Group Selection
Priced as of August 8, 2014

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*

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
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<tr>
<td>Energy</td>
<td>59% / 64% / 50%</td>
<td>/ / -15% / -7% / -12%</td>
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<tr>
<td>Materials</td>
<td>39% / 45% / 32%</td>
<td>/ / 2% / 9% / 6%</td>
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<td>Industrials</td>
<td>37% / 42% / 29%</td>
<td>/ / -8% / 1% / -2%</td>
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<tr>
<td>CMR Disc</td>
<td>32% / 35% / 24%</td>
<td>/ / 1% / 10% / 8%</td>
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<tr>
<td>CMR Stap</td>
<td>47% / 55% / 36%</td>
<td>/ / -5% / 4% / 2%</td>
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<tr>
<td>Hlth Care</td>
<td>36% / 42% / 27%</td>
<td>/ / 2% / 6% / 7%</td>
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<td>Financials</td>
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<tr>
<td>Info Tech</td>
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<td>/ / 0% / 7% / 6%</td>
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</tr>
<tr>
<td>Telecom</td>
<td>46% / 57% / 34%</td>
<td>/ / -4% / 5% / 0%</td>
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</tr>
<tr>
<td>Utilities</td>
<td>54% / 63% / 40%</td>
<td>/ / -12% / -3% / -4%</td>
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</table>

*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; GBL = S&P Global 1200; CDA = S&P/TSX Composite)
(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent the median relative strength performance of the sector membership ( ), and
(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.
# Resources

**Momentum**

- MtGlsCnt: 36 stocks; $49bn
- Coal&Uran: 31 stocks; $107bn
- Gold: 36 stocks; $186bn
- PrecMet: 25 stocks; $74bn
- ComdChm: 34 stocks; $348bn
- Fert&Ag: 36 stocks; $255bn
- PrecMet: 25 stocks; $74bn
- Alumin: 12 stocks; $62bn
- DvrsMng: 22 stocks; $65bn
- Silver: 3 stocks; $19bn
- IndusGas: 10 stocks; $162bn
- OG STTr: 17 stocks; $72bn
- OG RfMkt: 47 stocks; $360bn
- OG E&P: 216 stocks; $1285bn

**Strength**

- Fert&Ag: 36 stocks; $255bn
- Gold: 36 stocks; $186bn
- PrecMet: 25 stocks; $74bn
- ComdChm: 34 stocks; $348bn
- MtGlsCnt: 36 stocks; $49bn
-Coal&Uran: 31 stocks; $107bn
- Gold: 36 stocks; $186bn
- PrecMet: 25 stocks; $74bn
- Alumin: 12 stocks; $62bn
- DvrsMng: 22 stocks; $65bn
- Silver: 3 stocks; $19bn
- IndusGas: 10 stocks; $162bn
- OG STTr: 17 stocks; $72bn
- OG RfMkt: 47 stocks; $360bn
- OG E&P: 216 stocks; $1285bn

**Mark Steele**

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**August 8, 2014**
Coal & Uran 31 stocks; $107bn
OG Drill 33 stocks; $123bn

OG RfMkt 47 stocks; $360bn
OG E&P 216 stocks; $1285bn

OG Equip 86 stocks; $515bn
Int O&G 34 stocks; $222bn

OG StTr 87 stocks; $727bn
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<tr>
<th>Sector</th>
<th>Momentum</th>
<th>Strength</th>
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<tr>
<td>MtGlsCnt</td>
<td>16 stocks; $40bn</td>
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<tr>
<td>Fert&amp;Ag</td>
<td>36 stocks; $255bn</td>
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<tr>
<td>Gold</td>
<td>90 stocks; $166bn</td>
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<tr>
<td>PrecMet</td>
<td>25 stocks; $74bn</td>
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<tr>
<td>ComdChm</td>
<td>34 stocks; $348bn</td>
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<tr>
<td>FrstPrd</td>
<td>12 stocks; $78bn</td>
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</tr>
<tr>
<td>Alumin</td>
<td>12 stocks; $62bn</td>
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<td>Silver</td>
<td>13 stocks; $19bn</td>
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<tr>
<td>IndusGas</td>
<td>10 stocks; $162bn</td>
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<tr>
<td>DvrsMng</td>
<td>33 stocks; $622bn</td>
<td></td>
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<tr>
<td>Steel</td>
<td>79 stocks; $402bn</td>
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<tr>
<td>PapProd</td>
<td>28 stocks; $88bn</td>
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<tr>
<td>PaperPkg</td>
<td>17 stocks; $77bn</td>
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<tr>
<td>CstrMat</td>
<td>30 stocks; $202bn</td>
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<tr>
<td>SpecChm</td>
<td>67 stocks; $388bn</td>
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<tr>
<td>DiversChm</td>
<td>18 stocks; $293bn</td>
<td></td>
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</tbody>
</table>
August 8, 2014

Industrials

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Momentum

Strength

OfficeServ
12 stocks; $22bn

CmclPrt
14 stocks; $24bn

CnstMch&Tr
46 stocks; $289bn

EnviroServ
28 stocks; $90bn

AirFrgt
21 stocks; $221bn

IndCongl
36 stocks; $911bn

RsrcCslt
28 stocks; $127bn

Trucking
32 stocks; $91bn

MarineServ
14 stocks; $62bn

Airline
35 stocks; $217bn

Railroads
22 stocks; $400bn

Hwy&Rail
5 stocks; $82bn

Sec&Alm
8 stocks; $56bn

AirprtSrv
13 stocks; $64bn

HwyElcEq
24 stocks; $136bn

TrdgDist
51 stocks; $299bn

ElcCmpEq
40 stocks; $263bn

Aero&Def
58 stocks; $749bn

BldPrdcts
36 stocks; $151bn

Airline
35 stocks; $217bn

TrdgDist
51 stocks; $299bn

DvSpSrv
24 stocks; $78bn

Ag&Farm
12 stocks; $74bn

Marine
28 stocks; $93bn

Sec&Alm
8 stocks; $56bn

AirprtSrv
13 stocks; $64bn

HwyElcEq
24 stocks; $136bn

Cns&Eng
76 stocks; $290bn

HREmpl
22 stocks; $72bn

HvyElcEq
24 stocks; $136bn

Cns&Eng
76 stocks; $290bn

HREmpl
22 stocks; $72bn
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<th>Stocks</th>
<th>Market Cap</th>
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<tr>
<td>AutoRetail</td>
<td>19</td>
<td>$86bn</td>
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<tr>
<td>DeptStores</td>
<td>23</td>
<td>$146bn</td>
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<td>MovEnt</td>
<td>13</td>
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<td>HomeFurn</td>
<td>26</td>
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<td>HomeImprovement</td>
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<td>CableSatellite</td>
<td>27</td>
<td>$433bn</td>
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<td>AutoMfg</td>
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<td>Textiles</td>
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<td>Broadcast</td>
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<td>Restaurant</td>
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<td>HouseholdAppl</td>
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<tr>
<td>Hospitality</td>
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<td>$63bn</td>
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<td>HlderApt</td>
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<td>$59bn</td>
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<tr>
<td>HomeAppl</td>
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<td>$59bn</td>
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<tr>
<td>Hospitality</td>
<td>53</td>
<td>$345bn</td>
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<td>LeisureFacility</td>
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<td>$40bn</td>
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<tr>
<td>HotelRestaurant</td>
<td>30</td>
<td>$181bn</td>
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<tr>
<td>Casual&amp;Games</td>
<td>42</td>
<td>$348bn</td>
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Information Technology

August 8, 2014

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SemiEqp → 42 stocks; $156bn

EMS → 24 stocks; $112bn

ApplicSwr ← 79 stocks; $392bn

ElecInstr ← 44 stocks; $158bn

EMS ← 24 stocks; $112bn

Semi ← 113 stocks; $924bn

ElecComp ← 42 stocks; $228bn

HdwrSt&P ↓ 49 stocks; $992bn

SystmSwr ↑ 47 stocks; $662bn

TechDist ↓ 16 stocks; $40bn

DataProc ↑ 49 stocks; $459bn

InetSftSrv ↓ 110 stocks; $915bn

ITConsult ↑ 49 stocks; $559bn

EMS → 24 stocks; $112bn

SystmSwr ↑ 47 stocks; $662bn

HdwrSt&P ↓ 49 stocks; $992bn

ApplicSwr ← 79 stocks; $392bn

ElecInstr ← 44 stocks; $158bn

TechDist ↓ 16 stocks; $40bn

ITConsult ↑ 49 stocks; $559bn
August 8, 2014

Utilities

Momentum

Strength

IPPTrad
24 stocks; $120bn

GasUtil
46 stocks; $215bn

WaterUtil
20 stocks; $64bn

RenewElec
21 stocks; $52bn

ElecUtil
86 stocks; $920bn

MultiUtil
59 stocks; $479bn

Utilities

IPPTrad
24 stocks; $120bn

GasUtil
46 stocks; $215bn

WaterUtil
20 stocks; $64bn

RenewElec
21 stocks; $52bn

ElecUtil
86 stocks; $920bn

MultiUtil
59 stocks; $479bn
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 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.
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”
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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For Important Disclosures on the stocks discussed in this report, please go to http://researchglobal.bmocapitalmarkets.com/Public/Company_Disclosure_Public.aspx

Distribution of Ratings (March 31, 2014)

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<th>BMO Rating</th>
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<th>BMOCM US IB Clients**</th>
<th>BMOCM US IB Clients***</th>
<th>BMOCM Universe****</th>
<th>BMOCM Clients*****</th>
<th>Stamina Universe</th>
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<td>Buy</td>
<td>Outperform</td>
<td>42.0%</td>
<td>21.5%</td>
<td>60.7%</td>
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<td>Market Perform</td>
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<td>10.8%</td>
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<td>Sell</td>
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<td>5.2%</td>
<td>3.2%</td>
<td>1.1%</td>
<td>6.3%</td>
<td>2.7%</td>
<td>5.6%</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.
**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.

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We use the following ratings system definitions:
OP = Outperform - Forecast to outperform the analyst’s coverage universe on a total return basis;
Mkt = Market Perform - Forecast to perform roughly in line with the analyst’s coverage universe on a total return basis;
Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
(S) = Speculative investment;
NR = No rating at this time; and
R = Restricted – Dissemination of research is currently restricted.
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