Group Selection

Priced as of February 11, 2016

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
Table of Contents

3. Sector View
4. Strength Changes Last Session
5. Resource Summary
6. Energy
7. Materials
8. Industrials
9. Consumer Discretionary
10. Consumer Staples
11. Health Care
12. Financials
13. Information Technology
14. Telecom
15. Utilities
16. User Guide
### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>11% / 15% / 30%</td>
<td>-16% / -18% / -29%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>27% / 34% / 53%</td>
<td>20% / 19% / 5%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>30% / 40% / 66%</td>
<td>3% / 4% / -16%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>34% / 43% / 63%</td>
<td>-1% / -1% / -18%</td>
<td></td>
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<tr>
<td>CMR Stap</td>
<td>51% / 61% / 76%</td>
<td>24% / 23% / 0%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>41% / 50% / 66%</td>
<td>-10% / -9% / -21%</td>
<td></td>
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<tr>
<td>Financials</td>
<td>33% / 47% / 75%</td>
<td>-11% / -11% / -31%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>46% / 51% / 72%</td>
<td>-16% / -15% / -27%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>32% / 41% / 66%</td>
<td>24% / 24% / -1%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>45% / 53% / 73%</td>
<td>39% / 40% / 9%</td>
<td></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.
Momentum

Strength

February 11, 2016

Mark Steele (416) 359-4641

Energy

Int O&G
34 stocks; $172bn

OG Drill
20 stocks; $24bn

OG Equip
68 stocks; $235bn

OG E&P
135 stocks; $508bn

OG RfMkt
47 stocks; $305bn

OG StTr
88 stocks; $360bn

Coal&Uran
22 stocks; $49bn
February 11, 2016

**Industrials**

- **Railroads**
  - 23 stocks; $364bn

- **Hwy&Rail**
  - 14 stocks; $75bn

- **AirFrght**
  - 21 stocks; $193bn

- **23 stocks; $364bn**

- **AirprtSrv**
  - 19 stocks; $96bn

- **DvSpSrv**
  - 28 stocks; $72bn

- **Ind Mach**
  - 115 stocks; $442bn

- **Trucking**
  - 27 stocks; $64bn

- **ElcCmpEq**
  - 27 stocks; $118bn

- **21 stocks; $193bn**

- **Hwy&Rail**
  - 14 stocks; $75bn

- **Trucking**
  - 27 stocks; $64bn

- **ElcCmpEq**
  - 27 stocks; $118bn

- **27 stocks; $193bn**

- **22 stocks; $232bn**

- **Sec&Alm**
  - 7 stocks; $49bn

- **Ind Congl**
  - 39 stocks; $860bn

- **OfficeServ**
  - 12 stocks; $26bn

- **Marine**
  - 20 stocks; $95bn

- **24 stocks; $86bn**

- **Ag&Farm**
  - 12 stocks; $59bn

- **28 stocks; $72bn**

- **CmclPrt**
  - 12 stocks; $22bn

- **Cns&Eng**
  - 67 stocks; $235bn

- **Marine Srv**
  - 12 stocks; $44bn

- **TrdgDist**
  - 26 stocks; $204bn

- **27 stocks; $64bn**

- **Airline**
  - 33 stocks; $232bn

- **CmclPrt**
  - 12 stocks; $22bn

- **HREmpl**
  - 24 stocks; $78bn

- **22 stocks; $232bn**

- **Sec&Alm**
  - 7 stocks; $48bn

- **24 stocks; $86bn**

- **Cns&Eng**
  - 67 stocks; $235bn

- **HvyElcEq**
  - 19 stocks; $59bn

- **RsrcCslt**
  - 27 stocks; $120bn

- **55 stocks; $658bn**

- **BldPrdcts**
  - 42 stocks; $160bn

- **42 stocks; $160bn**

- **BldPrdcts**
  - 42 stocks; $160bn

- **RsrcCslt**
  - 27 stocks; $120bn

- **27 stocks; $120bn**

- **HvyElcEq**
  - 19 stocks; $59bn

- **BldPrdcts**
  - 42 stocks; $160bn

- **RsrcCslt**
  - 27 stocks; $120bn

- **27 stocks; $120bn**

- **HvyElcEq**
  - 19 stocks; $59bn
February 11, 2016

**Momentum**

**Strength**

- **Distrib** 10 stocks; $45bn
- **LeisPrd** 10 stocks; $52bn
- **CmpElRtl** 10 stocks; $35bn
- **HmImpRtl** 8 stocks; $216bn
- **MotcyMfg** 4 stocks; $30bn
- **HhldApl** 14 stocks; $70bn
- **AutoParts** 39 stocks; $262bn
- **AutoRtl** 8 stocks; $216bn
- **Htl&Rsrt** 16 stocks; $90bn
- **MotcyMfg** 4 stocks; $30bn
- **HhldApl** 14 stocks; $70bn
- **AutoParts** 39 stocks; $262bn
- **AutoRtl** 8 stocks; $216bn
- **Htl&Rsrt** 16 stocks; $90bn

**Consumer Discretionary**

- **LeisFcil** 12 stocks; $49bn
- **Textiles** 1 stocks; $9bn
- **GMrchStrs** 15 stocks; $117bn
- **SpCmSrv** 10 stocks; $23bn
- **CmRlSft** 12 stocks; $81bn
- **Tire&Rub** 8 stocks; $77bn
- **InetRtl** 29 stocks; $443bn
- **ApparRtl** 37 stocks; $322bn
- **Publishing** 23 stocks; $248bn
- **Rstaurnt** 59 stocks; $367bn
- **Cabl&Sat** 25 stocks; $400bn
- **Cas&Gm** 35 stocks; $182bn
- **Appr&Gds** 43 stocks; $424bn
- **HomeFurn** 7 stocks; $24bn
Consumer Staples

February 11, 2016

Mark Steele (416) 359-4641

Momentum

Strength

Consumer Staples

FdDistri → SprCntrs
11 stocks; $39bn
16 stocks; $412bn

AgriProd ↓
30 stocks; $93bn

FdRetail
39 stocks; $376bn

PkgFdMt
120 stocks; $1045bn

Tobacco
13 stocks; $622bn

HhldPrdct
18 stocks; $531bn

Dist&Vnt ↑
12 stocks; $197bn

PersPrdct ↓
27 stocks; $312bn

SoftDrnks
12 stocks; $444bn

Brewers
14 stocks; $483bn

DrugRetail ↓
1 stocks; $207bn

Consumer Staples
Momentum

Strength

February 11, 2016

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Health Care

Pharma
96 stocks; $332bn

HCSuppls
32 stocks; $106bn

DCDistrib
17 stocks; $124bn

MngHCare
17 stocks; $249bn

HCService
13 stocks; $178bn

Biotech
129 stocks; $767bn

30 stocks; $106bn

14 stocks; $124bn

13 stocks; $178bn

17 stocks; $53bn

32 stocks; $122bn
Momentum

Strength

February 11, 2016

Information Technology

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EMS
21 stocks; $96bn

TechDist
15 stocks; $35bn

HmEntSwr
14 stocks; $93bn

DataProc
47 stocks; $520bn

ITConsult
48 stocks; $503bn

Semi
84 stocks; $638bn

ApplicSwr
76 stocks; $390bn

SemiEqp
41 stocks; $143bn

SystmSwr
38 stocks; $647bn

ElecComp
39 stocks; $167bn

HdwrSt&P
44 stocks; $910bn

ElecInstr
45 stocks; $134bn

ComEquip
51 stocks; $356bn

InetSftSrv
59 stocks; $1073bn

99 stocks; $1073bn

45 stocks; $134bn

51 stocks; $356bn

47 stocks; $520bn

48 stocks; $503bn

44 stocks; $910bn

39 stocks; $167bn

21 stocks; $96bn

15 stocks; $35bn

14 stocks; $93bn
Telecommunication Services

February 11, 2016

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WlsTelSrv
43 stocks; $797bn

IntgTelSrv
60 stocks; $1261bn

AltCar
14 stocks; $51bn

Momentum

Strength
Utilities

February 11, 2016

Mark Steele (416) 359-4641

- ElecUtil (88 stocks, $888bn)
- GasUtil (39 stocks, $203bn)
- MultiUtil (40 stocks, $437bn)
- WaterUtil (23 stocks, $72bn)
- RenewElec (25 stocks, $48bn)
- IPPTrad (26 stocks, $97bn)
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 are the 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.
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”
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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<th>Rating Category</th>
<th>BMO Rating</th>
<th>BMOCM US Universe*</th>
<th>BMOCM US IB Clients**</th>
<th>BMOCM US IB Clients***</th>
<th>BMOCM Universe****</th>
<th>BMOCM IB Clients*****</th>
<th>Starmine Universe</th>
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<td>Buy</td>
<td>Outperform</td>
<td>42.2%</td>
<td>18.6%</td>
<td>54.7%</td>
<td>44.3%</td>
<td>56.9%</td>
<td>56.3%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>54.3%</td>
<td>11.3%</td>
<td>42.7%</td>
<td>51.8%</td>
<td>40.9%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.5%</td>
<td>11.1%</td>
<td>2.7%</td>
<td>3.9%</td>
<td>2.2%</td>
<td>5.0%</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.

*** 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.

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

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(S) = Speculative investment;

NR = No rating at this time; and

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