Group Selection

Priced as of April 29, 2019

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>
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</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td>26% / 26% / 23%</td>
<td>-9% / -5% / 2%</td>
<td></td>
</tr>
<tr>
<td><strong>Materials</strong></td>
<td>41% / 41% / 39%</td>
<td>-12% / -11% / -5%</td>
<td></td>
</tr>
<tr>
<td><strong>Industrials</strong></td>
<td>44% / 45% / 42%</td>
<td>0% / 6% / 12%</td>
<td></td>
</tr>
<tr>
<td><strong>CMR Disc</strong></td>
<td>46% / 44% / 42%</td>
<td>0% / 4% / 10%</td>
<td></td>
</tr>
<tr>
<td><strong>CMR Stap</strong></td>
<td>45% / 45% / 44%</td>
<td>-7% / -4% / 0%</td>
<td></td>
</tr>
<tr>
<td><strong>Hlth Care</strong></td>
<td>43% / 43% / 41%</td>
<td>-8% / -4% / 1%</td>
<td></td>
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<tr>
<td><strong>Financials</strong></td>
<td>39% / 37% / 37%</td>
<td>1% / 6% / 13%</td>
<td></td>
</tr>
<tr>
<td><strong>Info Tech</strong></td>
<td>68% / 67% / 63%</td>
<td>-1% / 4% / 9%</td>
<td></td>
</tr>
<tr>
<td><strong>Comm Srv</strong></td>
<td>42% / 44% / 43%</td>
<td>-7% / -6% / 1%</td>
<td></td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>62% / 64% / 64%</td>
<td>-26% / -24% / -14%</td>
<td></td>
</tr>
<tr>
<td><strong>Real Estate</strong></td>
<td>65% / 65% / 64%</td>
<td>-16% / -14% / -6%</td>
<td></td>
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</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.
April 29, 2019

Momentum

Strength

Energy

Coal&Uran
27 stocks; $85bn

OG RfMkt
15 stocks; $487bn

OG StTr
67 stocks; $633bn

OG E&P
98 stocks; $783bn

Int O&G
31 stocks; $1798bn

OG Equip
58 stocks; $215bn

OG Drill
11 stocks; $26bn
Consumer Discretionary

- InetDmRtl: 42 stocks; $165bn
- LeisFcil: 10 stocks; $61bn
- Rstaunt: 49 stocks; $514bn
- CmpElRtl: 9 stocks; $59bn
- LeisPrd: 20 stocks; $84bn
- AutoRtl: 18 stocks; $131bn
- Cas&Gam: 26 stocks; $317bn
- Htl&Rsrt: 24 stocks; $255bn
- CmrElec: 11 stocks; $136bn
- HomeFurn: 9 stocks; $30bn
- Aprl&Gds: 43 stocks; $803bn
- Hsmry: 3 stocks; $19bn
- DeptStrs: 17 stocks; $92bn
- ApprRtl: 28 stocks; $351bn
- HomeBld: 48 stocks; $154bn
- HmImpRtl: 7 stocks; $26bn
- Footwear: 14 stocks; $173bn
- Educ: 15 stocks; $69bn
- SpecStors: 22 stocks; $99bn
- Distrib: 8 stocks; $50bn
- MotcyMfg: 6 stocks; $42bn
- AutoParts: 24 stocks; $22bn
- SpCmSrv: 7 stocks; $24bn
- AutoMfg: 39 stocks; $991bn
- Tire&Tub: 11 stocks; $38bn
<table>
<thead>
<tr>
<th>Category</th>
<th>Total Stocks</th>
<th>Total Market Value (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PersPrdct</td>
<td>14</td>
<td>$53bn</td>
</tr>
<tr>
<td>FdDistri</td>
<td>11</td>
<td>$51bn</td>
</tr>
<tr>
<td>Dist&amp;Vnt</td>
<td>20</td>
<td>$56bn</td>
</tr>
<tr>
<td>HhldPrdct</td>
<td>18</td>
<td>$61bn</td>
</tr>
<tr>
<td>PkgFdMt</td>
<td>125</td>
<td>$140bn</td>
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<tr>
<td>AgriProd</td>
<td>28</td>
<td>$118bn</td>
</tr>
<tr>
<td>SoftDrinks</td>
<td>19</td>
<td>$56bn</td>
</tr>
<tr>
<td>DrugRetail</td>
<td>3</td>
<td>$6bn</td>
</tr>
<tr>
<td>SprCntrs</td>
<td>15</td>
<td>$53bn</td>
</tr>
<tr>
<td>Brewers</td>
<td>14</td>
<td>$44bn</td>
</tr>
<tr>
<td>Tobacco</td>
<td>13</td>
<td>$51bn</td>
</tr>
<tr>
<td>FdRetail</td>
<td>35</td>
<td>$35bn</td>
</tr>
</tbody>
</table>
Momentum

Utilities

Strength

April 29, 2019

Mark Steele (416) 359-4641

WaterUtil
24 stocks; $100bn

MultiUtil
35 stocks; $499bn

RenewElec
25 stocks; $134bn

ElecUtil
86 stocks; $1218bn

IPPTrad
25 stocks; $141bn

GasUtil
34 stocks; $251bn
User Guide 1 - Definitions & Dataset

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

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

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

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

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

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

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

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

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

Buy

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

Buy/Hold

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

Sell

- Groups with low strength and high negative momentum (bottom right) - “Out of Favour”
- Groups with moderately negative strength and high negative momentum - “Transitioning to Negative”
- Groups with mediocre strength and high negative momentum - “Losing Favour”
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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<tbody>
<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>
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<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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(S) = Speculative investment;
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