Group Selection

Priced as of May 29, 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*

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>30% / 33% / 25%</td>
<td>/ / /</td>
<td>-4% / -4% / -5%</td>
</tr>
<tr>
<td>Materials</td>
<td>33% / 35% / 31%</td>
<td>/ / /</td>
<td>-7% / -7% / -12%</td>
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<tr>
<td>Industrials</td>
<td>41% / 44% / 41%</td>
<td>/ / /</td>
<td>1% / 2% / -3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>42% / 43% / 40%</td>
<td>/ / /</td>
<td>-8% / -7% / -9%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>43% / 45% / 43%</td>
<td>/ / /</td>
<td>6% / 6% / 3%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>43% / 43% / 40%</td>
<td>/ / /</td>
<td>0% / 2% / 0%</td>
</tr>
<tr>
<td>Financials</td>
<td>37% / 40% / 35%</td>
<td>/ / /</td>
<td>12% / 13% / 6%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>63% / 66% / 61%</td>
<td>/ / /</td>
<td>-5% / -7% / -10%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>38% / 42% / 38%</td>
<td>/ / /</td>
<td>6% / 4% / 1%</td>
</tr>
<tr>
<td>Utilities</td>
<td>43% / 50% / 47%</td>
<td>/ / /</td>
<td>7% / 6% / 5%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>55% / 59% / 51%</td>
<td>/ / /</td>
<td>7% / 6% / 2%</td>
</tr>
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</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 are 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.
Consumer Staples

- **PersPrdct**: 39 stocks; $523bn
- **FdRetail**: 33 stocks; $340bn
- **Tobacco**: 13 stocks; $493bn
- **PkgFdMt**: 127 stocks; $1376bn
- **SoftDrnks**: 19 stocks; $567bn
- **SprCntrs**: 16 stocks; $537bn
- **AgriProd**: 28 stocks; $110bn
- **HhldPrdct**: 18 stocks; $610bn
- **DrugRetail**: 6 stocks; $62bn
- **Brewers**: 14 stocks; $421bn
- **Dist&Vnt**: 20 stocks; $503bn
- **FdDistri**: 11 stocks; $62bn
<table>
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<tr>
<th>Momentum</th>
<th>Strength</th>
<th>Financials</th>
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</thead>
<tbody>
<tr>
<td>Thrift&amp;Mtg</td>
<td>42 stocks; $156bn</td>
<td></td>
</tr>
<tr>
<td>ConsmrFin</td>
<td>31 stocks; $297bn</td>
<td></td>
</tr>
<tr>
<td>Reinsuran</td>
<td>10 stocks; $132bn</td>
<td></td>
</tr>
<tr>
<td>FnlExchDt</td>
<td>22 stocks; $432bn</td>
<td></td>
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<tr>
<td>InsurBrkrs</td>
<td>7 stocks; $142bn</td>
<td></td>
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<tr>
<td>P&amp;C Insur</td>
<td>54 stocks; $534bn</td>
<td></td>
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<tr>
<td>AsstMgmt</td>
<td>78 stocks; $524bn</td>
<td></td>
</tr>
<tr>
<td>MortgREIT</td>
<td>23 stocks; $66bn</td>
<td></td>
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<tr>
<td>LifeHthIns</td>
<td>48 stocks; $836bn</td>
<td></td>
</tr>
<tr>
<td>OthrDivFS</td>
<td>8 stocks; $74bn</td>
<td></td>
</tr>
<tr>
<td>DiversBnk</td>
<td>166 stocks; $495bn</td>
<td></td>
</tr>
<tr>
<td>InvBnkBrk</td>
<td>40 stocks; $402bn</td>
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</tr>
<tr>
<td>DiversBnk</td>
<td>166 stocks; $495bn</td>
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<tr>
<td>InvBnkBrk</td>
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<tr>
<td>Reinsuran</td>
<td>10 stocks; $132bn</td>
<td></td>
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<tr>
<td>SpecialFin</td>
<td>9 stocks; $22bn</td>
<td></td>
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<tr>
<td>Multi-LnIns</td>
<td>29 stocks; $496bn</td>
<td></td>
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<tr>
<td>MltSecHld</td>
<td>22 stocks; $401bn</td>
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<tr>
<td>MitSeHld</td>
<td>22 stocks; $401bn</td>
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<tr>
<td>MltSecHld</td>
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<tr>
<td>DivCpMkt</td>
<td>9 stocks; $146bn</td>
<td></td>
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</table>
May 29, 2019

Information Technology

Momentum

Strength

DataProc
46 stocks; $1204bn

ComEquip
42 stocks; $427bn

ITConsult
49 stocks; $731bn

ElecInstr
43 stocks; $282bn

ApplicSwr
99 stocks; $1065bn

InetSrv&In
14 stocks; $121bn

EMS
19 stocks; $138bn

SemiEqp
41 stocks; $257bn

TechDist
14 stocks; $55bn

SystmSwr
39 stocks; $1412bn

HdwrSt&P
40 stocks; $1314bn

Semi
73 stocks; $1211bn
May 29, 2019

Telecommunication Services

Mark Steele (416) 359-4641

WlsTelSrv 42 stocks; $857bn
IntgTelSrv 55 stocks; $1262bn

AltCar 9 stocks; $34bn

IntHmEnt 23 stocks; $238bn

Cabl&Sat 24 stocks; $403bn

Mov&Ent 26 stocks; $525bn

Broadcast 26 stocks; $85bn
Publishing 14 stocks; $45bn
Advert 17 stocks; $102bn
IntMeSer 43 stocks; $1417bn

42 stocks; $857bn
55 stocks; $1262bn
9 stocks; $34bn
23 stocks; $238bn
24 stocks; $403bn
26 stocks; $525bn
26 stocks; $85bn
14 stocks; $45bn
17 stocks; $102bn
43 stocks; $1417bn
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<tr>
<th>REIT Type</th>
<th>Stocks</th>
<th>Market Cap</th>
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<tr>
<td>ResidREIT</td>
<td>29</td>
<td>$169bn</td>
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<tr>
<td>OfficeREIT</td>
<td>35</td>
<td>$165bn</td>
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<td>HCareREIT</td>
<td>17</td>
<td>$114bn</td>
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<tr>
<td>IndusREIT</td>
<td>26</td>
<td>$143bn</td>
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<tr>
<td>SpecREIT</td>
<td>37</td>
<td>$389bn</td>
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<tr>
<td>REstOpCo</td>
<td>39</td>
<td>$364bn</td>
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<td>REstSrv</td>
<td>13</td>
<td>$40bn</td>
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<tr>
<td>DiversREIT</td>
<td>35</td>
<td>$156bn</td>
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<tr>
<td>ResDvAct</td>
<td>35</td>
<td>$128bn</td>
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<tr>
<td>REstSrv</td>
<td>13</td>
<td>$40bn</td>
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<tr>
<td>HotelREIT</td>
<td>12</td>
<td>$54bn</td>
</tr>
<tr>
<td>RetailREIT</td>
<td>50</td>
<td>$283bn</td>
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</table>
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 they 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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<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.
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(S) = Speculative investment;
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