

Tuesday, January 12, 2016

| Market Elements | | | Page |
|---------------------------------------|------------|--|-------------|
| January 11, 2015 | NEW | Market Elements | 2 |
| <hr/> | | | |
| Trends & Inflection Points | | | |
| January 12, 2016 | NEW | Capitulation Filter for the Times | 9 |
| January 11, 2016 | | Ground Control to Major TOM | 10 |
| January 8, 2016 | | It's a Fire | 11 |
| January 7, 2016 | | UTILITIES as 30y Treasury Yields Break Down | 12 |
| January 6, 2016 | | The Sells | 14 |
| January 5, 2016 | | U.S. Real Estate...For the Relative Strength | 15 |
| January 4, 2016 | | Framing 2016 & Your Global Buy List | 17 |
| December 31, 2015 | | Group Selection Report | 18 |
| December 30, 2015 | | Short Filter: Severed Uptrends in Weak Subindustries | 19 |
| December 29, 2015 | | Momentum Buys in S&P 500 | 20 |
| December 24, 2015 | | Go Atomic Lite on Mining | 21 |
| December 23, 2015 | | Energy – The Dreaded Mean Reversion Trade | 22 |
| December 22, 2015 | | North American High Yield Stocks Are Beating the 500 | 23 |
| December 21, 2015 | | Canada Heading Into 2016 – 20/20 View | 25 |
| December 18, 2015 | | Flying High | 26 |
| December 17, 2015 | | Get Ready for a Squeeze | 27 |
| December 16, 2015 | | Pruning the Wrong Industrials | 29 |
| December 15, 2015 | | Global Sector Fab Four | 30 |
| December 14, 2015 | | From Oil to S&P 500's Downside ~1,900 | 31 |
| December 11, 2015 | | Just Amazon and Airlines | 32 |
| <hr/> | | | |
| Focal Points | | | |
| October 5, 2015 | | Bank Risk Priced at a 2-Year High | 33 |
| September 3, 2015 | | Not Enough Puff | 35 |
| July 22, 2015 | | Best of Strong U.S. Dollar Stocks | 36 |

Market Elements

January 11, 2016
 Research Comment
[Quantitative/Technical Research Website](#)

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

- [Equities were mixed](#); S&P 500 and NASDAQ 100 gained; [Chinese shares](#) and NASDAQ Biotech continued sharply lower; European indices posted slight declines; VIX fell.
- U.S. Treasuries led a 1-6 bps backup in safe-haven 10y yields; corp CDS indices were mixed; JNK fell to a 2w low.
- China's offshore Renminbi rebounded 1.5% as [China intervened to tighten liquidity](#); the S.A. [rand crashed over 8%](#) and settled 3% lower; the safe-haven yen ended a 5d rally; the DXY rose back above its rising 50d MA.
- Oil continued to collapse with [Brent and WTI falling in excess of 6% to settle at \\$31](#); base metals also fell 1-3%; gold traded an inside day.

Levels*

Currencies (USD per)

| Symbol | H/L | Level | %Chg |
|--------|-----|--------|-------|
| DXY | ★ | 98.86 | 0.3% |
| EUR | ● | 1.0858 | -0.6% |
| CHF | ● | 0.9985 | -0.7% |
| GBP | ● | 1.4538 | 0.1% |
| JPYx10 | ★ | 0.0849 | -0.4% |
| CAD | L | 0.7031 | -0.4% |
| AUD | ● | 0.6995 | 0.6% |
| NZD | ● | 0.6561 | 0.2% |
| BRL | ● | 0.2467 | -0.7% |
| MXNx10 | ● | 0.5589 | 0.2% |
| ZAR | L | 0.0595 | -2.9% |
| KRWx10 | ● | 0.8299 | 0.2% |
| CNY | ● | 0.1522 | 0.4% |

Commodities

| Symbol | H/L | Level | %Chg |
|-----------|-----|---------|-------|
| BB Cmnty | L | 75.12 | -2.1% |
| WTI Oil | L | 31.10 | -6.2% |
| NMX Gas | | 2.36 | -4.4% |
| Gold | ● | 1,095.3 | -0.8% |
| Silver | ● | 13.87 | -0.5% |
| Platinum | ● | 844.5 | -4.0% |
| Palladium | L | 479.45 | -3.1% |
| CMX Cu | L | 197.35 | -2.4% |
| LME Al 3m | ● | 0.66 | -2.2% |
| LME Ni 3m | L | 3.75 | -3.4% |
| LME Zn 3m | L | 0.67 | -1.8% |
| Lumber | ● | 245.90 | -0.5% |
| Corn | ● | 351.75 | -1.5% |

Government 10-Yr Benchmark

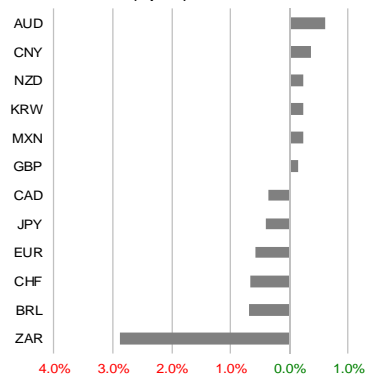
| Symbol | H/L | Level | Chg |
|-------------|-----|--------|-------|
| U.S. | | 2.17 | 0.06 |
| Canada | ● | 1.32 | 0.03 |
| U.K. | | 1.78 | 0.01 |
| Germany | | 0.54 | 0.03 |
| France | | 0.92 | 0.04 |
| Italy | | 1.59 | 0.06 |
| Spain | | 1.80 | 0.09 |
| Portugal | | 2.65 | 0.04 |
| Switzerland | | (0.08) | 0.02 |
| Australia | | 2.75 | -0.02 |
| Hong Kong | ● | 1.42 | 0.00 |
| India | | 7.75 | 0.01 |
| Japan | | 0.23 | 0.00 |

Equity Indices & Sentiment

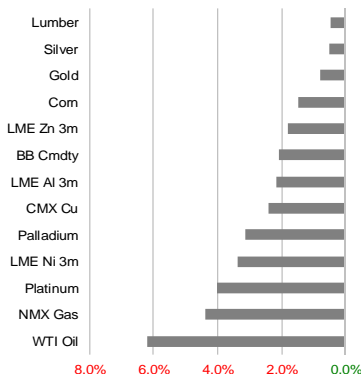
| Symbol | H/L | Level | %Chg |
|------------|-----|--------|--------|
| MSCI World | ● | 1,558 | -0.2% |
| MSCI EM | L | 723 | -2.3% |
| S&P 500 | ● | 1,924 | 0.1% |
| S&P/TSX | L | 12,319 | -1.0% |
| STOXX 50 | ● | 3,027 | -0.2% |
| FTSE 100 | L | 5,872 | -0.7% |
| Hang Seng | L | 19,889 | -2.8% |
| Topix | ● | 1,447 | 0.0% |
| S&P/ASX | ● | 4,932 | -1.2% |
| CSI 300 | ● | 3,192 | -5.0% |
| CDX IG 5Yr | H | 98 | 1.3% |
| ARMS | | 0.8 | -57.1% |
| VIX | | 24 | -10.0% |

Moves

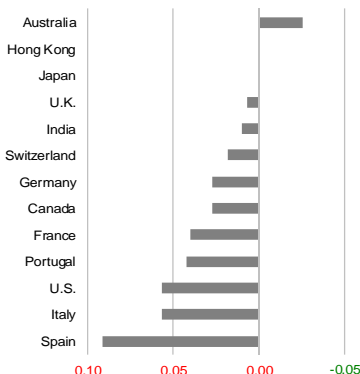
Currencies (spot)



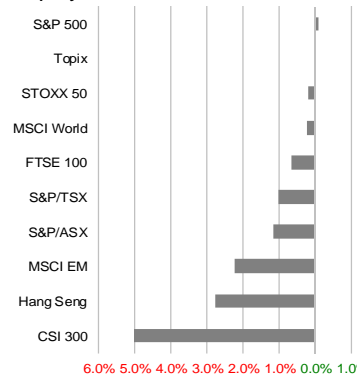
Commodities



Government 10-Yr Benchmarks

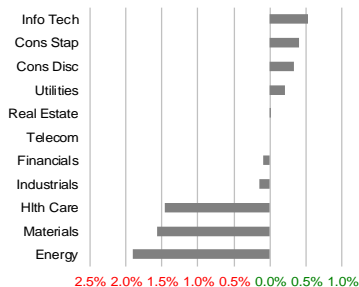


Equity Indices

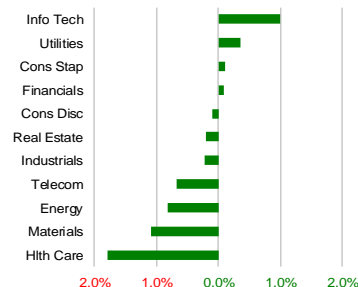


Sectors

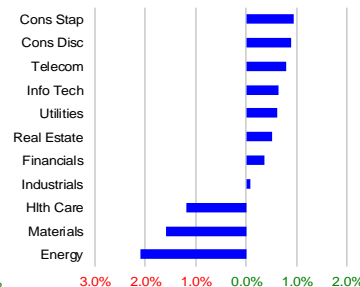
MSCI World



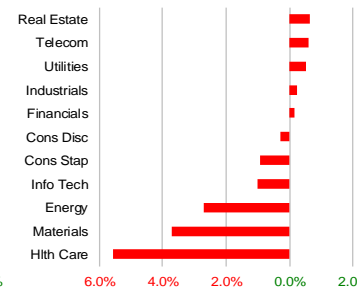
S&P Europe 350



S&P 500



S&P/TSX Composite



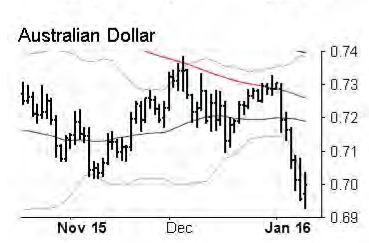
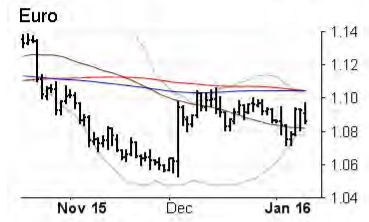
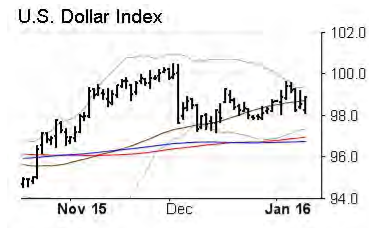
Source for all data and graphics in this publication: BMO Capital Markets, Bloomberg, Thomson

* 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

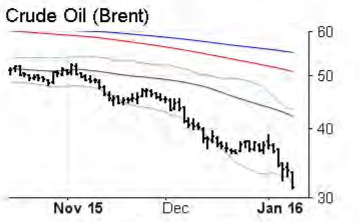
Daily Charts

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

Currencies



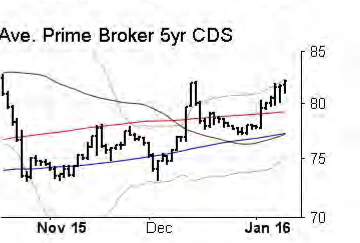
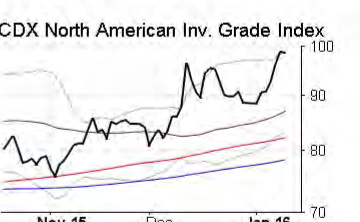
Commodities



Bonds



Equities



Intra Day Charts
2-Day 1-Minute View

Currencies

U.S. Dollar Index



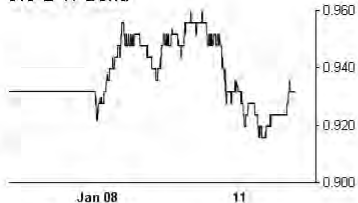
Commodities

Gold (Spot)



Bonds

U.S. 2-Yr Bond

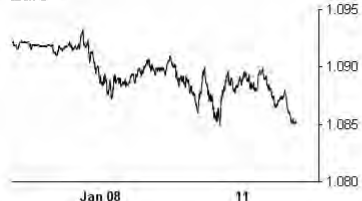


Equities

MSCI World Index



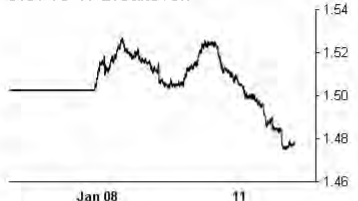
Euro



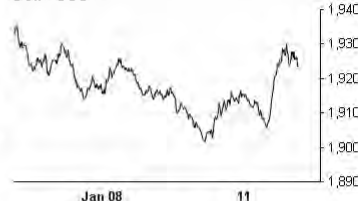
Crude Oil (Brent)



U.S. 10-Yr Breakeven



S&P 500



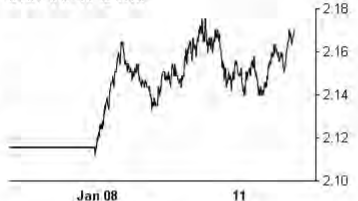
Yen



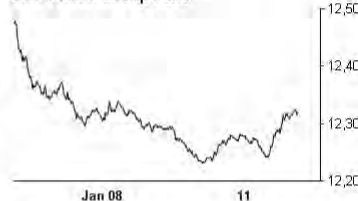
Crude Oil (WTI)



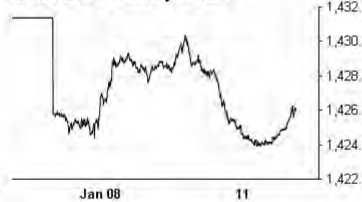
U.S. 10-Yr Bond



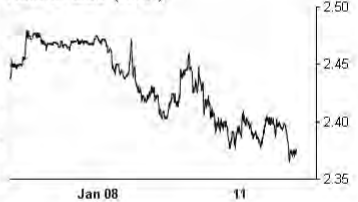
S&P/TSX Composite



MSCI EM Currency Index



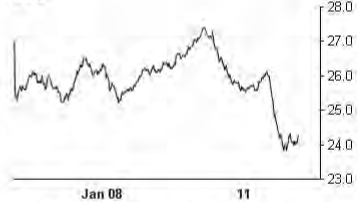
Natural Gas (NMX)



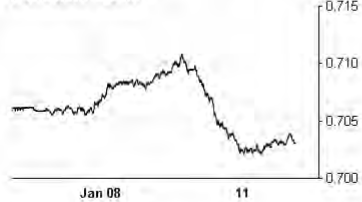
Canadian 10-Yr Bond



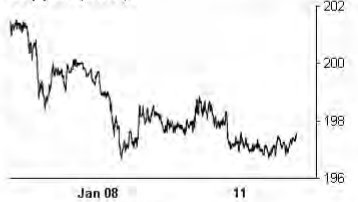
VIX



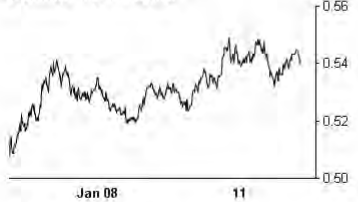
Canadian Dollar



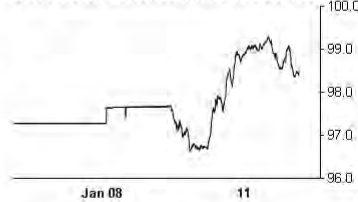
Copper (CMX)



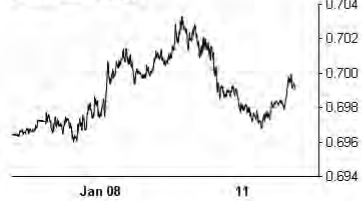
German 10-Yr Bund



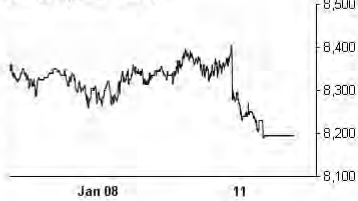
CDX North American Inv. Grade Index



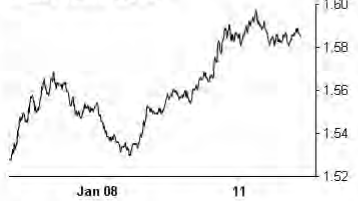
Australian Dollar



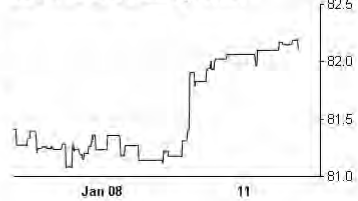
Nickel (LME 3Mo)



Italian 10-Yr Bond



Ave. Prime Broker 5yr CDS

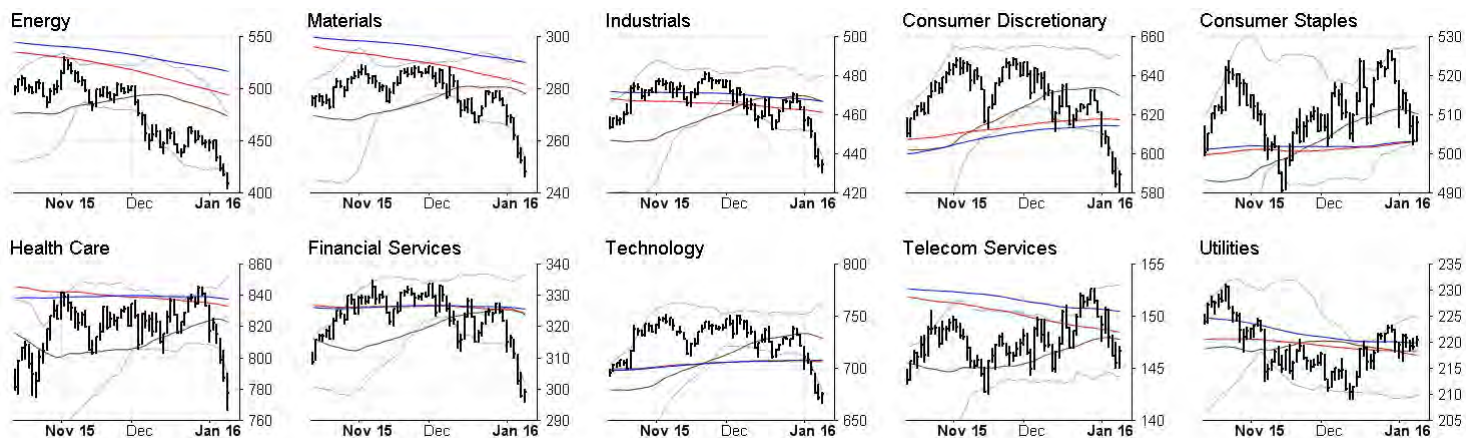


Daily Sector Charts

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

- **U.S.** – at a 52-week low: Energy.
- **Canada** – at a 52-week low: Energy, Consumer Discretionary.
- **Europe** – at a 52-week low: Energy, Materials.

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 | Caltex Australia | CTX AU | 1.5% | Phillips 66 | PSX | 1.3% | TransCanada | TRP | 1.1% |
| | Saipem SpA | SPM IM | 0.6% | Valero Energy | VLO | 1.2% | Enbridge Income Fund | ENF | 1.0% |
| | Empresas COPEC | COPEC CI | 0.1% | National Oilwell Varco | NOV | 0.0% | Athabasca Oil | ATH | 0.8% |
| | Santos Ltd | STO AU | -5.0% | Enscor PLC | ESV | -8.0% | Penn West Petroleum | PWT | -13.1% |
| | Seadrill Ltd | SDRL NO | -6.5% | Williams Cos Inc | WMB | -8.0% | Baytex Energy | BTE | -13.7% |
| | Vallourec SA | VK FP | -6.6% | CONSOL Energy | CNX | -9.0% | Pengrowth Energy | PGF | -14.4% |
| Materials | Smurfit Kappa Group | SKG ID | 4.2% | International Paper | IP | 1.4% | Torex Gold Resources | TXG | 0.7% |
| | Gerdau SA | GGB US | 2.6% | International Flavors & Fragrances | IFF | 1.1% | Agrium Inc | AGU | -0.5% |
| | UPM-Kymmene | UPM1V FH | 2.5% | Praxair Inc | PX | 0.6% | CCL Industries | CCL/B | -1.4% |
| | BHP Billiton | BHP AU | -4.9% | WestRock Co | WRK | -5.2% | First Quantum Minerals | FM | -9.4% |
| | Novozymes | NZYMB DC | -5.2% | Newmont Mining | NEM | -5.6% | B2Gold Corp | BTO | -10.4% |
| | Glencore PLC | GLEN LN | -5.2% | Freemont-McMoRan | FCX | -20.3% | HudBay Minerals | HBM | -11.5% |
| Industrials | Thales SA | HO FP | 3.7% | American Airlines Group | AAL | 1.8% | MacDonald Dettwiler & Associates | MDA | 2.7% |
| | Vinci SA | DG FP | 2.2% | Nielsen Holdings PLC | NLSN | 1.5% | Ritchie Bros Auctioneers | RBA | 2.0% |
| | Alfa | ALFAA MM | 1.8% | Pitney Bowes | PBI | 1.4% | Canadian National Railway | CNR | 1.2% |
| | Latam Airlines Group | LFL US | -2.1% | Caterpillar | CAT | -2.9% | TransForce | TFI | -3.3% |
| | Keppel Corp Ltd | KEP SP | -4.5% | WW Grainger | GWV | -2.9% | Russel Metals | RUS | -3.5% |
| | Hays PLC | HAS LN | -4.8% | Fluor Corp | FLR | -3.5% | Westshore Terminals Investment | WTE | -3.6% |
| Cons Disc | Porsche Automobil Holding | PAH3 GR | 4.8% | Macys Inc | M | 8.2% | Corus Entertainment | CJR/B | 10.4% |
| | Volkswagen | VOW3 GR | 3.6% | Hanesbrands | HBI | 5.1% | Great Canadian Gaming | GC | 4.4% |
| | adidas AG | ADS GR | 3.5% | Kohls Corp | KSS | 4.6% | Cineplex Inc | CGX | 2.7% |
| | Ferrari NV | RACE IM | -2.8% | News Corp | NWSA | -2.9% | Canadian Tire | CTC/A | -4.1% |
| | Galaxy Entertainment Group | 27 HK | -2.9% | VF Corp | VFC | -3.0% | Performance Sports Group | PSG | -4.7% |
| | Mediaset SpA | MS IM | -4.4% | Under Armour | UA | -6.7% | BRP Inc | DOO | -8.1% |
| Cons Stap | Wal-Mart de Mexico | WALMEX* MM | 4.1% | Philip Morris | PM | 2.8% | Maple Leaf Foods | MFI | 0.0% |
| | Anheuser-Busch InBev | ABI BB | 2.0% | Reynolds American | RAI | 2.8% | Alimentation Couche-Tard | ATD/B | -0.2% |
| | Svenska Cellulosa AB | SCAB SS | 1.3% | Altria Group | MO | 2.1% | Empire Co Ltd | EMP/A | -0.6% |
| | BRF SA | BRFS US | -1.8% | Molson Coors Brewing | TAP | -0.8% | North West Co Inc | NWC | -1.4% |
| | Casino Guichard Perrachon | CO FP | -1.9% | ConAgra Foods | CAG | -0.9% | Loblaws Cos | L | -1.8% |
| | Tate & Lyle | TATE LN | -2.2% | Mead Johnson Nutrition | MUN | -3.5% | Cott Corp | BCB | -3.2% |
| Health Care | Sonic Healthcare | SHL AU | 1.2% | HCA Holdings Inc | HCA | 5.5% | Chartwell Retirement Residence | CSH-U | -0.2% |
| | Bayer AG | BAYN GR | 0.5% | Perrigo Co | PRGO | 2.1% | Extendicare | EXE | -5.3% |
| | Takeda Pharmaceutical | 4502 JP | 0.0% | Universal Health Services | UHS | 1.9% | Valeant Pharmaceuticals | VRX | -5.7% |
| | Essilor International | EI FP | -2.3% | Cardinal Health | CAH | -5.5% | Prometic Life Sciences | PLI | -6.8% |
| | Shire PLC | SHP LN | -8.2% | Vertex Pharmaceuticals | VRTX | -6.1% | Concordia Healthcare | CXR | -8.4% |
| | QIAGEN NV | QIA GR | -12.2% | McKesson Corp | MCK | -10.3% | | | |
| Financials | Grupo Elektra SAB DE CV | ELEKTRA* MM | 3.8% | NASDAQ OMX Group Inc | NDAQ | 2.6% | Brookfield Asset Management | BAMA | 2.0% |
| | Deutsche Bank | DBK GR | 2.9% | Realty Income | O | 2.1% | Intact Financial | IFC | 1.3% |
| | Zurich Insurance Group | ZURN VX | 2.9% | Progressive Corp | PGR | 1.9% | Element Financial | EFN | 1.3% |
| | Ping An Insurance Group Co of China | 2318 HK | -4.3% | Zions Bancorporation | ZION | -2.0% | Home Capital Group | HCG | -2.5% |
| | China Life Insurance | 2628 HK | -5.1% | CBRE Group | CBG | -2.1% | Artis REIT | AX-U | -2.6% |
| | Banca Monte dei Paschi di Siena | BMPS IM | -11.3% | Lincoln National | LNC | -2.4% | Genworth MI Canada | MIC | -2.8% |
| Technology | Infineon Technologies | IFX GR | 3.4% | FLIR Systems | FLIR | 2.9% | DH Corp | DH | 0.6% |
| | ASML Holding | ASML NA | 2.6% | Analog Devices | ADI | 2.4% | CGI Group Inc | GIB/A | 0.0% |
| | SAP SE | SAP GR | 2.6% | Cisco Systems | CSCO | 2.0% | Open Text Corp | OTC | -0.1% |
| | Hon Hai Precision Industry | 2317 TT | -3.3% | Western Digital | WDC | -4.7% | Enghouse Systems | ESL | -4.9% |
| | SK Hynix Inc | 000660 KS | -3.5% | Akamai Technologies | AKAM | -5.5% | Kinaxis Inc | KXS | -6.9% |
| | Cielo SA | CIEL3 BZ | -4.7% | Micron Technology | MU | -6.0% | Sierra Wireless | SW | -7.0% |
| Telecom | America Movil | AMXL MM | 2.2% | AT&T Inc | T | 1.2% | Rogers Communications | RCI/B | 1.1% |
| | Millicom Intl Cellular | MIC SS | 1.5% | CenturyLink | CTL | 0.6% | BCE Inc | BCE | 0.7% |
| | TDC | TDC DC | 1.4% | Verizon Communications | VZ | 0.6% | Manitoba Telecom Services | MBT | 0.1% |
| | Telenor ASA | TEL NO | -1.5% | Level 3 Communications | LVL3 | -1.0% | TELUS Corp | T | -0.1% |
| | China Mobile | 941 HK | -1.8% | Frontier Communications Corp | FTR | -3.3% | | | |
| | Telecom Italia | TITR IM | -1.9% | | | | | | |
| Utilities | RWE AG | RWE GR | 5.9% | Sempra Energy | SRE | 2.1% | TransAlta Corp | TA | 2.3% |
| | E.ON SE | EOAN GR | 2.4% | Pepco Holdings Inc | POM | 2.0% | Emera Inc | EMA | 1.2% |
| | Gas Natural SDG | GAS SM | 1.4% | NiSource Inc | NI | 1.6% | Northland Power | NPI | 1.1% |
| | CLP Holdings | 2 HK | -1.8% | AES | AES | -1.1% | Capital Power | CPX | -0.6% |
| | APA Group | APA AU | -1.8% | CenterPoint Energy | CNP | -1.2% | Superior Plus | SPB | -1.0% |
| | Power Assets Holdings | 6 HK | -2.2% | NRG Energy | NRG | -9.8% | Just Energy Group | JE | -2.6% |

Bold = move of more than 5%

Canadian Market Movers

Table with columns: Energy, Materials, Industrials, Consumer Discretionary, Technology, Financials. Each column lists symbols, high/low indicators, and percentage changes. Notable highlights include XEG (-4.1%), VRX (-5.7%), and XKB (-0.2%).

H/L = at a new closing 52- wk High/Low; * = within 10% of the 52- wk High/Low; Blue = S&P/TSX 60 member, Italics = ETF, Bold = move of more than 5%

Trends & Inflection Points

January 12, 2016
 Research Comment
[Quantitative/Technical Research Website](#)

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

Capitulation Filter for the Times



[CLICK HERE](#)

- We provide a whole suite of [Capitulation filters](#) daily in the [TIPS suite](#). By far, our favourite is based on excessively wide Bollinger bands, as volatility is mean reverting.
- We take our [wide Bollinger band filter](#), tune for shares in uptrends, and apply an [earnings growth filter](#) to select the narrow list of stocks that could be bought and added to your portfolio if you don't already own them – Figure 1.
- Before we finish, and updating our two key sources of stress in the markets;
 - On the Chinese currency front, [overnight rates soared above 66% in an unprecedented move last night](#). This is China tightening up, and calming down the currency market.
 - [Volatility measures for both WTI and Brent are excessive](#), above the top ends of their channels. Yep. The options market is capitulating.
- We are buyers of panic. Buyers of the right stuff mind you, but buyers.

Figure 1: [Oversold Shares in Uptrends and Screen Well for Earnings Growth](#)

| Symbol | Name | Sub Industry | Grp RS | LT Price | Price Trend | EE | 1-day Equity Chg (%) | 5-day Equity Chg (%) | Flg | 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 | 5 Day Vol | EY | IBES |
|----------|---------------------------|--------------|--------|----------|-------------|----|----------------------|----------------------|-----|---------------|--------------|-------------|-------------|---------|----------|-----------------|-------------------------|-----------|-----------------|---------|-----------|-------|------|
| GOOGL US | Alphabet Inc | InetSftSrv | 6 | 3 | 1 | 3 | 0.3% | -3.5% | | 213,564 | | | 73% | | | -4% | Below Falling | OSOLD | 106% | 38 | 0.24 | 2.91 | 16% |
| HD US | Home Depot Inc | HmImpRtl | 7 | 1 | 1 | 3 | 1.5% | -4.0% | | 159,474 | | | 35% | | | -3% | Below Rising | OSOLD | 112% | 38 | 0.18 | 4.25 | 14% |
| TYL US | Tyler Technologies | ApplicSwr | 4 | 1 | 1 | 2 | 0.0% | -3.9% | | 5,793 | | | 60% | 3.5 | | -7% | Below Falling | OSOLD | 131% | 29 | 0.27 | 1.24 | 18% |
| POOL US | Pool Corp | Distrib | 5 | 2 | 1 | 2 | -0.2% | -4.3% | V | 3,229 | | | 33% | 2.5 | | -7% | Below Falling | OSOLD | 132% | 32 | 0.21 | 3.68 | 15% |
| LMNX US | Luminex Corp | LfSciSrv | 2 | 6 | 1 | 2 | -1.6% | -7.7% | | 813 | | | 41% | 2.5 | | -10% | Below Rising | OSOLD | 143% | 26 | 0.35 | 5.62 | 45% |
| UFPI US | Universal Forest Products | BldPrdcts | 4 | 4 | 2 | 2 | -2.6% | -5.6% | | 1,256 | | | 40% | 3.0 | | -14% | Below Falling | OSOLD | 211% | 25 | 0.39 | 5.75 | 10% |
| ATO FP | Atos SE | ITConsult | 2 | 2 | 2 | 3 | -0.1% | -4.0% | | 8,106 | | | 18% | 2.5 | | -5% | Below Falling | OSOLD | 107% | 35 | 0.23 | 32.12 | 19% |
| SYKE US | Sykes Enterprises | DataProc | 4 | 4 | 2 | 1 | 0.9% | -1.6% | | 1,230 | | | 26% | | | -6% | Below Falling | OSOLD | 216% | 36 | 0.23 | 5.74 | 12% |
| 7270 JP | Fuji Heavy Industries | AutoMfg | 5 | 1 | 2 | 1 | | -12.2% | | 29,351 | | | 29% | 3.0 | | -11% | Below Falling | OSOLD | 162% | 25 | 0.42 | 0.52 | 17% |
| SK FP | SEB SA | HhldApl | 4 | 5 | 2 | 3 | -1.1% | -6.8% | V | 4,745 | | | 22% | 3.0 | | -6% | Below Falling | OSOLD | 102% | 33 | 0.30 | 4.68 | 21% |
| LEA US | Lear Corp | AutoParts | 5 | 1 | 2 | 2 | 2.8% | -8.8% | | 8,291 | | | 26% | | | -10% | Below Falling | OSOLD | 200% | 30 | 0.33 | 8.80 | 14% |
| ROP US | Roper Industries | IndCongl | 8 | 2 | 2 | 3 | -1.2% | -6.8% | V | 17,487 | | | 18% | 2.5 | | -7% | Below Falling | OSOLD | 130% | 30 | 0.26 | 3.88 | 11% |
| IFX GR | Infineon Technologies | Semi | 5 | 2 | 3 | 1 | 3.4% | -7.8% | | 14,848 | | | 28% | | | -3% | Below Rising | OSOLD | 104% | 39 | 0.42 | 6.83 | 18% |
| 1099 HK | Sinopharm Group | HCDistrib | 2 | 7 | 3 | 2 | -4.2% | -6.0% | | 4,363 | | | 15% | 3.0 | | -11% | Below Falling | OSOLD | 113% | 33 | 0.47 | 5.12 | 18% |
| TXN US | Texas Instruments | Semi | 5 | 2 | 3 | 1 | 1.7% | -5.8% | | 51,948 | | | 18% | | | -9% | Below Falling | OSOLD | 179% | 31 | 0.26 | 5.68 | 10% |
| DST US | DST Systems | DataProc | 4 | 1 | 3 | 3 | -0.4% | -4.5% | | 3,688 | | | 18% | 3.5 | | -10% | Below Falling | OSOLD | 123% | 25 | 0.21 | 5.70 | 11% |
| BMY US | Bristol-Myers Squibb | Pharma | 4 | 3 | 3 | 2 | -1.0% | -6.0% | V | 105,069 | | | 12% | 2.5 | | -6% | Below Falling | OSOLD | 108% | 33 | 0.27 | 2.62 | 19% |
| MPC US | Marathon Petroleum | OG RfMkt | 2 | 1 | 3 | 3 | -1.0% | -10.8% | | 24,368 | | | 15% | 3.5 | | -14% | Below Falling | OSOLD | 109% | 28 | 0.46 | 12.55 | 11% |
| TOWR US | Tower | AutoParts | 5 | 4 | 3 | 3 | 0.9% | -12.8% | V | 510 | | | 12% | | | -15% | Below Falling | OSOLD | 166% | 28 | 0.37 | 9.82 | 10% |
| LDL US | Lydall Inc | Ind_Mach | 8 | 2 | 3 | 2 | -1.4% | -9.2% | | 513 | | | 11% | 3.5 | | -13% | Below Falling | OSOLD | 118% | 32 | 0.39 | 6.61 | 23% |
| TSM US | Taiwan Semiconductor | Semi | 5 | 5 | 4 | 3 | 0.6% | -5.3% | | 108,545 | | | 8% | | | -7% | Below Falling | OSOLD | 134% | 28 | 0.25 | 0.37 | 11% |
| BIMAS TI | BIM Birselik Magazalar | FdRetail | 4 | 4 | 4 | 2 | -1.0% | -3.1% | | 4,918 | | | 8% | 4.5 | | -10% | Below Falling | OSOLD | 106% | 23 | 0.23 | 8.60 | 24% |
| LFUS US | Littelfuse | ElecComp | 9 | 2 | 4 | 2 | 0.1% | -4.2% | | 2,206 | | | 6% | | | -7% | Below Falling | OSOLD | 136% | 36 | 0.25 | 4.75 | 15% |
| GMED US | Globus Medical | HCEquip | 2 | 3 | 4 | 2 | -0.7% | -5.3% | | 1,805 | | | 6% | 2.5 | | -4% | Below Rising | OSOLD | 117% | 37 | 0.40 | 4.35 | 13% |
| SLAB US | Silicon Laboratories | Semi | 5 | 6 | 4 | 1 | 0.8% | -6.3% | | 1,848 | | | 8% | | | -13% | Below Falling | OSOLD | 178% | 22 | 0.29 | 2.00 | 10% |
| AVGO US | Avago Technologies | Semi | 5 | 1 | 4 | 2 | -0.1% | -10.0% | | 35,402 | | | 4% | 1.5 | | -4% | Below Rising | OSOLD | 116% | 33 | 0.38 | 4.36 | 27% |
| AMRI US | Albany Molecular Research | LfSciSrv | 2 | 2 | 4 | 2 | -0.5% | -7.0% | | 629 | | | 2% | 2.5 | | -9% | Below Falling | OSOLD | 124% | 31 | 0.37 | 1.69 | 18% |

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

Trends & Inflection Points

January 11, 2016
 Research Comment
[Quantitative/Technical Research Website](#)

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

Ground Control to Major TOM



[CLICK HERE](#)

- By week two of 2016, after quite a horrible week one for [your benchmark](#) (pick yours from the 5d ROC column in Fig 1), **your expectations on 2016 should be well grounded. The best equity indices are flat, and the worst are falling at rates of 20-30%. Your goal this year is to beat that, and we believe your portfolio should be structured this way.**
- However, the **major stresses in this Technically Oriented Market are oversold...**
 - The [Chinese currency](#) – the slide of which is the leading driver of concern in China, which has been on [Minsky Moment watch](#) for years now – is rather oversold – Figure 2. There will be, and indeed is, [intervention to offset](#).
 - [Oil](#) is also priced below the bottom end of its channel – Figure 3. We are not looking to sell down here; we are looking to [cover shorts](#).
- ... so [as we pointed out](#) Friday, with [equity volatility being so high](#), we are buyers. **[Take your protein pill, and put your helmet on.](#)** RIP David Bowie

Figure 1: [Equity Price Trends](#)

| Name | 1-Day Chg (%) | 5-Day Chg (%) | Chg Last Day | Reward /Risk | Trend Slope | Hi (Mo) | Low (Mo) |
|---------------|---------------|---------------|--------------|--------------|-------------|---------|----------|
| Hong Kong HSI | 0.6% | -6.7% | | | 3% | | |
| Korean KOSPI | 0.7% | -2.2% | | | 1% | | |
| NASDAQ | -1.0% | -7.3% | | | -1% | 3.5 | |
| S&P 500 | -1.1% | -6.0% | | | -1% | 3.5 | |
| ACWI | -0.8% | -6.2% | | | -3% | 3.5 | |
| DJIA | -1.0% | -6.2% | | | -3% | 3.5 | |
| xUS SmlCap | -0.7% | -5.3% | | | -4% | 3.0 | |
| Chinese CSI | 2.0% | -9.9% | | | -12% | | |
| Japanese TPX | -0.7% | -6.5% | | | -8% | 3.0 | |
| French CAC | -1.6% | -6.5% | | | -11% | 12.0 | |
| Swiss SMI | -2.3% | -6.4% | | | -8% | 11.5 | |
| Mexican IPC | -1.0% | -6.3% | | | -7% | 13.0 | |
| German DAX | -1.3% | -8.3% | | | -16% | | |
| Italian MIB | -1.6% | -7.2% | | | -12% | | |
| STOXX 50 | -1.7% | -7.2% | | | -16% | | |
| MSCI EAFE | -1.0% | -6.2% | | | -12% | | |
| Russell 2000 | -1.7% | -7.9% | | | -15% | | |
| Taiwan TWSE | 0.5% | -5.3% | | | -19% | | |
| MXWO xUSA | -0.9% | -6.1% | | | -15% | 3.5 | |
| Indian SENSEX | 0.3% | -4.7% | | | -13% | | |
| UK FTSE 100 | -0.7% | -5.3% | | | -16% | 1.0 | |
| MSCI Sml Cap | -1.1% | -6.4% | | | -14% | 15.0 | |
| Spanish IBEX | -1.7% | -6.7% | | | -23% | 28.0 | |
| ASX | -0.4% | -5.8% | | | -18% | 1.0 | |
| MSCI EM | 0.3% | -5.5% | | | -22% | | |
| CDN Vegas | 0.2% | -2.1% | | | -30% | 41.0 | |
| ACWI xUSA | -0.5% | -6.3% | | | -23% | | |
| Bovespa | -0.2% | -6.3% | | | -30% | 49.0 | |
| S&P/TSX Sml | -0.3% | -3.6% | | | -30% | 1.0 | |
| S&P/TSX | 0.0% | -4.3% | | | -22% | 29.0 | |

Figure 2: [Chinse Renminbi \(CNYUSD x10\)](#)



Figure 3: [Brent Oil](#)



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

Trends & Inflection Points

January 8, 2016

Research Comment

[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

It's a Fire



CLICK HERE

- Yes, [most equity markets are trending lower](#). We got that over with on [Monday](#). And by Friday your expectations of 2016 are likely properly grounded, as the fire in capital markets is well reported. Yet quantifying the experience we have...
 - [Panic in China](#) – Figure 1
 - [Panic in the U.S.](#) – Figure 2.
- ...and we recommend being buyers of [panic](#) (or sellers of volatility when the time is right).
 - A discriminating buyer we may add. We recommend what the market rewards, and if we can get it with an RSI in the 30s, rather than in the 70s, well that's a good thing.
 - We [tuned for outperformance, and price uptrends, tuned up an earnings yield to at least 2, dividend yield to 1, and earnings growth expectations to at least 5, expurgated the high vol stocks, and tuned in oversold based on a 26d Bollinger band](#). Heck the list even has Swiss chocolates. What could be better? – Figure 3.

Figure 1: [China ETF \(FXI US\) Implied Volatility](#)

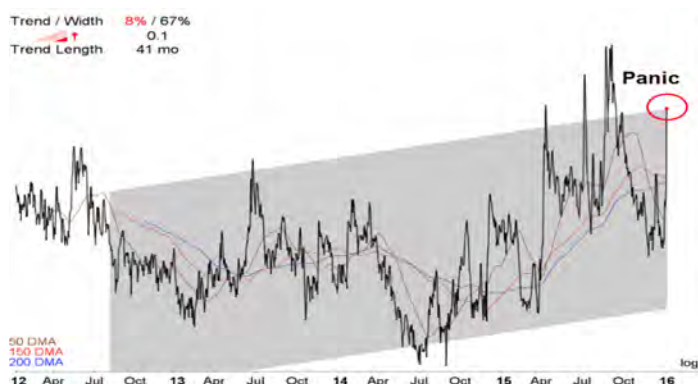


Figure 2: [CBOE Volatility Index \(VIX\)](#)

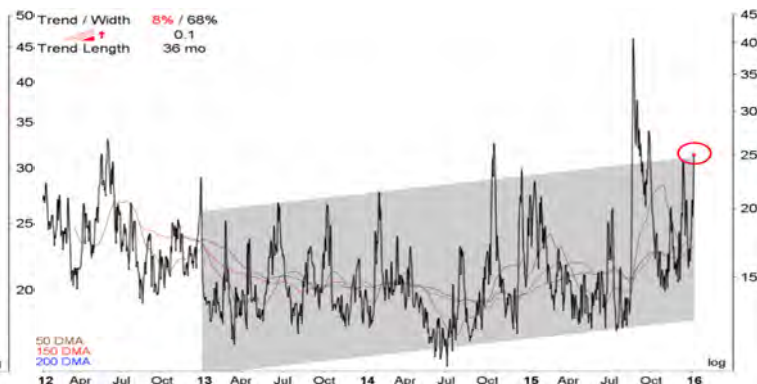


Figure 3: [The Stuff That the Market Rewards...at a Discount](#)

| Symbol | Name | Country | Sub Industry | Grp | LT | RS | EE | 1-day Equity Chg (%) | 5-day Equity Chg (%) | MktCap (US\$) | Vol (%) | Chg Last Day | MSCI World Lcl G | Trend Slope | RS Hi (Mo) | RS Low wrt 150d MA | %Chg MA | Chg wrt 150 Day MA Trend | Boll Band | Boll Band Width | RSI Dly | Bar Pattern | EY | IBES |
|---------|--------------------|-------------|--------------|-----|----|----|----|----------------------|----------------------|---------------|---------|--------------|------------------|-------------|------------|--------------------|---------------|--------------------------|-----------|-----------------|----------|-------------|-----|------|
| PAYX US | Paychex Inc | U. S. | DataProc | 5 | 4 | 1 | 4 | -4.6% | -9.9% | 17,481 | 1.14 | | ↓ | 44% | 2.0 | -1% | Below Rising | OSOLD | 133% | 26 | GAP DOWN | 4.01 | 10% | |
| TEL US | TE Connectivity | Switzerland | EMS | 5 | 4 | 1 | 6 | -5.3% | -10.2% | 22,711 | 1.36 | | ↓ | 24% | 2.5 | -7% | Below Falling | OSOLD | 114% | 26 | GAP DOWN | 5.89 | 15% | |
| SABR US | Sabre Corp | U. S. | DataProc | 5 | 1 | 2 | 3 | -2.7% | -6.9% | 7,286 | 1.59 | | ↓ | 43% | 1.5 | -4% | Below Rising | OSOLD | 110% | 31 | | 3.89 | 20% | |
| SLF CN | Sun Life Financial | Canada | LifeHthIns | 7 | 2 | 2 | 5 | -4.6% | -9.4% | 17,270 | 1.46 | | ↓ | 25% | 4.5 | -6% | Below Rising | OSOLD | 118% | 27 | GAP DOWN | 7.23 | 12% | |
| SCAB SS | Svenska Cellulosa | Sweden | HhdPrdct | 2 | 2 | 2 | 2 | -2.9% | -5.6% | 17,135 | 1.74 | | ↓ | 35% | 1.0 | -4% | Below Rising | OSOLD | 113% | 35 | GAP DOWN | 51.43 | 8% | |
| INTC US | Intel Corp | U. S. | Semi | 6 | 5 | 1 | 3 | -3.7% | -9.0% | 150,253 | 1.56 | ↓ | ↓ | 59% | 1.5 | 2% | Above Rising | OSOLD | 80% | 30 | | 7.32 | 8% | |
| SBUX US | Starbucks Corp | U. S. | Rstaurnt | 8 | 1 | 1 | 3 | -2.5% | -6.8% | 84,173 | 1.43 | | ↓ | 41% | | -2% | Below Rising | OSOLD | 106% | 33 | | 2.91 | 18% | |
| NKE US | NIKE Inc | U. S. | Footwear | 7 | 2 | 1 | 4 | -2.7% | -5.4% | 80,791 | 1.44 | | ↓ | 46% | | 1% | Above Rising | OSOLD | 138% | 34 | | 3.44 | 13% | |
| AVY US | Avery Dennison | U. S. | PaperPkg | 3 | 2 | 1 | 4 | -3.0% | -6.7% | 5,386 | 1.36 | | ↓ | 17% | 2.5 | -4% | Below Falling | OSOLD | 102% | 30 | GAP DOWN | 5.95 | 10% | |
| SEIC US | SEI Investments | U. S. | AsstMgmt | 9 | 2 | 2 | 7 | -3.0% | -7.8% | 8,020 | 1.40 | | ↓ | 28% | 2.0 | -4% | Below Rising | OSOLD | 103% | 32 | GAP DOWN | 4.11 | 14% | |
| ACN US | Accenture PLC | Ireland | ITConsult | 2 | 3 | 1 | 4 | -2.9% | -6.3% | 62,264 | 1.30 | ↓ | ↓ | 27% | | -2% | Below Rising | OSOLD | 120% | 34 | | 4.85 | 10% | |
| DAL US | Delta Air Lines | U. S. | Airline | 2 | 1 | 1 | 2 | -3.9% | -8.1% | 36,964 | 1.98 | | ↓ | 44% | | 1% | Above Rising | OSOLD | 93% | 37 | | 9.02 | 27% | |
| MDLZ US | Mondelez | U. S. | PkgFdMnt | 3 | 6 | 2 | 5 | -5.5% | -8.6% | 66,093 | 1.39 | | ↓ | 35% | 1.0 | -4% | Below Rising | OSOLD | 87% | 36 | GAP DOWN | 4.18 | 10% | |
| LISP SW | Chocoladefabriken | Switzerland | PkgFdMnt | 3 | 3 | 1 | 5 | -3.0% | -6.4% | 5,793 | 1.21 | ↓ | ↓ | 46% | | 3% | Above Rising | OSOLD | 105% | 35 | GAP DOWN | 14.55 | 9% | |
| DWNI GR | Deutsche Wohnen | Germany | REstOpCo | 5 | 3 | 1 | 1 | -3.8% | -8.2% | 8,741 | 1.83 | | ↓ | 27% | | 0% | Above Rising | OSOLD | 86% | 36 | GAP DOWN | 17.12 | 12% | |
| ADS GR | adidas AG | Germany | Aprl&Gds | 8 | 6 | 1 | 2 | -2.3% | -7.9% | 19,240 | 1.62 | | ↓ | 73% | 1.0 | 10% | Above Rising | OSOLD | 82% | 39 | | 519.96 | 15% | |
| ORK NO | Orkla ASA | Norway | PkgFdMnt | 3 | 4 | 1 | 2 | -2.1% | -4.3% | 7,664 | 1.32 | | ↓ | 32% | 1.0 | 2% | Above Rising | OSOLD | 69% | 36 | GAP DOWN | 3.46 | 14% | |
| EFX US | Equifax Inc | U. S. | RsrcSclt | 5 | 1 | 1 | 3 | -3.6% | -6.6% | 12,474 | 1.31 | | ↓ | 28% | 1.0 | 2% | Above Rising | OSOLD | 98% | 36 | | 3.32 | 11% | |
| CTAS US | Cintas Corp | U. S. | DvSpSrv | 9 | 2 | 1 | 3 | -1.3% | -5.8% | 9,380 | 1.14 | | ↓ | 25% | | -1% | Below Rising | OSOLD | 116% | 35 | | 4.01 | 13% | |
| LOW US | Lowe's Cos | U. S. | HmImpRtl | 5 | 1 | 1 | 3 | -2.5% | -6.2% | 65,952 | 1.30 | | ↓ | 28% | | 1% | Above Rising | OSOLD | 83% | 35 | | 4.40 | 17% | |
| COST US | Costco Wholesale | U. S. | SprCntrs | 9 | 4 | 1 | 6 | -2.3% | -4.8% | 68,086 | 1.16 | | ↓ | 40% | | 4% | Above Rising | OSOLD | 98% | 36 | GAP DOWN | 3.37 | 8% | |
| HD US | Home Depot Inc | U. S. | HmImpRtl | 5 | 1 | 1 | 3 | -2.9% | -6.0% | 158,992 | 1.27 | | ↓ | 40% | | 5% | Above Rising | OSOLD | 80% | 34 | GAP DOWN | 4.26 | 14% | |
| ATO FP | Atos SE | France | ITConsult | 2 | 2 | 1 | 3 | -2.2% | -4.3% | 8,384 | 1.55 | | ↓ | 32% | | 4% | Above Rising | OSOLD | 67% | 41 | | 31.27 | 17% | |
| UTDI GR | United Internet | Germany | InetSftSrv | 6 | 1 | 1 | 2 | -1.1% | -6.1% | 10,776 | 1.78 | | ↓ | 37% | | 6% | Above Rising | OSOLD | 68% | 41 | | 4.58 | 23% | |

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

Trends & Inflection Points

January 7, 2016
 Research Comment
[Quantitative/Technical Research Website](#)

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

UTILITIES as 30y Treasury Yields Break Down



- Excuse the bolding on the title, with just a 3% weight within global markets; we have to bold something to make some noise.
- [Utilities](#) nosed their way into best sector in our [Relative Strength Breadth heat map](#) – Figures 1, 2.
- Cue the bond market.
- This morning the [US 30y bond](#) breaks below its 200d MA. Yes, the higher U.S. rate picture is such a 2015 story that is not relevant in 2016 (equities are long-duration assets; think 30y yields, not Yellen and company) – Figure 3.
 - So is the steepening [yield curve picture](#) – Figure 4. Who ate my lunch?
 - We just threw the curve in for selfish purposes (the trading desk), to guide you out of your banks and capital markets stocks...
 - ...so that you can allocate towards [defensive high yield](#), [US REITs](#), and yes [the Utility carving from our Otis Redding collection](#) – Figure 5.
- Have properly constructed [portfolios](#) for the [environment at hand](#). Be safe. Nuff said.

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

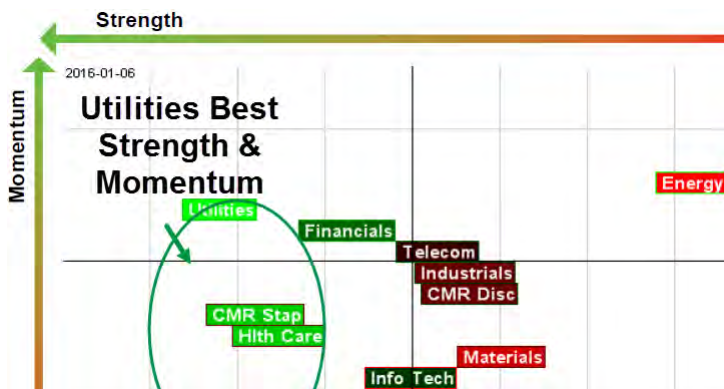


Figure 2: [Utilities Relative Strength Z-Score](#)



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



Figure 4: [US Yield Curve 10-2](#)



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

Figure 5: Utility Momentum Buys from our Otis Redding Collection

| Symbol | Name | Country | Sub Industry | Grp RS | LT Price | Price Trend | MktCap (US\$) | Vol (%) | 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 | RSI Dly | Yield |
|---------|--------------------------------|-----------|--------------|--------|----------|-------------|---------------|---------|-------------|-------------|---------|----------|-----------------|-------------------------|------------------|--------------------------|-----------|---------|-------|
| ATO US | Atmos Energy | U. S. | GasUtil | 2 | 2 | 1 | 6,409 | 1.20 | | 51% | | | 1% | Above Rising | 10% | Above Rising | ABOVE | 52 | 2.68% |
| AWK US | American Water Works Co | U. S. | WaterUtil | 2 | 1 | 1 | 10,748 | 1.08 | | 45% | | | 3% | Above Rising | 11% | Above Rising | ABOVE | 58 | 2.27% |
| WTR US | Aqua America | U. S. | WaterUtil | 2 | 2 | 1 | 5,236 | 1.16 | | 51% | | | 2% | Above Rising | 11% | Above Rising | ABOVE | 52 | 2.40% |
| NPI CN | Northland Power | Canada | IPPTrad | 7 | 7 | 1 | 2,203 | 1.43 | | 54% | | | 3% | Above Rising | 11% | Above Rising | ABOVE | 52 | 5.90% |
| WR US | Westar Energy | U. S. | ElecUtil | 2 | 3 | 1 | 6,041 | 1.30 | | 50% | | | 4% | Above Rising | 12% | Above Rising | ABOVE | 58 | 3.37% |
| NWN US | Northwest Natural Gas | U. S. | GasUtil | 2 | 5 | 1 | 1,392 | 1.19 | | 40% | | | 5% | Above Rising | 12% | Above Rising | ABOVE | 60 | 3.68% |
| SCG US | SCANA Corp | U. S. | MultiUtil | 1 | 5 | 1 | 8,719 | 1.32 | | 42% | | | 3% | Above Rising | 11% | Above Rising | ABOVE | 58 | 3.57% |
| PNM US | PNM Resources | U. S. | ElecUtil | 2 | 2 | 1 | 2,445 | 1.38 | | 43% | | | 6% | Above Rising | 14% | Above Rising | ABOVE | 63 | 2.87% |
| MGEE US | MGE Energy | U. S. | ElecUtil | 2 | 5 | 1 | 1,594 | 1.38 | | 36% | | | 6% | Above Rising | 13% | Above Rising | ABOVE | 60 | 2.57% |
| AEE US | Ameren Corp | U. S. | MultiUtil | 1 | 4 | 1 | 10,632 | 1.24 | | 35% | | | 2% | Above Rising | 7% | Above Rising | ABOVE | 56 | 3.88% |
| HER IM | Hera SpA | Italy | MultiUtil | 1 | 1 | 1 | 3,922 | 1.18 | | 19% | | | 1% | Above Rising | 4% | Above Rising | ABOVE | 54 | 3.69% |
| AWR US | American States Water | U. S. | WaterUtil | 2 | 2 | 1 | 1,519 | 1.44 | | 28% | | | 0% | Above Rising | 5% | Above Rising | BELOW | 47 | 2.17% |
| AVA US | Avista Corp | U. S. | MultiUtil | 1 | 4 | 1 | 2,218 | 1.26 | | 31% | | | 4% | Above Rising | 10% | Above Rising | ABOVE | 58 | 3.71% |
| AGL AU | AGL Energy | Australia | MultiUtil | 1 | 6 | 1 | 8,584 | 1.36 | | 23% | | | 6% | Above Rising | 10% | Above Rising | ABOVE | 66 | 5.08% |
| TRN IM | Terna Rete Elettrica Nazionale | Italy | ElecUtil | 2 | 2 | 1 | 10,224 | 1.27 | | 27% | | | 2% | Above Rising | 10% | Above Rising | ABOVE | 53 | 4.24% |
| XEL US | Xcel Energy | U. S. | ElecUtil | 2 | 4 | 1 | 18,493 | 1.19 | | 20% | 2.5 | | 3% | Above Rising | 7% | Above Rising | ABOVE | 60 | 3.51% |
| ES US | Eversource Energy | U. S. | ElecUtil | 2 | 3 | 2 | 16,323 | 1.28 | | 24% | | | 2% | Above Rising | 6% | Above Rising | ABOVE | 55 | 3.25% |
| WGL US | WGL Holdings Inc | U. S. | GasUtil | 2 | 3 | 2 | 3,097 | 1.40 | | 20% | | | 2% | Above Rising | 9% | Above Rising | ABOVE | 52 | 2.98% |
| LG US | Laclede Group Inc | U. S. | GasUtil | 2 | 4 | 2 | 2,559 | 1.02 | | 17% | | | 3% | Above Rising | 8% | Above Rising | ABOVE | 56 | 3.32% |
| UTL US | Unitil Corp | U. S. | ElecUtil | 2 | 5 | 2 | 510 | 1.14 | | 13% | | | 3% | Above Rising | 4% | Above Rising | ABOVE | 60 | 3.84% |
| SO US | Southern Co | U. S. | ElecUtil | 2 | 6 | 2 | 43,056 | 1.10 | | 11% | | | 5% | Above Rising | 8% | Above Rising | ABOVE | 66 | 4.58% |

Trends & Inflection Points

January 6, 2016

Research Comment

[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

The Sells



[CLICK HERE](#)

So we [started the year showing ACWI trending lower at 15%/year, and the credit picture, which is negative. We also highlighted what we liked, which is defensive high yield and U.S. REITS.](#)

With the market challenged, and yes with oil continuing to explore new space with both Brent and WTI breaking to new lows below \$35, we might as well show the sells in case you still have some 2015 portfolio cleaning to do. We will use [ETFs](#) as a proxy, but use that to spot the themes in the stocks you own.

- Starting with bonds, and yes with oil and metals under pressure you can see why [high yield and inflation products continue to be momentum sells](#) – Figure 1.
- Moving to commodities, but not wanting to use up chart space, we will note that [13 of the 17 commodity ETFs we look at](#) are momentum sells. The ones that are not, are precious metal related, and [gold itself continues to be in an underperforming trend against the other safe haven asset, which is treasuries](#). If you do want gold shares, [here are the momentum buys](#).
- Moving to industries, yes the [momentum sell list](#) is full of resources, but it is also important to point out that also on the list are European and Japanese banks, U.S. transports and retail, as well as international REITs – Figure 2.

Figure 1: [Bond ETF Momentum Sells](#)

| Symbol | Name | LT Price | Price Trend | Close 05-Jan | 1-day Equity Chg (%) | 5-day Equity Chg (%) | Flg | 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 |
|---------|---------------------------------|----------|-------------|--------------|----------------------|----------------------|-----|---------------|---------|--------------|-------------|-------------|---------|----------|-----------------|-------------------------|------------------|--------------------------|-----------|-----------------|---------|
| JNK US | SPDR High Yield Bond ETF | 5 | 10 | 33.81 | 0.2% | 0.4% | | 9,637 | 0.40 | | | -14% | | | -3% | Below Falling | -7% | Below Falling | BELOW | 248% | 43 |
| EDD US | MS EM Domestic Debt Fund | 9 | 10 | 6.80 | -0.6% | -1.4% | V | 475 | 1.01 | | | -31% | | | -3% | Below Falling | -12% | Below Falling | BELOW | 116% | 44 |
| HYG US | High Yield Corp Bond Fund | 6 | 10 | 80.25 | 0.2% | 0.3% | | 14,493 | 0.43 | | | -11% | | | -2% | Below Falling | -5% | Below Falling | BELOW | 216% | 46 |
| TIP US | US TIPS Bond ETF | 7 | 9 | 110.04 | -0.1% | 0.2% | | 14,294 | 0.35 | | | -3% | | | 0% | Below Falling | -1% | Below Falling | ABOVE | 92% | 52 |
| HYXU US | Global ex USD HY Corp Bond Fund | 7 | 7 | 44.14 | -0.3% | -2.3% | | 141 | 0.76 | | | -6% | | 39.5 | -3% | Below Falling | -5% | Below Falling | BELOW | 97% | 36 |

Figure 2: [Industry ETF Momentum Sells](#)

| Symbol | Name | Country | LT Price | Price Trend | Close 05-Jan | 1-day Equity Chg (%) | 5-day Equity Chg (%) | Flg | 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 |
|---------|--|---------|----------|-------------|--------------|----------------------|----------------------|-----|---------------|---------|--------------|-------------|-------------|---------|----------|-----------------|-------------------------|------------------|--------------------------|-----------|-----------------|---------|
| KOL US | MV Coal ETF | U. S. | 10 | 10 | 6.17 | 0.2% | -2.4% | | 39 | 1.61 | | | -65% | | | -13% | Below Falling | -28% | Below Falling | BELOW | 248% | 33 |
| XME US | US Metals & Mining ETF | U. S. | 10 | 10 | 15.02 | 0.3% | -1.1% | | 235 | 2.07 | | | -53% | | | -6% | Below Falling | -21% | Below Falling | BELOW | 116% | 45 |
| PICK US | MSCI Gbl Metals & Mining ETF | U. S. | 10 | 10 | 8.30 | 0.4% | -3.0% | | 73 | 1.93 | | | -59% | | | -7% | Below Falling | -22% | Below Falling | BELOW | 216% | 44 |
| SLX US | MV US Steel ETF | U. S. | 9 | 10 | 19.26 | 0.5% | -2.6% | | 44 | 2.06 | | | -56% | | | -8% | Below Falling | -20% | Below Falling | BELOW | 92% | 41 |
| AMJ US | Alerian MLP Index ETN | U. S. | 8 | 10 | 29.22 | -0.4% | 3.2% | | 3,477 | 1.93 | | | -49% | | | -1% | Below Falling | -13% | Below Falling | BELOW | 216% | 56 |
| MGU US | Macquarie Global Infrastructure Fund | U. S. | 3 | 10 | 18.87 | -0.4% | -0.5% | V | 235 | 1.11 | | | -35% | | | -2% | Below Falling | -9% | Below Falling | BELOW | 97% | 51 |
| PSP US | GBL Private Equity ETF | U. S. | 4 | 10 | 10.33 | -0.8% | -2.7% | | 380 | 1.05 | | | -18% | | | -4% | Below Falling | -7% | Below Falling | BELOW | 116% | 38 |
| IGF US | GBL Infrastructure ETF | U. S. | 5 | 10 | 35.62 | 0.0% | -1.4% | | 1,008 | 0.96 | | | -21% | | | -4% | Below Falling | -7% | Below Falling | BELOW | 92% | 43 |
| FCG US | Natural Gas Equity ETF | U. S. | 9 | 10 | 4.46 | -0.9% | 2.1% | | 152 | 3.07 | | | -73% | | | -16% | Below Falling | -34% | Below Falling | BELOW | 216% | 43 |
| EUFN US | iShares MSCI Europe Financials ETF | U. S. | 5 | 10 | 19.76 | -0.7% | -4.4% | | 299 | 1.28 | | | -23% | | 29.5 | -5% | Below Falling | -9% | Below Falling | BELOW | 97% | 36 |
| XMA CN | CDN Capped Materials ETF | Canada | 9 | 9 | 9.26 | -0.9% | -3.2% | | 73 | 1.78 | | | -37% | | | -1% | Below Falling | -8% | Below Falling | BELOW | 216% | 50 |
| XRT US | SPDR S&P Retail ETF | U. S. | 2 | 9 | 43.32 | 0.8% | -0.5% | | 650 | 1.11 | | | -18% | | | -2% | Below Falling | -7% | Below Falling | BELOW | 92% | 46 |
| MOO US | MV GBL Agribusiness ETF | U. S. | 7 | 9 | 45.86 | -0.1% | -2.4% | | 823 | 1.01 | | | -27% | | 3.0 | -2% | Below Falling | -7% | Below Falling | BELOW | 116% | 41 |
| XRE CN | CDN REIT ETF | Canada | 7 | 9 | 14.36 | -0.6% | -1.6% | | 793 | 0.87 | | | -14% | | | -3% | Below Falling | -5% | Below Falling | BELOW | 97% | 40 |
| XOP US | US O&G Exploration & Production ETF | U. S. | 8 | 9 | 30.27 | -0.3% | 1.2% | | 1,771 | 2.50 | | | -45% | | | -12% | Below Falling | -20% | Below Falling | BELOW | 216% | 41 |
| XES US | US O&G Equipment & Services ETF | U. S. | 9 | 9 | 17.29 | -3.0% | -1.5% | | 175 | 2.58 | | | -50% | | | -10% | Below Falling | -18% | Below Falling | BELOW | 92% | 41 |
| MXI US | GBL Materials ETF | U. S. | 8 | 9 | 44.13 | -0.3% | -2.9% | | 172 | 1.21 | | | -28% | | | -5% | Below Falling | -10% | Below Falling | BELOW | 216% | 40 |
| OIH US | MV Oil Services ETF | U. S. | 9 | 9 | 26.25 | -1.7% | -1.3% | | 1,111 | 2.12 | | | -35% | | | -9% | Below Falling | -13% | Below Falling | BELOW | 97% | 40 |
| BNK FP | Lyxor DJ Stoxx 600 Banks ETF | France | 4 | 9 | 20.23 | 0.4% | -3.1% | | 960 | 1.46 | | | -24% | | | -5% | Below Falling | -10% | Below Falling | BELOW | 97% | 42 |
| CEN US | Center Coast MLP & Infrastructure Fund | U. S. | 9 | 8 | 10.36 | 0.9% | 4.5% | | 205 | 2.26 | | | -47% | | | -3% | Below Falling | -18% | Below Falling | BELOW | 116% | 54 |
| XEG CN | CDN Capped Energy ETF | Canada | 9 | 8 | 10.27 | 0.8% | -2.5% | | 669 | 1.91 | | | -33% | | | -5% | Below Falling | -10% | Below Falling | BELOW | 92% | 46 |
| IYT US | iShares Transportation Average ETF | U. S. | 3 | 8 | 132.12 | 0.1% | -2.7% | | 661 | 1.16 | | | -13% | | | -7% | Below Falling | -8% | Below Falling | BELOW | 216% | 36 |
| 1615 JP | TOPIX Banks ETF | Japan | 7 | 8 | 209.00 | 0.0% | 1.5% | | 457 | 1.67 | | | -22% | | | -5% | Below Falling | -8% | Below Falling | BELOW | 97% | 42 |
| IGE US | NA Natural Resources ETF | U. S. | 8 | 8 | 28.16 | 0.2% | -0.4% | | 1,105 | 1.56 | | | -27% | | | -7% | Below Falling | -12% | Below Falling | BELOW | 216% | 41 |
| IXC US | GBL Energy ETF | U. S. | 7 | 8 | 27.94 | 0.0% | -1.2% | | 842 | 1.52 | | | -25% | | | -6% | Below Falling | -10% | Below Falling | BELOW | 92% | 42 |
| XLE US | US Energy ETF | U. S. | 7 | 8 | 60.53 | 0.4% | 0.1% | | 11,641 | 1.56 | | | -23% | | | -6% | Below Falling | -10% | Below Falling | BELOW | 216% | 43 |
| RWX US | DJ International Real Estate ETF | U. S. | 5 | 7 | 38.83 | 0.2% | -1.4% | | 4,498 | 1.00 | | | -11% | | | -3% | Below Falling | -4% | Below Falling | BELOW | 97% | 43 |

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

Trends & Inflection Points

January 5, 2016
 Research Comment
[Quantitative/Technical Research Website](#)

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

U.S. Real Estate...For the Relative Strength



- If we viewed your portfolio, we expect it could likely use more U.S. REITs.
- Why? Figures 1, 2, 3, 4.
- [Which ones?](#) Figure 5.
- What to sell to make room? Let's work on that. [This short clip shows you how.](#)

[CLICK HERE](#)

Figure 1: [MSCI World REITs vs MSCI World](#)



Figure 2: [MSCI World REITs vs MSCI Financials](#)



Figure 3: [MSCI World REITs](#)



Figure 4: [Regional Real Estate Indices vs FTSE Global REITs](#)

Location, Location, Location

| Name | Reward /Risk | Trend Slope | RS Hi (Mo) | RS Low (Mo) | %Chg wrt 50d RS MA | Chg wrt 50d RS MA Trend |
|--------------|--------------|-------------|------------|-------------|--------------------|-------------------------|
| US | | 12% | | | 1% | Above Rising |
| Europe | | 11% | 6.0 | | -3% | Below Falling |
| Japan | | -7% | 3.0 | | 3% | Above Rising |
| Australia | | -9% | | | 1% | Above Rising |
| UK | | -16% | | | -3% | Below Falling |
| Canada | | -26% | | | -5% | Below Falling |
| Global ex US | | -12% | | | -1% | Below Falling |

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

Figure 5: US REIT Momentum Buys vs MSCI US REIT Index

| Symbol | Name | Sub Industry | Grp RS | LT RS | RS | MktCap (US\$) | MSCI US REIT | Trend Slope | RS Hi (Mo) | RS Low (Mo) | %Chg wrt 50d MA | Chg wrt 50 Day MA Trend | RSI Dly |
|---------|-----------------------------------|--------------|--------|-------|----|---------------|--------------|-------------|------------|-------------|-----------------|-------------------------|---------|
| PSA US | Public Storage | SpecREIT | 1 | 2 | 1 | 42,314 | | 45% | | | 3% | Above Rising | 51 |
| MAA US | Mid-America Apartment Communities | ResidREIT | 1 | 4 | 1 | 6,786 | | 30% | | | 2% | Above Rising | 53 |
| CUBE US | CubeSmart | SpecREIT | 1 | 1 | 1 | 5,224 | | 38% | | | 5% | Above Rising | 57 |
| EXR US | Extra Space Storage | SpecREIT | 1 | 1 | 1 | 10,842 | | 40% | | | 6% | Above Rising | 57 |
| HR US | Healthcare Realty Trust | HCareREIT | 1 | 3 | 1 | 2,810 | | 33% | | | 4% | Above Rising | 58 |
| ELS US | Equity LifeStyle Properties | ResidREIT | 1 | 1 | 1 | 5,500 | | 27% | | | 5% | Above Rising | 59 |
| NYRT US | New York REIT | OfficeREIT | 1 | 8 | 1 | 1,854 | | 30% | | | 0% | Above Rising | 50 |
| SSS US | Sovran Self Storage | SpecREIT | 1 | 1 | 1 | 3,847 | | 22% | | | 5% | Above Rising | 58 |
| STOR US | STORE Capital | DiversREIT | 2 | 1 | 1 | 3,206 | | 16% | | | 2% | Above Rising | 53 |
| EQR US | Equity Residential | ResidREIT | 1 | 4 | 1 | 29,105 | | 12% | | | 1% | Above Rising | 52 |
| UDR US | UDR Inc | ResidREIT | 1 | 3 | 1 | 9,687 | | 19% | | | 3% | Above Rising | 53 |
| FRT US | Federal Realty Investment Trust | RetailREIT | 1 | 3 | 1 | 10,057 | | 14% | | | 0% | Above Rising | 48 |
| O US | Realty Income | RetailREIT | 1 | 2 | 1 | 12,780 | | 14% | | | 3% | Above Rising | 57 |
| CLI US | Mack-Cali Realty | OfficeREIT | 1 | 9 | 1 | 2,029 | | 36% | | | 0% | Above Rising | 47 |
| QTS US | QTS Realty Trust | SpecREIT | 1 | 1 | 1 | 1,799 | | 32% | | | 2% | Above Rising | 52 |
| EQIX US | Equinix Inc | SpecREIT | 1 | 1 | 1 | 17,732 | | 29% | | | 0% | Above Rising | 50 |
| CONE US | CyrusOne Inc | SpecREIT | 1 | 2 | 1 | 2,442 | | 29% | | | 4% | Above Rising | 56 |
| DLR US | Digital Realty Trust | SpecREIT | 1 | 4 | 1 | 11,151 | | 21% | 35.0 | | 5% | Above Rising | 65 |
| ESS US | Essex Property Trust | ResidREIT | 1 | 2 | 2 | 15,671 | | 12% | | | 4% | Above Rising | 56 |
| REG US | Regency Centers | RetailREIT | 1 | 1 | 2 | 6,360 | | 8% | | | 1% | Above Rising | 52 |

Trends & Inflection Points

January 4, 2016
 Research Comment
[Quantitative/Technical Research Website](#)

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

Framing 2016 & Your Global Buy List



[CLICK HERE](#)

- Happy New Year! Let's get to work. We have just two charts to frame the market this year:
 - MSCI ACWI has been trending lower at an annualized rate of 15%/year since the peak late year. After a recovery from the August swoon (and note the [reemergence of the Chinese equity market selloff this morning](#)), a set of lower lows and highs has formed, and the index is back below falling moving averages – Figure 1.
 - Think preservation of capital and coupon clipping in terms of defensive high yield – Figure 3.
 - The cost [protect too interconnected to fail financials is trending higher, with bouts of panic](#) – Figure 2.
 - China-oriented [Standard Chartered is the weakest member based on rate of credit deterioration \(181%/year\)](#) and [curve](#) (1/5yr = 60%) – Figure 2.
- [Late last year, we highlighted the bottoming pattern of North American High Yield vs the S&P 500.](#) To be clear, we have almost 3x the number of [high yield momentum sells](#) as we do momentum buys, as the [HY credit market continues to look weak](#). The largest of the [buy list](#) is shown in Figure 3.

Figure 1: MSCI AC World Index Trend From the 2015 Peak



Figure 2: [Too Interconnected to Fail Financials 5Yr CDS Basket](#), Standard Chartered in Insert



Figure 3: Largest [Global Momentum Buys With Indicated Dividend Yield > 3%](#)

| Symbol | Name | Country | Sub Industry | Grp RS | LT Price | Price Trend | MktCap (US\$) | Vol(%) | Price Trend | Trend Slope | Hi (Mo) | Low (Mo) | %Chg wrt 50d MA | Chg wrt 50 Day MA Trend | Yield |
|---------|--------------------------------|--------------|--------------|--------|----------|-------------|---------------|--------|-------------|-------------|---------|----------|-----------------|-------------------------|-------|
| 2638 HK | HK Electric Investments | Hong Kong | ElecUtil | 2 | 9 | 1 | 57,435 | 0.82 | ▲ | 50% | | | 7% | Above Rising | 6.13% |
| AGS BB | Ageas | EN-Belgium | Multi-LnIns | 3 | 1 | 1 | 10,405 | 1.08 | ▲ | 48% | | | 5% | Above Rising | 3.62% |
| TRN IM | Terna Rete Elettrica Nazionale | Italy | ElecUtil | 2 | 2 | 1 | 10,385 | 1.28 | ▲ | 27% | | | 3% | Above Rising | 4.21% |
| O US | Realty Income | U. S. | RetailREIT | 1 | 2 | 1 | 12,893 | 1.29 | ▲ | 27% | | | 4% | Above Rising | 4.44% |
| EN FP | Bouygues SA | France | Cns&Eng | 7 | 6 | 2 | 13,435 | 1.75 | ▲ | 21% | | | 4% | Above Rising | 4.38% |
| IMT LN | Imperial Tobacco Group | U.K. | Tobacco | 2 | 4 | 2 | 50,679 | 1.39 | ▲ | 20% | | | 2% | Above Rising | 4.37% |
| KIM US | Kimco Realty | U. S. | RetailREIT | 1 | 2 | 2 | 10,936 | 1.35 | ▲ | 24% | | | 2% | Above Rising | 3.85% |
| VOD SJ | Vodacom Group | South Africa | WlsTelSrv | 9 | 3 | 2 | 14,663 | 1.40 | ▲ | 17% | | | 4% | Above Rising | 5.22% |
| SREN VX | Swiss Re AG | Switzerland | Reinsuran | 3 | 1 | 2 | 36,319 | 1.26 | ▲ | 19% | | | 3% | Above Rising | 4.33% |
| SRG IM | Snam SpA | Italy | GasUtil | 2 | 4 | 2 | 18,369 | 1.52 | ▲ | 12% | | | 1% | Above Rising | 5.18% |
| TCL AU | Transurban Group | Australia | Hwy&Rail | 1 | 2 | 2 | 15,477 | 1.25 | ▲ | 11% | | | 4% | Above Rising | 4.58% |
| SO US | Southern Co | U. S. | ElecUtil | 2 | 6 | 2 | 42,529 | 1.11 | ▲ | 10% | | | 4% | Above Rising | 4.64% |
| 7201 JP | Nissan Motor | Japan | AutoMfg | 4 | 5 | 2 | 48,125 | 1.73 | ▲ | 25% | 1.0 | | 1% | Above Rising | 3.28% |
| MCD US | McDonald's | U. S. | Rstaurnt | 8 | 4 | 2 | 108,480 | 1.21 | ▲ | 18% | | | 4% | Above Rising | 3.01% |
| ALV GR | Allianz SE | Germany | Multi-LnIns | 3 | 1 | 2 | 81,200 | 1.38 | ▲ | 19% | | | 2% | Above Rising | 4.17% |

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

Trends & Inflection Points

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

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

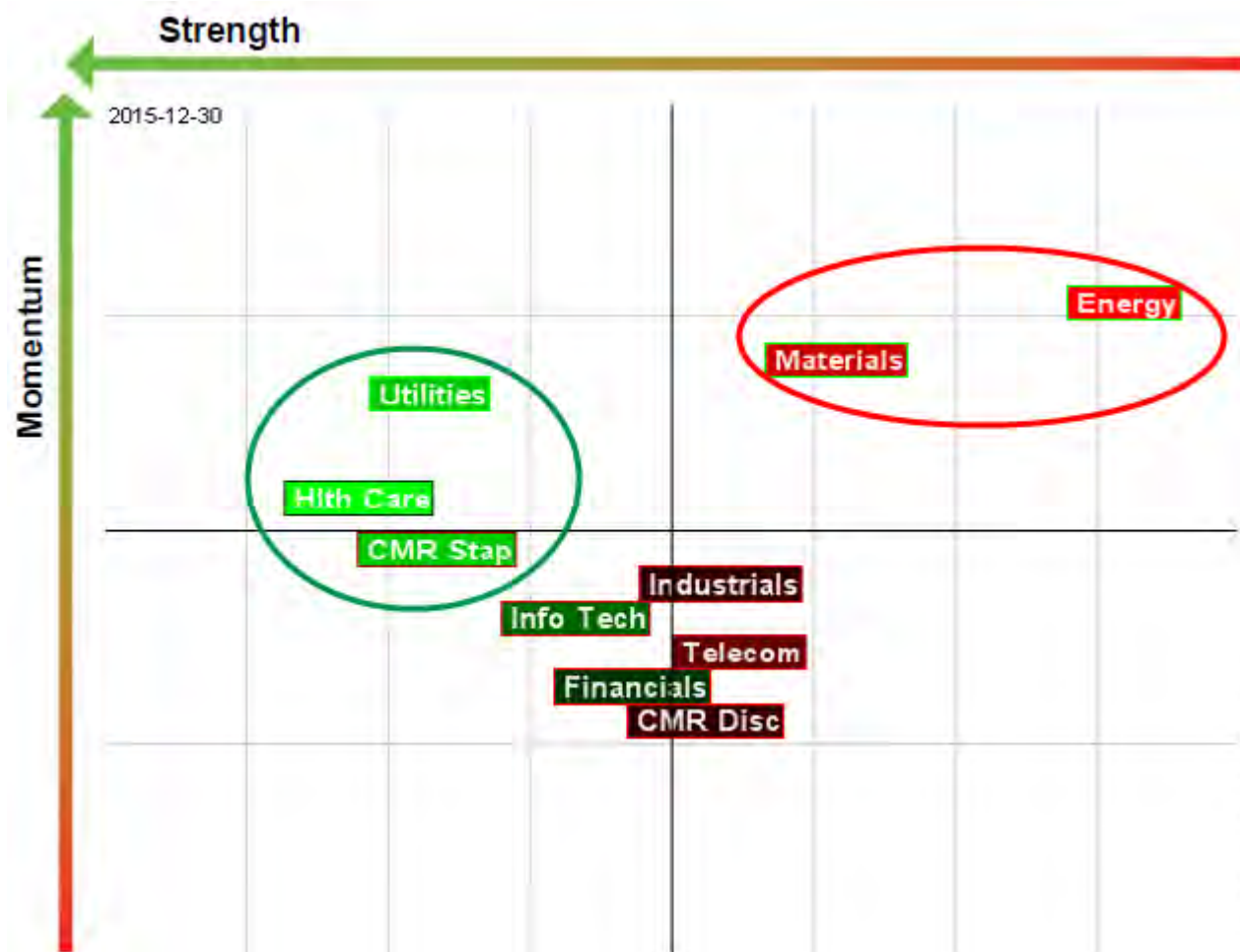
Group Selection Report



[CLICK HERE](#)

- Our [Group Selection Report](#) is one of the main [TIPS tools](#) we use in making our sector and industry recommendations.
- It contains global sector and subindustry heat maps derived from equal-weighted, bottom-up relative strength trend analysis.
 - The heat maps also contain links that take you to time series indicating how sectors/subindustries went in and out of favour and for how long.
- We show below the sector overview page of the report, where currently Health Care, Consumer Staples, and Utilities are the strongest sectors, while Energy and Materials the weakest – Figure 1.
 - The pages of the report following that contain the perspective of each subindustry.

Figure 1: [Group Selection Report – Global Sector Page](#)



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

Trends & Inflection Points

December 30, 2015

Research Comment

[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

Short Filter: Severed Uptrends in Weak Subindustries



- Our [TIPS suite](#) contains a [Long/Short](#) tool that is geared toward clients caring on absolute returns.
- The “Short 2” screen returns stocks in weak subindustries with severed positive trends.
- When applying this filter to a global universe of stocks where we exclude those that are oversold on a daily RSI basis, we come up with the 21 names in Figure 1.

[CLICK HERE](#)
Figure 1: Global Stocks With Severed Uptrends in Weak Subindustries and Daily RSI > 30

| Symbol | Name | Sub Industry | Grp RS | LT Price | Price Trend | Close 29-Dec | 1-day Equity Chg (%) | 5-day Equity Chg (%) | MktCap (US\$) | Chg Last Day | Price Trend | Trend Slope | Low (Mo) | %Chg wrt 50d MA | Chg wrt 50 Day MA Trend | RSI Dly |
|-------------|---------------------------|--------------|--------|----------|-------------|--------------|----------------------|----------------------|---------------|--------------|-------------|-------------|----------|-----------------|-------------------------|---------|
| 009150 KS | Samsung Electro-Mechanics | ElecComp | 9 | 10 | 1 | 63,000.00 | 0.0% | -6.1% | 4,016 | | | 90% | 2.5 | -6% | Below Falling | 33 |
| 2685 JP | Adastria Holdings | ApparRtl | 8 | 6 | 1 | 5,860.00 | 2.8% | -0.3% | 1,187 | | | 194% | | -13% | Below Falling | 36 |
| 8572 JP | Acom Co Ltd | ConsmrFin | 9 | 3 | 1 | 572.00 | -1.0% | -4.2% | 7,580 | | | 105% | | -8% | Below Falling | 39 |
| USCR US | US Concrete | CstrMat | 8 | 2 | 1 | 52.64 | -0.6% | -1.8% | 771 | | | 122% | 2.0 | -6% | Below Falling | 41 |
| LIVEPOLC MM | El Puerto de Liverpool | DeptStrs | 10 | 2 | 1 | 212.01 | 0.7% | 2.3% | 2,427 | | | 57% | | -5% | Below Falling | 45 |
| DIS US | Walt Disney Co | Mov&Ent | 8 | 1 | 2 | 107.08 | -0.2% | 0.5% | 177,022 | | | 34% | | -5% | Below Falling | 41 |
| 3591 JP | Wacoal Holdings | Aprl&Gds | 9 | 6 | 2 | 1,442.00 | 1.9% | 2.1% | 1,716 | | | 35% | | -3% | Below Falling | 46 |
| 8739 JP | Sparx Group | AsstMgmt | 9 | 5 | 2 | 290.00 | -0.3% | -2.4% | 504 | | | 65% | | -8% | Below Rising | 41 |
| NXT LN | Next PLC | DeptStrs | 10 | 1 | 2 | 7,235.00 | 0.8% | -0.5% | 15,920 | | | 17% | | -6% | Below Falling | 34 |
| UA US | Under Armour | Aprl&Gds | 9 | 1 | 2 | 82.25 | 1.3% | 1.6% | 14,815 | | | 38% | | -8% | Below Falling | 42 |
| EXPD US | Expeditors Intl | AirFrght | 9 | 7 | 3 | 45.67 | -0.3% | 1.0% | 8,513 | | | 10% | | -5% | Below Falling | 40 |
| LGF US | Lions Gate Entertainment | Mov&Ent | 8 | 1 | 3 | 32.45 | -1.1% | 0.5% | 4,823 | | | 17% | | -10% | Below Falling | 37 |
| 5711 JP | Mitsubishi Materials | DvrsMng | 10 | 6 | 3 | 386.00 | -0.5% | -1.3% | 4,214 | | | 25% | | -8% | Below Falling | 34 |
| MLM US | Martin Marietta Materials | CstrMat | 8 | 3 | 3 | 140.66 | 0.6% | -0.2% | 9,303 | | | 14% | | -7% | Below Falling | 40 |
| NMFC US | New Mountain Finance | AsstMgmt | 9 | 4 | 3 | 12.81 | 0.9% | 0.3% | 819 | | | 5% | | -5% | Below Falling | 42 |
| ECHO US | Echo Global Logistics | AirFrght | 9 | 7 | 4 | 20.35 | 0.2% | 1.4% | 630 | | | 14% | | -8% | Below Falling | 40 |
| JCP US | JC Penney Co | DeptStrs | 10 | 10 | 4 | 6.84 | -1.0% | 2.4% | 2,093 | | | 6% | | -16% | Below Falling | 36 |
| AAN US | Aaron's Inc | HmFrnsh | 10 | 8 | 4 | 22.90 | 1.5% | 0.8% | 1,662 | | | 4% | | -12% | Below Falling | 42 |
| SGC LN | Stagecoach Group | Trucking | 10 | 7 | 4 | 298.10 | 0.6% | 0.6% | 2,537 | | | 0% | | -12% | Below Falling | 33 |
| PTT-R TB | PTT PCL | Int O&G | 8 | 9 | 4 | 237.00 | -4.0% | -1.3% | 18,768 | | | 1% | | -10% | Below Falling | 43 |
| XEC US | Cimarex Energy | OG E&P | 10 | 6 | 4 | 90.45 | 1.3% | 5.0% | 8,553 | | | 0% | | -18% | Below Falling | 35 |

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

Trends & Inflection Points

December 29, 2015

Research Comment

[Quantitative/Technical Research Website](#)**Mark Steele**

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

Momentum Buys in S&P 500



CLICK HERE

- One of the tools available in our [TIPS suite](#) is [Index Members](#), which enables one to look at the relative strength and price trends of the members of different indices.
- Going into the [S&P 500 sleeve](#) we find that 62 stocks are classified as momentum buys (outperforming the S&P 500 and their respective sectors, above rising moving averages, and not overbought).
- We highlight the largest 20 stocks in Figure 1 (please see [link for the full list](#)).
 - We also note that, yesterday, 11 of the 62 stocks that we rank as momentum buys traded an outside positive day (see [link](#)).

Figure 1: Largest 20 Momentum Buys in S&P 500 – [See Link For Full List](#)

| Symbol | Name | Sub Industry | Grp RS | 1-day Equity Chg (%) | 5-day Equity Chg (%) | MktCap (US\$) | Chg Last Day | SPX | Trend Slope | RS Hi (Mo) | %Chg wrt 50d MA | Chg wrt 50 Day MA Trend | %Chg wrt 150d MA | Chg wrt 150 Day MA Trend | Boll Band |
|----------|-------------------|--------------|--------|----------------------|----------------------|---------------|--------------|-----|-------------|------------|-----------------|-------------------------|------------------|--------------------------|-----------|
| MCD US | McDonald's | Rstaurnt | 8 | 0.2% | 1.8% | 109,040 | | | 49% | | 5% | Above Rising | 19% | Above Rising | ABOVE |
| PSA US | Public Storage | SpecREIT | 1 | 1.2% | 1.0% | 43,491 | | | 57% | | 7% | Above Rising | 22% | Above Rising | ABOVE |
| AMZN US | Amazon.com | InetRtl | 2 | 1.9% | 1.7% | 316,508 | | | 83% | | 4% | Above Rising | 33% | Above Rising | ABOVE |
| MSFT US | Microsoft Corp | SystemSwr | 5 | 0.5% | 3.4% | 446,924 | | | 54% | | 4% | Above Rising | 20% | Above Rising | ABOVE |
| HD US | Home Depot Inc | HmImpRtl | 7 | -0.2% | 1.8% | 168,222 | | | 35% | | 4% | Above Rising | 13% | Above Rising | ABOVE |
| ADBE US | Adobe Systems | ApplicSwr | 3 | -0.1% | 3.2% | 46,987 | | | 31% | | 4% | Above Rising | 14% | Above Rising | ABOVE |
| FB US | Facebook Inc | InetSftSrv | 4 | 0.9% | 1.8% | 240,510 | | | 40% | | 1% | Above Rising | 16% | Above Rising | ABOVE |
| V US | Visa Inc | DataProc | 4 | 0.3% | 2.9% | 152,008 | | | 29% | | 0% | Above Rising | 10% | Above Rising | BELOW |
| GOOGL US | Alphabet Inc | InetSftSrv | 4 | 2.1% | 3.4% | 227,888 | | | 62% | 48.5 | 4% | Above Rising | 23% | Above Rising | ABOVE |
| INTC US | Intel Corp | Semi | 2 | -0.1% | 3.1% | 164,835 | | | 50% | | 2% | Above Rising | 12% | Above Rising | ABOVE |
| KO US | Coca-Cola Co | SoftDrnks | 1 | -0.1% | 2.3% | 189,137 | | | 18% | | 2% | Above Rising | 8% | Above Rising | ABOVE |
| PM US | Philip Morris | Tobacco | 1 | -0.3% | 3.1% | 137,252 | | | 20% | | 2% | Above Rising | 9% | Above Rising | ABOVE |
| LOW US | Lowe's Cos | HmImpRtl | 7 | 0.2% | 3.5% | 69,951 | | | 23% | | 2% | Above Rising | 7% | Above Rising | ABOVE |
| MDLZ US | Mondelez | PkgFdMt | 2 | -0.6% | 4.1% | 71,624 | | | 33% | | 1% | Above Rising | 8% | Above Rising | ABOVE |
| JNJ US | Johnson & Johnson | Pharma | 2 | -0.5% | 1.2% | 285,604 | | | 11% | | 2% | Above Rising | 5% | Above Rising | ABOVE |
| NFLX US | Netflix Inc | InetRtl | 2 | -0.2% | -0.8% | 50,051 | | | 58% | | 2% | Above Rising | 18% | Above Rising | BELOW |
| GE US | General Electric | IndCongl | 8 | 0.2% | 2.0% | 291,630 | | | 22% | | 3% | Above Rising | 15% | Above Rising | ABOVE |
| AMT US | American Tower | SpecREIT | 1 | 0.2% | 4.0% | 41,667 | | | 10% | 1.0 | 0% | Above Rising | 4% | Above Rising | ABOVE |
| LMT US | Lockheed Martin | Aero&Def | 4 | -0.1% | 2.9% | 67,116 | | | 14% | | 1% | Above Rising | 8% | Above Rising | BELOW |
| MO US | Altria Group | Tobacco | 1 | 0.0% | 3.0% | 114,249 | | | 21% | | 1% | Above Rising | 10% | Above Rising | ABOVE |

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

Trends & Inflection Points

December 24, 2015

Research Comment

[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

Go Atomic Lite on Mining



CLICK HERE

That would be atomic number 13 lite, or Aluminum. Within the periodic table of [mining elements](#), which are pretty bombed out, it's [aluminum](#) that has broken above a downtrend, is priced at a two-month high, and is above its still-falling 50d MA – Figures 1, 2.

- From a [mining specialist's](#) standpoint, portfolios should already be overweight aluminum stocks, which are outperforming, or reversing, underperforming trends vs [ACWI Metals & Mining ex Gold and Silver](#) – Figure 3.
- From a generalist's perspective, here too [we see rotation](#) – Fig 4.

Figure 1: [Metallic Price Trends](#)

| Name | 1-Day Chg (%) | 5-Day Chg (%) | Reward /Risk | 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 |
|---------------|---------------|---------------|--------------|-------------|---------|----------|-----------------|-------------------------|------------------|--------------------------|
| Gold | -0.2% | -0.2% | | -10% | | | -3% | Below Falling | -7% | Below Falling |
| Palladium | -0.3% | -3.0% | | -25% | | | -7% | Below Falling | -17% | Below Falling |
| Iron Ore | 0.0% | 4.2% | | -41% | | | -11% | Below Falling | -24% | Below Falling |
| Silver | 0.4% | 1.0% | | -19% | | | -2% | Below Falling | -7% | Below Falling |
| Lead | 1.9% | 4.1% | | -14% | | | 3% | Above Falling | -3% | Below Falling |
| Baltic Dry | 0.2% | 0.8% | | -78% | | | -21% | Below Falling | -36% | Below Falling |
| Steel - China | 0.0% | 4.9% | | -26% | 1.0 | | -3% | Below Falling | -12% | Below Falling |
| Molybdenum | 0.1% | 0.0% | ↑ | -52% | | | 9% | Above Rising | -14% | Below Falling |
| Platinum | -0.4% | -0.6% | | -29% | | | -4% | Below Falling | -15% | Below Falling |
| Nickel | 0.3% | -0.9% | | -42% | | | -8% | Below Falling | -23% | Below Falling |
| Copper | 0.7% | 2.5% | | -36% | | | -3% | Below Falling | -15% | Below Falling |
| Aluminum | 1.9% | 3.4% | ↑ | -28% | 2.0 | | 3% | Above Falling | -7% | Below Falling |
| Zinc | 2.5% | 2.3% | | -48% | | | -4% | Below Falling | -18% | Below Falling |

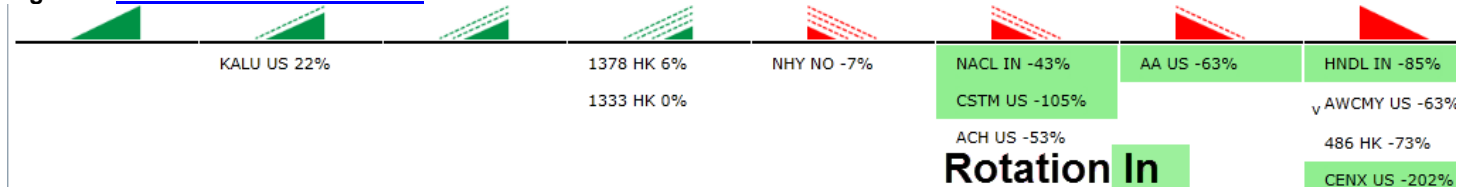
Figure 2: [LME 3Mo Aluminum](#)



Figure 3: [Aluminum Shares vs ACWI Metals & Mining ex Gold & Silver](#)

| Symbol | Name | Country | 1-day Equity Chg (%) | 5-day Equity Chg (%) | Flg | MktCap (US\$) | Vol (%) | Chg Last Day | ACWI MM xG&S | 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 |
|----------|--------------------------|-------------|----------------------|----------------------|-----|---------------|---------|--------------|--------------|-------------|------------|-------------|-----------------|-------------------------|------------------|--------------------------|
| KALU US | Kaiser Aluminum | U. S. | 2.0% | -0.2% | | 1,501 | 1.10 | | ▲ | 81% | | | 2% | Above Rising | 2% | Above Rising |
| NHY NO | Norsk Hydro | Norway | 4.5% | 9.5% | | 7,860 | 1.99 | | ▲ | 65% | 48.0 | | 5% | Above Rising | 5% | Above Falling |
| NACL IN | National Aluminium | India | -2.9% | 0.8% | | 1,564 | 2.21 | ⚡ | ▲ | 84% | | | 2% | Above Rising | 5% | Above Falling |
| AA US | Alcoa Inc | U. S. | 6.6% | 10.3% | | 13,350 | 2.41 | | ▲ | 32% | 10.5 | | 13% | Above Rising | 3% | Above Falling |
| 1333 HK | China Zhongwang Holdings | Cayman | 3.2% | 7.4% | | 2,742 | 3.14 | ⚡ | ▲ | 49% | | | 6% | Above Rising | 13% | Above Falling |
| ACH US | Aluminum Corp of China | China | 2.2% | 5.9% | | 1,311 | 3.47 | | ▲ | 19% | | | 3% | Above Falling | -13% | Below Falling |
| 1378 HK | China Hongqiao Group Ltd | Cayman | -2.7% | 0.7% | | 3,320 | 3.87 | | ▲ | 31% | | | 2% | Above Falling | -22% | Below Falling |
| AWCMY US | Alumina Ltd | Australia | 9.1% | 3.9% | V | 2,325 | 2.48 | | ▲ | 5% | | | -1% | Below Falling | -14% | Below Falling |
| 486 HK | United Co RUSAL | Jersey | 0.0% | -4.1% | | 4,607 | 2.43 | ⬇ | ▲ | 4% | 5.5 | | -16% | Below Falling | -29% | Below Falling |
| CSTM US | Constellium | Netherlands | 16.5% | 19.7% | | 920 | 5.21 | ▲ | ▲ | -57% | 7.0 | | 25% | Above Rising | 2% | Above Falling |
| HNDL IN | Hindalco Industries | India | 5.4% | 6.8% | | 2,622 | 2.53 | | ▲ | -35% | | | 4% | Above Falling | -10% | Below Falling |
| CENX US | Century Aluminum | U. S. | 11.3% | 23.0% | | 409 | 5.59 | ▲ | ▲ | -153% | 2.5 | | 17% | Above Falling | -30% | Below Falling |

Figure 4: [Aluminum Shares vs ACWI](#)



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

Trends & Inflection Points

December 23, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

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

Energy – The Dreaded Mean Reversion Trade



- It's a good time to cover shorts on energy.
 - Our [relative strength breadth reading on energy](#) is as weak as we have ever seen it, and we have seen it here four times now – Figure 1.
 - The [high yield bond market for energy](#) is priced below the bottom end of a diving channel, and we have seen it here four times now – Figure 2.
- As the year comes to a close, sellers are expected to dry up, and buyers (those covering shorts), could once again find that shares rise in a vacuum.
- We highlight the [spectrum of oversold energy stocks \(17% of the universe\) vs ACWI Energy](#) in Figure 3.

Figure 1: [Energy Relative Strength Breadth Reading](#)



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



Figure 3: [Oversold \(RSI < 30\) Energy Shares vs MSCI ACWI Energy](#)

| | | | | | | | |
|--------------|--------------|--------------|--------------|----------------|-----------------|-----------------|-----------------|
| ▼ PXD US 48% | 5012 JP 43% | HFC US 60% | EOG US 8% | EGN US -3% | PNE CN -32% | BBEP US -160% | GLNG US -141% |
| | ▼ NXF US 40% | ▼ XEC US 25% | ▼ WMB US 19% | LPI US -7% | BIR CN -46% | BANPU-R TB -41% | ▼ BPT US -100% |
| | | FANG US 26% | PHX US 3% | IOC US -7% | ▼ CLR US -32% | SM US -72% | GENL LN -137% |
| | | | CWEI US 6% | AKSO NO -14% | PPY CN -60% | CRC US -119% | ERF CN -119% |
| | | | ▼ DVN US 2% | ▼ TK US -17% | SAKP MK -45% | WTI US -85% | CGG FP -104% |
| | | | ▼ KNOP US 2% | TOO US -18% | MRO US -38% | ▼ XOP US -29% | LINE US -295% |
| | | | EQT US 0% | WCP CN -18% | ATW US -41% | BXE CN -92% | SWN US -189% |
| | | | | LKOD LI -10% | ▼ LGCY US -120% | ▼ AROC US -84% | RRC US -97% |
| | | | | IAE CN -35% | MEG CN -78% | USO US -49% | SDRL US -126% |
| | | | | HSE CN -21% | BNK CN -80% | DBE US -30% | POU CN -244% |
| | | | | ▼ SDLP US -45% | ECA CN -55% | ITMG US -74% | ECR US -191% |
| | | | | CIE US -21% | DNO NO -67% | FCG US -64% | ▼ MEMP US -281% |
| | | | | ▼ VNR US -63% | ▼ GTT FP -34% | ▼ WLL US -108% | PMO LN -186% |
| | | | | KMI US -47% | DNP US -94% | WHC AU -69% | BNP CN -220% |
| | | | | | EVEP US -132% | BWO NO -77% | VSN CN -91% |
| | | | | | HK US -136% | | |
| | | | | | LNG US -56% | | |

Oversold Outperformers

Oversold Underperformers

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit. We are Restricted on MEG Energy.

Trends & Inflection Points

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

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

North American High Yield Stocks Are Beating the 500



[CLICK HERE](#)

You take a look at our [Tactical Asset Allocation link](#) (available in our [TIPs Suite](#)), and you see [the S&P 500 as the most consistent outperformer vs. MSCI World](#). Using the [S&P 500](#) as the denominator and taking the [most outperforming region in High Yield, which is North America](#), as the numerator, we note the basing phase of [North American High Yield](#) against the S&P 500, which is a very long (but filled with value) way to say that you should consider stuffing your stocking with a few high yield stocks – Fig 1.

- What does the index look like on its own? Flat. But [relative to many benchmarks out there](#), in this [era of Quantitative Tightening](#), flat is a win – Figure 2.
- Before we highlight the stock list, we will quip that when we poke around in our clients’ portfolios, the second sin (after owning too many [resources](#)) is owning stocks set up for higher long rates when [rates are trending lower](#), and a steeper yield curve when the [curves are flattening](#). Yes, you own too many [banks](#).
- When we look at [momentum buys within North American high yield we find the nice list filled with REITS and Utilities](#) – Figure 3.
- Still cleaning house in 2015? We highlight the [Naughty list](#) in Figure 4.

Figure 1: MSCI Namer High Dvd Yield Net vs. S&P 500 Net



Figure 2: MSCI North American High Yield Index



Figure 3: North American High Yield Momentum Buys

| Symbol | Name | Sub Industry | Grp RS | LT Price | Price Trend | MktCap (US\$) | Price Trend | 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 | Boll Band Width | RSI Dly | Yield | DVD Growth 1y | DVD Growth 3y | DVD Growth 5y |
|---------|----------------------------|--------------|--------|----------|-------------|---------------|-------------|-------------|---------|----------|-----------------|-------------------------|------------------|--------------------------|-----------------|---------|-------|---------------|---------------|---------------|
| COR US | CoreSite Realty | SpecREIT | 1 | 1 | 1 | 1,771 | ▲ | 69% | | | 1% | Above Rising | 15% | Above Rising | 67% | 53 | 3.67% | 22% | 30% | |
| MAA US | Mid-America Apartment C | ResidREIT | 1 | 2 | 1 | 6,795 | ▲ | 50% | | | 4% | Above Rising | 14% | Above Rising | 72% | 59 | 3.64% | 6% | 5% | 5% |
| IDA US | IDACORP Inc | ElecUtil | 3 | 2 | 1 | 3,397 | ▲ | 53% | | | 0% | Above Rising | 10% | Above Rising | 69% | 50 | 3.02% | 9% | 12% | 10% |
| WR US | Westar Energy | ElecUtil | 3 | 3 | 1 | 5,839 | ▲ | 50% | | | 1% | Above Rising | 11% | Above Rising | 64% | 51 | 3.49% | 3% | 3% | 3% |
| SCG US | SCANA Corp | MultiUtil | 1 | 5 | 1 | 8,606 | ▲ | 34% | | | 3% | Above Rising | 12% | Above Rising | 83% | 57 | 3.62% | 4% | 3% | 3% |
| HR US | Healthcare Realty Trust | HCareREIT | 2 | 2 | 1 | 2,772 | ▲ | 43% | | | 4% | Above Rising | 11% | Above Rising | 99% | 59 | 4.36% | 0% | 0% | 0% |
| STOR US | STORE Capital | DiversREIT | 3 | 1 | 1 | 3,213 | ▲ | 27% | | | 2% | Above Rising | 7% | Above Rising | 77% | 55 | 4.74% | | | |
| CMS US | CMS Energy | MultiUtil | 1 | 2 | 1 | 9,890 | ▲ | 26% | | | 0% | Above Rising | 5% | Above Rising | 46% | 53 | 3.26% | 7% | 7% | 12% |
| CONE US | CyrusOne Inc | SpecREIT | 1 | 5 | 1 | 2,435 | ▲ | 34% | 1.5 | | 4% | Above Rising | 14% | Above Rising | 98% | 64 | 3.43% | 46% | | |
| ORI US | Old Republic | P&C Insur | 2 | 1 | 1 | 4,777 | ▲ | 34% | | | 1% | Above Rising | 14% | Above Rising | 78% | 48 | 4.05% | 1% | 1% | 1% |
| O US | Realty Income | RetailREIT | 1 | 2 | 1 | 12,755 | ▲ | 25% | | | 4% | Above Rising | 9% | Above Rising | 78% | 61 | 4.49% | 4% | 9% | 6% |
| NJR US | New Jersey Resources | GasUtil | 5 | 7 | 2 | 2,665 | ▲ | 23% | 1.5 | | 3% | Above Rising | 7% | Above Rising | 112% | 62 | 3.09% | 7% | 6% | 6% |
| NNN US | National Retail Properties | RetailREIT | 1 | 2 | 2 | 5,344 | ▲ | 18% | | | 3% | Above Rising | 6% | Above Rising | 87% | 62 | 4.43% | 4% | 3% | 3% |
| LG US | Laclede Group Inc | GasUtil | 5 | 4 | 2 | 2,512 | ▲ | 17% | | | 1% | Above Rising | 9% | Above Rising | 81% | 57 | 3.38% | 5% | 4% | 3% |
| SIX US | Six Flags Entertainment | LeisFcol | 2 | 2 | 2 | 4,930 | ▲ | 20% | 48.5 | | 4% | Above Rising | 14% | Above Rising | 80% | 61 | 4.32% | 11% | 17% | |
| SUI US | Sun Communities | ResidREIT | 1 | 1 | 2 | 3,990 | ▲ | 15% | | | 2% | Above Rising | 5% | Above Rising | 104% | 56 | 3.80% | 0% | 1% | 1% |
| UDR US | UDR Inc | ResidREIT | 1 | 2 | 2 | 9,558 | ▲ | 17% | | | 2% | Above Rising | 9% | Above Rising | 94% | 53 | 3.04% | 7% | 8% | 9% |
| PAYX US | Paychex Inc | DataProc | 4 | 3 | 2 | 18,964 | ▲ | 18% | | | 0% | Above Rising | 8% | Above Rising | 74% | 47 | 3.19% | 10% | 7% | 5% |
| DRE US | Duke Realty | DiversREIT | 3 | 3 | 2 | 7,213 | ▲ | 15% | | | 3% | Above Rising | 7% | Above Rising | 101% | 59 | 3.45% | 31% | 9% | 6% |

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

Figure 4: Largest 50 North American High Yield Momentum Sells

| Symbol | Name | Country | Sub Industry | Grp RS | LT Price | Price Trend | Close 21-Dec | 1-day Equity Chg (%) | 5-day Equity Chg (%) | MktCap (US\$) | Chg Last Day | Price Trend | Trend Slope | Hi (Mo) | Low (Mo) |
|----------|---------------------------------|---------|--------------|--------|----------|-------------|--------------|----------------------|----------------------|---------------|--------------|-------------|-------------|---------|----------|
| GPS US | Gap Inc | U. S. | ApparlRtl | 8 | 5 | 10 | 24.77 | -0.7% | -3.7% | 9,955 | | | -60% | | 42.0 |
| POT CN | Potash Corp of Saskatchewan | Canada | Fert&Ag | 9 | 9 | 10 | 23.83 | -1.6% | 3.5% | 14,252 | ↘ | | -57% | | |
| IBM US | International Business Machines | U. S. | ITConsult | 2 | 9 | 10 | 135.50 | 0.4% | -0.3% | 131,450 | | | -33% | | |
| PPL CN | Pembina Pipeline | Canada | OG StTr | 10 | 6 | 10 | 29.89 | 0.0% | 4.3% | 7,922 | | | -40% | | |
| TGT US | Target Corp | U. S. | GMrchStrs | 6 | 4 | 10 | 71.71 | 0.5% | -1.4% | 44,177 | | | -24% | | |
| AES US | AES | U. S. | IPPTrad | 9 | 7 | 10 | 9.16 | 1.1% | 3.7% | 6,163 | | | -50% | | |
| EXC US | Exelon Corp | U. S. | ElecUtil | 3 | 9 | 10 | 27.43 | 2.0% | 7.7% | 25,224 | | | -30% | | |
| SXL US | Sunoco Logistics Partners LP | U. S. | OG StTr | 10 | 5 | 10 | 22.47 | 1.8% | 0.5% | 5,852 | ↗ | | -54% | | |
| WGP US | Western Gas Equity Partners LP | U. S. | OG StTr | 10 | 5 | 10 | 31.60 | 4.8% | 1.4% | 6,918 | ↗ | | -62% | | |
| WPZ US | Williams Partners LP | U. S. | OG StTr | 10 | 6 | 10 | 24.19 | 6.0% | 7.4% | 14,193 | | | -73% | | |
| PAA US | Plains All American Pipeline LP | U. S. | OG StTr | 10 | 6 | 10 | 21.67 | 9.0% | 13.5% | 8,619 | | | -70% | | |
| BX US | Blackstone Group LP | U. S. | AsstMgmt | 9 | 1 | 10 | 30.11 | 1.7% | 8.3% | 16,815 | | | -43% | | |
| WES US | Western Gas Partners LP | U. S. | OG StTr | 10 | 4 | 10 | 40.64 | 1.5% | 7.8% | 5,225 | | | -51% | | |
| IP US | International Paper | U. S. | PapProd | 2 | 7 | 10 | 37.30 | 1.4% | -0.7% | 15,463 | | | -37% | | |
| SE US | Spectra Energy | U. S. | OG StTr | 10 | 8 | 10 | 22.45 | 2.2% | -1.7% | 15,073 | ↗ | | -42% | | |
| NOV US | National Oilwell Varco | U. S. | OG Equip | 10 | 8 | 10 | 33.90 | 1.9% | 1.0% | 12,738 | | | -46% | | |
| IPL CN | Inter Pipeline | Canada | OG StTr | 10 | 4 | 10 | 21.79 | -2.5% | 5.6% | 5,248 | | | -35% | | |
| STLD US | Steel Dynamics | U. S. | Steel | 10 | 7 | 10 | 17.28 | 2.1% | 0.0% | 4,183 | | | -34% | | |
| ADM US | Archer-Daniels-Midland | U. S. | AgriProd | 7 | 4 | 9 | 35.31 | 0.9% | 3.3% | 21,071 | | | -45% | | |
| NA CN | National Bank of Canada | Canada | DiversBnk | 9 | 4 | 9 | 40.08 | -0.3% | 1.6% | 9,876 | | | -21% | | |
| CAT US | Caterpillar | U. S. | CnstMch&Tr | 10 | 8 | 9 | 65.24 | 0.2% | -1.3% | 37,985 | | | -36% | | |
| NAVI US | Navient Corp | U. S. | ConsmrFin | 9 | 9 | 9 | 11.80 | -1.0% | -3.0% | 4,275 | | | -55% | | |
| OGE US | OGE Energy | U. S. | ElecUtil | 3 | 5 | 9 | 25.96 | 1.9% | 4.9% | 5,184 | | | -24% | | |
| WDC US | Western Digital | U. S. | HdwrSt&P | 9 | 4 | 9 | 59.06 | 0.3% | -0.5% | 13,685 | | | -43% | | |
| CTL US | CenturyLink | U. S. | IntgTelSrv | 5 | 6 | 9 | 25.16 | 0.2% | 3.2% | 13,813 | | | -33% | | |
| EEP US | Enbridge Energy Partners LP | U. S. | OG StTr | 10 | 8 | 9 | 21.36 | 3.4% | 6.6% | 5,601 | | | -44% | | |
| IRM US | Iron Mountain | U. S. | SpecREIT | 1 | 7 | 8 | 26.96 | 0.7% | 3.2% | 5,693 | | | -29% | | |
| CIX CN | CI Financial | Canada | AsstMgmt | 9 | 4 | 8 | 30.50 | -0.5% | 1.6% | 6,191 | | | -17% | | |
| EV US | Eaton Vance | U. S. | AsstMgmt | 9 | 6 | 8 | 31.75 | 1.1% | 1.6% | 3,690 | | | -24% | | |
| GEL US | Genesis Energy LP | U. S. | OG StTr | 10 | 5 | 8 | 33.09 | 3.0% | 3.0% | 3,638 | ↗ | | -31% | | |
| EPD US | Enterprise Products Partners LP | U. S. | OG StTr | 10 | 5 | 8 | 24.22 | 3.4% | 9.3% | 48,579 | | | -28% | | |
| CU CN | Canadian Utilities | Canada | MultiUtil | 1 | 7 | 8 | 31.74 | -1.8% | 6.3% | 4,338 | | | -21% | | |
| ETR US | Entergy Corp | U. S. | ElecUtil | 3 | 8 | 8 | 66.18 | -0.1% | 1.1% | 11,806 | | | -19% | | |
| ENB CN | Enbridge Inc | Canada | OG StTr | 10 | 4 | 8 | 43.57 | -0.5% | 6.0% | 26,950 | | | -32% | | |
| HP US | Helmerich & Payne | U. S. | OG Drill | 10 | 8 | 8 | 50.00 | 0.2% | -3.8% | 5,389 | | | -42% | | |
| FE US | FirstEnergy | U. S. | ElecUtil | 3 | 8 | 8 | 31.07 | 0.2% | 0.3% | 13,144 | | | -15% | | |
| PBI US | Pitney Bowes | U. S. | OfficeServ | 9 | 7 | 8 | 19.86 | 0.9% | 2.8% | 3,913 | | | -15% | | |
| PFW CN | Power Financial | Canada | LifeHthIns | 7 | 3 | 8 | 32.38 | -0.2% | 1.7% | 16,493 | | | -17% | | |
| MIC US | Macquarie Infrastructure Co | U. S. | AirprtSrv | 2 | 2 | 8 | 66.63 | 2.0% | 2.0% | 5,321 | ↗ | | -18% | | |
| OKS US | ONEOK Partners LP | U. S. | OG StTr | 10 | 9 | 8 | 27.10 | 18.7% | 15.2% | 5,768 | ↗ | | -34% | | |
| HPT US | Hospitality Properties Trust | U. S. | HotelREIT | 10 | 3 | 8 | 25.90 | 1.0% | 0.6% | 3,925 | | | -18% | | |
| HR-U CN | H&R REIT | Canada | DiversREIT | 3 | 8 | 8 | 20.30 | 1.0% | 2.6% | 4,052 | | | -12% | | |
| REI-U CN | RioCan REIT | Canada | RetailREIT | 1 | 8 | 8 | 24.31 | -2.0% | 1.5% | 5,521 | | | -16% | | |
| ARX CN | ARC Resources | Canada | OG E&P | 10 | 9 | 8 | 16.49 | -0.5% | 3.3% | 4,075 | | | -29% | | |
| HPQ US | HP Inc | U. S. | HdwrSt&P | 9 | 7 | 7 | 11.43 | -0.7% | -6.0% | 20,481 | | | -28% | | 2.5 |
| NUE US | Nucor Corp | U. S. | Steel | 10 | 8 | 7 | 39.73 | 2.2% | -1.0% | 12,698 | | | -20% | | |
| LVS US | Las Vegas Sands | U. S. | Cas&Gam | 8 | 7 | 7 | 42.04 | 1.2% | 5.7% | 33,460 | | | -25% | | |
| AGNC US | American Capital Agency | U. S. | MortgREIT | 5 | 5 | 7 | 17.68 | 1.0% | 4.2% | 6,125 | | | -10% | | |
| WU US | Western Union Co | U. S. | DataProc | 4 | 5 | 7 | 18.01 | 1.2% | 0.1% | 9,100 | | | -17% | | |
| IGM CN | IGM Financial | Canada | AsstMgmt | 9 | 5 | 7 | 35.29 | 0.0% | 0.9% | 6,214 | | | -17% | | |

Trends & Inflection Points

December 21, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

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

Canada Heading Into 2016 – 20/20 View



[CLICK HERE](#)

- The [Canadian equity market](#) is **falling at an annualized rate of 20% per year**, and the annualized decline from the high also approaches 20%. The double top becomes fully priced-in with a further decline of 9% – Figure 1.
- [Financials](#) with a 38% weight are trading water, while [Energy](#) with an 18% weight is declining at 31% per year, and [Materials](#) comprising 10% of the market is falling at 39% per year. For the purposes of the market, that 79% in total is the Canadian equity market – Figure 2.

- For the purposes of your portfolio, which has to be in Canadian stocks (if yours doesn't, may we offer up some [USD-denominated suggestions](#)), there are **26 Canadian large (over \$500mm) and liquid (over \$1mm/day traded) momentum buys** – Figure 3.

Figure 1: S&P/TSX Total Return Composite Index



Figure 2: Price Trends on S&P/TSX Sectors

| 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 |
|-----------------------|--------------|--------------|-------------|---------------|----------------|-----------------------|-----------------------------|
| S&P/TSX Staples | | | 16% | | | 0.6% | Above Rising |
| S&P/TSX Technology | | | 16% | | | 4.3% | Above Rising |
| S&P/TSX Telecom | | | 14% | | | -5.0% | Below Falling |
| S&P/TSX Health Care | | | 44% | | | 8.9% | Above Falling |
| S&P/TSX Financials | | | 0% | | | -1.8% | Below Falling |
| S&P/TSX Discretionary | | | -4% | 11.0 | | -5.0% | Below Falling |
| S&P/TSX Industrials | | | -16% | | | -2.3% | Below Falling |
| S&P/TSX Utilities | | | -13% | 1.0 | | 0.6% | Above Falling |
| S&P/TSX Energy | | | -31% | | | -7.7% | Below Falling |
| S&P/TSX Materials | | | -39% | | | -3.2% | Below Falling |

Figure 3: Canadian Large and Liquid Momentum Buys – Total Return Price Trends

| Symbol | Name | Sub Industry | Grp RS | LT Price | Price Trend | Close 18-Dec | 1-day Equity Chg (%) | 5-day Equity Chg (%) | MktCap (CAD) | Chg Last Day | Price Trend | 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 | Boll Band | RSI Dly |
|----------|---------------------------------|--------------|--------|----------|-------------|--------------|----------------------|----------------------|--------------|--------------|-------------|-------------|---------|----------|-----------------|-------------------------|------------------|--------------------------|-----------|---------|
| JE CN | Just Energy Group | MultiUtil | 1 | 6 | 1 | 9.75 | 2.4% | -4.3% | 1,433 | | | 120% | 48.0 | | 5% | Above Rising | 34% | Above Rising | ABOVE | 63 |
| KXS CN | Kinaxis Inc | SystemSwr | 5 | 1 | 1 | 45.31 | -1.3% | -1.1% | 1,093 | | | 155% | | 1.0 | 3% | Above Rising | 31% | Above Rising | BELOW | 48 |
| EIF CN | Exchange Income | Airline | 3 | 6 | 1 | 27.53 | -0.5% | 1.3% | 717 | | | 88% | | | 7% | Above Rising | 21% | Above Rising | ABOVE | 58 |
| ECI CN | EnerCare Inc | SpCmSrv | 4 | 5 | 1 | 16.00 | 1.4% | 4.0% | 1,462 | | | 57% | | | 5% | Above Rising | 12% | Above Rising | ABOVE | 57 |
| CSH-U CN | Chartwell Retirement Residences | HCFacility | 6 | 5 | 1 | 12.91 | 0.8% | 5.1% | 2,248 | | | 42% | | | 2% | Above Rising | 9% | Above Rising | ABOVE | 55 |
| CCL/B CN | CCL Industries | MtGlsCnt | 2 | 1 | 1 | 226.28 | 0.5% | 2.0% | 7,386 | | | 76% | 48.0 | | 10% | Above Rising | 33% | Above Rising | ABOVE | 62 |
| NPI CN | Northland Power | IPPTrad | 9 | 7 | 1 | 18.57 | 2.0% | 8.0% | 3,143 | | | 44% | 48.0 | | 5% | Above Rising | 13% | Above Rising | ABOVE | 61 |
| NFI CN | New Flyer Industries | CnstMch&Tr | 9 | 1 | 1 | 26.95 | -1.0% | -0.6% | 1,496 | | | 103% | | | 15% | Above Rising | 51% | Above Rising | ABOVE | 62 |
| EXE CN | Extencicare | HCFacility | 6 | 6 | 1 | 9.25 | 0.4% | 2.0% | 812 | | | 50% | | | 2% | Above Rising | 16% | Above Rising | BELOW | 50 |
| MRU CN | Metro Inc | FdRetail | 6 | 1 | 1 | 38.95 | 0.9% | 1.7% | 9,370 | | | 30% | | | 3% | Above Rising | 9% | Above Rising | ABOVE | 55 |
| AQN CN | Algonquin Power & Utilities | IPPTrad | 9 | 4 | 1 | 10.90 | 1.0% | 6.7% | 2,752 | | | 37% | | | 6% | Above Rising | 14% | Above Rising | ABOVE | 63 |
| PBH CN | Premium Brands Holdings | PkgFdMt | 3 | 3 | 1 | 38.69 | -0.3% | 2.2% | 980 | | | 50% | | | 6% | Above Rising | 20% | Above Rising | ABOVE | 66 |
| NG CN | NOVAGOLD Resources | Gold | 7 | 9 | 1 | 5.87 | 5.2% | -1.3% | 1,866 | | | 74% | | | 16% | Above Rising | 27% | Above Rising | ABOVE | 61 |
| ATD/B CN | Alimentation Couche-Tard | FdRetail | 6 | 1 | 1 | 62.00 | -0.3% | 1.0% | 25,996 | | | 31% | | | 3% | Above Rising | 12% | Above Rising | ABOVE | 52 |
| CSU CN | Constellation Software | ApplicSwr | 2 | 1 | 1 | 584.58 | 0.4% | 0.1% | 12,387 | | | 31% | | | 4% | Above Rising | 11% | Above Rising | ABOVE | 58 |
| CIG CN | Colliers Intl | REstSrv | 6 | 1 | 1 | 61.93 | -0.5% | 1.2% | 2,270 | | | 48% | | | 4% | Above Rising | 13% | Above Rising | ABOVE | 61 |
| MST-U CN | Milestone Apartments REIT | ResidREIT | 1 | 3 | 1 | 15.50 | -0.9% | 1.4% | 937 | | | 34% | | | 0% | Above Rising | 10% | Above Rising | BELOW | 49 |
| MBT CN | Manitoba Telecom Services | IntgTelSrv | 5 | 7 | 1 | 30.29 | 2.2% | 6.8% | 2,401 | | | 15% | 16.5 | | 5% | Above Rising | 12% | Above Rising | ABOVE | 65 |
| SRU-U CN | Smart REIT | RetailREIT | 1 | 6 | 2 | 31.29 | 1.1% | 1.2% | 3,895 | | | 16% | | | 0% | Above Rising | 6% | Above Rising | BELOW | 51 |
| BCB CN | Cott Corp | SoftDrms | 1 | 6 | 2 | 14.60 | -0.6% | 2.7% | 1,600 | | | 41% | | | 6% | Above Rising | 12% | Above Rising | ABOVE | 60 |
| WPK CN | Wipak Ltd | MtGlsCnt | 2 | 4 | 2 | 46.55 | 1.5% | 4.3% | 3,026 | | | 22% | 48.0 | | 8% | Above Rising | 17% | Above Rising | ABOVE | 62 |
| GIL CN | Gildan Activewear | Aprl&Gds | 9 | 1 | 2 | 40.22 | -0.1% | -0.1% | 9,778 | | | 30% | | | 2% | Above Rising | 1% | Above Rising | BELOW | 49 |
| CHP-U CN | Choice Properties REIT | RetailREIT | 1 | 6 | 2 | 11.71 | 0.0% | 2.6% | 1,030 | | | 12% | | | 1% | Above Rising | 5% | Above Rising | ABOVE | 58 |
| ARE CN | Aecon Group | Cns&Eng | 7 | 5 | 2 | 15.16 | 3.7% | 9.9% | 857 | | | 43% | 1.0 | | 4% | Above Rising | 18% | Above Rising | ABOVE | 66 |
| OCX CN | Onex Corp | MltSecHld | 3 | 2 | 2 | 83.42 | -0.9% | 1.2% | 9,263 | | | 19% | | | 4% | Above Rising | 11% | Above Rising | ABOVE | 58 |
| TAP US | Molson Coors Brewing | Brewers | 2 | 3 | 2 | 92.55 | -1.2% | -0.1% | 21,023 | | | 28% | | | 3% | Above Rising | 20% | Above Rising | BELOW | 52 |

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
 Note: BMO Capital Markets is restricted on Milestone Apartments REIT

Trends & Inflection Points

December 18, 2015

Research Comment

[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

Flying High



On the busiest travel day of the year, we figure it's as good a time as any (oh yeah, ... also as the [oil price](#) takes out the low, [safe-haven bonds look great](#), [yield curves are on the verge of taking out the low](#), and [our Otis Redding collection](#) is primarily composed of [REITS](#) and [Utilities](#)) to highlight the [CDS which are also travelling at high levels of 1000bps or more](#). Each has a listed equity associated with it, for some, that won't be the case next year – Figure 1.

- o [Safe travels.](#)

[CLICK HERE](#)

Figure 1: [Mille High Club Where CDS > 1000bps](#)

| Symbol | Name | Country | Sub Industry | 1-day Equity Chg (%) | 5-day Equity Chg (%) | MktCap (US\$) | Chg Last Day | CDS | Trend Slope | CDS Hi (Mo) | CDS Low (Mo) | Liquidity | Fit to Equity | CDS Curve 1/5Yr | CDS 1-day Chg (%) | CDS 5-day chg (%) | CDS %Chg wrt 50 DMA | Chg wrt 50 Day MA Trend | CDS BBand Width | StdDev from 26-day |
|----------|-----------------------------|-------------|--------------|----------------------|----------------------|---------------|--------------|--------|-------------|-------------|--------------|-----------|---------------|-----------------|-------------------|-------------------|---------------------|-------------------------|-----------------|--------------------|
| X US | United States Steel | U. S. | Steel | -10.6% | -15.9% | 1,087 | | 2,906% | ↓ | | | 2 | 1 | 0.45 | 5% | 5% | 18% | Above Rising | 98% | -0.5 |
| CHK US | Chesapeake Energy | U. S. | OG E&P | -4.6% | -18.4% | 2,474 | | 4,104% | ↑ | 95.0 | | 1 | 1 | 0.75 | 7% | 28% | 97% | Above Rising | 264% | 2.1 |
| TCK/B CN | Teck Resources | Canada | DvrsMng | -7.9% | -17.9% | 1,758 | | 2,385% | ↓ | | | 2 | 1 | 0.51 | 6% | 9% | 62% | Above Rising | 150% | 1.3 |
| AKS US | AK Steel Holding | U. S. | Steel | -6.8% | -16.4% | 363 | | 1,194% | ↓ | | | 2 | 1 | 0.60 | -1% | 0% | 18% | Above Rising | 127% | 0.3 |
| BTU US | Peabody Energy | U. S. | Coal&Uran | -6.4% | -19.2% | 139 | | 1,507% | ↓ | | | 5 | 5 | 1.22 | -10% | 4% | 15% | Above Rising | 46% | 0.6 |
| FCX US | Freeport-McMoRan | U. S. | DvrsMng | -8.5% | -16.8% | 7,074 | ↑ | 1,181% | ↑ | 17.0 | | 3 | 1 | 0.48 | 8% | 22% | 83% | Above Rising | 218% | 1.9 |
| VED LN | Vedanta Resources | U.K. | DvrsMng | -5.6% | -16.8% | 1,057 | | 434% | ↓ | 83.5 | | 7 | 9 | 1.06 | 0% | 4% | 29% | Above Rising | 154% | 2.5 |
| RAL FP | Rallye SA | France | FdRetail | -20.0% | -14.3% | 715 | | 960% | ↓ | 77.0 | | 1 | 1 | 0.66 | 40% | 21% | 52% | Above Rising | 199% | 3.0 |
| NOBL SP | Noble Group | Bermuda | TrdgDist | -0.8% | 6.5% | 1,934 | | 548% | ↓ | 85.5 | | 3 | 9 | 1.13 | 3% | 2% | 28% | Above Rising | 190% | 1.9 |
| HOV US | Hovnanian Enterprises | U. S. | HomeBld | -1.1% | 1.1% | 231 | | 412% | ↓ | | | 2 | 1 | 0.54 | 1% | 2% | 24% | Above Rising | 140% | 0.6 |
| RIG US | Transocean | Switzerland | OG Drill | -2.5% | -1.1% | 4,729 | ↑ | 210% | ↑ | 95.0 | | 1 | 1 | 0.40 | 13% | 21% | 42% | Above Rising | 152% | 2.8 |
| BBD/B CN | Bombardier | Canada | Aero&Def | -3.0% | -4.9% | 1,620 | ↔ | 241% | ↓ | 2.5 | | 1 | 4 | 0.51 | 5% | 12% | 18% | Above Rising | 101% | 2.3 |
| SID US | Cia Siderurgica Nacional | Brazil | Steel | -9.7% | -13.6% | 1,415 | | 265% | ↓ | | 3.0 | 8 | | 1.10 | 0% | -3% | -2% | Below Falling | 14% | -2.1 |
| PKD US | Parker Drilling | U. S. | OG Drill | -5.3% | -18.1% | 240 | | 100% | ↑ | | | 6 | 8 | 0.34 | 1% | 9% | 36% | Above Rising | 349% | 1.6 |
| AMD US | Advanced Micro Devices | U. S. | Semi | 0.8% | 4.5% | 2,023 | | 157% | ↓ | | | 3 | 4 | 0.48 | 0% | 1% | 7% | Above Falling | 49% | 1.4 |
| NBGY US | National Bank of Greece | Greece | DiversBnk | 7.6% | -15.8% | 82 | | 252% | ↓ | 3.5 | | 7 | 6 | 1.49 | 0% | 0% | 6% | Above Rising | 72% | 1.2 |
| MBI US | MBIA Inc | U. S. | P&C Insur | -3.4% | -4.2% | 827 | | 69% | ↑ | 34.5 | | 1 | 1 | 0.47 | 0% | 17% | 36% | Above Rising | 232% | 2.3 |
| CZR US | Caesars Entertainment | U. S. | Cas&Gam | 0.5% | -5.6% | 1,113 | | 15% | ↓ | | | 7 | 10 | 0.52 | 0% | 0% | 1% | Above Rising | 31% | 1.5 |
| S US | Sprint Corp | U. S. | WlsTelSrv | -2.4% | -8.9% | 14,292 | | 89% | ↑ | 49.0 | | 2 | 6 | 0.52 | 1% | 12% | 33% | Above Rising | 218% | 1.7 |
| SHLD US | Sears Holdings | U. S. | DeptStrs | -5.6% | -10.8% | 2,066 | | 8% | ↑ | | | 2 | 8 | 0.84 | 2% | 5% | 20% | Above Rising | 234% | 1.5 |
| 754 HK | Hopson Development Holdings | Bermuda | REstDevl | 4.2% | 6.2% | 2,222 | | 1% | ↓ | | 1.0 | 8 | | 0.72 | 0% | -2% | 0% | Below Rising | 48% | -1.0 |
| CRC US | California Resources | U. S. | OG E&P | -11.1% | -29.8% | 776 | | | ↓ | 3.0 | | 9 | | 0.95 | 5% | 8% | 67% | Above Rising | | |
| PRE CN | Pacific Rubiales Energy | Canada | OG E&P | 6.2% | 40.3% | 417 | | | ↓ | | 1.0 | 10 | | 1.19 | 0% | 0% | 5% | Above Rising | | |

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

Trends & Inflection Points

December 17, 2015

Research Comment

[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

Get Ready for a Squeeze



[CLICK HERE](#)

- Toothpaste is breaking out. Did you expect anything else? Seriously, [staples](#) is one of the markets most favoured [sectors from a relative strength breadth perspective](#), and within staples [household products](#), home of the mighty squeezable toothpaste tube, has been cruising at a high level for months now – Figure 1.
- The [global market cap weighted industry is above rising or flattening moving averages and is breaking above resistance](#) – Figure 2.
- Yesterday, Colgate-Palmolive (CL US) [broke above an underperforming trend vs the S&P 500](#) as the shares broke out of a short-term consolidation. Our technical target is \$75 – Figure 3.
- Note that higher yielding Procter & Gamble (PG US), with a similar pattern, is well into its 2nd leg. Our [technical target there is \\$90](#).
- We highlight relative strength trends of the 18 [household products we cover vs ACWI](#) in Figure 5.
 - The weakest member?
 - [Hindustan Unilever](#). How does it look? Pre-breakout, [it should be a staple](#) in any [EM](#) fund – Figure 6.

Fig 1: Global Household Products Relative Strength Breadth



Figure 2: Global Household Products Price Trend



Figure 3: Colgate-Palmolive (CL US) Dvd Adj Price Trend



Figure 4: Procter & Gamble (PG US) Dvd Adj Price

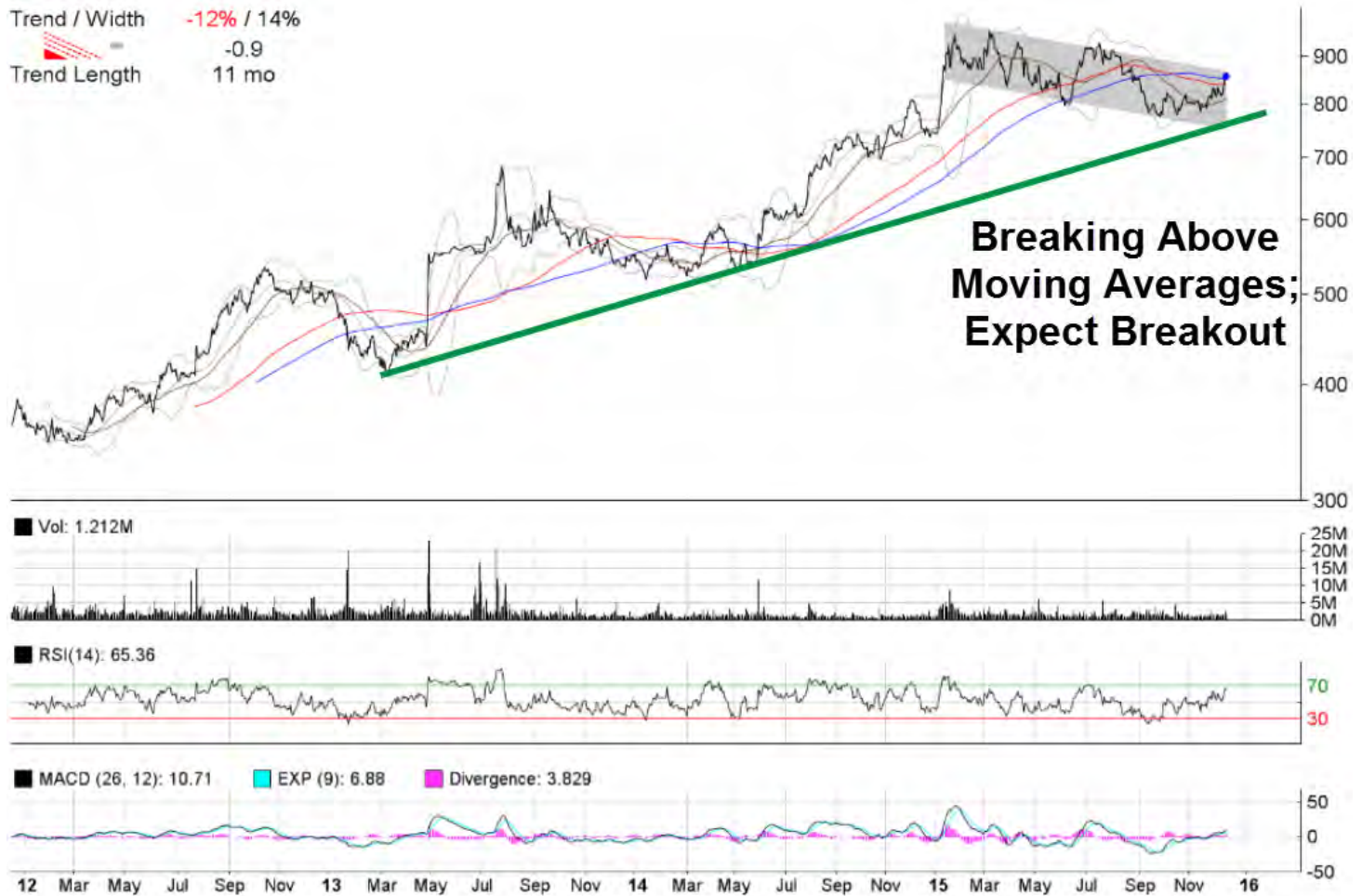


Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markt

Figure 5: Household Products vs ACWI

| Symbol | Name | Country | Sub Industry | Grp RS | LT RS | RS | Close 16-Dec | 1-day Equity Chg (%) | 5-day Equity Chg (%) | Flg | MktCap (US\$) | Chg Last Day | ACWI | Trend Slope | RS Hi (Mo) | RS Low (Mo) | %Chg wrt 50d MA | Chg wrt 50 Day MA Trend | RSI Dly |
|------------|----------------------------|-------------|--------------|--------|-------|----|--------------|----------------------|----------------------|-----|---------------|--------------|------|-------------|------------|-------------|-----------------|-------------------------|---------|
| WDFC US | WD-40 Co | U. S. | HhldPrdct | 1 | 1 | 1 | 102.59 | 2.3% | 2.4% | | 1,475 | | ▲ | 45% | 48.0 | | 6% | Above Rising | 66 |
| CLX US | Clorox Co | U. S. | HhldPrdct | 1 | 2 | 1 | 131.12 | 1.5% | 2.7% | | 16,926 | | ▲ | 48% | 48.0 | | 6% | Above Rising | 68 |
| KMB US | Kimberly-Clark | U. S. | HhldPrdct | 1 | 2 | 1 | 125.92 | 1.2% | 4.7% | | 45,708 | | ▲ | 38% | | | 6% | Above Rising | 67 |
| 051900 KS | LG Household & Health Care | South Korea | HhldPrdct | 1 | 2 | 1 | 1,025,000.00 | 1.0% | 2.5% | | 13,662 | | ▲ | 73% | | | 8% | Above Rising | 61 |
| KIMBERA MM | Kimberly-Clark de Mexico | Mexico | HhldPrdct | 1 | 7 | 1 | 40.99 | 1.5% | 7.5% | | 3,890 | | ▲ | 37% | 1.0 | | 3% | Above Rising | 60 |
| RB/ LN | Reckitt Benckiser Group | U.K. | HhldPrdct | 1 | 3 | 2 | 6,177.00 | 0.2% | 0.2% | | 65,598 | | ▲ | 22% | | | -1% | Below Rising | 47 |
| CL US | Colgate-Palmolive | U. S. | HhldPrdct | 1 | 4 | 3 | 68.33 | 2.4% | 3.4% | | 61,287 | ▲ | ▲ | 12% | 40.5 | | 3% | Above Rising | 64 |
| SCAB SS | Svenska Cellulosa AB | Sweden | HhldPrdct | 1 | 2 | 2 | 242.80 | 0.2% | 1.3% | | 18,206 | | ▲ | 37% | | | 0% | Below Rising | 48 |
| HRG US | HRG Group | U. S. | HhldPrdct | 1 | 5 | 3 | 13.00 | 0.7% | -0.9% | | 2,618 | | ▲ | 19% | 1.0 | | -1% | Below Rising | 44 |
| CENTA US | Central Garden and Pet | U. S. | HhldPrdct | 1 | 3 | 3 | 15.00 | -2.3% | -8.5% | | 547 | | ▲ | 62% | 1.5 | | -9% | Below Falling | 42 |
| CHD US | Church & Dwight Co | U. S. | HhldPrdct | 1 | 2 | 3 | 85.54 | 1.2% | -0.5% | | 11,216 | | ▲ | 12% | | | 0% | Below Rising | 51 |
| ENR US | Energizer | U. S. | HhldPrdct | 1 | 4 | 4 | 35.14 | 3.3% | 3.3% | | 2,172 | | ▲ | 15% | 1.0 | | -9% | Below Falling | 46 |
| PG US | Procter & Gamble Co | U. S. | HhldPrdct | 1 | 7 | 5 | 80.99 | 1.6% | 4.2% | V | 220,339 | | ▲ | 5% | 10.0 | | 7% | Above Rising | 75 |
| HEN3 GR | Henkel AG & Co KGaA | Germany | HhldPrdct | 1 | 3 | 6 | 101.82 | 1.1% | -0.2% | | 19,790 | | ▲ | -3% | | | 1% | Above Rising | 48 |
| SPB US | Spectrum Brands | U. S. | HhldPrdct | 1 | 1 | 8 | 99.54 | 1.7% | 5.2% | | 5,882 | | ▲ | -10% | 3.5 | | 5% | Above Rising | 69 |
| UNVR ID | Unilever Indonesia | Indonesia | HhldPrdct | 1 | 5 | 8 | 35,350.00 | 0.6% | 0.7% | | 19,385 | | ▲ | -24% | | | -4% | Below Falling | 44 |
| 8113 JP | Unicharm Corp | Japan | HhldPrdct | 1 | 7 | 8 | 2,380.50 | 0.4% | -1.2% | | 12,094 | | ▲ | -34% | 2.0 | | -4% | Below Rising | 36 |
| HUVR IN | Hindustan Unilever | India | HhldPrdct | 1 | 5 | 9 | 855.40 | -0.4% | 4.3% | | 27,829 | | ▲ | -26% | | | 6% | Above Rising | 65 |

Figure 6: Hindustan Unilever (HUVR IN) Dividend Adjusted Price Trend



Trends & Inflection Points

December 16, 2015

Research Comment

[Quantitative/Technical Research Website](#)

Mark Steele

(416) 359-4641

mark.steele@bmo.com

Assoc: Tiberiu Stoichita/Jin Li

Pruning the Wrong Industrials



[CLICK HERE](#)

Yesterday, with oversold markets, [we highlighted the stocks we want to prod you into owning - the best stocks within the best sectors](#). After yesterday's sharp rally, and with buoyant futures again this morning, we will suggest you use this strength to prune the wrong stocks.

- If you don't already know the message on resources, you don't really [know us](#). The weakness in industrials however is more nuanced.
- The [global market cap weighted sector](#) is fading back into a slightly underperforming trend – Figure 1.
- [High yield](#) industrial bonds were the only ones to fail to catch a bid yesterday – Fig 2.
- Our [RS breadth reading](#) is fading back towards the more -ve side of neutral – Fig 3-4.
- We highlight the largest 10 [industrial momentum sells](#) in Figure 5.

Figure 1: [Industrials vs MSCI World](#)



Figure 2: [Industrials the Only HY Sector That Failed To Rebound](#)

| 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 |
|--------------|--------|---------------|---------------|--------------|--------------|-------------|---------|----------|-----------------|-------------------------|
| Health Care | BUHYHC | 1.0% | -1.1% | | | 4% | | | -2% | Below Falling |
| Financials | BUHYFI | 0.1% | -1.3% | | | 2% | | | -1% | Below Rising |
| Comr Staples | BUHYCS | 0.2% | -1.5% | | | 1% | | | -2% | Below Falling |
| Comr Disc | BUHYCD | 0.1% | -1.8% | | | -1% | | | -2% | Below Falling |
| Comm | BUHYCO | 0.8% | -2.5% | | | -8% | | | -4% | Below Falling |
| HY | BUHY | 0.3% | -2.1% | | | -9% | | | -4% | Below Falling |
| Technology | BUHYTE | 0.1% | -1.7% | | | -6% | | | -2% | Below Falling |
| Utilities | BUHYUT | 0.0% | -1.0% | | | -10% | | | -5% | Below Falling |
| Industrials | BUHYIN | -0.2% | -2.5% | | | -10% | 27.0 | | -4% | Below Falling |
| Materials | BUHYMA | 0.3% | -1.7% | | | -14% | | | -5% | Below Falling |
| Energy | BUHYEN | 0.1% | -3.9% | | | -30% | | | -8% | Below Falling |

Figure 3: [Global Relative Strength Sector Breadth Heat Map](#)

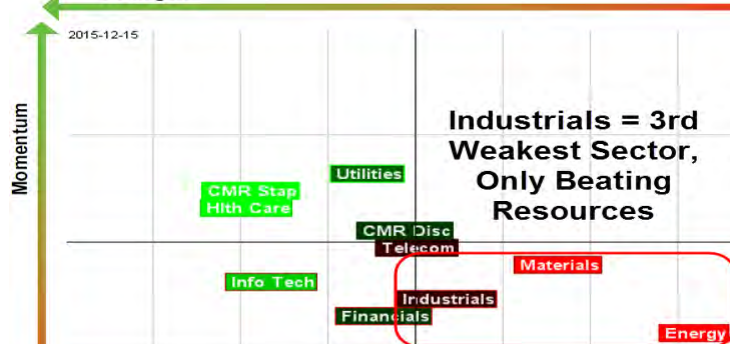


Figure 4: [Industrials Relative Strength Breadth Reading](#)



Figure 5: [Largest 10 Global Industrial Momentum Sells vs MSCI World – See Full List Here](#)

| Symbol | Name | Sub Industry | Grp RS | 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 | %Chg wrt 150d MA | Chg wrt 150 Day MA Trend | Boll Band | Boll Band Width | RSI Dly |
|------------|--------------------------|--------------|--------|----------------------|----------------------|---------------|--------------|------------------|-------------|------------|-------------|-----------------|-------------------------|------------------|--------------------------|-----------|-----------------|---------|
| FDX US | FedEx Corp | AirFrght | 7 | 0.7% | -2.3% | 40,857 | | | -15% | 20.5 | -7% | Below Falling | -12% | Below Falling | BELOW | 228% | 32 | |
| BOL FP | Bollere SA | AirFrght | 7 | 2.3% | 0.2% | 13,045 | | | -17% | | -5% | Below Falling | -13% | Below Falling | BELOW | 111% | 41 | |
| CP CN | Canadian Pacific Railway | Railroads | 5 | 1.5% | 0.0% | 19,215 | | | -24% | | -9% | Below Falling | -17% | Below Falling | BELOW | 188% | 35 | |
| CSX US | CSX Corp | Railroads | 5 | 4.0% | 5.2% | 25,631 | | | -30% | | -4% | Below Falling | -14% | Below Falling | BELOW | 163% | 46 | |
| PH US | Parker-Hannifin | Ind Mach | 6 | 0.2% | -2.1% | 13,012 | | | -20% | 48.0 | -6% | Below Falling | -13% | Below Falling | BELOW | 147% | 32 | |
| ABB US | ABB Ltd | ElcCmpEq | 8 | 0.2% | -1.7% | 41,457 | | | -25% | | -3% | Below Falling | -10% | Below Falling | BELOW | 71% | 37 | |
| MAERSKB DC | AP Moeller - Maersk | Marine | 10 | 0.7% | -5.0% | 14,358 | | | -45% | 28.5 | -10% | Below Falling | -23% | Below Falling | BELOW | 103% | 31 | |
| CAT US | Caterpillar | CnstMch&Tr | 9 | 1.0% | 0.3% | 38,864 | | | -34% | | -5% | Below Falling | -13% | Below Falling | BELOW | 128% | 39 | |
| ROK US | Rockwell Automation | ElcCmpEq | 8 | -1.7% | -2.3% | 13,405 | | | -31% | | -3% | Below Falling | -10% | Below Falling | BELOW | 64% | 41 | |
| PCAR US | PACCAR Inc | CnstMch&Tr | 9 | 0.8% | -1.2% | 16,923 | | | -56% | | -8% | Below Falling | -19% | Below Falling | BELOW | 125% | 36 | |

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

Trends & Inflection Points

December 15, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

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

Global Sector Fab Four



[CLICK HERE](#)

- Our task is a simple one; to point out strong stocks within strong sectors, and help position portfolios in that direction.
- From a MSCI World standpoint, the [fab four, where there is consistent outperformance, and relative strength moving averages are all positive, are technology, consumer discretionary and staples, and yes health care](#) – Figure 1.
- Filtering for strong stocks within those strong sectors, we narrow in on [MSCI World member momentum buys, with an earnings growth filter applied](#), the largest 15 of which are shown in Figure 2.

Figure 1: [Global Sectors 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 wrt 200d RS MA | Chg wrt 200-d RS MA Trend |
|------------------------------|--------------|--------------|-------------|------------|-------------|-----------------|-----------------|--------------------|--------------------------|---------------------|---------------------------|
| Technology vs. MSCI World | | | 22% | | | 0.5% | 0.2% | 2.1% | Above Rising | 5.4% | Above Rising |
| Discretionary vs. MSCI World | | | 9% | | | -0.1% | -0.3% | 0.3% | Above Rising | 1.9% | Above Rising |
| Staples vs. MSCI World | | | 16% | 31.5 | | 0.4% | 0.7% | 1.7% | Above Rising | 4.8% | Above Rising |
| Health Care vs. MSCI World | | | 9% | 2.5 | | 0.2% | 1.2% | 1.8% | Above Rising | 0.1% | Above Rising |
| Utilities vs. MSCI World | | | 4% | | | -0.1% | 1.2% | -0.9% | Below Falling | 0.0% | Below Rising |
| Telecom vs. MSCI World | | | -1% | | | -0.1% | 0.1% | 0.5% | Above Rising | 0.4% | Above Rising |
| Industrials vs. MSCI World | | | -2% | | | -0.1% | 0.1% | 0.3% | Above Rising | 0.5% | Above Falling |
| Energy vs. MSCI World | | | -22% | | | 0.0% | 0.1% | -7.6% | Below Falling | -11.3% | Below Falling |
| Materials vs. MSCI World | | | -27% | | | -1.4% | -1.3% | -3.8% | Below Falling | -9.3% | Below Falling |
| Financials vs. MSCI World | | | -8% | | 38.5 | -0.3% | -1.3% | -1.0% | Below Falling | -2.0% | Below Falling |

Figure 2: [MSCI World Momentum Buys Within Strong Sectors with and Earnings Growth Filter Applied – See Link for Full List](#)

| Symbol | Name | Sub Industry | Grp RS | 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 |
|----------|--------------------------|--------------|--------|----|----------------------|----------------------|---------------|--------------|------------------|-------------|------------|-------------|-----------------|-------------------------|
| ATVI US | Activision Blizzard | HmEntSwr | 1 | 2 | 2.0% | -1.9% | 27,756 | | | 106% | | | 7% | Above Rising |
| AMZN US | Amazon.com | InetRtl | 2 | 1 | 2.8% | -1.8% | 308,403 | | | 90% | | | 5% | Above Rising |
| HD US | Home Depot Inc | HmImpRtl | 5 | 3 | 1.2% | -1.4% | 167,373 | | | 40% | 48.5 | | 5% | Above Rising |
| FB US | Facebook Inc | InetSftSrv | 5 | 2 | 2.5% | -0.9% | 237,626 | | | 58% | 1.0 | | 2% | Above Rising |
| ADS GR | adidas AG | Aprl&Gds | 9 | 2 | 0.7% | -6.7% | 19,915 | | | 66% | | | 3% | Above Rising |
| GOOGL US | Alphabet Inc | InetSftSrv | 5 | 3 | 1.6% | -1.4% | 222,149 | | | 69% | 48.5 | | 4% | Above Rising |
| UCB BB | UCB SA | Pharma | 4 | 3 | -1.0% | -4.9% | 17,087 | | | 54% | | | 3% | Above Rising |
| KYG ID | Kerry Group | PkgFdMt | 3 | 3 | -0.2% | -1.0% | 14,631 | | | 28% | 48.5 | | 5% | Above Rising |
| LOW US | Lowe's Cos | HmImpRtl | 5 | 3 | 0.9% | -1.0% | 69,228 | | | 30% | 48.5 | | 2% | Above Rising |
| EW US | Edwards Lifesciences | HCEquip | 1 | 3 | 0.8% | 0.2% | 17,371 | | | 28% | 40.5 | | 4% | Above Rising |
| 7270 JP | Fuji Heavy Industries | AutoMfg | 4 | 2 | -1.9% | -3.7% | 31,777 | | | 32% | | | 2% | Above Rising |
| 4507 JP | Shionogi | Pharma | 4 | 1 | -1.3% | -3.6% | 15,176 | | | 64% | | | 6% | Above Rising |
| STZ US | Constellation Brands | Dist&Vnt | 3 | 2 | -0.4% | -2.9% | 23,841 | | | 33% | | | 1% | Above Rising |
| 4528 JP | Ono Pharmaceutical | Pharma | 4 | 2 | -1.3% | 1.1% | 20,079 | | | 47% | | | 20% | Above Rising |
| ATD/B CN | Alimentation Couche-Tard | FdRetail | 6 | 1 | 1.5% | -0.8% | 19,004 | | | 40% | 2.5 | | 3% | Above Rising |

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

Trends & Inflection Points

December 14, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

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

From Oil to S&P 500's Downside ~1,900



[CLICK HERE](#)

- S&P futures give way with the oil price this morning. Four charts to take you there...
- Oil continues to decline this morning. We [track the fall at around 50%/year](#), and that's the key pressure point that is leading to the instability in other risk assets – Figure 1.
- The [energy pressure on high yield has led to an exodus in other sectors](#) and on Friday, that pressure pushed the [implied volatility on the HYG high yield ETF](#) into a new regime – Figure 2.
- The spillover into investment grade, which is trending higher (with the corollary that [most equity indices are trending lower](#)), has pushed the [cost to protect North American investment grade credit risk to a higher high](#) (a 22-month high to be exact) – Figure 3.
- The [S&P 500](#), which is now trending slightly lower, finds the bottom of the channel, which should be considered near-term downside risk, at ~1,900 – Figure 4.

Figure 1: WTI Month-To-Date, Intraday at 6:52am

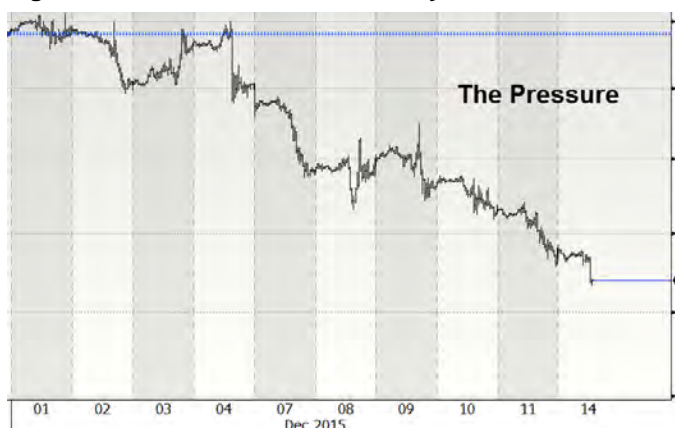


Figure 2: [Implied Volatility on HYG](#)



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



Figure 4: [S&P 500 Index](#)



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

Trends & Inflection Points

December 11, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

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

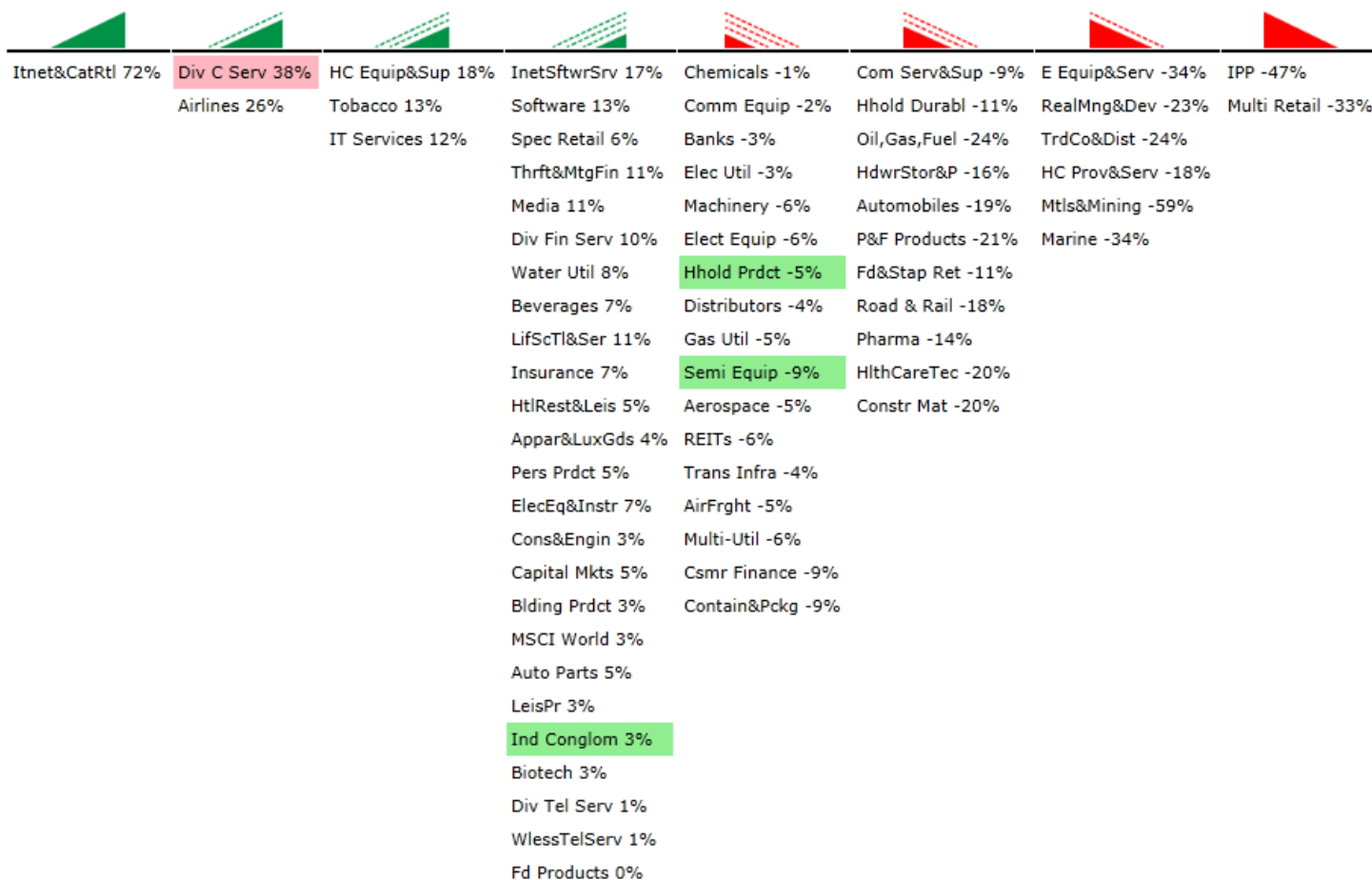
Just Amazon and Airlines



[CLICK HERE](#)

- Risk markets continue to look weak, as [energy prices](#) fall, and [credit risk rises](#).
 - The MSCI World banks index broke below the 50d MA on Tuesday and it continues to fall. We never like it when banks stocks fall, nor do we like it when the yen strengthens. All is not right out there.
 - [Banks](#), [asset managers](#), and [capital markets](#) stocks all show very weak readings in our breadth work.
- When you look at the [price trends on market cap-weighted global equity industries](#), and seek the strength under the more solid green wedges, which represent really good reward/risk dynamics, you see just Amazon and Airlines. We can always show what looks really good out there, but from a market cap-weighted perspective, on a global basis, it's pretty thin. More than half of the [largest 100 momentum buys in the MSCI World index](#) have a market cap that is below \$20 billion.
- We suggest you really scrutinize your holdings as the year draws to a close. We have the [tools to help](#).

Figure 1: [Price Trends on Global Industries](#)



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

Focal Points

Investment & Trading Ideas

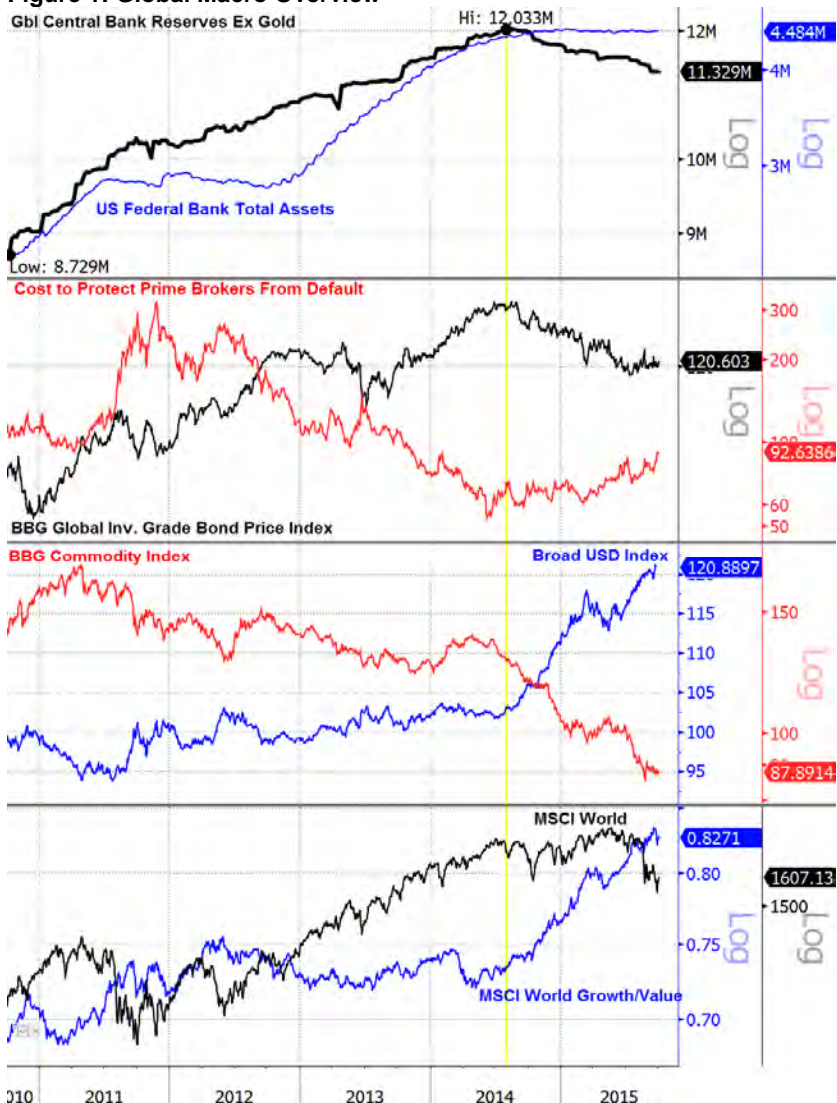
October 5, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

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

Bank Risk Priced at a 2-Year High

[U.S. bank credit risk rose to a 2-yr high on Friday.](#) How did it get there? In 2014, as the FEDs quantitative easing program tailed off, international central bank reserve assets peaked and started to decline. Tightening replaced easing. Corporate bonds peaked with central bank reserves. Stocks have subsequently peaked. Central bank easing reduced corporate bank risk, but did not inspire enough global growth to pull commodities out of a bear market. The dollar surge at the end of U.S. QE, sent commodities into a sharp decline. With global growth scarce, growth stocks surged versus value. At tightening has replaced easing, credit risk is rising once again. Stocks trending lower outnumber stocks trending higher. Treasuries are resuming a bull trend. Portfolio emphasis should remain on growth and income, which are not hampered by a weakening credit environment.

Figure 1: Global Macro Overview



Source: BMO Capital Markets, Bloomberg, Thomson, Markit.

The QE-driven Fed balance sheet flattened out in 2014.

International reserve assets peaked in August of 2014, and have fallen 6% from the peak. [Notable sellers have been China and Russia.](#)

The global investment grade bond market topped out with international reserves in August of 2014. This index of bond prices has been losing value at a rate of 6%/year since. It has stabilized recently with the strength of Treasuries (Figure 2).

Since 2011, when credit risk in the world's too-interconnected-to fail banks peaked at over 300 bps ([many banks had sported inverted CDS curves](#)), bank risk fell 80% to 55 bps in 2014. That risk bottomed, based, and is now breaking out to form higher highs and lows. U.S. bank risk is priced at a 2-yr high (Figure 3).

While QE worked wonderfully to reduce credit risk, it did nothing to spur commodities, the barometer of global growth, higher.

The broad U.S. dollar index started to soar with the end of QE and the decline in central bank reserves. This sharpened the rate of commodity decline (Figure 4).

Equities started decelerating in 2014 and started reacting to a negative backdrop of credit in 2015 (Figure 7).

The tilt of growth over value really took off in 2014, coincident with the peak in central bank reserves and the sharp rise in the dollar (Figure 5).

Figure 2: [BBG USD Global Investment Grade Bond Index](#)



Figure 3: [U.S. Bank Risk—5Y CDS Ave of C, BAC, JPM](#)



Figure 4: [Bloomberg Commodity Price Index](#)



Figure 5: [U.S. Trade Weighted Broad Dollar Index](#)



Figure 6: [U.S. 10-Year Bond Yield](#)



Figure 7: [MSCI World in USD](#)



Focal Points

Investment & Trading Ideas

September 3, 2015
 Research Comment
[Quantitative/Technical Research Website](#)

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

Not Enough Puff

- This morning, Draghi adjusts QE to continue to puff up the ECB balance sheet. That's helpful for global risk markets, but it's not enough. Globally, the net figure shows [central banks are blowing out their reserves](#);
 - That puff peaked last August – Figure 1 top.
 - Pricing on investment grade corporate credit debt peaked and started to turn lower that same month – Figure 1 middle, and Figure 2.
 - Then finally equities took the blow – Figure 1 bottom.
- When mama's credit market ain't happy, eventually ain't nobody happy;
 - That global corporate bond index in Figure 1 is trending lower at an annual rate of 6%/year – Figure 2.
 - Commodities, which didn't really make it onto central bank balance sheets, have been in a bear market since 2011. They are falling at an annualized rate of 17%/year, and that's ex everyone's (yes ours too) focus on crude oil – Figure 3.
- So, unless we see a turn in the synchronized bear trends in credit and commodities (and we are always looking), we'll [continue to frame many of our buy ideas in the relative and short-sale ideas in the absolute](#).

Fig 1: Central Bank Reserves; Corp Bonds & Stocks Figure 2: BBG Global IG Corporate Bond Price Index



Source: 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% |

IMPORTANT DISCLOSURES**Analyst's Certification**

I, Mark Steele, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Analysts who prepared this report are compensated based upon (among other factors) the overall profitability of BMO Capital Markets and their affiliates, which includes the overall profitability of investment banking services. Compensation for research is based on effectiveness in generating new ideas and in communication of ideas to clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

Analysts employed by BMO Nesbitt Burns Inc. and/or BMO Capital Markets Limited are not registered as research analysts with FINRA (exceptions: Alex Arfaei and Brodie Woods). These analysts may not be associated persons of BMO Capital Markets Corp. and therefore may not be subject to the NASD Rule 2711 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Distribution of Ratings (December 31, 2015)

| Rating Category | BMO Rating | BMOCM US Universe* | BMOCM US IB Clients** | BMOCM US IB Clients*** | BMOCM Universe**** | BMOCM IB Clients***** | Starmine Universe |
|-----------------|----------------|--------------------|-----------------------|------------------------|--------------------|-----------------------|-------------------|
| Buy | Outperform | 42.0% | 20.9% | 53.7% | 44.1% | 53.8% | 55.6% |
| Hold | Market Perform | 54.6% | 13.5% | 45.1% | 52.3% | 45.6% | 39.4% |
| Sell | Underperform | 3.4% | 5.9% | 1.2% | 3.6% | 0.5% | 5.1% |

* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.

** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage within ratings category.

*** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage of Investment Banking clients.

**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.

***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.

Rating and Sector Key (as of April 5, 2013)

We use the following ratings system definitions:

OP = Outperform - Forecast to outperform the analyst's coverage universe on a total return basis;

Mkt = Market Perform - Forecast to perform roughly in line with the analyst's coverage universe on a total return basis;

Und = Underperform - Forecast to underperform the analyst's coverage universe on a total return basis;

(S) = Speculative investment;

NR = No rating at this time; and

R = Restricted – Dissemination of research is currently restricted.

BMO Capital Markets' seven Top 15 lists guide investors to our best ideas according to different objectives (CDN Large Cap, CDN Small Cap, US Large Cap, US Small Cap, Income, CDN Quant, and US Quant have replaced the Top Pick rating).

Prior BMO Capital Markets Rating System (January 4, 2010 – April 4, 2013)

http://researchglobal.bmocapitalmarkets.com/documents/2013/prior_rating_system.pdf

Other Important Disclosures

For Important Disclosures on the stocks discussed in this report, please go to

http://researchglobal.bmocapitalmarkets.com/Public/Company_Disclosure_Public.aspx or write to Editorial Department, BMO Capital Markets, 3 Times Square, New York, NY 10036 or Editorial Department, BMO Capital Markets, 1 First Canadian Place, Toronto, Ontario, M5X 1H3.

Dissemination of Research

BMO Capital Markets Equity Research is available via our website <https://research-ca.bmocapitalmarkets.com/Public/Secure/Login.aspx?ReturnUrl=/Member/Home/ResearchHome.aspx>. Institutional clients may also receive our research via Thomson Reuters, Bloomberg, FactSet, and Capital IQ. Research reports and other commentary are required to be simultaneously disseminated internally and externally to our clients.

General Disclaimer

"BMO Capital Markets" is a trade name used by the BMO Investment Banking Group, which includes the wholesale arm of Bank of Montreal and its subsidiaries BMO Nesbitt Burns Inc., BMO Capital Markets Limited in the U.K. and BMO Capital Markets Corp. in the U.S. BMO Nesbitt Burns Inc., BMO Capital Markets Limited and BMO Capital Markets Corp are affiliates. Bank of Montreal or its subsidiaries ("BMO Financial Group") has lending arrangements with, or provide other remunerated services to, many issuers covered by BMO Capital Markets. The opinions, estimates and projections contained in this report are those of BMO Capital Markets as of the date of this report and are subject to change without notice. BMO Capital Markets endeavours to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, BMO Capital Markets makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to BMO Capital Markets or its affiliates that is not reflected in this report. The information in this report is not intended to be used as the primary basis of investment decisions, and because of individual client objectives, should not be construed as advice designed to meet the particular investment needs of any investor. This material is for information purposes only and is not an offer to sell or the solicitation of an offer to buy any security. BMO Capital Markets or its affiliates will buy from or sell to customers the securities of issuers mentioned in this report on a principal basis. BMO Capital Markets or its affiliates, officers, directors or employees have a long or short position in many of the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. The reader should assume that BMO Capital Markets or its affiliates may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein.

Additional Matters

To Canadian Residents: BMO Nesbitt Burns Inc. furnishes this report to Canadian residents and accepts responsibility for the contents herein subject to the terms set out above. Any Canadian person wishing to effect transactions in any of the securities included in this report should do so through BMO Nesbitt Burns Inc.

The following applies if this research was prepared in whole or in part by Alexander Pearce, David Round, Edward Sterck or Brendan Warn: This research is not prepared subject to Canadian disclosure requirements. This research is prepared by BMO Capital Markets Limited and subject to the regulations of the Financial Conduct Authority (FCA) in the United Kingdom. FCA regulations require that a firm providing research disclose its ownership interest in the issuer that is the subject of the research if it and its affiliates own 5% or more of the equity of the issuer. Canadian regulations require that a firm providing research disclose its ownership interest in the issuer that is the subject of the research if it and its affiliates own 1% or more of the equity of the issuer that is the subject of the research. Therefore BMO Capital Markets Limited will disclose its and its affiliates' ownership interest in the subject issuer only if such ownership exceeds 5% of the equity of the issuer.

To U.S. Residents: BMO Capital Markets Corp. furnishes this report to U.S. residents and accepts responsibility for the contents herein, except to the extent that it refers to securities of Bank of Montreal. Any U.S. person wishing to effect transactions in any security discussed herein should do so through BMO Capital Markets Corp.

To U.K. Residents: In the UK this document is published by BMO Capital Markets Limited which is authorised and regulated by the Financial Conduct Authority. The contents hereof are intended solely for the use of, and may only be issued or passed on to, (I) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (II) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together referred to as "relevant persons"). The contents hereof are not intended for the use of and may not be issued or passed on to, retail clients.

Unauthorized reproduction, distribution, transmission or publication without the prior written consent of BMO Capital Markets is strictly prohibited.

[Click here](#) for data vendor disclosures when referenced within a BMO Capital Markets research document.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST

BMO Financial Group (NYSE, TSX: BMO) is an integrated financial services provider offering a range of retail banking, wealth management, and investment and corporate banking products. BMO serves Canadian retail clients through BMO Bank of Montreal and BMO Nesbitt Burns. In the United States, personal and commercial banking clients are served by BMO Harris Bank N.A., Member FDIC. Investment and corporate banking services are provided in Canada and the US through BMO Capital Markets.

BMO Capital Markets is a trade name used by BMO Financial Group for the wholesale banking businesses of Bank of Montreal, BMO Harris Bank N.A, BMO Ireland Plc, and Bank of Montreal (China) Co. Ltd. and the institutional broker dealer businesses of BMO Capital Markets Corp. (Member SIPC) in the U.S., BMO Nesbitt Burns Inc. (Member Canadian Investor Protection Fund) in Canada, Europe and Asia, BMO Capital Markets Limited in Europe and Australia and BMO Advisors Private Limited in India.

"Nesbitt Burns" is a registered trademark of BMO Nesbitt Burns Corporation Limited, used under license. "BMO Capital Markets" is a trademark of Bank of Montreal, used under license. "BMO (M-Bar roundel symbol)" is a registered trademark of Bank of Montreal, used under license

® Registered trademark of Bank of Montreal in the United States, Canada and elsewhere.
TM Trademark Bank of Montreal

©COPYRIGHT 2016 BMO CAPITAL MARKETS CORP.

A member of BMO  Financial Group