

Primarily on the strength of an improving technical outlook, the autos sector advanced from the bottom 5 of our sector attractiveness rankings to the top 5 - a controversial move no doubt. Auto stocks have come under pressure given the threat of tariffs on steel imports. However, our metrics indicate that an oversold condition combined with a stable fundamental outlook relative to other sectors, provides justification for the improved ranking. Nonetheless, we expect that this ranking is likely to be volatile. Another noteworthy change in the sector rankings includes the utilities sector, which broke into the top 5 group on a modest improvement in the catalytic rank. Also, the conglomerates and aerospace sectors fell due to deteriorating catalytic properties (namely, earnings revisions).

**Table 1 – Current Sector Rankings and Changed from Last Report (as of March 2, 2018)**

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

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

SECTOR	Current Sector Rank 03/02/2018	JAN 2018	DEC 2017	NOV 2017	OCT 2017	SEP 2017	AUG 2017	JUL 2017	JUN 2017	MAY 2017	APR 2017	MAR 2017	FEB 2017	AVG HST RANK
CONSUMER STAPLES	1	16	15	16	11	15	11	14	9	11	6	11	15	12.5
INDUSTRIAL PRODUCTS	2	3	2	5	3	4	5	4	4	2	5	2	6	3.8
CONSTRUCTION	3	5	7	6	6	7	2	3	6	5	3	4	14	5.7
CONGLOMERATES	4	7	1	7	15	10	14	1	1	16	13	16	16	9.8
BUSINESS SERVICES	5	11	9	13	7	9	7	5	8	7	11	8	2	8.1
RETAIL-WHOLESALE	6	15	16	11	14	13	13	13	14	13	9	7	4	11.8
TRANSPORTATION	7	12	14	14	13	12	4	12	12	10	15	13	13	12.0
CONSUMER DISCRETIONARY	8	10	10	2	1	3	9	8	5	15	14	9	12	8.2
UTILITIES	9	13	8	8	9	8	10	15	16	9	8	14	10	10.7
AEROSPACE	10	8	11	15	5	2	1	9	13	14	7	5	8	8.2
FINANCE	11	1	12	10	4	1	3	2	7	3	2	3	3	4.3
COMPUTER AND TECHNOLOGY	12	6	3	3	2	5	8	6	10	8	10	12	7	6.7
AUTO-TIRES-TRUCKS	13	4	6	1	10	6	6	10	2	6	12	10	9	6.8
BASIC MATERIALS	14	2	4	4	12	16	15	16	11	4	4	6	5	8.3
MEDICAL	15	14	13	9	8	14	12	11	15	12	16	15	11	12.5
OILS-ENERGY	16	9	5	12	16	11	16	7	3	1	1	1	1	6.9

Table 4 – Highlighted Names from Most and Least Attractive Sectors (March 2, 2018)

**Most Attractive Names  
from the  
Most Attractive Sectors**

<b>Polaris All-Cap Core Universe</b>		
	<b>Company</b>	<b>Ticker</b>
<b><u>CONSUMER STAPLES</u></b>		
1	Campbell Soup	CPB
2	Coca-Cola Eu Pt	CCE
3	Aramark Holding	ARMK
<b><u>INDUSTRIAL PRODUCTS</u></b>		
1	Berry Globl Grp	BERY
2	Regal Beloit	RBC
3	Crown Hldgs Inc	CCK
<b><u>CONSTRUCTION</u></b>		
1	Meritage Homes	MTH
2	Us Concrete Inc	USCR
3	Vulcan Matls Co	VMC
<b><u>AUTO-TIRES-TRUCKS</u></b>		
1	Tenneco Inc	TEN
2	Paccar Inc	PCAR
3	Dana Inc	DAN
<b><u>UTILITIES</u></b>		
1	Cms Energy	CMS
2	Pinnacle West	PNW
3	Pg&E Corp	PCG

**Least Attractive Names  
from the  
Least Attractive Sectors**

<b>Polaris All-Cap Core Universe</b>		
	<b>Company</b>	<b>Ticker</b>
<b><u>OILS-ENERGY</u></b>		
1	Cnx Resources	CNX
2	Core Labs Nv	CLB
3	Natl Oilwell Vr	NOV
<b><u>MEDICAL</u></b>		
1	Nevro Corp	NVRO
2	Heron Therapeut	HRTX
3	Acorda Therapt	ACOR
<b><u>BASIC MATERIALS</u></b>		
1	Yamana Gold Inc	AUY
2	Ak Steel Hldg	AKS
3	Tahoe Resources	TAHO
<b><u>AEROSPACE</u></b>		
1	Rockwell Collin	COL
2	Spirit Aerosys	SPR
3	Flir Systems	FLIR
<b><u>COMPUTER AND TECHNOLOGY</u></b>		
1	Synaptics Inc	SYNA
2	Oclaro Inc	OCLR
3	Amkor Tech Inc	AMKR

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