Group Selection
Priced as of January 9, 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 View

Sector Relative Strength Profiles*

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<tr>
<td>Energy</td>
<td>43% / 46% / 46%</td>
<td>/ / /</td>
<td>16% / 16% / 23%</td>
</tr>
<tr>
<td>Materials</td>
<td>50% / 50% / 53%</td>
<td>/ / /</td>
<td>7% / 7% / 11%</td>
</tr>
<tr>
<td>Industrials</td>
<td>51% / 51% / 53%</td>
<td>/ / /</td>
<td>3% / 3% / 10%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>48% / 48% / 49%</td>
<td>/ / /</td>
<td>2% / 0% / 7%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>35% / 36% / 36%</td>
<td>/ / /</td>
<td>3% / 1% / 7%</td>
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<tr>
<td>Hlth Care</td>
<td>44% / 43% / 44%</td>
<td>/ / /</td>
<td>5% / 5% / 10%</td>
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<tr>
<td>Financials</td>
<td>38% / 39% / 37%</td>
<td>/ / /</td>
<td>-3% / -4% / 6%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>54% / 54% / 56%</td>
<td>/ / /</td>
<td>-4% / -3% / 1%</td>
</tr>
<tr>
<td>Telecom</td>
<td>26% / 26% / 27%</td>
<td>/ / /</td>
<td>-2% / -2% / 2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>35% / 30% / 29%</td>
<td>/ / /</td>
<td>-33% / -31% / -21%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>38% / 37% / 35%</td>
<td>/ / /</td>
<td>-25% / -23% / -14%</td>
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*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
Industrials

Strength

Momentum

Cns&Eng
70 stocks; $382bn

Sec&Alm
6 stocks; $42bn

Railroads
25 stocks; $54bn

IndCongl
42 stocks; $1047bn

AirprtSvc
18 stocks; $164bn

AirFrght
21 stocks; $316bn

HREmpl
22 stocks; $128bn

Ag&Farm
11 stocks; $116bn

BldPrdcts
46 stocks; $103bn

Marine
15 stocks; $64bn

CnstMch&T
46 stocks; $398bn

Hwy&Rail
16 stocks; $116bn

HvyElcEq
15 stocks; $91bn

MarineSrv
15 stocks; $74bn

TrdgDist
56 stocks; $367bn

Ind Mach
125 stocks; $828bn

CmclPrt
11 stocks; $25bn

Trucking
28 stocks; $110bn

EnviroServ
25 stocks; $137bn

DvSpSvc
23 stocks; $105bn

ElcCmpEq
36 stocks; $392bn

Aero&Def
56 stocks; $1009bn

Airline
31 stocks; $310bn

RsncSlt
28 stocks; $237bn

OffceServ
10 stocks; $20bn

OffceServ
10 stocks; $20bn
Consumer Staples

Momentum

Strength

January 9, 2018

Mark Steele (416) 359-4641

Beverages
14 stocks; $536bn

Personal Products
33 stocks; $491bn

Food Retail
36 stocks; $370bn

Packaged Food
122 stocks; $1,309bn

Drug Retail
11 stocks; $176bn

Distribution & Vent
12 stocks; $388bn

Sprinklers
14 stocks; $371bn

AgriProd
24 stocks; $107bn

Tobacco
17 stocks; $522bn

Soft Drinks
13 stocks; $689bn

Home Products
18 stocks; $596bn

Retail
12 stocks; $63bn

Food Distribution
12 stocks; $63bn

Distilled Vents
14 stocks; $531bn

14 stocks; $596bn

33 stocks; $491bn

36 stocks; $370bn

122 stocks; $1,309bn

11 stocks; $176bn

12 stocks; $388bn

14 stocks; $371bn

24 stocks; $107bn

17 stocks; $522bn

13 stocks; $689bn
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<tr>
<th>Financial Section</th>
<th>Holding Type</th>
<th>Number of Stocks</th>
<th>Total Value (bn)</th>
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<tr>
<td>FnlExchDt</td>
<td>22 stocks</td>
<td>$385bn</td>
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<tr>
<td>DiversBnk</td>
<td>155 stocks</td>
<td>$571bn</td>
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<tr>
<td>SpecialFin</td>
<td>10 stocks</td>
<td>$238bn</td>
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<tr>
<td>MitSecHld</td>
<td>24 stocks</td>
<td>$440bn</td>
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<td>InvBnkBrk</td>
<td>36 stocks</td>
<td>$486bn</td>
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<td>RegionBnk</td>
<td>141 stocks</td>
<td>$712bn</td>
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<td>Multi-LnIns</td>
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<td>DivCpMkt</td>
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<td>AsstMgmt</td>
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<tr>
<td>P&amp;C Insur</td>
<td>74 stocks</td>
<td>$515bn</td>
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<td>MortgREIT</td>
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<tr>
<td>Thrft&amp;Mtg</td>
<td>45 stocks</td>
<td>$569bn</td>
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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 are members 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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<tr>
<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>
<td>52.8%</td>
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<td>Hold</td>
<td>Market Perform</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>
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<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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