

Due to improvement in the technical outlook and underlying catalytic scores, the utilities sector moved up from the #16 spot in our sector attractiveness rankings but remains among the lower-ranked. The conglomerates sector recovered from last week's ranking decline and advanced to the #2 position driven by a favorable change in the technical outlook and earnings momentum. We also note that the aerospace sector has fallen to the bottom ranked position on deterioration across all of our core valuation, technical and catalytic metrics.

Table 1 – Current Sector Rankings and Changed from Last Report (as of March 23, 2018)

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

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	1	4	9	8	2	13
CONGLOMERATES	2	3	6	1	13	3	2
AUTO-TIRES-TRUCKS	3	2	10	6	1	8	3
CONSTRUCTION	4	11	1	5	4	11	4
INDUSTRIAL PRODUCTS	5	6	7	11	12	6	8
CONSUMER DISCRETIONARY	6	9	2	10	10	5	5
BUSINESS SERVICES	7	12	3	15	11	10	15
TRANSPORTATION	8	7	8	4	3	9	7
RETAIL-WHOLESALE	9	14	5	2	2	12	6
UTILITIES	10	4	12	7	7	1	10
BASIC MATERIALS	11	8	14	3	6	7	1
COMPUTER AND TECHNOLOGY	12	15	9	13	14	15	11
FINANCE	13	5	13	12	9	4	14
MEDICAL	14	13	15	14	15	13	16
OILS-ENERGY	15	10	16	8	5	14	9
AEROSPACE	16	16	11	16	16	16	12

Table 3 – Historical Sector Rankings (last 12 months)

SECTOR	Current Sector Rank 03/23/2018	FEB 2018	JAN 2018	DEC 2017	NOV 2017	OCT 2017	SEP 2017	AUG 2017	JUL 2017	JUN 2017	MAY 2017	APR 2017	MAR 2017	AVG HST RANK
CONSUMER STAPLES	1	1	6	16	15	16	11	15	11	14	9	11	6	10.9
CONGLOMERATES	2	4	1	7	1	7	15	10	14	1	1	16	13	7.5
AUTO-TIRES-TRUCKS	3	7	9	6	6	1	10	6	6	10	2	6	12	6.8
CONSTRUCTION	4	3	7	2	7	6	6	7	2	3	6	5	3	4.8
INDUSTRIAL PRODUCTS	5	2	3	4	2	5	3	4	5	4	4	2	5	3.6
CONSUMER DISCRETIONARY	6	8	11	10	10	2	1	3	9	8	5	15	14	8.0
BUSINESS SERVICES	7	6	12	11	9	13	7	9	7	5	8	7	11	8.8
TRANSPORTATION	8	12	2	13	14	14	13	12	4	12	12	10	15	11.1
RETAIL-WHOLESALE	9	9	5	15	16	11	14	13	13	13	14	13	9	12.1
UTILITIES	10	5	4	12	8	8	9	8	10	15	16	9	8	9.3
BASIC MATERIALS	11	13	13	3	4	4	12	16	15	16	11	4	4	9.6
COMPUTER AND TECHNOLOGY	12	11	15	5	3	3	2	5	8	6	10	8	10	7.2
FINANCE	13	10	10	1	12	10	4	1	3	2	7	3	2	5.4
MEDICAL	14	14	16	14	13	9	8	14	12	11	15	12	16	12.8
OILS-ENERGY	15	16	14	9	5	12	16	11	16	7	3	1	1	9.3
AEROSPACE	16	15	8	8	11	15	5	2	1	9	13	14	7	9.0

Table 4 – Highlighted Names from Most and Least Attractive Sectors (March 23, 2018)

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

Polaris All-Cap Core Universe		
	Company	Ticker
<u>CONSUMER STAPLES</u>		
1	Gannett Co Inc	GCI
2	Procter & Gambl	PG
3	Edgewell Persnl	EPC
<u>CONGLOMERATES</u>		
1	Leucadia Natl	LUK
2	Utd Techs Corp	UTX
3	Carlisle Cos In	CSL
<u>AUTO-TIRES-TRUCKS</u>		
1	Tenneco Inc	TEN
2	Dana Inc	DAN
3	Borg Warner Inc	BWA
<u>CONSTRUCTION</u>		
1	Primoris Servcs	PRIM
2	Thor Inds Inc	THO
3	Us Concrete Inc	USCR
<u>INDUSTRIAL PRODUCTS</u>		
1	Valmont Inds	VMI
2	Apogee Entrprs	APOG
3	Agco Corp	AGCO

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

Polaris All-Cap Core Universe		
	Company	Ticker
<u>AEROSPACE</u>		
1	Embraer Air-Adr	ERJ
2	Aar Corp	AIR
3	Aerojet Rocketd	AJRD
<u>OILS-ENERGY</u>		
1	Parsley Engy-A	PE
2	Kosmos Energy	KOS
3	Canadian Solar	CSIQ
<u>MEDICAL</u>		
1	Nxstage Medical	NXTM
2	Nevro Corp	NVRO
3	China Biologic	CBPO
<u>FINANCE</u>		
1	Aspen Ins Hldgs	AHL
2	Axis Cap Hldgs	AXS
3	Lendingtree Inc	TREE
<u>COMPUTER AND TECHNOLOGY</u>		
1	Fabrinet	FN
2	Oclaro Inc	OCLR
3	Plexus Corp	PLXS

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