

The utility stocks have fallen back to the bottom of our sector attractiveness rankings principally due to deterioration in the technical outlook. Lower underlying model scores across our core valuation, technical and catalytic metrics has also been a factor in the utility sector ranking. The construction sector has continued its rise in our rankings and breaks into the top 5 group on improved technical and valuation properties. Finally, after many months as a bottom ranked sector, we find it noteworthy that the much maligned energy sector has claimed the #1 spot in our rankings. The energy sector ranking is bolstered by a strong fundamental outlook driven by favorable earnings revisions as oil prices have risen significantly from a year ago.

Table 1 – Current Sector Rankings and Changed from Last Report (as of June 22, 2018)

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

Table 3 – Historical Sector Rankings (last 12 months)

SECTOR	Current Sector Rank 06/22/2018	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
OILS-ENERGY	1	10	14	12	16	14	9	5	12	16	11	16	7	11.8
COMPUTER AND TECHNOLOGY	2	2	6	9	11	15	5	3	3	2	5	8	6	6.3
AEROSPACE	3	12	12	14	15	8	8	11	16	5	2	1	9	9.4
CONSTRUCTION	4	6	2	4	2	7	2	7	6	6	7	2	3	4.5
INDUSTRIAL PRODUCTS	5	7	5	5	4	3	4	2	5	3	4	5	4	4.3
BASIC MATERIALS	6	3	7	11	13	13	3	4	4	12	16	15	16	9.8
AUTO-TIRES-TRUCKS	7	1	1	1	7	9	6	6	1	10	6	6	10	5.3
MEDICAL	8	8	11	13	14	16	14	13	9	8	14	12	11	11.9
RETAIL-WHOLESALE	9	9	10	10	9	5	15	16	11	14	13	13	13	11.5
TRANSPORTATION	10	5	13	7	12	2	13	14	14	13	12	4	12	10.1
BUSINESS SERVICES	11	11	8	3	6	12	11	9	13	7	9	7	5	8.4
CONSUMER DISCRETIONARY	12	4	4	6	8	11	10	10	2	1	3	9	8	6.3
FINANCE	13	14	15	15	10	10	1	12	10	4	1	3	2	8.1
UTILITIES	14	13	16	16	5	4	12	8	8	9	8	10	15	10.3
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 22, 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>OILS-ENERGY</u>			<u>CONSUMER STAPLES</u>	
1	Nabors Ind	NBR	1	Coca Cola Co	KO
2	Laredo Petrolm	LPI	2	Mondelez Intl	MDLZ
3	Matador Resourc	MTDR	3	Colgate Palmoli	CL
	<u>COMPUTER AND TECHNOLOGY</u>			<u>CONGLOMERATES</u>	
1	Cirrus Logic	CRUS	1	Macquarie Infra	MIC
2	Trimble Inc	TRMB	2	Carlisle Cos In	CSL
3	Sensata Technol	ST	3	Utd Techs Corp	UTX
	<u>AEROSPACE</u>			<u>UTILITIES</u>	
1	Aar Corp	AIR	1	Black Hills Cor	BKH
2	Teledyne Tech	TDY	2	Natl Fuel Gas	NFG
3	Moog Inc A	MOG.A	3	Portland Gen El	POR
	<u>CONSTRUCTION</u>			<u>FINANCE</u>	
1	Installed Build	IBP	1	Iberiabank Corp	IBKC
2	Louisiana Pac	LPX	2	Assurant Inc	AIZ
3	Weyerhaeuser Co	WY	3	Amer Campus Cty	ACC
	<u>INDUSTRIAL PRODUCTS</u>			<u>CONSUMER DISCRETIONARY</u>	
1	Alcoa Corp	AA	1	Gray Televsn	GTN
2	Greif Inc	GEF	2	Leggett & Platt	LEG
3	Abb Ltd-Adr	ABB	3	Sinclair Broadc	SBGI

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