Group Selection

Priced as of April 8, 2010

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

Mark Steele
(416) 359-4641
mark.steele@bmo.com

Tiberiu Stoichita
(416) 359-4684
tiberiu.stoichita@bmo.com
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**Sector View**

**Sector Relative Strength Profiles**

<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>66% / 55%</td>
<td>★ / ★</td>
<td>6% / 0%</td>
</tr>
<tr>
<td>Materials</td>
<td>64% / 55%</td>
<td>★ / ★</td>
<td>9% / 5%</td>
</tr>
<tr>
<td>Industrials</td>
<td>60% / 47%</td>
<td>★ / ★&lt;sup&gt;•&lt;/sup&gt;</td>
<td>9% / 3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>67% / 54%</td>
<td>★ / ★</td>
<td>11% / 6%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>64% / 49%</td>
<td>★ / ★&lt;sup&gt;•&lt;/sup&gt;</td>
<td>-2% / -6%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>65% / 51%</td>
<td>★ / ★</td>
<td>-3% / -6%</td>
</tr>
<tr>
<td>Financials</td>
<td>58% / 45%</td>
<td>★ / ★&lt;sup&gt;•&lt;/sup&gt;</td>
<td>8% / 4%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>65% / 51%</td>
<td>★ / ★</td>
<td>3% / 0%</td>
</tr>
<tr>
<td>Telecom</td>
<td>46% / 33%</td>
<td>★ / ★&lt;sup&gt;•&lt;/sup&gt;</td>
<td>0% / -8%</td>
</tr>
<tr>
<td>Utilities</td>
<td>55% / 33%</td>
<td>★ / ★&lt;sup&gt;•&lt;/sup&gt;</td>
<td>-3% / -8%</td>
</tr>
</tbody>
</table>

*Three terms define the relative performance Z-Score rating versus the markets (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 (star/bomb ranking), 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.
Momentum Strength

April 8, 2010

Mark Steele (416) 359-4641

Energy

OG Equip 🔺
70 stocks; $345bn

OG E&P ➔
208 stocks; $899bn

Coal & Uran 🔺
51 stocks; $142bn

Int O&G ➔
39 stocks; $2160bn

OG RfMkt ➔
47 stocks; $200bn

OG StTr 🔺
55 stocks; $232bn

OG Drill ➔
30 stocks; $107bn

OG E&P

OG RfMkt

OG StTr

OG Drill

OG Equip

Coal & Uran

Int O&G

OG RfMkt

OG StTr

OG Drill

OG Equip

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OG RfMkt

OG StTr

OG Drill
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Information Technology

Momentum

Strength

TechDist 15 stocks; $26bn
ElecComp 31 stocks; $185bn

OffElectr 10 stocks; $104bn

InetSftSrv 26 stocks; $107bn
ApplicSwr 79 stocks; $213bn
CompHdwr 21 stocks; $637bn

Semi 90 stocks; $590bn

SemiEqp 36 stocks; $101bn

ElecInstr 29 stocks; $83bn
EMS 25 stocks; $92bn

HmEntSwr 18 stocks; $87bn
SystmSwr 34 stocks; $475bn

DataProc 27 stocks; $208bn

ITConsult 38 stocks; $217bn

PCStor&P 26 stocks; $107bn

INetSftSrv 53 stocks; $356bn

31 stocks; $185bn

26 stocks; $107bn

10 stocks; $104bn

29 stocks; $83bn

25 stocks; $92bn

18 stocks; $87bn

10 stocks; $104bn
### Telecommunication Services

**AltCar**
- 16 stocks
- $29bn

**IntegTelSr**
- 58 stocks
- $107bn

**WlsTelSrv**
- 45 stocks
- $80bn

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**Momentum**

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**Strength**

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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 4,000 securities.
- Groups have:
  ...Minimum of 9 constituents
  ...Median depth of 17
  ...Average depth of 26

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”
- 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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