Group Selection

Priced as of May 10, 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 Relative Strength Profiles***

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<tbody>
<tr>
<td>Energy</td>
<td>29% / 28% / 25%</td>
<td>/ / / -8% / -3% / -5%</td>
<td></td>
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<tr>
<td>Materials</td>
<td>39% / 38% / 37%</td>
<td>/ / / -15% / -11% / -14%</td>
<td></td>
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<tr>
<td>Industrials</td>
<td>44% / 46% / 43%</td>
<td>/ / / -3% / 2% / 1%</td>
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<tr>
<td>CMR Disc</td>
<td>46% / 44% / 43%</td>
<td>/ / / -5% / -1% / -1%</td>
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<tr>
<td>CMR Stap</td>
<td>43% / 45% / 45%</td>
<td>/ / / -1% / 4% / 4%</td>
<td></td>
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<tr>
<td>Hlth Care</td>
<td>43% / 43% / 41%</td>
<td>/ / / 0% / 4% / 4%</td>
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</tr>
<tr>
<td>Financials</td>
<td>37% / 38% / 37%</td>
<td>/ / / 3% / 9% / 6%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>69% / 69% / 65%</td>
<td>/ / / -7% / -2% / -3%</td>
<td></td>
</tr>
<tr>
<td>Comm Srv</td>
<td>41% / 44% / 44%</td>
<td>/ / / 0% / 4% / 6%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>48% / 52% / 54%</td>
<td>/ / / -11% / -8% / -9%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>60% / 62% / 58%</td>
<td>/ / / -2% / 3% / 0%</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
Momentum

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Energy

OG StTr
68 stocks; $633bn

OG E&P
48 stocks; $746bn

OG Equip
58 stocks; $197bn

OG RfMkt
25 stocks; $445bn

OG Drill
10 stocks; $22bn

Int O&G
32 stocks; $1748bn

Coal&Uran
21 stocks; $81bn
## Consumer Discretionary

- **SpCmSrv**: 7 stocks; $25bn
- **GMrchStrs**: 13 stocks; $175bn
- **Textiles**: 2 stocks; $7bn
- **ApparRtl**: 28 stocks; $345bn
- **HmFrnsh**: 10 stocks; $30bn
- **MotcyMfg**: 6 stocks; $40bn
- **Distrib**: 8 stocks; $48bn
- **Hsware**: 9 stocks; $16bn
- **AutoMfg**: 39 stocks; $943bn
- **Tire&Rub**: 11 stocks; $53bn
- **DeptStrs**: 17 stocks; $87bn
- **LeisPrd**: 20 stocks; $91bn
- **Footwear**: 14 stocks; $164bn
- **HnlpRtl**: 7 stocks; $314bn
- **CmrElec**: 11 stocks; $122bn
- **CmpElRtl**: 36 stocks; $294bn
- **AutoParts**: 55 stocks; $302bn

### Industry Distributions

- **LeisFcil**: 11 stocks; $87bn
- **Rstaurnt**: 49 stocks; $513bn
- **SpecStors**: 22 stocks; $96bn
- **ApparRtl**: 49 stocks; $513bn
- **AutoRtl**: 42 stocks; $189bn
- **InetDmRtl**: 44 stocks; $794bn
- **Educat**: 18 stocks; $67bn
- **HhldApl**: 17 stocks; $187bn
- **Footwear**: 14 stocks; $164bn
- **CmrElec**: 11 stocks; $122bn
- **HnlpRtl**: 7 stocks; $314bn
- **Htlt&Rst**: 24 stocks; $250bn
- **LeisPrd**: 20 stocks; $91bn
- **HnlpRtl**: 7 stocks; $314bn
- **CmpElRtl**: 36 stocks; $294bn
- **AutoParts**: 55 stocks; $302bn

### Market Capitalization

- **GMrchStrs**: $175bn
- **Textiles**: $7bn
- **ApparRtl**: $345bn
- **HmFrnsh**: $30bn
- **MotcyMfg**: $40bn
- **Distrib**: $48bn
- **Hsware**: $16bn
- **AutoMfg**: $943bn
- **Tire&Rub**: $53bn
- **DeptStrs**: $87bn
- **LeisPrd**: $91bn
- **Footwear**: $164bn
- **HnlpRtl**: $314bn
- **CmpElRtl**: $294bn
- **AutoParts**: $302bn

### Industry Growth

- **LeisFcil**: 11 stocks; $87bn
- **Rstaurnt**: 49 stocks; $513bn
- **SpecStors**: 22 stocks; $96bn
- **ApparRtl**: 49 stocks; $513bn
- **AutoRtl**: 42 stocks; $189bn
- **InetDmRtl**: 44 stocks; $794bn
- **Educat**: 18 stocks; $67bn
- **HhldApl**: 17 stocks; $187bn
- **Footwear**: 14 stocks; $164bn
- **CmrElec**: 11 stocks; $122bn
- **HnlpRtl**: 7 stocks; $314bn
- **Htlt&Rst**: 24 stocks; $250bn
- **LeisPrd**: 20 stocks; $91bn
- **HnlpRtl**: 7 stocks; $314bn
- **CmpElRtl**: 36 stocks; $294bn
- **AutoParts**: 55 stocks; $302bn
Consumer Staples

Momentum

Strength

SoftDrinks
19 stocks; $570bn

FdDistri
11 stocks; $63bn

PackFdmtn
127 stocks; $1396bn

FdRetail
35 stocks; $350bn

Brewers
14 stocks; $429bn

AgriProd
28 stocks; $116bn

DrugRetail
6 stocks; $65bn

Dist&Vnt
20 stocks; $539bn

Tobacco
13 stocks; $504bn

HhlpPrdct
18 stocks; $615bn

SprCntrs
15 stocks; $529bn

PersPrdct
36 stocks; $522bn

PersPrdct
36 stocks; $522bn

May 10, 2019

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Momentum
Strength

May 10, 2019

Utilities

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Utilities

- ElecUtil (86 stocks; $1212bn)
- MultiUtil (35 stocks; $501bn)
- GasUtil (34 stocks; $250bn)
- WaterUtil (24 stocks; $98bn)
- RenewElec (25 stocks; $130bn)
- IPPTrad (25 stocks; $133bn)

- GasUtil
- WaterUtil
- IPPTrad

- MultiUtil
- RenewElec

- ElecUtil
User Guide 1 - Definitions & Dataset

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

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

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

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

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

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