

Trade updates

BMO GAM U.S. Equity Sector Neutral Portfolio - Architect

July 23, 2024

RECENT TRADES

New Buy	Home Depot Inc (NYSE: HD)
Increase Weight	-
Decrease Weight	-
Full Sell	Hyatt Hotels Corporation (NYSE: H)

The portfolio holdings are subject to change without notice. They are not recommendations to buy or sell any particular security.

PORTFOLIO MANAGERS

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RATIONALE

We are establishing a new position in Home Depot and exiting Hyatt Hotels.

Home Depot is well positioned to benefit from pent up demand for housing. Elevated interest rates have created a locked in effect which has delayed housing turnover and delayed renovation activity. However, demand remains robust driven by a shortage of housing, an aging housing stock, and changing consumer needs. We anticipate a moderation in mortgage rates that should support an acceleration in demand for major projects which will help Home Depot revert to its long term growth algorithm.

We continue to like Hyatt over the medium term given its transition to an asset light business model, strong net unit growth and favourable segment exposure, however following the stock's strong performance and normalizing demand we see less relative upside.

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