Group Selection

Priced as of November 29, 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
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Sector Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>42% / 41% / 34%</td>
<td>-11% / -8% / 10%</td>
<td></td>
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<tr>
<td>Materials</td>
<td>56% / 53% / 51%</td>
<td>-11% / -6% / 11%</td>
<td></td>
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<tr>
<td>Industrials</td>
<td>52% / 50% / 45%</td>
<td>-3% / 3% / 24%</td>
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<tr>
<td>CMR Disc</td>
<td>48% / 45% / 42%</td>
<td>8% / 13% / 32%</td>
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<tr>
<td>CMR Stap</td>
<td>35% / 32% / 28%</td>
<td>5% / 12% / 33%</td>
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<tr>
<td>Hlth Care</td>
<td>49% / 47% / 43%</td>
<td>-8% / -1% / 17%</td>
<td></td>
</tr>
<tr>
<td>Finanicals</td>
<td>48% / 45% / 36%</td>
<td>5% / 14% / 36%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>59% / 56% / 53%</td>
<td>-7% / -3% / 14%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>31% / 31% / 29%</td>
<td>-11% / -4% / 22%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>48% / 47% / 35%</td>
<td>-17% / -9% / 20%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>43% / 40% / 34%</td>
<td>-14% / -5% / 23%</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
Momentum

Strength Changes Last Session

November 29, 2017

Mark Steele (416) 359-4641
November 29, 2017

Momentum

Int O&G
29 stocks; $1703bn

OG Drill
14 stocks; $228bn

OG Equip
60 stocks; $2688bn

OG E&P
116 stocks; $793bn

OG StTr
80 stocks; $627bn

OG RfMkt
43 stocks; $499bn

Coal&Uran
24 stocks; $83bn
Momentum

Strength

Information Technology

November 29, 2017

Mark Steele (416) 359-4641

ITConsult 40 stocks; $695bn

ComEquip 43 stocks; $389bn

TechDist 14 stocks; $48bn

SystmSwr 38 stocks; $103bn

50 stocks; $695bn

43 stocks; $389bn

14 stocks; $48bn

38 stocks; $103bn

43 stocks; $261bn

HmEntSwr 14 stocks; $210bn

ElecComp 37 stocks; $315bn

ElecInstr 31 stocks; $261bn

InetSttSrv 103 stocks; $2200bn

SemiEqp 40 stocks; $298bn

DataProc 46 stocks; $835bn

HdwrSt&P 44 stocks; $1491bn

ApplicSwr 58 stocks; $688bn

TechDist 14 stocks; $48bn

EMS 16 stocks; $139bn

78 stocks; $1300bn

14 stocks; $48bn

48 stocks; $688bn

46 stocks; $835bn

103 stocks; $2200bn

44 stocks; $1491bn

68 stocks; $688bn

14 stocks; $210bn

31 stocks; $315bn

40 stocks; $298bn

103 stocks; $2200bn

16 stocks; $139bn

46 stocks; $835bn

44 stocks; $1491bn

58 stocks; $688bn

48 stocks; $688bn

31 stocks; $315bn

31 stocks; $315bn

103 stocks; $2200bn
November 29, 2017

Telecommunication Services

Mark Steele (416) 359-4641

IntgTelSrv

AltCar

WlsTelSrv

60 stocks; $1322bn

10 stocks; $51bn

42 stocks; $950bn

Momentum

Strength
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.
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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<tr>
<td><strong>Buy</strong></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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<tr>
<td><strong>Hold</strong></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>
</tr>
<tr>
<td><strong>Sell</strong></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.
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Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
Spd = Suspended - Coverage and rating suspended until coverage is reinstated;
NR = No Rated - No rating at this time; and
R = Restricted - Dissemination of research is currently restricted.

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(April 2013 - October 2016)
(January 2010 - April 2013)

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