

The fundamental outlook for both the consumer staples and the conglomerates has deteriorated significantly based on our proprietary indicators of expected earnings momentum. As a result, the staples have fallen from the #1 spot to #12 in our sector attractiveness rankings; while the conglomerates have dropped to #14 from the #2 spot. The transportation sector, on the other hand, has advanced to the #2 spot based on an improving fundamental outlook, presenting worthy investment interest, considering the lagging performance of transportation stocks.

Table 1 – Current Sector Rankings and Changed from Last Report (as of July 28, 2017)

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

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

Table 3 – Historical Sector Rankings (last 12 months)

SECTOR	Current Sector Rank 07/28/2017	JUN 2017	MAY 2017	APR 2017	MAR 2017	FEB 2017	JAN 2017	DEC 2016	NOV 2016	OCT 2016	SEP 2016	AUG 2016	JUL 2016	AVG HST RANK
AEROSPACE	1	10	13	15	7	7	8	4	7	6	15	12	10	9.5
TRANSPORTATION	2	12	11	10	15	14	14	15	14	13	16	16	15	13.8
FINANCE	3	2	7	3	2	4	3	3	9	10	14	13	11	6.8
INDUSTRIAL PRODUCTS	4	5	4	2	5	2	7	5	11	16	12	10	4	6.9
CONSTRUCTION	5	4	5	4	3	5	13	9	13	8	3	4	2	6.1
COMPUTER AND TECHNOLOGY	6	7	10	8	9	3	6	6	1	2	2	7	5	5.5
BUSINESS SERVICES	7	3	8	6	11	8	2	11	12	7	10	5	3	7.2
AUTO-TIRES-TRUCKS	8	8	2	5	12	11	9	7	6	4	1	8	13	7.2
CONSUMER DISCRETIONARY	9	9	6	14	13	10	12	8	10	14	13	14	12	11.3
MEDICAL	10	11	15	12	16	15	11	10	5	5	4	2	6	9.3
UTILITIES	11	15	16	9	8	13	10	14	2	15	7	6	9	10.3
CONSUMER STAPLES	12	13	9	11	6	12	15	13	4	1	8	3	7	8.5
RETAIL-WHOLESALE	13	14	14	13	10	9	5	12	16	9	6	11	16	11.3
CONGLOMERATES	14	1	1	16	14	16	16	16	15	12	9	15	14	12.1
BASIC MATERIALS	15	16	12	7	4	6	4	2	8	11	11	9	8	8.2
OILS-ENERGY	16	6	3	1	1	1	1	1	3	3	5	1	1	2.3

Table 4 – Highlighted Names from Most and Least Attractive Sectors (July 28, 2017)

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

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

Polaris All-Cap Core Universe		
	Company	Ticker
<u>AEROSPACE</u>		
1	Huntington Ingl	HII
2	Aar Corp	AIR
3	Lockheed Martin	LMT
<u>TRANSPORTATION</u>		
1	United Cont Hld	UAL
2	Spirit Airlines	SAVE
3	Hawaiian Hldgs	HA
<u>FINANCE</u>		
1	Citizens Fin Gp	CFG
2	First Hrzn Natl	FHN
3	Old Natl Bcp	ONB
<u>INDUSTRIAL PRODUCTS</u>		
1	Cimpress Nv	CMPR
2	Apogee Entrprs	APOG
3	Mrc Global Inc	MRC
<u>CONSTRUCTION</u>		
1	Watsco Inc	WSO
2	Utd Rentals Inc	URI
3	Armstrong World	AWI

Polaris All-Cap Core Universe		
	Company	Ticker
<u>OILS-ENERGY</u>		
1	Devon Energy	DVN
2	Conocophillips	COP
3	Viper Energy	VNOM
<u>BASIC MATERIALS</u>		
1	Freept Mc Cop-B	FCX
2	Novagold Rsrcls	NG
3	Potash Sask	POT
<u>CONGLOMERATES</u>		
1	3M Co	MMM
2	Utd Techs Corp	UTX
3	Itt Inc	ITT
<u>RETAIL-WHOLESALE</u>		
1	Ethan Allen Int	ETH
2	Tripadvisor Inc	TRIP
3	Tractor Supply	TSCO
<u>CONSUMER STAPLES</u>		
1	Meredith Corp	MDP
2	Utd Natural Fds	UNFI
3	Philip Morris	PM

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