Group Selection

Priced as of July 20, 2011

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 View

Strength

Momentum

2011-07-20

Energy

Materials

CMR Stap

Utilities

CMR Disc

Health Care

Financials

Info Tech

Industrials

Telecom

Utilities

CMR Disc

Hydro

Reward/Risk

Trend Psn

US/GBL/CDA

US/GBL/CDA

US/GBL/CDA

Energy

48% / 54% / 48% ★ / ★ / ★ 6% / 8% / 4%

Materials

41% / 45% / 41% ★ / ★ / ★ 5% / 7% / 2%

Industrials

47% / 54% / 49% ★ / ★ / ★ -7% / -5% / -11%

CMR Disc

49% / 53% / 48% ★ / ★ / ★ 0% / 2% / -4%

CMR Stap

63% / 67% / 55% ★ / ★ / ★ 0% / 3% / -3%

Health Care

62% / 67% / 61% ★ / ★ / ★ -9% / -7% / -13%

Financials

41% / 47% / 41% ★ / ★ / ★ -3% / 0% / -8%

Info Tech

46% / 49% / 45% ★ / ★ / ★ -9% / -7% / -14%

Telecom

56% / 60% / 53% ★ / ★ / ★ -16% / -10% / -13%

Utilities

61% / 68% / 49% ★ / ★ / ★ -5% / -2% / -8%

*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; 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
July 20, 2011

Resources

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Momentum

Strength

OG Drill
29 stocks; $121bn

Fert&Ag
40 stocks; $326bn

OG Equip
78 stocks; $492bn

ComdChm
31 stocks; $288bn

OG E&P
278 stocks; $1158bn

OG RfMkt
43 stocks; $264bn

Int O&G
37 stocks; $247bn

 OG Drill
29 stocks; $121bn

OG E&P
278 stocks; $1158bn

Fert&Ag
40 stocks; $326bn

OG Equip
78 stocks; $492bn

ComdChm
31 stocks; $288bn

Gold
130 stocks; $403bn

FrstPrd
16 stocks; $16bn

OG StTr
66 stocks; $339bn

Coal&Uran
54 stocks; $221bn

DvrsMng
167 stocks; $969bn

OG RfMkt
43 stocks; $264bn

Int O&G
37 stocks; $247bn

ComdChm
31 stocks; $288bn

OG Equip
78 stocks; $492bn

Fert&Ag
40 stocks; $326bn

SpecChm
58 stocks; $226bn

IndusGas
10 stocks; $133bn

MtGlsCnt
2 stocks; $58bn

DiversChm
18 stocks; $275bn

Gold
130 stocks; $403bn

OG StTr
66 stocks; $339bn

PrecMet
58 stocks; $149bn

Coal&Uran
54 stocks; $221bn

DvrsMng
167 stocks; $969bn

FrstPrd
16 stocks; $16bn

OG RfMkt
43 stocks; $264bn

Int O&G
37 stocks; $247bn

ComdChm
31 stocks; $288bn

OG Equip
78 stocks; $492bn

Fert&Ag
40 stocks; $326bn

SpecChm
58 stocks; $226bn

IndusGas
10 stocks; $133bn

MtGlsCnt
2 stocks; $58bn

DiversChm
18 stocks; $275bn

PaperPkg
18 stocks; $46bn

CstrMat
21 stocks; $139bn

Steel
12 stocks; $664bn

Alumin
13 stocks; $89bn

PapProd
35 stocks; $109bn
Momentum

Strength

July 20, 2011

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Energy

OG Drill
29 stocks; $127bn

OG E&P
278 stocks; $1158bn

OG StTr
66 stocks; $335bn

OG RfMkt
29 stocks; $264bn

Coal&Uran
54 stocks; $221bn

OG Equip
78 stocks; $492bn

Int O&G
37 stocks; $247bn

Energy

OG Drill
29 stocks; $127bn

OG E&P
278 stocks; $1158bn

OG StTr
66 stocks; $335bn

OG RfMkt
29 stocks; $264bn

Coal&Uran
54 stocks; $221bn

OG Equip
78 stocks; $492bn

Int O&G
37 stocks; $247bn
July 20, 2011

**Consumer Staples**

- **Momentum**
  - Household Products (HhldPrdct): 16 stocks, $375bn
  - Drug Retail (DrugRetail): 10 stocks, $107bn
  - Brewers: 16 stocks, $321bn

- **Strength**
  - Food Retail (FdRetail): 37 stocks, $318bn
  - PkgFdMt: 87 stocks, $764bn
  - AgriProd: 25 stocks, $133bn
  - SprCntrs: 14 stocks, $392bn

- **Tobacco**: 17 stocks, $458bn
- **SoftDrinks**: 16 stocks, $336bn
- **FdDistri**: 10 stocks, $33bn
- **Dist&Vnt**: 15 stocks, $163bn
- **PersPrdct**: 25 stocks, $192bn

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BMO Capital Markets
Momentum

Strength

July 20, 2011

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Health Care

- Pharma (86 stocks, $1706bn)
- HCEquip (82 stocks, $371bn)
- HCSuppls (22 stocks, $47bn)
- HCareTec (13 stocks, $27bn)
- HCDistrib (15 stocks, $73bn)
- Biotech (113 stocks, $278bn)
- HCFacility (27 stocks, $41bn)
- HCService (38 stocks, $157bn)
- MngHCare (16 stocks, $153bn)
- LfSciSrv (33 stocks, $109bn)

Pharma, HCEquip, HCSuppls, HCareTec, HCDistrib, Biotech, HCFacility, HCService, MngHCare, LfSciSrv
Momentum

Strength

July 20, 2011

Telecommunication Services

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Telecommunication Services

IntgTelSrv

46 stocks; $1204bn

WlsTelSrv

46 stocks; $930bn

AltCar

15 stocks; $33bn
GasUtil  
29 stocks; $153bn

MultiUtil  
40 stocks; $400bn

ElecUtil  
76 stocks; $912bn

IPPTrad  
52 stocks; $184bn

WaterUtil  
24 stocks; $45bn
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 are the 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 deviations from the trend. Our process is flexible, thorough, and because it is run daily, timely.

The Dataset:
- Over 5,000 securities.
- Groups have a:
  ...Median depth of 25
  ...Average depth of 35

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 of 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 5-day and 20-day moving averages (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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I, Mark Steele, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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<table>
<thead>
<tr>
<th>Rating Category</th>
<th>BMO Rating</th>
<th>BMOCM US Universe*</th>
<th>BMOCM US IB Clients**</th>
<th>BMOCM US IB Clients***</th>
<th>BMOCM Universe****</th>
<th>BMOCM IB Clients*****</th>
<th>Starmine Universe</th>
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<tbody>
<tr>
<td>Buy</td>
<td>Outperform</td>
<td>36.5%</td>
<td>13.6%</td>
<td>40.7%</td>
<td>40.4%</td>
<td>49.1%</td>
<td>55.4%</td>
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<td>Hold</td>
<td>Market Perform</td>
<td>60.2%</td>
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<td>55.6%</td>
<td>49.1%</td>
<td>39.7%</td>
</tr>
<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.3%</td>
<td>12.5%</td>
<td>3.4%</td>
<td>4.0%</td>
<td>1.9%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

* 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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Und = Underperform - Forecast to underperform the market;
(S) = speculative investment;
NR = No rating at this time;
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