Group Selection

Priced as of April 24, 2018

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*

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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>44% / 44% / 58%</td>
<td>/ / /</td>
<td>29% / 25% / 16%</td>
</tr>
<tr>
<td>Materials</td>
<td>45% / 46% / 66%</td>
<td>/ / /</td>
<td>13% / 9% / 2%</td>
</tr>
<tr>
<td>Industrials</td>
<td>44% / 44% / 66%</td>
<td>/ / /</td>
<td>15% / 7% / -3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>49% / 44% / 66%</td>
<td>/ / /</td>
<td>11% / 4% / -4%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>44% / 46% / 63%</td>
<td>/ / /</td>
<td>16% / 6% / -5%</td>
</tr>
<tr>
<td>Mth Care</td>
<td>50% / 52% / 63%</td>
<td>/ / /</td>
<td>11% / 4% / -4%</td>
</tr>
<tr>
<td>Financials</td>
<td>48% / 50% / 73%</td>
<td>/ / /</td>
<td>27% / 18% / 5%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>54% / 54% / 68%</td>
<td>/ / /</td>
<td>4% / -2% / -10%</td>
</tr>
<tr>
<td>Telecom</td>
<td>33% / 34% / 57%</td>
<td>/ / /</td>
<td>27% / 22% / 6%</td>
</tr>
<tr>
<td>Utilities</td>
<td>25% / 27% / 44%</td>
<td>/ / /</td>
<td>24% / 20% / 16%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>31% / 34% / 51%</td>
<td>/ / /</td>
<td>24% / 14% / 7%</td>
</tr>
</tbody>
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*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; GBL = MSCI AC World; CDA = S&P/TSX Composite)
(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent is the median relative strength performance of the sector membership ( / ranking),
(c) Trend Psn - what is the net percentage of the sector members which are breaking above/below relative strength channels.
The strength z-Score is weighted 60% towards the trend parameters (% outperforming and reward/risk ratios) and 40% towards the trend positions (reversals of trends). Gridlines are placed at 0.5 increments.

See Help Pages for further details.
April 24, 2018

Momentum

Strength

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Resources

DiversChm
22 stocks; $400bn

OG Drill
14 stocks; $34bn

Steel
29 stocks; $458bn

Copper
18 stocks; $118bn

Silver
11 stocks; $21bn

SpecChm
70 stocks; $571bn

DvrsMng
67 stocks; $460bn

Coal&Uran
24 stocks; $88bn

OG StTr
90 stocks; $643bn

OG E&P
24 stocks; $88bn

CstrMat
28 stocks; $258bn

OG RfMkt
13 stocks; $530bn

PrecMet
21 stocks; $302bn

PapProd
24 stocks; $115bn

IndusGas
6 stocks; $14bn

FrstPrd
11 stocks; $33bn

OG Equip
61 stocks; $307bn

Int O&G
30 stocks; $1889bn

MtGlsCnt
14 stocks; $60bn

ComdChm
35 stocks; $437bn

Gold
70 stocks; $191bn

PapProd
24 stocks; $115bn

Fert&Ag
29 stocks; $170bn
Momentum

Strength

OG Drill
4 stocks; $34bn

Coal&Uran
24 stocks; $34bn

OG E&P
118 stocks; $909bn

 OG StTr
20 stocks; $643bn

Int O&G
30 stocks; $188bn

OG Equip
61 stocks; $301bn

OG RfMkt
13 stocks; $530bn

90 stocks; $643bn

118 stocks; $909bn

61 stocks; $301bn

30 stocks; $188bn

April 24, 2018

Energy

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Consumer Staples

April 24, 2018

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- FdRetail: 16 stocks, $368bn
- DrugRetail: 11 stocks, $167bn
- SprCntrs: 14 stocks, $495bn
- Brewers: 14 stocks, $511bn
- Dist&Vnt: 12 stocks, $374bn
- PersPrdct: 33 stocks, $511bn
- FdDistri: 11 stocks, $59bn
- AgriProd: 25 stocks, $111bn
- PkgFdMt: 124 stocks, $1209bn
- SoftDrinks: 18 stocks, $487bn
- HhldPrdct: 18 stocks, $508bn
- Tobacco: 13 stocks, $557bn

Momentum

Strength
Momentum

Strength

RegionBnk
140 stocks, $717bn
Reinsuran
11 stocks, $136bn
InsurBrkrs
7 stocks, $122bn
LifeHthIns
16 stocks, $924bn
AsstMgmt
80 stocks, $595bn
MltSecHld
24 stocks, $423bn
DiversBnk
26 stocks, $595bn
DivCpMkt
9 stocks, $209bn
MortgREIT
25 stocks, $58bn
Thrft&Mtg
44 stocks, $138bn
FnlExchDt
22 stocks, $506bn
Multi-LnIns
31 stocks, $562bn
InvBnkBrk
19 stocks, $438bn
SpecialFin
10 stocks, $35bn
ConsmrFin
29 stocks, $289bn
P&C Insur
59 stocks, $518bn
OthrDivFS
7 stocks, $111bn

April 24, 2018

Financials

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Telecommunication Services

Momentum

Strength

AltCar
11 stocks; $56bn

IntgTelSrv
59 stocks; $1306bn

WlsTelSrv
43 stocks; $821bn

April 24, 2018

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Telecommunication Services

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Utilities

Momentum

Strength

GasUtil
33 stocks; $220bn

ElecUtil
89 stocks; $1161bn

WaterUtil
24 stocks; $458bn

IPPTrad
25 stocks; $121bn

MultiUtil
35 stocks; $458bn

RenewElec
22 stocks; $57bn

April 24, 2018

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Utilities

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

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

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

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

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

**Heat Map Colour and Symbol Guide**
- Strength is highlighted by the background of the group title
  - Bright green = best (1st decile) transitions towards...
  - Bright red = worst (10th decile)
- Momentum is highlighted in the border of the group title
  - Colour map for momentum is the same as strength
Symbols to the right of the group ticker show where a group moved from in the previous session. Below the group symbol we highlight the number and total market capitalization of the members in a group. Clicking on the group, which brings up the chart via a hyperlink, will help to clarify the moves.
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”
User Guide 4 - Hyperlinks To Decile Charts & Stock Selection

- Each group is hyperlinked to a chart that shows the relative strength decile as a function of time, and the moving average (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>43.2%</td>
<td>22.8%</td>
<td>57.4%</td>
<td>44.1%</td>
<td>57.0%</td>
<td>52.8%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>53.2%</td>
<td>13.1%</td>
<td>40.6%</td>
<td>52.6%</td>
<td>41.1%</td>
<td>41.6%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.7%</td>
<td>9.5%</td>
<td>2.0%</td>
<td>3.2%</td>
<td>1.6%</td>
<td>5.5%</td>
</tr>
</tbody>
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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.
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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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