Relative Strength Filter
Global Summary

Group Selection
Priced as of October 31, 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>32% / 46% / 50%</td>
<td>/ /</td>
<td>-8% / -10% / -5%</td>
</tr>
<tr>
<td>Materials</td>
<td>19% / 27% / 29%</td>
<td>/ /</td>
<td>-5% / -7% / 0%</td>
</tr>
<tr>
<td>Industrials</td>
<td>27% / 40% / 40%</td>
<td>/ /</td>
<td>-5% / -7% / 2%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>29% / 37% / 37%</td>
<td>/ /</td>
<td>5% / 2% / 10%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>29% / 41% / 42%</td>
<td>/ /</td>
<td>17% / 13% / 20%</td>
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<tr>
<td>Hlth Care</td>
<td>49% / 60% / 61%</td>
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<td>-8% / -11% / -4%</td>
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<tr>
<td>Financials</td>
<td>20% / 37% / 38%</td>
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<td>7% / 5% / 15%</td>
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<tr>
<td>Info Tech</td>
<td>39% / 51% / 51%</td>
<td>/ /</td>
<td>-2% / -5% / 2%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>32% / 45% / 46%</td>
<td>/ /</td>
<td>9% / 5% / 15%</td>
</tr>
<tr>
<td>Utilities</td>
<td>33% / 48% / 47%</td>
<td>/ /</td>
<td>13% / 14% / 27%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>35% / 55% / 56%</td>
<td>/ /</td>
<td>4% / 2% / 13%</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.
October 31, 2018

Energy

Coal & Uran 21 stocks, $75bn

Int O&G 31 stocks, $165bn

OG StTr 61 stocks, $605bn

OG RfMkt 71 stocks, $496bn

OG Drill 14 stocks, $30bn

OG E&P 110 stocks, $806bn

OG Equip 59 stocks, $238bn

OG RfMkt 71 stocks, $496bn

OG Drill 14 stocks, $30bn

Coal & Uran 21 stocks, $75bn

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OG StTr 61 stocks, $605bn

OG RfMkt 71 stocks, $496bn

OG Drill 14 stocks, $30bn

OG E&P 110 stocks, $806bn

OG Equip 59 stocks, $238bn
Consumer Discretionary

October 31, 2018

Mark Steele (416) 359-4641

- Footwear: 14 stocks; $144bn
- CmpElRtl: 8 stocks; $41bn
- Distib: 9 stocks; $47bn
- ApparlRtl: 33 stocks; $346bn
- CmpElRtl: 8 stocks; $41bn
- AutoRtl: 16 stocks; $93bn
- AutoMfg: 36 stocks; $908bn
- Tire&Rub: 11 stocks; $84bn

- GMrchStrs: 12 stocks; $147bn
- Aprl&Gds: 41 stocks; $568bn
- InetDmRtl: 33 stocks; $1453bn
- HomeBld: 35 stocks; $135bn
- HmlImpRtl: 4 stocks; $291bn

- CmrElec: 12 stocks; $144bn
- SpecStors: 76 stocks; $95bn
- HmFrmsh: 29 stocks; $73bn
- Educat: 14 stocks; $56bn
- DeptStrs: 16 stocks; $94bn
- AutoParts: 60 stocks; $297bn
- MotcyMfg: 8 stocks; $40bn

- Rstaurnt: 52 stocks; $439bn
- SpCmSrv: 27 stocks; $266bn
- Htl&Rrst: 52 stocks; $207bn

- LeisPrd: 22 stocks; $61bn
- LeisFcil: 9 stocks; $64bn
- HomeFurn: 8 stocks; $20bn
- HhldApl: 12 stocks; $57bn
- Cas&Gam: 35 stocks; $253bn
Consumer Staples

Strength

Momentum

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Tobacco
13 stocks; $553bn

DrugRetail
6 stocks; $94bn

AgriProd
23 stocks; $105bn

SoftDrnks
17 stocks; $527bn

FdRetail
26 stocks; $345bn

Dist&Vnt
12 stocks; $314bn

PkgFdMt
112 stocks; $1142bn

SprCntrs
13 stocks; $540bn

PkgFdMt
112 stocks; $1142bn

HhldPrdct
17 stocks; $537bn

Brewers
14 stocks; $390bn

PersPrdct
33 stocks; $456bn

FdDistri
11 stocks; $59bn

25 stocks; $105bn

35 stocks; $345bn

6 stocks; $94bn

12 stocks; $314bn

121 stocks; $1142bn
Utilities

October 31, 2018

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Momentum

Strength

Utilities

RenewElec
20 stocks; $51bn

MultiUtil
35 stocks; $428bn

ElecUtil
40 stocks; $1134bn

GasUtil
25 stocks; $229bn

WaterUtil
22 stocks; $280bn

IPPTrad
23 stocks; $111bn

Utilities

GasUtil
Gas Utilization

WaterUtil
Water Utilization

IPPTrad
IPP Trading
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 groups 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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<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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***** Reflects rating distribution of all companies from which BMO Capital Markets has received compensation for Investment Banking services as percentage of Investment Banking clients.
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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;
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- **Spd** = Suspended - Coverage and rating suspended until coverage is reinstated;
- **NR** = No Rated - No rating at this time; and
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(October 2016 - April 2013)


(January 2010 - April 2013)


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