# Quantitative/Technical Package

## Market Elements

<table>
<thead>
<tr>
<th>Date</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 4, 2018</td>
<td>NEW</td>
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## Trends & Inflection Points

<table>
<thead>
<tr>
<th>Date</th>
<th>Title</th>
<th>Page</th>
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<tbody>
<tr>
<td>December 5, 2018</td>
<td>NEW This, That, and Other Things</td>
<td>9</td>
</tr>
<tr>
<td>December 4, 2018</td>
<td>Northern Lights</td>
<td>10</td>
</tr>
<tr>
<td>December 3, 2018</td>
<td>Lift and Separate</td>
<td>11</td>
</tr>
<tr>
<td>November 30, 2018</td>
<td>Question for December</td>
<td>12</td>
</tr>
<tr>
<td>November 29, 2018</td>
<td>Breadth Breakout in Technology</td>
<td>13</td>
</tr>
<tr>
<td>November 28, 2018</td>
<td>Stop and Reverse on EM</td>
<td>14</td>
</tr>
<tr>
<td>November 27, 2018</td>
<td>Blackbird</td>
<td>15</td>
</tr>
<tr>
<td>November 26, 2018</td>
<td>This Is What Rotation-In Looks Like</td>
<td>16</td>
</tr>
<tr>
<td>November 23, 2018</td>
<td>Europe Fades Back to Black</td>
<td>17</td>
</tr>
<tr>
<td>November 22, 2018</td>
<td>Canada – Outperformers in 10%+ Sectors</td>
<td>18</td>
</tr>
<tr>
<td>November 21, 2018</td>
<td>Where Thanks Is Due</td>
<td>19</td>
</tr>
<tr>
<td>November 20, 2018</td>
<td>Bond Land</td>
<td>20</td>
</tr>
<tr>
<td>November 19, 2018</td>
<td>North American HY Equity</td>
<td>21</td>
</tr>
<tr>
<td>November 16, 2018</td>
<td>US Value vs Growth &amp; Curve, EU Growth Outperformers</td>
<td>22</td>
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<tr>
<td>November 15, 2018</td>
<td>There’s Always a Bull Market Somewhere</td>
<td>23</td>
</tr>
<tr>
<td>November 14, 2018</td>
<td>You Were Lucky</td>
<td>24</td>
</tr>
<tr>
<td>November 13, 2018</td>
<td>Take 5</td>
<td>25</td>
</tr>
<tr>
<td>November 12, 2018</td>
<td>The Third Embrace</td>
<td>26</td>
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<tr>
<td>November 9, 2018</td>
<td>Fernando's Hideaway</td>
<td>27</td>
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<td>November 8, 2018</td>
<td>Just Imagine Rates Were Falling</td>
<td>28</td>
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<td>November 7, 2018</td>
<td>Positive Momentum – The Non Cash-Like Cut</td>
<td>29</td>
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<tr>
<td>November 6, 2018</td>
<td>Positive Momentum – The Where’s Waldo Search</td>
<td>30</td>
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<tr>
<td>November 5, 2018</td>
<td>More Sell Lists for Balance</td>
<td>31</td>
</tr>
<tr>
<td>November 2, 2018</td>
<td>Is Your Name Pedro?</td>
<td>32</td>
</tr>
<tr>
<td>November 1, 2018</td>
<td>Your Discretionary Dollar</td>
<td>33</td>
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<tr>
<td>October 31, 2018</td>
<td>Question for November</td>
<td>34</td>
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<td>October 30, 2018</td>
<td>Focus Lists</td>
<td>35</td>
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<td>October 29, 2018</td>
<td>The Positive Side of Technology</td>
<td>36</td>
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## Focal Points

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<tbody>
<tr>
<td>February 8, 2018</td>
<td>One Shoe Blues</td>
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This report was prepared by an analyst(s) employed by BMO Nesbitt Burns Inc., and who is (are) not registered as a research analyst(s) under FINRA rules. For disclosure statements, including the Analyst’s Certification, please refer to pages 38 to 41.
**Market Elements**

- **Equity markets sold off sharply.** U.S. banks were battered 4.9% (most in 10m); the SOX was socked 5%; U.S. small caps shrank 4%; MSCI World wobbled 2.4%, retracing over 50% of the 9d recovery; all global sectors fell, with four sectors easing ~3%; the ARMS index surged to 3.3 (most since Feb sell-off); the VIX curve reinserted.

- **Bond yields dropped like a stone**, led by long duration treasuries; the U.S. 30y yield fell 9bps (most in 6m, and amongst most on record); global 10-2 curves continued to dive; U.S. inflation expectation gauges fell; U.S. corp credit risk indices widened sharply.

- The BBG USD index retreated to a 3w low, before recovering to end flat, at the midpoint of a 1m range; the yen gained 80bps (most in 4m), breaking above its 50d MA; the **yen continued to rise sharply for a second day**; Euro crosses were little changed.

- Commodities were mixed to higher; oil rose to an 8d high, before reversing course to end slightly lower; copper fell 2%, breaking back below its falling 50d MA; palladium continued to soar, coming within $4 parity with gold; gold broke out to a 4.5m high.

**Levels**

<table>
<thead>
<tr>
<th>Currencies (USD per)</th>
<th>Symbol</th>
<th>Level</th>
<th>%Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBDXY</td>
<td></td>
<td>1.206</td>
<td>0.0%</td>
</tr>
<tr>
<td>EUR</td>
<td>1.1342</td>
<td>-0.1%</td>
<td></td>
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<tr>
<td>CHF</td>
<td>1.0023</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>GBP</td>
<td>1.2716</td>
<td>-0.1%</td>
<td></td>
</tr>
<tr>
<td>JPYx10</td>
<td>0.0887</td>
<td>0.8%</td>
<td></td>
</tr>
<tr>
<td>CAD</td>
<td>0.7547</td>
<td>-0.4%</td>
<td></td>
</tr>
<tr>
<td>AUD</td>
<td>0.7340</td>
<td>-0.2%</td>
<td></td>
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<tr>
<td>NZD</td>
<td>0.6933</td>
<td>0.1%</td>
<td></td>
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<tr>
<td>BRL</td>
<td>0.2596</td>
<td>-0.3%</td>
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<tr>
<td>MXNx10</td>
<td>0.4873</td>
<td>-0.8%</td>
<td></td>
</tr>
<tr>
<td>ZAR</td>
<td>0.0722</td>
<td>-1.1%</td>
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<tr>
<td>RWRx10</td>
<td>0.8996</td>
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<tr>
<td>CNH</td>
<td>0.1460</td>
<td>0.4%</td>
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**Commodities**

- **Government 10-Yr Benchmark**
  - U.S.: 2.91
  - Canada: 2.17
  - U.K.: 1.28
  - Germany: 0.26
  - France: 0.67
  - Italy: 3.16
  - Spain: 1.49
  - Switzerland: (0.15)
  - Australia: 2.53
  - Hong Kong: 2.33

- **Equity Indices & Sentiment**
  - MSCI World: 2,017
  - MSCI EM: 3,012
  - S&P 500: 2,700
  - STOXX 50: 15,064
  - FTSE 100: 7,023
  - Hang Seng: 27,260
  - Topix: 1,649
  - S&P/ASX: 5,713
  - CSI 300: 3,268
  - CDX IG SY: 78.3
  - ARMS: 3.3
  - VIX: 20.7

**Moves**

- **Currencies (spot)**
  - JPY
  - CHF
  - AUD
  - BRL
  - CAD
  - MXN

- **Commodities**
  - NMX Gas
  - Palladium
  - Silver
  - Copper
  - Gold
  - BB Cmdty
  - LME Al 3m
  - LME Ni 3m
  - LME Zn 3m
  - Silver
  - Palladium
  - LME Cu
  - LME Ni 3m
  - LME Al 3m
  - LME Cu

- **Government 10-Yr Benchmark**
  - Australia: 2.53
  - Canada: 2.17
  - U.K.: 1.28
  - Germany: 0.26
  - France: 0.67
  - Italy: 3.16
  - Spain: 1.49
  - Switzerland: (0.15)
  - Australia: 2.53
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- **Equity Indices**
  - Hang Seng: 27,260
  - CSI 300: 3,268
  - CDX IG SY: 78.3
  - ARMS: 3.3
  - VIX: 20.7

**Sectors**

- **MSCI World**
  - Utilities
  - Cons Stap
  - Real Estate
  - Hlh Care
  - Materials
  - Energy
  - Cons Disc
  - Financials
  - Industrials
  - Info Tech

- **S&P Europe 350**
  - Utilities
  - Cons Stap
  - Real Estate
  - Hlh Care
  - Energy
  - Materials
  - Cons Disc
  - Financials
  - Industrials
  - Info Tech

- **S&P 500**
  - Utilities
  - Cons Stap
  - Real Estate
  - Hlh Care
  - Energy
  - Materials
  - Cons Disc
  - Financials
  - Industrials
  - Info Tech

- **S&P/TSX Composite**
  - Cons Stap
  - Real Estate
  - Hlh Care
  - Energy
  - Materials
  - Cons Disc
  - Financials
  - Industrials
  - Info Tech

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

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**Quantitative/Technical**

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Legal Entity: BMO Nesbitt Burns Inc.
Daily Charts
3-Month View with 26-Day Bollinger Bands and 150-, 200- and 50-Day Moving Averages

Currencies
Bloomberg Dollar Spot Index

Commodities
Gold (Spot)

Bonds
U.S. 2 Yr Bond

Equities
MSCI World Index

Euro

Crude Oil (Brent)

U.S. 10 Yr Breakeven

SGP 500

Yen

Crude Oil (WTI)

U.S. 10 Yr Bond

SGP/TSX Composite

Chinese Yuan (CNY)

Natural Gas (NMX)

Canadian 10 Yr Bond

VIX

Canadian Dollar

Copper (CMX)

German 10 Yr Bond

CDX North American Inv. Grade Index

Australian Dollar

Nickel (LME 3Mo)

Italian 10 Yr Bond

Ave. Prime Broker Syf CDS
Daily Sector Charts (U.S., Canadian, European)
3-Month View with 26-Day Bollinger Bands and 150-, 200- and 50-Day Moving Averages
## Market Movers – Largest Daily Percentage Moves

### S&P Global 1200 ex U.S. & CDA

<table>
<thead>
<tr>
<th>Name</th>
<th>Symbol</th>
<th>% Chg</th>
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<tbody>
<tr>
<td>Energy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enagas SA</td>
<td>ENG SM</td>
<td>1.7%</td>
</tr>
<tr>
<td>CNOOC Ltd</td>
<td>883 HK</td>
<td>1.0%</td>
</tr>
<tr>
<td>BP PLC</td>
<td>BP/LN</td>
<td>0.9%</td>
</tr>
<tr>
<td>Subsea 7 SA</td>
<td>SUBC NO</td>
<td>-2.8%</td>
</tr>
<tr>
<td>JKTU Holdings Inc</td>
<td>SU21P</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Escondida SA</td>
<td>IEX US</td>
<td>-3.7%</td>
</tr>
</tbody>
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### Materials

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<tr>
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<th>Symbol</th>
<th>% Chg</th>
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<tr>
<td>Randgold Resources</td>
<td>RRS LN</td>
<td>3.1%</td>
</tr>
<tr>
<td>Olle Hammers-Holding</td>
<td>CHW DC</td>
<td>1.9%</td>
</tr>
<tr>
<td>Newcymes</td>
<td>NZXMB DC</td>
<td>1.3%</td>
</tr>
<tr>
<td>Stora Enso</td>
<td>STEF FH</td>
<td>-4.8%</td>
</tr>
<tr>
<td>HeidelbergCement</td>
<td>HEI GR</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Cevanso AG</td>
<td>TCVG GR</td>
<td>-6.6%</td>
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### Industrials

<table>
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<th>Name</th>
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<tr>
<td>Epiroc AB</td>
<td>EPIP SS</td>
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<tr>
<td>Venus SA</td>
<td>VGJP</td>
<td>1.7%</td>
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<tr>
<td>TOTO Ltd</td>
<td>5332 JP</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Continental</td>
<td>CDON GR</td>
<td>-5.8%</td>
</tr>
<tr>
<td>GVC Holdings PLC</td>
<td>GVC LN</td>
<td>-6.2%</td>
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### Cons Disc

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<th>Name</th>
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<tr>
<td>Peugeot SA</td>
<td>UP FG</td>
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<td>Hermes International</td>
<td>RMS FP</td>
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<tr>
<td>Nakul Inc</td>
<td>4775 JP</td>
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<tr>
<td>Continental</td>
<td>CDON GR</td>
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<tr>
<td>GVC Holdings PLC</td>
<td>GVC LN</td>
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### Cons Stag

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<tr>
<td>Lind B Spuererli</td>
<td>USN SW</td>
<td>2.7%</td>
</tr>
<tr>
<td>Heineken NV</td>
<td>HEBA NA</td>
<td>2.2%</td>
</tr>
<tr>
<td>Linz B Spuererli</td>
<td>USP SW</td>
<td>2.2%</td>
</tr>
<tr>
<td>Kirin Holdings</td>
<td>2503 JP</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Yakult Honsha</td>
<td>2267 JP</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Aeol Co Ltd</td>
<td>8267 JP</td>
<td>-3.3%</td>
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### Health Care

<table>
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<th>Symbol</th>
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<tr>
<td>Coop</td>
<td>COOC DB</td>
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</tr>
<tr>
<td>Smith &amp; Nephew</td>
<td>SNL LN</td>
<td>1.8%</td>
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<tr>
<td>Ramsay Health Care</td>
<td>RHC AU</td>
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<tr>
<td>Ono Pharmaceutical</td>
<td>4528 JP</td>
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<tr>
<td>Bayer AG</td>
<td>BAYN GR</td>
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<tr>
<td>Astellas Pharma</td>
<td>4503 JP</td>
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### Financials

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<td>Hong Kong Exchanges and Clearing</td>
<td>388 HK</td>
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<td>Hang Seng Bank</td>
<td>11 HK</td>
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<tr>
<td>KB Financial Group</td>
<td>105560 KS</td>
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<td>DRX Corp</td>
<td>8591 JP</td>
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<tr>
<td>Commerzbank</td>
<td>CBK GR</td>
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</tr>
<tr>
<td>Man Group PLC</td>
<td>EMG LN</td>
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### Technology

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<tr>
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<td>MediaTek Inc</td>
<td>2454 TT</td>
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<td>Sage Group PLC</td>
<td>SGE LN</td>
<td>1.2%</td>
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<tr>
<td>Gemalto NV</td>
<td>GTO NA</td>
<td>-0.1%</td>
</tr>
<tr>
<td>AMS AG</td>
<td>AMS SW</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Infinion Technologies</td>
<td>IXF GR</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Largen Precision</td>
<td>3008 TT</td>
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### Comm Svr

<table>
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<tr>
<th>Name</th>
<th>Symbol</th>
<th>% Chg</th>
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<tbody>
<tr>
<td>Proximus S4DP</td>
<td>PRIX BB</td>
<td>2.1%</td>
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<tr>
<td>BT Group PLC</td>
<td>BT/A LN</td>
<td>1.7%</td>
</tr>
<tr>
<td>Kronjylland KPN</td>
<td>KPN NA</td>
<td>1.1%</td>
</tr>
<tr>
<td>ProSe Lee.1 Media</td>
<td>PSL GR</td>
<td>-3.5%</td>
</tr>
<tr>
<td>ITV PLC</td>
<td>ITV LN</td>
<td>-8.6%</td>
</tr>
<tr>
<td>Nintend</td>
<td>7974 JP</td>
<td>-5.3%</td>
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### Utilities

<table>
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<tr>
<th>Name</th>
<th>Symbol</th>
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<tbody>
<tr>
<td>Red Electrica Corp</td>
<td>REE SM</td>
<td>2.7%</td>
</tr>
<tr>
<td>Orsted A/S</td>
<td>ORSTED DC</td>
<td>1.6%</td>
</tr>
<tr>
<td>Enel S.A</td>
<td>ELE SM</td>
<td>1.1%</td>
</tr>
<tr>
<td>RWE AG</td>
<td>RWE GR</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Tokyo Gas Co Ltd</td>
<td>9531 JP</td>
<td>-2.0%</td>
</tr>
<tr>
<td>APA Group</td>
<td>APAU</td>
<td>-2.4%</td>
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### Real Estate

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<tr>
<td>Link REIT</td>
<td>823 HK</td>
<td>1.3%</td>
</tr>
<tr>
<td>Land Securities Group</td>
<td>LAND LN</td>
<td>1.0%</td>
</tr>
<tr>
<td>Stockland</td>
<td>SGP AU</td>
<td>0.8%</td>
</tr>
<tr>
<td>Daio Toru Construction</td>
<td>1870 JP</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Daiwa House Industry</td>
<td>9232 JP</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Fibra Uno Administracion</td>
<td>FUN011 NM</td>
<td>-4.6%</td>
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### S&P 500

<table>
<thead>
<tr>
<th>Name</th>
<th>Symbol</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabot Oil &amp; Gas</td>
<td>COG</td>
<td>0.8%</td>
</tr>
<tr>
<td>Phillips 66</td>
<td>PSX</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Pioneer Natural Resources</td>
<td>PXD</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Cimarex Energy</td>
<td>XEL</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Diamondback Energy</td>
<td>FANG</td>
<td>-6.3%</td>
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### S&P/TSX Composite

<table>
<thead>
<tr>
<th>Name</th>
<th>Symbol</th>
<th>% Chg</th>
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<tbody>
<tr>
<td>Newmont Mining</td>
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Bold = move of more than 5%
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<tr>
<td>NUKE</td>
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<td>H/L: a new closing 52-wk High/</td>
<td>Low,</td>
<td>B: move of 5% or more, stocks are sorted by GICS Subindustry (grey lines) and market capitalization</td>
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<td>%Chg</td>
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<tr>
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<td>Symbol</td>
<td>H/L</td>
<td>Last</td>
<td>%Chg</td>
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<td>Industrials</td>
<td>Symbol</td>
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<td>%Chg</td>
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<td>%Chg</td>
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<td>Symbol</td>
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<tr>
<td>Utilities</td>
<td>Symbol</td>
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</table>
This, That, and Other Things

• Our **Northern lights call** was rather pertinent yesterday, as we saw this **inflection point activity in U.S. inflation expectations**, which led to that **inflection point activity in U.S. treasury yields** – Exhibits 1, 2.

• If we, continue with our thesis that the inflation expectations lead, and they are now **trending lower** (in place for at least 6mo), then we should also expect that many stocks that are still momentum buys (**trending higher** for at least 6mo) in the same **macro environment**, after **yesterday’s joyous action in treasuries, but brutal action in stocks**, can indeed continue to perform well. Those **other things**, where we use **World ex U.S. as the pool** to consider today as U.S. markets are closed, are highlighted in Exhibit 3.

**Exhibit 1: US Inflation Expectations Gauges**

<table>
<thead>
<tr>
<th>Name</th>
<th>1-Day Chg (%)</th>
<th>5-Day Chg (%)</th>
<th>Chg Last Day</th>
<th>Trend</th>
<th>Slope</th>
<th>Hi (Mo)</th>
<th>Low (Mo)</th>
<th>% Chg wrt 50 Day MA</th>
<th>Chg wrt 50 Day MA</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. 5yr/5yr</td>
<td>-1.3%</td>
<td>1.7%</td>
<td></td>
<td>0%</td>
<td>-4%</td>
<td>Below Falling</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>US 30y BE</td>
<td>-1.2%</td>
<td>1.3%</td>
<td></td>
<td></td>
<td></td>
<td>Below Falling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US 10y BE</td>
<td>-1.0%</td>
<td>1.3%</td>
<td></td>
<td>-9%</td>
<td>-6%</td>
<td>Below Falling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US 20y BE</td>
<td>-1.4%</td>
<td>1.1%</td>
<td></td>
<td></td>
<td></td>
<td>Below Falling</td>
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</table>

**Exhibit 2: US Treasury Yields**

<table>
<thead>
<tr>
<th>Name</th>
<th>1-Day Chg (%)</th>
<th>5-Day Chg (%)</th>
<th>Chg Last Day</th>
<th>Trend</th>
<th>Slope</th>
<th>Hi (Mo)</th>
<th>Low (Mo)</th>
<th>% Chg wrt 50 Day MA</th>
<th>Chg wrt 50 Day MA</th>
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<td>US 2</td>
<td>-0.9%</td>
<td>-1.3%</td>
<td></td>
<td></td>
<td></td>
<td>19%</td>
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<td>Below Falling</td>
</tr>
<tr>
<td>US 5</td>
<td>-1.1%</td>
<td>-3.0%</td>
<td></td>
<td></td>
<td></td>
<td>18%</td>
<td></td>
<td></td>
<td>Below Falling</td>
</tr>
<tr>
<td>US 10</td>
<td>-3.5%</td>
<td>-4.4%</td>
<td></td>
<td></td>
<td></td>
<td>13%</td>
<td></td>
<td></td>
<td>Below Falling</td>
</tr>
<tr>
<td>US 30</td>
<td>-2.5%</td>
<td>-4.4%</td>
<td></td>
<td></td>
<td></td>
<td>13%</td>
<td></td>
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<td>Below Falling</td>
</tr>
<tr>
<td>US 100</td>
<td>-1.9%</td>
<td>-4.7%</td>
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<td></td>
<td></td>
<td>13%</td>
<td></td>
<td></td>
<td>Below Falling</td>
</tr>
<tr>
<td>US 7</td>
<td>-1.5%</td>
<td>-4.4%</td>
<td></td>
<td></td>
<td></td>
<td>13%</td>
<td></td>
<td></td>
<td>Below Falling</td>
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**Exhibit 3: Largest 20 Momentum Buys in ACWI World ex USA Universe – Full List Here** (See These links for Mo buys in S&P 500, and R2k)

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Grp RS</th>
<th>1-Day Equity Chg (%)</th>
<th>5-Day Equity Chg (%)</th>
<th>MktCap (US$)</th>
<th>Price Trend</th>
<th>Trend Slope</th>
<th>Hi (Mo)</th>
<th>Low (Mo)</th>
<th>% Chg wrt 50 Day MA</th>
<th>Chg wrt 50 Day MA</th>
<th>RSI Dly</th>
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<td>TRI CN</td>
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<td>RsccClt</td>
<td>2</td>
<td>2.7%</td>
<td>3.3%</td>
<td>23,755</td>
<td>Above Rising</td>
<td>55%</td>
<td>1%</td>
<td>4%</td>
<td>Above Rising</td>
<td>-49</td>
<td>54</td>
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<tr>
<td>CCEP US</td>
<td>Coca-Cola European Partners</td>
<td>SoftDrinks</td>
<td>3</td>
<td>0.4%</td>
<td>-1.3%</td>
<td>23,249</td>
<td>Above Rising</td>
<td>57%</td>
<td>4%</td>
<td>Above Rising</td>
<td>54</td>
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<tr>
<td>BT US</td>
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<td>-0.2%</td>
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<td>54%</td>
<td>5%</td>
<td>Above Rising</td>
<td>56</td>
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<tr>
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<td>Novartis AG</td>
<td>Pharma</td>
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<td>42%</td>
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<tr>
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<td>4.0%</td>
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<td>47%</td>
<td>7%</td>
<td>Above Rising</td>
<td>66</td>
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<td>ORSTED DC</td>
<td>Dong Energy</td>
<td>ElectUll</td>
<td>1</td>
<td>2.6%</td>
<td>-4.6%</td>
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<td>34%</td>
<td>1%</td>
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<td>65%</td>
<td>4%</td>
<td>Above Rising</td>
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<td>3.0%</td>
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<td>Above Rising</td>
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<td>57</td>
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<td></td>
</tr>
<tr>
<td>DTE GR</td>
<td>Deutsche Telekom</td>
<td>IntqTelSrv</td>
<td>2</td>
<td>-0.0%</td>
<td>-0.8%</td>
<td>82,674</td>
<td>23%</td>
<td>23%</td>
<td>5%</td>
<td>Above Rising</td>
<td>63</td>
<td></td>
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<tr>
<td>AZN US</td>
<td>AstraZeneca</td>
<td>Pharma</td>
<td>4</td>
<td>0.6%</td>
<td>-0.1%</td>
<td>101,016</td>
<td>24%</td>
<td>24%</td>
<td>1%</td>
<td>Above Rising</td>
<td>50</td>
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<tr>
<td>BAMA CN</td>
<td>Brookfield Asset Management</td>
<td>AsetMgmt</td>
<td>8</td>
<td>-2.0%</td>
<td>-2.0%</td>
<td>42,698</td>
<td>22%</td>
<td>22%</td>
<td>2%</td>
<td>Above Rising</td>
<td>51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MUV2 GR</td>
<td>MunichRe</td>
<td>Reinsuran</td>
<td>1</td>
<td>-0.3%</td>
<td>-1.1%</td>
<td>32,774</td>
<td>13%</td>
<td>13%</td>
<td>2%</td>
<td>Above Rising</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8756 JP</td>
<td>Tokio Marine</td>
<td>P&amp;C Insur</td>
<td>1</td>
<td>-1.9%</td>
<td>-1.9%</td>
<td>35,165</td>
<td>22%</td>
<td>22%</td>
<td>1%</td>
<td>Above Rising</td>
<td>53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AD NA</td>
<td>Koninklijke Ahold Delhaize</td>
<td>FtRetail</td>
<td>2</td>
<td>1.5%</td>
<td>0.3%</td>
<td>30,514</td>
<td>28%</td>
<td>28%</td>
<td>9%</td>
<td>Above Rising</td>
<td>63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRIN SW</td>
<td>Swiss Re AG</td>
<td>Reinsuran</td>
<td>1</td>
<td>-0.2%</td>
<td>0.1%</td>
<td>31,065</td>
<td>9%</td>
<td>9%</td>
<td>1%</td>
<td>Above Rising</td>
<td>56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 HK</td>
<td>Hong Kong &amp; China Gas</td>
<td>GasUtil</td>
<td>2</td>
<td>0.5%</td>
<td>1.5%</td>
<td>31,546</td>
<td>17%</td>
<td>17%</td>
<td>3%</td>
<td>Above Rising</td>
<td>67</td>
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<tr>
<td>WOW AU</td>
<td>Woolworths</td>
<td>FtRetail</td>
<td>2</td>
<td>-0.0%</td>
<td>-2.3%</td>
<td>27,965</td>
<td>14%</td>
<td>14%</td>
<td>1%</td>
<td>Above Rising</td>
<td>-49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HMB SS</td>
<td>Hennes &amp; Mauritz</td>
<td>ApparRtl</td>
<td>6</td>
<td>-0.6%</td>
<td>-2.3%</td>
<td>26,440</td>
<td>31%</td>
<td>31%</td>
<td>3%</td>
<td>Above Rising</td>
<td>55</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Northern Lights

- In Canada, above the 49th, one sees inflation expectations diving, which was the precursor to the breakdowns we saw in the belly of the CDN curve yesterday, which is a precursor to the inversion of the CDN 10-2 curve which is just 7bps away – Exhibits 1, 2.

- Note the similarity to the US situation, below the 49th – Exhibits 3, 4. Northern Lights indeed.

- These trends and inflection points are important for your bond allocation (we are positive, precisely because of that inflation signaling), and equity strategy (the market continues to reward interest sensitives).

Sundown you better take care
Gordon Lightfoot

Exhibit 1: Canadian 30y Breakeven Rate (Spectrum Here)

Exhibit 2: Canadian 10-2 Yield Curve (CDN Bond Spectrum In Insert)

Exhibit 3: US 30y Breakeven Rate (Spectrum Here)

Exhibit 4: US 10-2 Yield Curve (US Bond Spectrum Here)
Lift and Separate

- Post G2 dinner, there is a large risk rally going on, stocks (higher), bonds (lower), high yield currencies (higher), and commodities (higher). It’s not affecting bank CDS levels (mixed, holding at recent wides). It’s also not affecting the US treasury 10-2 yield curve, which continues to threaten another breakdown.

- The largest sector movers are resources, which happen to be our weakest sectors from our breadth work – Exhibit 1.

- With just a few liquid trading weeks left this year, we suggest the best tactic to take on this lift, is to separate the underperformers from your portfolio – Exhibit 2.

Exhibit 1: Global Relative Strength Breadth Sector Heat Map

...But The Market Rewards This Stuff

Exhibit 2: Largest Materials & Energy Underperformers vs MSCI World – See Link for Full List

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Question for December

As winter approaches, will your portfolio respect the negative trends in the market?

- For an S&P 500-based portfolio, that means avoiding resources and financials (Exhibit 1), i.e., do you respect that,
  - credit risk is in a bull trend? – Exhibit 2.
  - commodities are in a bear trend? – Exhibit 3.

Exhibit 1: S&P 500 Sectors in Downtrends

<table>
<thead>
<tr>
<th>Sector</th>
<th>Reward/Risk</th>
<th>Trend</th>
<th>Price Hi (Mo)</th>
<th>Price Lo (Mo)</th>
<th>1-Day Chg(%)</th>
<th>5-Day Chg(%)</th>
<th>50-d Chg(wrt Price MA)</th>
<th>200-d Chg(wrt Price MA)</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500 Financials</td>
<td>-5%</td>
<td></td>
<td></td>
<td></td>
<td>-0.8%</td>
<td>2.3%</td>
<td>0.4%</td>
<td>Below Falling</td>
<td>-2.5%</td>
</tr>
<tr>
<td>S&amp;P 500 Materials</td>
<td>-8%</td>
<td></td>
<td></td>
<td></td>
<td>0.6%</td>
<td>0.8%</td>
<td>1.3%</td>
<td>Below Falling</td>
<td>-5.7%</td>
</tr>
<tr>
<td>S&amp;P 500 Energy</td>
<td>-19%</td>
<td></td>
<td></td>
<td></td>
<td>0.6%</td>
<td>0.4%</td>
<td>6.1%</td>
<td>Below Falling</td>
<td>-7.7%</td>
</tr>
</tbody>
</table>

Exhibit 2: Global SIFI 5Y CDS Average (Individuals Here)

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

Exhibit 3: Bloomberg Commodity Index

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Breadth Breakout in Technology

- **Back to technology**, now with the breakout in relative strength breadth. After months of snoozing, she’s breaking out. Atta boy!! – Exhibit 1.

- Here’s our favourite carve for situations like this, **stocks with good long-term performance, breaking out of flat or negative trends** – Exhibit 2.

- Here’s another nice filter to look for strength both in outperformers, and for bottom fishers - **stocks priced at an n-month (n=1m, 2m, ...) high** – Exhibit 3.

**Exhibit 1: IT Relative Strength Breadth** (Sector Heat Map in Insert)

**Exhibit 2: IT With Good Long Term Strength, Breaking Out** (Gbl Here)

**Exhibit 3: Technology Stocks Priced at an n-Month High**

---

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

Note: BMO Capital Markets is Restricted on VMW
**Stop and Reverse on EM**

- **Yesterday**, we highlighted the positive reversal in Tencent Holdings as a key barometer for **global technology**. It’s an even larger barometer for **EM**. Broadening out, take a look at **price trends on the largest 5 EM stocks**: one trends higher, but the damage was being done by the others that had been trending lower. We said “had” not “have.” Mind the inflection points – Exhibit 1.

- Yes, all those stocks are Chinese, which collectively have been falling at a rate of over 40%/year for the past seven months. Mind the **inflection point here too** – Exhibit 2.

- We thus expect to see a positive reversal in the **Emerging Markets ETF** – Exhibit 3.

- All things EM are found at this link.

---

**Exhibit 1: Dividend-Adjusted Price Trends on the Largest 5 EM Stocks**

| Symbol | Name                  | Country | Sub Industry | 1-Year Price | 5-Year Price | Dividend | Price Trend | Close | 27-Nov | 1-Day Chg (%) | 5-Day Chg (%) | RS | %Chg MA50 | Chg w/t | %Chg w/50 | Chg w/150 | %Chg w/150 | RSI | CHL US | China Mobile | Hk | WsTelSrv | 4 | 9 | 2 | 49.28 | 0.9% | -0.4% | 1.1% | 201,724 | 15% | +2% | Above Rising | 8% | Above Rising | 55% |
|--------|-----------------------|---------|--------------|--------------|--------------|-----------|------------|-------|---------|---------------|---------------|----|------------|---------|------------|---------|------------|-----|--------|------------|-----|--------|------|----------|----------|------------|-----|--------|-------|---------|
| SNSN   | Samsung Electronics   | South Korea | IT & Tel | 957.00       | 23.9%        | 245,732   | -28%       | 8%    | 0.2%   | 96.6%          | 96.6%          | 127 | -2%       | -2%    | -2%        | -2%    | -2%       | 44% | SNSN   | Li | 8 | 2 | 20 | 175.78 | 0.5% | 0.2% | 2.2% | 203,070 | -29% | -2% | Below Falling | -8% | Below Falling | 15% |
| 939    | China Construction Bank | China | Diversified | 0.6%      | 2.0%  | 0.6% | 2.0% | 150 | 200 | 3 | 5 | 0.6% | 1.3% | 3 | Below Falling | -5% | Below Falling | 20% |
| 700    | Tencent Holdings      | Cayman | Int & Tel | 303.89       | 7.9%    | 369,600   | -58%       | 15%   | -15%  | 3% Above Falling | -15%          | 150 | -15% | -15% | -15% | -15% | -15% | 15% | 700    | HK | 6 | 10 | 303.89 | 1.9% | 0.9% | 2.9% | 369,600 | -58% | 3% | Above Falling | -11% | Below Falling | 7% |
| BABA   | Alibaba Group Holding | Cayman | Int & Tel | 156.46       | 4.6%   | 405,500   | -55%       | 15%   | -15%  | -4% Above Falling | -15%          | 150 | -15% | -15% | -15% | -15% | -15% | 7% |

---

**Exhibit 2: MSCI China**

**Trend / Width**: -31% / 11%

**Trend Length**: 7 mo

**Exhibit 3: MSCI EM ETF (EEM US) Dividend-Adjusted Price Trend**

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Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Here’s our equal weighted relative strength reading on technology, sleeping quite nicely thank you at the neutral position – Exhibit 1. Firstly, note how unusual this is, and secondly, note that despite markets in correction territory, the reading has stuck to neutral. We’ll take that as a positive.

For a North American, the largest technology Blackbird that sings in the dead of night, or in Hong Kong time, is Tencent Holdings (yes, it’s got a GICS code of Telecom now, but it’s a tech fund holding), which has been smashed since the start of the year. In our system, it broke above a downtrend last Thursday, and this morning it just completes the first set of higher highs and lows since the top. That’s a positive song – Exhibit 2.

Then there is the Apple, which has fallen from the tree. Our position? It’s a severed uptrend, which is oversold. Again – Exhibit 3.

We expect that a recovery here (Exhibit 3) and there (Exhibit 2) will help our IT breadth reading to fly again (Exhibit 1).

While we wait, here are the largest 15 technology outperformers, all sporting RSIs in the 30s to 50s – Exhibit 4.

You were only waiting for this moment to arise

Blackbird, John Lennon & Paul McCartney

Exhibit 1: Technology Relative Strength Z-Score

Exhibit 2: Tencent Holdings (700 HK) Dividend Adjusted Price Trend

Exhibit 3: Apple (AAPL US) Dividend Adjusted Price Trend

Exhibit 4: Largest 15 Technology Outperformers vs ACWI IT
Trends & Inflection Points

This Is What Rotation-In Looks Like

• A small set of stocks trending higher and a larger set of stocks breaking above downtrends – this is the fingerprint of rotation-in, and we see it in airline stocks – Exhibit 1.
  o Yes, there are still large, liquid momentum buys that are not defensive plays in the market. Witness United Continental – Exhibit 1.
  o For bottom fishers, there are more stocks breaking above downtrends, and in some cases, like American Airlines, the CDS indicates that the last downside equity print was overdone – Exhibit 3.

Exhibit 1: Dividend-Adjusted Price Trends on Airline Stocks

Exhibit 2: United Continental Price Trend (CDS Overlay Here)

Exhibit 3: American Airlines Equity/CDS Overlay (Price Trend Here)

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Europe Fades Back to Black

- Yesterday, the two European sectors that were in uptrends, broke below said trends leaving the continent devoid of a bull trend. Sectors are either breaking, or are trending, lower – Exhibit 1.
- You can go down to the industry level to find some strength, and we can take you there – Exhibit 2.
- You can do down to the stock level to find some strength, and we can take you there.
- Or, you could just tread water in European AAA government debt, which is a lot better than entering the second year of a slide of European high yield debt.

Exhibit 1: MSCI Europe Sector Total Return Price Trends

Exhibit 2: MSCI Europe Industry Total Return Price Trends

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

Trends & Inflection Points
70% of the Canadian equity market is found in just four sectors, and we carve out the largest five stocks in outperforming trends versus the market and sector in each. Got em or need em? – Exhibits 1-4.

Exhibit 1: **Largest 5 Financials in Outperforming Trends vs TSX and Sector** (Opposite List Here)

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Grp RS</th>
<th>LT RS</th>
<th>RS</th>
<th>MktCap (CAD)</th>
<th>Vol (%)</th>
<th>Chg Last Day</th>
<th>Trend Slope</th>
<th>RS HI (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg wrt 50D MA</th>
<th>Chg wrt 50D MA</th>
<th>%Chg wrt 200D MA</th>
<th>Chg wrt 200D MA</th>
<th>Bull Band</th>
<th>RSI Dly</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRI CN</td>
<td>Thomson Reuters</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>34,866</td>
<td>1.18</td>
<td>%</td>
<td>59%</td>
<td>5%</td>
<td>Above Rising</td>
<td>10%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAMA CN</td>
<td>Brookfield Asset Management</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>54,621</td>
<td>1.09</td>
<td>%</td>
<td>23%</td>
<td>3%</td>
<td>Above Rising</td>
<td>0%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RY CN</td>
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<td>5</td>
<td>3</td>
<td>2</td>
<td>137,378</td>
<td>0.70</td>
<td>%</td>
<td>12%</td>
<td>-3%</td>
<td>Below Falling</td>
<td>-3%</td>
<td>Below Falling</td>
<td>ABOVE</td>
<td>47</td>
<td></td>
<td></td>
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<tr>
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<td>5</td>
<td>4</td>
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<td>%</td>
<td>7%</td>
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<td>Below Rising</td>
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<td>3</td>
<td>62,244</td>
<td>0.62</td>
<td>%</td>
<td>7%</td>
<td>-4%</td>
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<td>-2%</td>
<td>Below Rising</td>
<td>BELOW</td>
<td>37</td>
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<td></td>
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</table>

Exhibit 2: **Largest 5 Energy in Outperforming Trends vs TSX and Sector** (Opposite List Here)

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Grp RS</th>
<th>LT RS</th>
<th>RS</th>
<th>MktCap (CAD)</th>
<th>Vol (%)</th>
<th>Chg Last Day</th>
<th>Trend Slope</th>
<th>RS HI (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg wrt 50D MA</th>
<th>Chg wrt 50D MA</th>
<th>%Chg wrt 200D MA</th>
<th>Chg wrt 200D MA</th>
<th>Bull Band</th>
<th>RSI Dly</th>
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<tbody>
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<td>PKI CN</td>
<td>Parkland Fuel</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>5,050</td>
<td>1.47</td>
<td></td>
<td>56%</td>
<td>-10%</td>
<td>Below Falling</td>
<td>10%</td>
<td>Above Rising</td>
<td>BELOW</td>
<td>39</td>
<td></td>
<td></td>
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<td>PPL CN</td>
<td>Pembina Pipeline</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>22,175</td>
<td>1.17</td>
<td>%</td>
<td>14%</td>
<td>0%</td>
<td>Above Rising</td>
<td>3%</td>
<td>Above Rising</td>
<td>BELOW</td>
<td>48</td>
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<td>Enbridge Inc</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>80,575</td>
<td>1.52</td>
<td>%</td>
<td>17%</td>
<td>5%</td>
<td>Above Rising</td>
<td>7%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>67</td>
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</tr>
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<td>CCO CN</td>
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<td>4</td>
<td>7</td>
<td>3</td>
<td>6,202</td>
<td>2.45</td>
<td>%</td>
<td>25%</td>
<td>8%</td>
<td>Above Rising</td>
<td>15%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>57</td>
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<td>2</td>
<td>6</td>
<td>3</td>
<td>31,757</td>
<td>1.37</td>
<td>%</td>
<td>11%</td>
<td>-4%</td>
<td>Below Rising</td>
<td>1%</td>
<td>Above Rising</td>
<td>BELOW</td>
<td>42</td>
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</table>

Exhibit 3: **Largest 5 Industrials in Outperforming Trends vs TSX and Sector** (Opposite List Here)

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Grp RS</th>
<th>LT RS</th>
<th>RS</th>
<th>MktCap (CAD)</th>
<th>Vol (%)</th>
<th>Chg Last Day</th>
<th>Trend Slope</th>
<th>RS HI (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg wrt 50D MA</th>
<th>Chg wrt 50D MA</th>
<th>%Chg wrt 200D MA</th>
<th>Chg wrt 200D MA</th>
<th>Bull Band</th>
<th>RSI Dly</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNR CN</td>
<td>Canadian National Railway</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>81,723</td>
<td>1.17</td>
<td></td>
<td>28%</td>
<td>0%</td>
<td>Below Falling</td>
<td>6%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WCN CN</td>
<td>Waste Connections</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>26,322</td>
<td>1.02</td>
<td>%</td>
<td>13%</td>
<td>0%</td>
<td>Below Falling</td>
<td>3%</td>
<td>Above Rising</td>
<td>BELOW</td>
<td>52</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP CN</td>
<td>Canadian Pacific Railway</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>38,503</td>
<td>1.25</td>
<td>%</td>
<td>21%</td>
<td>1%</td>
<td>Above Falling</td>
<td>9%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>51</td>
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</tr>
<tr>
<td>RBA CN</td>
<td>Ritchie Bros Auctioneers</td>
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<td>2</td>
<td>3</td>
<td>4,907</td>
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<td>0%</td>
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<td>Above Rising</td>
<td>ABOVE</td>
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<td>CAE CN</td>
<td>CAE Inc</td>
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<td>3</td>
<td>3</td>
<td>6,959</td>
<td>1.28</td>
<td>%</td>
<td>13%</td>
<td>5%</td>
<td>Above Falling</td>
<td>4%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>67</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Exhibit 4: **Largest 5 Materials in Outperforming Trends vs TSX and Sector** (Opposite List Here)

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Grp RS</th>
<th>LT RS</th>
<th>RS</th>
<th>MktCap (CAD)</th>
<th>Vol (%)</th>
<th>Chg Last Day</th>
<th>Trend Slope</th>
<th>RS HI (Mo)</th>
<th>RS Low (Mo)</th>
<th>%Chg wrt 50D MA</th>
<th>Chg wrt 50D MA</th>
<th>%Chg wrt 200D MA</th>
<th>Chg wrt 200D MA</th>
<th>Bull Band</th>
<th>RSI Dly</th>
</tr>
</thead>
<tbody>
<tr>
<td>WPK CN</td>
<td>Winpak Ltd</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2,954</td>
<td>1.30</td>
<td>%</td>
<td>22%</td>
<td>-2%</td>
<td>Below Falling</td>
<td>-2%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KL CN</td>
<td>Kirkland Lake Gold Ltd</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>5,367</td>
<td>2.46</td>
<td>%</td>
<td>46%</td>
<td>1%</td>
<td>Above Rising</td>
<td>6%</td>
<td>Above Rising</td>
<td>BELOW</td>
<td>52</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UPS CN</td>
<td>Domtar Corp</td>
<td>8</td>
<td>4</td>
<td>3</td>
<td>3,654</td>
<td>1.62</td>
<td>%</td>
<td>18%</td>
<td>-7%</td>
<td>Below Falling</td>
<td>-4%</td>
<td>Below Rising</td>
<td>BELOW</td>
<td>36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OGC CN</td>
<td>OceanaGold</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>2,454</td>
<td>1.99</td>
<td>%</td>
<td>22%</td>
<td>4%</td>
<td>Above Rising</td>
<td>11%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSB CN</td>
<td>Nerbond Inc</td>
<td>10</td>
<td>3</td>
<td>4</td>
<td>3,201</td>
<td>2.19</td>
<td>%</td>
<td>19%</td>
<td>-6%</td>
<td>Below Falling</td>
<td>-17%</td>
<td>Below Rising</td>
<td>ABOVE</td>
<td>51</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Where Thanks Is Due

- A bull market for volatility and credit insurance is a bear market for stocks. That theme has been building since February. This morning prime broker credit risk abates slightly after an 8d surge. Our mostly long only clients will give thanks to that. The weakest sectors in our breadth work are resources, and discretionary, yet with every weak sector, we carve out both the absolute and relative strength.

- For the Natural Resource specialist who saw her benchmark peak in the spring, yet is not paid to sell in May and walk away, and so has suffered a 16% decline from the peak, there are a dozen stocks holding their own – Exhibit 1.

- Discretionary sectors around the world are either underperforming, breaking down, or indicating that that is due, yet there are still a small group that technically look good – Exhibit 2.

Exhibit 1: The Dozen Natural Resource Momentum Buys (vs Four Dozen Momentum Sells)

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Grp RS</th>
<th>LT Price</th>
<th>Price Trend</th>
<th>Chg Last Day</th>
<th>Trend</th>
<th>HI (Mo)</th>
<th>Low (Mo)</th>
<th>%Chg wrt 50d MA</th>
<th>Chg wrt 50d MA</th>
<th>Dwy</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLL US</td>
<td>Ball Corp</td>
<td>MGLsCnt</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>16,637</td>
<td>91%</td>
<td>7%</td>
<td>Above Rising</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICL IT</td>
<td>Israel Chemicals</td>
<td>Fert&amp;Ag</td>
<td>3</td>
<td>9</td>
<td>1</td>
<td>7,587</td>
<td>96%</td>
<td>0%</td>
<td>Above Rising</td>
<td>45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEL CN</td>
<td>Gibson Energy</td>
<td>OG S/Tr</td>
<td>4</td>
<td>7</td>
<td>1</td>
<td>2,351</td>
<td>72%</td>
<td>3%</td>
<td>Above Rising</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LIF CN</td>
<td>Labrador Iron Ore Royalty</td>
<td>Steel</td>
<td>8</td>
<td>3</td>
<td>1</td>
<td>1,164</td>
<td>77%</td>
<td>8%</td>
<td>Above Rising</td>
<td>60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOS US</td>
<td>Mosaic Co</td>
<td>Fert&amp;Ag</td>
<td>3</td>
<td>7</td>
<td>1</td>
<td>12,375</td>
<td>64%</td>
<td>5%</td>
<td>Above Rising</td>
<td>54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPX CN</td>
<td>Enerflex Ltd</td>
<td>OG Equip</td>
<td>10</td>
<td>8</td>
<td>1</td>
<td>1,157</td>
<td>52%</td>
<td>5%</td>
<td>Above Rising</td>
<td>54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIVN SW</td>
<td>Givaudan SA</td>
<td>SpecChm</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>22,358</td>
<td>21%</td>
<td>1%</td>
<td>Above Rising</td>
<td>54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEY CN</td>
<td>Puyo Exploration &amp; Development</td>
<td>OG &amp;P</td>
<td>9</td>
<td>9</td>
<td>2</td>
<td>1,413</td>
<td>35%</td>
<td>2%</td>
<td>Above Rising</td>
<td>52</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRI CN</td>
<td>Namis Sdn Bhd</td>
<td>OG S/Tr</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>15,229</td>
<td>18%</td>
<td>4%</td>
<td>Above Rising</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4021 JP</td>
<td>Nissan Chemical Industries</td>
<td>DiversChm</td>
<td>10</td>
<td>1</td>
<td>2</td>
<td>7,187</td>
<td>39%</td>
<td>2%</td>
<td>Above Rising</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OGC CN</td>
<td>OceanaGold</td>
<td>Gold</td>
<td>6</td>
<td>5</td>
<td>2</td>
<td>1,835</td>
<td>26%</td>
<td>3%</td>
<td>Above Rising</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECL US</td>
<td>Ecolab Inc</td>
<td>SpecChm</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>45,082</td>
<td>15%</td>
<td>1%</td>
<td>Above Rising</td>
<td>52</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Exhibit 2: Largest 10 in Our Discretionary Momentum Buy List – See Link for Full List (vs the Sell List Which is 4x the Size)

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Country</th>
<th>Sub Industry</th>
<th>Grp RS</th>
<th>LT Price</th>
<th>Price Trend</th>
<th>MktCap (US$)</th>
<th>Trend</th>
<th>HI (Mo)</th>
<th>Low (Mo)</th>
<th>%Chg wrt 50d MA</th>
<th>Chg wrt 50d MA</th>
<th>Dwy</th>
</tr>
</thead>
<tbody>
<tr>
<td>HELE US</td>
<td>Helen of Troy</td>
<td>Bermuda</td>
<td>HldgDpl</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>3,618</td>
<td>119%</td>
<td>7%</td>
<td>Above Rising</td>
<td>68</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAP US</td>
<td>Advance Auto Parts</td>
<td>U. S.</td>
<td>AutoRll</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>12,503</td>
<td>113%</td>
<td>2%</td>
<td>Above Rising</td>
<td>51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AZO US</td>
<td>AutoZone Inc</td>
<td>U. S.</td>
<td>AutoRll</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>20,271</td>
<td>55%</td>
<td>3%</td>
<td>Above Rising</td>
<td>58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLNT US</td>
<td>Planet Fitness Inc</td>
<td>U. S.</td>
<td>LeasDl</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>4,489</td>
<td>94%</td>
<td>2%</td>
<td>Above Rising</td>
<td>51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BFAM US</td>
<td>Bright Horizons Family Solutions</td>
<td>U. S.</td>
<td>Educat</td>
<td>8</td>
<td>4</td>
<td>1</td>
<td>10,059</td>
<td>56%</td>
<td>6%</td>
<td>Above Rising</td>
<td>58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9983 JP</td>
<td>Fast Retailing</td>
<td>Japan</td>
<td>ApparRlt</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>10,111</td>
<td>37%</td>
<td>1%</td>
<td>Above Rising</td>
<td>52</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ULTA US</td>
<td>Ulta Beauty</td>
<td>U. S.</td>
<td>SpecStor</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>35,483</td>
<td>57%</td>
<td>1%</td>
<td>Above Rising</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LC00 US</td>
<td>Grand Canyon Education</td>
<td>U. S.</td>
<td>Educat</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>4,297</td>
<td>38%</td>
<td>16%</td>
<td>Above Rising</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BTOV 3 BZ</td>
<td>B2W Gia Digital</td>
<td>Brazil</td>
<td>InterMntl</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>141,624</td>
<td>15%</td>
<td>7%</td>
<td>Above Rising</td>
<td>61</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**Bond Land**

- **Prime broker CDS** continue to widen relentlessly this morning. It’s what we start the day looking at, and we add it to our market wrap. It’s the reason all of our recent equity buy lists look so treasury-like. We’ll pull back from equities for a day to describe the changes in the bond market that are impacting allocation.
- The best risk-adjusted return in bond & bond-like land, was a basket of CLOs wrapped up into an ETF. That trend has broken, and suffered the worst sell-off since 2015-2016 – Exhibit 1. The second-best risk adjusted return comes from short-term treasuries, which are priced dearly, above the top end of the channel on the flight to quality bid – Exhibit 2. What is not priced dearly yet are longer treasury maturities, and while the technical jury is still out as whether the bull or bear trend prevails for longer duration, we remain steadfast in expecting that the bull case triumphs, as the bearish inflation trends retreat – Exhibits 3, 4.

**Exhibit 1: Markit iBoxx USD Liquid Leveraged Loans TRI (SRLN US)**

The Most Consistent Performer (Basket of CLO’s, Turned into an ETF, SRLN), Suffering Its Worst Downdraft Since 2015-16

**Exhibit 2: US Short-Term Bond TRI (SHY US)**

A Great, Albeit Modest Trend, Looking Extended on the Flight to Safety

**Exhibit 3: US 7-10yr Bond TRI (IEF US)**

Still Expecting This Decision Point To Come, as...

**Exhibit 4: US 10Y Breakeven Rate**

...This Top Is Most Definitely In

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

November 20, 2018
Trends & Inflection Points

North American HY Equity

- **High yield equity** is outperforming both broad non-high yield equity benchmarks, and high yield bonds. From a top down perspective, the strength is all **North American**, as HY benchmarks in other regions are mired in downtrends – Exhibit 1.

- We carved out two “best of” high yield lists, one smaller list of stocks in weak sectors as per our group selection report, and one larger list of stocks in the strongest sectors – Exhibits 2, 3.

Exhibit 1: **MSCI NA High Yield Equity Index (Other Regions in Insert)**

Retains String of Higher Lows, Back Above Flat 50D MA, And Where High Yield Equities Are Rewarded

Exhibit 2: Largest **High Yield Momentum Buys in Weakest Sectors**

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

Exhibit 3: Largest **High Yield Momentum Buys in Strongest Sectors**

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
**US Value vs Growth & Curve, EU Growth Outperformers**

- This is one nugget in our latest chart book that we didn’t want to leave buried. The narrative of growth/value being hit, because the equity markets rolled over, just does not work. So what was it? We believe it was the turn in the US 30-10 yield curve, as that’s the time series that best rhymes with the resurgence of value vs growth – Exhibit 1. How this fits from a logical sense is this: the flattening curve sez the market is reaching for duration risk because there is no fear of long-term inflation to derail this leaning. In a similar way, the market is reaching for the potential for growth to turn into earnings, because there is no fear that the trajectory may be disrupted. The bottom line is, we are now watching those curves for G/V signaling.

- We look at many growth vs value ratios, and the one that appears different, with growth pivoting back to strength vs value, is found in the EU – Exhibit 2. The best European outperformers that screen well for growth are found in Exhibit 3.

**Exhibit 1: US Value vs Growth & US 30-10 Yield Curve & Fit of Returns**

**Exhibit 2: EU Growth vs Value & Other G/V Ratios in Insert**

**Exhibit 3: Largest 15 EU Outperformers Which Screen Well for Growth – See Link for Full List**

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

Note: BMO Capital Markets is restricted on Eni SpA
There’s Always a Bull Market Somewhere

- Here is a link to our latest slide deck.
- The new bull market this year is in volatility, which was the focus of our first chart yesterday, and we offer up the second key chart today, as US prime broker bank risk CDS widens to a 19m high on the hunt for the next fund failure, or Amaranth part 2 – Exhibit 1.
- Taking a birds eye view on the price trends on every bank in MSCI World, one now sees that the bulk are trending lower – Exhibit 2.
  - The banks we view as momentum sells (trending lower, below falling moving averages, and not oversold) are found here – Exhibit 3.

Exhibit 1: US Prime Broker Credit Risk & Market Volatility

Exhibit 2: Dividend Adjusted Price Trends on Global Banks

Exhibit 3: Largest 15 Bank Momentum Sells – Full List at This Link

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
You Were Lucky

- **Yesterday**, we tuned down our expectations for the trend of the S&P 500, which is the best looking benchmark in the TAA book. Today, before we move to EAFE, we ask you to ponder what would it be like to "splain" the performance of your volatility targeting fund in a bull market for that nevaeu asset class – Exhibit 1.

- For an EAFE manager, your benchmark trend slope is negligible, so you may as well just look at total return spectra, instead of relative returns – Exhibit 2.
  - There are 95 EAFE buys in our system, with all sectors (save energy, can’t wait what the question for December will be eh?) covered. We highlight the largest 15 below, and the full list at this link – Exhibit 3.

---

**Exhibit 1: Combined Stock, Commodity & Bond Volatility vs RP Fund**

**Exhibit 2: MSCI EAFE in Local Currency (Looks Much Worse in USD)**

**Exhibit 3: Largest 15 EAFE Momentum Buys – Full List Here**

---

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

Take 5

- If you want to avoid looking at the pain and panic in markets, stick to the relative. How does the S&P 500 look against MSCI World? Fantastic! Trending higher, above rising moving averages, and just off of an all-time high – Exhibit 1.

- For mere mortals who get paid to make and retain capital, we turn to the absolute. Our system, which ditched the 25%/year trend in October, now looks at the S&P 500 in a messy three-year channel with a slope of 15%/year, and below the bottom end of it. We actually think it’s worse than that. If you look at the slope and duration of channel for global real estate yesterday, that’s what we expect here. What’s a reasonable slope going forward? Take 5 – Exhibit 2.
  
  o Finessing that S&P 500 chart, we point out the minor head and shoulders pattern, which suggests the end of pain is nigh, and the upside target is a very Santa Clause-like new high.
  
  ▪ We quantify panic every day, and are always buyers of it. The VIX curve points out two things, (1) inversion suggests that markets are still unusually panicked, and (2) the state of invertedness is waning – Exhibit 3.

- From a stock picking level, we recommend buying the outperformers in the market – Exhibit 4.

Exhibit 1: S&P 500 vs MSCI World

Exhibit 2: S&P 500

Exhibit 3: S&P 500 and VIX Curve

Exhibit 4: Largest 15 S&P 500 Outperformers – Full List Here
The Third Embrace

Our market breadth measure has embraced three sectors. We’ve written up two of three (Health Care: Fernando’s Hideaway, Utilities: Just Imagine Rates Were Falling). Now we embrace the third, Real Estate, in case you had not noticed, the market’s embrace is rather defensive. One can either go with that, or fight it. We are going with it. The closest cousin for real estate is financials, from which the sector was carved out many years ago now. We compare the two global sectors, and beneath them, we highlight the market bottoms as so nicely defined by implied volatility: treasury volatility for real estate, and US financial volatility for financials.

- Both sectors are at the midpoint of channels, but the channels and drivers are different:
  - Real Estate is in an uptrend, and treasury implied volatility continues to be in a downtrend.
  - Financials are in a downtrend, and US financial implied volatility has a series of higher highs and lows: an uptrend is born.

- These different patterns in implied volatility are subtle, but are very important.

- We’ll squeeze in some of the best stocks in for managers with the following Real Estate perspectives: North America, US, Canada, EAFE.

- All things Real Estate are found at this link.

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

Judas, are you betraying the Son of Man with a kiss

Yeshua
This morning as oil continues to fall like a knife, EM slides back below a falling 50d MA, and European banks, which never made it to that milestone do worse, it’s a sea of red in equity and commodity land. The only things that look green are bonds (non-Italian).

Yesterday, we bestowed praises on the utilities (bond proxy sector), but there is another sector to embrace which looks marvelous, absolutely marvelous, and that’s Health Care – Exhibits 1 & 2.

Now we don’t get too much of an opportunity to highlight the core of Canadian Health Care, but we’ll update it here for those that think it’s about how you feel – Exhibit 3.

For those looking for how you look, and let me tell you darlings, you look marvelous (back to Exhibit 2), it’s these stocks that bring this on – Exhibit 4.

Nothing lasts forever, darling, but it’s not the end of the world.

You Look Marvelous (1985), Billy Crystal

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**Exhibit 1: Global Relative Strength Breadth Sector Heat Map**

We Recommend Fading This And Embracing This

---

**Exhibit 2: Health Care vs MSCI World**

"You look marvelous Absolutely marvelous" Fernado (Billy Crystal)

---

**Exhibit 3: Price Trends on Canadian Pharma**

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>1-Day</th>
<th>5-Day</th>
<th>Vol (%)</th>
<th>Trend Slope</th>
<th>%Chg w/t 50d MA</th>
<th>Chg w/t 50d MA</th>
<th>RSI D\y</th>
<th>Trend Slope</th>
</tr>
</thead>
<tbody>
<tr>
<td>WEED CN</td>
<td>Canopy Growth Corp</td>
<td>-3.5%</td>
<td>-12.3%</td>
<td>12.87k</td>
<td>5.91</td>
<td>224%</td>
<td>-9%</td>
<td>Below Ranging</td>
<td>54</td>
</tr>
<tr>
<td>APHA CN</td>
<td>Aphria Inc</td>
<td>-6.4%</td>
<td>-9.2%</td>
<td>4333</td>
<td>8.05</td>
<td>156%</td>
<td>-9%</td>
<td>Below Ranging</td>
<td>50</td>
</tr>
<tr>
<td>OGI CN</td>
<td>Organigram Holdings Inc</td>
<td>-6.4%</td>
<td>5.0%</td>
<td>797</td>
<td>4.68</td>
<td>126%</td>
<td>-8%</td>
<td>Below Ranging</td>
<td>50</td>
</tr>
<tr>
<td>CRON CN</td>
<td>Cronos Group Inc</td>
<td>-8.9%</td>
<td>16.1%</td>
<td>2092</td>
<td>2.78</td>
<td>133%</td>
<td>-12%</td>
<td>Below Ranging</td>
<td>56</td>
</tr>
<tr>
<td>WEED CN</td>
<td>Hydropothecary Corp</td>
<td>-9.9%</td>
<td>9.6%</td>
<td>1317</td>
<td>4.96</td>
<td>150%</td>
<td>-8%</td>
<td>Below Ranging</td>
<td>50</td>
</tr>
<tr>
<td>ACB CN</td>
<td>Aurora Cannabis Inc</td>
<td>-6.1%</td>
<td>13.4%</td>
<td>5513</td>
<td>6.55</td>
<td>59%</td>
<td>-9%</td>
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<td>CanTrust Holdings Inc</td>
<td>-6.9%</td>
<td>5.2%</td>
<td>901</td>
<td>4.83</td>
<td>23%</td>
<td>-17%</td>
<td>Below Ranging</td>
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<tr>
<td>TDGC CN</td>
<td>Green Organic Dutchman</td>
<td>-5.3%</td>
<td>47.0%</td>
<td>1,241</td>
<td>5.20</td>
<td>99%</td>
<td>-29%</td>
<td>Below Ranging</td>
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<td>Curaleaf Holdings Inc</td>
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<td>-13.6%</td>
<td>3,177</td>
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<tr>
<td>SHY CN</td>
<td>Canopy Rivers Inc</td>
<td>-5.3%</td>
<td>0.0%</td>
<td>728</td>
<td>15.61</td>
<td>224%</td>
<td>-9%</td>
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<td>53</td>
</tr>
</tbody>
</table>

**Exhibit 4: Global Health Care Momentum Buys | Full List Here**

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

Just Imagine Rates Were Falling

- Nice risk on rally yesterday. What’s odd is that our utility relative strength breadth gauge surged too. Not only surged, but surged from an already positive level and the level coincides with treasury yield bottoms, which is not at all what’s on display right now – Exhibit 1.

- On a relative strength, market cap weighted basis, global utilities bottomed this year, and are trending higher above rising moving averages. If we were to add the overlay, which best matches the strength in 2018, it would not be rates, nor curves, nor oil, nor a broader commodity basket, it would be ACWI ex-USA. We highlight one chart above the other below – Exhibits 2, 4.

  - Now technically, world ex-US is in a bear market, below all falling moving averages, and the current rally is counter trend. We don’t discount a Santa Claus rally, but on the other hand, we just don’t see the shift away from North America, which is about to hit a new high, while World ex-US hits a new low on a relative basis.

  - So we are buyers of utilities on the pullback, as the breadth is improving, and we expect global utilities will break out to new highs. Further, our trend slope reading of 10% likely underestimates the potential performance, and the trend itself has really been non-functional given the churn recently. We highlight the pre-breakout perspective in Exhibit 3.

Exhibit 1: Global Utility Relative Strength Breadth Z-Score

Exhibit 2: Utilities vs MSCI World

Exhibit 3: MSCI World Utilities

Exhibit 4: ACWI World ex US

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

Positive Momentum – The Non Cash-Like Cut

Yesterday’s note, detailing how from a high level, global top-down approach, one sees unblemished positive momentum constrained to cash-like industries, and ultimately pulling those stocks forward is a good strategy for keeping one onside with what the market rewards.

Today’s note broadens out the scope and the universe of what is rewarded. Instead of choosing subindustries trending higher, above rising 50d MAs, we choose stocks in top deciled subindustries – where the majority of stocks are rewarded, not on an absolute, but on a relative basis. Instead of looking at utility-type stocks, we exclude them. The list is 146 strong (versus the opposite list, of more than double that proportion) – Exhibit 1.

- For your specific markets: the Canadian contingent is here, EAFE here, world ex USA, North American SMID, Global SMID.

Exhibit 1: Largest 20 Momentum Buys in Top Deciled SubIndustries – See Link for Full List

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Grp</th>
<th>LT</th>
<th>Price Trend</th>
<th>MktCap (USD)</th>
<th>Vol (%)</th>
<th>Price Trend</th>
<th>Trend Slope</th>
<th>Hl</th>
<th>Low</th>
<th>%Chg wtr 50d MA</th>
<th>Chg wrt 50d MA</th>
<th>%Chg wtr 150d MA</th>
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<td>Wal-Mart Stores</td>
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<td>54</td>
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<td>7% Above Rising</td>
<td>15% Above Rising</td>
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<td>Anthem Inc</td>
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<td>1</td>
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<td></td>
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<td></td>
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<td>48</td>
<td>5% Above Rising</td>
<td>12% Above Rising</td>
<td></td>
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</table>

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Positive Momentum – The Where’s Waldo Search

- “Where is momentum now?” is a query we often get asked of as it’s such a quantifiable entity. Currently, zero of the 21 benchmarks we incorporate into Index Constituents have an unblemished positive momentum, and to the contrary, three rank as momentum sells (Trending consistently lower, below falling MAs).
- Looking for positive momentum is a Where’s Waldo search.
- From a global asset allocation perspective, and given downturns in World ex US equities, and breakdowns in North American markets, and commodities on October 31st, the only positive momentum is found in cash – Exhibit 1.
- From a global industry perspective, only four of 67 are trending higher, above rising 50 and 200d MAs, three utilities and a staples group – Exhibit 2. The stocks driving the positive performance here are highlighted in Exhibit 3.

Exhibit 1: Price Trends on Cash (US Short Term Bond), Commodities, Stocks and Treasuries

Exhibit 2: The Few Global Industry Groups Trending Higher, Above Rising MAs

Exhibit 3: Momentum Buys in Global Industries Which are Trending Higher, and Above Rising MAs

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

More Sell Lists for Balance

- We will continue to balance out our long list of buy reports, with a few more sell lists. Today, we go beyond Friday's sleeper list.
  - The market has its strongest and weakest subindustries. We consider stocks breaking below uptrends within weak industries to be inflection points to heed, either if they are in your portfolio, or if you are a short seller looking for new negative momentum – Exhibit 1.
  - A similar perspective is found for stocks with weak histories which are breaking back towards weakness – Exhibit 2.

Exhibit 1: Largest 15 Stocks in Weak SubIndustries Breaking Below Price Uptrends – See Link for Full List

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Gpr RS</th>
<th>LT Price</th>
<th>Price Trend</th>
<th>MktCap (US$)</th>
<th>Vol (%)</th>
<th>Chg Last Day</th>
<th>Chg Price Trend</th>
<th>Trend Slope</th>
<th>Hi (Mo)</th>
<th>Low (Mo)</th>
<th>%Chg w/t 50d MA</th>
<th>Chg Wrt 50d MA</th>
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<th>RSI Dly</th>
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<td>5</td>
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<td>1%</td>
<td>-11%</td>
<td>Below Falling</td>
<td>39</td>
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<td></td>
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</tr>
<tr>
<td>CNQ</td>
<td>Canadian Natural Resources</td>
<td>OG &amp; E&amp;P</td>
<td>9</td>
<td>7</td>
<td>5</td>
<td>34,714</td>
<td>1.61</td>
<td>6%</td>
<td>-8%</td>
<td>Below Falling</td>
<td>44</td>
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<td>-14%</td>
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Exhibit 2: Largest 15 Stocks with Weak Long Term (4y) Performance, Breaking Below Uptrends – See Link for Full List

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<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Gpr RS</th>
<th>LT Price</th>
<th>Price Trend</th>
<th>MktCap (US$)</th>
<th>Vol (%)</th>
<th>Chg Last Day</th>
<th>Chg Price Trend</th>
<th>Trend Slope</th>
<th>Hi (Mo)</th>
<th>Low (Mo)</th>
<th>%Chg w/t 50d MA</th>
<th>Chg Wrt 50d MA</th>
<th>Chg Wrt 50d MA</th>
<th>RSI Dly</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECA</td>
<td>Encana Corp</td>
<td>OG &amp; E&amp;P</td>
<td>9</td>
<td>10</td>
<td>5</td>
<td>8,075</td>
<td>2.45</td>
<td>11%</td>
<td>-10.0</td>
<td>-20%</td>
<td>Below Falling</td>
<td>21</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AR</td>
<td>Antero Resources</td>
<td>OG &amp; E&amp;P</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>5,014</td>
<td>2.12</td>
<td>-8%</td>
<td>-12%</td>
<td>Below Falling</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PAOP</td>
<td>Plains GP Holdings LP</td>
<td>OG SILTr</td>
<td>10</td>
<td>10</td>
<td>3</td>
<td>3,448</td>
<td>1.64</td>
<td>22%</td>
<td>-8%</td>
<td>Below Falling</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>SMG</td>
<td>SM Energy Co</td>
<td>OG &amp; E&amp;P</td>
<td>10</td>
<td>10</td>
<td>2</td>
<td>2,608</td>
<td>3.27</td>
<td>65%</td>
<td>-5%</td>
<td>Below Falling</td>
<td>28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENLC</td>
<td>EnLink Midstream</td>
<td>OG SILTr</td>
<td>10</td>
<td>10</td>
<td>1</td>
<td>2,321</td>
<td>2.09</td>
<td>-3%</td>
<td>28.0</td>
<td>-19%</td>
<td>Below Falling</td>
<td>21</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARX</td>
<td>ARC Resources</td>
<td>OG &amp; E&amp;P</td>
<td>9</td>
<td>9</td>
<td>5</td>
<td>3,185</td>
<td>2.08</td>
<td>8%</td>
<td>48.0</td>
<td>-13%</td>
<td>Below Falling</td>
<td>33</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRQ</td>
<td>Drill-Quip Inc</td>
<td>OG Equip</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>1,527</td>
<td>2.10</td>
<td>12%</td>
<td>-12%</td>
<td>Below Falling</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OAS</td>
<td>Oasis Petroleum</td>
<td>OG &amp; E&amp;P</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td>2,199</td>
<td>2.18</td>
<td>-7%</td>
<td>-21%</td>
<td>Below Falling</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSL</td>
<td>NutStar Energy LP</td>
<td>OG RMkt</td>
<td>5</td>
<td>10</td>
<td>2</td>
<td>2,465</td>
<td>2.48</td>
<td>77%</td>
<td>-13%</td>
<td>Below Falling</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOV</td>
<td>National Oilwell Varco</td>
<td>OG Equip</td>
<td>10</td>
<td>9</td>
<td>3</td>
<td>13,843</td>
<td>1.06</td>
<td>30%</td>
<td>-15%</td>
<td>Below Falling</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEPQ</td>
<td>Crestwood Equity Partners LP</td>
<td>OG SILTr</td>
<td>10</td>
<td>10</td>
<td>1</td>
<td>2,325</td>
<td>1.66</td>
<td>61%</td>
<td>3.5</td>
<td>-12%</td>
<td>Below Falling</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRO</td>
<td>Marathon Oil</td>
<td>OG &amp; E&amp;P</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td>15,554</td>
<td>2.54</td>
<td>-3%</td>
<td>-13%</td>
<td>Below Falling</td>
<td>34</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HNP</td>
<td>Huaneng Power</td>
<td>IPPTrade</td>
<td>5</td>
<td>9</td>
<td>5</td>
<td>2,062</td>
<td>1.73</td>
<td>0%</td>
<td>-7%</td>
<td>Below Falling</td>
<td>45</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TCP</td>
<td>TC PipeLines LP</td>
<td>OG SILTr</td>
<td>9</td>
<td>9</td>
<td>1</td>
<td>2,093</td>
<td>3.45</td>
<td>104%</td>
<td>-6%</td>
<td>Below Falling</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTT</td>
<td>Corporate Capital Trust Inc</td>
<td>AsstMgmt</td>
<td>10</td>
<td>7</td>
<td>1</td>
<td>1,725</td>
<td>1.34</td>
<td>-9%</td>
<td>-6%</td>
<td>Below Falling</td>
<td>28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
It has been two weeks since we put out a sell list. That’s because when volatility is large, we are buyers, not sellers. Now that credit risk and volatility are coming off the boil together (they are related), we force ourselves to become less biased, and more neutral. Yep a sell list.

Now shorting when many really negative time series are undergoing violent reversals is problematic, this we know. That’s why in our armory of short-sale lists, we include stocks that can be shorted for being just downright boring. It’s a quant process that puts these stocks in the lineup.

- Sorry if it nabbed yours, but they are likely leading to sub-par performance, and then again we have heard the rebuttal before...

Exhibit 1: Our “Boring” Short-Sale Filter: Volatility Below 1.5, and Trend Slope Below 10%

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Sub Industry</th>
<th>Gpr</th>
<th>LT Price</th>
<th>Trend</th>
<th>MktCap (US$)</th>
<th>Vol (%)</th>
<th>Price Trend</th>
<th>Trend Slope</th>
<th>Hi (Mo)</th>
<th>Low (Mo)</th>
<th>%Chg wrt 50d MA</th>
<th>Chg wrt 50 Day MA</th>
<th>Bull Band Width</th>
<th>Bull Band</th>
<th>RSI Dly</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCD US</td>
<td>McDonald’s</td>
<td>Restaurent</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>134,817</td>
<td>1.25</td>
<td>-10%</td>
<td>6%</td>
<td>Above Rising</td>
<td>BELOW</td>
<td>169%</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BP/LN</td>
<td>BP PLC</td>
<td>Int O&amp;G</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>141,180</td>
<td>1.32</td>
<td>-3%</td>
<td>-3%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>193%</td>
<td>44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHL US</td>
<td>China Mobile</td>
<td>WsTelSrv</td>
<td>5</td>
<td>9</td>
<td>6</td>
<td>195,009</td>
<td>1.04</td>
<td>-6%</td>
<td>-1%</td>
<td>Below Rising</td>
<td>BELOW</td>
<td>202%</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XOM US</td>
<td>Exxon Mobil</td>
<td>Int O&amp;G</td>
<td>3</td>
<td>7</td>
<td>5</td>
<td>341,541</td>
<td>1.21</td>
<td>3%</td>
<td>-2%</td>
<td>Below Rising</td>
<td>BELOW</td>
<td>215%</td>
<td>48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T US</td>
<td>AT&amp;T Inc</td>
<td>IntTelSrv</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>221,662</td>
<td>1.45</td>
<td>-9%</td>
<td>-5%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>201%</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JPM US</td>
<td>JPMorgan Chase</td>
<td>DiversBnk</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>362,403</td>
<td>1.30</td>
<td>1%</td>
<td>-3%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>168%</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C US</td>
<td>Citigroup Inc</td>
<td>DiversBnk</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>160,766</td>
<td>1.34</td>
<td>-7%</td>
<td>-6%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>200%</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RDSA NA</td>
<td>Royal Dutch Shell</td>
<td>Int O&amp;G</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>142,043</td>
<td>1.17</td>
<td>-10%</td>
<td>-3%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>142%</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WFC US</td>
<td>Wells Fargo</td>
<td>DiversBnk</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>252,353</td>
<td>1.42</td>
<td>4%</td>
<td>-2%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>71%</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAC US</td>
<td>Bank of America</td>
<td>Diverslank</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>272,933</td>
<td>1.43</td>
<td>-7%</td>
<td>-5%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>217%</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEPA US</td>
<td>PepsiCo Inc</td>
<td>SoftDrinks</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>157,404</td>
<td>1.06</td>
<td>8%</td>
<td>0%</td>
<td>Above Rising</td>
<td>ABOVE</td>
<td>122%</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CVX US</td>
<td>Chevron Corp</td>
<td>Int O&amp;G</td>
<td>3</td>
<td>6</td>
<td>8</td>
<td>213,018</td>
<td>1.34</td>
<td>-15%</td>
<td>-6%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>240%</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TM US</td>
<td>Toyota Motor</td>
<td>AutoMfg</td>
<td>8</td>
<td>6</td>
<td>10</td>
<td>192,027</td>
<td>1.15</td>
<td>-27%</td>
<td>-3%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>130%</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUD US</td>
<td>Anheuser-Busch InBev</td>
<td>Brewers</td>
<td>10</td>
<td>8</td>
<td>9</td>
<td>154,835</td>
<td>1.34</td>
<td>-24%</td>
<td>-12%</td>
<td>Below Falling</td>
<td>BELOW</td>
<td>241%</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HSBA LN</td>
<td>HSBC Holdings</td>
<td>Diverslank</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>165,464</td>
<td>1.07</td>
<td>-24%</td>
<td>-1%</td>
<td>Below Falling</td>
<td>ABOVE</td>
<td>161%</td>
<td>52</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
There is a nice bifurcation in the consumer discretionary sector, splitting the rewarded from the rejected – Exhibit 1.

Filtering down to the stock level, and for our clients who look for different opportunities, the momentum buy list of discretionary stocks in the top three deciled discretionary subindustries and the stocks severing underperforming trends are found in Exhibits 2 & 3.

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Question for November

- While yes, we note it’s month end, and yes we see lots of green on the equity screens after a horrible October, we don’t want to go there today. From a global asset allocation perspective, we look at three primary gauges, the best performance of which has emanated from commodities. The inflection point here, which is the attribute of our work which our clients care most about, came yesterday – Exhibit 1.
  - To be clear, this broad commodity benchmark is heavily energy weighted, so we are focusing on oil, where both near-month and 12m contracts broke trend in yesterday’s session – Exhibit 2.
- The breakdown in the commodity is late, not early. If you are an energy focused equity or credit fund, you have already seen a preview of the destruction – Exhibit 3.
- We’ve had almost three years of an oil recovery from the abyss, and two years of a steep uptrend. This last breakdown, not only severs the trend, it breaks support. The key question from a broader perspective, is how if this is the inflection point which could start the type of bear trend we are seeing in the Raw Industrials, impacts capital market players, and those SIFI labeled brokers that feed off of these.

Exhibit 1: S&P GSCI Total Return Index (Commodity Basket)

Exhibit 2: 12m Brent Oil (With Other Oil Benchmarks in Insert)

Exhibit 3: Energy 5Y CDS on Companies Where Equity Moves and CDS Moves are Correlated

The Weakest Credits Are The Most Severely Freaked Out (Overwidened)

The Next, are Close (Almost 2 Standard Deviations Overwidened)

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

Focus Lists

Here are two focus lists, which are related:

- Above all, we are watching prime broker CDS, and the one which we highlighted last week, which rose to an 18m high yesterday, and continues to widen today, calls itself out, and thus garners our attention – Exhibit 1.

- It’s this weakness that draws us to continue to highlight the “best of” stocks, as they are becoming an increasing rarity (our momentum sell list is over 3x the size) – Exhibit 2.

Exhibit 1: Prime Broker 5Y CDS Sorted by N-Month Wide

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Country</th>
<th>LT CDS</th>
<th>CDS Level</th>
<th>MktCap (US$)</th>
<th>Chg Last Day</th>
<th>Trend</th>
<th>CDS Hi (Mo)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS US</td>
<td>Goldman Sachs Group Inc</td>
<td>U. S.</td>
<td>4</td>
<td>5</td>
<td>80,982</td>
<td></td>
<td>0%</td>
<td>18.5</td>
</tr>
<tr>
<td>1288 HK</td>
<td>Agricultural Bank of China</td>
<td>China</td>
<td>3</td>
<td>6</td>
<td>13,286</td>
<td></td>
<td>21%</td>
<td>4.0</td>
</tr>
<tr>
<td>BAC US</td>
<td>Bank of America</td>
<td>U. S.</td>
<td>3</td>
<td>4</td>
<td>262,328</td>
<td></td>
<td>-13%</td>
<td>4.0</td>
</tr>
<tr>
<td>1398 HK</td>
<td>ICBC</td>
<td>China</td>
<td>2</td>
<td>6</td>
<td>58,430</td>
<td></td>
<td>-1%</td>
<td>3.5</td>
</tr>
<tr>
<td>939 HK</td>
<td>China Construction Bank</td>
<td>China</td>
<td>2</td>
<td>6</td>
<td>189,130</td>
<td></td>
<td>15%</td>
<td>3.5</td>
</tr>
<tr>
<td>ACA FP</td>
<td>Credit Agricole</td>
<td>France</td>
<td>2</td>
<td>2</td>
<td>36,903</td>
<td></td>
<td>164%</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Exhibit 2: Largest 15 Global Momentum Buys – See Links for Full List, North American List, European List, Pacific List

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

The Positive Side of Technology

In our relative strength breadth work, technology is near the zero mark, which we continue to refer to as the loading zone. Loading with what, is always the key. With technology there continues to be a clear delineation between what is rewarded and what is rejected.

- We highlight these at both the subindustry and stock levels below – Exhibits 1, 2.

Exhibit 1: Technology Relative Strength Breadth Heat Map

Exhibit 2: Technology Outperformers in Top Subindustries by Relative Strength Breadth

Source: All charts/tables BMO Capital Markets, Bloomberg, Thomson, Markit
Our somewhat tempered, yet still bullish equity thesis says the US dollar should be falling, yet for the last few days it’s been rising. Anyone with experience with significant market dislocations, as what was witnessed with the demise of low volatility ETNs on Tuesday, is always on the lookout for the potential for another shoe to drop. If it were to drop, here’s what it would look like: Volatility of all types would rise and risk parity, worth ~$1tn would continue to suffer (Exhibit 1), this breakdown would be a stop loss signal, not a buy-the-dip opportunity (Exhibit 2), you would care, because those ~$1tn of assets adjust to the environment, and we are in a new environment. It also just so happens that prime broker creditworthiness is positively correlated with implied volatility (Exhibit 3) and one must always pay attention when bank credit risk is at an inflection point (Exhibit 4). This is an “if” not a “will” scenario. But we do know that higher bank risk = lower equity markets. We will continue to watch multi-asset volatility (rising this morning), and bank credit risk (rising this morning). Our buy the dip “after the meltdown” thesis requires credit risk to fall, not rise from here. The unexamined life is not worth living (Socrates).

I say: Mama, I can't find one of my shoes! And she says, Oh no. Not again. 

B.B. King, One Shoe Blues
ORDINARILY EXPECT.

Due to the effects of compounding and possible correlation errors, leveraged and inverse ETFs may experience greater losses than one would otherwise expect.

Inverse ETFs seek to provide the opposite of the investment returns, also daily, of a given index or benchmark, either in whole or by multiples.

Leveraged ETFs seek to provide a multiple of the investment returns of a given index or benchmark on a daily basis.

The timing of purchases and redemptions of ETF’s shares, as well as sampling techniques, and the impact of transaction fees and expenses incurred by the ETF, changes in composition of the underlying index/assets, the ETF portfolio manager’s replication strategy and sampling techniques, and the pricing of purchases and redemptions of ETF’s shares, can create a performance gap between ETF and its target index. Investors in ETFs with international securities may assume currency and political risk.

ETFs designed to track an index or asset may experience a discrepancy between the ETF’s performance and the performance of its target index known as tracking error. A variety of factors can create a performance gap between ETF and its target index such as the impact of transaction fees and expenses incurred by the ETF, changes in composition of the underlying index/assets, the ETF portfolio manager’s replication strategy and sampling techniques, and the timing of purchases and redemptions of ETF’s shares. Inverse and Leveraged ETFs: Most leveraged ETFs seek to provide a multiple of the investment returns of a given index or benchmark on a daily basis.

ETFs and their affiliates seek to enter into securities and other transactions on a principal basis with, and may borrow securities from, ETFs covered by this report. BMO Capital Markets and its affiliates make a market in this security.

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Distribution of Ratings (November 22, 2018)

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<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>47.0 %</td>
<td>30.6 %</td>
<td>59.0 %</td>
<td>50.6 %</td>
<td>63.5 %</td>
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<td>Hold</td>
<td>Market Perform</td>
<td>50.5 %</td>
<td>19.1 %</td>
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<td>35.8 %</td>
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<td>Sell</td>
<td>Underperform</td>
<td>2.5 %</td>
<td>13.3 %</td>
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<td>0.7 %</td>
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<td>4.6%</td>
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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.
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~ As of October 4, 2018.

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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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