Group Selection
Priced as of October 25, 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**

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>% Outperforming</th>
<th>Reward/Risk</th>
<th>Trend Psn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>17% / 20% / 17%</td>
<td>/</td>
<td>6% / 5% / 12%</td>
</tr>
<tr>
<td>Materials</td>
<td>34% / 37% / 34%</td>
<td>/</td>
<td>11% / 8% / 15%</td>
</tr>
<tr>
<td>Industrials</td>
<td>38% / 43% / 40%</td>
<td>/</td>
<td>16% / 12% / 22%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>35% / 39% / 37%</td>
<td>/</td>
<td>15% / 12% / 19%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>42% / 45% / 41%</td>
<td>/</td>
<td>-6% / -10% / 0%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>34% / 38% / 36%</td>
<td>/</td>
<td>-1% / -2% / 3%</td>
</tr>
<tr>
<td>Financials</td>
<td>35% / 41% / 36%</td>
<td>/</td>
<td>8% / 5% / 14%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>47% / 52% / 49%</td>
<td>/</td>
<td>5% / 0% / 9%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>34% / 40% / 36%</td>
<td>/</td>
<td>0% / -3% / 4%</td>
</tr>
<tr>
<td>Utilities</td>
<td>53% / 59% / 55%</td>
<td>/</td>
<td>-5% / -8% / 1%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>52% / 58% / 55%</td>
<td>/</td>
<td>4% / 2% / 10%</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.
Resources

Momentum

Strength

FrstPrd
10 stocks; $23bn

Gold
72 stocks; $280bn

Silver
9 stocks; $23bn

PaperPkg
19 stocks; $167bn

CstrMat
33 stocks; $249bn

Int O&G
31 stocks; $172bn

OG RfMkt
36 stocks; $502bn

OG StTr
62 stocks; $569bn

OG Equip
31 stocks; $170bn

OG Drill
40 stocks; $150bn

OG E&P
30 stocks; $604bn

Coal&Uran
62 stocks; $690bn

OG E&P
30 stocks; $604bn

DvrsMng
47 stocks; $356bn

MtGlsCnt
15 stocks; $71bn

DiversChm
20 stocks; $184bn

OG E&P
30 stocks; $604bn

PrecMet
13 stocks; $52bn

IndusGas
7 stocks; $229bn

SpecChm
71 stocks; $658bn

ComdChm
49 stocks; $390bn

Steel
60 stocks; $353bn

DvrsMng
47 stocks; $356bn

PrecMet
13 stocks; $52bn

IndusGas
7 stocks; $229bn

SpecChm
71 stocks; $658bn

ComdChm
49 stocks; $390bn

Fert&Ag
27 stocks; $129bn

Alumin
10 stocks; $30bn

Copper
14 stocks; $70bn

CstrMat
33 stocks; $249bn

Copper
14 stocks; $70bn

Gold
72 stocks; $280bn

OG StTr
62 stocks; $569bn

OG E&P
30 stocks; $604bn

PrecMet
13 stocks; $52bn

IndusGas
7 stocks; $229bn

SpecChm
71 stocks; $658bn

ComdChm
49 stocks; $390bn

Fert&Ag
27 stocks; $129bn

October 25, 2019

Mark Steele (416) 359-4641

Resources
Momentum

Strength

October 25, 2019

Mark Steele (416) 359-4641

FrstPrd
10 stocks; $23bn

Gold
72 stocks; $280bn

Silver
4 stocks; $23bn

PaperPkg
19 stocks; $192bn

CstrMat
33 stocks; $249bn

Copper
74 stocks; $370bn

Alumin
10 stocks; $30bn

PaperPkg
19 stocks; $192bn

CstrMat
33 stocks; $249bn

DiversChm
20 stocks; $184bn

PrecMet
13 stocks; $52bn

IndusGas
7 stocks; $229bn

SpecChm
77 stocks; $658bn

DvrsMng
47 stocks; $356bn

PrecMet
13 stocks; $52bn

IndusGas
7 stocks; $229bn

SpecChm
77 stocks; $658bn

ComdChm
29 stocks; $389bn

DvrsMng
47 stocks; $356bn

Fert&Ag
27 stocks; $129bn

DiversChm
20 stocks; $184bn

PapProd
32 stocks; $95bn

MtGlsCnt
15 stocks; $71bn

Steel
60 stocks; $353bn

Fert&Ag
27 stocks; $129bn

DvrsMng
47 stocks; $356bn

DiversChm
20 stocks; $184bn

PapProd
32 stocks; $95bn

MtGlsCnt
15 stocks; $71bn

Steel
60 stocks; $353bn

Fert&Ag
27 stocks; $129bn
Consumer Staples

- **HhldPrdct**
  - 19 stocks; $672bn

- **Tobacco**
  - 13 stocks; $456bn

- **FdRetail**
  - 33 stocks; $366bn

- **FdDistri**
  - 11 stocks; $65bn

- **AgriProd**
  - 28 stocks; $115bn

- **DrugRetail**
  - 7 stocks; $74bn

- **PersPrdct**
  - 37 stocks; $517bn

- **Brewers**
  - 14 stocks; $427bn

- **PkgFdMt**
  - 132 stocks; $1438bn

- **Dist&Vnt**
  - 20 stocks; $594bn

- **SprCntrs**
  - 16 stocks; $612bn

- **SoftDrnks**
  - 19 stocks; $593bn
Momentum

Telecommunication Services

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IntMeSer
49 stocks; $1481bn

Advert
17 stocks; $172bn

Publishing
14 stocks; $310bn

IntgTelSrv
54 stocks; $1360bn

Mov&Ent
27 stocks; $498bn

Broadcast
26 stocks; $89bn

IntHmEnt
23 stocks; $251bn

AltCar
43 stocks; $925bn

Cabl&Sat
23 stocks; $446bn

WlsTelSrv
43 stocks; $925bn

ã á

45 stocks; $1481bn

17 stocks; $172bn

14 stocks; $310bn

54 stocks; $1360bn

27 stocks; $498bn

26 stocks; $89bn

23 stocks; $251bn

43 stocks; $925bn

23 stocks; $446bn
HCareREIT
17 stocks; $130bn

SpecREIT
31 stocks; $429bn

REstDvAct
34 stocks; $324bn

DiversREIT
55 stocks; $176bn

RetailREIT
52 stocks; $295bn

HotelREIT
18 stocks; $51bn

ResidREIT
28 stocks; $225bn

OfficeREIT
34 stocks; $201bn

REstOpCo
17 stocks; $247bn

IndusREIT
25 stocks; $171bn

REstDevl
39 stocks; $353bn

REstSrv
12 stocks; $43bn
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 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”
- 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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<tr>
<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>
<td>52.8%</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.
** 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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(January 2010 - April 2013)

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