Group Selection

Priced as of April 12, 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
Table of Contents

3. Sector View
4. Strength Changes Last Session
5. Resource Summary
6. Energy
7. Materials
8. Industrials
9. Consumer Discretionary
10. Consumer Staples
11. Health Care
12. Financials
13. Information Technology
14. Telecom
15. Utilities
16. Real Estate
17. User Guide
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 are outperforming the market,
(b) Reward/Risk - how consistent is the median relative strength performance of the sector membership ( ranking),
(c) Trend Psn - what is the net percentage of the sector members which are breaking above/below relative strength channels.

The strength z-Score is weighted 60% towards the trend parameters (% outperforming and reward/risk ratios) and 40% towards the trend positions (reversals of trends). Gridlines are placed at 0.5 increments.

See Help Pages for further details.
April 12, 2019

Mark Steele (416) 359-4641

Energy

Momentum

Strength

OG E&P
99 stocks; $798bn

Int O&G
37 stocks; $1835bn

OG Drill
11 stocks; $26bn

OG Equip
57 stocks; $222bn

OG RfMkt
35 stocks; $487bn

OG StTr
67 stocks; $644bn

Coal&Uran
21 stocks; $85bn
**Materials**

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<thead>
<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
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<tbody>
<tr>
<td>CstrMat</td>
<td>63 stocks</td>
<td>$248bn</td>
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<td>Gold</td>
<td>66 stocks</td>
<td>$2033bn</td>
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<td>SpecChm</td>
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<td>MtGlsCnt</td>
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<td>DiversChm</td>
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<td>$305bn</td>
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<td>FrstPrd</td>
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<tr>
<td>Copper</td>
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<td>$797bn</td>
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<td>PaperPkg</td>
<td>17 stocks</td>
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<tr>
<td>ComdChm</td>
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<tr>
<td>PapProd</td>
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<td>IndusGas</td>
<td>7 stocks</td>
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<td>DvrsMng</td>
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<td>PrecMet</td>
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<tr>
<td>Alumin</td>
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<tr>
<td>Fert&amp;Ag</td>
<td>29 stocks</td>
<td>$145bn</td>
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<tr>
<td>Steel</td>
<td>61 stocks</td>
<td>$432bn</td>
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*April 12, 2019*
April 12, 2019

Momentum

Strength

Industrials

14 stocks; $404bn
ElcCmpEq

49 stocks; $277bn
Hwy&Rail

14 stocks; $89bn
Ind Mach

4 stocks; $402bn
CntstMch&

132 stocks; $752bn
Sec&Alm

8 stocks; $90bn

Marine

14 stocks; $50bn
MarineSrv

76 stocks; $90bn

Hwy&Rail

14 stocks; $89bn
HREmpl

23 stocks; $125bn
RsrcCslt

27 stocks; $252bn

DvSpSrv

22 stocks; $114bn

EnviroServ

28 stocks; $167bn

TrdgDist

58 stocks; $333bn

AirFrght

26 stocks; $301bn

Airline

34 stocks; $268bn

AirFrght

26 stocks; $301bn

AirprtSrv

21 stocks; $166bn

OfficeServ

3 stocks; $17bn

Trucking

26 stocks; $112bn

CmclPrt

73 stocks; $400bn

IndCongl

49 stocks; $972bn

Cns&Eng

49 stocks; $23bn

Railroads

28 stocks; $589bn

Ag&Farm

17 stocks; $100bn

HvyElcEq

17 stocks; $108bn

HvyElcEq

17 stocks; $108bn
Consumer Discretionary

Momentum

Strength

April 12, 2019

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8 stocks; $333bn

53 stocks; $327bn

20 stocks; $327bn

10 stocks; $327bn

HmImpRtl

AutoParts

LeisPrd

HmFrnsh

Distrib

SpCmSrv

Tire&Rub

CmrElec

8 stocks; $51bn

7 stocks; $24bn

11 stocks; $98bn

17 stocks; $192bn

Educat

AutoMfg

Tire&Rub

CmrElec

14 stocks; $66bn

38 stocks; $989bn

11 stocks; $89bn

11 stocks; $132bn

CmpElRtl

SpCmSrv

ApparlRtl

LeisFcil

9 stocks; $61bn

35 stocks; $303bn

29 stocks; $345bn

22 stocks; $99bn

HhldApl

Htt&Rsrt

InetDmRtl

LeisFcil

16 stocks; $123bn

24 stocks; $251bn

42 stocks; $190bn

19 stocks; $82bn

AutoRtl

Footwear

Htt&Rsrt

LeisFcil

35 stocks; $154bn

14 stocks; $169bn

24 stocks; $251bn

19 stocks; $82bn

HomeBld

Cas&Gam

InetDmRtl

ApparlRtl

35 stocks; $154bn

35 stocks; $303bn

42 stocks; $190bn

29 stocks; $345bn

SpecStors

Rstaurnt

Aprl&Gds

GMrchStrs

DeptStrs

14 stocks; $66bn

24 stocks; $251bn

42 stocks; $190bn

17 stocks; $91bn

16 stocks; $123bn

24 stocks; $251bn

42 stocks; $190bn

17 stocks; $91bn
Consumer Staples

- **PersPrdct**
  - 34 stocks; $527bn

- **FdDistri**
  - 11 stocks; $60bn

- **AgriProd**
  - 26 stocks; $708bn

- **SprCntrs**
  - 14 stocks; $526bn

- **Brewers**
  - 14 stocks; $438bn

- **FdRetail**
  - 35 stocks; $355bn

- **SoftDrnks**
  - 35 stocks; $355bn

- **DrugRetail**
  - 6 stocks; $64bn

- **PkgFdMt**
  - 124 stocks; $1374bn

- **Dist&Vnt**
  - 15 stocks; $514bn

- **HhdlPrdct**
  - 18 stocks; $517bn

- **Tobacco**
  - 17 stocks; $537bn
Information Technology

EMS
19 stocks; $164bn

ElecInstr
48 stocks; $322bn

ComEquip
43 stocks; $475bn

Semi
73 stocks; $1421bn

TechDist
14 stocks; $62bn

ITConsult
48 stocks; $753bn

ElecComp
37 stocks; $266bn

ApplicSwr
96 stocks; $1067bn

SemiEqp
42 stocks; $292bn

InetSrv&In
12 stocks; $105bn

SystmSwr
37 stocks; $1400bn

DataProc
46 stocks; $1776bn

HdwrSt&P
42 stocks; $1513bn
Utilities

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April 12, 2019

Momentum

Strength

Utilities

- WaterUtil: 24 stocks; $96bn
- RenewElec: 24 stocks; $122bn
- IPPTrad: 25 stocks; $145bn
- GasUtil: 35 stocks; $254bn
- MultiUtil: 35 stocks; $565bn
- ElecUtil: 86 stocks; $1230bn

Markets

- Utilities
- WaterUtil
- RenewElec
- IPPTrad
- GasUtil
- MultiUtil
- 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 members positioned (above/below) vs. their trend channels.

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

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

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

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

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

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

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

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

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

**Sell**
- Groups with low strength and high negative momentum (bottom right) - “Out of Favour”
- Groups with moderately negative strength and high negative momentum - “Transitioning to Negative”
- Groups with mediocre strength and high negative momentum - “Losing Favour”
- 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>
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<td>Hold</td>
<td>Market Perform</td>
<td>53.2%</td>
<td>13.1%</td>
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<td>Sell</td>
<td>Underperform</td>
<td>3.7%</td>
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<td>1.6%</td>
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