Relative Strength Filter
Global Summary

Group Selection
Priced as of July 24, 2014

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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BMO Capital Markets
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Sector View

**Sector Relative Strength Profiles**

- **Energy**: 59% / 64% / 52%  
  Reward/Risk: -7% / -7% / -12%
- **Materials**: 39% / 44% / 31%  
  Reward/Risk: 2% / 2% / -1%
- **Industrials**: 37% / 43% / 29%  
  Reward/Risk: -4% / -4% / -7%
- **CMR Disc**: 31% / 36% / 24%  
  Reward/Risk: -3% / -1% / -7%
- **CMR Stap**: 48% / 54% / 37%  
  Reward/Risk: -5% / -3% / -7%
- **Hlth Care**: 36% / 43% / 31%  
  Reward/Risk: 1% / 0% / -2%
- **Financials**: 45% / 52% / 30%  
  Reward/Risk: -1% / 1% / -2%
- **Info Tech**: 38% / 43% / 32%  
  Reward/Risk: -1% / 0% / -1%
- **Telecom**: 46% / 53% / 33%  
  Reward/Risk: -2% / -2% / -8%
- **Utilities**: 60% / 67% / 46%  
  Reward/Risk: -7% / -8% / -12%

*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, 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

July 24, 2014

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Energy

OG E&P
220 stocks; $1345bn

Int O&G
34 stocks; $2350bn

 OG StTr
97 stocks; $763bn

Coal&Uran
31 stocks; $110bn

OG Equip
68 stocks; $541bn

OG Drill
32 stocks; $130bn

OG RfMkt
47 stocks; $363bn

OG Equip
88 stocks; $541bn

OG Drill
32 stocks; $130bn
Momentum

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Materials

Silver
23 stocks; $19bn

DvrsMng
84 stocks; $649bn

SpecChm
66 stocks; $404bn

DiversChm
18 stocks; $312bn

Steel
80 stocks; $417bn

Alumin
12 stocks; $64bn

PrecMet
25 stocks; $74bn

Gold
14 stocks; $182bn

ComdChm
33 stocks; $148bn

Fert&Ag
37 stocks; $261bn

MtGlsCnt
16 stocks; $51bn

FrstPrd
12 stocks; $19bn

IndusGas
10 stocks; $168bn

PapProd
28 stocks; $94bn

CstrMat
29 stocks; $209bn

PaperPkg
17 stocks; $80bn
### Consumer Discretionary

**July 24, 2014**

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<th>Category</th>
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<td>14 stocks; $41bn</td>
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<tr>
<td>3 stocks; $6bn</td>
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</table>
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Telecommunication Services

Momentum  

Strength

Momentum

AltCar
18 stocks; $53bn

IntgTelSrv
64 stocks; $139bn

WlsTelSrv
47 stocks; $101bn

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Momentum  

Strength

Utilities

ElecUtil  
86 stocks; $952bn

RenewElec  
21 stocks; $56bn

GasUtil  
26 stocks; $223bn

MultiUtil  
39 stocks; $510bn

WaterUtil  
20 stocks; $67bn

IPPTrad  
24 stocks; $125bn

July 24, 2014

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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 are 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 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.
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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Distribution of Ratings (March 31, 2014)

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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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OP = Outperform - Forecast to outperform the analyst's coverage universe on a total return basis;
Mkt = Market Perform - Forecast to perform roughly in line with the analyst's coverage universe on a total return basis;
Und = Underperform - Forecast to underperform the analyst's coverage universe on a total return basis;
(S) = Speculative investment;
NR = No rating at this time; and
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