Group Selection
Priced as of May 13, 2019

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

See back pages for user guide and disclaimer.
Sources for all charts: BMO Capital Markets
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Sector View

May 13, 2019

*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 ( rankings),
(c) Trend Psn - what is the net percentage of the sector members which are breaking above/below relative strength channels.
The strength z-Score is weighted 60% towards the trend parameters (% outperforming and reward/risk ratios) and 40% towards the trend positions (reversals of trends). Gridlines are placed at 0.5 increments.

See Help Pages for further details
Momentum

Strength

May 13, 2019

Mark Steele (416) 359-4641

OG StTr
48 stocks; $628bn

OG E&P
38 stocks; $733bn

OG Drill
10 stocks; $21bn

OG Equip
58 stocks; $192bn

OG RfMkt
35 stocks; $435bn

Int O&G
32 stocks; $173bn

Coal&Uran
21 stocks; $80bn

Energy

BMO Capital Markets
Materials

May 13, 2019

Mark Steele (416) 359-4641

**Momentum**

**Strength**

- **Gold**
  - 64 stocks; $192bn

- **Copper**
  - 14 stocks; $79bn

- **PaperPkg**
  - 17 stocks; $107bn

- **MtGlsCnt**
  - 13 stocks; $67bn

- **CstrMat**
  - 33 stocks; $239bn

- **ComdChm**
  - 36 stocks; $373bn

- **Alumin**
  - 10 stocks; $31bn

- **Steel**
  - 61 stocks; $385bn

- **PapProd**
  - 24 stocks; $86bn

- **IndusGas**
  - 7 stocks; $27bn

- **SpecChm**
  - 72 stocks; $618bn

- **Silver**
  - 19 stocks; $179bn

- **Fert&Ag**
  - 29 stocks; $737bn

- **PrecMet**
  - 15 stocks; $44bn

- **DvrsMng**
  - 51 stocks; $372bn

- **FrstPrd**
  - 21 stocks; $179bn

- **DiversChm**
  - 21 stocks; $179bn

- **FrstPrd**
  - 21 stocks; $20bn

- **Fert&Ag**
  - 29 stocks; $737bn
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<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap</th>
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<tbody>
<tr>
<td>SoftDrinks</td>
<td>19</td>
<td>$567bn</td>
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<tr>
<td>PkgFdMt</td>
<td>127</td>
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<td>FdDistri</td>
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<tr>
<td>FdRetail</td>
<td>35</td>
<td>$348bn</td>
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<tr>
<td>AgriProd</td>
<td>28</td>
<td>$114bn</td>
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<tr>
<td>HhldPrdct</td>
<td>18</td>
<td>$614bn</td>
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<td>DrugRetail</td>
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<td>Tobacco</td>
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<td>Dist&amp;Vnt</td>
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<tr>
<td>Brewers</td>
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<tr>
<td>SprCntrs</td>
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<tr>
<td>PersPrdct</td>
<td>36</td>
<td>$519bn</td>
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</tbody>
</table>
Momentum

Strength

May 13, 2019

Mark Steele (416) 359-4641

Information Technology

ElecInstr
44 stocks; $295bn

ITConsult
49 stocks; $122bn

ApplicSwr
97 stocks; $1047bn

DataProc
49 stocks; $1161bn

SystmSwr
97 stocks; $1047bn

InetSrv&In
14 stocks; $116bn

Semi
73 stocks; $1310bn

EMS
19 stocks; $147bn

HdwrSt&P
42 stocks; $1165bn

ComEquip
42 stocks; $426bn

TechDist
14 stocks; $56bn

ElecComp
37 stocks; $261bn
Momentum

Strength

May 13, 2019

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Telecommunication Services

AltCar
10 stocks;$43bn

IntgTelSrv
56 stocks;$1262bn

Advert
17 stocks;$108bn

IntMeSer
43 stocks;$1510bn

WlsTelSrv
42 stocks;$854bn

Cabl&Sat
24 stocks;$405bn

Publishing
14 stocks;$46bn

IntHmEnt
23 stocks;$235bn

Mov&Ent
26 stocks;$527bn

Broadcast
27 stocks;$88bn
User Guide 1 - Definitions & Dataset

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

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

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

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

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

Heat Map Colour and Symbol Guide
Strength is highlighted by the background of the group title
- Bright green = best (1st decile) transitions towards...
- Bright red = worst (10th decile)
Momentum is highlighted in the border of the group title
- Colour map for momentum is the same as strength
Symbols to the right of the group ticker show where a group moved from in the previous session. Below the group symbol we highlight the number and total market capitalization of the members in a group. Clicking on the group, which brings up the chart via a hyperlink, will help to clarify the moves.
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).
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>Outperform</td>
<td>43.2%</td>
<td>22.8%</td>
<td>57.4%</td>
<td>44.1%</td>
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<td>Hold</td>
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<td>13.1%</td>
<td>40.6%</td>
<td>52.6%</td>
<td>41.1%</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>
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* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.
** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage within ratings category.
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