Group Selection

Priced as of January 13, 2017

Note: Group tickers incorporate hyperlinks to decile charts, and then a link to our Toolkit of the group members.

See back pages for user guide and disclaimer.

Sources for all charts: BMO Capital Markets
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**Sector View**

### Sector Relative Strength Profiles*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>64% / 67% / 67%</td>
<td>6% / 2% / -6%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>58% / 58% / 56%</td>
<td>11% / 9% / 6%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>56% / 58% / 56%</td>
<td>4% / 2% / -2%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>44% / 46% / 46%</td>
<td>3% / 0% / -5%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>32% / 34% / 30%</td>
<td>-3% / -3% / -7%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>39% / 41% / 37%</td>
<td>4% / 2% / -1%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>66% / 69% / 69%</td>
<td>4% / 2% / -5%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>53% / 56% / 53%</td>
<td>5% / 3% / -1%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>24% / 27% / 25%</td>
<td>16% / 10% / 6%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>25% / 30% / 29%</td>
<td>6% / 3% / -1%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>24% / 27% / 21%</td>
<td>3% / 1% / -1%</td>
<td></td>
</tr>
</tbody>
</table>

*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; GBL = MSCI AC World; CDA = S&P/TSX Composite)

(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent is the median relative strength performance of the sector membership ( / ranking),
(c) Trend Psn - what is the net percentage of the sector members which are breaking above/below relative strength channels.

The strength z-Score is weighted 60% towards the trend parameters (% outperforming and reward/risk ratios) and 40% towards the trend positions (reversals of trends). Gridlines are placed at 0.5 increments.

See Help Pages for further details.
Momentum

Strength

January 13, 2017

Mark Steele (416) 359-4641

Copper
14 stocks; $88bn

DiversChm
20 stocks; $328bn

Alumin
12 stocks; $48bn

Steel
59 stocks; $345bn

DvrsMng
47 stocks; $352bn

Fert&Ag
53 stocks; $225bn

MtGlsCnt
14 stocks; $56bn

Silver
9 stocks; $22bn

Gold
61 stocks; $176bn

SpecChm
24 stocks; $348bn

PrecMet
22 stocks; $60bn

IndusGas
1 stocks; $160bn

PaperPkg
19 stocks; $114bn

ComdChm
40 stocks; $311bn

CstrMat
28 stocks; $230bn

PapProd
26 stocks; $92bn

FrstPrd
12 stocks; $17bn

Fert&Ag
Momentum

Strength

January 13, 2017

Mark Steele (416) 359-4641

Consumer Staples

AgriProd
28 stocks; $110bn

Tobacco
14 stocks; $681bn

DrugRetail
7 stocks; $106bn

SprCntrs
7 stocks; $196bn

HhldPrdct
18 stocks; $417bn

Brewers
12 stocks; $438bn

SoftDrinks
17 stocks; $445bn

PersPrdct
29 stocks; $365bn

FdRetail
38 stocks; $356bn

PkgFdMt
115 stocks; $1147bn

FdDistri
12 stocks; $550bn

Dist&Vnt
12 stocks; $233bn

12 stocks; $233bn
January 13, 2017

Momentum

Strength

Mark Steele (416) 359-4641

Health Care

HCEquip
72 stocks; $681bn

MngHCare
13 stocks; $332bn

HCFacility
32 stocks; $126bn

LfSciSrv
30 stocks; $214bn

13 stocks; $332bn

HCService
31 stocks; $196bn

Biotech
125 stocks; $901bn

HCSuppls
29 stocks; $125bn

HCDistrib
19 stocks; $127bn

Pharma
96 stocks; $2282bn

HCareTec
17 stocks; $51bn
### Financials

**January 13, 2017**

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<thead>
<tr>
<th>Category</th>
<th>Stocks</th>
<th>Value</th>
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<td><strong>LifeHthIns</strong></td>
<td>47</td>
<td>$774bn</td>
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<tr>
<td><strong>OthrDivFS</strong></td>
<td>8</td>
<td>$87bn</td>
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<tr>
<td><strong>DiversBnk</strong></td>
<td>162</td>
<td>$4723bn</td>
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<tr>
<td><strong>AsstMgmt</strong></td>
<td>83</td>
<td>$484bn</td>
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<tr>
<td><strong>RegionBnk</strong></td>
<td>141</td>
<td>$616bn</td>
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<tr>
<td><strong>InvBnkBrk</strong></td>
<td>35</td>
<td>$377bn</td>
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<tr>
<td><strong>DivCpMkt</strong></td>
<td>3</td>
<td>$166bn</td>
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<tr>
<td><strong>MortgREIT</strong></td>
<td>26</td>
<td>$54bn</td>
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<tr>
<td><strong>Reinsuran</strong></td>
<td>12</td>
<td>$127bn</td>
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<tr>
<td><strong>Multi-LnIns</strong></td>
<td>20</td>
<td>$488bn</td>
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<tr>
<td><strong>Thrift&amp;Mtg</strong></td>
<td>45</td>
<td>$134bn</td>
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<td><strong>ConsmrFin</strong></td>
<td>28</td>
<td>$251bn</td>
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<td><strong>SpecialFin</strong></td>
<td>7</td>
<td>$20bn</td>
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<tr>
<td><strong>InsurBrkrs</strong></td>
<td>7</td>
<td>$101bn</td>
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<td><strong>P&amp;C Insur</strong></td>
<td>62</td>
<td>$464bn</td>
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<tr>
<td><strong>MltSecHld</strong></td>
<td>26</td>
<td>$349bn</td>
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<tr>
<td><strong>FnExchDt</strong></td>
<td>22</td>
<td>$282bn</td>
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</tbody>
</table>
January 13, 2017

**Telecommunication Services**

- **Mark Steele** (416) 359-4641

**Momentum**

- **Strength**
  - **WlsTelSrv**: 42 stocks; $891bn
  - **IntgTelSrv**: 63 stocks; $1354bn
  - **AltCar**: 11 stocks; $53bn
Momentum

Strength

January 13, 2017

Mark Steele (416) 359-4641

Utilities

IPPTrad
25 stocks; $97bn

RenewElec
24 stocks; $50bn

GasUtil
22 stocks; $192bn

WaterUtil
23 stocks; $78bn

ElecUtil
89 stocks; $1016bn

MultiUtil
37 stocks; $409bn
User Guide 1 - Definitions & Dataset

Group Strength
Our Global Group analysis is based on bottom-up equity relative strength analysis as opposed to industry group (index) relative strength analysis.

Strength Decile Defined By
1. What percentage of a group's members are outperforming
2. How consistent that outperformance is
3. How are the members positioned (above/below) vs. their trend channels.

Momentum Decile
Rate of change of strength (change in 5-day moving average)

The Underlying Equity Relative Strength Analysis
Each day, for every equity we cover, our relative strength system assesses the best fit trend from a spectrum which covers a minimum trend duration of six months, and a maximum of 4-years. The "best fit" is the trend which maximizes duration, and minimizes deviation from the trend. Our process is flexible, thorough, and because it is run daily, timely.

The Dataset:
- Over 5,700 securities.
- Groups have a:
  ...Median depth of 28
  ...Average depth of 36

Heat Map Colour and Symbol Guide
Strength is highlighted by the background of the group title
- Bright green = best (1st decile) transitions towards...
- Bright red = worst (10th decile)
Momentum is highlighted in the border of the group title
- Colour map for momentum is the same as strength
Symbols to the right of the group ticker show where a group moved from in the previous session. Below the group symbol we highlight the number and total market capitalization of the members in a group. Clicking on the group, which brings up the chart via a hyperlink, will help to clarify the moves.
Our Goals:
- To buy outperforming stocks in favoured groups
- To avoid underperforming stocks in unfavoured groups
- To be alerted of and act on the changes

#1 Rule of Momentum: You can use it only if it exists

- In stable/trending markets, one can buy stocks with high strength and momentum and hold them as long as momentum does not turn negative (trend following).

- In very rotational markets (e.g., where credit, currency, commodity conditions are choppy/changing):
  - Buying high strength and high momentum may be dangerous (buying yesterday's winners).
  - One is better off buying stocks with moderate strength and high momentum (bottom fishing).
User Guide 3 - Buy/Hold/Sell

Buy
- Groups with high strength and high positive momentum (top left) - “In Favour”
- Groups with moderate strength and high positive momentum - “Transitioning to Positive”
- Groups with mediocre strength and high positive momentum - “Gaining Favour”

Buy/Hold
- Groups with high strength and neutral momentum (middle left) - “Maintaining Favour”

Sell
- Groups with low strength and high negative momentum (bottom right) - “Out of Favour”
- Groups with moderately negative strength and high negative momentum - “Transitioning to Negative”
- Groups with mediocre strength and high negative momentum - “Losing Favour”
- Each group is hyperlinked to a chart that shows the relative strength decile as a function of time, and the moving average (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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<th>Rating Category</th>
<th>BMO Rating</th>
<th>BMOCM US Universe*</th>
<th>BMOCM US IB Clients**</th>
<th>BMOCM US IB Clients***</th>
<th>BMOCM Universe****</th>
<th>BMOCM IB Clients*****</th>
<th>Starmine Universe</th>
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</thead>
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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>42.2%</td>
<td>18.6%</td>
<td>54.7%</td>
<td>44.3%</td>
<td>56.9%</td>
<td>56.3%</td>
</tr>
<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>54.3%</td>
<td>11.3%</td>
<td>42.7%</td>
<td>51.8%</td>
<td>40.9%</td>
<td>38.7%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.5%</td>
<td>11.1%</td>
<td>2.7%</td>
<td>3.9%</td>
<td>2.2%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

* 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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Und = Underperform - Forecast to underperform the analyst's coverage universe on a total return basis;
(S) = Speculative investment;
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