

Volatility in our sector attractiveness rankings was significant this week. The conglomerates have come off of the bottom on strong fundamentals. Most notably, the auto sector has penetrated the top 5 on both a favorable fundamental and technical outlook. Also on the rise was the basic materials sector, which slipped into the top 5 on modest improvement in fundamentals. Moving in the opposite direction, industrials and financials fell sharply. In the case of the industrials, the sector showed weakness across the board on all of our metrics. While the financials slipped principally on fundamental deterioration.

Table 1 – Current Sector Rankings and Changed from Last Report (as of October 27, 2017)

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

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

Table 3 – Historical Sector Rankings (last 12 months)

SECTOR	Current Sector Rank 10/27/2017	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
AUTO-TIRES-TRUCKS	1	9	6	6	10	2	6	12	10	9	7	6	5	7.3
COMPUTER AND TECHNOLOGY	2	2	5	8	6	10	8	10	12	7	6	1	2	6.4
CONSUMER DISCRETIONARY	3	1	3	9	8	5	15	14	9	12	11	10	13	9.2
UTILITIES	4	7	8	10	15	16	9	8	14	10	15	2	15	10.8
BASIC MATERIALS	5	11	16	15	16	11	4	4	6	5	2	8	11	9.1
CONSTRUCTION	6	5	7	2	3	6	5	3	4	14	8	13	9	6.6
CONGLOMERATES	7	15	10	14	1	1	16	13	16	16	16	14	12	12.0
INDUSTRIAL PRODUCTS	8	3	4	5	4	4	2	5	2	6	5	11	16	5.6
AEROSPACE	9	6	2	1	9	13	14	7	5	8	4	7	7	6.9
OILS-ENERGY	10	16	11	16	7	3	1	1	1	1	1	4	4	5.5
MEDICAL	11	8	14	12	11	15	12	16	15	11	9	5	6	11.2
FINANCE	12	4	1	3	2	7	3	2	3	3	3	9	3	3.6
CONSUMER STAPLES	13	12	15	11	14	9	11	6	11	15	13	3	1	10.1
TRANSPORTATION	14	13	12	4	12	12	10	15	13	13	14	16	14	12.3
BUSINESS SERVICES	15	10	9	7	5	8	7	11	8	2	10	12	8	8.1
RETAIL-WHOLESALE	16	14	13	13	13	14	13	9	7	4	12	15	10	11.4

Table 4 – Highlighted Names from Most and Least Attractive Sectors (October 27, 2017)

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>AUTO-TIRES-TRUCKS</u>			<u>RETAIL-WHOLESALE</u>	
1	Genuine Parts	GPC	1	Costco Whole Cp	COST
2	Dorman Products	DORM	2	Shake Shack Inc	SHAK
3	Ford Motor Co	F	3	L Brands Inc	LB
	<u>COMPUTER AND TECHNOLOGY</u>			<u>BUSINESS SERVICES</u>	
1	Netscout Systms	NTCT	1	Sothebys	BID
2	Benchmark Eletr	BHE	2	Corelogic Inc	CLGX
3	Synaptics Inc	SYNA	3	Spectra Energy	SE
	<u>CONSUMER DISCRETIONARY</u>			<u>TRANSPORTATION</u>	
1	Prestige Brands	PBH	1	Hub Group Inc-A	HUBG
2	Liberty Gbl-C	LBTYK	2	Ryanair Hldgs	RYAAY
3	Under Armour-C	UA	3	Copa Hldgs Sa-A	CPA
	<u>UTILITIES</u>			<u>CONSUMER STAPLES</u>	
1	Natl Grid -Adr	NGG	1	Fresh Del Monte	FDP
2	Nextera Energy	NEE	2	B&G Foods Cl-A	BGS
3	Firstenergy Cp	FE	3	Hrg Group Inc	HRG
	<u>BASIC MATERIALS</u>			<u>FINANCE</u>	
1	Cameco Corp	CCJ	1	South State Cp	SSB
2	Cia Siderur-Adr	SID	2	Rli Corp	RLI
3	Trinseo Sa	TSE	3	Kennedy-Wilson	KW

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