Group Selection

Priced as of July 17, 2018

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

See back pages for user guide and disclaimer.
Sources for all charts: BMO Capital Markets
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 Sector Relative Strength Profiles*

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<tr>
<td>Energy</td>
<td>48% / 51% / 55%</td>
<td>/ / -12% / -4% / -10%</td>
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<tr>
<td>Materials</td>
<td>38% / 43% / 45%</td>
<td>/ / -20% / -11% / -16%</td>
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<tr>
<td>Industrials</td>
<td>38% / 44% / 47%</td>
<td>/ / -12% / -4% / -10%</td>
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<tr>
<td>CMR Disc</td>
<td>44% / 48% / 48%</td>
<td>/ / -11% / -3% / -5%</td>
<td></td>
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<tr>
<td>CMR Stap</td>
<td>41% / 46% / 47%</td>
<td>/ / -7% / 2% / -4%</td>
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<tr>
<td>Hlth Care</td>
<td>57% / 60% / 60%</td>
<td>/ / -2% / 6% / 1%</td>
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<tr>
<td>Financials</td>
<td>44% / 50% / 52%</td>
<td>/ / -23% / -9% / -12%</td>
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<tr>
<td>Info Tech</td>
<td>55% / 58% / 63%</td>
<td>/ / -6% / 2% / -3%</td>
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<tr>
<td>Telecom</td>
<td>19% / 28% / 36%</td>
<td>/ / -7% / -5% / -4%</td>
<td></td>
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<tr>
<td>Utilities</td>
<td>36% / 44% / 48%</td>
<td>/ / -3% / -1% / -2%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>51% / 56% / 59%</td>
<td>/ / -18% / -10% / -11%</td>
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*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; GBL = MSCI AC World; CDA = S&P/TSX Composite)
(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent is the median relative strength performance of the sector membership ( / ranking),
(c) Trend Psn - what is the net percentage of the sector members which are breaking above/below relative strength channels.
The strength z-Score is weighted 60% towards the trend parameters (% outperforming and reward/risk ratios) and 40% towards the trend positions (reversals of trends). Gridlines are placed at 0.5 increments.

See Help Pages for further details
July 17, 2018

Consumer Staples

Momentum

Strength

DrugRetail
11 stocks; $87bn

PersPrdct
33 stocks; $520bn

HhldPrdct
17 stocks; $543bn

FdDistri
11 stocks; $65bn

Consumer Staples

33 stocks; $520bn

SoftDrnks
19 stocks; $532bn

Brewers
14 stocks; $486bn

FdRetail
26 stocks; $368bn

Dist&Vnt
12 stocks; $374bn

PkgFdMt
123 stocks; $1180bn

AgriProd
25 stocks; $106bn

Tobacco
13 stocks; $557bn

SprCntrs
13 stocks; $510bn

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FdRetail
Drugs

Retail

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Health Care

Momentum

Strength

LfSciSrv
31 stocks; $347bn

Biotech
130 stocks; $1,116bn

Pharma
112 stocks; $256bn

HCEquip
79 stocks; $104bn

HCSupplis
27 stocks; $164bn

HCDistrib
19 stocks; $11bn

MngHCare
24 stocks; $50bn

HCService
29 stocks; $286bn

HCareTec
19 stocks; $92bn

HCFacility
30 stocks; $138bn

HCEquip
79 stocks; $104bn

HCSupplis
27 stocks; $164bn

MngHCare
24 stocks; $50bn

HCService
29 stocks; $286bn

HCareTec
19 stocks; $92bn

HCFacility
30 stocks; $138bn

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30 stocks; $138bn
<table>
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<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Value</th>
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<tr>
<td>FnlExchDt</td>
<td>22</td>
<td>$418bn</td>
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<tr>
<td>InsurBrkers</td>
<td>7</td>
<td>$127bn</td>
</tr>
<tr>
<td>Reinsuran</td>
<td>11</td>
<td>$124bn</td>
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<tr>
<td>LifeHthIns</td>
<td>46</td>
<td>$825bn</td>
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<tr>
<td>MltSecHld</td>
<td>24</td>
<td>$406bn</td>
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<tr>
<td>MortgREIT</td>
<td>25</td>
<td>$62bn</td>
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<tr>
<td>Thrft&amp;Mtg</td>
<td>43</td>
<td>$358bn</td>
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<tr>
<td>DivCpMkt</td>
<td>7</td>
<td>$339bn</td>
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<tr>
<td>ConsmrFin</td>
<td>31</td>
<td>$292bn</td>
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<tr>
<td>P&amp;C Insur</td>
<td>60</td>
<td>$509bn</td>
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<tr>
<td>InvBnkBrk</td>
<td>37</td>
<td>$410bn</td>
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<tr>
<td>AsstMgmt</td>
<td>79</td>
<td>$583bn</td>
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<td>DiversBnk</td>
<td>58</td>
<td>$517bn</td>
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<td>SpecialFin</td>
<td>10</td>
<td>$23bn</td>
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<td>RegionBnk</td>
<td>140</td>
<td>$699bn</td>
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<tr>
<td>Multi-LnIns</td>
<td>30</td>
<td>$506bn</td>
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Group Strength
Our Global Group analysis is based on bottom-up equity relative strength analysis as opposed to industry group (index) relative strength analysis.

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

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

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

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

Heat Map Colour and Symbol Guide
Strength is highlighted by the background of the group title
- Bright green = best (1st decile) transitions towards...
- Bright red = worst (10th decile)
Momentum is highlighted in the border of the group title
- Colour map for momentum is the same as strength
Symbols to the right of the group ticker show where a group moved from in the previous session. Below the group symbol we highlight the number and total market capitalization of the members in a group. Clicking on the group, which brings up the chart via a hyperlink, will help to clarify the moves.
User Guide 2 - Momentum

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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<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>
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** 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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NR = No Rated - No rating at this time; and
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