

US Strategy Snapshot

2021 Year Ahead – US Market Outlook

Another Year of the Unprecedented Bull = S&P 500 Price Target: 4,200; EPS Target: \$175

- Unprecedented Ingredients Beseech Unrivaled Results Again in 2021

Three Keys to 2021 Positioning - Transition to Normal Is Under Way, but It Will Not Be a Straight Line

- 1) Less Binary = Less Momentum
- 2) More Fundamental = Less Macro, Monetary & Fiscal Dependence
- 3) Broadening Market Performance = Healthy Longer-Term Profile

Key Sector Changes

- Financials to Overweight from Market Weight
- Industrials to Overweight from Underweight
- Communication Services to Market Weight from Overweight
- Information Technology to Market Weight from Overweight
- Real Estate to Underweight from Market Weight
- Utilities to Underweight from Market Weight

Sector Opinions

- Overweight: Consumer Discretionary, Financials and Industrials
- Market Weight: Communication Services, Consumer Staples, Health Care, Information Technology and Materials
- Underweight: Energy, Real Estate and Utilities

Please see our [2021 Market Outlook – The Year Ahead for US and Canada for details](#)

Investment Strategy

Brian G. Belski
brian.belski@bmo.com

Chief Investment Strategist
(212) 885-4151

Nicholas Roccanova, CFA
nicholas.roccanova@bmo.com

Sr. Investment Strategist
(212) 885-4179

Andrew Birstingl
andrew.birstingl@bmo.com

Senior Associate
(212) 885-4172

US Strategy – S&P 500 Targets

Price	
2021 Calendar Year End	4,200
Earnings	
2021 Calendar Year End	\$175

Source: BMO Capital Markets Investment Strategy.

US Strategy – Recommended S&P 500 Sector Weightings

Sector	Opinion	Tgt. Wgt.
Communication Services	MW	11.0%
Consumer Discretionary	OW	12.0%
Consumer Staples	MW	6.5%
Energy	UW	1.5%
Financials	OW	11.5%
Health Care	MW	14.0%
Industrials	OW	9.5%
Information Technology	MW	27.5%
Materials	MW	2.5%
Real Estate	UW	2.0%
Utilities	UW	2.0%

Source: BMO Capital Markets Investment Strategy.

OW: Overweight

MW: Market Weight

UW: Underweight

Recent US Strategy Research Reports

Date	Title	Comments, Snapshots, and Perspectives
11/6/2020	US Strategy Comment: Market Poised for the Unprecedented	
11/4/2020	US Strategy Comment: We Will Know When We Know	
10/28/2020	US Strategy Snapshot: Election Outcomes and Market Performance	
10/22/2020	US Strategy Comment: Small- and Mid-Cap Realities	
10/15/2020	US Strategy Comment: Identifying Opportunities Within Materials and Industrials	
10/1/2020	US Strategy Comment: Select Market Observations as the Calendar Flips to 4Q	
9/24/2020	US Strategy Comment: Utilizing a Barbell Strategy During Volatile Times	
9/17/2020	US Strategy Snapshot: Unimaginative Tech Bearishness	
9/10/2020	US Strategy Comment: Diving Into Recent Changes to Our Sector Positioning	
8/28/2020	US Strategy Comment: Reinstating Year End S&P 500 Target at 3,650	
8/18/2020	US Strategy Comment: Navigating a Range-bound Market	
8/11/2020	US Strategy Comment: Thematic Report – Rethinking Security in Turbulent Times	
7/30/2020	US Strategy Snapshot: US Presidential Elections and Stock Market Performance	
7/24/2020	US Strategy Comment: Remaining Patient With Health Care	
7/10/2020	US Strategy Comment: Still Bullish on Tech, But Selectivity is Key	
Monthly Reports		
11/5/2020	US Strategy: US Chartbook – November 2020	
11/5/2020	US Strategy: US Factor Profiles – November 2020	
Podcasts		
11/9/2020	Podcast – Charting Investment in a Biden Presidency	
11/4/2020	Podcast – Early U.S. Election Results: What We Know	
6/30/2020	Podcast – Recession Recedes Even as U.S. Infections Surge	
5/27/2020	Podcast – Tracking a Vaccine	
5/20/2020	Podcast – Testing the Depths of the COVID Recession	
5/12/2020	Podcast – Mission Critical – Testing Testing	
4/28/2020	Podcast – On a Track to Re-Open	
4/21/2020	Podcast – Contemplating a Reopening	
4/14/2020	Podcast – COVID-19 Outbreak Reaching Peak in U.S., Canada	
4/7/2020	Podcast – Outbreak to Peak as Mitigation Weighs	
Investment Strategy Snapshots and Special Reports		
11/19/2020	Investment Strategy: 2021 Market Outlook – The Year Ahead for US and Canada	
Canadian Strategy		

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Buy	Outperform	48.8 %	29.6 %	56.8 %	50.1 %	58.1 %	57.7%
Hold	Market Perform	48.8 %	21.3 %	40.9 %	47.7 %	40.9 %	37.5%
Sell	Underperform	2.3 %	25.0 %	2.3 %	2.2 %	1.0 %	4.8%

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(April 2013 - October 2016)

http://researchglobal.bmocapitalmarkets.com/documents/2013/rating_key_2013_to_2016.pdf

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