Group Selection

Priced as of October 4, 2017

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
Sector View

Sector Relative Strength Profiles*

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<tr>
<td>Energy</td>
<td>23% / 19% / 23%</td>
<td>18% / 21% / 16%</td>
<td></td>
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<tr>
<td>Materials</td>
<td>53% / 46% / 53%</td>
<td>6% / 8% / -1%</td>
<td></td>
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<tr>
<td>Industrials</td>
<td>53% / 47% / 54%</td>
<td>7% / 9% / 1%</td>
<td></td>
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<tr>
<td>CMR Disc</td>
<td>49% / 46% / 50%</td>
<td>5% / 8% / 2%</td>
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<tr>
<td>CMR Stap</td>
<td>47% / 42% / 45%</td>
<td>-9% / -6% / -11%</td>
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<tr>
<td>Hlth Care</td>
<td>56% / 52% / 57%</td>
<td>4% / 9% / 5%</td>
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<tr>
<td>Financials</td>
<td>51% / 43% / 51%</td>
<td>2% / 6% / -6%</td>
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<tr>
<td>Info Tech</td>
<td>63% / 57% / 63%</td>
<td>2% / 7% / -3%</td>
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<tr>
<td>Telecom</td>
<td>50% / 45% / 49%</td>
<td>-25% / -18% / -23%</td>
<td></td>
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<tr>
<td>Utilities</td>
<td>56% / 48% / 55%</td>
<td>-20% / -16% / -21%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>45% / 39% / 45%</td>
<td>-1% / 1% / -7%</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
Strength Changes Last Session

October 4, 2017

Mark Steele (416) 359-4641
Momentum

Strength

October 4, 2017

Mark Steele (416) 359-4641

Materials

MtGisCnt
4 stocks; $63bn

IndusGas
7 stocks; $75bn

PapProd
26 stocks; $104bn

FrstPrd
12 stocks; $29bn

DvrsMng
48 stocks; $406bn

Alumin
11 stocks; $63bn

Fert&Ag
32 stocks; $199bn

SpecChm
64 stocks; $523bn

PaperPkg
32 stocks; $196bn

DiversChm
46 stocks; $391bn

ComdChm
39 stocks; $360bn

Copper
14 stocks; $100bn

CstrMat
27 stocks; $256bn

Steel
58 stocks; $399bn

Silver
5 stocks; $20bn

PrecMet
22 stocks; $57bn

Gold
21 stocks; $193bn

Copper
14 stocks; $100bn

Gold
21 stocks; $193bn

PrecMet
22 stocks; $57bn

Silver
5 stocks; $20bn

Steel
58 stocks; $399bn

CstrMat
27 stocks; $256bn

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26 stocks; $104bn

MtGisCnt
4 stocks; $63bn

IndusGas
7 stocks; $75bn

BMO Capital Markets
Consumer Staples

**Momentum**

**Strength**

- **PersPrdct**
  - 29 stocks; $444bn

- **SoftDrinks**
  - 17 stocks; $500bn

- **Dist&Vnt**
  - 12 stocks; $370bn

- **DrugRetail**
  - 8 stocks; $169bn

- **Brewers**
  - 13 stocks; $524bn

- **PkgFdMt**
  - 120 stocks; $1233bn

- **SprCntrs**
  - 14 stocks; $450bn

- **AgriProd**
  - 24 stocks; $104bn

- **HhldPrdct**
  - 17 stocks; $560bn

- **FdDistri**
  - 12 stocks; $56bn

- **DrugRetail**
  - 8 stocks; $169bn

- **Tobacco**
  - 13 stocks; $659bn

- **FdRetail**
  - 36 stocks; $344bn

**October 4, 2017**

Mark Steele (416) 359-4641
October 4, 2017

Information Technology

TechDist
4 stocks; $48bn

Semi
79 stocks; $1193bn

EMS
16 stocks; $135bn

ComEquip
43 stocks; $368bn

ApplicSwr
8 stocks; $643bn

SemiEqp
40 stocks; $283bn

SystmSwr
32 stocks; $366bn

HmEntSwr
14 stocks; $202bn

InetSftSrv
97 stocks; $2058bn

ITConsult
51 stocks; $564bn

ElecInstr
47 stocks; $244bn

HdwrSt&P
44 stocks; $1403bn

ElecComp
97 stocks; $2058bn

DataProc
46 stocks; $794bn

InetSftSrv
47 stocks; $244bn

SystmSwr
32 stocks; $366bn

HmEntSwr
14 stocks; $202bn

ITConsult
51 stocks; $564bn

HdwrSt&P
44 stocks; $1403bn

ElecComp
97 stocks; $2058bn

DataProc
46 stocks; $794bn
REstSrv
11 stocks; $346bn

HotelREIT
18 stocks; $57bn

SpecREIT
11 stocks; $327bn

RetailREIT
50 stocks; $306bn

OfficeREIT
32 stocks; $152bn

REstDevl
30 stocks; $291bn

ResidREIT
26 stocks; $160bn

DiversREIT
40 stocks; $167bn

HCareREIT
18 stocks; $105bn

IndusREIT
30 stocks; $194bn

REstOpCo
26 stocks; $160bn

REstDvAct
33 stocks; $342bn

SpecREIT
11 stocks; $327bn
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”
- 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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<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>
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<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.
*** 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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***** Reflects rating distribution of all companies from which BMO Capital Markets 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;
Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
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