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Boston Analytics Launches Stock Market Diaries with ‘Boston Analytics India Market Index’ and Tradable Style Investment Portfolios

Total return indices enable investors and money managers to evaluate BSE and NSE stock performance with fair benchmarks and diverse indicators reflecting their style of investment; Boston Analytics India Market Index gives 5.40% return during for mid-April to mid-May period

MUMBAI, May 27, 2008 (PRWeb)—Boston Analytics, a customized knowledge services company, today announced the launch of its Stock Market Diaries to track the Indian stock universe by a diverse range of categories. The Stock Market Diaries consist of a set of total return indices which include dividends and asset pricing factor-based portfolios. These indices cover the broad groups of stocks examined closely by money managers and investment institutions.

The Boston Analytics Stock Market Diaries bring unprecedented depth of analysis to the Indian stock universe. Until now, followers of India’s stocks have been limited to tracking performance based on market capitalization. The Stock Market Diaries allow money managers to evaluate stock performance with fair benchmarks and a diverse set of indicators that better reflect their preferred approach to investing. Thus, if they want to evaluate groups of stocks based on cap size, growth rate or a valuation factor like book value, the money managers can turn to the appropriate combination and evaluate the performance with a fair benchmark that resembles their style of investing.

Based upon indices of performance differentials under various economic and market conditions, this style diversification can influence the overall performance of an equity portfolio. Also, this would explicate return variability by categorizing equities with similar characteristics and risk factors.

“With more money flowing into India’s respective stock markets than ever, India needs a more sophisticated view of its stock market and far greater depth into stock performance analysis than a simple market cap index can give,” said Rashid Bilimoria, CEO and co-Founder, Boston Analytics. “The Stock Market Diaries provide deep insight disseminated into a wide breadth of categories that fit just about any style of investing.”

About Stock Market Diaries

The companies present in the Boston Analytics Stock Universe (filtered out of the entire Indian stock universe) are sorted according to the values of fundamental variables in a descending order. The fundamental variables under considerations are market capitalization, price-to-book value and three-month momentum. Stocks are then grouped into ventiles to form portfolios. For example, the top 5% percent companies based on the values of a fundamental variable would form the top most portfolio (Portfolio #1), while the bottom 5% of stocks are called Portfolio #20.

Portfolios are formed on the basis of each fundamental variable. They are tracked for a one-year investment period (June 1 to May 31) and are reconstituted for each investment period based on fundamental variables. The portfolios are not rebalanced during the investment period to avoid transaction and operational costs.

Stock Market Analysis from Mid-April to Mid-May

The Boston Analytics India Market Index gave a return of 5.40% during the current period. Some of the interesting observations for this period are:

- In market capitalization sorted portfolios, the smaller market cap portfolios outperformed the larger market cap portfolios for the current period and also on YTD return basis
- In valuation (price-to-book) sorted portfolios, the high book value relative to price portfolios outperformed the low book value portfolios, showing that investors preferred value investment in this period
- The top half of the momentum sorted portfolios performed better than the last month suggesting that momentum stocks are again picking up pace

Stock Market Diaries

Index	January	February	March	April
BA India Market Index	2856	2873	2543	2826
BA India Mega Cap Index	2702	2741	2487	2748
BA India Large Cap Index	1752	1780	1577	1743
BA India Mid Cap Index	2689	2661	2268	2563
BA India Small Cap Index	3815	3743	3160	3531
BA India Micro Cap Index	9453	8919	7274	8610

Stock Market Diaries reports are available for purchase from Boston Analytics. More information about Stock Market Diaries, including an executive summary of this month's report, is available at http://www.bostonanalytics.com/India_Watch/India_Watch.html.

About Boston Analytics

Boston Analytics provides its corporate, consulting and financial clients the current, accurate and actionable research and analysis—so they can be the first to uncover and exploit opportunities. The firm's work powers knowledge processes and enables effective decisions at all levels of its clients' businesses. Boston Analytics brings together leading analytical minds worldwide, delivers robust offerings of knowledge services and works as a genuine partner.

Boston Analytics delivers enterprise-wide knowledge advantage by providing fully customized knowledge services as well as flexible, preconfigured knowledge products and repositories. All knowledge services and products are tailored to meet the specific needs of corporations, consulting companies and financial services firms.

Boston Analytics is headquartered in Boston with offices in New York, London and Mumbai.

More information can be found at www.bostonanalytics.com

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