### Market Elements

<table>
<thead>
<tr>
<th>Date</th>
<th>Page</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 9, 2015</td>
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<td>Market Elements</td>
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</tbody>
</table>

### Trends & Inflection Points

<table>
<thead>
<tr>
<th>Date</th>
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<tbody>
<tr>
<td>July 10, 2015</td>
<td>9</td>
<td>Credit Risk Down Yet VIX Up? Holding AAPL?</td>
</tr>
<tr>
<td>July 9, 2015</td>
<td>10</td>
<td>Quantifying Panic &amp; U.S.-Listed EM Outperformers</td>
</tr>
<tr>
<td>July 8, 2015</td>
<td>12</td>
<td>China, Credit, Mining…Staples in the Spotlight</td>
</tr>
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<td>July 7, 2015</td>
<td>14</td>
<td>Tactical Asset Allocation – Shifting Back to the U.S.</td>
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<tr>
<td>July 6, 2015</td>
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<td>Slipping Into the Unknown</td>
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<td>July 3, 2015</td>
<td>16</td>
<td>Canadian Momentum</td>
</tr>
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<td>July 2, 2015</td>
<td>18</td>
<td>Energy – Equity and Credit Breaking Down</td>
</tr>
<tr>
<td>June 30, 2015</td>
<td>20</td>
<td>Weakest Technology Links</td>
</tr>
<tr>
<td>June 29, 2015</td>
<td>22</td>
<td>Holiday</td>
</tr>
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<td>June 26, 2015</td>
<td>23</td>
<td>Recovering Long-Term Outperformers</td>
</tr>
<tr>
<td>June 25, 2015</td>
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<td>Severed Steep Positive Trends</td>
</tr>
<tr>
<td>June 24, 2015</td>
<td>25</td>
<td>U.S. Utilities Sells</td>
</tr>
<tr>
<td>June 23, 2015</td>
<td>27</td>
<td>European Banks</td>
</tr>
<tr>
<td>June 22, 2015</td>
<td>28</td>
<td>Momentum Buys in Strong Subindustries</td>
</tr>
<tr>
<td>June 19, 2015</td>
<td>29</td>
<td>Nasdaq Biotechnology</td>
</tr>
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<td>June 18, 2015</td>
<td>31</td>
<td>Momentum Sells in Weak Subindustries</td>
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<td>June 17, 2015</td>
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<td>U.S. Regional Banks</td>
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<td>CDS Watch</td>
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<td>June 15, 2015</td>
<td>35</td>
<td>Spanish, Italian Short Rates; Prime Brokers CDS</td>
</tr>
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<td>June 12, 2015</td>
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<td>Anti-Earnings Growth Filter</td>
</tr>
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</table>
Chinese shares (that are not halted) rebounded sharply, followed by large gains in European indices; U.S. shares surged higher on the open, yet lost most gains throughout the session; CDN shares continued to push lower.

Safe haven bonds sold off sharply; peripheral European yields fell; corporate CDS indices and Asian sovereign CDS levels retreated.

The safe haven yen retreated, retracing half of Wednesday’s surge; commodity currencies rebounded; the MSCI EM currency basket rose for the 1st day in 7; Greek IOUs anyone?

Iron ore and base metals rebounded; oil started to recover from Monday’s sharp selloff; platinum and palladium hit new lows.

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Levels*
Currencies (USD per) Commodities Government 10-Yr Benchmark Equity Indices & Sentiment

<table>
<thead>
<tr>
<th>Symbol</th>
<th>H/L</th>
<th>Level %Chg</th>
<th>Symbol</th>
<th>H/L</th>
<th>Level %Chg</th>
<th>Symbol</th>
<th>H/L</th>
<th>Level %Chg</th>
<th>Symbol</th>
<th>H/L</th>
<th>Level %Chg</th>
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<tr>
<td>DXY</td>
<td>96.53</td>
<td>0.2%</td>
<td>BB Cmdty</td>
<td>99.04</td>
<td>1.2%</td>
<td>U.S.</td>
<td>2.30</td>
<td>0.11</td>
<td>MSCI World</td>
<td>1,717</td>
<td>0.6%</td>
</tr>
<tr>
<td>EUR</td>
<td>1.0629</td>
<td>-0.4%</td>
<td>WTI Oil</td>
<td>1.159</td>
<td>0.7%</td>
<td>Canada</td>
<td>1.59</td>
<td>0.07</td>
<td>MSCI EM</td>
<td>0.920</td>
<td>1.7%</td>
</tr>
<tr>
<td>CHF</td>
<td>1.0505</td>
<td>-0.3%</td>
<td>NMX Gas</td>
<td>2.73</td>
<td>1.7%</td>
<td>U.K.</td>
<td>1.95</td>
<td>0.06</td>
<td>S&amp;P 500</td>
<td>2,051</td>
<td>0.2%</td>
</tr>
<tr>
<td>GBP</td>
<td>1.5379</td>
<td>0.1%</td>
<td>Gold</td>
<td>1,161.1</td>
<td>0.2%</td>
<td>Germany</td>
<td>0.72</td>
<td>0.05</td>
<td>S&amp;P/TSX</td>
<td>14,278</td>
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<tr>
<td>JPY x 10</td>
<td>0.0824</td>
<td>-0.5%</td>
<td>Silver</td>
<td>15.47</td>
<td>2.1%</td>
<td>France</td>
<td>1.16</td>
<td>0.03</td>
<td>STOXX 50</td>
<td>3,420</td>
<td>2.8%</td>
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<tr>
<td>CAD</td>
<td>0.7875</td>
<td>0.4%</td>
<td>Platinum L</td>
<td>1,027.0</td>
<td>-0.5%</td>
<td>Italy</td>
<td>2.18</td>
<td>-0.04</td>
<td>FTSE 100</td>
<td>6,582</td>
<td>1.4%</td>
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<tr>
<td>AUD</td>
<td>0.7454</td>
<td>0.3%</td>
<td>Palladium</td>
<td>638.05</td>
<td>-2.6%</td>
<td>Spain</td>
<td>2.17</td>
<td>-0.05</td>
<td>Hang Seng</td>
<td>24,393</td>
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<tr>
<td>NZD</td>
<td>0.6738</td>
<td>1.1%</td>
<td>CMX Cu</td>
<td>254.70</td>
<td>2.0%</td>
<td>Portugal</td>
<td>2.92</td>
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<td>Topix</td>
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<td>-0.04</td>
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<tr>
<td>BRL</td>
<td>0.3105</td>
<td>0.5%</td>
<td>LME Al 3m</td>
<td>0.77</td>
<td>1.7%</td>
<td>Switzerland</td>
<td>0.03</td>
<td>0.00</td>
<td>S&amp;P/ASX</td>
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<tr>
<td>MXN</td>
<td>0.6329</td>
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<td>LME Ni 3m</td>
<td>5.22</td>
<td>4.9%</td>
<td>Australia</td>
<td>2.81</td>
<td>0.05</td>
<td>CSI 300</td>
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<td>ZAR</td>
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<td>LME Zn 3m</td>
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<td>Hong Kong</td>
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<tr>
<td>KRW x 10</td>
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<td>Lumber</td>
<td>293.00</td>
<td>3.5%</td>
<td>India</td>
<td>7.79</td>
<td>0.01</td>
<td>ARMS</td>
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<td>CNY</td>
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<td>428.75</td>
<td>1.0%</td>
<td>Japan</td>
<td>0.45</td>
<td>0.03</td>
<td>VIX</td>
<td>20</td>
<td>1.6%</td>
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Moves
Currencies (spot) Commodities Government 10- Yr Benchmarks Equity Indices

<table>
<thead>
<tr>
<th>Sector</th>
<th>MSCI World</th>
<th>S&amp;P Europe 350</th>
<th>S&amp;P 500</th>
<th>S&amp;P/TSX Composite</th>
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<tbody>
<tr>
<td>Energy</td>
<td>0.6%</td>
<td>0.4%</td>
<td>0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Indus</td>
<td>0.3%</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>Cons Disc</td>
<td>1.5%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Materials</td>
<td>1.0%</td>
<td>0.5%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>0.5%</td>
<td>0.3%</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>Cons Stap</td>
<td>2.5%</td>
<td>2.0%</td>
<td>1.5%</td>
<td>1.0%</td>
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<tr>
<td>Inform</td>
<td>2.0%</td>
<td>1.5%</td>
<td>1.0%</td>
<td>0.5%</td>
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<tr>
<td>Energy</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>0.5%</td>
<td>0.3%</td>
<td>0.0%</td>
<td>0.0%</td>
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</tbody>
</table>

Source for all data and graphics in this publication: BMO Capital Markets, Bloomberg, Thomson

* H/L = at a new closing 52- wk High/Low; */± = within 10% of the 52- week High/Low; Colour codes are inverted for bond and sentiment indications.
Odd to see credit risk easing, yet the VIX moving to a multi-month high.
Intra Day Charts
2-Day 1-Minute View
Market Elements

Daily Sector Charts
3-Month View with 26-Day Bollinger Bands and 150-, 200- and 50-Day Moving Averages

- Canada – at a 52-week low: Industrials, Utilities.

S&P 500

Energy

Materials

Industrials

Consumer Discretionary

Consumer Staples

Health Care

Financial Services

Technology

Telecom Services

Utilities

S&P/TSX Composite

Energy

Materials

Industrials

Consumer Discretionary

Consumer Staples

Health Care

Financial Services

Technology

Telecom Services

Utilities

S&P Europe 350

Energy

Materials

Industrials

Consumer Discretionary

Consumer Staples

Health Care

Financial Services

Technology

Telecom Services

Utilities
## Market Elements

### Market Movers – Largest Daily Percentage Moves

<table>
<thead>
<tr>
<th>Name</th>
<th>Symbol</th>
<th>% Chg</th>
<th>Name</th>
<th>Symbol</th>
<th>% Chg</th>
<th>Name</th>
<th>Symbol</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eni SpA</td>
<td>ENI.M</td>
<td>3.7%</td>
<td>Chesapeake Energy</td>
<td>CHK</td>
<td>3.3%</td>
<td>Delmar Energy</td>
<td>DMRL</td>
<td>-26.9%</td>
</tr>
<tr>
<td>OMV AG</td>
<td>OMER</td>
<td>3.6%</td>
<td>Pioneer Natural Resources</td>
<td>PXD</td>
<td>2.8%</td>
<td>Seven Generations Energy</td>
<td>VGE</td>
<td>2.4%</td>
</tr>
<tr>
<td>CNOCO Ltd</td>
<td>SINO</td>
<td>3.3%</td>
<td>Range Resources</td>
<td>RRC</td>
<td>2.2%</td>
<td>Whitefish Energy</td>
<td>WHE</td>
<td>2.1%</td>
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<td>Seadrill Ltd</td>
<td>SDRL</td>
<td>-1.3%</td>
<td>Transocean</td>
<td>RIG</td>
<td>-0.7%</td>
<td>MEG Energy</td>
<td>MEG</td>
<td>-3.8%</td>
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<tr>
<td>Calix Australia</td>
<td>CTX-AU</td>
<td>-1.4%</td>
<td>Marathon Petroleum</td>
<td>MPC</td>
<td>-1.1%</td>
<td>Trican Well Service</td>
<td>TCW</td>
<td>-6.7%</td>
</tr>
<tr>
<td>SalenSpa</td>
<td>SPM.M</td>
<td>-2.3%</td>
<td>Columbia Pipeline Group Inc</td>
<td>CPGX</td>
<td>-2.9%</td>
<td>Pacific Ruiables Energy</td>
<td>PRE</td>
<td>-48.7%</td>
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<td>LG Chem Ltd</td>
<td>LG</td>
<td>3.8%</td>
<td>LyondellBasell Industries</td>
<td>LYB</td>
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<td>Labrador Iron Ore Royalty</td>
<td>LIF</td>
<td>7.1%</td>
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<td>Nan Ya Plastics</td>
<td>NYP</td>
<td>3.6%</td>
<td>Freeport-McMoRan</td>
<td>FCX</td>
<td>1.7%</td>
<td>Silver Standard Resources</td>
<td>SS</td>
<td>4.8%</td>
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<td>Lafarge SA</td>
<td>LGF</td>
<td>3.4%</td>
<td>Martin Marietta Materials</td>
<td>MLM</td>
<td>1.5%</td>
<td>First Quantum Minerals</td>
<td>FQM</td>
<td>4.6%</td>
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<tr>
<td>Oy Holdings</td>
<td>OYH</td>
<td>-1.5%</td>
<td>Air Products &amp; Chemicals</td>
<td>APD</td>
<td>-0.5%</td>
<td>Eldorado Gold</td>
<td>ELD</td>
<td>-3.7%</td>
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<td>Kobe Steel</td>
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<td>Mosaic Co</td>
<td>MOS</td>
<td>-0.9%</td>
<td>Interstar Corp</td>
<td>PST</td>
<td>-4.0%</td>
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<td>Shipway</td>
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<td>Shariillowins Co</td>
<td>SII</td>
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<td>JB Hunt Transport Services</td>
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<td>2.2%</td>
<td>TransForce</td>
<td>TF</td>
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<td>OSR.GR</td>
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<td>Textron Inc</td>
<td>TXT</td>
<td>1.7%</td>
<td>Air Canada</td>
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<td>Atlantic SpA</td>
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<td>United Rentals</td>
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<td>Kintetsu Group Holdings Co Ltd</td>
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<td>Dover Corp</td>
<td>DOV</td>
<td>-1.2%</td>
<td>CAE Inc</td>
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<td>Toshiba Corp</td>
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<td>ADT Corp</td>
<td>ADT</td>
<td>-2.9%</td>
<td>Ritchie Bros Auctioneers</td>
<td>RBA</td>
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<td>Central Japan Railway</td>
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<td>Joy Global</td>
<td>JOY</td>
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<td>Bombardier</td>
<td>BBD.B</td>
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<td>Galaxy Entertainment Group</td>
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<td>TEGNA Inc</td>
<td>TEGN</td>
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<td>Performance Sports Group</td>
<td>PSG</td>
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<td>4.5%</td>
<td>GameStop Corp</td>
<td>GME</td>
<td>2.5%</td>
<td>Interim Group Ltd</td>
<td>ITG</td>
<td>1.8%</td>
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<td>Persimmon PLC</td>
<td>PSN.LN</td>
<td>4.2%</td>
<td>Netflix Inc</td>
<td>NFLX</td>
<td>2.4%</td>
<td>Cogeco Cable</td>
<td>CCA</td>
<td>0.8%</td>
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<td>Toyota Industries</td>
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<td>Gap Inc</td>
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<td>Restaurant Brands International</td>
<td>QSR</td>
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<tr>
<td>Oriental Land</td>
<td>4661.JP</td>
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<td>L Brands Inc</td>
<td>LB</td>
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<td>Great Canadian Gaming</td>
<td>GCG</td>
<td>-3.3%</td>
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<td>Sega Sammy</td>
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<td>KSS</td>
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<td>151HK</td>
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<td>Walgreens Boots Alliance Inc</td>
<td>WBA</td>
<td>4.2%</td>
<td>Jean Cotu Group POJ Inc</td>
<td>PJCA</td>
<td>0.4%</td>
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<td>Associated British Foods</td>
<td>ABF.LN</td>
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<td>Whole Foods Market</td>
<td>WFM</td>
<td>2.4%</td>
<td>North West Co Inc</td>
<td>NWC</td>
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<td>Delhaize Group</td>
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<td>Madison Coors Brewing</td>
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<td>1.6%</td>
<td>Empire Co Ltd</td>
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<td>0.1%</td>
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<td>Nasin Foods Holdings</td>
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<td>Kraft Heinz Co/The</td>
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<td>Conagra Foods</td>
<td>CAG</td>
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<td>Alimentation Couche-Tard</td>
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<td>Yuliak Honsha</td>
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<td>Cigna Corp</td>
<td>CI</td>
<td>4.1%</td>
<td>Prometic Life Sciences</td>
<td>PLI</td>
<td>1.9%</td>
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<td>Essilor International</td>
<td>EI.FP</td>
<td>3.4%</td>
<td>Endo International</td>
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<td>2.6%</td>
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<td>EEX</td>
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<td>Prometic Life Sciences</td>
<td>PLI</td>
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<td>Endo International</td>
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<td>Catamaran Corp</td>
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<td>-3.0%</td>
<td>Concordia Healthcare</td>
<td>CVXS</td>
<td>-1.7%</td>
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**Health Care**

- **Market Elements**
  - **Cons Disc**
    - **Galaxy Entertainment Group**
    - **Mediaset SpA**
    - **Persimmon PLC**
    - **Toyota Industries**
    - **Oriented Land**
    - **Sega Sammy**
  - **Cons Stap**
    - **Want Want China Holdings**
    - **Associated British Foods**
    - **Delhaize Group**
    - **Nasin Foods Holdings**
    - **Ashu Holdings**
    - **Yukiak Honsha**
  - **Health Care**
    - **Lonza Group**
    - **Eisso International**
    - **Bayer AG**
    - **Dalichi Sankeyo**
    - **Taisho Pharmaceutical Holdings**
    - **Shiseki Holdings**

**Financials**

- **Hong Kong Exchanges and Clearing 388 HK**
  - **Ping An Insurance Group Co of Chi 2318 HK**
  - **Man Group PLC**
  - **Grupa Elektra SAB DE CV**
  - **Fubon Financial Holding**

**Technology**

- **Tencent Holdings**
  - **Micron Technology**
  - **AMD**
  - **Hynix**
  - **Nvidia**
  - **Texas Instruments**
  - **Altera Corp**
  - **Intel Corp**
  - **Cisco Systems Inc**
  - **Semiconductor**

**Utilities**

- **Drax Group**
  - **Acciona SA**
  - **Power Assets Holdings**
  - **Osaka Gas Co Ltd**
  - **APA Group**
  - **AGL Energy**

**Materials**

- **LG Chem Ltd**
  - **Nan Ya Plastics**
  - **Lafarge SA**
  - **Oy Holdings**
  - **Kobe Steel**
  - **Nippon Paint Holdings Co Ltd**

**Industrials**

- **Haya PLC**
  - **OSRAM Licht**
  - **Atlantic SpA**
  - **Kintetsu Group Holdings Co Ltd**
  - **Toshiba Corp**
  - **Central Japan Railway**

**Utilities**

- **Drax Group**
  - **Acciona SA**
  - **Power Assets Holdings**
  - **Osaka Gas Co Ltd**
  - **APA Group**
  - **AGL Energy**

**Bold** move of more than 5%
### U.S. Market Movers

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### Health Care

- **Symbol**: Symbol_HL
- **Last %Chg**: Last %Chg
- **Change**: Change
- **Percent Change**: Percent Change

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### Energy

- **Symbol_HL**: Symbol_HL
- **Last %Chg**: Last %Chg

### Industrials

- **Symbol_HL**: Symbol_HL
- **Last %Chg**: Last %Chg

### Consumer Discretionary

- **Symbol_HL**: Symbol_HL
- **Last %Chg**: Last %Chg

### Consumer Staples

- **Symbol_HL**: Symbol_HL
- **Last %Chg**: Last %Chg

### Technology

- **Symbol_HL**: Symbol_HL
- **Last %Chg**: Last %Chg

### Financials

- **Symbol_HL**: Symbol_HL
- **Last %Chg**: Last %Chg

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*Note: Bold indicates a price increase of more than 5%.*

*Market Movers data is based on closing prices and reflects the performance of selected stocks. Information may not be comprehensive.*
## Canadian Market Movers

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### Materials

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### Industrials

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<tr>
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<td>38.97</td>
<td>38.97</td>
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</tr>
<tr>
<td>DUS</td>
<td>49.73</td>
<td>49.73</td>
<td>-1.2%</td>
</tr>
<tr>
<td>CSU</td>
<td>46.15</td>
<td>46.15</td>
<td>-1.7%</td>
</tr>
<tr>
<td>DSG</td>
<td>20.09</td>
<td>20.09</td>
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</tr>
<tr>
<td>ESL</td>
<td>47.99</td>
<td>47.99</td>
<td>-1.0%</td>
</tr>
<tr>
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<td>4.73</td>
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### Technology

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<td>NDG</td>
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<tr>
<td>NWU</td>
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### Market Elements

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### Utilities

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<th>Hl</th>
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<th>%Chg</th>
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</thead>
<tbody>
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<td>-2.8%</td>
</tr>
<tr>
<td>BCB</td>
<td>24.76</td>
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<td>-3.3%</td>
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### Consumer Staples

<table>
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<tbody>
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</tr>
<tr>
<td>NG</td>
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<td>88.90</td>
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<tr>
<td>CPH</td>
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</tr>
<tr>
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### Health Care

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<td>15.76</td>
<td>-0.6%</td>
</tr>
<tr>
<td>TLA</td>
<td>14.58</td>
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<td>-1.3%</td>
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### Telecom Services

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<td>29.71</td>
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### Utilities

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<th>Symbol</th>
<th>Hl</th>
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<td>-2.8%</td>
</tr>
<tr>
<td>BCB</td>
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<td>24.76</td>
<td>-3.3%</td>
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### Consumer Staples

<table>
<thead>
<tr>
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<tbody>
<tr>
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</tr>
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<td>88.90</td>
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</tr>
<tr>
<td>CPH</td>
<td>10.31</td>
<td>10.31</td>
<td>-3.4%</td>
</tr>
<tr>
<td>JW</td>
<td>9.74</td>
<td>9.74</td>
<td>-2.5%</td>
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</table>

### Health Care

<table>
<thead>
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<th>Symbol</th>
<th>Hl</th>
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<tbody>
<tr>
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<td>15.76</td>
<td>-0.6%</td>
</tr>
<tr>
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<td>14.58</td>
<td>14.58</td>
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### Telecom Services

<table>
<thead>
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<tbody>
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<td>29.71</td>
<td>-1.8%</td>
</tr>
<tr>
<td>EB</td>
<td>14.30</td>
<td>14.30</td>
<td>-2.1%</td>
</tr>
</tbody>
</table>

---

**Note:** All percentages indicate the change from the previous close. Parentheses indicate percentage decrease. **High/Low:** includes 10% of the 52-wk High/Low. **Bold/Blue:** indicates assets of ETF, Bold = move of more than 5%.
Credit Risk Down Yet VIX Up? Holding AAPL?

- It was an odd day yesterday. Credit risk and many volatility gauges fell as the market’s two biggest concerns, the Chinese equity rout and the Grexit, faded; yet the VIX still pushed higher. What’s up with that? A look at the largest 10 S&P 500 stocks shows what’s up. Apple (AAPL), trending higher at a rate of 48%/year broke that trend and fell to a 5-month low – Figure 1.

- We always say, our mechanical trend spotting system is ignorant, not knowing why the trend is in place, or why the trends break, but it asks the right question at the right time. The question is: what are you doing with the AAPL in your portfolio? – Figure 2.

- Technically, AAPL is oversold, close to support, and there is good volume down here. This morning is a very “risk on” environment, so we fully expect that AAPL will rebound. What happens after the rebound is the real question. 2012 was not pretty.

  - We believe AAPL is a good stock in a bad neighborhood of 10th decile Hardware, Storage and Peripheral stocks.

- Looking for an AAPL replacement? We highlight the largest technology stocks in outperforming trends vs. the S&P 500 and technology sector – Figure 3. Willing to dabble in China? Look at Tencent. Not so much? eBay is worth a look. IBM is trying to bottom. Visa and MasterCard are good momentum stocks in our view.

Figure 1: Price Trends on Largest S&P 500 Index Members

Figure 2: Apple (AAPL) Dividend Adjusted Price Trend

Figure 3: Largest 10 Technology Outperformers

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Quantifying Panic & U.S.-Listed EM Outperformers

- In our view, panic should be bought and volatility should be sold.
- Implied volatility gives the sharpest panic buying signals. The current bout of panic stems from China, where equity-implied volatility has surged close to 50% in the past five days – Figure 1.
- Implied volatility on Emerging Markets Equity ETF (EEM) is a heady 25% – Figure 2.
- The MSCI Emerging Markets Index has broken below the bottom end of its trend channel. It does so from time to time. It’s called a buying opportunity – Figure 3.
- If the U.S. equity market is your choice, the VIX is not quite at a panic level (as this is not the source from which panic emanates from), but implied volatility is at the top end of a three-year channel, and that’s probably about as good as it gets – Figure 4.
  - The NASDAQ, Russell 2000, and S&P 500 all broke below the bottom ends of their channels yesterday, and gauges of concern are receding (yen weakening, CDS narrowing) this morning. A buy-the-dip attitude is ensuing.
- Focusing on the panic at hand, we highlight 29 U.S.-listed emerging market stocks, which are outperforming both ACWI and their sector. The majority of the list is oversold by one indication or another – Fig 5.

Figure 1: Chinese Equity ETF (FXI) Implied Volatility
Figure 2: Emerging Market ETF (EEM) Implied Volatility
Figure 3: MSCI Emerging Markets Index in Local Currency
Figure 4: S&P 500 Index

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
### Figure 5: Emerging Market Outperformers

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Domicile</th>
<th>Sub Industry</th>
<th>1-day Equity Chg (%)</th>
<th>5-day Equity Chg (%)</th>
<th>MkCap (USD)</th>
<th>ACWI</th>
<th>Trend Slope</th>
<th>RS Hi (Mo)</th>
<th>RS Low (Mo)</th>
<th>Boll Band</th>
<th>Boll Band Width</th>
<th>RSI Daily</th>
</tr>
</thead>
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<td>NORD US</td>
<td>Nord Angio Education</td>
<td>Hong Kong</td>
<td>Educat</td>
<td>-2.1%</td>
<td>-2.0%</td>
<td>2,499</td>
<td>61%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>69%</td>
</tr>
<tr>
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<td>Ctrip.com International</td>
<td>China</td>
<td>InetrBtl</td>
<td>-2.5%</td>
<td>-4.5%</td>
<td>9,750</td>
<td>102%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>77%</td>
</tr>
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<td>China</td>
<td>Airline</td>
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<td>-21.9%</td>
<td>2,548</td>
<td>151%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>158%</td>
</tr>
<tr>
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<td>Cheetah Mobile</td>
<td>China</td>
<td>SystemSwr</td>
<td>4.0%</td>
<td>-19.9%</td>
<td>400</td>
<td>129%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>143%</td>
</tr>
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<td>WNS Holdings</td>
<td>India</td>
<td>DataProc</td>
<td>-0.7%</td>
<td>0.4%</td>
<td>1,383</td>
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<td>48.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>China Eastern Airlines</td>
<td>China</td>
<td>Airline</td>
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<td>-20.7%</td>
<td>2,759</td>
<td>101%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>178%</td>
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<td>CCE US</td>
<td>Cia Cerveceras Unidas</td>
<td>Chile</td>
<td>Nettase Inc</td>
<td>0.0%</td>
<td>-3.9%</td>
<td>4,065</td>
<td>32%</td>
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<td>54%</td>
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<td>Marine</td>
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<td>IBA US</td>
<td>Industrias Bachoco</td>
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<td>178%</td>
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<td>UGP US</td>
<td>Ultrasar Participacoes</td>
<td>Brazil</td>
<td>OG_SITr</td>
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<td>-3.9%</td>
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<td>24%</td>
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<td>QNR US</td>
<td>Qunar Cayman Islands</td>
<td>China</td>
<td>InetrAd</td>
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<td>2,003</td>
<td>53%</td>
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<td>5,533</td>
<td>20%</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>54%</td>
</tr>
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<td>Taiwan Semiconductor</td>
<td>Taiwan</td>
<td>Semi</td>
<td>-3.2%</td>
<td>-2.1%</td>
<td>115,286</td>
<td>13%</td>
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<td></td>
<td></td>
<td></td>
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<td>66%</td>
</tr>
<tr>
<td>UEPS US</td>
<td>Net 1 UEPS Technologies</td>
<td>South Africa</td>
<td>DataProc</td>
<td>1.5%</td>
<td>2.6%</td>
<td>874</td>
<td>31%</td>
<td>48.0</td>
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<td></td>
<td></td>
<td></td>
<td>145%</td>
</tr>
<tr>
<td>CO US</td>
<td>China Cord Blood</td>
<td>Hong Kong</td>
<td>HCService</td>
<td>-5.9%</td>
<td>-16.7%</td>
<td>375</td>
<td>17%</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
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<td>SHI US</td>
<td>Sinopac Shanghai Petrochemical</td>
<td>China</td>
<td>ComChn</td>
<td>-15.2%</td>
<td>-38.5%</td>
<td>1,155</td>
<td>24%</td>
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<td></td>
<td></td>
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<td>246%</td>
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<tr>
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<td>China</td>
<td>Int O&amp;G</td>
<td>-3.1%</td>
<td>-8.5%</td>
<td>20,013</td>
<td>7%</td>
<td></td>
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<td>86%</td>
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<tr>
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<td>New Oriental Education</td>
<td>China</td>
<td>Educat</td>
<td>-1.0%</td>
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<td>3,580</td>
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<td>Grupo Televisa SAB</td>
<td>Mexico</td>
<td>Broadcast</td>
<td>-2.4%</td>
<td>-8.1%</td>
<td>20,504</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>130%</td>
</tr>
</tbody>
</table>
China, Credit, Mining…Staples in the Spotlight

- The rout in the Chinese equity market started to have an impact on the credit market yesterday, as the cost to protect Chinese Banks and Chinese Real Estate broke above narrowing trends (breaking bad) – Figure 1.
  - The third of our custom CDS indices to break bad yesterday is our basket of global mining companies. The tie-in here is the extent that the reverse wealth effect in China has as a contribution to slower Chinese growth.
  - Mining shares themselves are well advanced in a major leg down, and if you are speaking to us on mining shares, you are likely a short seller.
- Showing the increasingly defensive positioning in the equity market, staples in the S&P 500, as well as SMID indices, are breaking above underperforming trends. Technology and industrials continue to break to the downside – Figure 3.
- Putting the spotlight on Staples we highlight;
  - S&P 500 staples, with just five consistent outperformers and many market/underperformers breaking above underperforming trends – Figure 4.
  - A similar perspective for Russell MidCap Growth index members (we will sneak in here that growth continues to trump value) – Figure 5.
  - For the global manager, ones sees the theme (covered yesterday) of European staples breaking down, while U.S. staples are breaking to the upside vs MSCI World – Figure 6.

Figure 1: “Severed Trends Last Day” View on our Custom CDS Indices – Chinese Banks, Real Estate & Mining Breaking Bad

<table>
<thead>
<tr>
<th>Name</th>
<th>1Yr CDS Level</th>
<th>H / L</th>
<th>CDS Reward /Risk</th>
<th>Trend Slope</th>
<th>Trend Length (Mo)</th>
<th>CDS Hi (Mo)</th>
<th>CDS Low (Mo)</th>
<th>1-day Chg(%)</th>
<th>5-day Chg(%)</th>
<th>%Chg wrt 50d NA</th>
<th>Chg wrt 50 Day MA Trend</th>
<th>%Chg wrt 200d NA</th>
<th>Chg wrt 200 Day NA Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Banks</td>
<td>124</td>
<td>↑</td>
<td>↑</td>
<td>-30%</td>
<td>6</td>
<td></td>
<td></td>
<td>3.3%</td>
<td>1.9%</td>
<td>2%</td>
<td>Above Falling</td>
<td>-4%</td>
<td>Below Falling</td>
</tr>
<tr>
<td>GDPsMtls</td>
<td>216</td>
<td>↑</td>
<td>↑</td>
<td>-27%</td>
<td>6</td>
<td>5.0</td>
<td></td>
<td>4.9%</td>
<td>10.5%</td>
<td>12%</td>
<td>Above Rising</td>
<td>15%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>China REst</td>
<td>131</td>
<td>↑</td>
<td>↑</td>
<td>-5%</td>
<td>7</td>
<td>5.0</td>
<td></td>
<td>2.1%</td>
<td>1.7%</td>
<td>5%</td>
<td>Above Rising</td>
<td>3%</td>
<td>Above Rising</td>
</tr>
</tbody>
</table>

Figure 2: Average 5Yr CDS for Chinese Banks

Figure 3: Staples Breaking Above Underperforming Trends

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
### Trends & Inflection Points

**Figure 4: S&P 500 Staples vs S&P 500**

<table>
<thead>
<tr>
<th>Consistent Outperformers</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL US 29%</td>
</tr>
<tr>
<td>WBA US 40%</td>
</tr>
<tr>
<td>KR US 38%</td>
</tr>
<tr>
<td>MNST US 42%</td>
</tr>
</tbody>
</table>

**Underperformers Breaking Above Underperforming Trends**

<table>
<thead>
<tr>
<th>NMUS US -12%</th>
<th>WFM US -1.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TUS US -7%</td>
<td>MUR US -1.1%</td>
</tr>
<tr>
<td>MU US -1.3%</td>
<td>URE US -1.0%</td>
</tr>
<tr>
<td>USP US -1.1%</td>
<td>TAP US -1.5%</td>
</tr>
<tr>
<td>LTV US -1.4%</td>
<td>CLX US -1.7%</td>
</tr>
<tr>
<td>KO US -1.7%</td>
<td>GMCR US -1.9%</td>
</tr>
<tr>
<td>PEP US -0.9%</td>
<td>PG US -3.3%</td>
</tr>
<tr>
<td>WMT US -5.0%</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 5: Russell MidCap Growth Staples vs Russell MidCap Growth**

<table>
<thead>
<tr>
<th>WWW US 63%</th>
<th>HAIN US 16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>HLF US 123%</td>
<td>HRL US 5%</td>
</tr>
<tr>
<td>MNST US 51%</td>
<td>STZ US 5%</td>
</tr>
<tr>
<td>FLO US 14%</td>
<td>TSN US -6%</td>
</tr>
<tr>
<td>RAD US 16%</td>
<td>CAG US 12%</td>
</tr>
<tr>
<td>COTY US 33%</td>
<td>BF/B US -10%</td>
</tr>
<tr>
<td>NUS US 17%</td>
<td>CCE US -8%</td>
</tr>
<tr>
<td>MKC US 2%</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 6: MSCI World Staples vs MSCI World**

<table>
<thead>
<tr>
<th>2514 JP 62%</th>
<th>8267 JP 54%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARL US 48%</td>
<td>CA FP 31%</td>
</tr>
<tr>
<td>WWAV US 63%</td>
<td>2229 JP 37%</td>
</tr>
<tr>
<td>EMT SP 83%</td>
<td>SCAB SS 37%</td>
</tr>
<tr>
<td>JMT LN 74%</td>
<td>AIA NA 45%</td>
</tr>
<tr>
<td>CCH LN 55%</td>
<td>ORK NO 25%</td>
</tr>
<tr>
<td>2269 JP 75%</td>
<td>288 HK 49%</td>
</tr>
<tr>
<td>EL US 22%</td>
<td>4452 JP 29%</td>
</tr>
<tr>
<td>KR US 37%</td>
<td>MNST US 32%</td>
</tr>
<tr>
<td>DELB BB 52%</td>
<td>2502 JP 19%</td>
</tr>
<tr>
<td>2651 JP 19%</td>
<td>8028 JP 23%</td>
</tr>
<tr>
<td>RAI US 15%</td>
<td>WBA US 18%</td>
</tr>
<tr>
<td>KRG ID 19%</td>
<td>YH US 19%</td>
</tr>
<tr>
<td>ATD/B CN 36%</td>
<td>2802 JP 24%</td>
</tr>
<tr>
<td>RT FP 16%</td>
<td>HEDO NA 17%</td>
</tr>
<tr>
<td>BEI GR 16%</td>
<td>RAD US 16%</td>
</tr>
<tr>
<td>CCL AU 0%</td>
<td>2282 JP -15%</td>
</tr>
</tbody>
</table>
Trends & Inflection Points

July 7, 2015
Research Comment
Quantitative/Technical Research Website

Mark Steele
(416) 359-4641
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Tactical Asset Allocation – Shifting Back to the U.S.

- The U.S. equity market is breaking above a 7-month “timeout” period of underperformance, as strength in Europe gives way. This is the inflection point where one shifts back to an overweighted position in U.S. equities – Figures 1-4.

- Broadening beyond the European and U.S. inflection points that our system picked up yesterday, the only region still trending higher vs. MSCI World is the Pacific, and as Pacific ex Japan is underperforming, we might as well just say Japan. North America, on the other hand, is breaking above an underperforming trend, and rose to a 3.5-month relative strength high – Figure 4.
  - North American strength is U.S. Canada is breaking to a new low – Fig 5.

- Our Equity Tactical Asset Allocation (TAA) link is available daily in the TIPs suite.

Figure 1: Equity Markets vs MSCI World

<table>
<thead>
<tr>
<th>Name</th>
<th>Symbol</th>
<th>1d RS Chg (%)</th>
<th>5d RS Chg (%)</th>
<th>Chg Last Day</th>
<th>Trend Slope</th>
<th>RS Hi (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg 50d MA</th>
<th>Chg wtr 50d MA Trend</th>
<th>%Chg wtr 200d MA Trend</th>
<th>Chg wtr 200d RS MA Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italian MIB</td>
<td>FTSEMI</td>
<td>-3.1%</td>
<td>-5.0%</td>
<td>↓</td>
<td>19%</td>
<td>3.5</td>
<td>3.5</td>
<td>-4%</td>
<td>Below Falling</td>
<td>-2%</td>
<td>Below Falling</td>
</tr>
<tr>
<td>German DAX</td>
<td>DAX</td>
<td>-0.6%</td>
<td>-2.5%</td>
<td>↑</td>
<td>7%</td>
<td>5.5</td>
<td>5.5</td>
<td>-2%</td>
<td>Below Falling</td>
<td>-1%</td>
<td>Below Falling</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>SPX</td>
<td>0.5%</td>
<td>1.0%</td>
<td>↑</td>
<td></td>
<td>3.5</td>
<td>3.5</td>
<td>1%</td>
<td>Above Rising</td>
<td>1%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>DJIA</td>
<td>INDU</td>
<td>0.6%</td>
<td>1.0%</td>
<td>↑</td>
<td></td>
<td>5%</td>
<td>3.0</td>
<td>1%</td>
<td>Above Rising</td>
<td>0%</td>
<td>Above Rising</td>
</tr>
</tbody>
</table>

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Slipping Into the Unknown

- As the Eurozone heads into uncertain times with Sunday’s Greek no vote, we highlight the classic chart best shown when one enters the financial unknown – the escalating cost to protect the core of the banking system against default (average 5yr CDS on Prime Brokers), which dovetails with the equity market slipping to make lower lows and highs – Figure 1.

- Some colour:
  - Credit risk is not sliding; it is slipping higher, and is still very low on an absolute basis (Figure 1 top);
  - Volatility gauges, are also higher, but not at panicked levels;
  - So we are not at a “panic buy the dip opportunity,” nor are we at the “sky is falling” protect the book state.

- Technically, the MSCI World is 5% away from major support, and you can call that a target (Figure 1 bottom) if credit risk continues to slip as it has this morning.

Figure 1: The Cost to Protect the Banking System Against Default and MSCI World

Banking Risk Increasing Again; Not Yet Above Last Week’s Intraday High

- Major Support 1650 (5% Below Current Level)

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Trends & Inflection Points

July 3, 2015
Research Comment
Quantitative/Technical Research Website

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Canadian Momentum

- Momentum buy and sell lists are just as much about a pulse of the market as they are lists to buy/short from. With Canadian equity indices trending higher, yet below 50 and 150d moving averages (Figure 1), one would expect momentum buy lists to be shorter than the sell lists; and that is certainly true.
- There are almost triple the amount of momentum sells in Canada than there are momentum buys, and they cover all sectors but Telecom. We highlight the largest 20 in Figure 2, and the full list at this link.
- The Canadian momentum buy list has just 20 stocks, and most are small caps. Those maintaining outperforming trends and still above rising moving averages are shown in Figure 3.

Figure 1: Trends on Canadian Equity Indices

<table>
<thead>
<tr>
<th>Name</th>
<th>Symbol</th>
<th>1-Day Chg (%)</th>
<th>5-Day Chg (%)</th>
<th>Chg Last Day</th>
<th>Reward /Risk</th>
<th>Trend</th>
<th>Hi [Mo]</th>
<th>Low [Mo]</th>
<th>%Chg 50d MA</th>
<th>Chg wrt 50 Day MA Trend</th>
<th>%Chg wrt 200d MA</th>
<th>Chg wrt 200 Day MA Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P/TSX Cmpl</td>
<td>TX40AR</td>
<td>0.4%</td>
<td>-1.7%</td>
<td>11%</td>
<td>-2%</td>
<td>Below Falling</td>
<td>0%</td>
<td>Below Falling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P/TSX Smll</td>
<td>TX20AR</td>
<td>0.0%</td>
<td>-1.9%</td>
<td>9%</td>
<td>-3%</td>
<td>Below Falling</td>
<td>-2%</td>
<td>Below Falling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDN Veges</td>
<td>YX5CAR</td>
<td>0.7%</td>
<td>-0.6%</td>
<td>13%</td>
<td>-1%</td>
<td>Below Falling</td>
<td>-5%</td>
<td>Below Falling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P/TSX 000</td>
<td>0000AR</td>
<td>0.6%</td>
<td>-1.7%</td>
<td>10%</td>
<td>-2%</td>
<td>Below Falling</td>
<td>0%</td>
<td>Below Falling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P/TSX 50</td>
<td>0600AR</td>
<td>0.6%</td>
<td>-1.6%</td>
<td>7%</td>
<td>-2%</td>
<td>Below Falling</td>
<td>0%</td>
<td>Below Falling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Note: BMO Capital Markets is restricted on Cenovus Energy
### Figure 3: Canadian Momentum Buys

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Grp RS</th>
<th>LT RS</th>
<th>RS</th>
<th>Close 02-Jul</th>
<th>1-day Equity Chg (%)</th>
<th>5-day Equity Chg (%)</th>
<th>MktCap (CAD)</th>
<th>Chg Last Day</th>
<th>SPTSX</th>
<th>Trend Slope</th>
<th>RS Hi (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg wtd 50d MA</th>
<th>Chg w/ 50 Day MA</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSU CN</td>
<td>Constellation Software</td>
<td>ApplicSwr</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>508.52</td>
<td>2.6%</td>
<td>-2.8%</td>
<td>10,777</td>
<td>87%</td>
<td>1%</td>
<td>1%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>73%</td>
<td>3%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>PBH CN</td>
<td>Premium Brands Holdings</td>
<td>PkgFlnt</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>32.10</td>
<td>0.0%</td>
<td>-1.9%</td>
<td>812</td>
<td>73%</td>
<td>2%</td>
<td>2%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>109%</td>
<td>3%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>VRX CN</td>
<td>Valeant Pharmaceuticals</td>
<td>Pharma</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>286.70</td>
<td>3.3%</td>
<td>1.0%</td>
<td>97,822</td>
<td>47%</td>
<td>2%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>78%</td>
<td>4%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>ADN CN</td>
<td>Acadian Timber</td>
<td>FrdPrd</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>19.05</td>
<td>0.8%</td>
<td>1.8%</td>
<td>319</td>
<td>47%</td>
<td>2%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>67%</td>
<td>7%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>AAV CN</td>
<td>Advantage Oil &amp; Gas</td>
<td>Og E&amp;P</td>
<td>9</td>
<td>7</td>
<td>1</td>
<td>7.92</td>
<td>0.3%</td>
<td>-1.2%</td>
<td>1,352</td>
<td>78%</td>
<td>4%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>57%</td>
<td>6%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>CHRB CN</td>
<td>Chorus Aviation</td>
<td>Airline</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td>6.65</td>
<td>0.6%</td>
<td>1.1%</td>
<td>767</td>
<td>67%</td>
<td>7%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>38%</td>
<td>2%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>DOL CN</td>
<td>Dollarama Inc</td>
<td>GmrChStrs</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>76.01</td>
<td>0.5%</td>
<td>0.6%</td>
<td>9,775</td>
<td>57%</td>
<td>6%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>66%</td>
<td>5%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>MFI CN</td>
<td>Maple Leaf Foods</td>
<td>PkgFlnt</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>23.72</td>
<td>0.1%</td>
<td>-0.7%</td>
<td>3,391</td>
<td>38%</td>
<td>2%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>68%</td>
<td>12%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>SWY CN</td>
<td>Stornoway Diamond</td>
<td>PrdNtl</td>
<td>10</td>
<td>9</td>
<td>1</td>
<td>0.83</td>
<td>0.0%</td>
<td>0.0%</td>
<td>508</td>
<td>68%</td>
<td>12%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>24%</td>
<td>2%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>KBL CN</td>
<td>K-Bro Linen</td>
<td>DsSpSrv</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>53.99</td>
<td>1.9%</td>
<td>0.8%</td>
<td>430</td>
<td>66%</td>
<td>6%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>81%</td>
<td>5%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>UNS CN</td>
<td>Uni-Select</td>
<td>Distri</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>46.57</td>
<td>-0.2%</td>
<td>-0.8%</td>
<td>997</td>
<td>49%</td>
<td>2%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>55%</td>
<td>0%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>BCB CN</td>
<td>Cott Corp</td>
<td>SoftDrinks</td>
<td>6</td>
<td>7</td>
<td>1</td>
<td>12.30</td>
<td>0.7%</td>
<td>-2.3%</td>
<td>1,347</td>
<td>81%</td>
<td>5%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>33%</td>
<td>5%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>WIRU CN</td>
<td>WPT Industrial REIT</td>
<td>InduREIT</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>12.28</td>
<td>0.2%</td>
<td>-1.8%</td>
<td>277</td>
<td>49%</td>
<td>2%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>49%</td>
<td>0%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>LSG CN</td>
<td>Lake Shore Gold</td>
<td>Gold</td>
<td>9</td>
<td>8</td>
<td>1</td>
<td>1.24</td>
<td>-3.9%</td>
<td>-3.9%</td>
<td>541</td>
<td>55%</td>
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<td>Above Rising</td>
<td>Above Rising</td>
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<tr>
<td>JE CN</td>
<td>Just Energy Group</td>
<td>Mtrbhl</td>
<td>8</td>
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<td>6.51</td>
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<td>-2.8%</td>
<td>955</td>
<td>55%</td>
<td>0%</td>
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<td>33%</td>
<td>5%</td>
<td>Above Rising</td>
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<tr>
<td>RBA CN</td>
<td>Ritchie Bros Auctioneers</td>
<td>DsSpSrv</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>36.04</td>
<td>-3.4%</td>
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<td>3,880</td>
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<td>Above Rising</td>
<td>63%</td>
<td>4%</td>
<td>Above Rising</td>
</tr>
<tr>
<td>OGC CN</td>
<td>OceanaGold</td>
<td>Gold</td>
<td>9</td>
<td>6</td>
<td>2</td>
<td>2.99</td>
<td>-3.2%</td>
<td>-0.7%</td>
<td>907</td>
<td>63%</td>
<td>8%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>32%</td>
<td>8%</td>
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<td>DGC CN</td>
<td>Detour Gold</td>
<td>Gold</td>
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<td>7</td>
<td>2</td>
<td>14.26</td>
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<tr>
<td>MAL CN</td>
<td>Magellan Aerospace</td>
<td>AeroDef</td>
<td>7</td>
<td>1</td>
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<td>1,004</td>
<td>32%</td>
<td>8%</td>
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<td>Above Rising</td>
<td>Above Rising</td>
<td>19%</td>
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<td>Above Rising</td>
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<tr>
<td>MG CN</td>
<td>Magna</td>
<td>AutoParts</td>
<td>7</td>
<td>1</td>
<td>3</td>
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<td>2.3%</td>
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<td>29,450</td>
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<td>1%</td>
<td>4%</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td>Above Rising</td>
<td></td>
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</tr>
</tbody>
</table>
Energy – Equity and Credit Breaking Down

- Yesterday, WTI fell over 4% to a 2.5-month low. Equities did not take so kindly to that. Many energy indices, including MSCI World, and various U.S. SMID benchmarks broke out of 7-month relative strength consolidation patterns to the downside – Figures 1, 2.
- From a global relative strength breadth perspective, Energy is second-worst sector – Figure 3.

- The credit market is also giving way here (all credit & CDS trends found here):
  - Energy high yield corporate bonds are breaking a 7-month relief rally uptrend and are also breaking below support – Figure 4.
  - CDS trends on E&P companies are widening above narrowing trends (we should also state that many of our tailored group-specific CDS indices are breaking, or widening, above narrowing trends) – Figure 5.
- From our energy link, tuned towards price trends (available in the TIPS Suite),
  - there were a dozen stocks, plus the US E&P ETF (XOP) that broke below positive uptrends yesterday – Figure 6; and
  - we rank 10 E&P stocks momentum sells – Figure 7.

**Figure 1: Energy Indices vs Local Benchmarks**

**Figure 2: Russell 2000 Energy vs Russell 2000**

**Figure 3: Global Sector Relative Strength Breadth Heat Map**

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
**Trends & Inflection Points**

**Figure 4: Energy High Yield Corporate Bond Index**

Last Week, The Uptrend Broke, Yesterday, Support was Broken.

**Figure 5: E&P CDS Trends**


**Figure 6: E&P Stocks Breaking Price Uptrends Yesterday**

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>LT Price</th>
<th>Price Trend</th>
<th>MidCap [US$]</th>
<th>Vol [Vol %]</th>
<th>Chg Last Day</th>
<th>Price Trend</th>
<th>Trend Slope</th>
<th>Hi (Mo)</th>
<th>Low (Mo)</th>
<th>CDS %Chg wtr 30 DMA</th>
<th>Chg wtr 50 Day MA Trend</th>
<th>Bull Band</th>
<th>Bull Band Width</th>
<th>RSI Dly</th>
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<tr>
<td>CPE US</td>
<td>Callon Petroleum</td>
<td>501</td>
<td>4.66</td>
<td>169%</td>
<td>2.0</td>
<td>-8%</td>
<td>Below Falling</td>
<td>OSOLD</td>
<td>32%</td>
<td>34%</td>
<td>38</td>
<td>BELOW 123%</td>
<td>99%</td>
<td>34%</td>
<td></td>
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<tr>
<td>PDCE US</td>
<td>PDC Energy</td>
<td>2,056</td>
<td>4.08</td>
<td>94%</td>
<td>3.5</td>
<td>-9%</td>
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<td>OSOLD</td>
<td>74%</td>
<td>34%</td>
<td>34</td>
<td>BELOW 134%</td>
<td>79%</td>
<td>34%</td>
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</tr>
<tr>
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<td>Matador Resources</td>
<td>1,999</td>
<td>3.65</td>
<td>99%</td>
<td>3.0</td>
<td>-13%</td>
<td>Below Falling</td>
<td>OSOLD</td>
<td>109%</td>
<td>30%</td>
<td>34</td>
<td>BELOW 123%</td>
<td>76%</td>
<td>31%</td>
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<tr>
<td>FANG US</td>
<td>Diamondback Energy</td>
<td>4,632</td>
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<td>-8%</td>
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<td>OSOLD</td>
<td>68%</td>
<td>34%</td>
<td>34</td>
<td>BELOW 123%</td>
<td>79%</td>
<td>34%</td>
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</tr>
<tr>
<td>LPI US</td>
<td>Laredo Petroleum</td>
<td>2,571</td>
<td>4.72</td>
<td>129%</td>
<td>3.5</td>
<td>-15%</td>
<td>Below Falling</td>
<td>OSOLD</td>
<td>46%</td>
<td>30%</td>
<td>30</td>
<td>BELOW 123%</td>
<td>77%</td>
<td>31%</td>
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<tr>
<td>SM US</td>
<td>SM Energy Co</td>
<td>2,952</td>
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<td>100%</td>
<td>3.5</td>
<td>-16%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>123%</td>
<td>34%</td>
<td>34</td>
<td>BELOW 123%</td>
<td>73%</td>
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<tr>
<td>CKO US</td>
<td>Concho Resources</td>
<td>13,395</td>
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<td>OSOLD</td>
<td>79%</td>
<td>34%</td>
<td>34</td>
<td>BELOW 123%</td>
<td>76%</td>
<td>31%</td>
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<tr>
<td>CRZO US</td>
<td>Carrizo Oil &amp; Gas</td>
<td>2,373</td>
<td>3.27</td>
<td>54%</td>
<td>3.5</td>
<td>-11%</td>
<td>Below Falling</td>
<td>OSOLD</td>
<td>76%</td>
<td>31%</td>
<td>31</td>
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<td>73%</td>
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<td>Cinarex Energy</td>
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<td>OSOLD</td>
<td>71%</td>
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<td>31</td>
<td>BELOW 123%</td>
<td>73%</td>
<td>31%</td>
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<td>WPX Energy</td>
<td>2,933</td>
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<td>OSOLD</td>
<td>73%</td>
<td>33%</td>
<td>33</td>
<td>BELOW 123%</td>
<td>73%</td>
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</tr>
<tr>
<td>OAS US</td>
<td>Oasis Petroleum</td>
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<td>OSOLD</td>
<td>32%</td>
<td>29%</td>
<td>29</td>
<td>BELOW 123%</td>
<td>65%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>XOP US</td>
<td>US O&amp;G Exploration &amp; Production</td>
<td>1,473</td>
<td>2.39</td>
<td>17%</td>
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<td>-10%</td>
<td>Below Falling</td>
<td>OSOLD</td>
<td>65%</td>
<td>29%</td>
<td>29</td>
<td>BELOW 123%</td>
<td>97%</td>
<td>29%</td>
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**Figure 7: E&P Momentum Sells**

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Country</th>
<th>LT Price</th>
<th>Price Trend</th>
<th>MidCap [US$]</th>
<th>Vol [Vol %]</th>
<th>Chg Last Day</th>
<th>Price Trend</th>
<th>Trend Slope</th>
<th>Hi (Mo)</th>
<th>Low (Mo)</th>
<th>CDS %Chg wtr 30 DMA</th>
<th>Chg wtr 50 Day MA Trend</th>
<th>Bull Band</th>
<th>Bull Band Width</th>
<th>RSI Dly</th>
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<td>ARC Resources</td>
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<td>GKP LN</td>
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<td>31</td>
<td>BELOW 123%</td>
<td>31%</td>
<td>31%</td>
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<tr>
<td>DNO NO</td>
<td>DNO ASA</td>
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<td>1,433</td>
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<td>-11%</td>
<td>Below Falling</td>
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<td>41%</td>
<td>31%</td>
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<td>Canada</td>
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<td>10</td>
<td>805</td>
<td>2.57</td>
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<td>Below Falling</td>
<td>-8%</td>
<td>Below Falling</td>
<td>30</td>
<td>BELOW 123%</td>
<td>30%</td>
<td>30%</td>
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<td>3,936</td>
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<td>-48%</td>
<td>Below Falling</td>
<td>-11%</td>
<td>Below Falling</td>
<td>41</td>
<td>BELOW 123%</td>
<td>41%</td>
<td>31%</td>
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<td>10</td>
<td>42,252</td>
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<td>0%</td>
<td>Below Falling</td>
<td>51</td>
<td>BELOW 123%</td>
<td>51%</td>
<td>31%</td>
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<td>-10%</td>
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<td>10</td>
<td>500</td>
<td>2.00</td>
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<td>Below Falling</td>
<td>-15%</td>
<td>Below Falling</td>
<td>46</td>
<td>BELOW 123%</td>
<td>46%</td>
<td>31%</td>
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<td>CAIR IN</td>
<td>Cairn India</td>
<td>India</td>
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<td>10</td>
<td>5,436</td>
<td>2.09</td>
<td>-27%</td>
<td>Below Falling</td>
<td>-5%</td>
<td>Below Falling</td>
<td>47</td>
<td>BELOW 123%</td>
<td>47%</td>
<td>31%</td>
<td></td>
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</tr>
</tbody>
</table>
Weakest Technology Links

- In yesterday’s Grexit-inspired selloff, which took…
  - the cost to protect prime brokers against default to a 16m high (yet is it still very low),
  - most volatility gauges up at least 10%, and
  - U.S. equity implied correlation to a 3m high.
- …one sector stood out as the global piñata, and that was **Technology** where **mostly outperforming indices were taken down to 1-5 month lows** – Figure 1.

- On a global basis, the relative performance of technology is flat, flat, flat, and the jury is still out on whether this is the pause that refreshes, or the top capping two years of outperformance – Figure 2.
  - By stripping the Technology sector down by **industry** one also strips away the guise of market performance. With recent downside pressure overwhelming upside, it’s easier to spot the weakest links than the strongest, and here it’s clear – the weakest links are **Semiconductors** and **Communications Equipment** – Figure 3.
    - Semiconductors are the trickier of the two, with recent strength being sold into – Figure 4.
    - Communications equipment stocks are like the **miners of the materials sector**, not much lovin’ going on there – Figure 5.
- Take timing of these sell lists into consideration (bounce?), **oversold buckets are full**, and **overbought buckets are bare**; yet, using our TMT link, we drilled in on the momentum sells and stocks breaking below outperforming trends in these two weakest technology industries – Figures 6, 7.

Figure 1: **Local Technology Indices vs Markets**

<table>
<thead>
<tr>
<th>Name</th>
<th>Reward /Risk</th>
<th>Trend Slope</th>
<th>RS Hi (Mo)</th>
<th>RS Low (Mo)</th>
<th>1-day RS Chg(%)</th>
<th>5-day RS Chg(%)</th>
<th>Trend / Wt (%/Mo)</th>
<th>Trend Length</th>
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<td>vs. MSCI World Small</td>
<td>6%</td>
<td>1.5</td>
<td>-0.1%</td>
<td>-1.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vs. Russell 2000</td>
<td>10%</td>
<td>1.5</td>
<td>-0.1%</td>
<td>1.4%</td>
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<td></td>
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<tr>
<td>vs. Russell MidCap</td>
<td>5%</td>
<td>1.0</td>
<td>-0.2%</td>
<td>-1.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vs. MSCI Europe</td>
<td>5%</td>
<td>1.5</td>
<td>-0.5%</td>
<td>0.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vs. S&amp;P 500</td>
<td>3%</td>
<td>2.5</td>
<td>-0.1%</td>
<td>-0.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vs. S&amp;P/TSX Composite</td>
<td>3%</td>
<td>5.5</td>
<td>-0.3%</td>
<td>-1.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vs. MSCI World</td>
<td>-1%</td>
<td>2.0</td>
<td>-0.1%</td>
<td>-0.6%</td>
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</tr>
</tbody>
</table>

Figure 2: **Global Technology vs MSCI World**

- **Flat Relative Performance**
- One Should Be Dissecting Winners From Losers

Figure 3: **Technology Industries vs Global Technology**

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Figure 4: Semiconductors & Semi Equipment vs Technology

Market Played Whac-a-Mole on the Spike in Strength;

Trend Is Towards Underperformance

Figure 5: Communications Equipment vs Technology

Figure 6: Semi and Communication Equipment Momentum Sells vs ACWI IT

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Country</th>
<th>Sub Industry</th>
<th>Grp</th>
<th>LT</th>
<th>RS</th>
<th>RsMktCap (US$)</th>
<th>Vol (%)</th>
<th>ACWI IT</th>
<th>Trend Slope</th>
<th>RS Hi (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg w/r 50d MA</th>
<th>Chg w/r 50d MA Trend</th>
<th>RSI Dly</th>
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<td>Taiwan</td>
<td>Semi</td>
<td>7</td>
<td>10</td>
<td>10</td>
<td>1,437 2.26</td>
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<td>KLA-Tencor</td>
<td>U.S.</td>
<td>Semi Equip</td>
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<td>10</td>
<td>8,916 2.00</td>
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<td>-4%</td>
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<td>37</td>
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<td>3189 TT</td>
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<td>Semi</td>
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<td>9</td>
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<td>1,213 1.84</td>
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<td>27,695 2.01</td>
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<td>9</td>
<td>887 2.50</td>
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<td>-8%</td>
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Figure 7: Semi and Communication Equipment Stocks Severing Outperforming Trends vs ACWI IT

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<th>Name</th>
<th>Country</th>
<th>Sub Industry</th>
<th>Grp</th>
<th>LT</th>
<th>RS</th>
<th>RsMktCap (US$)</th>
<th>Vol (%)</th>
<th>ACWI IT</th>
<th>Trend Slope</th>
<th>RS Hi (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg w/r 50d MA</th>
<th>Chg w/r 50d MA Trend</th>
<th>RSI Dly</th>
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<td>Semi</td>
<td>7</td>
<td>2</td>
<td>2</td>
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<td>OSOLD 123%</td>
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<td>-7%</td>
<td>Below Rising</td>
<td>OSOLD 135%</td>
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<td>Bermuda</td>
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<td>-5%</td>
<td>Below Falling</td>
<td>OSOLD 99%</td>
<td>31</td>
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<tr>
<td>CSIL US</td>
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<td>Canada</td>
<td>Semi</td>
<td>7</td>
<td>3</td>
<td>3</td>
<td>1,551 4.03</td>
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<td>83%</td>
<td>4.0</td>
<td>-18%</td>
<td>Below Falling</td>
<td>OSOLD 58%</td>
<td>29</td>
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<tr>
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<td>Semi</td>
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<td>3</td>
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<td>44%</td>
<td>4.0</td>
<td>-10%</td>
<td>Below Falling</td>
<td>OSOLD 67%</td>
<td>32</td>
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<tr>
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<td>ASM Pacific Technology</td>
<td>Cayman</td>
<td>Semi Equip</td>
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<td>3</td>
<td>3</td>
<td>3,855 1.77</td>
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<td>21%</td>
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<td>-10%</td>
<td>Below Falling</td>
<td>OSOLD 120%</td>
<td>30</td>
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<td>Israel</td>
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<td>8</td>
<td>3</td>
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<td>2.5</td>
<td>-7%</td>
<td>Below Falling</td>
<td>OSOLD 84%</td>
<td>31</td>
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<td>Semi</td>
<td>7</td>
<td>4</td>
<td>3</td>
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<td>2.5</td>
<td>-6%</td>
<td>Below Falling</td>
<td>OSOLD 64%</td>
<td>35</td>
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<tr>
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<td>Sumco Corp</td>
<td>Japan</td>
<td>Semi Equip</td>
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<td>9</td>
<td>4</td>
<td>3,758 2.86</td>
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<td>58%</td>
<td>-13%</td>
<td>Below Falling</td>
<td>BRLOW 128%</td>
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<td>35</td>
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<td>NVDA US</td>
<td>NVIDIA Corp</td>
<td>U.S.</td>
<td>Semi</td>
<td>7</td>
<td>8</td>
<td>4</td>
<td>10,825 1.77</td>
<td></td>
<td>10%</td>
<td>1.0</td>
<td>-7%</td>
<td>Below Falling</td>
<td>OSOLD 86%</td>
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<tr>
<td>RNR US</td>
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<td>Com Equip</td>
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<td>5</td>
<td>1,885 2.18</td>
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<td>12%</td>
<td>6.5</td>
<td>-15%</td>
<td>Below Falling</td>
<td>OSOLD 152%</td>
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Holiday

- If risk were elevated and exciting enough, we would have titled our note [Greek Bank Holiday](#), but alas that is not the case – Figure 1.
  - The cost to protect [core European Banks](#), or prime brokers against default stands at 82 bps at pixel time, up on the day, down from last week’s high, elevated from the lows as it has been for months now, but still very, very low – Figure 1 top.
  - Contagion of this elevated risk to [U.S. prime brokers](#), well that’s pretty much nonexistent – Figure 1 bottom.

- It’s a new day, one of uncertainty over the Grexit, so risk levels may rise a bit and stocks may continue to fall a bit this week, but the ultimate concern for an equity investor is that the banking system may become unmoored; well that is just not happening in our view.
  - Since this may have disrupted your holiday, we offer up [Billie Holiday](#), or [Madonna](#) if that’s more to your liking.

Figure 1: The Cost of Protecting the Banking System From Default
Recovering Long-Term Outperformers

- This morning we highlight one of our long screens.
- In the Long/Short Filters page, updated daily in our TIPs suite, we turned to the Long 3 filter, which narrows in on stocks with good long-term performance that are breaking above a currently flat or negative trend.

The screen returns 78 stocks. We show the largest 25 in Figure 1 (please click for the full list).

- We note that
  - Financials make up about half of the list and U.S. regional banks dominate;
  - Technology and Health Care are well represented;
  - two Canadian large caps are on the list, Manulife Financial and Shaw Communications; and
  - Energy stocks are absent.

Figure 1: Largest 25 Long-Term Outperformers Breaking Above Flat/Negative Trends - Full List Here

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Grp</th>
<th>Close 25-Jun</th>
<th>1-day Equity Chg (%)</th>
<th>MktCap (US$)</th>
<th>Vol (%)</th>
<th>Chg Last Day</th>
<th>Price Trend</th>
<th>Trend Slope</th>
<th>Hi (Mo)</th>
<th>Low (Mo)</th>
<th>% Chg wt 50d MA</th>
<th>% Chg wt 150d MA</th>
<th>Chg wrt 50 Day MA Trend</th>
<th>% Chg wrt 150 Day MA Trend</th>
<th>Chg wrt 150 Day MA Trend</th>
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<td>DiversChem</td>
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<td>83.14</td>
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<td>11%</td>
<td>Above Rising</td>
<td>11%</td>
<td>Above Rising</td>
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<td>GoPro Inc</td>
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<td>↑</td>
<td>↓-51%</td>
<td>↓</td>
<td>8%</td>
<td>8%</td>
<td>Above Rising</td>
<td>3%</td>
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<td>47,261</td>
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<td>Above Rising</td>
<td>7%</td>
<td>Above Rising</td>
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<td>Above Rising</td>
<td>10%</td>
<td>Above Rising</td>
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<td>8%</td>
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<td>14%</td>
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<td>4,780</td>
<td>1.69</td>
<td>↑</td>
<td>↑↑</td>
<td>↑</td>
<td>5%</td>
<td>7%</td>
<td>Above Rising</td>
<td>19%</td>
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<td>5%</td>
<td>Above Rising</td>
<td>4%</td>
<td>Above Rising</td>
<td>4%</td>
<td>Above Rising</td>
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<td>21%</td>
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<td>↑</td>
<td>7%</td>
<td>4%</td>
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<td>11%</td>
<td>Above Rising</td>
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<td>1.32</td>
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<td>↑</td>
<td>8%</td>
<td>4%</td>
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<td>9%</td>
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<td>15%</td>
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<td>Above Rising</td>
<td>11%</td>
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<td>1.48</td>
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<td>↑</td>
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<td>10%</td>
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<td>14%</td>
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<td>↑</td>
<td>4%</td>
<td>4%</td>
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<td>Above Rising</td>
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<td>12%</td>
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<td>13%</td>
<td>Above Rising</td>
<td>13%</td>
<td>Above Rising</td>
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Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Severed Steep Positive Trends

- One of the filters that we use to screen for potential turns in positive momentum highlights stocks that have been trending higher at a rate greater than 80%/yr, but are currently trading below their channels.
- This is one of the standard screens in our Long/Short Filters page, available in our TIPS Suite. We highlight the largest 25 stocks in Figure 1 (see link for full list).

Figure 1: Stocks Trending at Slopes Greater Than 80%/year and Breaking Trend – Full List Here

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Gnp RS</th>
<th>LT Price</th>
<th>Price Trend</th>
<th>1-day Equity Chg (%)</th>
<th>5-day Equity Chg (%)</th>
<th>MktCap (US$)</th>
<th>Vol (%)</th>
<th>Chg Last Day</th>
<th>Trend</th>
<th>Low (Mo)</th>
<th>%Chg wrt 50d MA</th>
<th>Chg wrt 50 Day MA Trend</th>
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<td>Horizon Pharma Plc</td>
<td>Pharma</td>
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<td>1</td>
<td>-3.5%</td>
<td>-0.3%</td>
<td>5,109</td>
<td>3.87</td>
<td>-</td>
<td>662%</td>
<td>7%</td>
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<td>SBI Inc</td>
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<td>3</td>
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<td>-4.5%</td>
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<td>Valeo SA</td>
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<td>-</td>
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<td>-</td>
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<td>-5%</td>
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<td>-</td>
<td>81%</td>
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</table>

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
U.S. Utilities Sells

- Yesterday, the interest-rate sensitive Utilities was the worst performing sector in the S&P 500 as interest rates pushed higher after Fed’s Powell mentioned the possibility of two rate hikes this year.
- Utilities peaked at the end of January both on a relative and an absolute basis just as interest rates bottomed – Figure 1, 2.
- On a relative strength basis, the sector reached a multi-year low yesterday and has underperformed the 500 at a rate of 23%/year in the last four months – Figure 3.
- Utilities also reached a 15m low against Russell 2000 – Figure 4.
- We used the Index Members page, available daily in our TIPS suite, to select the stocks underperforming the market and the sector:
  - S&P 500 Utilities members – Figure 5
  - Russell 2000 Utilities members – Figure 6

Figure 1: Utilities vs. S&P 500 & US 10Y Yield (Inverted Scale)

Figure 2: S&P 500 Utilities

Figure 3: Utilities vs. S&P 500 – Short-Term Trend

Figure 4: Utilities vs. Russell 2000
Figure 5: S&P 500 Utilities Members Underperforming S&P 500 & Utilities

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Grp</th>
<th>RS</th>
<th>1-day Equity Chg (%)</th>
<th>5-day Equity Chg (%)</th>
<th>MetCap (USD)</th>
<th>Chg Last Day</th>
<th>SPX Trend Slope</th>
<th>RS Hi (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg w/ 50d MA</th>
<th>50 Day MA Trend</th>
<th>%Chg w/ 150d MA</th>
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<td>-11%</td>
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<tr>
<td>ED US</td>
<td>Consolidated Edison</td>
<td>MultiUtil</td>
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<td>1.1%</td>
<td>0.9%</td>
<td>17,007</td>
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<td>48.0</td>
<td>Below Falling</td>
<td>-5%</td>
<td>Below Rising</td>
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<td>EXC US</td>
<td>Exelon Corp</td>
<td>Electric</td>
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<td>-3.5%</td>
<td>20,182</td>
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<td>-4%</td>
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<td>PPL US</td>
<td>PPL Corp</td>
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<td>20,083</td>
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<td>-4%</td>
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<td>Southern Co</td>
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<tr>
<td>D US</td>
<td>Dominion Resources</td>
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<td>40,095</td>
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<td>-5%</td>
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Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit

Figure 6: Russell 2000 Utilities Members Underperforming Russell 2000 & Utilities

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<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Grp</th>
<th>RS</th>
<th>1-day Equity Chg (%)</th>
<th>5-day Equity Chg (%)</th>
<th>MetCap (USD)</th>
<th>Chg Last Day</th>
<th>R2k Trend Slope</th>
<th>RS Hi (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg w/ 50d MA</th>
<th>50 Day MA Trend</th>
<th>%Chg w/ 150d MA</th>
<th>150 Day MA Trend</th>
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<td>1,365</td>
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<td>-5%</td>
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<td>-0.7%</td>
<td>0.6%</td>
<td>2,010</td>
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<td>45.5</td>
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<td>-9%</td>
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<td>0.3%</td>
<td>2,854</td>
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<td>17.0</td>
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<td>-6%</td>
<td>Below Falling</td>
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<tr>
<td>SWK US</td>
<td>Southwest Gas</td>
<td>GasUtil</td>
<td>7</td>
<td>1.4%</td>
<td>0.2%</td>
<td>2,504</td>
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<td>48.0</td>
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<td>-4%</td>
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<tr>
<td>NWN US</td>
<td>Northwest Natural Gas</td>
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<td>-0.6%</td>
<td>1.1%</td>
<td>1,184</td>
<td>-42%</td>
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<td>MultiUtil</td>
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<td>1,947</td>
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<td>-5%</td>
<td>Below Falling</td>
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<td>1.5%</td>
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<td>15.0</td>
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<td>-5%</td>
<td>Below Rising</td>
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<td>0.5%</td>
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<td>1,414</td>
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<tr>
<td>PNY US</td>
<td>Premont Capital Gas Corp</td>
<td>GasUtil</td>
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<td>-0.9%</td>
<td>-0.4%</td>
<td>2,856</td>
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<td>15.5</td>
<td>Below Falling</td>
<td>-1%</td>
<td>Below Rising</td>
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<tr>
<td>EDE US</td>
<td>Empire District Electric Co</td>
<td>Electric</td>
<td>9</td>
<td>-0.9%</td>
<td>-1.6%</td>
<td>970</td>
<td>-6%</td>
<td>48.0</td>
<td>Below Falling</td>
<td>-13%</td>
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<tr>
<td>OTTK US</td>
<td>Otter Tail</td>
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<td>0.6%</td>
<td>1,022</td>
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<td>-3%</td>
<td>Below Falling</td>
<td>-7%</td>
<td>Below Falling</td>
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</tr>
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</table>

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
This morning, the European Senior Financials default risk continued to narrow, retracing all of last week’s deterioration – Figure 1.

The MSCI European Banks index is pushing to a new high after crossing above its 50d MA yesterday – Figure 2.

We are using our MSCI World link, updated daily in our TIPS suite, to highlight:

- The momentum buys among European banks (outperforming the MSCI World index and sector, above rising moving average and not overbought) – Figure 3.
- The European banks that are severing underperforming trends – Figure 4.

### European Banks

#### Figure 1: Markit iTraxx Europe Senior Financials 5-Year CDS

#### Figure 2: MSCI Europe Banks Index

#### Figure 3: European Banks Momentum Buys vs. MSCI World Lcl

#### Figure 4: European Banks Severed Trends vs. MSCI World Lcl

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>MSCI World Lcl G</th>
<th>Trend</th>
<th>Slope</th>
<th>RS H (No)</th>
<th>%Chg w/ St $D NA</th>
<th>Chg w/ St 50 Day MA Trend</th>
<th>Chg w/ St 150 Day MA Trend</th>
<th>Symbol</th>
<th>Name</th>
<th>MSCI World Lcl G</th>
<th>Trend</th>
<th>Slope</th>
<th>RS H (No)</th>
<th>%Chg w/ St $D NA</th>
<th>Chg w/ St 50 Day MA Trend</th>
<th>Chg w/ St 150 Day MA Trend</th>
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<td>Intesa Sanpaolo</td>
<td>$50.0</td>
<td>7%</td>
<td>Above Rising</td>
<td>22%</td>
<td>Above Rising</td>
<td>SAN US</td>
<td>Banco Santander</td>
<td>$48.5</td>
<td>Below Falling</td>
<td>3%</td>
<td>Above Rising</td>
<td>0%</td>
<td>Below Falling</td>
<td>5%</td>
<td>Above Rising</td>
<td>10%</td>
</tr>
<tr>
<td>EBS NY</td>
<td>Èbre Group Bank</td>
<td>$48.9</td>
<td>7%</td>
<td>Above Rising</td>
<td>22%</td>
<td>Above Rising</td>
<td>RBS US</td>
<td>Royal Bank of Scotland Group</td>
<td>$48.6</td>
<td>Below Falling</td>
<td>3%</td>
<td>Above Rising</td>
<td>0%</td>
<td>Below Falling</td>
<td>5%</td>
<td>Above Rising</td>
<td>10%</td>
</tr>
<tr>
<td>PPI IN</td>
<td>Banco Popolare di Milano S</td>
<td>$59.9</td>
<td>7%</td>
<td>Above Rising</td>
<td>24%</td>
<td>Above Rising</td>
<td>PPI SP</td>
<td>Banco Popular Español</td>
<td>$59.6</td>
<td>Below Falling</td>
<td>3%</td>
<td>Above Rising</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BPSG IN</td>
<td>Banca Popolare di Sondrio</td>
<td>$59.9</td>
<td>7%</td>
<td>Above Rising</td>
<td>24%</td>
<td>Above Rising</td>
<td>CS US</td>
<td>Credit Suisse Group</td>
<td>$59.6</td>
<td>Below Falling</td>
<td>3%</td>
<td>Above Rising</td>
<td>10%</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>ACP IN</td>
<td>Credit Agricole</td>
<td>$45.1</td>
<td>7%</td>
<td>Above Rising</td>
<td>14%</td>
<td>Above Rising</td>
<td>LGY US</td>
<td>Lloyds Banking Group</td>
<td>$45.0</td>
<td>Below Falling</td>
<td>6%</td>
<td>Above Rising</td>
<td>14%</td>
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<tr>
<td>UCG IN</td>
<td>UniCredit SPA</td>
<td>$22.1</td>
<td>7%</td>
<td>Above Rising</td>
<td>12%</td>
<td>Above Rising</td>
<td>BCS US</td>
<td>Barclays PLC</td>
<td>$22.0</td>
<td>Below Falling</td>
<td>6%</td>
<td>Above Rising</td>
<td>12%</td>
<td></td>
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</tr>
<tr>
<td>BNP FP</td>
<td>BNP Paribas</td>
<td>$21.1</td>
<td>7%</td>
<td>Above Rising</td>
<td>10%</td>
<td>Above Rising</td>
<td>BNP FP</td>
<td>BNP Paribas</td>
<td>$21.0</td>
<td>Below Falling</td>
<td>6%</td>
<td>Above Rising</td>
<td>12%</td>
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<tr>
<td>BP IN</td>
<td>Banco Popolare</td>
<td>$67.1</td>
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<td>Above Rising</td>
<td>22%</td>
<td>Above Rising</td>
<td>BNP FP</td>
<td>BNP Paribas</td>
<td>$67.0</td>
<td>Below Falling</td>
<td>6%</td>
<td>Above Rising</td>
<td>12%</td>
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<tr>
<td>IBER IN</td>
<td>Banco Popolare dell'Emilia</td>
<td>$55.1</td>
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<td>Above Rising</td>
<td>16%</td>
<td>Above Rising</td>
<td>BNP FP</td>
<td>BNP Paribas</td>
<td>$55.0</td>
<td>Below Falling</td>
<td>6%</td>
<td>Above Rising</td>
<td>12%</td>
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<tr>
<td>UBI IN</td>
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<td>14%</td>
<td>Above Rising</td>
<td>BNP FP</td>
<td>BNP Paribas</td>
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<td>6%</td>
<td>Above Rising</td>
<td>12%</td>
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<td>8%</td>
<td>Above Rising</td>
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<td>BNP Paribas</td>
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<td>Below Falling</td>
<td>6%</td>
<td>Above Rising</td>
<td>12%</td>
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</table>

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
This morning we highlight one of our long screens as CDS indices are partially retracing last week’s widening amid hopes for a Greek deal (see link for our European Sovereign Credit Market Watch).

In the Long/Short Filter page, available daily in our TIPS suite, we go to the “Global - Long 1” sleeve to select the stocks in subindustries sporting a top three decile relative strength breadth ranking, which are also momentum buys (outperforming the market, the sector, above rising moving averages and not overbought).

When adding the additional constraint of a positive price trend, the screen returns 217 stocks. We highlight the largest 25 in Figure 1 (see link for full list).

**Figure 1: Largest 25 Momentum Buys in Strong Subindustries - Dividend Adjusted Price Trends (See link for Full List)**

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>GeP</th>
<th>RS</th>
<th>Price Trend</th>
<th>1-Day Equity Chg (%)</th>
<th>5-Day Equity Chg (%)</th>
<th>MCap (US$)</th>
<th>Chg Last Day</th>
<th>Price Trend</th>
<th>Trend Slope (H)</th>
<th>%Chg w/ 30 Day MA</th>
<th>%Chg w/ 150 Day MA</th>
<th>Bull Band</th>
<th>Bear Band</th>
<th>RS Dly</th>
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<tbody>
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<td>NET US</td>
<td>Atura Inc</td>
<td>HealthCare</td>
<td>3</td>
<td>1</td>
<td>-0.3%</td>
<td>7.1%</td>
<td>42,220</td>
<td>1.37</td>
<td>0%</td>
<td>Above Rising</td>
<td>23%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>107%</td>
<td>69</td>
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<td>LLY US</td>
<td>LyondellBasell Industries</td>
<td>Chem</td>
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<td>1</td>
<td>-0.8%</td>
<td>-0.3%</td>
<td>49,195</td>
<td>2.13</td>
<td>0%</td>
<td>Above Rising</td>
<td>104%</td>
<td>Above Rising</td>
<td>Above</td>
<td>38%</td>
<td>57</td>
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<td>Incyte Corp</td>
<td>Biotech</td>
<td>3</td>
<td>1</td>
<td>-1.0%</td>
<td>2.2%</td>
<td>19,295</td>
<td>2.99</td>
<td>12%</td>
<td>Above Rising</td>
<td>12%</td>
<td>Above Rising</td>
<td>Above</td>
<td>39%</td>
<td>55</td>
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<td>CRM US</td>
<td>salesforce.com Inc</td>
<td>Application</td>
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<td>3</td>
<td>-0.9%</td>
<td>4.3%</td>
<td>49,200</td>
<td>2.05</td>
<td>80%</td>
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<td>10%</td>
<td>Above Rising</td>
<td>Above</td>
<td>40%</td>
<td>39</td>
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<td>FRE QG</td>
<td>FritoLay &amp; Co KGaA</td>
<td>Consumer</td>
<td>3</td>
<td>2</td>
<td>-1.3%</td>
<td>0.6%</td>
<td>34,487</td>
<td>1.41</td>
<td>82%</td>
<td>Above Rising</td>
<td>12%</td>
<td>Above Rising</td>
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<td>79%</td>
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<td>0940 K0</td>
<td>Amkor Tech</td>
<td>Semiconductors</td>
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<td>1</td>
<td>-1.9%</td>
<td>3.2%</td>
<td>29,930</td>
<td>2.56</td>
<td>158%</td>
<td>Above Rising</td>
<td>34%</td>
<td>Above Rising</td>
<td>BELOW</td>
<td>96%</td>
<td>53</td>
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<td>Dow Chemical Co</td>
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<td>3</td>
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<td>1.51</td>
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<td>Above Rising</td>
<td>Above</td>
<td>65%</td>
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Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Note: BMO Capital Markets is restricted on Dow Chemical Co.
Nasdaq Biotechnology

- Health Care continues to have the best position in our relative strength breadth heat map – Figure 1.
- Yesterday, our relative strength z-score for the sector broke out to a new high as health care stocks led gains in U.S. indices – Figure 2.

The Nasdaq Biotechnology ETF (IBB) minted a fresh new high both on a relative and absolute basis (on high volume) – Figures 3, 4.

- There are 64 NBI members outperforming the market and the sector – Figure 5.
- There are 12 NBI members breaking above underperforming trends – Figure 6.

Figure 1: Global Relative Strength Breadth Heat Map

Figure 2: Health Care Relative Strength Breadth z-Score

Figure 3: Nasdaq BioTech ETF (IBB US) vs. S&P 500 HC

Figure 4: Nasdaq Biotech ETF (IBB)
### Figure 5: Largest 25 Nasdaq Biotech Index Members Outperforming S&P 500 & Health Care Sector

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<td>5,497</td>
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<td>ABOVE</td>
<td>80%</td>
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<td>Biotech</td>
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<td>29.00</td>
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<td>66</td>
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### Figure 6: Nasdaq Biotech Index Members Severing Underperforming Trends vs. S&P 500 Health Care

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
One of the screens we use when looking for trim/underweight/short ideas is “momentum sells in weak subindustries.” The screen shows stocks that are trending lower, below falling moving averages, and not oversold, and that also have the weakest three relative strength breadth readings (updated daily under Long/Short Filters in our TIPS Suite).

We highlight the largest 25 stocks returned by this screen in Figure 1 (see link for full list).

- Interest rate-sensitive Utilities and real estate stocks make up a third of the list (interest rates have severed positive trends and remain above rising 50d MA).
- Airlines and trucking are well represented – see our “Credit Calm Abating: Airline Sells.”
- Diversified miners and steel are well represented; all base metals and bulk prices sport negative trends; most remain below falling moving averages and reached multi-month lows yesterday.

Figure 1: Largest 25 Momentum Sells in Weakest Subindustries – See Link for Full List

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
U.S. Regional Banks

• Ahead of today’s Fed decision and amid the uncertainty surrounding Greece, the Russell 2000 Financial Services index severed a consistent underperforming trend with the help of regional banks, which minted a new multi-year high – Figure 1, 2.

• When we select Russell 2000 regional bank members in our SMID link, available daily in the “click here” TIPS suite to the left, we see a lot of green - Figure 3:
  o most members are in neutral to negative trends, but the membership is shifting to the left, i.e., toward outperformance;
  o 63% of the underperforming stocks have severed their trends; and
  o 50% of the outperforming stocks have been lauded above their trends.
Figure 3: **Russell 2000 Regional Banks vs. Russell 2000**

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<td>WBS US 23%</td>
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<td>RPF US 17%</td>
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<td>FRNE US -2%</td>
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<td>SYBT US 11%</td>
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<td>FBIP US 22%</td>
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<td>SUSQ US 4%</td>
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<td>CFFK US 18%</td>
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<td>SBSI US -6%</td>
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<td>COBI US 6%</td>
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<td>FICL US -9%</td>
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<td>HOMB US 4%</td>
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<td>LBAI US 3%</td>
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<td>TRMK US -9%</td>
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<td>BENK US 2%</td>
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</table>

**Shifting to the Left**

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
CDS Watch

- This morning, corporate CDS indices continue to push higher and make new 4-8m highs – Figure 1.
  - Five of the six indices in our corporate CDS sleeve have severed a positive trend, and the sixth, the North American Investment Grade index, is about to follow.
- Our custom baskets of CDS indices, which we use to assess what the world of credit is rewarding/avoiding, widened throughout last week and 50% of them are currently above their trend channels – Figure 2.
  - As we previously highlighted, the CDS levels are not terrible, but their direction points toward a less friendly credit environment.

Figure 1: Corporate CDS Indices

<table>
<thead>
<tr>
<th>Name</th>
<th>H / L</th>
<th>Chg Last Day</th>
<th>CDS Reward / Risk</th>
<th>Trend Slope</th>
<th>Trend Length (Mo)</th>
<th>CDS Hi (Mo)</th>
<th>CDS Low (Mo)</th>
<th>1-day Chg (%)</th>
<th>5-day Chg (%)</th>
<th>3-mo Chg (%)</th>
<th>9-mo Chg (%)</th>
<th>% Chg wrt 50d MA</th>
<th>% Chg wrt 200d MA</th>
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<td>Eur Sr Fin</td>
<td>↑</td>
<td>-6%</td>
<td>10</td>
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<td>6.5%</td>
<td>6.1%</td>
<td></td>
<td>37%</td>
<td>11%</td>
<td>14%</td>
<td>Above Rising</td>
<td>18%</td>
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<td>Above Rising</td>
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<td>NA IG</td>
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<td>14</td>
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<td>2.4%</td>
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<td>29%</td>
<td>5%</td>
<td>10%</td>
<td>Above Rising</td>
<td>8%</td>
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<tr>
<td>Eur XOver</td>
<td>↑</td>
<td>-29%</td>
<td>15</td>
<td>4.0</td>
<td>5.2%</td>
<td>3.5%</td>
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<td>25%</td>
<td>-11%</td>
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<td>4%</td>
<td>Above Rising</td>
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Figure 3: Trends on Our Custom CDS Indices

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Spanish, Italian Short Rates; Prime Brokers CDS

- The lack of progress on Greece over the weekend is manifesting this morning mainly in the Euro area’s periphery where:
  - Spanish and Italian short rates are soaring, bringing the spread between their yields and German bunds of the same maturity near the highs of last year – Fig 1
  - The CDS levels of Spain, Italy and Portugal are also widening sharply (see our Euro Credit Watch page at this link)
- As always, we are concerned with the stability of the banking system and there are signs of stress here. We update our Grexit chart that matters in Figure 2.
- Our “PrimeTime” indicator, a basket of prime broker CDSs, is at its highest levels since March of last year and widening this morning. This indicator updates in real time on Bloomberg and we can share it upon request. It is also found in the counterparty sleeve in our BMO Macro, available daily in our TIPS Suite.
- You can find CDS trends on SIFIs in the CDS link, also available in our TIPS Suite.

Figure 1: Italian, Spanish – German 2yr Bond Yield Spread

Figure 2: The Cost to Protect Prime Brokers Against Default (.PrimeTime) and MSCI World

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Anti-Earnings Growth Filter

- If you hit that little “Earnings” button on many of our links, like say for S&P 500 members, you will see that the filter (high earnings estimate revisions, earnings yield, and good expected earnings growth expectations) will be heavily skewed towards outperformers. Simply put, the market rewards for earnings growth.
- What about the opposite? If you look at the weakest earnings estimate revisions, with low earnings yield, and low growth expectations…surprise, surprise…you come out with a portfolio tilted towards underperformance – Figure 1.
- All this to say if you are looking for a system to filter out short-sale ideas…we’ve got you covered.
- Picking from the litter:
  - **Yahoo!** (YHOO US) is a sell. It made an attempt to break a downtrend in May, and the market played whack-a-mole on it – Figure 2.
  - **Stratasys** (SSYS US) is trending lower at 84%/year, had no meaningful bounce after it’s last capitulation sell-off, and the volume that traded at the low is now underwater (aka. new resistance) – Figure 3.

Figure 1: Anti-Earnings Growth Filter

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<th>Earnings Yield</th>
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<td>SMTC US -10%</td>
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<tr>
<td>ARE CN 57%</td>
<td>WIX US 15%</td>
<td>ISIL US -10%</td>
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<tr>
<td>RENY US 37%</td>
<td>AGRO US 2%</td>
<td>APO US -5%</td>
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<tr>
<td>LQDT US 45%</td>
<td>VOD US 0%</td>
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<td></td>
<td>ASR US 0%</td>
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<td></td>
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<td>WTC CN -34%</td>
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Heavily Skewed To the Natural/Negative

Figure 2: Yahoo! (YHOO US) Price Trend

Failed +ve Reversal

Trend is Lower & Breaking Down

Figure 3: Stratasys (SSYS US) Price Trend

Consolidating Losses (no Bounce) While Trending Lower at a Rate of 84%/Year

This “Capitulation” Volume is Now Under Water

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
IMPORTANT DISCLOSURES

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Distribution of Ratings (March 31, 2015)

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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.
**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
***** 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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OP = Outperform - Forecast to outperform the analyst’s coverage universe on a total return basis;
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;
NR = No rating at this time; and
R = Restricted – Dissemination of research is currently restricted.

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Prior BMO Capital Markets Rating System (January 4, 2010 – April 4, 2013)


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