

The energy sector rose out of the bottom 5 group on improved earnings momentum as indicated by EPS estimate revisions. The technical outlook for energy stocks also improved as the group is showing some recovery from it's heavily oversold status. The retail sector slipped back into the bottom 5 group due principally to technical weakness. We also noted some deterioration in underlying valuation scores among retail stocks. Otherwise our sector attractiveness rankings were relatively stable at both the top and bottom end.

**Table 1 – Current Sector Rankings and Changed from Last Report (as of October 20, 2017)**

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

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

**Table 3 – Historical Sector Rankings (last 12 months)**

SECTOR	Current Sector Rank 10/20/2017	SEP 2017	AUG 2017	JUL 2017	JUN 2017	MAY 2017	APR 2017	MAR 2017	FEB 2017	JAN 2017	DEC 2016	NOV 2016	OCT 2016	AVG HST RANK
CONSUMER DISCRETIONARY	1	1	3	9	8	5	15	14	9	12	11	10	13	9.2
INDUSTRIAL PRODUCTS	2	3	4	5	4	4	2	5	2	6	5	11	16	5.6
CONSTRUCTION	3	5	7	2	3	6	5	3	4	14	8	13	9	6.6
COMPUTER AND TECHNOLOGY	4	2	5	8	6	10	8	10	12	7	6	1	2	6.4
AEROSPACE	5	6	2	1	9	13	14	7	5	8	4	7	7	6.9
FINANCE	6	4	1	3	2	7	3	2	3	3	3	9	3	3.6
UTILITIES	7	7	8	10	15	16	9	8	14	10	15	2	15	10.8
AUTO-TIRES-TRUCKS	8	9	6	6	10	2	6	12	10	9	7	6	5	7.3
OILS-ENERGY	9	16	11	16	7	3	1	1	1	1	1	4	4	5.5
MEDICAL	10	8	14	12	11	15	12	16	15	11	9	5	6	11.2
CONSUMER STAPLES	11	12	15	11	14	9	11	6	11	15	13	3	1	10.1
BASIC MATERIALS	12	11	16	15	16	11	4	4	6	5	2	8	11	9.1
RETAIL-WHOLESALE	13	14	13	13	13	14	13	9	7	4	12	15	10	11.4
BUSINESS SERVICES	14	10	9	7	5	8	7	11	8	2	10	12	8	8.1
CONGLOMERATES	15	15	10	14	1	1	16	13	16	16	16	14	12	12.0
TRANSPORTATION	16	13	12	4	12	12	10	15	13	13	14	16	14	12.3

Table 4 – Highlighted Names from Most and Least Attractive Sectors (October 20, 2017)

Most Attractive Names from the Most Attractive Sectors			Least Attractive Names from the Least Attractive Sectors		
<b>Polaris All-Cap Core Universe</b>			<b>Polaris All-Cap Core Universe</b>		
	Company	Ticker		Company	Ticker
<b><u>CONSUMER DISCRETIONARY</u></b>			<b><u>TRANSPORTATION</u></b>		
1	Prestige Brands	PBH	1	Jetblue Airways	JBLU
2	Liberty Gbl-C	LBTYK	2	Scorpio Tankers	STNG
3	Tal Educatn-Adr	TAL	3	Kirby Corp	KEX
<b><u>INDUSTRIAL PRODUCTS</u></b>			<b><u>CONGLOMERATES</u></b>		
1	Alcoa Corp	AA	1	Carlisle Cos In	CSL
2	Chart Industrie	GTLS	2	Utd Techs Corp	UTX
3	Lincoln Electr	LECO	3	Leucadia Natl	LUK
<b><u>CONSTRUCTION</u></b>			<b><u>BUSINESS SERVICES</u></b>		
1	Aecom	ACM	1	Sothebys	BID
2	Utd Rentals Inc	URI	2	Fti Consulting	FCN
3	Lennar Corp -A	LEN	3	Nielsen Holdngs	NLSN
<b><u>COMPUTER AND TECHNOLOGY</u></b>			<b><u>RETAIL-WHOLESALE</u></b>		
1	Benchmark Eletr	BHE	1	Costco Whole Cp	COST
2	Synaptics Inc	SYNA	2	Shake Shack Inc	SHAK
3	Super Micro Com	SMCI	3	Pricesmart Inc	PSMT
<b><u>AEROSPACE</u></b>			<b><u>BASIC MATERIALS</u></b>		
1	Aerojet Rocketd	AJRD	1	Sensient Tech	SXT
2	Kratos Defense	KTOS	2	Eldorado Gold	EGO
3	Huntington Ingl	HII	3	Newmarket Corp	NEU

# Weekly Research Focus

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