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Thomson Reuters releases 7,500 equity sector indices

By Emma Dunkley

Thomson Reuters has released 7,500 equity sector indices providing exposure to a range of regions, including the emerging markets and Asia Pacific.

The firm says the latest launch reaches beyond global, country and regional indices, by allowing investors to track market movements more deeply by sector.

The new range, which covers 44 countries and 18 regions, includes Iberian sector and North American Free Trade Agreement (Nafta) indices. The firm has also created benchmarks for specific

Sunand Menon says: "Investment managers, quantitative analysts and other financial professionals are continually looking for new ways to evaluate market movements at a deeper level by analyzing the most relevant sectors, particularly in the more difficult to reach emerging markets."

The firm says it has seen a number of emerging market fund houses and investors turn to indices in other neighbouring emerging markets, rather than benchmarks for western countries. It adds fund managers want exposure to other markets



Sunand Menon, Thomson Reuters

sectors such as water, renewables and diversified media.

Thomson Reuters global managing director of Indices

through these indices especially if they do not have the capabilities for stock selection.

At the same time, the index provider says stock exchanges have been keen on these indices and the ability to license them to underlie ETFs and other derivative products.

The indices utilise a proprietary liquidity filter, which selects stocks based on prices rather than volume. Thomson Reuters says this method provides a more accurate representation of the investment opportunities available, especially in the emerging markets.