Group Selection

Priced as of June 29, 2017

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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<tr>
<td>Energy</td>
<td>18%</td>
<td>16%</td>
<td>32%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6%</td>
<td>4%</td>
<td>-3%</td>
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<tr>
<td>Materials</td>
<td>46%</td>
<td>42%</td>
<td>60%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5%</td>
<td>4%</td>
<td>-8%</td>
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<tr>
<td>Industrials</td>
<td>55%</td>
<td>49%</td>
<td>72%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7%</td>
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<td>-14%</td>
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<tr>
<td>CMR Disc</td>
<td>52%</td>
<td>47%</td>
<td>66%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4%</td>
<td>1%</td>
<td>-13%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>55%</td>
<td>50%</td>
<td>72%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-3%</td>
<td>-4%</td>
<td>-20%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>57%</td>
<td>53%</td>
<td>72%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14%</td>
<td>11%</td>
<td>-3%</td>
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<td>Financials</td>
<td>44%</td>
<td>38%</td>
<td>69%</td>
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<td>-</td>
<td>21%</td>
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<td>-4%</td>
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<td>Info Tech</td>
<td>63%</td>
<td>60%</td>
<td>77%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-1%</td>
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<tr>
<td>Telecom</td>
<td>49%</td>
<td>47%</td>
<td>75%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>0%</td>
<td>-21%</td>
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<tr>
<td>Utilities</td>
<td>62%</td>
<td>53%</td>
<td>80%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2%</td>
<td>3%</td>
<td>-25%</td>
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<tr>
<td>Real Estate</td>
<td>48%</td>
<td>44%</td>
<td>72%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7%</td>
<td>4%</td>
<td>-13%</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 (forward 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.
June 29, 2017

Momentum

Strength

Energy

OG RfMkt
45 stocks; $423bn

OG StTr
90 stocks; $656bn

Coal & Uran
22 stocks; $70bn

OG E&P
145 stocks; $710bn

OG Drill
16 stocks; $27bn

OG Equip
57 stocks; $277bn

Int O&G
29 stocks; $153bn

BMO Capital Markets
Mark Steele (416) 359-4641
### Consumer Staples

**Momentum**

**Strength**

1. **SoftDrinks** (17 stocks; $356bn)
2. **AgriProd** (25 stocks; $105bn)
3. **Dist&Vnt** (12 stocks; $288bn)
4. **SprCntrs** (15 stocks; $451bn)
5. **FdRetail** (37 stocks; $356bn)
6. **DrugRetail** (8 stocks; $189bn)
7. **Brewers** (13 stocks; $480bn)
8. **PersPrdct** (29 stocks; $433bn)
9. **HhldPrdct** (17 stocks; $553bn)
10. **PersPrdct** (29 stocks; $433bn)
11. **Tobacco** (14 stocks; $792bn)
12. **PkgFdMt** (120 stocks; $1,228bn)

**Market Overview**

- **Consumer Staples**
  - 37 stocks
  - $356bn

- **AgriProd**
  - 25 stocks
  - $105bn

- **Dist&Vnt**
  - 12 stocks
  - $288bn

- **SprCntrs**
  - 15 stocks
  - $451bn

- **DrugRetail**
  - 8 stocks
  - $189bn

- **Brewers**
  - 13 stocks
  - $480bn

- **PersPrdct**
  - 29 stocks
  - $433bn

- **HhldPrdct**
  - 17 stocks
  - $553bn

- **Tobacco**
  - 14 stocks
  - $792bn

- **PkgFdMt**
  - 120 stocks
  - $1,228bn
Momentum

Strength

June 29, 2017

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Financials

MltSecHld
25 stocks; $379bn

DivCpMkt
9 stocks; $186bn

DiversBnk
159 stocks; $5116bn

Multi-LnIns
30 stocks; $579bn

ConsmrFin
30 stocks; $254bn

FnIExchDt
22 stocks; $346bn

P&C Insur
20 stocks; $502bn

LifeHthIns
47 stocks; $645bn

AsstMgmt
82 stocks; $546bn

RegionBnk
141 stocks; $635bn

InvBnkBrk
35 stocks; $377bn

OthrDivFS
8 stocks; $85bn

P&C Insur
20 stocks; $502bn

LifeHthIns
47 stocks; $645bn

AsstMgmt
82 stocks; $546bn

SpecialFin
10 stocks; $23bn

Reinsuran
12 stocks; $129bn

Thrft&Mtg
46 stocks; $135bn

InsurBrkers
7 stocks; $115bn

MortgREIT
25 stocks; $525bn

FinExchDt
22 stocks; $346bn

P&C Insur
20 stocks; $502bn

LifeHthIns
47 stocks; $645bn

AsstMgmt
82 stocks; $546bn

SpecialFin
10 stocks; $23bn

Reinsuran
12 stocks; $129bn

Thrft&Mtg
46 stocks; $135bn

InsurBrkers
7 stocks; $115bn

MortgREIT
25 stocks; $525bn
Momentum

Strength

June 29, 2017

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Utilities

GasUtil
23 stocks; $202bn

RenewElec
23 stocks; $55bn

ElecUtil
90 stocks; $112bn

IPPTrad
25 stocks; $102bn

WaterUtil
24 stocks; $84bn

MultiUtil
37 stocks; $464bn

Utilities

Utilities
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>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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<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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<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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