

The aerospace sector has sustained a multi-week slide and has fallen into the bottom 5 group on deterioration in the fundamental outlook (negative earnings revisions). The business services sector also has fallen into the bottom group due to weakness in both the fundamental and technical outlook. Other notable changes in our sector attractiveness rankings versus last week included the autos slipping out of the top 5, while the financials and healthcare sectors moved up from the bottom 5 group. In each of these cases the moves were principally due to volatility in underlying technical properties.

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

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

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

Table 3 – Historical Sector Rankings (last 12 months)

SECTOR	Current Sector Rank 12/01/2017	OCT 2017	SEP 2017	AUG 2017	JUL 2017	JUN 2017	MAY 2017	APR 2017	MAR 2017	FEB 2017	JAN 2017	DEC 2016	NOV 2016	AVG HST RANK
CONGLOMERATES	1	7	15	10	14	1	1	16	13	16	16	16	14	11.6
INDUSTRIAL PRODUCTS	2	5	3	4	5	4	4	2	5	2	6	5	11	4.7
BASIC MATERIALS	3	4	12	16	15	16	11	4	4	6	5	2	8	8.6
OILS-ENERGY	4	13	16	11	16	7	3	1	1	1	1	1	4	6.3
COMPUTER AND TECHNOLOGY	5	3	2	5	8	6	10	8	10	12	7	6	1	6.5
AUTO-TIRES-TRUCKS	6	1	9	6	6	10	2	6	12	10	9	7	6	7.0
UTILITIES	7	8	8	8	10	15	16	9	8	14	10	15	2	10.3
CONSTRUCTION	8	6	6	7	2	3	6	5	3	4	14	8	13	6.4
FINANCE	9	9	4	1	3	2	7	3	2	3	3	3	9	4.1
CONSUMER DISCRETIONARY	10	2	1	3	9	8	5	15	14	9	12	11	10	8.3
MEDICAL	11	10	7	14	12	11	15	12	16	15	11	9	5	11.4
TRANSPORTATION	12	14	13	12	4	12	12	10	15	13	13	14	16	12.3
BUSINESS SERVICES	13	12	10	9	7	5	8	7	11	8	2	10	12	8.4
AEROSPACE	14	15	5	2	1	9	13	14	7	5	8	4	7	7.5
CONSUMER STAPLES	15	16	11	15	11	14	9	11	6	11	15	13	3	11.3
RETAIL-WHOLESALE	16	11	14	13	13	13	14	13	9	7	4	12	15	11.5

Table 4 – Highlighted Names from Most and Least Attractive Sectors (December 1, 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>CONGLOMERATES</u>			<u>RETAIL-WHOLESALE</u>	
1	Leucadia Natl	LUK	1	Nordstrom Inc	JWN
2	Itt Inc	ITT	2	Autozone Inc	AZO
3	Crane Co	CR	3	Macys Inc	M
	<u>INDUSTRIAL PRODUCTS</u>			<u>CONSUMER STAPLES</u>	
1	Century Alum Co	CENX	1	Altria Group	MO
2	Regal Beloit	RBC	2	Coty Inc	COTY
3	Reliance Steel	RS	3	Lancaster Colon	LANC
	<u>BASIC MATERIALS</u>			<u>AEROSPACE</u>	
1	Yamana Gold Inc	AUY	1	Lockheed Martin	LMT
2	Utd States Stl	X	2	Genl Dynamics	GD
3	Methanex Corp	MEOH	3	Teledyne Tech	TDY
	<u>OILS-ENERGY</u>			<u>BUSINESS SERVICES</u>	
1	Magellan Mdstrm	MMP	1	Omnicom Grp	OMC
2	Noble Energy	NBL	2	Healthcare Serv	HCSG
3	Contl Resources	CLR	3	Convergys Corp	CVG
	<u>COMPUTER AND TECHNOLOGY</u>			<u>TRANSPORTATION</u>	
1	Benchmark Eletr	BHE	1	Cdn Natl Ry Co	CNI
2	Sanmina Corp	SANM	2	Atlas Air World	AAWW
3	Electrn Imaging	EFII	3	Scorpio Tankers	STNG

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