Day After Black Monday



- We'll start where we left off [yesterday](#). In the [first hour of US trading](#), our panic indication (1d rate of change of yen carry trade implied volatility) surged to the highest level since 2008, with an intraday peak of 35 – Figure 1.
 - That sets the stage for rebounds, with setbacks, and yes new lows, as long as the environment remains stressed.
 - We reiterate that the [oil price](#) is a very good barometer of the epicenter of credit stress (Figure 2) where pricing reflects both [oversupply and weak global demand](#).
 - Oil trades an inside day this morning. There is **no change in direction, or signal that there is a bottom.**
- You need a transmission mechanism for this contagion. This is the banking system. This is the reason for our defensive leaning;
 - [CDS trends on too-interconnected-to-fail banks are trending wider](#) – Figure 3.
 - They are also very over widened, or stressed. In the case of U.S. banks, they are 4 standard deviations so.
- So given the negative credit trends, yet oversold nature of CDS, we will haul out a capitulation buy list.

Figure 1: MSCI World; 1d ROC of Yen Carry Trade Imp. Vol.

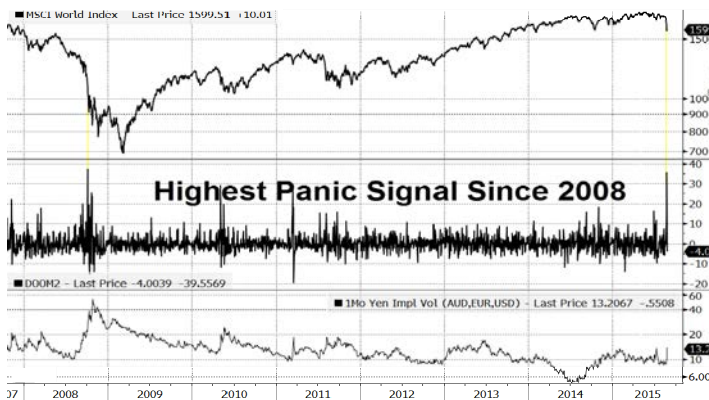


Figure 2: [High Yield Bond Indices](#)

Name	Symbol	1-Day Cng (%)	5-Day Cng (%)	Chg Last Day	Reward /Risk	Trend Slope	Hi (Mo)	Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend
Health Care	BUHYHC	-0.6%	-0.9%	↓	↓	4%	1.5	0%	0%	Below Rising
Comr Staples	BUHYCS	-0.6%	-1.1%	↓	↓	7%	4.5	-1%	-1%	Below Falling
Financials	BUHYFI	-0.6%	-1.0%	↓	↓	4%	5.0	-1%	-1%	Below Falling
Comr Disc	BUHYCD	-0.6%	-0.9%	↓	↓	2%	5.0	-1%	-1%	Below Falling
Utilities	BUHYUT	-0.5%	-0.8%	↓	↓	4%	7.0	-3%	-3%	Below Falling
Materials	BUHYMA	-0.7%	-1.6%	↓	↓	1%	6.0	-3%	-3%	Below Falling
HY	BUHY	-0.9%	-1.6%	↓	↓	0%	7.5	-3%	-3%	Below Falling
Industrials	BUHYIN	-0.6%	-1.5%	↓	↓	0%	7.0	-4%	-4%	Below Falling
Energy	BUHYEN	-1.8%	-3.8%	↓	↓	-12%	7.5	-9%	-9%	Below Falling
Comm	BUHYCO	-1.0%	-1.6%	↓	↓	-2%	7.5	-2%	-2%	Below Falling
Technology	BUHYTE	-0.5%	-1.1%	↓	↓	-4%	7.0	-2%	-2%	Below Falling

Leading the Downside

Figure 3: [CDS Trends on Too-Interconnected to Fail Banks – Trending Wider, Yet Very Over Widened](#)

Symbol	Name	CDS Level	MktCap (US\$)	Chg Last Day	CDS	Trend Slope	CDS Hi (Mo)	CDS Low (Mo)	CDS Last Date	Liquidity	Fit to Equity	CDS Curve 1/5Yr	CDS 1-day Chg (%)	CDS 5-day chg (%)	CDS %Chg 50 DMA	Chg wrt 50 Day MA Trend	CDS BBand Width	StdDev from 26-day
UCG IM	UniCredit SpA	7	37,600	↑	126%	1.5	Aug 24	1	1	0.58	5%	14%	9%	Above Rising	71%	3.1		
CBK GR	Commerzbank	6	13,832	↑	76%	1.5	Aug 24	1	1	0.57	6%	15%	12%	Above Rising	108%	3.0		
UBSG VX	UBS AG	4	77,665	↑	90%	1.5	Aug 24	1	1	0.56	7%	12%	8%	Above Rising	96%	3.3		
SAN US	Banco Santander	7	85,327	↑	58%	17.1	Aug 24	1	1	0.55	4%	1%	7%	Rising	118%	2.3		
CS US	Credit Suisse Group	5	43,286	↑	101%	1.5	Aug 24	1	1	0.55	4%	1%	7%	Falling	79%	3.1		
HSBA LN	HSBC Holdings	5	150,296	↑	84%	18.5	Aug 24	3	9	0.53	6%	20%	21%	Above Rising	109%	2.6		
DB US	Deutsche Bank	6	39,185	↑	165%	1.5	Aug 24	1	1	0.53	6%	13%	9%	Above Rising	75%	3.1		
BCS US	Barclays PLC	5	64,131	↑	155%	1.5	Aug 24	1	1	0.52	6%	16%	11%	Above Rising	100%	3.2		
RBS US	Royal Bank of Scotland Group	5	31,122	↑	155%	1.5	Aug 24	1	1	0.52	5%	14%	8%	Above Rising	65%	3.2		
GLE FP	Societe Generale	6	37,941	↑	115%	1.5	Aug 24	1	1	0.49	6%	18%	13%	Above Rising	109%	3.0		
ACA FP	Credit Agricole	5	34,996	↑	115%	1.5	Aug 24	1	1	0.48	6%	17%	9%	Above Rising	100%	3.0		
BNP FP	BNP Paribas	5	76,287	↑	115%	1.5	Aug 24	1	1	0.47	6%	16%	9%	Above Rising	90%	3.1		
3988 HK	Bank of China	7	39,919	↑	-5%	7.0	Aug 24	1	3	0.43	5%	16%	19%	Above Rising	158%	3.0		
GS US	Goldman Sachs Group Inc	6	77,683	↑	19%	18.5	Aug 24	4	1	0.41	5%	13%	13%	Above Rising	120%	3.7		
JPM US	JPMorgan Chase	5	222,811	↑	32%	21.5	Aug 24	1	1	0.40	11%	18%	20%	Above Rising	152%	4.0		
MS US	Morgan Stanley	6	63,016	↑	23%	17.5	Aug 24	1	1	0.39	10%	19%	19%	Above Rising	131%	4.3		
BAC US	Bank of America	5	159,603	↑	25%	18.5	Aug 24	2	1	0.37	12%	19%	18%	Above Rising	127%	4.3		
C US	Citigroup Inc	6	151,516	↑	25%	18.5	Aug 24	2	1	0.36	11%	18%	17%	Above Rising	130%	4.0		

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

- Before the list, we will highlight the guiding trend for just over a year now, [growth continues to trump value](#). It's right at the trendline, and 50d MA, but until we see this change, we will tune towards growth when we go stock picking – Figure 4.
- Here is a [link to all our capitulation filters](#) (available daily our [TIPS suite](#)).
- Figure 5 [targets our favourite filter: oversold with very wide Bollinger bands. We also tuned for outperforming trend vs the market, the sector, and in a top 3 subindustry decile. Lastly, we tuned for earnings growth](#) – Figure 5.

Figure 4: [MSCI ACWI World Growth vs Value](#)



Figure 5: Oversold Outperformers in Top 3 Subindustry Deciles, With our Earnings Growth Filter Applied – [See Link for Full List](#)

Symbol	Name	Sub Industry	Grp R3r	EE	Close 24-Aug	1-day Equity Chg (%)	5-day Equity Chg (%)	Fig	MktCap (US\$)	Chg Last Day	Price Trend	Trend Slope	Hi (Mo)	Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	Boll Band	Boll Band Width	RSI Dly
CTXS US	Citrix Systems	ApplicSwr	2	2	67.02	-9.3%	-13.8%	V	10,770	↓	↓	44%	2.5	-7%	Below Falling	OSOLD	185%	30	
SIVB US	SVB Financial Group	RegionBnk	1	2	116.46	-8.3%	-17.7%	V	5,995	↓	↓	52%	7.0	-19%	Below Falling	OSOLD	176%	23	
VRSK US	Verisk Analytics	RsrcCslt	1	2	71.58	-3.2%	-6.7%	V	12,060	↓	↓	17%	5.0	-5%	Below Falling	OSOLD	166%	32	
DSY FP	Dassault Systemes	ApplicSwr	2	3	60.51	-4.4%	-10.0%	V	17,902	↓	↓	46%	6.0	-11%	Below Falling	OSOLD	164%	24	
AFSI US	AmTrust Financial Services	P&C Insur	1	3	57.19	-2.1%	-9.3%	V	4,728	↓	↓	58%	4.5	-12%	Below Falling	OSOLD	163%	27	
SBNY US	Signature Bank/New York I	RegionBnk	1	3	128.69	-4.6%	-10.6%	V	6,475	↓	↓	34%	5.0	-12%	Below Falling	OSOLD	160%	24	
TSS US	Total System Services	DataProc	2	3	43.38	-5.0%	-10.1%	V	7,980	↓	↓	62%	1.5	-2%	Below Rising	OSOLD	150%	35	
MKL US	Markel Corp	P&C Insur	1	3	796.72	-4.6%	-9.7%	V	11,117	↓	↓	28%	2.0	-7%	Below Rising	OSOLD	148%	25	
WWAV US	WhiteWave Foods Co	PkgFdmT	3	2	42.73	-3.8%	-14.4%	V	7,510	↓	↓	50%	5.0	-14%	Below Falling	OSOLD	146%	20	
AOS US	AO Smith Corp	BldPrdcts	1	1	60.92	-6.8%	-14.3%	V	4,614	↓	↓	58%	6.5	-13%	Below Falling	OSOLD	145%	25	
TSO US	Tesoro Corp	OG RfMkt	3	1	89.97	-3.9%	-13.7%	V	11,075	↓	↓	64%	2.0	-6%	Below Rising	OSOLD	143%	35	
ESRX US	Express Scripts Holding	HCSERVICE	2	3	81.81	-3.5%	-8.2%	V	55,282	↓	↓	14%	5.5	-9%	Below Falling	OSOLD	142%	26	
FRC US	First Republic Bank	RegionBnk	1	3	57.46	-4.5%	-10.7%	V	8,146	↓	↓	34%	4.5	-9%	Below Falling	OSOLD	140%	26	
EW US	Edwards Lifesciences	HCEquip	2	3	133.93	-4.2%	-7.5%	V	14,400	↓	↓	22%	2.5	-9%	Below Rising	OSOLD	139%	26	
EFX US	Equifax Inc	RsrcCslt	1	3	93.83	-5.6%	-10.8%	V	11,095	↓	↓	25%	4.0	-6%	Below Falling	OSOLD	138%	29	
V US	Visa Inc	DataProc	2	3	68.36	-4.0%	-8.1%	V	133,397	↓	↓	19%	1.5	-4%	Below Falling	OSOLD	134%	30	
SPB US	Spectrum Brands	HhldPrdct	1	3	96.07	-1.8%	-5.0%	V	5,718	↓	↓	19%	2.5	-6%	Below Rising	OSOLD	125%	29	
FLT US	FleetCor Technologies	DataProc	2	3	145.51	-4.2%	-11.2%	V	13,398	↓	↓	6%	6.5	-7%	Below Falling	OSOLD	124%	28	
CDK US	CDK Global	ApplicSwr	2	1	46.59	-3.9%	-10.2%	V	7,457	↓	↓	33%	4.5	-11%	Below Falling	OSOLD	121%	31	
VLO US	Valero Energy	OG RfMkt	3	1	58.52	-4.3%	-16.1%	V	29,091	↓	↓	33%	2.5	-9%	Below Rising	OSOLD	114%	31	
TMH US	Team Health	HCSERVICE	2	3	57.81	-4.2%	-10.1%	V	4,188	↓	↓	24%	5.5	-10%	Below Falling	OSOLD	114%	26	
Q US	Quintiles Transnational	LfSciSrv	3	2	70.24	-3.7%	-7.8%	V	8,619	↓	↓	48%	2.5	-6%	Below Rising	OSOLD	112%	30	
EA US	Electronic Arts	HmEntSwr	1	2	63.70	-2.8%	-13.6%	V	19,858	↓	↓	76%	2.5	-9%	Below Rising	OSOLD	107%	27	
ACHC US	Acadia Healthcare Co	HCFacility	2	3	69.71	-5.4%	-14.9%	V	4,994	↓	↓	67%	3.0	-11%	Below Falling	OSOLD	105%	26	
HCA US	HCA Holdings Inc	HCFacility	2	3	84.31	-2.2%	-7.7%	V	35,005	↓	↓	74%	2.0	-7%	Below Rising	OSOLD	104%	24	

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Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

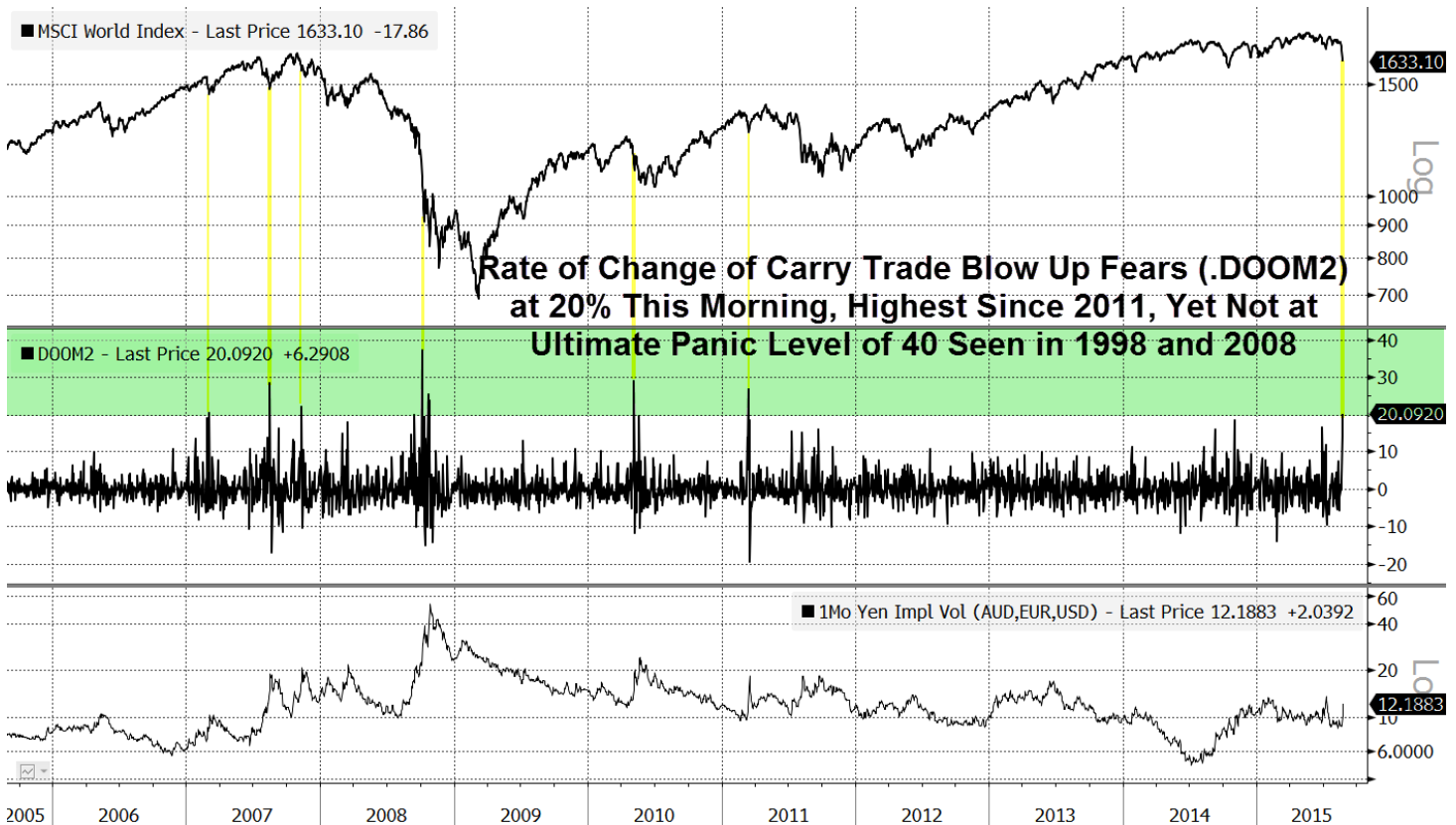
Technical Stress Reading versus Oil/Credit Backdrop



[CLICK HERE](#)

- When stresses are very high, as they are this morning with global equity markets off 3-9%, we haul out our **best real-time stress indications - Yen carry trade implied volatility, which measures the panic of unwinding carry trades.**
 - The rate of change of this stress, which before 7am this morning had risen 20% since Friday, is the highest in years. **This level of panic, seen just twice before in the past few years, has provided short-term relief.**
 - Is this enough to deploy all cash, and lean away from the defensive positioning [we have been advocating](#)?
 - No.
 - [Maximum panic by this gauge comes at a 40 reading \(1998, 2007, 2008\).](#)
 - Are we in a 1998, 2007-8 situation?
- **Ultimately, one must grapple with the fundamental issue that credit markets are not priced for sub \$50, 40, or \$30 oil – Figures 2, 3.**
- So until this fundamental issue changes (oil bottoms), the market is sufficiently panicked (Figure 1), or [equities price in the risks that the credit market is seeing](#), your defensive positioning should not change.

Figure 1: MSCI World (Top); Yen Carry Trade Implied Volatility (Bottom); 1-day ROC of Yen Carry Trade Implied Vol (Middle)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Figure 2: WTI at 7:30am This Morning



Figure 3: N. American Investment Grade Corporate Credit Risk



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August 21, 2015
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Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

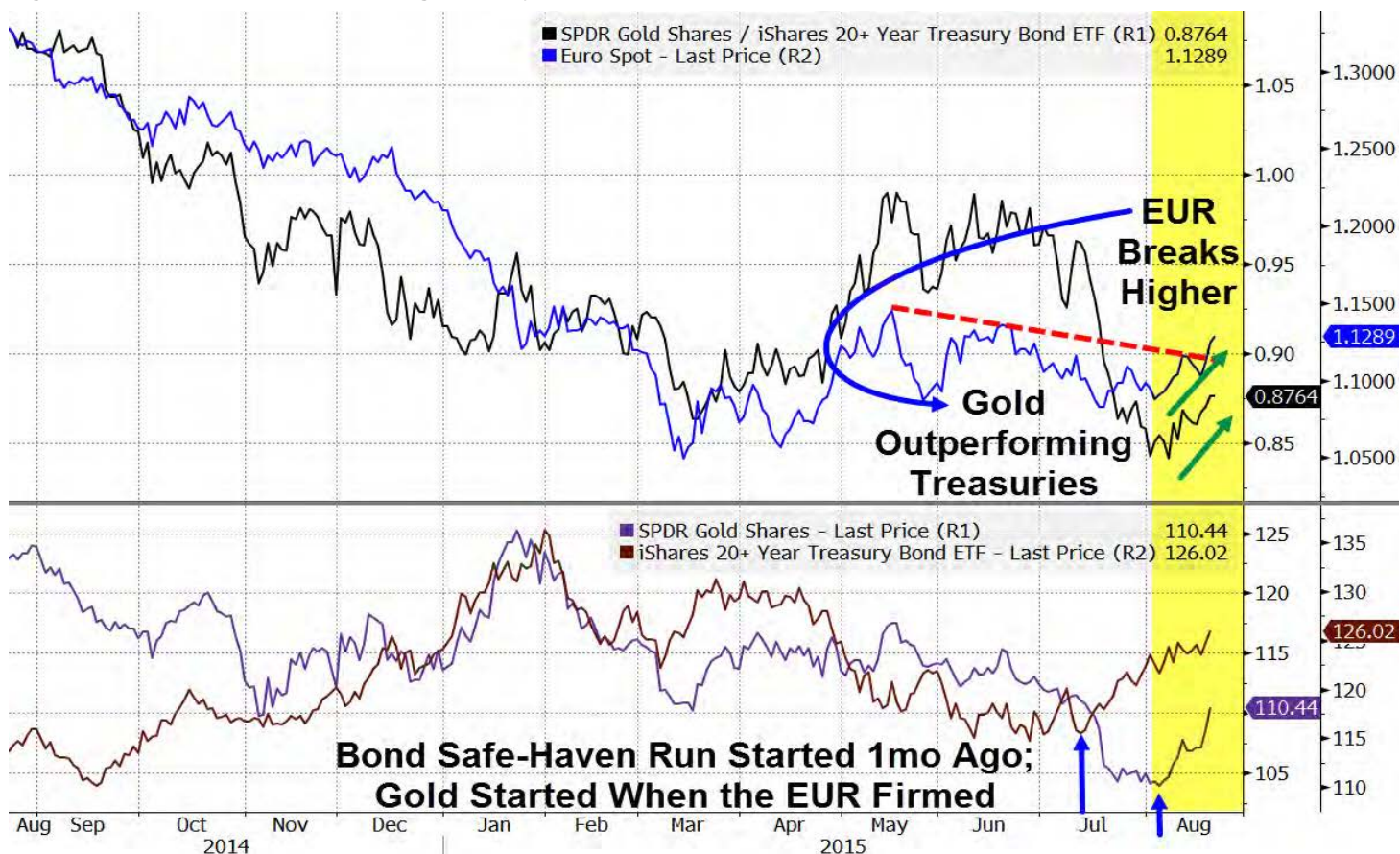
Where Have You Positioned Your Safe Haven Assets?



[CLICK HERE](#)

- Where have you positioned your safe haven assets?
 - Yesterday, [21 of the 31 equity indices we look at in BMO Macro broke below the bottom ends of their channels](#). This morning, equities indices have lost 100 bps+.
 - Overnight the [Chinese plunge protection team failed to support stocks again](#).
 - This morning [corporate credit risk](#) continues to rise.
- As stresses build, and the [U.S. 10-year breakeven rate approaches the 2015 spike low](#), the market leans away from an FOMC one-and-done stance, and leans toward none and done. The [U.S. 2y yield starts to slip](#), and the dollar slips with it.
 - [DXY](#) had formed a minor head and shoulders top.
 - [EUR](#) breaks to the upside, and yes Greek elections, pressuring peripheral yields higher helps EUR to firm.
- It is in this environment, that [gold](#) shares the safe haven space with treasuries – Figure 1.
 - All the other figures follow.
 - TGIF

Figure 1: EUR and Gold ETF / US Long Treasury ETF Ratio (Top); Gold & Bond ETFs (Bottom)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Figure 2: Trends on Equity Indices from BMO Macro

Name	Symbol	1-Day Chg (%)	5-Day Chg (%)	Chg Last Day	Reward /Risk	Trend Slope	Hi (Mo)	Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	%Chg wrt 200d MA	Chg wrt 200 Day MA Trend
Japanese TPX	TPX	-1.5%	-2.6%			21%		1.0	-1%	Below Falling	6%	Above Rising
Chinese CSI	SHSZ300	-3.2%	-7.7%			105%		1.5	-11%	Below Falling	-3%	Below Rising
NASDAQ	CCMP	-2.8%	-3.1%	↓		8%		5.0	-4%	Below Falling	-1%	Below Rising
xUS SmlCap	GCLDWXUS	-1.6%	-2.4%	↓		10%		1.5	-2%	Below Falling	2%	Above Rising
STOXX 50	SX5E	-2.2%	-4.6%			14%		1.5	-5%	Below Falling	-3%	Below Rising
Swiss SMI	SMI	-1.6%	-2.4%			8%		1.5	-1%	Below Falling	1%	Above Rising
Mexican IPC	MEXBOL	-1.0%	-1.9%			3%		5.5	-4%	Below Falling	-2%	Below Falling
MSCI EM	GDLEEGF	-1.1%	-3.3%			8%		15.5	-7%	Below Falling	-8%	Below Falling
Taiwan TWSE	TWSE	0.1%	-3.3%			9%			-10%	Below Falling	-13%	Below Falling
Spanish IBEX	IBEX	-1.8%	-3.3%			8%		1.5	-4%	Below Falling	-3%	Below Rising
Italian MIB	FTSEMIB	-2.6%	-4.2%			6%		1.5	-3%	Below Falling	2%	Above Rising
ACWI	MXWD	-1.6%	-2.7%	↓		4%		7.0	-4%	Below Falling	-4%	Below Falling
Hong Kong HSI	HSI	-1.8%	-5.3%			8%		8.0	-10%	Below Falling	-10%	Below Falling
MSCI Sml Cap	MXWOSC	-1.8%	-2.3%	↓		1%		6.0	-4%	Below Falling	-2%	Below Rising
MSCI EAFE	NDDLEAFE	-1.5%	-3.2%	↓		2%		1.5	-4%	Below Falling	-1%	Below Rising
Korean KOSPI	KOSPI	-1.3%	-3.5%	↓		2%		7.0	-6%	Below Falling	-5%	Below Falling
UK FTSE 100	UKX	-0.6%	-3.1%			2%		7.5	-4%	Below Falling	-6%	Below Falling
S&P 500	SPX	-2.1%	-2.3%	↓		0%		6.5	-3%	Below Falling	-2%	Below Rising
Russell 2000	RTY	-2.5%	-2.7%			-1%		6.5	-6%	Below Falling	-4%	Below Rising
French CAC	CAC	-2.1%	-4.1%			-2%		1.5	-4%	Below Falling	0%	Below Rising
ACWI xUSA	MXWDU	-1.0%	-3.1%	↓		-2%		7.5	-5%	Below Falling	-6%	Below Falling
Bovespa	IBOV	0.1%	-2.8%			-5%			-9%	Below Falling	-10%	Below Falling
Indian SENSEX	SENSEX	-1.2%	-1.6%			-2%			-1%	Below Rising	-1%	Below Falling
MXWO xUSA	MSDLWXUS	-1.6%	-3.3%	↓		-3%		6.0	-4%	Below Falling	-2%	Below Rising
Russian MICEX	MICEX10	1.1%	-1.9%			-5%			1%	Above Rising	4%	Above Rising
S&P/TSX Sml	SPTSXS	-0.9%	-1.8%	↓		-6%		26.0	-7%	Below Falling	-10%	Below Falling
German DAX	DAX	-2.3%	-5.3%			-11%		7.0	-7%	Below Falling	-5%	Below Rising
DJIA	INDU	-2.1%	-2.4%	↓		-5%		9.5	-4%	Below Falling	-5%	Below Falling
CDN Vegas	SPTSXVEN	-1.7%	-4.7%			-20%		49.0	-13%	Below Falling	-19%	Below Falling
S&P/TSX	SPTSX	-2.1%	-3.5%	↓		-11%		8.0	-5%	Below Falling	-7%	Below Falling
ASX	AS51	-1.7%	-1.8%	↓		-16%		8.0	-5%	Below Falling	-6%	Below Falling

Figure 3: [Shanghai Composite Index](#)



Figure 4: [North American IG Corporate Credit Risk](#)



Figure 5: [U.S. 10y Breakeven Rate](#)



Figure 6: [U.S. Dollar Index \(Top\)](#) and [Euro \(Bottom\)](#)



Trends & Inflection Points

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Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Gold From a Canadian Perspective



- Signaling came intraday yesterday.
 - Before the dovish FOMC minutes when equity markets were seeing red, the ‘safe haven’ treasury market was not getting the safe haven flows, quite the opposite was true.
 - The U.S. 30y bond, which [we see as a good switch into candidate while credit and crude continue to sour](#), sold off, with yields rising to a six-day high.
 - Post-FOMC minutes, bonds rallied hard, with the [TLT breaking back above its downtrend](#).
 - Gold, on the other hand, won and retained its safe haven bid. Gold demand, well, it won a bit of respect.
- From a U.S. dollar perspective, gold is undergoing a counter-trend rebound ([see p 13](#)). From a Canadian perspective, it’s breaking a downtrend – Figure 1.
- From a Canadian (i.e., [petrocurrency](#)) perspective, [gold in loonie terms has based, has not made a lower low for two years, and is breaking above a downtrend](#) – Figure 2.
- If you want to own gold via stocks;
 - the [momentum buy list for gold shares](#) is skinny, but the leadership of what the market is rewarding is shown in Figure 3; and
 - there are [nine gold shares breaking above downtrends, with Goldcorp being the one that did so on volume yesterday](#) – Figure 4.

Figure 1: [Gold in Major Currencies](#)

Name	1-Day Chg (%)	5-Day Chg (%)	Chg Last Day	Reward /Risk	Trend Slope	Hi (Mo)	Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend
in JPY	0.9%	0.5%			7%	1.0		0%	Below Falling
in AUD	1.3%	1.3%			-4%	1.0		1%	Above Rising
in USD	1.4%	0.8%			-10%	1.0		0%	Below Falling
in CAD	2.0%	2.0%	↑	↑	-8%	2.5		2%	Above Rising
in EUR	0.6%	1.2%			-16%	1.0		-1%	Below Falling
in CHF	0.2%	-0.2%			-15%			1%	Above Falling
in GBP	1.3%	0.4%			-24%	1.0		-1%	Below Falling

Figure 2: [iShares Gold Trust in C\\$ \(IGT CN\)](#)



Figure 3: [Gold Momentum Buys](#)

Symbol	Name	Country	Grp RS	LT Price	Price Trend	H / L	Close 19-Aug	1-day Equity Chg (%)	5-day Equity Chg (%)	MktCap (US\$)	Chg Last Day	Price Trend	Trend Slope	Hi (Mo)	Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend
CNL CN	Continental Gold	Bermuda	6	10	1		3.14	4.0%	-2.2%	310			195%			10%	Above Rising
KDX CN	Klondex Mines Ltd	Canada	6	5	2	H	3.57	4.7%	2.3%	349			77%	48.0		10%	Above Rising
GUY CN	Guyana Goldfields	Canada	6	9	2	*	4.20	3.4%	-1.6%	484			59%			10%	Above Rising
AKG CN	Asanko Gold	Canada	6	10	3		2.39	5.3%	0.4%	359			41%	1.0		11%	Above Rising
DGC CN	Detour Gold	Canada	6	9	3	*	14.74	2.7%	0.1%	1,919			38%	1.0		7%	Above Rising

Figure 4: [Gold Shares Breaking Above Downtrends](#)

Symbol	Name	Country	Grp RS	LT Price	Price Trend	H / L	Close 19-Aug	1-day Equity Chg (%)	5-day Equity Chg (%)	MktCap (US\$)	Chg Last Day	Price Trend	Trend Slope	Hi (Mo)	Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend
EDV CN	Endeavour Mining	Cayman	6	10	6		0.62	5.1%	0.0%	195	↑	↑	-12%	1.5		9%	Above Rising
PVG CN	Pretium Resources	Canada	6	10	7		7.39	6.9%	1.9%	752	↑	↑	-17%	2.5		11%	Above Falling
R CN	Romarco Minerals	Canada	6	10	8		0.60	5.3%	3.4%	569		↑	-51%	7.0		35%	Above Rising
PG CN	Premier Gold Mines	Canada	6	9	8		2.35	0.9%	-0.8%	306		↑	-35%			7%	Above Falling
SSL CN	Sandstorm Gold	Canada	6	9	9		3.90	3.7%	-2.0%	353	↑	↑	-39%			6%	Above Falling
SMF CN	SEMAFO Inc	Canada	6	10	8		3.44	4.9%	-0.3%	772	↑	↑	-42%			8%	Above Falling
MUX US	McEwen Mining	U. S.	6	10	9		0.96	4.0%	1.1%	263		↑	-49%	1.5		13%	Above Rising
PGIL LN	Polyus Gold International	Jersey	6	8	7	*	188.00	-0.5%	2.3%	8,941		↑	-20%			6%	Above Rising
G CN	Goldcorp Inc	Canada	6	10	10		19.85	2.9%	0.5%	12,570	↑	↑	-57%	1.0		3%	Above Falling

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

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Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Russell 2000 Technology – Further Breakdowns



- [The Russell 2000 technology index](#), which was in the clear and making higher highs and lows until June, broke the uptrend in July, and yesterday broke to a first lower low, and took out the 200d MA – Figure 1.
- We've been pointing out the weakness in the credit markets [recently](#), and in technology the weakness is advanced, with [high yield bonds now trending lower](#) – Figure 2.

- In our view, momentum investors ought to raise cash and step to the sidelines:
 - One-third of Russell 2000 technology stocks in price uptrends have broken their trends. We highlight the largest 20 index members in Figure 3, and the [full list at this link](#).
- Not able to step to the sidelines? Here is a short list of Russell 2000 tech stocks trying to break above downtrends – [see link](#).

Figure 1: [Russell 2000 Technology Index](#)

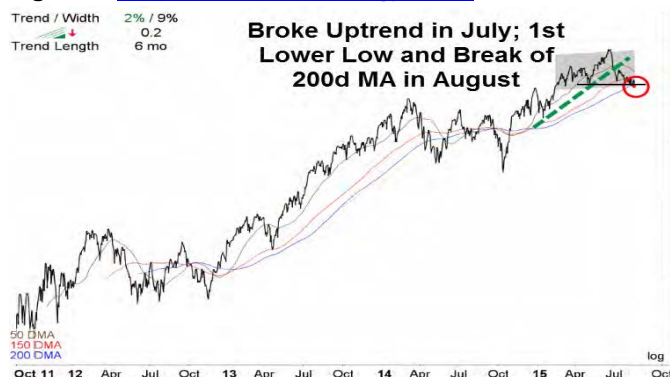


Figure 2: [Technology High Yield Bond Price Index](#)

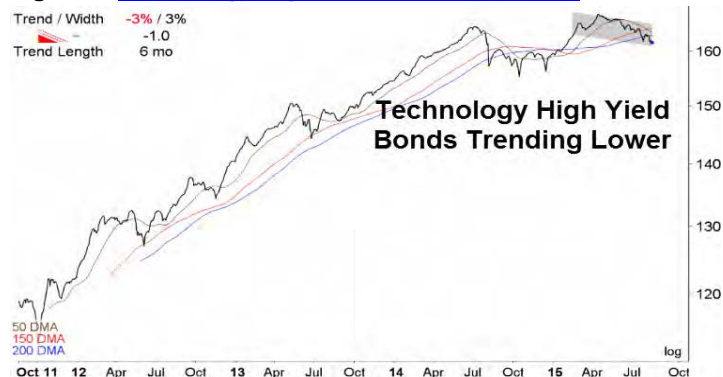


Figure 3: Largest 20 Russell 2000 Technology Members Breaking Price Uptrends – [See Link for Full List](#)

Symbol	Name	Sub Industry	Grp RS	1-day Equity Chg (%)	5-day Equity Chg (%)	MktCap (US\$)	Chg Last Day	Price Trend	Trend Slope	Hi (Mo)	Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	%Chg wrt 150d MA	Chg wrt 150 Day MA Trend	Boll Band	Boll Band Width	RSI Dly
GIMO US	Gigamon Inc	SystemSwr	4	-2.4%	0.5%	877	↓	↓	254%			-15%	Below Falling	12%	Above Rising	BELOW	294%	40
HUBS US	HubSpot Inc	ApplicSwr	1	-2.0%	-2.0%	1,583		↓	113%			-7%	Below Falling	12%	Above Rising	BELOW	173%	39
AVG US	AVG Technologies	SystemSwr	4	-1.9%	-3.6%	1,282		↓	79%		3.5	-11%	Below Falling	7%	Above Rising	BELOW	346%	29
PCTY US	Paylocity Holding Corporation	ApplicSwr	1	-8.6%	-9.6%	1,636	↓	↓	72%		3.0	-10%	Below Falling	7%	Above Rising	OSOLD	51%	37
AZPN US	Aspen Technology	ApplicSwr	1	-0.4%	-7.2%	3,294		↓	55%			-11%	Below Falling	-1%	Below Rising	OSOLD	120%	33
CVG US	Convergys Corp	DataProc	1	-0.6%	0.6%	2,284		↓	45%			-7%	Below Falling	3%	Above Rising	BELOW	196%	35
IDTI US	Integrated Device Technology	Semi	10	-8.0%	-7.7%	2,675		↓	64%		7.0	-14%	Below Falling	-10%	Below Rising	OSOLD	72%	35
MTSI US	M/A-COM Technology Solutions	Semi	10	-4.6%	-3.4%	1,699		↓	77%			-10%	Below Falling	-3%	Below Rising	BELOW	75%	42
NSIT US	Insight Enterprises	TechDist	9	-1.8%	-1.3%	977	↓	↓	38%			-9%	Below Falling	-2%	Below Rising	BELOW	82%	38
EIGI US	Endurance Intl	InetSftSrv	6	-1.9%	-5.1%	2,127	↓	↓	49%		8.0	-20%	Below Falling	-16%	Below Falling	BELOW	232%	22
MKSI US	MKS Instruments	SemiEqp	10	-2.8%	-2.7%	1,857	↓	↓	14%		3.5	-5%	Below Falling	-3%	Below Falling	BELOW	54%	37
IDCC US	InterDigital	ComEquip	6	-1.8%	-1.4%	1,785		↓	18%			-11%	Below Falling	-6%	Below Rising	BELOW	218%	29
GOGO US	Gogo Inc	InetSftSrv	6	-0.9%	-3.4%	1,398	↓	↓	27%		6.0	-17%	Below Falling	-12%	Below Falling	BELOW	126%	30
FCS US	Fairchild Semiconductor	Semi	10	-2.7%	-2.1%	1,636		↓	22%		9.5	-14%	Below Falling	-18%	Below Rising	BELOW	123%	34
CUDA US	Barracuda Networks	SystemSwr	4	0.0%	-1.1%	1,394		↓	28%			-22%	Below Falling	-29%	Below Falling	BELOW	112%	32
PMCS US	PMC-Sierra	Semi	10	-2.0%	-3.3%	1,236		↓	18%		18.5	-19%	Below Falling	-26%	Below Falling	BELOW	258%	28
SLAB US	Silicon Laboratories	Semi	10	-3.1%	-0.8%	1,855	↓	↓	10%			-15%	Below Falling	-13%	Below Falling	BELOW	280%	32
BDC US	Belden Inc	ElecComp	10	0.5%	1.5%	2,366		↓	12%			-24%	Below Falling	-31%	Below Falling	BELOW	420%	26
QLGC US	QLogic Corp	HdwSt&P	10	-0.7%	0.0%	822		↓	10%			-24%	Below Falling	-30%	Below Falling	BELOW	527%	30
SYNA US	Synaptics Inc	Semi	10	-2.6%	-3.1%	2,627	↓	↓	6%		6.5	-16%	Below Falling	-10%	Below Rising	BELOW	105%	29

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Trends & Inflection Points

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[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Got Bonds? Flat & Skinny 500 vs. Pivoting TLT



[CLICK HERE](#)

- The [current trend on the S&P 500 gives you a return of just 1%. It's flat, and it's skinny](#) – Figure 1.
- The [current pivot on long bonds is to the positive](#) – Figure 2.
- Taken together, [long bonds have started to outperform the equity market](#) – Figure 3, top.
 - This coincided with the [yield curve topping out. It is now flattening once again](#) – Figure 3, middle.
 - This coincided with [oil exploring new space](#) – Figure 3, bottom.
 - The deflationary trade continues this morning with [copper](#) breaking below \$2.30.
 - Not to mention, that the North American credit market (both [IG](#), and [HY](#)) has turned [unfriendly, and we don't see equities pricing this risk in yet](#).
- Got [bonds](#)?

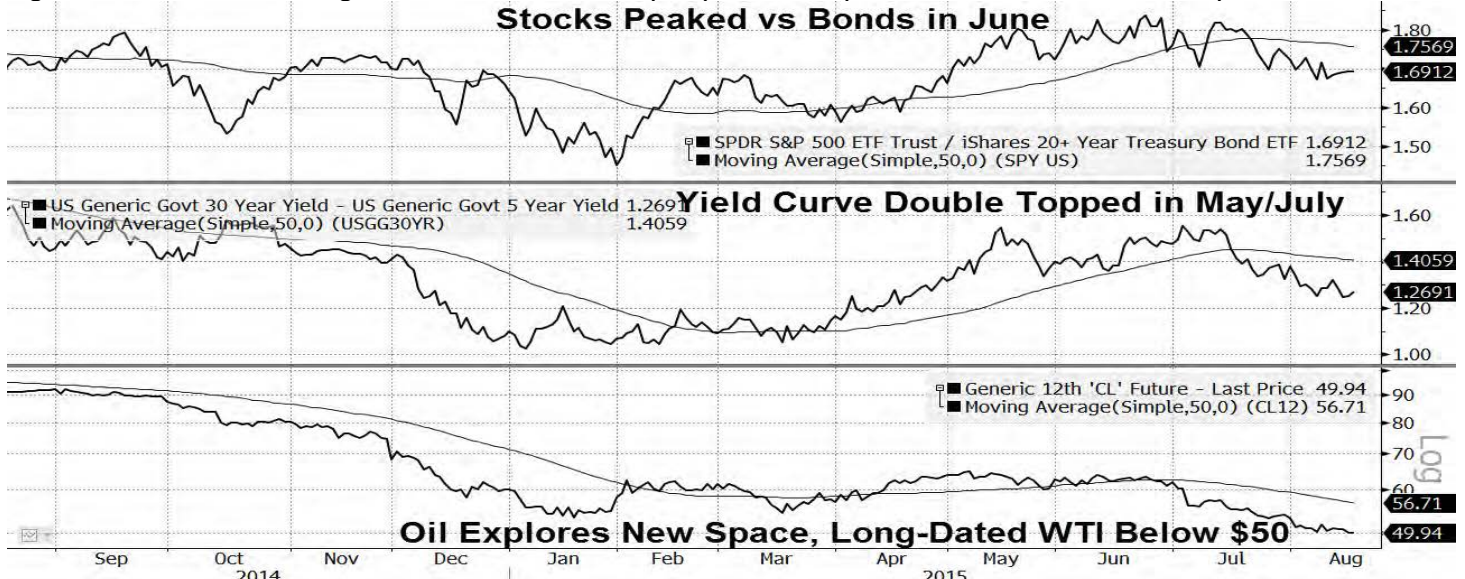
Figure 1: [Trend on S&P 500](#)



Figure 2: [Trend on Long-Term Treasury ETF \(TLT\)](#)



Figure 3: U.S. Stocks vs. Long Bonds; U.S. Yield Curve (30-5); Crude Oil (12m Continuation Series on WTI)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

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 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Banks and Credit – Divergent yet Correlated



CLICK HERE

- [Credit protection costs are on the rise](#), yet [according to the headlines](#), equity markets don't care.
- Behind the scenes, equities care very much.
- The correlation of returns for the U.S. Bank ETF (KBE) and the Markit North American Investment grade 5yr CDS (cost to protect a basket of IG bonds from default) are just as strong as they typically are – Figure 1 bottom. It's just that on a price basis, they have diverged – Figure 1 top.
- [U.S. banks have been consolidating gains, and are breaking an outperforming trend vs. U.S. financials](#) (as [REITs break to the upside](#)). On a price basis, they have formed a consolidation pattern (a pennant), which was breaking to the downside last week.
 - With credit risk remaining high, and [yield curves](#) continuing to edge lower this morning, we expect the bank consolidation pattern to continue to break down.
 - Mind the gap – Figure 1.

Figure 1: U.S. Bank ETF (KBE US) and CDX North American Investment Grade 5Yr CDS (Inverted Scale)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

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 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Sector Shifts as High Yield Energy Breaks No Bid Low



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- We've been waiting for this breakdown for some time, but yesterday the [high yield bond market for energy broke below the no-bid carnage level of Q4 last year](#) – Figure 1.
- Also yesterday, the [High Yield bond ETF](#) started to break down from what is a two-year double top – Figure 2.
- If you own blue chips, and consider yourself immune, reconsider that position. The [cost to insure a basket of North American investment grade bonds](#) has bottomed and is trending higher – Figure 3.
- In this context, when we observe the snapshot of what the market is rewarding and disregarding our [global relative strength breadth heat map](#), we find the sectors shifting towards defense – Figure 4.
 - [Utilities](#) is making a quick jaunt through the neutral zone, and is now positive, so [Monday's call to be at least market weight the sector](#), may be upped to overweight.
 - [Health Care](#), which has been the momentum star for the year, is losing some of this momentum, and the fact that [Health Care growth is breaking down vs value](#), shows the defensive positioning taking place within the sector.
 - Resources, well [you know, you know](#).

Figure 1: [High Yield Energy Bond Index](#)



Figure 2: [High Yield Corporate Bond Fund](#)



Figure 3: [Markit North American Investment Grade CDS Index](#)

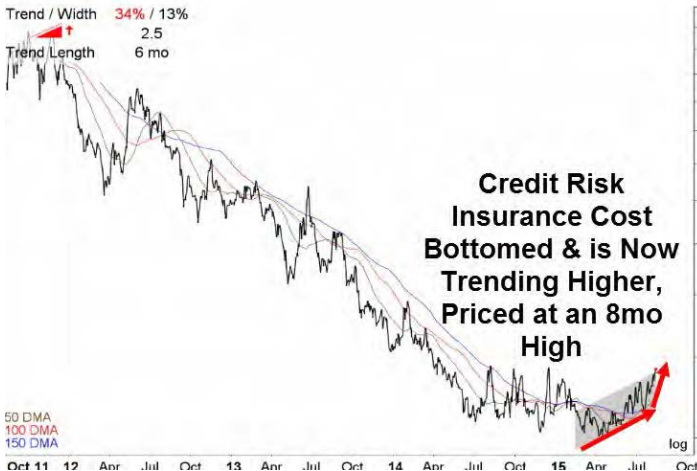
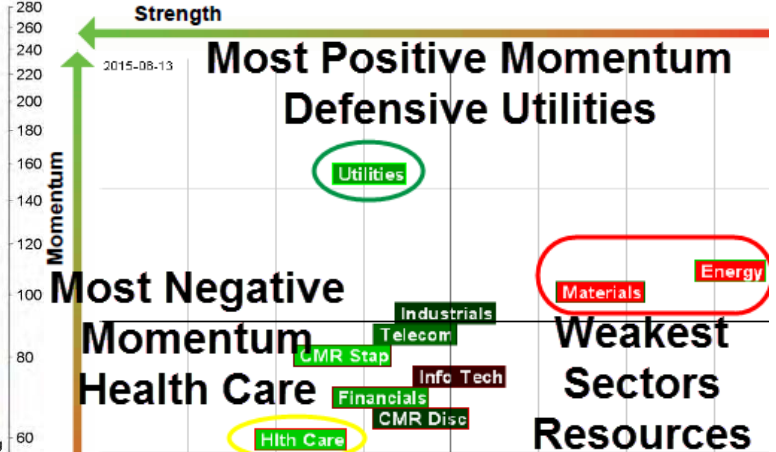


Figure 4: [Sector Relative Strength Breadth Heat Map](#)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

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August 13, 2015

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[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

21 of the Best Global Stocks



CLICK HERE

There is a lot of back and forth in the wake of the Chinese devaluation this week, and while yes, the move brings up [new stresses](#), no, the signaling that China is slowing is [nothing new](#). As stresses ease this morning, mean reversion takes place, with higher rates, a stronger dollar, and a lower gold price. Where we don't see mean reversion is on breakeven rates, which continue to press lower (did we mention that China was slowing?).

Not wanting to be caught up in mean reversion, we highlight [MSCI World Stocks in outperforming trends against the market and sector, in a subindustry that our breadth analysis picks up as 1st decile, with our earnings growth filter applied](#). It's a tight list of 21 of the best global stocks, and it's a good time to ask do you have them, and if not, should you have them?

Figure 1: MSCI World Members in Outperforming Trends vs MSCI World, and Their Sector, In 1st Decile SubIndustries, With Our Earnings Growth Filter Applied

Symbol	Name	Sub Industry	Grp	EE	1-day Equity Chg (%)	5-day Equity Chg (%)	MktCap (US\$)	Chg Last Day	MSCI World Lcl N	Trend Slope	RS Hi (Mo)	RS Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	RSI Dly
AIA NZ	Auckland International Airport	AirprtSrv	1	3	-0.4%	-3.3%	4,142	↗	▲	45%			2%	Above Rising	48
4739 JP	Itochu Techno-Solutions	ITConsult	1	3	-1.1%	1.7%	2,854		▲	64%			-2%	Below Falling	46
FRE GR	Fresenius SE & Co KGaA	HCSERVICE	1	2	-0.2%	-2.6%	38,433		▲	46%			5%	Above Rising	55
EA US	Electronic Arts	HmEntSwr	1	2	-0.1%	-1.9%	22,982		▲	61%			7%	Above Rising	59
8725 JP	MS&AD Insurance Group	P&C Insur	1	2	0.5%	5.9%	20,971		▲	48%			7%	Above Rising	63
8630 JP	Sompo Japan Nipponkoa	P&C Insur	1	1	-2.1%	-0.7%	14,515		▲	58%			-1%	Below Falling	48
ATVI US	Activision Blizzard	HmEntSwr	1	2	0.7%	-0.2%	20,894		▲	38%	48.0		11%	Above Rising	72
3659 JP	Nexon Co Ltd	HmEntSwr	1	1	-6.4%	-4.4%	5,503		▲	68%		1.0	-6%	Below Falling	37
SEE US	Sealed Air	PaperPkg	1	2	-1.0%	-2.5%	11,124		▲	34%			4%	Above Rising	57
ESRX US	Express Scripts Holding	HCSERVICE	1	3	-0.6%	-1.9%	60,140		▲	14%			-1%	Below Rising	46
TSO US	Tesoro Corp	OG RfMkt	1	1	0.0%	11.5%	13,464		▲	38%	48.0		18%	Above Rising	77
FRC US	First Republic Bank	RegionBnk	1	3	-1.5%	-1.8%	8,917		▲	21%			-1%	Below Rising	46
ATO FP	AtoS	ITConsult	1	2	-1.8%	-4.5%	7,815		▲	19%			-2%	Below Falling	40
7974 JP	Nintendo	HmEntSwr	1	1	-1.5%	5.7%	27,749		▲	68%			15%	Above Rising	69
HFC US	HollyFrontier	OG RfMkt	1	1	0.0%	8.7%	10,141		▲	36%	15.0		20%	Above Rising	77
VLO US	Valero Energy	OG RfMkt	1	1	-0.3%	8.3%	34,892		▲	30%	48.0		11%	Above Rising	68
CTSH US	Cognizant Technology Solution	ITConsult	1	3	-0.5%	0.2%	41,125	↘	▲	17%	48.0		7%	Above Rising	69
SYD AU	Sydney Airport	AirprtSrv	1	1	0.2%	-1.6%	9,325	↑	▲	16%	48.0		6%	Above Rising	61
6367 JP	Daikin Industries	BldPrdcts	1	2	-2.9%	-0.4%	19,630		▲	21%			-5%	Below Falling	46
PGR US	Progressive Corp	P&C Insur	1	2	-0.3%	0.4%	18,076		▲	3%	22.0		6%	Above Rising	65
9766 JP	Konami Corp	HmEntSwr	1	2	-0.5%	1.2%	2,978		▲	3%			7%	Above Rising	58

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

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 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Macro Shifts as China Devalues



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As [China devalued yesterday, and again last night](#), we zone-in on some “severed trends last day.” These are the macro shifts taking place. Our system offers signaling. We offer our colour.

1. On the volatility front, the [Canadian VIX and EM currency volatility](#) broke above downtrends. **On the Canadian front, we would feed the ducks here and sell volatility.** The China devaluation is pushing the U.S. 2yr lower, feeding a “one and done” maneuver for U.S. rate cut expectations, helping EUR to rally, which should help to take a bit of downside pressure off of commodities. Over the short term, this vol should reset lower after a rough start this morning.
2. On the rate front, the [U.S. 10 and 30y bond yields broke uptrends, leaving the 2yr standing alone](#) (one and done indeed). Long bonds or U.S. equities? **Since [the curve](#) started to flatten, [TLT](#) looks better.**
3. On the [global industry front](#), and with the exception of the strength in airlines, these are all yield curve adjustments. **We recommend rotating from banks into real estate, and adding to utilities.**
4. On the [regional sector front](#), shifts continue out of technology, and into utilities. **Again, we would go with the flow here. There is technology being rewarded, and disregarded – be very selective.**

Figure 1: [Severed Trends Last Day on Implied Volatility Gauges](#) (available daily within [BMO Macro](#))

SPTSX VIX	VIXC	17.0%	6.7%	↑		-53%	3.0	21%	Above Rising	3%	Above Rising
EM FX	JPMVXYEM	16.8%	16.6%	↑		-30%	5.0	20%	Above Rising	12%	Above Rising

Figure 2: [Severed Trends Last Day on U.S. Rates](#) (see [Global 10y Yields here](#), and [Global 30y Yields here](#))

Name	Symbol	1-Day Chg (%)	5-Day Chg (%)	Chg Last Day	Reward /Risk	Trend Slope	Hi (Mo)	Low (Mo)	Chg wrt 50Day MA	Chg wrt 50 Day MA Trend	Chg wrt 200d MA	Chg wrt 200 Day MA Trend
US 30	USGG30YR	-3.0%	-3.0%	↓		53%		3.5	-8.3%	Below Falling	0.1%	Above Falling
US 10	USGG10YR	-3.9%	-3.6%	↓		50%		2.5	-7.8%	Below Falling	0.3%	Above Falling

Figure 3: [Severed Trends Last Day on Global Industries](#) (available daily within [Sector & Industry Report](#))

Name	Chg Last Day	Reward /Risk	Trend Slope	RS Hi (Mo)	RS Low (Mo)	1-day RS Chg(%)	5-day RS Chg(%)	%Chg wrt 50d RS MA	Chg wrt 50-d RS MA Trend	%Chg wrt 200d RS MA	Chg wrt 200-d RS MA Trend
Capital Markets vs. MSCI World	↓		20%		1.0	-0.4%	-0.7%	-0.2%	Below Rising	2.8%	Above Rising
Banks vs. MSCI World	↓		12%		1.0	-0.2%	-0.4%	-0.5%	Below Rising	1.0%	Above Falling
Diversified Telecom vs. MSCI World	↑		-2%	6.0		0.7%	0.6%	1.7%	Above Rising	1.8%	Above Rising
Multi-Utilities vs. MSCI World	↑		-10%	5.5		0.9%	2.0%	2.9%	Above Rising	-1.8%	Below Falling
Airlines vs. MSCI World	↑		-23%	3.0		0.7%	0.2%	3.7%	Above Rising	0.0%	Below Rising
Real Estate Investment Trusts vs. MSCI World	↑		-22%			0.9%	0.6%	2.5%	Above Rising	-1.5%	Below Falling

Figure 4: [Severed Trends Last Day on Regional Sectors vs Local Markets](#) (available daily within [Sector & Industry Report](#))

Name	Chg Last Day	Reward /Risk	Trend Slope	RS Hi (Mo)	RS Low (Mo)	1-day RS Chg(%)	5-day RS Chg(%)	%Chg wrt 50d RS MA	Chg wrt 50-d RS MA Trend	%Chg wrt 200d RS MA	Chg wrt 200-d RS MA Trend
Technology vs. MSCI World Small Cap	↓		6%			-0.7%	0.1%	-1.3%	Below Falling	-0.2%	Below Rising
Technology vs. Russell MidCap	↓		3%			-0.7%	0.0%	-2.2%	Below Falling	-1.7%	Below Rising
Utilities vs. Russell 1000 Value	↑		-7%	4.0		1.1%	1.4%	3.2%	Above Rising	-0.2%	Below Falling
Utilities vs. S&P 500	↑		-11%			1.3%	2.3%	3.9%	Above Rising	-1.0%	Below Falling
Utilities vs. Russell 2000 Value	↑		-10%			0.8%	1.3%	1.9%	Above Falling	-1.7%	Below Falling

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

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 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Health Care – Cycling Back to Neutral



- Our [relative strength breadth reading for Health Care](#) has cycled from strongly positive to neutral for years now. It is cycling back to neutral, as [staples gain](#), and [utilities climb out of a negative reading](#) – Figure 1.
- With the [credit market becoming unfriendly](#) (and yes the safe haven bid to [bonds](#) is back again this morning as [China devalues the most since the 1990s](#), the EM FX basket crumbles, and yes even the U.S. 2yr catches a bid, off 4bps this AM), we are going to ditch relative strength for a moment to detail price trends (you can't buy much with relative strength gains that are absolute losses). [Health Care indices are trending higher, but are starting to break steep uptrends, and fall below their 50d MAs](#) – Figure 2.
- If you own [health care via an ETF](#), you see the same weakness – Figure 3.
- [Health Care Growth broke trend vs. Value yesterday](#) – Figure 4.
- The easiest stocks to reduce positions on are [the overbought shares](#) highlighted in Figure 5.

Figure 1: [Global Health Care Relative Strength Breadth Z-Score](#) Figure 2: [Price Trends on Health Care Indices](#)



Breaking Price Trends & Falling Below 50d MAs

Index	Trend Slope	1 day Price Chg (%)	5 day Price Chg (%)	%Chg wrt 50d Price MA	Chg wrt 50 d Price MA Trend
S&P/TSX Health Care	165%	-1.3%	-4.1%	5.8%	Above Rising
MSCI World Small Cap Health Care	40%	0.7%	2.2%	0.5%	Above Rising
Russell 2500 Health Care	50%	0.6%	-2.5%	-0.4%	Below Rising
Russell MidCap Health Care	41%	0.6%	-2.3%	-0.2%	Below Rising
Russell 2000 Health Care	50%	0.7%	-3.1%	-1.4%	Below Rising
S&P 500 Health Care	19%	0.8%	-0.8%	0.6%	Above Rising
MSCI World Health Care	23%	0.6%	-0.8%	1.4%	Above Rising
MSCI EAFE Health Care	19%	1.1%	-0.3%	3.1%	Above Rising
MSCI Europe Health Care	21%	1.1%	-0.2%	3.9%	Above Rising
MSCI EM Health Care	17%	0.1%	1.7%	-1.1%	Below Falling

Figure 3: [Price Trends on Health Care ETFs](#)

Symbol	Name	1-day Equity Chg (%)	5-day Equity Chg (%)	MktCap (US\$)	Vol (%)	Chg Last Day	Price Trend	Trend Slope	Hi (Mo)	Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	%Chg wrt 150d MA	Chg wrt 150 Day MA Trend	Boll Band	Boll Band Width	RSI Dly
IBB US	Nasdaq BioTech ETF	0.7%	-2.8%	9,267	1.48		↓	52%			-1%	Below Rising	5%	Above Rising	BELOW	86%	44
XLV US	US Health Care ETF	0.8%	-0.8%	16,001	0.94		↑	19%			1%	Above Rising	4%	Above Rising	BELOW	86%	50
IXJ US	GBL Health Care ETF	1.0%	-0.5%	1,725	0.86		↑	21%			1%	Above Rising	4%	Above Rising	ABOVE	101%	53
BBH US	MV Biotech ETF	0.9%	-2.4%	826	1.46		↑	32%			0%	Below Rising	4%	Above Rising	BELOW	115%	46
XPH US	US Pharmaceuticals ETF	0.3%	-4.7%	1,125	1.28		↓	34%			-3%	Below Rising	1%	Above Rising	BELOW	122%	37

Figure 4: [MSCI World Health Care Growth vs. Value](#)



Figure 5: [Overbought Health Care Stocks – See Full List Here](#)

Symbol	Name	Sub Industry	MktCap (US\$)	SPX	Trend Slope	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	RSI Dly
ABMD US	ABIOMED Inc	HCEquip	4,019	↑	43%	36%	Above Rising	88
4543 JP	Terumo Corp	HCEquip	10,945	↑	4%	19%	Above Rising	74
ICLR US	ICON PLC	LfSciSrv	5,129	↑	20%	19%	Above Rising	75
AMSG US	Amsurg Corp	HCFacility	4,040	↑	50%	17%	Above Rising	77
RDY US	Dr Reddy's Laborator	Pharma	11,547	↑	12%	17%	Above Rising	74
CHE US	Chemed Corp	HCSservice	2,570	↑	23%	13%	Above Rising	84
BCR US	CR Bard Inc	HCEquip	14,772	↑	8%	12%	Above Rising	78
1059987 JP	Suzuken Co Ltd/Aichi	HCDistrib	3,804	↑	36%	12%	Above Rising	71
EVHC US	Envision Healthcare	HCSservice	8,243	↑	-1%	12%	Above Rising	70
BAX US	Baxter	HCEquip	22,934	↑	-12%	11%	Above Rising	74

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

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 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Market Weight Utilities?



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- The [S&P 500 total return utilities index, which reversed a downtrend in July, broke back above its 150 and 200d MA on Friday](#) – Figure 1.
- And yes, the move dovetails with the renewed strength in the [long end of the U.S. curve](#).
- On a [relative strength basis](#), utilities bottomed when rates topped out at the start of 2014. The [time to consider that pattern as a major double bottom is now, with utilities just making its first new set of relative strength higher highs and lows](#) - Figure 2.
- In context:
 - Yields at the [long end of the U.S. curve are breaking to the downside](#) – Figure 3.
 - The [U.S. yield curve breaks down with it](#).
 - [Credit risk on the other hand is breaking to the upside](#). Safe haven assets are in demand, as risk assets are re-risking – Figure 4.
- Our [global relative strength breadth reading for utilities](#) just climbed back to neutral last week. This strength asks you – **are you market weight utilities?** – Figure 5.
- The [relative strength trend of utilities depends on your benchmark; however, what is common is that the sector is above a 50d relative strength MA, and on Friday the sector was likely to be poised at, at least, a 1mo relative strength high](#) – Figure 6.
- We highlight the [spectrum of S&P 500 utilities vs the 500](#) in Figure 7, and the [MSCI North American Utilities in outperforming trends against the utility sector](#) in Figure 8

Figure 1: [S&P 500 Total Return Utilities Index](#)



Figure 2: [US Utilities vs S&P 500 and US 10y Yield \(Inverted\)](#)



Figure 3: [U.S. 30-Year Bond Yield](#)



Figure 4: [North American Investment Grade Credit Risk](#)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Figure 5: [Global Utilities Relative Strength Z-Score](#)



Figure 6: [Relative Strength of Utilities vs Local Benchmarks](#)



Figure 7: [S&P 500 Utilities vs Utilities](#)

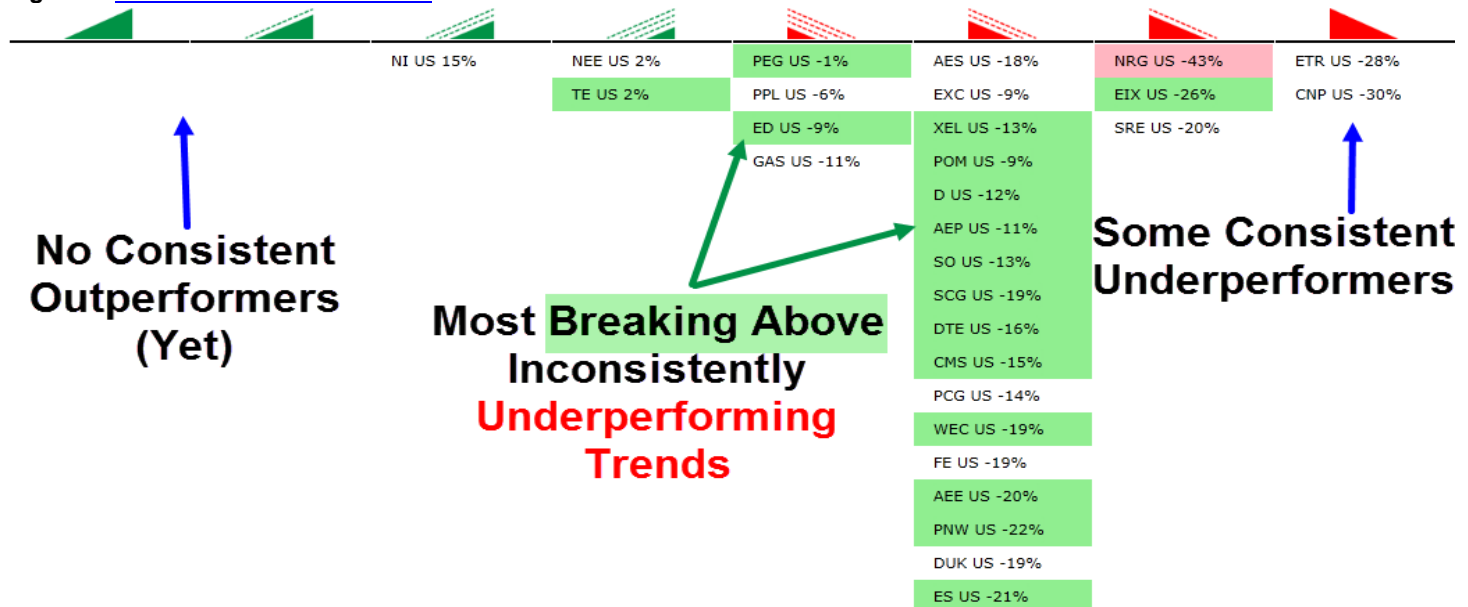


Figure 8: [MSCI North American Utilities in Outperforming Trends vs Sector](#)

Symbol	Name	Sub Industry	Grp RS	MktCap (US\$)	Chg Last Day	MSCI NAm Sector	Trend Slope	RS Hi (Mo)	RS Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	Boll Band	Boll Band Width	RSI Dly
PPL US	PPL Corp	ElecUtil	5	21,620		15%				5%	Above Rising	OBOT	97%	69
NEE US	NextEra Energy	ElecUtil	5	48,375		13%				5%	Above Rising	ABOVE	108%	65
PEG US	Public Service Enterprise Group	MultiUtil	4	21,469		17%	1.0			4%	Above Falling	OBOT	82%	62
XEL US	Xcel Energy	ElecUtil	5	17,879		12%	48.0			6%	Above Rising	OBOT	98%	68
POM US	Pepco Holdings Inc	ElecUtil	5	6,798		22%				0%	Above Rising	ABOVE	103%	53
D US	Dominion Resources	MultiUtil	4	42,993	↑	5%	17.5			5%	Above Rising	OBOT	99%	67
ED US	Consolidated Edison	MultiUtil	4	19,081		11%	35.5			8%	Above Rising	OBOT	115%	74
AEP US	American Electric Power Co	ElecUtil	5	27,849		8%				4%	Above Rising	ABOVE	68%	65
AWK US	American Water Works Co	WaterUtil	6	9,429		10%				3%	Above Falling	OBOT	76%	62
DTE US	DTE Energy	MultiUtil	4	14,565		6%				6%	Above Rising	OBOT	90%	66
AEE US	Ameren Corp	MultiUtil	4	10,220		5%				8%	Above Rising	OBOT	156%	72
PCG US	PG&E Corp	MultiUtil	4	25,872		3%				4%	Above Rising	ABOVE	71%	61
CMS US	CMS Energy	MultiUtil	4	9,465		2%				5%	Above Rising	ABOVE	63%	63
SCG US	SCANA Corp	MultiUtil	4	8,009		6%	6.0			7%	Above Rising	OBOT	90%	70
LNT US	Alliant Energy	MultiUtil	4	6,877		1%		1.5		3%	Above Falling	ABOVE	70%	56
SO US	Southern Co	ElecUtil	5	41,361		1%				5%	Above Rising	OBOT	114%	70

Trends & Inflection Points

August 7, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Credit Risk Trending Higher; Equity Risk = Return



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- Yesterday's most important data point came out before the equity open – [North American Investment Grade Credit Risk](#) broke out to the high of the year. Oh yes, and it is now trending higher – Figure 1.
- How many times in the past four years can we say investment grade credit risk is trending higher, making higher highs and lows? None. Let's be careful out there.
- Has the equity market reacted? Yes in that U.S. indices have flattened out. Our trend/width ratio (think of a Sharpe ratio, or information ratio) for the [dividend adjusted S&P 500](#) has been knocked down to 1. The market is trending higher at 4%/year, and you are suffering 4% swings to achieve that return.
 - Equity return = risk – Figure 2.
 - What is trending higher, with a slightly higher trend/width ratio? The [U.S. 7-10y bond ETF](#) – Figure 3. It's the long end of the curve, where the [30y yield has broken down](#), applying the most positive influence here. It's reacting to [falling inflation expectation](#), which is reacting to [weaker oil](#) (as [Saudi Arabia taps its market](#) for its lower for longer position). The [yield curve](#), in case you have not noticed, has broken to the downside – Figure 4.
- Recommendations? [Overweight staples](#). Switch [out of banks into REITS](#), avoid [resources](#), buy [USD denominated government bonds](#), understand that the [Otis Redding Collection](#) is [shrinking](#).

Figure 1: [North American Investment Grade Credit Risk](#)



Figure 2: [S&P 500 Dividend Adjusted Price Trend](#)



Figure 3: [U.S. 7-10y Bond ETF \(IEF US\)](#)



Figure 4: [U.S. Yield Curve: 30-5yr](#)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Trends & Inflection Points

August 6, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

You Need More Staples



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- We make no bones about it, you need more staples, because energy has not bottomed:
 - The sectors are at the opposite end of our sector relative strength breadth heat map – Figure 1.
 - Relative strength gains have tracked oil weakness – Figure 2.
 - And our relative strength breadth reading is the best it's looked in over 2.5 years – Figure 3.
- Name your benchmark, and staples are either in outperforming trends, or are breaking above underperforming trends - Figure 4.
- Getting the tilt right is important, and here too, growth staples trump value staples:
 - We highlight the large cap staples in outperforming trends vs both MSCI World and the staples sector (some are overbought) caught by our earnings growth filter in Figure 5.
 - We highlight the comparable list of global SMID stocks using the ACWI SmallCap index as the benchmark in Figure 6.

Figure 1: [Global Sector Relative Strength Breadth Heat Map](#)

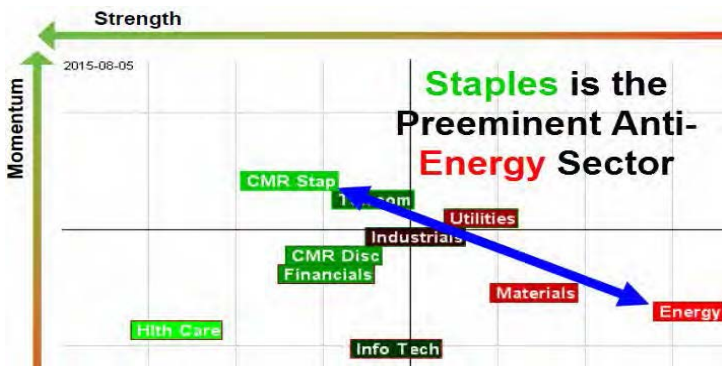


Figure 2: [World, SPX and R2k Staples RS vs. Oil \(Inverted\)](#)



Figure 3: [Consumer Staples Global Relative Strength Breadth](#)



Figure 4: [Staples vs. Local Markets](#)

Name	Chg Last Day	Reward /Risk	Trend Slope	RS Hi (Mo)	RS Low (Mo)	%Chg wrt 50d RS MA	Chg wrt 50-d RS MA Trend
Staples vs. Russell 2500			10%	48.5		2.3%	Above Rising
Staples vs. MSCI World Small Cap			8%			4.1%	Above Rising
Staples vs. S&P/TSX Composite			12%	48.5		5.3%	Above Rising
Staples vs. MSCI Europe			3%			1.5%	Above Rising
Staples vs. MSCI World			3%	6.0		3.2%	Above Rising
Staples vs. MSCI AC Asia			3%			5.9%	Above Rising
Staples vs. MSCI EAFE			2%			2.5%	Above Rising
Staples vs. MSCI EM			-1%	23.5		4.2%	Above Rising
Staples vs. S&P 500			-2%	6.0		3.4%	Above Rising
Staples vs. Russell MidCap			-2%	48.5		3.3%	Above Rising
Staples vs. Russell 2000			-11%	4.0		3.5%	Above Rising

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Figure 5: Outperforming Earnings Growth Staples vs. MSCI World

Symbol	Name	Country	Sub Industry	Grp RS	LT RS	RS	EE	MktCap (US\$)	Vol (%)	Chg Last Day	MSCI World Lcl G	Trend Slope	RS Hi (Mo)	RS Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	RSI Dly
2914 JP	Japan Tobacco	Japan	Tobacco	2	1	1	1	74,026	1.71			56%			3%	Above Falling	52
KIMBERA MM	Kimberly-Clark de Mexico	Mexico	HhldPrdct	1	6	1	3	3,731	1.60			41%	13.0		9%	Above Rising	68
WWAV US	WhiteWave Foods Co	U. S.	PkgFdMt	4	1	1	3	9,134	1.69			54%			6%	Above Rising	66
3088 JP	Matsumotokiyoshi Holdings	Japan	DrugRetail	1	1	1	1	2,770	2.11			72%			16%	Above Rising	63
4927 JP	Pola Orbis	Japan	PersPrdct	2	1	1	2	3,688	2.01			68%			13%	Above Rising	65
ORK NO	Orkla ASA	Norway	PkgFdMt	4	5	1	1	8,217	1.41			22%			5%	Above Rising	65
9989 JP	Sundrug Co Ltd	Japan	DrugRetail	1	1	1	2	3,959	1.99			54%			5%	Above Rising	55
USNA US	USANA Health Sciences	U. S.	PersPrdct	2	1	1	2	2,243	3.56			63%	48.0		31%	Above Rising	83
CPR IM	Davide Campari-Milano	Italy	Dist&Vnt	2	4	1	3	4,764	1.44			36%	20.5		8%	Above Rising	67
CVGW US	Calavo Growers	U. S.	PkgFdMt	4	3	2	2	976	2.14			48%			5%	Above Rising	60
7649 JP	Sugi Holdings	Japan	DrugRetail	1	1	2	3	3,281	1.56			30%			4%	Above Rising	57
RAI US	Reynolds American	U. S.	Tobacco	2	1	2	1	62,852	1.21			26%			14%	Above Rising	84
4452 JP	Kao Corp	Japan	PersPrdct	2	1	2	3	25,823	1.59			31%			7%	Above Rising	61
MNST US	Monster Beverage	U. S.	SoftDrnks	5	2	2	3	31,446	2.68			32%			12%	Above Rising	71
HEIA NA	Heineken NV	Netherlands	Brewers	2	4	2	3	48,469	1.40			21%	28.0		10%	Above Rising	74
2503 JP	Kirin Holdings	Japan	Brewers	2	3	2	1	13,866	1.35			18%			8%	Above Rising	71
ATD/B CN	Alimentation Couche-Tard	Canada	FdRetail	5	1	2	3	19,232	1.80			36%	48.0		12%	Above Rising	77
MGNT LI	Magnit PJSC	Russia	FdRetail	5	3	3	3	25,673	2.68			35%			2%	Above Rising	52
CASY US	Casey's General Stores	U. S.	FdRetail	5	3	3	1	4,113	1.55			16%	48.0		10%	Above Rising	74
SPB US	Spectrum Brands	U. S.	HhldPrdct	1	1	4	3	6,062	1.06			14%			2%	Above Rising	51
001800 KS	Orion Corp/Republic of Korea	South Korea	PkgFdMt	4	2	4	1	5,864	2.26			20%			1%	Above Falling	55
STZ US	Constellation Brands	U. S.	Dist&Vnt	2	1	4	2	21,215	1.15			3%	48.0		4%	Above Rising	69
IMKTA US	Ingles Markets	U. S.	FdRetail	5	3	4	1	728	2.63			12%	1.0		8%	Above Rising	68

Figure 6: Outperforming Earnings Growth SMID Staples vs. ACWI SmallCap Index

Symbol	Name	Country	Sub Industry	Grp RS	LT RS	RS	EE	MktCap (US\$)	Vol (%)	Chg Last Day	ACWI Sml	Trend Slope	RS Hi (Mo)	RS Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	RSI Dly
3088 JP	Matsumotokiyoshi Holding	Japan	DrugRetail	1	1	1	1	2,770	2.11			69%			16%	Above Rising	63
USNA US	USANA Health Sciences	U. S.	PersPrdct	2	1	1	2	2,243	3.56			61%	48.0		31%	Above Rising	83
4927 JP	Pola Orbis	Japan	PersPrdct	2	2	1	2	3,688	2.01			59%			13%	Above Rising	65
CPR IM	Davide Campari-Milano	Italy	Dist&Vnt	2	5	1	3	4,764	1.44			31%	12.5		8%	Above Rising	67
9989 JP	Sundrug Co Ltd	Japan	DrugRetail	1	3	1	2	3,959	1.99			44%			5%	Above Rising	55
KIMBERA MM	Kimberly-Clark de Mexico	Mexico	HhldPrdct	1	7	2	3	3,731	1.60			25%			9%	Above Rising	68
CVGW US	Calavo Growers	U. S.	PkgFdMt	4	2	2	2	976	2.14			46%	48.0		5%	Above Rising	60
IMKTA US	Ingles Markets	U. S.	FdRetail	5	1	4	1	728	2.63			10%	4.0		8%	Above Rising	68
DMND US	Diamond Foods	U. S.	PkgFdMt	4	10	4	3	1,006	1.97			6%			2%	Above Rising	52

Trends & Inflection Points

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Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Technology – The Divide & the Buys

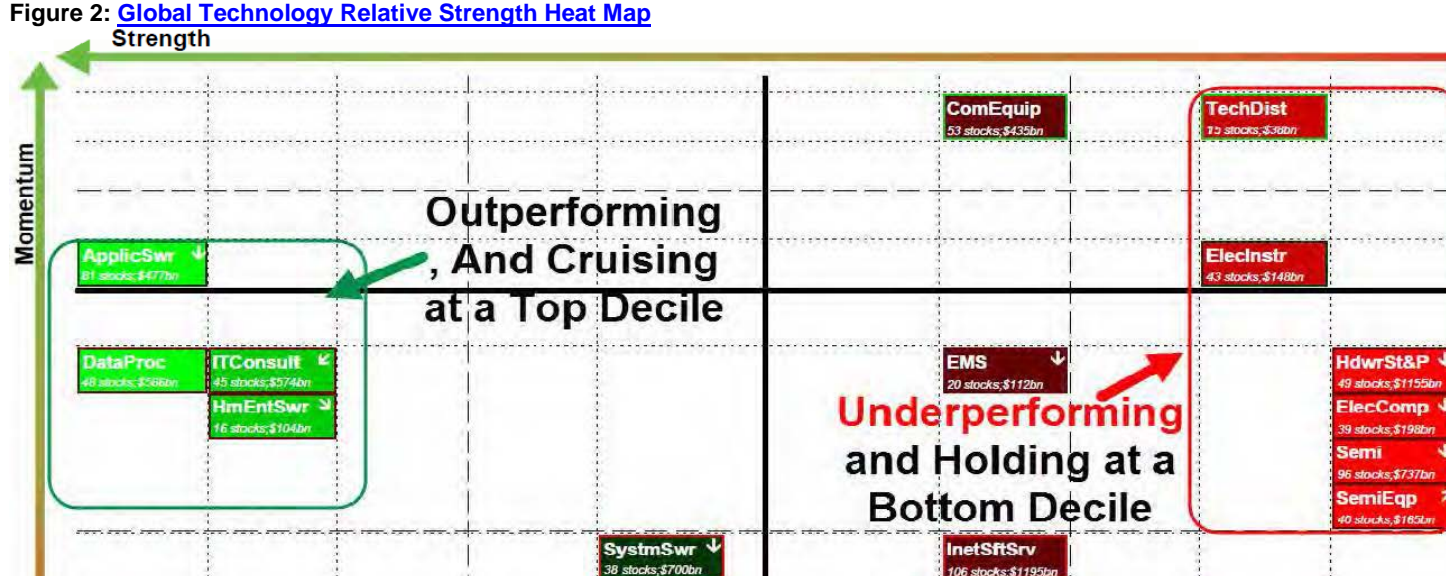


- Following up on [yesterday's note](#), showing the breakdown in [technology indices](#), we dig into the weeds, to [separate the outperformers \(IT Services, Software\), which show no signs of weakness, and the underperformers \(Communication equipment, hardware, semiconductors\), which show no signs of strength](#) – Figure 1.
- Our [relative strength breadth heat map for technology](#), not swayed the heavyweights (as indices in figure 1 would be), also shows the divide – Figure 2.
- Yesterday's stock list detailed short-selling candidates. For balance, and not to throw out the baby with the bath water, today we hone in on buy lists of what the market is rewarding within technology.
- From our [TMT](#) link;
 - [Momentum buys, in the best subindustries, with an earnings growth filter applied](#) (there is a [retrenchment, but not a break in the trend in IT growth vs value](#)) are detailed in Figure 3.
 - For bottom fishers, we highlight [stocks in the best subindustry, with an earnings filter applied, that are breaking above underperforming trends](#) – Figure 4.

Figure 1: [Technology Industries vs MSCI World](#)

Name	Chg Last Day	Reward /Risk	Trend Slope	RS Hi (Mo)	RS Low (Mo)	1-day RS Chg(%)	5-day RS Chg(%)	%Chg wrt 50d RS MA	Chg wrt 50-d RS MA Trend	%Chg wr: 200d RS MA	Chg wrt 200-d RS MA Trend
IT Services vs. MSCI World	↑	↑	7%			-0.1%	0.4%	1.2%	Above Rising	2.9%	Above Rising
Software vs. MSCI World	↑	↑	7%	1.5		0.7%	1.4%	1.1%	Above Rising	2.3%	Above Rising
Electronic Equipment, Instruments & Components vs. MSCI World	↓	↓	6%		9.5	-1.5%	-2.4%	-6.1%	Below Falling	-6.4%	Below Falling
Internet Software & Services vs. MSCI World	↑	↑	0%			-0.1%	-1.3%	5.5%	Above Rising	7.0%	Above Rising
Semiconductors & Semiconductor Equipment vs. MSCI World	↓	↓	-20%		14.0	-0.7%	-2.3%	-6.4%	Below Falling	-8.7%	Below Falling
Technology Hardware, Storage & Peripherals vs. MSCI World	↓	↓	-13%		9.5	-1.7%	-4.1%	-5.2%	Below Falling	-5.5%	Below Falling
Communications Equipment vs. MSCI World	↓	↓	-17%			-0.9%	-0.2%	-0.6%	Below Falling	-3.4%	Below Falling

Figure 2: [Global Technology Relative Strength Heat Map](#)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Figure 3: Technology Momentum Buys (vs ACWI IT) in Top SubIndustries, and an Earnings Growth Filter Applied

Symbol	Name	Country	Sub Industry	Grp RS	LT RS	RS	EE	MktCap (US\$)	Vol (%)	Chg Last Day	ACWI IT	Trend Slope	RS Hi (Mo)	RS Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend
CAP FP	Cap Gemini	France	ITConsult	2	3	1	2	16,328	1.65			56%			5%	Above Rising
GPN US	Global Payments	U. S.	DataProc	1	2	1	1	7,326	1.39	↑		41%	48.0		6%	Above Rising
PTEC LN	Playtech Plc	Isle of Man	HmEntSwr	2	2	1	1	4,512	1.76			52%			5%	Above Rising
EA US	Electronic Arts	U. S.	HmEntSwr	2	2	1	2	22,408	1.70			68%			6%	Above Rising
INFA US	Informatica	U. S.	ApplicSwr	1	6	1	3	5,085	1.26			28%	1.0		0%	Above Rising
ATE FP	Alten SA	France	ITConsult	2	5	2	3	1,667	1.35			27%			7%	Above Rising
MMS US	MAXIMUS Inc	U. S.	DataProc	1	3	2	3	4,515	1.41			34%	48.0		4%	Above Rising
CDNS US	Cadence Design Systems	U. S.	ApplicSwr	1	4	2	2	6,101	1.41			26%	24.5		5%	Above Rising
9697 JP	Capcom Co Ltd	Japan	HmEntSwr	2	8	2	1	1,475	1.84			46%			10%	Above Rising
9684 JP	Square Enix Holdings	Japan	HmEntSwr	2	8	2	2	3,030	1.96			47%			6%	Above Rising
3659 JP	Nexon Co Ltd	Japan	HmEntSwr	2	6	2	1	5,892	2.59			59%			0%	Above Rising
EXLS US	ExlService	U. S.	DataProc	1	5	2	3	1,274	1.42			33%	21.0		7%	Above Rising
SOP FP	Sopra Group	France	ITConsult	2	4	2	2	1,935	2.02			30%			7%	Above Rising
TYL US	Tyler Technologies	U. S.	ApplicSwr	1	1	3	3	4,739	1.73	↑		26%	48.0		7%	Above Rising
HAWK US	Blackhawk Network	U. S.	DataProc	1	3	3	2	2,489	2.17			28%			12%	Above Rising
CIEL3 BZ	Cielo SA	Brazil	DataProc	1	2	3	3	23,800	1.83			18%			2%	Above Rising
ULTI US	Ultimate Software Group	U. S.	ApplicSwr	1	1	4	3	5,204	1.57			15%	16.5		8%	Above Rising

Figure 4: IT Severing Underperforming Trends (vs ACWI IT) in Top SubIndustries, and an Earnings Growth Filter Applied

Symbol	Name	Country	Sub Industry	Grp RS	LT RS	RS	EE	MktCap (US\$)	Vol (%)	Chg Last Day	ACWI IT	Trend Slope	RS Hi (Mo)	RS Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend
NOK US	Nokia OYJ	Finland	ComEquip	7	6	9	3	25,270	1.89			-33%			-1%	Below Falling
TSRA US	Tessera Technologies	U. S.	SemiEqp	10	4	9	2	1,996	2.00	↑		-23%	1.5		2%	Above Falling
QIHU US	Qihoo 360 Technology	Cayman	InetSftSrv	7	3	8	3	6,194	3.00	↑		-60%			0%	Above Rising
CDW US	CDW	U. S.	TechDist	9	1	7	1	6,749	1.35			-9%	25.5		10%	Above Rising
GOOGL US	Google Inc	U. S.	InetSftSrv	7	6	7	2	191,696	1.62			-14%			13%	Above Rising
NSR US	NeuStar Inc	U. S.	DataProc	1	6	6	3	1,701	2.08			-9%			8%	Above Rising
7974 JP	Nintendo	Japan	HmEntSwr	2	8	6	1	25,445	2.59			-11%	2.5		7%	Above Rising

Trends & Inflection Points

August 4, 2015

Research Comment

[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

Technology Breaking Down; Short Selling List



[CLICK HERE](#)

- Momentum investor in tech? It's time to pull in the horns.
- The [broadest gauge of technology](#) is right at the inflection point where you care. The trend is higher, but it's breaking that trend, breaking below support, and below a now falling 50d MA – Figure 1.
 - More [technology benchmarks revealed the same breakdowns on Monday](#) where SMID benchmarks, which have been trending higher at better than 20%/year, broke those trends – Fig 2.
- Tuning our [TMT link](#) to price trends on the broadest technology grouping (over 700 stocks) shows that almost a [quarter of technology stocks that are in uptrends have broken these trends](#).
 - One-third of those breakdowns [took place on Monday](#).
- For those who can make gains on the pains, we highlight a [short selling candidate list that targets stocks breaking price trends, below falling 50d MAs, where earnings estimates are being revised lower](#). The largest 15 are shown in Figure 3.

Figure 1: [ACWI Information Technology Index](#)



Figure 2: [Technology Index Price Trends](#)

Name	Chg Last Day	Reward /Risk	Trend Slope	Price Hi (Mo)	Price Low (Mo)	%Chg wrt 50d Price MA	Chg wrt 50-d Price MA Trend
Russell 2500 Technology	↓	↓	22%			-4.0%	Below Falling
Russell 2000 Technology	↓	↓	21%			-3.6%	Below Falling
MSCI World Small Cap Tech	↓	↓	20%			-2.9%	Below Falling
MSCI Europe Technology	↓	↓	18%			-1.1%	Below Falling
Russell MidCap Technology	↓	↓	16%			-3.3%	Below Falling
MSCI AC Asia Technology	↓	↓	10%	7.5		-7.3%	Below Falling
S&P 500 Technology	↓	↓	8%			-0.3%	Below Falling
MSCI EAFE Technology	↓	↓	7%			-2.5%	Below Falling
MSCI EM Technology	↓	↓	5%	16.0		-8.6%	Below Falling
S&P/TSX Technology	↓	↓	-12%	2.5		3.3%	Above Rising

Figure 3: [Technology Short-Selling Candidates – See Link for Full List](#)

Symbol	Name	Sub Industry	Grp RS	LT Price	Price Trend	EE	MktCap (US\$)	Chg Last Day	Price Trend	Trend Slope	Hi (Mo)	Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	RSI Dly
OLED US	Universal Display	ElecComp	10	8	1	6	2,184		↓	212%		3.0	-8%	Below Falling	34
DATA US	Tableau Software	SystemSwr	5	1	1	7	5,056		↓	97%		3.0	-14%	Below Falling	25
FEYE US	FireEye Inc	SystemSwr	5	1	2	7	6,884		↓	108%		2.5	-12%	Below Falling	34
CSGP US	CoStar Group	InetSftSrv	7	1	2	10	6,405		↓	25%		3.5	-5%	Below Falling	35
WUBA US	58.com Inc	InetSftSrv	7	2	2	6	5,036	↓	↓	140%		3.5	-17%	Below Falling	33
DST US	DST Systems	DataProc	1	3	2	8	3,934	↓	↓	58%			-12%	Below Falling	31
MELI US	MercadoLibre	InetSftSrv	7	6	3	8	5,669	↓	↓	26%		4.0	-8%	Below Falling	36
SLAB US	Silicon Laboratories	Semi	10	6	3	10	1,851		↓	29%		9.5	-19%	Below Falling	21
QRVO US	Qorvo Inc	Semi	10	10	3	9	8,593		↓	29%		7.0	-27%	Below Falling	20
ASX US	Advanced Semiconductor Engineering	Semi	10	4	5	10	8,777		↓	31%			-14%	Below Falling	36
IBM US	International Business Machines	ITConsult	3	9	4	7	155,461	↓	↓	10%		4.0	-5%	Below Falling	38
JBL US	Jabil Circuit	EMS	7	6	5	6	3,873	↓	↓	21%			-9%	Below Falling	40
WEX US	WEX Inc	DataProc	1	2	3	7	3,890		↓	20%		5.5	-10%	Below Falling	27
992 HK	Lenovo Group	HdwrSt&P	10	2	5	9	11,892		↓	27%		14.5	-20%	Below Falling	28
BDC US	Belden Inc	ElecComp	10	4	5	9	2,538		↓	15%			-25%	Below Falling	21

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Trends & Inflection Points

July 31, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Hit That Resource/Junk/Risk Bid



- Here is where we are and where we see the market going – see [this package for details](#).
- The [U.S. Dollar Index](#) is breaking out and shifting back toward the momentum it saw in 2H 2014 – Figure 1.
- [Commodities](#), which have already broken down, and we stress, that breakdown has NOT been dollar driven, are about to feel the added pressure of a strong dollar – Fig 2.
 - And if you think that commodity pressure is applying any sort of key [stress that may change the course of direction](#), you are wrong – Figure 3.
- So that 2H 2014 resources slide, which junked junk, and inflicted much collateral damage, is where we see markets heading. You had a nice bid to junk yesterday. [Hit that bid](#) – Figure 4.
 - This has just slightly added, and should continue to add, contagion pressure on [investment grade](#).
 - The [yield curve](#) has already flattened, and should continue to flatten.
 - Defensive [Staples](#), [REITs](#), and on a [relative basis](#), [the U.S. equity market](#), already look better, and should continue to look better.

Figure 1: [U.S. Dollar Index](#)



Figure 2: [Bloomberg Commodity Index](#)



Figure 3: [Kingdom of Saudi Arabia – 5Yr CDS](#)



Figure 4: [SPDR High Yield Junk Bond ETF \(JNK\)](#)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

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Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Transports – This Dog Just Barked



CLICK HERE

- [U.S. Transports](#), a star until the turn of this year, and an absolute dog year-to-date, just barked. It's time to look – Figure 1.
- [Breaking it down by subindustry](#), Airlines and Rails are right at the points where they break above steep and consistently underperforming trends. Air Freight and Trucks are at a 1mo relative strength high – Figure 2.
- We actually have [lots of transports in our short fitters based on earnings estimate revisions, and momentum](#), so we expect that the market may very well play *whac-a-mole* into the strength.
- On the flipside, when we apply an earnings growth filter ([despite the retrenchment in the past week, the trends point to growth continuing to trump value](#)), we find a [narrow list of transports, with a tilt towards outperformance](#) – Figure 3.
 - **The intersection of barking dog, with earnings growth points to FedEx (FDX) and United Parcel Service (UPS);**
 - [UPS](#) (barely) held at support, surged on earnings, and is breaking above moving averages on good volume – Figure 4.
 - [FDX](#) has a similar chart, has lagged UPS very recently, yet is the [long term outperformer versus peers](#) – Figure 5.

Figure 1: [Transportation ETF \(IYT\) vs S&P 500](#)



Figure 2: [U.S. Transport SubIndustries vs S&P 1500](#)



Figure 3: [Transports vs S&P 500 With an Earnings Growth Filter Applied](#)

Symbol	Name	Sub Industry	Grp RS	LT RS	RS	EE	MktCap (US\$)	Vol (%)	Chg Last Day	SPX	Trend Slope	RS Hi (Mo)	RS Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	%Chg wrt 150d MA	Chg wrt 150 Day MA Trend	Boll Band	Boll Band Width	RSI Dly
JBLU US	JetBlue Airways	Airline	6	1	1	2	7,183	2.50		▲	60%			9%	Above Rising	21%	Above Rising	ABOVE	99%	61
ZNH US	China Southern Airlines	Airline	6	7	2	1	2,828	3.53		▲	147%			-5%	Below Rising	28%	Above Rising	BELOW	88%	45
SSW US	Seaspan Corp	Marine	9	4	2	3	1,812	1.35		▼	16%			-4%	Below Falling	1%	Above Rising	BELOW	142%	44
ALK US	Alaska Air Group	Airline	6	1	3	2	9,694	1.91		▲	30%			11%	Above Rising	15%	Above Rising	ABOVE	221%	66
HUBG US	Hub Group Inc	AirFrght	2	9	3	3	1,538	1.93		▲	16%	1.0		2%	Above Falling	8%	Above Rising	ABOVE	77%	58
ALGT US	Allegiant Travel	Airline	6	1	4	2	3,518	1.88		▲	18%			15%	Above Rising	18%	Above Rising	ABOVE	151%	72
CMRE US	Costamare Inc	Marine	9	6	5	3	1,284	1.79	▼	▲	1%		3.5	-8%	Below Falling	-6%	Below Falling	BELOW	99%	37
FDX US	FedEx Corp	AirFrght	2	3	6	3	48,547	1.15		▲	-8%			-1%	Below Falling	-1%	Below Falling	ABOVE	84%	53
UPS US	United Parcel Service	AirFrght	2	7	7	2	70,776	1.13		▲	-8%	1.5		2%	Above Falling	1%	Above Falling	OBOT	104%	62
LSTR US	Landstar System	Trucking	7	5	8	3	3,249	1.20	▼	▲	-23%	7.0		9%	Above Rising	10%	Above Rising	OBOT	91%	72
WERN US	Werner Enterprises	Trucking	7	5	8	3	2,015	1.42		▲	-30%			2%	Above Rising	-4%	Below Falling	ABOVE	106%	55

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Figure 4: [United Parcel Service Dividend Adjusted Price Trend](#) Figure 5: [FedEx vs S&P 1500 Air Freight & Logistics](#)



Trends & Inflection Points

July 29, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

What's Driving This S&P 500 Outperformance?



- We now track the [S&P 500 rising at an annualized rate of just 7%/year \(including dividends\)](#), and yet that trend is enough for it to emerge from an underperforming trend [against MSCI World](#) – Figure 1.
- While yesterday the tape read:
 - “oil stability = credit risk tensions easing = bid for risk assets” (oh, yes, and you had the [Chinese Plunge Protection Team](#) winning the tug of war, as it did again last night, albeit the team that was tugging lower did not really show up – [turnover has halved](#))
- In reality, the [S&P 500 outperforms the World](#) when [commodities](#) and [inflation expectations](#) are falling – Figure 2.
 - And it's hard to make a case for commodities rising, (on the side, there is a [good setup for good short covering potential in gold](#)). So:
 - [Clip your coupons](#) to get the full 7% S&P 500/year gain.
 - Be aware that [continued commodity \(oil\) pressure](#) will cause [contagion to credit risk](#), and [thus equity risk](#), and set your [overweight \(discretionary, and health care\) & underweights \(resources, industrials\) accordingly](#) – Figure 3.
 - And be aware of the [defensive shift within financials](#) – Figure 4.

Figure 1: [S&P 500 vs. MSCI World](#)



Figure 2: [S&P 500 vs. MSCI World, Commodities & Inflation](#)



Figure 3: [U.S. Sectors vs. S&P 500](#)

Name	Reward /Risk	Trend Slope	1-day Chg(%)	5-day Chg(%)	%Chg wrt 50d RS MA	Chg wrt 50-d RS MA Trend
Discretionary vs. S&P 500		13%	-0.3%	1.0%	1.9%	Above Rising
Health Care vs. S&P 500		14%	0.5%	0.1%	1.1%	Above Rising
Technology vs. S&P 500		2%	-0.3%	-1.2%	-0.1%	Below Falling
Financials vs. S&P 500		-1%	-0.6%	-0.1%	0.9%	Above Rising
Staples vs. S&P 500		-2%	-0.2%	1.4%	3.0%	Above Rising
Telecom vs. S&P 500		-4%	-1.1%	-0.5%	-2.1%	Below Falling
Energy vs. S&P 500		-12%	1.7%	-0.1%	-5.7%	Below Falling
Materials vs. S&P 500		-8%	0.9%	-1.9%	-6.6%	Below Falling
Utilities vs. S&P 500		-25%	-0.7%	2.0%	0.6%	Above Falling
Industrials vs. S&P 500		-11%	0.6%	-0.2%	-2.4%	Below Falling

Figure 4: [U.S. Banks vs. REITs and Interest Rate Drivers](#)



Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Focal Points

Investment & Trading Ideas

July 22, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

Mark Steele
 (416) 359-4641
 mark.steele@bmo.com
 Assoc: Tiberiu Stoichita/Jin Li

Best of Strong U.S. Dollar Stocks

- The [U.S. dollar index is breaking out of a consolidation pattern](#) (Figure 1), and all things associated are happening; [commodities](#), and [commodity currencies](#) are suffering, [inflation expectations](#) are rolling over, and a [whiff of panic](#) in the [gold square](#) and [energy space](#) is in the air.
- Today an ETF, which targets U.S. stocks that derive 80% of their revenue from the U.S., and as such is less vulnerable to a strong U.S. dollar, starts trading under the ticker USSD.
 - As per the time of writing, a single 700 share block has traded, so the PR folk at WisdomTree have some work to do, but that's not the point.
 - It's the concept that we care on.
- The ETF is based off of the [WisdomTree Strong Dollar U.S. Equity Index](#), which has a bit of history, and indeed in its early days, moves in this index are somewhat positively correlated to the U.S. dollar index. We highlight the overlay in Figure 2.
- [The index contains 268 stocks](#), none of which are [resources](#), and the list does have a tilt towards outperforming the S&P 500 (did we mention that it has [no resources?](#)). We highlight the largest 50 stocks along with the portfolio characteristics of the grouping in Figure 3.
 - To narrow-in on the "best of", we applied an earnings growth filter, (because [wherever you look, growth continues to trump value](#)) and narrow-in on the [stocks outperforming the market and the sector](#) – Fig 4.
 - We also loaded this portfolio into our [Otis Redding](#) Collection (momentum buys, with low volatility, and good yield and dividend growth profiles, available in our [Long/Short Filters](#) within the [TIPs Suite](#)), which narrows-in on [16 stocks](#) for your summer investing pleasure – Figure 5.

Figure 1: [U.S. Dollar Index](#)



Figure 2: U.S. Dollar Index and Strong Dollar U.S. Equity Index

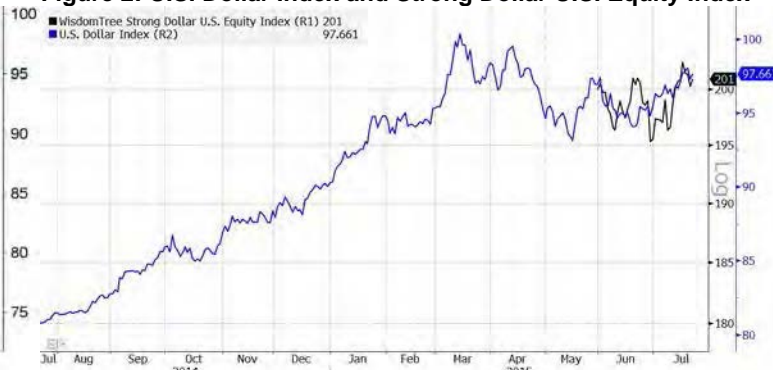


Figure 3: Largest 50 Strong [U.S. Dollar Stocks vs S&P 500](#) With Portfolio Statistics (see [Video Primer on How to Do This](#))

COF US 28%	RAI US 28%	ESRX US 12%	WFC US 4%	D US -1%	CSX US -16%	MO US -22%	CCI US -18%							
AET US 50%	WBA US 41%	TGT US 17%	T US 6%	DUK US -3%	EXC US -21%	PCP US -31%	TRV US -21%							
HCA US 52%	MCK US 14%	INTU US 17%	CVS US 4%	SO US -3%	LOW US -18%	SPG US -29%	ADP US -15%							
SCHW US 34%	BBT US 18%	CAH US 17%	TWC US 7%	NOC US -3%		EQR US -24%	ALL US -22%							
CI US 59%	KR US 38%	BAC US 16%	CMCSA US 4%	DFS US -3%			BRK/B US -20%							
UNH US 35%	HUM US 45%	STT US 8%	PSA US 4%	USB US -3%			NSC US -56%							
		SYF US 14%	AEP US 4%				UNP US -57%							
		PNC US 9%	NEE US 2%											
			HD US 0%											
Outperforming Mkt&Sec 96		Underperforming Mkt&Sec 90		Momentum Buys 42		Momentum Sells 34		Obot BBand 11	Obot RSI 11	Osold BBand 8	Osold RSI 3	52wH 9	52wL 6	Hi V
Outperforming Market 125		Underperforming Market 108		Severed Mkt Outperformers 24		Severed Mkt Underperformers 8		New X-Mo Mkt RS H 23		New X-Mo Mkt RS L 62				
Outperforming Sector 116		Underperforming Sector 115		Severed Sector Outperformers 22		Severed Sector Underperformers 12		New X-Mo Sector RS H 23		New X-Mo Sector RS L 64				

Source: BMO Capital Markets, Bloomberg, Thomson, Markit

Figure 4: [Strong U.S. Dollar Outperformers With Our Earnings Growth Filter Applied](#)

Symbol	Name	Sub Industry	Grp RS	LT RS	RS	EE	MktCap (US\$)	Vol (%)	SPX	Trend Slope	RS Hi (Mo)	RS Low (Mo)	%Chg wrt 50d MA	Chg wrt 50 Day MA Trend	%Chg wrt 150d MA	Chg wrt 150 Day MA Trend	RSI Dly
AYI US	Acuity Brands	ElcCmpEq	5	1	1	3	8,372	1.45		39%			5%	Above Rising	16%	Above Rising	60
CRI US	Carter's Inc	Aprl&Gds	7	4	1	2	5,567	1.36		55%			1%	Above Rising	13%	Above Rising	50
SIVB US	SVB Financial Group	RegionBnk	1	3	1	2	7,558	1.65		42%			4%	Above Rising	15%	Above Rising	56
ULTA US	Ulta Beauty	SpecStors	8	4	1	3	10,713	1.66		33%			7%	Above Rising	14%	Above Rising	67
HCA US	HCA Holdings Inc	HCFacility	3	3	1	3	38,233	1.61		52%		1.0	8%	Above Rising	19%	Above Rising	61
CI US	Cigna Corp	MngHCare	5	1	1	3	38,937	1.55		59%		1.5	2%	Above Rising	18%	Above Rising	45
FRC US	First Republic Bank	RegionBnk	1	2	1	3	8,973	1.21		35%		1.0	1%	Above Rising	10%	Above Rising	50
ETFC US	E*TRADE Financial	InvBnkBrk	2	2	1	3	8,732	1.77		43%			0%	Above Rising	10%	Above Rising	53
RAI US	Reynolds American	Tobacco	4	1	1	2	57,078	1.16		28%	48.0		6%	Above Rising	12%	Above Rising	71
DRI US	Darden Restaurants	Rstaurnt	7	6	2	1	9,248	1.29		40%			8%	Above Rising	14%	Above Rising	66
DPZ US	Domino's Pizza	Rstaurnt	7	1	2	3	6,116	1.50		26%			0%	Below Rising	7%	Above Rising	45
MD US	MEDNAX Inc	HCSERVICE	2	3	3	2	7,275	1.12		17%			6%	Above Rising	10%	Above Rising	71
TGT US	Target Corp	GMrchStrs	3	4	3	3	52,535	1.25		17%		1.0	1%	Above Rising	5%	Above Rising	46
INTU US	Intuit Inc	ApplicSwr	2	2	3	3	29,262	1.21		17%			2%	Above Rising	9%	Above Rising	58
HBI US	Hanesbrands	Aprl&Gds	7	1	3	3	13,809	1.37		25%			5%	Above Rising	10%	Above Rising	60
CTAS US	Cintas Corp	DvSpSrv	7	1	2	2	9,745	1.16		9%		2.5	0%	Below Rising	3%	Above Rising	48
TOL US	Toll Brothers	HomeBld	4	7	4	3	6,658	1.46		14%			1%	Above Rising	3%	Above Rising	46
PGR US	Progressive Corp	P&C Insur	1	3	4	2	17,907	0.93		8%			9%	Above Rising	13%	Above Rising	68
ALK US	Alaska Air Group	Airline	5	1	5	3	9,716	1.99		3%	48.0		13%	Above Rising	16%	Above Rising	74

Note: BMO Capital Markets is restricted on Cintas Corp

Figure 5: [The Otis Redding Collection of Strong U.S. Dollar Stocks](#)

Symbol	Name	Sub Industry	Grp RS	LT Price	Price Trend	MktCap (US\$)	Vol (%)	Price Trend	Trend Slope	Hi (Mo)	Low (Mo)	Yield	DVD Growth 1y
NYCB US	New York Community Bancorp	Thrft&Mtg	2	3	1	8,113	0.92		50%			5.48%	0%
FITB US	Fifth Third Bancorp	RegionBnk	1	2	1	17,430	1.23		44%	1.0		2.42%	6%
RF US	Regions Financial	RegionBnk	1	4	1	13,953	1.38		37%			2.31%	28%
UNM US	Unum Group	LifeHthIns	2	5	1	9,060	1.19		31%			2.04%	13%
BBT US	BB&T Corp	RegionBnk	1	2	2	30,168	1.06		29%			2.62%	9%
DRI US	Darden Restaurants	Rstaurnt	7	5	2	9,248	1.29		46%	48.0		3.01%	0%
STI US	SunTrust Banks	RegionBnk	1	2	3	23,116	1.23		27%			2.14%	47%
TGT US	Target Corp	GMrchStrs	3	3	3	52,535	1.25		27%			2.72%	14%
WFC US	Wells Fargo	DiversBnk	6	2	3	298,396	0.99		18%			2.59%	12%
BR US	Broadridge Financial Solutions Inc	DataProc	1	1	2	6,369	1.08		39%			2.03%	23%
PFG US	Principal Financial Group	LifeHthIns	2	2	2	15,647	1.32		17%			2.86%	22%
HRS US	Harris Corp	ComEquip	8	2	3	10,047	1.31		30%			2.31%	12%
HBAN US	Huntington Bancshares	RegionBnk	1	2	3	9,363	1.17		23%			2.07%	20%
PNC US	PNC Financial Services Group Inc	RegionBnk	1	2	3	51,378	1.06		22%			2.06%	7%
EXR US	Extra Space Storage	SpecREIT	8	1	4	8,629	1.11		16%			3.36%	22%
CAG US	ConAgra Foods	PkgFdMt	6	3	4	18,878	1.28		31%			2.27%	0%

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Hold	Market Perform	53.5%	14.4%	44.8%	53.3%	44.4%	40.0%
Sell	Underperform	4.4%	7.4%	1.9%	4.7%	1.3%	5.4%

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