Group Selection

Priced as of August 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
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## Sector Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>15% / 18% / 19%</td>
<td>/ / -21% / -21% / -32%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>32% / 34% / 34%</td>
<td>/ / -3% / -2% / -7%</td>
<td></td>
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<tr>
<td>Industrials</td>
<td>35% / 40% / 41%</td>
<td>/ / -9% / -7% / -15%</td>
<td></td>
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<tr>
<td>CMR Disc</td>
<td>32% / 37% / 36%</td>
<td>/ / -5% / -4% / -9%</td>
<td></td>
</tr>
<tr>
<td>CMR Stap</td>
<td>38% / 42% / 40%</td>
<td>/ / 9% / 10% / 3%</td>
<td></td>
</tr>
<tr>
<td>Hlth Care</td>
<td>35% / 39% / 38%</td>
<td>/ / 3% / 7% / 1%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>32% / 38% / 37%</td>
<td>/ / -4% / -3% / -13%</td>
<td></td>
</tr>
<tr>
<td>Info Tech</td>
<td>48% / 52% / 51%</td>
<td>/ / -4% / -3% / -11%</td>
<td></td>
</tr>
<tr>
<td>Comm Srv</td>
<td>35% / 39% / 37%</td>
<td>/ / -5% / -3% / -10%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>45% / 52% / 53%</td>
<td>/ / 14% / 15% / 5%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>41% / 50% / 46%</td>
<td>/ / 15% / 15% / 5%</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.
August 12, 2019

Momentum

Strength

Energy

Int O&G
32 stocks; $1658bn

OG E&P
93 stocks; $607bn

Coal&Uran
21 stocks; $70bn

OG Drill
10 stocks; $75bn

OG Equip
53 stocks; $170bn

OG RfMkt
35 stocks; $428bn

OG StTr
63 stocks; $568bn
Momentum
Strength

Health Care

Pharma
133 stocks; $2635bn

Biotech
126 stocks; $947bn

HCFacility
33 stocks; $174bn

HCEquip
76 stocks; $1278bn

MngHCare
10 stocks; $401bn

LfSciSrv
32 stocks; $402bn

HCService
24 stocks; $279bn

HCareTec
17 stocks; $91bn

HCSuppls
25 stocks; $156bn

HCDistrib
17 stocks; $107bn

HCEquip
76 stocks; $1278bn

MngHCare
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HCDistrib
17 stocks; $107bn
Momentum

Strength

Financials

August 12, 2019

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Multi-LnIns
29 stocks; $497bn

Reinsuran
9 stocks; $136bn

SpecialFin
9 stocks; $23bn

MortgREIT
22 stocks; $57bn

Thrift&Mtg
42 stocks; $196bn

P&C Insur
54 stocks; $556bn

FnlExchDt
22 stocks; $462bn

ConsmrFin
39 stocks; $305bn

MortgREIT
22 stocks; $57bn

Thrift&Mtg
42 stocks; $196bn

P&C Insur
54 stocks; $556bn

FnlExchDt
22 stocks; $462bn

ConsmrFin
39 stocks; $305bn

InsurBrkrs
7 stocks; $150bn

OthrDivFS
7 stocks; $69bn

MitSecHld
20 stocks; $327bn

OthrDivFS
7 stocks; $69bn

MitSecHld
20 stocks; $327bn

AsstMgmt
80 stocks; $534bn

RegionBnk
146 stocks; $627bn

InvBnkBrk
41 stocks; $367bn

RegionBnk
146 stocks; $627bn

InvBnkBrk
41 stocks; $367bn

LifeHthIns
46 stocks; $797bn

DivCpMkt
2 stocks; $139bn

DiversBnk
168 stocks; $483bn
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 they 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”
- 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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<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 covered by BMO Capital Markets Corp. equity research analysts.
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Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
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