Relative Strength Filter
Global Summary

Group Selection
Priced as of July 21, 2015

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>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>38% / 36% / 47%</td>
<td>-40% / -37% / -15%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>45% / 45% / 58%</td>
<td>-27% / -25% / 1%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>50% / 49% / 64%</td>
<td>-14% / -9% / 23%</td>
<td></td>
</tr>
<tr>
<td>CMR Disc</td>
<td>55% / 54% / 65%</td>
<td>-9% / -4% / 23%</td>
<td></td>
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<tr>
<td>CMR Stap</td>
<td>48% / 48% / 63%</td>
<td>1% / 4% / 33%</td>
<td></td>
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<tr>
<td>Hlth Care</td>
<td>66% / 64% / 75%</td>
<td>3% / 7% / 29%</td>
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<tr>
<td>Financials</td>
<td>52% / 52% / 69%</td>
<td>-3% / 1% / 37%</td>
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</tr>
<tr>
<td>Info Tech</td>
<td>55% / 55% / 66%</td>
<td>-16% / -13% / 12%</td>
<td></td>
</tr>
<tr>
<td>Telecom</td>
<td>43% / 41% / 61%</td>
<td>-4% / 0% / 36%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>36% / 36% / 49%</td>
<td>-8% / -5% / 32%</td>
<td></td>
</tr>
</tbody>
</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 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
Energy

July 21, 2015

Mark Steele (416) 359-4641

Int O&G
34 stocks; $1582bn

OG E&P
170 stocks; $784bn

OG Drill
28 stocks; $50bn

Coal&Uran
23 stocks; $77bn

OG Equip
75 stocks; $329bn

OG RfMkt
49 stocks; $376bn

OG StTr
89 stocks; $656bn
July 21, 2015

Momentum

Strength

Materials

Fert&Ag
15 stocks; $235bn
ComdChm
17 stocks; $308bn
PapProd
30 stocks; $103bn
CstrMat
29 stocks; $235bn
IndusGas
10 stocks; $162bn
FrstPrd
12 stocks; $19bn
DiversChm
19 stocks; $278bn
DvrsMng
62 stocks; $407bn
Alumin
11 stocks; $44bn
Gold
69 stocks; $105bn
PrecMet
22 stocks; $46bn
Silver
11 stocks; $10bn
Steel
67 stocks; $281bn
SpecChm
66 stocks; $439bn
MtGlsCnt
15 stocks; $52bn

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Materials

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Steel
67 stocks; $281bn
SpecChm
66 stocks; $439bn
MtGlsCnt
15 stocks; $52bn
Utilities

July 21, 2015

Mark Steele (416) 359-4641

- IPPTrad: 24 stocks, $116bn
- MultiUtil: 39 stocks, $450bn
- ElecUtil: 83 stocks, $857bn
- WaterUtil: 22 stocks, $72bn
- GasUtil: 37 stocks, $209bn
- RenewElec: 23 stocks, $59bn
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”
- 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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<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>Stamina Universe</th>
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<td>Buy</td>
<td>Outperform</td>
<td>43.7%</td>
<td>18.6%</td>
<td>58.2%</td>
<td>42.7%</td>
<td>55.5%</td>
<td>54.1%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>51.4%</td>
<td>10.4%</td>
<td>38.5%</td>
<td>52.1%</td>
<td>41.9%</td>
<td>40.5%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>4.9%</td>
<td>9.4%</td>
<td>3.3%</td>
<td>5.2%</td>
<td>2.6%</td>
<td>5.5%</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.
**** Reflects rating distribution of all companies covered by BMO Capital Markets equity research analysts.
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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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