

The financials fell from the #1 spot and barely slipped out of the top 5 group in our sector attractiveness rankings. A negative turn in underlying scores for the fundamental outlook drove the financial sector's move. Otherwise, the composition of the top group remained unchanged as the transportation and utilities sectors continued their rise. At the bottom end, the auto sector fell into the bottom 5 group due to a combination of deteriorating fundamental and technical properties.

**Table 1 – Current Sector Rankings and Changed from Last Report (as of January 19, 2018)**

	<b>PREVIOUS INTEGRATED RANK</b>	<b>CURRENT INTEGRATED RANK</b>	<b>CHANGE IN RANK</b>
CONGLOMERATES	<b>3</b>	<b>1</b>	2
TRANSPORTATION	<b>5</b>	<b>2</b>	3
UTILITIES	<b>4</b>	<b>3</b>	1
CONSTRUCTION	<b>2</b>	<b>4</b>	-2
INDUSTRIAL PRODUCTS	<b>7</b>	<b>5</b>	2
FINANCE	<b>1</b>	<b>6</b>	-5
AEROSPACE	<b>8</b>	<b>7</b>	1
CONSUMER DISCRETIONARY	<b>11</b>	<b>8</b>	3
RETAIL-WHOLESALE	<b>12</b>	<b>9</b>	3
BASIC MATERIALS	<b>10</b>	<b>10</b>	0
CONSUMER STAPLES	<b>6</b>	<b>11</b>	-5
BUSINESS SERVICES	<b>13</b>	<b>12</b>	1
OILS-ENERGY	<b>14</b>	<b>13</b>	1
COMPUTER AND TECHNOLOGY	<b>15</b>	<b>14</b>	1
AUTO-TIRES-TRUCKS	<b>9</b>	<b>15</b>	-6
MEDICAL	<b>16</b>	<b>16</b>	0

**Table 2 – Current Sector Rankings with Rankings for Absolute-Scale & Relative-Scale Metrics**

SECTOR	CURRENT INTEGRATED RANK	ABSOLUTE-SCALE METRICS		RELATIVE-SCALE METRICS			
		Technical Outlook RANK	Fundamental Outlook RANK	CURRENT RELATIVE SCALE RANK	VALUATION RANK	TECHNICAL RANK	CATALYTIC RANK
CONGLOMERATES	1	2	1	14	13	5	13
TRANSPORTATION	2	5	3	2	5	13	1
UTILITIES	3	1	15	7	1	1	16
CONSTRUCTION	4	10	2	5	9	16	4
INDUSTRIAL PRODUCTS	5	11	10	12	12	10	7
FINANCE	6	3	7	4	8	2	2
AEROSPACE	7	12	4	9	16	12	5
CONSUMER DISCRETIONARY	8	6	9	11	10	6	11
RETAIL-WHOLESALE	9	13	6	3	3	8	6
BASIC MATERIALS	10	15	5	8	6	14	8
CONSUMER STAPLES	11	7	8	10	7	3	9
BUSINESS SERVICES	12	4	14	16	11	15	14
OILS-ENERGY	13	9	11	1	4	7	3
COMPUTER AND TECHNOLOGY	14	14	13	15	14	9	15
AUTO-TIRES-TRUCKS	15	16	12	6	2	11	10
MEDICAL	16	8	16	13	15	4	12

**Table 3 – Historical Sector Rankings (last 12 months)**

SECTOR	Current Sector Rank 01/19/2018	DEC 2017	NOV 2017	OCT 2017	SEP 2017	AUG 2017	JUL 2017	JUN 2017	MAY 2017	APR 2017	MAR 2017	FEB 2017	JAN 2017	AVG HST RANK
CONGLOMERATES	1	7	1	7	15	10	14	1	1	16	13	16	16	9.8
TRANSPORTATION	2	12	14	14	13	12	4	12	12	10	15	13	13	12.0
UTILITIES	3	13	8	8	9	8	10	15	16	9	8	14	10	10.7
CONSTRUCTION	4	5	7	6	6	7	2	3	6	5	3	4	14	5.7
INDUSTRIAL PRODUCTS	5	3	2	5	3	4	5	4	4	2	5	2	6	3.8
FINANCE	6	1	12	10	4	1	3	2	7	3	2	3	3	4.3
AEROSPACE	7	8	11	15	5	2	1	9	13	14	7	5	8	8.2
CONSUMER DISCRETIONARY	8	10	10	2	1	3	9	8	5	15	14	9	12	8.2
RETAIL-WHOLESALE	9	15	16	11	14	13	13	13	14	13	9	7	4	11.8
BASIC MATERIALS	10	2	4	4	12	16	15	16	11	4	4	6	5	8.3
CONSUMER STAPLES	11	16	15	16	11	15	11	14	9	11	6	11	15	12.5
BUSINESS SERVICES	12	11	9	13	7	9	7	5	8	7	11	8	2	8.1
OILS-ENERGY	13	9	5	12	16	11	16	7	3	1	1	1	1	6.9
COMPUTER AND TECHNOLOGY	14	6	3	3	2	5	8	6	10	8	10	12	7	6.7
AUTO-TIRES-TRUCKS	15	4	6	1	10	6	6	10	2	6	12	10	9	6.8
MEDICAL	16	14	13	9	8	14	12	11	15	12	16	15	11	12.5

Table 4 – Highlighted Names from Most and Least Attractive Sectors (January 19, 2018)

Most Attractive Names from the Most Attractive Sectors			Least Attractive Names from the Least Attractive Sectors		
Polaris All-Cap Core Universe			Polaris All-Cap Core Universe		
	Company	Ticker		Company	Ticker
	<b><u>CONGLOMERATES</u></b>			<b><u>MEDICAL</u></b>	
1	Honeywell Intl	HON	1	Qiagen Nv	QGEN
2	Itt Inc	ITT	2	Radius Health	RDUS
3	Crane Co	CR	3	Alder Biopharma	ALDR
	<b><u>TRANSPORTATION</u></b>			<b><u>AUTO-TIRES-TRUCKS</u></b>	
1	Hawaiian Hldgs	HA	1	Cooper Tire	CTB
2	Delta Air Lines	DAL	2	Tesla Inc	TSLA
3	Jetblue Airways	JBLU	3	Dorman Products	DORM
	<b><u>UTILITIES</u></b>			<b><u>COMPUTER AND TECHNOLOGY</u></b>	
1	Ppl Corp	PPL	1	Itron Inc	ITRI
2	Northwestern Cp	NWE	2	Diebold Inc	DBD
3	Pattern Energy	PEGI	3	Sabre Corp	SABR
	<b><u>CONSTRUCTION</u></b>			<b><u>OILS-ENERGY</u></b>	
1	Rpm Intl Inc	RPM	1	Superior Energy	SPN
2	Meritage Homes	MTH	2	Enbridge Inc	ENB
3	Lennar Corp -A	LEN	3	Weatherford Int	WFT
	<b><u>INDUSTRIAL PRODUCTS</u></b>			<b><u>BUSINESS SERVICES</u></b>	
1	Mueller Water	MWA	1	Ritchie Bros	RBA
2	Owens-Illinois	OI	2	Steelcase Inc	SCS
3	Manitowoc Inc	MTW	3	Omnicom Grp	OMC

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