Group Selection
Priced as of November 12, 2018

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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*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
Strength Changes Last Session

Momentum

Strength

Energy

Momentum

Strength

OG Drill
14 stocks; $29bn

OG E&P
112 stocks; $789bn

Coal & Uran
21 stocks; $76bn

OG St Tr
20 stocks; $508bn

OG Equip
69 stocks; $228bn

Int O&G
31 stocks; $181bn

OG RfMkt
41 stocks; $479bn

November 12, 2018

Mark Steele (416) 359-4641
November 12, 2018

**Consumer Staples**

- **Momentum**
  - SoftDrinks: 19 stocks, $550bn
  - SprCntrs: 13 stocks, $555bn
  - Brewers: 14 stocks, $395bn
- **Strength**
  - Dist&Vnt: 12 stocks, $322bn
  - FdRetail: 25 stocks, $357bn
  - DrugRetail: 6 stocks, $96bn
  - Tobacco: 13 stocks, $522bn
  - HhldPrdct: 17 stocks, $556bn
  - PkgFdMt: 122 stocks, $1165bn
  - FdDistri: 11 stocks, $58bn
  - PersPrdct: 33 stocks, $460bn
  - AgriProd: 25 stocks, $106bn
Momentum Strength

Utilities

WaterUtil 22 stocks; $62bn

RenewElec 29 stocks; $53bn

MultiUtil 39 stocks; $445bn

IPPTrad 23 stocks; $114bn

ElecUtil 68 stocks; $1156bn

GasUtil 39 stocks; $224bn

22 stocks; $82bn

20 stocks; $53bn

35 stocks; $445bn

23 stocks; $114bn

88 stocks; $1156bn

35 stocks; $234bn
November 12, 2018

Momentum

Strength

DiversREIT
36 stocks; $147bn

OfficeREIT
34 stocks; $161bn

SpecREIT
32 stocks; $142bn

IndusREIT
23 stocks; $122bn

HCareREIT
17 stocks; $103bn

RetailREIT
50 stocks; $289bn

ResidREIT
27 stocks; $168bn

REstOpCo
38 stocks; $237bn

ResidREIT
27 stocks; $168bn

HotelREIT
10 stocks; $54bn

IndusREIT
23 stocks; $122bn

REstDev
34 stocks; $270bn

IndusREIT
23 stocks; $122bn

REstSrv
12 stocks; $35bn

IndusREIT
23 stocks; $122bn

REstDev
34 stocks; $270bn

DiversREIT
36 stocks; $147bn

OfficeREIT
34 stocks; $161bn

SpecREIT
32 stocks; $142bn

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23 stocks; $122bn

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17 stocks; $103bn

RetailREIT
50 stocks; $289bn

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27 stocks; $168bn

REstOpCo
38 stocks; $237bn

ResidREIT
27 stocks; $168bn

HotelREIT
10 stocks; $54bn
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 groups 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.
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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<td>Buy</td>
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<td>22.8%</td>
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<td>Market Perform</td>
<td>53.2%</td>
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<td>Sell</td>
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<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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