Group Selection
Priced as of July 18, 2017

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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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

- **Coal & Uran**: 22 stocks, $73bn
- **OG Equip**: 58 stocks, $279bn
- **OG E&P**: 115 stocks, $714bn
- **OG StTr**: 89 stocks, $674bn
- **Int O&G**: 29 stocks, $1537bn
- **OG RfMkt**: 44 stocks, $438bn
- **OG Drill**: 16 stocks, $27bn

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Consumer Staples

- **Brewers**: 12 stocks, $497bn
- **PersPrdct**: 29 stocks, $437bn
- **SoftDrinks**: 17 stocks, $508bn
- **DrugRetail**: 8 stocks, $186bn
- **Dist&Vnt**: 12 stocks, $288bn
- **Tobacco**: 14 stocks, $784bn
- **HhldPrdct**: 17 stocks, $568bn
- **AgriProd**: 25 stocks, $107bn

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July 18, 2017

Health Care

Momentum vs. Strength

MngHCare
12 stocks; $393bn

HCareTec
6 stocks; $57bn

Biotech
131 stocks; $1034bn

HCEquip
73 stocks; $607bn

LfSciSrv
72 stocks; $265bn

HCSuppls
29 stocks; $147bn

HCService
29 stocks; $205bn

HCFacility
28 stocks; $111bn

Pharma
106 stocks; $2499bn

HCDistrib
19 stocks; $135bn

73 stocks; $607bn

131 stocks; $1034bn

29 stocks; $205bn

28 stocks; $111bn

106 stocks; $2499bn

19 stocks; $135bn

12 stocks; $393bn

6 stocks; $57bn
AsstMgmt 42 stocks; $561bn
LifeHthIns 47 stocks; $870bn
MltSecHld 25 stocks; $385bn
DivCpMkt 2 stocks; $212bn
DiversBnk 169 stocks; $5212bn
Multi-LnIns 91 stocks; $536bn
SpecialFin 10 stocks; $24bn
FnlExchDt 23 stocks; $548bn
InsurBrkr 7 stocks; $117bn
MortgREIT 25 stocks; $59bn
P&C Insur 60 stocks; $510bn
ConsmrFin 30 stocks; $256bn
InvBnkBrk 35 stocks; $377bn
OthrDivFS 8 stocks; $87bn
Reinsuran 12 stocks; $133bn
Thrf&Mtg 46 stocks; $137bn
RegionBnk 141 stocks; $533bn
P&C Insur 60 stocks; $510bn
MortgREIT 25 stocks; $59bn
Momentum
Strength
Financials
July 18, 2017
July 18, 2017

Telecommunication Services

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IntgTelSrv
42 stocks; $1336bn

WisTelSrv
42 stocks; $930bn

AltCar
10 stocks; $56bn
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.
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).
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>9.5%</td>
<td>2.0%</td>
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<td>1.6%</td>
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