Group Selection

Priced as of June 11, 2018

Note: Group tickers incorporate hyperlinks to decile charts, and then a link to our Toolkit of the group members.

See back pages for user guide and disclaimer.
Sources for all charts: BMO Capital Markets
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Sector Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>46% / 47% / 56%</td>
<td>/ / /</td>
<td>3% / 8% / 2%</td>
</tr>
<tr>
<td>Materials</td>
<td>44% / 46% / 55%</td>
<td>/ / /</td>
<td>-4% / 1% / -6%</td>
</tr>
<tr>
<td>Industrials</td>
<td>43% / 44% / 56%</td>
<td>/ / /</td>
<td>-4% / 3% / -3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>46% / 47% / 55%</td>
<td>/ / /</td>
<td>4% / 9% / 3%</td>
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<tr>
<td>CMR Stap</td>
<td>38% / 42% / 48%</td>
<td>/ / /</td>
<td>-5% / 2% / -2%</td>
</tr>
<tr>
<td>Health</td>
<td>55% / 57% / 63%</td>
<td>/ / /</td>
<td>4% / 11% / 3%</td>
</tr>
<tr>
<td>Financials</td>
<td>48% / 48% / 63%</td>
<td>/ / /</td>
<td>-8% / -1% / -6%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>56% / 56% / 65%</td>
<td>/ / /</td>
<td>0% / 7% / 0%</td>
</tr>
<tr>
<td>Telecom</td>
<td>24% / 28% / 43%</td>
<td>/ / /</td>
<td>-18% / -7% / -14%</td>
</tr>
<tr>
<td>Utilities</td>
<td>27% / 27% / 43%</td>
<td>/ / /</td>
<td>-15% / -12% / -15%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>32% / 35% / 50%</td>
<td>/ / /</td>
<td>7% / 15% / 10%</td>
</tr>
</tbody>
</table>

*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; GBL = MSCI AC World; CDA = S&P/TSX Composite)
(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent is the median relative strength performance of the sector membership ( / ranking),
(c) Trend Psn - what is the net percentage of the sector members which are breaking above/below relative strength channels.
The strength z-Score is weighted 60% towards the trend parameters (% outperforming and reward/risk ratios) and 40% towards the trend positions (reversals of trends). Gridlines are placed at 0.5 increments.

See Help Pages for further details
June 11, 2018

Strength Changes Last Session
Momentum

June 11, 2018

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Copper
10 stocks; $122bn
IndusGas
4 stocks; $156bn
SpecChm
70 stocks; $580bn
Alumin
10 stocks; $56bn
PapProd
28 stocks; $176bn
PaperPkg
17 stocks; $129bn
FristPrd
11 stocks; $33bn
Steel
60 stocks; $462bn
Silver
11 stocks; $21bn
ComdChm
45 stocks; $445bn
DiversChm
22 stocks; $413bn
Fertil&Ag
28 stocks; $119bn
Gold
74 stocks; $193bn
CstrMat
28 stocks; $256bn
PrecMet
18 stocks; $44bn
DvrsMng
67 stocks; $466bn
FrstPrd
11 stocks; $33bn
Steel
60 stocks; $462bn
Silver
11 stocks; $21bn
ComdChm
45 stocks; $445bn
DiversChm
22 stocks; $413bn
Fertil&Ag
28 stocks; $119bn
Gold
74 stocks; $193bn
CstrMat
28 stocks; $256bn
PrecMet
18 stocks; $44bn
DvrsMng
67 stocks; $466bn
Momentum

Strength
Financials

Momentum

Strength

FnlExchDt →
22 stocks; $419bn

AsstMgmt ↑
79 stocks; $610bn

InvBnkBrk ↑
77 stocks; $438bn

Reinsuran ↓
11 stocks; $126bn

InsurBkrs ↑
7 stocks; $124bn

OthrDivFS →
9 stocks; $106bn

ConsmrFin ↑
117 stocks; $298bn

SpecialFin ↓
50 stocks; $25bn

RegionBnk ↓
140 stocks; $733bn

LifeHthIns ←
46 stocks; $893bn

InvBnkBrk →
37 stocks; $438bn

Multi-LnIns ↓
31 stocks; $523bn

ConsmrFin ←
117 stocks; $298bn

DivCpMkt ↑
9 stocks; $196bn

P&C Insur ↓
60 stocks; $516bn

DivCpMkt ←
9 stocks; $196bn

MortgREIT ↓
25 stocks; $62bn

DiversBnk ↑
158 stocks; $535bn

P&C Insur ←
60 stocks; $516bn

MortgREIT →
25 stocks; $62bn

DiversBnk ←
158 stocks; $535bn

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Momentum

Strength

June 11, 2018

BMO Capital Markets
Momentum

Strength

AltCar
11 stocks; $56bn

IntgTelSrv
58 stocks; $1247bn

WlsTelSrv
44 stocks; $873bn

Telecommunication Services

June 11, 2018

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BMO Capital Markets
Utilities

Momentum

Strength

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IPPTrad
24 stocks; $123bn

MultiUtil
24 stocks; $432bn

GasUtil
24 stocks; $233bn

RenewElec
21 stocks; $56bn

ElecUtil
29 stocks; $1105bn

WaterUtil
22 stocks; $81bn

Utilities

34 stocks; $233bn

21 stocks; $56bn

89 stocks; $1105bn

23 stocks; $81bn
User Guide 1 - Definitions & Dataset

Group Strength
Our Global Group analysis is based on bottom-up equity relative strength analysis as opposed to industry group (index) relative strength analysis.

Strength Decile Defined By
1. What percentage of a group's members are outperforming
2. How consistent that outperformance is
3. How the members are positioned (above/below) vs. their trend channels.

Momentum Decile
Rate of change of strength (change in 5-day moving average)

The Underlying Equity Relative Strength Analysis
Each day, for every equity we cover, our relative strength system assesses the best fit trend from a spectrum which covers a minimum trend duration of six months, and a maximum of 4-years. The "best fit" is the trend which maximizes duration, and minimizes deviation from the trend. Our process is flexible, thorough, and because it is run daily, timely.

The Dataset:
- Over 5,700 securities.
- Groups have a:
  ...Median depth of 28
  ...Average depth of 36

Heat Map Colour and Symbol Guide
Strength is highlighted by the background of the group title
- Bright green = best (1st decile) transitions towards...
- Bright red = worst (10th decile)
Momentum is highlighted in the border of the group title
- Colour map for momentum is the same as strength
Symbols to the right of the group ticker show where a group moved from in the previous session. Below the group symbol we highlight the number and total market capitalization of the members in a group. Clicking on the group, which brings up the chart via a hyperlink, will help to clarify the moves.
User Guide 2 - Momentum

Our Goals:
- To buy outperforming stocks in favoured groups
- To avoid underperforming stocks in unfavoured groups
- To be alerted of and act on the changes

#1 Rule of Momentum: You can use it only if it exists

- In stable/trending markets, one can buy stocks with high strength and momentum and hold them as long as momentum does not turn negative (trend following).

- In very rotational markets (e.g., where credit, currency, commodity conditions are choppy/changing):
  - Buying high strength and high momentum may be dangerous (buying yesterday’s winners).
  - One is better off buying stocks with moderate strength and high momentum (bottom fishing).
User Guide 3 - Buy/Hold/Sell

Buy
- Groups with high strength and high positive momentum (top left) - “In Favour”
- Groups with moderate strength and high positive momentum - “Transitioning to Positive”
- Groups with mediocre strength and high positive momentum - “Gaining Favour”

Buy/Hold
- Groups with high strength and neutral momentum (middle left) - “Maintaining Favour”

Sell
- Groups with low strength and high negative momentum (bottom right) - “Out of Favour”
- Groups with moderately negative strength and high negative momentum - “Transitioning to Negative”
- Groups with mediocre strength and high negative momentum - “Losing Favour”
User Guide 4 - Hyperlinks To Decile Charts & Stock Selection

- Each group is hyperlinked to a chart that shows the relative strength decile as a function of time, and the moving average (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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<td>Buy</td>
<td>Outperform</td>
<td>43.2%</td>
<td>22.8%</td>
<td>57.4%</td>
<td>44.1%</td>
<td>57.0%</td>
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<tr>
<td>Hold</td>
<td>Market Per</td>
<td>53.2%</td>
<td>13.1%</td>
<td>40.6%</td>
<td>52.6%</td>
<td>41.1%</td>
<td>41.6%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.7%</td>
<td>9.5%</td>
<td>2.0%</td>
<td>3.2%</td>
<td>1.6%</td>
<td>5.5%</td>
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* 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.
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Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
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