

Consumer discretionary stocks have been strong performers, to the point where the technical outlook has deteriorated significantly, indicating an overbought condition for the sector. As a result, the sector has fallen into the bottom 5 group of our attractiveness rankings. The retail sector, which we rank separate from the consumer discretionary names, has essentially held its position in the middle of our rankings. Falling out of the middle due to the impact of negative earnings revisions on fundamental outlook and catalytic scores, the conglomerates sector has dropped into the bottom 5 group. While moving in the opposite direction, construction stocks rose out from the bottom of our rankings as excessive selling pressure has resulted in an improved technical outlook.

Table 1 – Current Sector Rankings and Changed from Last Report (as of June 15, 2018)

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

Table 3 – Historical Sector Rankings (last 12 months)

SECTOR	Current Sector Rank 06/15/2018	MAY 2018	APR 2018	MAR 2018	FEB 2018	JAN 2018	DEC 2017	NOV 2017	OCT 2017	SEP 2017	AUG 2017	JUL 2017	JUN 2017	AVG HST RANK
UTILITIES	1	13	16	16	5	4	12	8	8	9	8	10	15	10.3
OILS-ENERGY	2	10	14	12	16	14	9	5	12	16	11	16	7	11.8
BASIC MATERIALS	3	3	7	11	13	13	3	4	4	12	16	15	16	9.8
COMPUTER AND TECHNOLOGY	4	2	6	9	11	15	5	3	3	2	5	8	6	6.3
INDUSTRIAL PRODUCTS	5	7	5	5	4	3	4	2	5	3	4	5	4	4.3
AEROSPACE	6	12	12	14	15	8	8	11	16	5	2	1	9	9.4
MEDICAL	7	8	11	13	14	16	14	13	9	8	14	12	11	11.9
CONSTRUCTION	8	6	2	4	2	7	2	7	6	6	7	2	3	4.5
RETAIL-WHOLESALE	9	9	10	10	9	5	15	16	11	14	13	13	13	11.5
BUSINESS SERVICES	10	11	8	3	6	12	11	9	13	7	9	7	5	8.4
AUTO-TIRES-TRUCKS	11	1	1	1	7	9	6	6	1	10	6	6	10	5.3
TRANSPORTATION	12	5	13	7	12	2	13	14	14	13	12	4	12	10.1
CONSUMER DISCRETIONARY	13	4	4	6	8	11	10	10	2	1	3	9	8	6.3
FINANCE	14	14	15	15	10	10	1	12	10	4	1	3	2	8.1
CONGLOMERATES	15	15	9	8	3	1	7	1	7	15	10	14	1	7.6
CONSUMER STAPLES	16	16	3	2	1	6	16	15	15	11	15	11	14	10.4

Table 4 – Highlighted Names from Most and Least Attractive Sectors (June 15, 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
	<u>UTILITIES</u>			<u>CONSUMER STAPLES</u>	
1	Telus Corp	TU	1	Coca Cola Co	KO
2	Wec Energy Grp	WEC	2	Mondelez Intl	MDLZ
3	Duke Energy Cp	DUK	3	Clorox Co	CLX
	<u>OILS-ENERGY</u>			<u>CONGLOMERATES</u>	
1	Nabors Ind	NBR	1	3M Co	MMM
2	Laredo Petrolm	LPI	2	Carlisle Cos In	CSL
3	Forum Enrg Tech	FET	3	Macquarie Infra	MIC
	<u>BASIC MATERIALS</u>			<u>FINANCE</u>	
1	Kinross Gold	KGC	1	Assurant Inc	AIZ
2	Olin Corp	OLN	2	Senior Housing	SNH
3	First Majestic	AG	3	Amer Campus Cty	ACC
	<u>COMPUTER AND TECHNOLOGY</u>			<u>CONSUMER DISCRETIONARY</u>	
1	Appld Matls Inc	AMAT	1	Toro Co	TTC
2	Jabil Inc	JBL	2	Tegna Inc	TGNA
3	Yelp Inc	YELP	3	Grupo Televisa	TV
	<u>INDUSTRIAL PRODUCTS</u>			<u>TRANSPORTATION</u>	
1	Greif Inc	GEF	1	Utd Parcel Srv	UPS
2	Alcoa Corp	AA	2	Alaska Air Grp	ALK
3	Abb Ltd-Adr	ABB	3	Spirit Airlines	SAVE

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Brian T. Hannon, CFA

Sr. VP & Director of Equity Research

Sturdivant & Co., Inc.

(856) 433-6126

bhannon@sturdivant-co.com

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