Group Selection

Priced as of September 3, 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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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.
Momentum

PrecMet
13 stocks; $47bn

Silver
9 stocks; $25bn

IndusGas
7 stocks; $224bn

Gold
73 stocks; $302bn

Strength

FrstPrd
10 stocks; $206bn

OG StTr
62 stocks; $566bn

SpecChm
70 stocks; $668bn

DvrsMng
47 stocks; $334bn

OG RfMkt
35 stocks; $427bn

MtGlsCnt
14 stocks; $72bn

OG RfMkt
35 stocks; $427bn

ComdChm
47 stocks; $335bn

DiversChm
20 stocks; $161bn

Coal&Uran
21 stocks; $67bn

PaperPkg
16 stocks; $86bn

Int O&G
31 stocks; $181bn

OG E&P
80 stocks; $980bn

OG Drill
10 stocks; $14bn

Alumin
10 stocks; $27bn

Copper
14 stocks; $69bn

Steel
60 stocks; $335bn

OG Equip
51 stocks; $150bn

Fert&Ag
27 stocks; $123bn

BMO Capital Markets
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Momentum

Strength

September 3, 2019

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Consumer Staples

DrugRetail
7 stocks; $67bn

HhdlPrdct
18 stocks; $667bn

SprCntrs
16 stocks; $591bn

Dist&Vnt
20 stocks; $611bn

PersPrdct
36 stocks; $521bn

Brewers
14 stocks; $456bn

PkgFdMt
123 stocks; $1442bn

SoftDrnks
19 stocks; $602bn

FdRetail
23 stocks; $352bn

FdDistri
11 stocks; $53bn

AgriProd
28 stocks; $111bn

Tobacco
13 stocks; $437bn
September 3, 2019

Telecommunication Services

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Cabl&Sat
23 stocks; $418bn

AltCar
9 stocks; $38bn

IntgTelSrv
54 stocks; $1314bn

WisTelSrv
43 stocks; $1919bn

IntHmEnt
23 stocks; $254bn

Advert
17 stocks; $111bn

IntMeSer
42 stocks; $1461bn

Mov&Ent
27 stocks; $516bn

Broadcast
25 stocks; $77bn

Publishing
13 stocks; $38bn
Momentum
Strength

Utilities

September 3, 2019
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WaterUtil
24 stocks; $102bn

GasUtil
36 stocks; $273bn

MultiUtil
34 stocks; $528bn

RenewElec
25 stocks; $142bn

ElecUtil
83 stocks; $1296bn

IPPTrad
25 stocks; $127bn
September 3, 2019

Real Estate

Momentum

Strength

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RetailREIT
52 stocks; $274bn

OfficeREIT
33 stocks; $189bn

SpecREIT
31 stocks; $44bn

HotelREIT
19 stocks; $50bn

HCareREIT
17 stocks; $131bn

REstOpCo
37 stocks; $237bn

ResidREIT
26 stocks; $213bn

REstDvAct
34 stocks; $307bn

IndusREIT
25 stocks; $161bn

REstSrv
12 stocks; $41bn

DiversREIT
23 stocks; $163bn

REstDevl
29 stocks; $335bn

29 stocks; $213bn

34 stocks; $307bn

37 stocks; $237bn

33 stocks; $189bn

52 stocks; $274bn

31 stocks; $44bn
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.
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”
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>43.2%</td>
<td>22.8%</td>
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<td>Hold</td>
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<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>
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