

The top end of our sector attractiveness rankings is virtually unchanged versus last week. The financials and consumer discretionary sector have merely swapped positions but remain #1 and #2. At the bottom end, the most notable change is that the energy sector has slipped back into the bottom 5 group due to price strength that has caused deterioration in the technical outlook and valuation.

Table 1 – Current Sector Rankings and Changed from Last Report (as of September 15, 2017)

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

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

Table 3 – Historical Sector Rankings (last 12 months)

SECTOR	Current Sector Rank 09/15/2017	JUL 2017	JUN 2017	MAY 2017	APR 2017	MAR 2017	FEB 2017	JAN 2017	DEC 2016	NOV 2016	OCT 2016	SEP 2016	AUG 2016	AVG HST RANK
CONSUMER DISCRETIONARY	1	10	8	5	15	14	9	12	11	10	13	13	14	11.2
FINANCE	2	4	2	7	3	2	3	3	2	9	3	14	13	5.4
AEROSPACE	3	1	10	13	14	7	6	8	4	7	7	15	12	8.7
COMPUTER AND TECHNOLOGY	4	7	6	10	8	10	12	7	6	1	2	2	7	6.5
INDUSTRIAL PRODUCTS	5	5	4	4	2	5	2	6	5	11	16	12	10	6.8
CONSTRUCTION	6	2	3	6	5	4	4	13	7	13	9	4	4	6.2
UTILITIES	7	9	15	16	9	8	13	10	15	2	15	7	6	10.4
AUTO-TIRES-TRUCKS	8	6	9	2	6	12	10	9	8	6	5	1	8	6.8
BUSINESS SERVICES	9	8	5	8	7	11	8	2	10	12	8	10	5	7.8
TRANSPORTATION	10	3	12	11	10	15	14	14	14	16	14	16	16	12.9
MEDICAL	11	11	11	15	12	16	15	11	9	5	6	3	2	9.7
RETAIL-WHOLESALE	12	13	13	14	13	9	7	4	12	15	10	6	11	10.6
BASIC MATERIALS	13	15	16	12	4	3	5	5	3	8	11	11	9	8.5
CONSUMER STAPLES	14	12	14	9	11	6	11	15	13	3	1	8	3	8.8
CONGLOMERATES	15	14	1	1	16	13	16	16	16	14	12	9	15	11.9
OILS-ENERGY	16	16	7	3	1	1	1	1	1	4	4	5	1	3.8

Table 4 – Highlighted Names from Most and Least Attractive Sectors (September 15, 2017)

Polaris All-Cap Core Universe		
	Company	Ticker
<u>CONSUMER DISCRETIONARY</u>		
1	Twenty-First Cf	FOX
2	Nexstar Brdcstg	NXST
3	Pool Corp	POOL
<u>FINANCE</u>		
1	Renaissancere	RNR
2	Columbia Bk Sys	COLB
3	New York Reit	NYRT
<u>AEROSPACE</u>		
1	Aerovironment	AVAV
2	Huntington Ingl	HII
3	Boeing Co	BA
<u>COMPUTER AND TECHNOLOGY</u>		
1	Pandora Media	P
2	Open Text Corp	OTEX
3	Synaptics Inc	SYNA
<u>INDUSTRIAL PRODUCTS</u>		
1	Sealed Air Corp	SEE
2	Regal Beloit	RBC
3	Ii-Vi Incorp	IIVI

Polaris All-Cap Core Universe		
	Company	Ticker
<u>OILS-ENERGY</u>		
1	Noble Corp Plc	NE
2	Enlink Midst Lp	ENLK
3	Matador Resourc	MTDR
<u>CONGLOMERATES</u>		
1	Carlisle Cos In	CSL
2	3M Co	MMM
3	Genl Electric	GE
<u>CONSUMER STAPLES</u>		
1	Vista Outdoor	VSTO
2	Monro Muffler	MNRO
3	Pinnacle Entrtn	PNK
<u>BASIC MATERIALS</u>		
1	Yamana Gold Inc	AUY
2	Coeur Mining	CDE
3	Pan Amer Silver	PAAS
<u>RETAIL-WHOLESALE</u>		
1	Sears Hldg Cp	SHLD
2	Lowe's Cos	LOW
3	Caseys Gen Strs	CASY

Sturdivant & Co. conducts bottom-up fundamental analysis for a wide range of large and small cap US equities. The sector rankings reported herein reflect a top-down view of our bottom-up analysis of over 2,000 stocks. Utilizing the flexibility of Polaris, our proprietary equity guidance system, we are able to provide timely market intelligence to support stock selection, sector allocation and style rotation decisions. The structure of Polaris is based on the belief that the principal determinants of stock price behavior are 1) valuation, 2) technical, and 3) catalytic properties. Historical performance of our ranking system shows that it has been effective at providing guidance that supports consistent benchmark outperformance (though historical results are no guarantee of future performance). Working closely with each client, the output from Polaris is customized in accordance with the client's organizational structure and their specific investment universe or focus list. Our goal at Sturdivant & Co is to provide differentiated research that is truly client-centered. We accomplish this by providing customized analysis that is singularly focused on investment performance. To learn more about how we can support your team please contact us.

Brian T. Hannon, CFA

Sr. VP & Director of Equity Research

Sturdivant & Co., Inc.

(856) 433-6126

bhannon@sturdivant-co.com

DISCLOSURES AND DEFINITIONS

Sturdivant & Co. and its employees, officers, and members deal as principal in transactions involving the securities referred to herein (or options or other instruments related thereto), including in transactions which may be contrary to any recommendations contained herein. This publication does not constitute an offer to sell or solicitation to buy of any transaction in any securities referred to herein. Any recommendation contained herein may not be suitable for all investors. Although the information contained in the subject report (not including disclosures contained herein) has been obtained from sources we believe to be reliable, the accuracy and completeness of such information and the opinions expressed herein cannot be guaranteed. This publication and any recommendation contained herein speak only as of the date hereof and are subject to change without notice. Sturdivant & Co. and its employees shall have no obligation to update or amend any information or opinion contained herein. This publication is being furnished to you for informational purposes only and on the condition that it will not form the sole basis for any investment decision. Each investor must make their own determination of the appropriateness of an investment in any securities referred to herein based on the tax, or other considerations applicable to such investor and its own investment strategy. By virtue of this publication, neither Sturdivant & Co. nor any of its employees shall be responsible for any investment decision. This report may not be reproduced, distributed, or published without the prior consent of Sturdivant & Co. All rights reserved by Sturdivant & Co. This report may discuss numerous securities, some of which may not be qualified for sale in certain states and may therefore not be offered to investors in such states. This document should not be construed as providing investment services. Investing in non-U.S. securities including ADRs involves significant risks such as fluctuation of exchange rates that may have adverse effects on the value or price of income derived from the security. Securities of some foreign companies may be less liquid and prices more volatile than securities of U.S. companies. Securities of non-U.S. issuers may not be registered with or subject to Securities and Exchange Commission reporting requirements; therefore, information regarding such issuers may be limited.