



US Industry Aggregates Database

Abstract

Instantly determine the health of financial markets using aggregate fundamentals extracted from standard sectors, sub-sectors, industries, and sub-industries

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Overview

This database provides 18 weekly fundamental indicators for each of 200+ US industries*, constructed from fundamental data found in the quarterly reports of publicly traded U.S. stocks.

** For sake of convenience, this document refers to sectors, subsectors, industries, and subindustries as “industries”.*

Each indicator consists of an aggregate (or representative) value of a specific fundamental ratio for all stocks within the industry. The aggregate value is quoted in two different ways. The first is a MktCap-weighted average, the second is the median value. In addition to the median value, the 20th and 80th percentile of the industry cross-section are also provided.

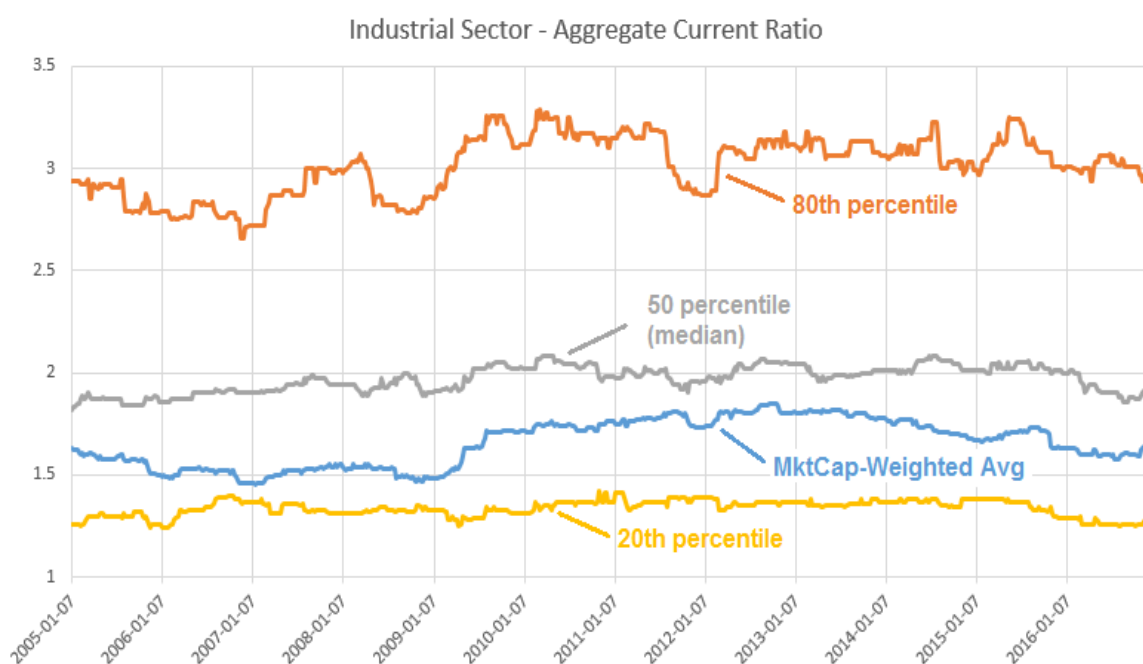


Figure 1 Example Industry Aggregate Indicator

The chart provides an illustration of the MktCap-weighted average and 20th / 50th / 80th percentiles for the industrial sector current ratio. As is often the case, there is a spread the median (50th percentile) and the MktCap-weighted average.

Indicators

The US Industry Aggregates database provides 18 fundamental indicators to represent the state (or health) of each industry.

Care must be used in the definition of the indicators so that the resulting figures are not misleading. For example, market analysts often quote the S&P 500 Price/Earnings Ratio. But the average P/E Ratio across the S&P 500 is inaccurate due to some companies having negative earnings. Negative earnings result in a negative P/E Ratio which would bring the average down, the opposite of what should really happen. For this reason, the financial ratios are specified so that potentially negative values reside in the numerator, not the denominator. **Price / Earnings Ratio** is flipped upside down and becomes **Earnings Yield**. **Price / Book Value Per Share** is flipped upside down to become **Book / Market**. **EV / EBITDA** is flipped upside down and becomes **EBITDA / EV**.

Table 1 Summary of Indicators

No.	Mnem	Name	Description
1	AGM	Aggregate Gross Margin (%)	Aggregate of (100 x Gross Profit / Total Revenues) for stocks within an industry.
2	AOM	Aggregate Operating Margin (%)	Aggregate of (100 x EBIT / Total Revenues) for stocks within an industry.
3	AAT	Aggregate Asset Turnover (%)	Aggregate of (100 x Average Assets / Total Revenues) for stocks within an industry.
4	ACR	Aggregate Current Ratio	Aggregate of (Short Term Assets / Short Term Liabilities) for stocks within an industry.
5	ADE	Aggregate Debt / Equity Ratio (%)	Aggregate of (100 x Total Debt / Total Equity) for stocks within an industry.
6	ACS	Aggregate CAPEX / Sales Ratio (%)	Aggregate of (100 x Capital Expenditures / Total Revenues) for stocks within an industry.

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No.	Mnem	Name	Description
7	AFS	Aggregate Free Cash Flow / Sales Ratio (%)	Aggregate of (100 x Free Cash Flow / Total Revenues, where FCF is the Net Cash Flow from Operations minus Capital Expenditures) for stocks within an industry.
8	ASE	Aggregate Sales / Enterprise Value (%)	Aggregate of (100 x Total Revenues / Enterprise Value) for stocks within an industry.
9	AEE	Aggregate EBITDA / Enterprise Value (%)	Aggregate of (100 x EBITDA / EV) for stocks within an industry.
10	ABM	Aggregate Book / Market Value (%)	Aggregate of (100 x Book Value / Market Capitalization) for stocks within an industry.
11	AEY	Aggregate Earnings Yield (%)	Aggregate of (100 x Net Income Available to Common / Market Capitalization) for stocks within an industry.
12	ATR	Aggregate Tax Rate (%)	Aggregate of (100 x (EBT - Net Income) / EBT) for stocks within an industry.
13	AROE	Aggregate Return on Equity (%)	Aggregate of (100 x Net Income Available to Common / Average Equity) for stocks within an industry.
14	AROC	Aggregate Return on Capital (%)	Aggregate of (100 x Net Income Available to Common / Total Capital) for stocks within an industry, where Total Capital consists of Total Equity and Total Debt.
15	ADY	Aggregate Dividend Yield (%)	Aggregate of (100 x Total Dividends Paid / Market Capitalization) for stocks within an industry.
16	ADYX	Aggregate Dividend Yield excluding Nonpayers (%)	Aggregate of (100 x Total Dividends Paid / Market Capitalization) for stocks within an industry. DYX is calculated for each stock within the industry that paid dividends in the trailing 12 months.
17	ADC	Aggregate Dividend Coverage (%)	Aggregate of (100 x Net Income Available to Common / Total Dividends Paid) for stocks within an industry.
18	ADCX	Aggregate Dividend Coverage excluding Nonpayers (%)	Aggregate of (100 x Net Income Available to Common / Total Dividends Paid) for stocks within an industry. DCX is calculated for each stock within the industry that paid dividends in the trailing 12 months.

Industry Aggregate Calculation

Fundamental Data

The aggregate is based on fundamental factors that have been extracted from individual stocks that form the industry. The rules for gathering the data and stock participation are listed below:

- Fundamental data are "As Reported" (AR) only; "Most Recent" (MR) are not used
- Cash flow and income-related fundamentals are based on Trailing Twelve Months (TTM), calculated from the last 4 quarterly reports and most recent annual report
- Balance sheet fundamentals utilize data from the most recent report, either quarterly report or annual report
- Market Cap/Price-related indicators vary between quarterly reports. For this reason, the indicators are calculated daily prior to being included in the aggregate. The aggregate is calculated weekly.
- Stock symbols that have been listed for less than one year are not included in the aggregate due to insufficient financial information
- American Depositary Receipts (ADRs) and Canadian stocks are not included in the calculations due to inconsistent reporting and currency issues
- In some instances, the Enterprise Value (EV) can be negative. Stocks with negative or zero EV are not included in the calculation of EBITDA/EV and SALES/EV.
- On rare occasions, sales (revenues) are negative. Stocks with zero or negative sales are not included in the calculation of CAPEX/SALES and FCF/SALES.
- Graveyard stocks are not included in the aggregate prior to launch of this database

Company Reporting

Occasionally, companies make errors in their SEC filing. In most cases, such errors are insignificant for the calculation of the industry aggregate. But in rare instances the fundamental value is so far off nominal that it can significantly skew the aggregate calculation. For this reason, limits are imposed on individual stock fundamentals to prevent this from occurring. In addition, companies occasionally omit line items from their filing. In these cases, indicators that are based on the omitted line item are thrown out (for that stock only).

Database Structure

The US Industry Aggregates database consists of 4000 datasets (18 fundamental indicators X 200+ industries). Each dataset consists of a weekly time series, resulting in approximately 2 million entries (rows) for the last 10 years. Each row consists of seven columns which are described in the table below.

Column Name	Description
1	Code Dataset code in the format EA1/XXXXX_YYY. EA1 is the designator for the Equity Analytx US Industry Aggregates database. XXXX and YYY are the industry and indicator mnemonics respectively.
2	Date Date in the format YYYY-MM-DD.
3	MCWA Market Capitalization Weighted Average of the stocks within the industry.
4	80PCTL 80th percentile value for the stock industry.
5	50PCTL 50th percentile (median) value for the stock industry.
6	20PCTL 20th percentile value for the stock industry.
7	Stocks Number of stocks used to calculate the aggregate value for the specific date, industry and indicator.

The database is transmitted in a comma delimited text file (.csv). A sample is provided below.

```
EA1/ADVERT_AAT|2016-12-16|68.06|71.7|71.7|71.7|9
EA1/ADVERT_ABM|2016-12-16|6.86|11.43|11.43|11.43|9
EA1/ADVERT_ACR|2016-12-16|1.02|1.31|1.31|1.31|9
EA1/ADVERT_ACS|2016-12-16|1.47|1.22|1.22|1.22|9
EA1/ADVERT_ADC|2016-12-16|194.07|0|0|0|9
```

Dataset Considerations

MCWA (Column 3)

Equity indices (such as Dow Jones) and passive equity ETFs are based on market capitalization weighting. For this reason, the MktCap Weighted Average (MCWA) of the indicator is provided as an aggregate for the industry.

50PCTL (Column 5)

Some passive ETFs and index products are based on an equal weight of stock holdings. To mimic such ETFs, the mean (equal weight) indicator value should ideally be provided in the dataset. However, outliers (typically microcaps) tend to adversely affect the average making the result undesirable. For this reason, the median value, or 50th percentile value is used instead, as outliers do not impact the result.

Note: 50PCTL is set to zero (0) when the value of Stocks is less than 5.

80PCTL (Column 4), 20PCTL (Column 6)

The 80th percentile and 20th percentiles represent the approximate upper and lower boundaries for individual stock values for the given time period. Quoting percentiles is a convenient method for discarding outliers and providing an approximate range of values. The range is provided for quantitative analysts and market timers that want to know whether the indicator range is expanding or contracting.

Note: 80PCTL and 20PCTL are set equal to 50PCTL when the value of Stocks is less than 10.

Stocks (Column 7)

The number of stocks used in the aggregate calculation can vary from one indicator to another and from one time period to another. The variations are a result of omitted line items, and also due to specific accounting methods (Banking industry for example). In addition, the number of stocks can vary dramatically from one industry to another. In some cases, industries are so narrowly defined, that the aggregate could potentially degrade if the number of stock constituents is too low. For these reasons, the Stocks column is included to assist the user evaluate the quality of the time series.

Industries

A list of currently supported industries can be found here:

http://equityanalytx.com/EA1_Industry_List.csv

A cross-reference from the GICS structure to Equity Analytx database can be found here:

http://equityanalytx.com/GICS_Industry_Xref.csv

About Equity Analytx

Equity Analytx specializes in the generation of unique financial data sets for use by investment professionals and analysts. The company prides itself on its ability to produce high quality data, deliver the data in a timely fashion, and responsiveness to customer needs. **Equity Analytx** was founded in 2015.