

Underlying earnings momentum scores improved significantly for both the autos and aerospace sectors as compared to every other sector. As a result, this improvement in the fundamental outlook propelled the auto sector back into the top 5 of our sector attractiveness rankings and the aerospace sector rose out of the bottom 5 group. Due to deterioration in the technical outlook, the financials swapped positions with the aerospace sector and slipped from the #9 spot to #14. Otherwise, our sector rankings were relatively stable this week.

Table 1 – Current Sector Rankings and Changed from Last Report (as of December 8, 2017)

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

Table 3 – Historical Sector Rankings (last 12 months)

SECTOR	Current Sector Rank 12/08/2017	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
AUTO-TIRES-TRUCKS	2	1	9	6	6	10	2	6	12	10	9	7	6	7.0
OILS-ENERGY	3	13	16	11	16	7	3	1	1	1	1	1	4	6.3
INDUSTRIAL PRODUCTS	4	5	3	4	5	4	4	2	5	2	6	5	11	4.7
BASIC MATERIALS	5	4	12	16	15	16	11	4	4	6	5	2	8	8.6
COMPUTER AND TECHNOLOGY	6	3	2	5	8	6	10	8	10	12	7	6	1	6.5
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
AEROSPACE	9	15	5	2	1	9	13	14	7	5	8	4	7	7.5
CONSUMER DISCRETIONARY	10	2	1	3	9	8	5	15	14	9	12	11	10	8.3
TRANSPORTATION	11	14	13	12	4	12	12	10	15	13	13	14	16	12.3
MEDICAL	12	10	7	14	12	11	15	12	16	15	11	9	5	11.4
BUSINESS SERVICES	13	12	10	9	7	5	8	7	11	8	2	10	12	8.4
FINANCE	14	9	4	1	3	2	7	3	2	3	3	3	9	4.1
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 8, 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	Walgreens Bai	WBA
3	Crane Co	CR	3	Brinker Intl	EAT
	<u>AUTO-TIRES-TRUCKS</u>			<u>CONSUMER STAPLES</u>	
1	Wabash National	WNC	1	Altria Group	MO
2	Gentex Corp	GNTX	2	Dr Pepper Snapl	DPS
3	Cnh Industrial	CNHI	3	Fresh Del Monte	FDP
	<u>OILS-ENERGY</u>			<u>FINANCE</u>	
1	Apache Corp	APA	1	Simon Property	SPG
2	Callon Pete-Del	CPE	2	Ggp Inc	GGP
3	Noble Energy	NBL	3	Taubman Centers	TCO
	<u>INDUSTRIAL PRODUCTS</u>			<u>BUSINESS SERVICES</u>	
1	Century Alum Co	CENX	1	Ritchie Bros	RBA
2	Enersys Inc	ENS	2	Omnicom Grp	OMC
3	Regal Beloit	RBC	3	Healthcare Serv	HCSG
	<u>BASIC MATERIALS</u>			<u>MEDICAL</u>	
1	Monsanto Co-New	MON	1	Pacira Pharmact	PCRX
2	Yamana Gold Inc	AUY	2	Alkermes Inc	ALKS
3	Grace (Wr) New	GRA	3	Cambrex Corp	CBM

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Brian T. Hannon, CFA

Sr. VP & Director of Equity Research

Sturdivant & Co., Inc.

(856) 433-6126

bhannon@sturdivant-co.com

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