Group Selection

Priced as of January 19, 2010

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*

<table>
<thead>
<tr>
<th>Sector</th>
<th>% Outperforming GBL / CDA</th>
<th>Reward/Risk GBL / CDA</th>
<th>Trend Psn GBL / CDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>69% / 64%</td>
<td>★ / ★</td>
<td>12% / 13%</td>
</tr>
<tr>
<td>Materials</td>
<td>69% / 66%</td>
<td>★★ / ★</td>
<td>7% / 9%</td>
</tr>
<tr>
<td>Industrials</td>
<td>55% / 51%</td>
<td>★ / ★</td>
<td>8% / 8%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>56% / 53%</td>
<td>★ / ★</td>
<td>6% / 7%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>53% / 49%</td>
<td>★ / ★★</td>
<td>6% / 6%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>49% / 46%</td>
<td>★ / ★★</td>
<td>15% / 15%</td>
</tr>
<tr>
<td>Financials</td>
<td>51% / 46%</td>
<td>★ / ★★</td>
<td>5% / 5%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>55% / 49%</td>
<td>★ / ★★</td>
<td>6% / 8%</td>
</tr>
<tr>
<td>Telecom</td>
<td>41% / 36%</td>
<td>★ / ★★</td>
<td>7% / 7%</td>
</tr>
<tr>
<td>Utilities</td>
<td>38% / 36%</td>
<td>★ / ★★</td>
<td>5% / 7%</td>
</tr>
</tbody>
</table>

*Three terms define the relative performance Z-Score rating versus the markets (GBL = S&P Global 1200; CDA = S&P/TSX Composite)

(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent the median relative strength performance of the sector membership (star/bomb ranking), and
(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

Momentum

HCEquip 🚄 RetailREIT 🚄 CmclPrt 🚄 Tobacco 🚄 Trucking 🚄
ComdChm 🚄 IndusREIT 🚄 TrdgDist 🚄 CompHdwr 🚄
ITConsult 🚄 HCEquip 🚄 RetailREIT 🚄 CmclPrt 🚄 Tobacco 🚄
FrstPrd 🚄 ComdChm 🚄 Pharma 🚄 LeisPrd 🚄 PkgFdMt 🚄

Strength

ITConsult 🚄 IndusREIT 🚄 TrdgDist 🚄 CompHdwr 🚄
FrstPrd 🚄 ComdChm 🚄 Pharma 🚄 LeisPrd 🚄 PkgFdMt 🚄
CnstFmM 🚄 AltCar 🚄 Aero&Def 🚄 DvSpSrv 🚄
Ind Mach 🚄 Gold 🚄

January 19, 2010

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BMO Capital Markets
January 19, 2010

**Energy**

- **OG E&P**
  - 100 stocks; $829bn
- **OG StTr**
  - 51 stocks; $216bn
- **OG Drill**
  - 29 stocks; $113bn
- **OG Equip**
  - 66 stocks; $323bn
- **Coal & Uran**
  - 50 stocks; $144bn
- **Int O&G**
  - 39 stocks; $2231bn
- **OG RfMkt**
  - 34 stocks; $182bn
January 19, 2010

Materials

ComdChm
11 stocks; $144bn

FrstPrd
14 stocks; $21bn

SpecChm
40 stocks; $112bn

Fert&Ag
38 stocks; $239bn

Gold
107 stocks; $285bn

Alumin
10 stocks; $57bn

DvrsMng
150 stocks; $890bn

PrecMet
58 stocks; $115bn

PapProd
30 stocks; $66bn

PaperPkg
10 stocks; $26bn

IndusGas
10 stocks; $106bn

Steel
66 stocks; $574bn

DvrsChm
16 stocks; $165bn

DiversChm
16 stocks; $188bn

MtGlsCnt
14 stocks; $34bn

CstrMat
19 stocks; $142bn
January 19, 2010

Telecommunication Services

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Momentum

Strength

AltCar
17 stocks; $37bn

WlsTelSrv
44 stocks; $787bn

IntegTelSr
62 stocks; $1085bn
January 19, 2010

Utilities

- MultiUtil
  - 36 stocks: $410bn
- WaterUtil
  - 21 stocks: $250bn
- ElecUtil
  - 66 stocks: $913bn
- GasUtil
  - 29 stocks: $130bn
- IPPTrad
  - 45 stocks: $171bn

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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 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 4,000 securities.
- Groups have a:
  ...Minimum of 9 constituents
  ...Median depth of 17
  ...Average depth of 26

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.