Group Selection

Priced as of November 23, 2018

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**

### Sector Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>29% / 44% / 46%</td>
<td>/ / /</td>
<td>-24% / -32% / -36%</td>
</tr>
<tr>
<td>Materials</td>
<td>20% / 26% / 30%</td>
<td>/ / /</td>
<td>11% / 2% / 0%</td>
</tr>
<tr>
<td>Industrials</td>
<td>26% / 38% / 40%</td>
<td>/ / /</td>
<td>18% / 8% / 3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>25% / 33% / 35%</td>
<td>/ / /</td>
<td>19% / 11% / 5%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>30% / 42% / 47%</td>
<td>/ / /</td>
<td>37% / 25% / 19%</td>
</tr>
<tr>
<td>Health Care</td>
<td>47% / 56% / 56%</td>
<td>/ / /</td>
<td>9% / 0% / -3%</td>
</tr>
<tr>
<td>Financials</td>
<td>23% / 37% / 43%</td>
<td>/ / /</td>
<td>36% / 19% / 12%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>37% / 48% / 51%</td>
<td>/ / /</td>
<td>6% / -4% / -7%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>30% / 42% / 45%</td>
<td>/ / /</td>
<td>26% / 18% / 11%</td>
</tr>
<tr>
<td>Utilities</td>
<td>36% / 52% / 54%</td>
<td>/ / /</td>
<td>53% / 39% / 34%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>36% / 51% / 55%</td>
<td>/ / /</td>
<td>46% / 30% / 25%</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 ( / / 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.
November 23, 2018

Strength

Momentum

Energy

Mark Steele (416) 359-4641

- OG RfMkt: 41 stocks, $469bn
- Int O&G: 31 stocks, $172bn
- OG StTr: 80 stocks, $595bn
- Coal&Uran: 21 stocks, $73bn
- OG Drill: 14 stocks, $27bn
- OG Equip: 69 stocks, $739bn
- OG E&P: 172 stocks, $739bn

- 31 stocks, $172bn
- 80 stocks, $595bn
- 21 stocks, $73bn
- 14 stocks, $27bn
- 69 stocks, $739bn
- 172 stocks, $739bn
Materials

November 23, 2018

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Gold
71 stocks; $172bn

PrecMet
17 stocks; $39bn

PaperPkg
17 stocks; $104bn

IndusGas
7 stocks; $63bn

Copper
16 stocks; $78bn

MtGlsCnt
15 stocks; $69bn

ComdChm
43 stocks; $374bn

MtGlsCnt
15 stocks; $69bn

Copper
16 stocks; $78bn

Fert&Ag
29 stocks; $144bn

Alumin
10 stocks; $37bn

Silver
10 stocks; $17bn

DvrsMng
22 stocks; $295bn

DvrsChm
22 stocks; $324bn

PapProd
25 stocks; $102bn

SpecChm
67 stocks; $510bn

CstrMat
28 stocks; $209bn

Steel
59 stocks; $375bn
Information Technology

November 23, 2018

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Momentum
Strength

InetSrv&In
12 stocks; $73bn

DataProc
47 stocks; $945bn

ApplicSwr
99 stocks; $817bn

ITConsult
50 stocks; $666bn

ElecInstr
44 stocks; $233bn

EMS
18 stocks; $98bn

SemiEqp
44 stocks; $238bn

ComEquip
47 stocks; $391bn

SystmSwr
36 stocks; $1190bn

TechDist
13 stocks; $44bn

ElecComp
36 stocks; $242bn

HdwrSt&P
42 stocks; $1322bn

System
99 stocks; $817bn

Strength
Momentum
November 23, 2018

Momentum

Strength

Utilities

GasUtil
35 stocks; $234bn

IPPTrad
23 stocks; $112bn

WaterUtil
22 stocks; $66bn

ElecUtil
88 stocks; $1151bn

RenewElec
20 stocks; $52bn

MultiUtil
35 stocks; $441bn
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 consistently 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”
- 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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<tr>
<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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<tr>
<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>
</tr>
<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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