

The consumer staples sector made a strong move into the top 5 of our sector attractiveness rankings principally due to the strength of the fundamental outlook. The sector also has favorable technical metrics on both an absolute and relative scale. The utilities and aerospace sectors both fell in our rankings. In the case of the utilities, the fall is attributable to weakness on both a fundamental and technical front. The aerospace sector is bottom-ranked on all of the relative-scale metrics and has suffered from deterioration in the fundamental outlook. We also note that over the course of several weeks, the conglomerates have come up from the bottom on favorable valuation scores and earnings momentum that offsets technical risk. Finally, the consumer discretionary sector, which excludes retail, falls out of the top 5 due to underlying catalytic weakness.

**Table 1 – Current Sector Rankings and Changed from Last Report (as of November 3, 2017)**

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

Table 3 – Historical Sector Rankings (last 12 months)

SECTOR	Current Sector Rank 11/3/2017	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
CONGLOMERATES	2	15	10	14	1	1	16	13	16	16	16	14	12	12.0
COMPUTER AND TECHNOLOGY	3	2	5	8	6	10	8	10	12	7	6	1	2	6.4
CONSUMER STAPLES	4	12	15	11	14	9	11	6	11	15	13	3	1	10.1
BASIC MATERIALS	5	11	16	15	16	11	4	4	6	5	2	8	11	9.1
INDUSTRIAL PRODUCTS	6	3	4	5	4	4	2	5	2	6	5	11	16	5.6
CONSUMER DISCRETIONARY	7	1	3	9	8	5	15	14	9	12	11	10	13	9.2
CONSTRUCTION	8	5	7	2	3	6	5	3	4	14	8	13	9	6.6
OILS-ENERGY	9	16	11	16	7	3	1	1	1	1	1	4	4	5.5
UTILITIES	10	7	8	10	15	16	9	8	14	10	15	2	15	10.8
BUSINESS SERVICES	11	10	9	7	5	8	7	11	8	2	10	12	8	8.1
MEDICAL	12	8	14	12	11	15	12	16	15	11	9	5	6	11.2
FINANCE	13	4	1	3	2	7	3	2	3	3	3	9	3	3.6
RETAIL-WHOLESALE	14	14	13	13	13	14	13	9	7	4	12	15	10	11.4
AEROSPACE	15	6	2	1	9	13	14	7	5	8	4	7	7	6.9
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 (November 3, 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
	<b><u>AUTO-TIRES-TRUCKS</u></b>			<b><u>TRANSPORTATION</u></b>	
1	Wabash National	WNC	1	Kirby Corp	KEX
2	Genuine Parts	GPC	2	Cdn Natl Ry Co	CNI
3	Cnh Industrial	CNHI	3	Heartland Exp	HTLD
	<b><u>CONGLOMERATES</u></b>			<b><u>AEROSPACE</u></b>	
1	Danaher Corp	DHR	1	Genl Dynamics	GD
2	3M Co	MMM	2	Esterline Techn	ESL
3	Crane Co	CR	3	Teledyne Tech	TDY
	<b><u>COMPUTER AND TECHNOLOGY</u></b>			<b><u>RETAIL-WHOLESALE</u></b>	
1	Avnet	AVT	1	Shake Shack Inc	SHAK
2	Super Micro Com	SMCI	2	Costco Whole Cp	COST
3	Benchmark Eletr	BHE	3	Caseys Gen Strs	CASY
	<b><u>CONSUMER STAPLES</u></b>			<b><u>FINANCE</u></b>	
1	Energizer Hldgs	ENR	1	Rli Corp	RLI
2	Meredith Corp	MDP	2	Fnb Corp	FNB
3	Hain Celestial	HAIN	3	Kennedy-Wilson	KW
	<b><u>BASIC MATERIALS</u></b>			<b><u>MEDICAL</u></b>	
1	Cia Siderur-Adr	SID	1	Dentsply Sirona	XRAY
2	Steel Dynamics	STLD	2	Sage Therapeutc	SAGE
3	Fuller(Hb) Co	FUL	3	Dermira Inc	DERM

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