Group Selection

Priced as of December 14, 2016

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**

- **Hyperlink**
- **% Outperforming US/GBL/CDA**
- **Reward/Risk US/GBL/CDA**
- **Trend Psn US/GBL/CDA**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>58% / 59% / 59%</td>
<td>/ / /</td>
<td>4% / 7% / 11%</td>
</tr>
<tr>
<td>Materials</td>
<td>58% / 59% / 59%</td>
<td>/ / /</td>
<td>-9% / -7% / -2%</td>
</tr>
<tr>
<td>Industrials</td>
<td>55% / 56% / 54%</td>
<td>/ / /</td>
<td>-6% / -4% / 4%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>46% / 47% / 46%</td>
<td>/ / /</td>
<td>-3% / -1% / 5%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>39% / 39% / 33%</td>
<td>/ / /</td>
<td>-16% / -15% / -5%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>47% / 46% / 45%</td>
<td>/ / /</td>
<td>-20% / -18% / -9%</td>
</tr>
<tr>
<td>Financials</td>
<td>61% / 61% / 68%</td>
<td>/ / /</td>
<td>9% / 13% / 10%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>59% / 60% / 59%</td>
<td>/ / /</td>
<td>-12% / -8% / -2%</td>
</tr>
<tr>
<td>Telecom</td>
<td>28% / 28% / 27%</td>
<td>/ / /</td>
<td>-11% / -9% / -2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>30% / 33% / 32%</td>
<td>/ / /</td>
<td>-12% / -12% / -7%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>35% / 34% / 30%</td>
<td>/ / /</td>
<td>-18% / -13% / -8%</td>
</tr>
</tbody>
</table>

*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.
December 14, 2016

Momentum

Strength

Energy

Int O&G
29 stocks; $1637bn

OG RfMkt
45 stocks; $378bn

OG Equip
64 stocks; $343bn

OG E&P
119 stocks; $575bn

OG Drill
78 stocks; $422bn

Coal&Uran
21 stocks; $72bn

OG StTr
92 stocks; $605bn

OG RfMkt
5 stocks; $378bn

OG Equip
34 stocks; $343bn

OG E&P
78 stocks; $422bn

OG Drill
45 stocks; $378bn

Coal&Uran
21 stocks; $72bn

OG StTr
92 stocks; $605bn

OG RfMkt
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21 stocks; $72bn

OG StTr
92 stocks; $605bn
Momentum

December 14, 2016

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Strength

Materials

PapProd
28 stocks;$78bn

FrstPrd
12 stocks;$17bn

SpecChm
54 stocks;$423bn

Fert&Ag
33 stocks;$214bn

PaperPkg
19 stocks;$117bn

Copper
14 stocks;$82bn

ComdChm
49 stocks;$304bn

IndusGas
38 stocks;$157bn

Alumin
12 stocks;$47bn

DvrsMng
47 stocks;$341bn

Steel
59 stocks;$337bn

DiversChm
29 stocks;$315bn

CstrMat
28 stocks;$226bn

PrecMet
23 stocks;$54bn

Gold
62 stocks;$304bn

MtGlsCnt
14 stocks;$54bn

Silver
9 stocks;$27bn

DvrsChm
64 stocks;$423bn

Fert&Ag
33 stocks;$214bn

PaperPkg
19 stocks;$117bn

Copper
14 stocks;$82bn

ComdChm
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PrecMet
23 stocks;$54bn

Gold
62 stocks;$304bn

MtGlsCnt
14 stocks;$54bn

Silver
9 stocks;$27bn
### Consumer Discretionary

#### Strength

- **HomeFurn**: 8 stocks; $52bn
- **ApparlRtl**: 35 stocks; $352bn
- **LeisFcil**: 10 stocks; $47bn
- **AutoMfg**: 36 stocks; $972bn
- **CmpElRtl**: 9 stocks; $37bn
- **Htl&Rsr**: 24 stocks; $193bn
- **Rstaurnt**: 59 stocks; $387bn
- **GMrchStrs**: 14 stocks; $128bn
- **Cabl&Sat**: 24 stocks; $448bn
- **Tire&Rub**: 11 stocks; $32bn
- **MotcyMfg**: 4 stocks; $39bn
- **HmFrnsh**: 11 stocks; $32bn
- **Hsware**: 4 stocks; $26bn
- **LeisPrd**: 21 stocks; $80bn
- **AutoRtl**: 14 stocks; $98bn
- **InetDmRtl**: 31 stocks; $630bn
- **Aprl&Gds**: 43 stocks; $473bn
- **InetDmRtl**: 14 stocks; $128bn

#### Momentum

- **Broadcast**: 32 stocks; $136bn
- **HmImpRtl**: 7 stocks; $243bn
- **SpCmSrv**: 32 stocks; $117bn
- **HomeBld**: 32 stocks; $136bn
- **Publishing**: 17 stocks; $50bn
- **DeptStrs**: 22 stocks; $106bn
- **AutoParts**: 46 stocks; $311bn
- **AutoMfg**: 36 stocks; $972bn
- **CmrElec**: 12 stocks; $112bn
- **Footwear**: 14 stocks; $110bn
- **Cas&Gam**: 37 stocks; $268bn
- **Educate**: 19 stocks; $41bn
- **SpecStors**: 28 stocks; $102bn
- **HhldApI**: 14 stocks; $61bn

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Information Technology

December 14, 2016

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Momentum

Strength

SemiEqp
39 stocks; $180bn

ElecComp
38 stocks; $219bn

ITConsult
51 stocks; $599bn

ComEquip
45 stocks; $227bn

Semi
79 stocks; $943bn

EMS
18 stocks; $123bn

SystmSwr
33 stocks; $780bn

ApplicSwr
43 stocks; $484bn

TechDist
15 stocks; $43bn

HdwrSt&P
26 stocks; $111bn

ElecInstr
41 stocks; $165bn

HmEntSwr
14 stocks; $124bn

InetSftSrv
93 stocks; $137bn

DataProc
48 stocks; $229bn

45 stocks; $327bn

93 stocks; $599bn

48 stocks; $229bn

93 stocks; $137bn

41 stocks; $165bn

14 stocks; $124bn

33 stocks; $780bn

43 stocks; $484bn

38 stocks; $219bn

51 stocks; $599bn

45 stocks; $227bn

79 stocks; $943bn

18 stocks; $123bn

Semi

EMS
Momentum

Strength

Utilities

December 14, 2016

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Utilities

IPPTrad
25 stocks; $94bn

MultiUtil
37 stocks; $400bn

ElecUtil
89 stocks; $1002bn

GasUtil
35 stocks; $186bn

RenewElec
23 stocks; $47bn

WaterUtil
23 stocks; $78bn
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 are 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).
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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<th>Rating Category</th>
<th>BMO Rating</th>
<th>BMOCM US Universe*</th>
<th>BMOCM US IB Clients**</th>
<th>BMOCM US IB Clients***</th>
<th>BMOCM Universe****</th>
<th>BMOCM IB Clients*****</th>
<th>Starmine Universe</th>
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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>42.2%</td>
<td>18.6%</td>
<td>54.7%</td>
<td>44.3%</td>
<td>56.9%</td>
<td>56.3%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>54.3%</td>
<td>11.3%</td>
<td>42.7%</td>
<td>51.8%</td>
<td>40.9%</td>
<td>38.7%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.5%</td>
<td>11.1%</td>
<td>2.7%</td>
<td>3.9%</td>
<td>2.2%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

* 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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(S) = Speculative investment;
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