



Introduction to ASR's Proprietary Newsflow Indices

Our suite of Newsflow indices use the Factiva news database to measure media sentiment. Algorithmic searches allow us to measure the number of positive versus negative articles written about any topic at both a global and country level.

What topics do we cover?

Our Composite Newsflow Indicators (CNI) are an average of six component indices:

- Economic
- Corporate Earnings
- Revenues
- Labour Market
- Inflation
- Monetary Policy

We have also separate indices covering other market-relevant topics, e.g.

- Financial Liquidity
- Commercial Property et al.

Which regions/countries are included?

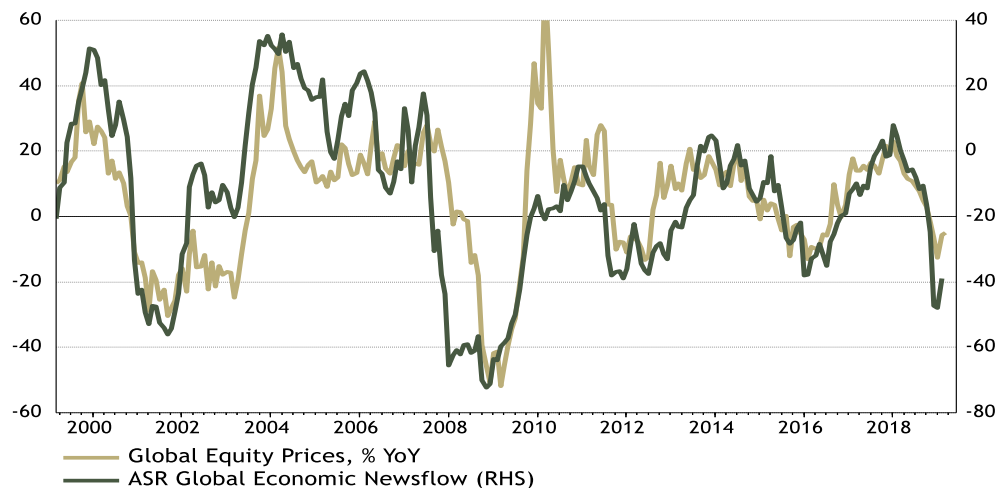
- Global
- US, Eurozone, China, Japan, Emerging Markets, UK, Australia

We have the ability to produce bespoke indices to cover any country or region.

How are the searches built?

Searches are constructed from a combination of key words, phrases and logical connectors, returning articles which cover the subject in a positive or negative way. A net balance of positive minus negative stories is taken and expressed as a % of the total. The data are seasonally adjusted.

Example Chart: Global Economic Newsflow Indicator



Source: ASR Ltd. / Factiva / Datastream from Refinitiv

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10,000 active sources

How do you test the indices?

We produce a minimum of 21 years worth of history for each new index and compare it with reliable longrun macroeconomic data series. So for example our Global Economic Newsflow Indicator (see example chart) has a good relationship with both the %YoY change in Global Equity Prices and the IFO World Economic Expectations Index.

In a typical month the Global Revenues Newsflow Indicator alone includes around 100,000 articles

What sources are included?

All active print and online-only English language news outlets, publications and selected blogs included by Factiva. Factiva includes over 10,000 active sources across 28 languages.

As an example, in a typical month the Global Economic Newsflow Indicator includes a total of between 15,000-30,000 positive and negative articles. The Global Revenues indicator typically includes around 100,000 articles.

Premium sources included

Does it include premium sources?

Yes. Subscription-only sources like the Wall St Journal, The Economist, Dow Jones newswire etc. are included in full in Factiva. Although it is worth noting that the Financial Times is not included.

Data going back to 1985

Do different sources have different weightings?

No. All sources which fulfil the criteria of being active and English-language are equally weighted (see drawbacks below).

When is it published?

We publish the Newsflow as a monthly report, typically on the first Tuesday of the month at 2:45pm UK time.

English-only search strings

What is the potential history of the indices?

The Factiva database starts in January 1985, so our indices have a potential 34-year history.

Are there any drawbacks to our approach?

The English language search strings mean the Global indices are dominated by the Anglosphere, while the likes of China and Japan are underrepresented. The country indices for non-Anglosphere may also have smaller sample sizes than we would like.

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