

The STAR Guide to Equity Investment

Section 6 – Sources of Data and Information

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6.1 The Need for Accurate Data

Getting hold of accurate and reliable information is vital for any serious analysis of individual shares and the wider financial sector. Although private investors are unable to access the wide range of consensus estimates that are often available to professional managers, there has been a massive increase in data flows that can be accessed by the public over the past couple of decades and most of this is quickly found on the internet.

This section lists some of the major sources of investment-related information that may be used to aid in your analysis and search for profitable shares. Needless to say, given the size of the US population, US-based investors have a greater range of choice in terms of reference material than UK-based investors but any investor who has access to the internet really does have a wealth of information at the touch of a computer button.

Whilst references given in the sections below are far from complete, they will enable anyone interested to begin serious and useful research into the main topics relevant to an educated search. These cover the following key areas:

- **Basic economic and financial information**
- **Fundamental sector and company data and analysis**
- **Technical market data and charts**

In the past, specific company information was provided in printed form. Those who were involved with investments professionally in the middle of the last century will remember the Extel and Moody's cards that contained financial data on all listed companies. These cards were reprinted frequently and stored in box files but were only available on a subscription basis and therefore generally only used by professional investors or those with substantial wealth.

Currently the main sources of information that are likely to be employed by private investors include the following:

- **Books, Printed articles and studies** from newspapers, periodicals and one-off studies
- **Online sourced material** that may be viewed or downloaded without charge or through subscription services.
- **Word of mouth recommendations and tips** are one of the most notoriously unreliable sources that should hardly ever be used as they are usually inaccurate and if not are probably illegal. My personal experience from my early years in the City was that brokers' tips generally resulted in commissions for them and losses for myself.

Given the comments relating to the last source mentioned above, this Guide concentrates on the first two only. In order to keep the list of sources down to a manageable length comments will be brief but we supply links to online sources wherever relevant.

6.2 Economic, Financial and Investment Information Sources

A basic knowledge and understanding of the key metrics driving movements in equity markets and constituent shares is helpful, even if not essential, in making successful investment decisions.

Background information on the global, national and sectoral financial and economic scene is readily available from the following sources:

Official Sources

Most official sources are useful because much of their data sets are free and may be assumed, in most cases, to be accurate which is valuable in a period of fake news.

The International Monetary Fund (IMF): Global and country data – www.imf.org

The World Bank: Useful source of country data - www.data.worldbank.org

United Nations Data: wealth of information on economic trends – www.data.un.org

UK Government information: Main source is office of national statistics – www.ons.gov.uk

Financial and Investment News & Data Aggregators

The largest suppliers of general economic and financial information as well as detailed information on individual business sectors, commodities and stocks and shares are US-based and are:

Bloomberg: Major source of US and international data – www.bloomberg.com

Reuters: International & financial news owned by Thomson Reuters - www.reuters.com

Other websites covering general investment information include:

Investopedia: US-based general information website – www.investopedia.com

Investing.com: Useful general purpose investment website – www.investing.com

Banks and Financial Institutions

Leading banks and Financial Institutions make a huge amount of information available without charge. The examples below, mainly relating to the UK and the USA, represent just a few of the many banking websites that provide background information.

Goldman Sachs: Reports on US economy & much more – www.goldmansachs.com

JP Morgan Chase: Similar size and outlook to Goldman Sachs – www.jpmorganchase.com

Industrial & Commercial Bank of China: For a different perspective – www.icbc.com.cn

HSBC: UK-based international banking group – www.hsbc.com

Lloyds Bank: UK focused banking group – www.lloydsbank.com

Newspapers and Online Sources

The depth and quality of investment information varies considerably between the different newspapers in the UK and abroad. The newspapers and other publications with strong economic and investment content include:

The Financial Times: Probably one of the best newspapers for investment news globally – www.ft.com

The Telegraph: Right wing UK daily with good investment content – www.telegraph.co.uk

The Times: Well respected UK daily with excellent investment section – www.thetimes.co.uk

New York Times: US perspective on business - www.nytimes.com/section/business

Wall Street Journal: Key information source on US business sector – www.wsj.com

The Washingtonpost: Centrist perspective on US business – www.washingtonpost.com

The Economist: Quality weekly with an international perspective – www.economist.com

6.3 Company and Share information

Official Sources

The prime source for information and stock market information on all UK-registered companies is clearly the website of the London Stock Exchange. The LSE is also useful in checking out data on companies planning to list their shares on the market for the first time. This is because the information that has to be provided as part of the listing process is helpful in the investment analysis of that company.

The London Stock Exchange: Information on UK listed companies – www.londonstockexchange.com

Company Websites

The best source for accurate and up-to-date information on specific shares is the company's own website. Key information that may be easily accessed on all corporate websites includes the most recent Annual Reports, Interim and Preliminary reports and trading updates and other announcements that companies are required to upload in order to meet listing obligations. Newly listed companies also make available the prospectus information published at time of their Initial Public Offer

Private Investor Platforms

The three largest UK-based execution-only stockbrokers in the UK are Hargreaves Lansdown, Interactive Investor and AJ Bell. Each of these platforms provides detailed information on all the companies whose shares are traded on the LSE main market and also on the Alternative Investment Market (AIM). However, much of the information available on these online platforms is only available to registered clients which means that few investors will be able to access the full information from all these websites.

Hargreaves Lansdown – Largest UK platform (1.3m clients £96bn AUA) – www.hl.co.uk

Interactive Investor – Many articles and data on investment (0.35m clients £30bn AUA) – www.ii.co.uk

AJ Bell – Recently listed on LSE main market (0.29m clients, £56bn AUA) – www.ajbell.co.uk

Share Information Services in the UK

Sharescope: Detailed daily share data on UK and international shares – www.sharescope.co.uk

Stockopedia: Share ranking and screening online – www.stockopedia.com

Investors Chronicle: Weekly publication in printed & online formats with detailed comments on UK-listed companies – published regularly since 1860 & owned by FT Group – www.investorchronicle.co.uk

Share Analysis of Specific Companies

As the provision of detailed analysis of individual companies by the largest stockbroking sellside teams of analysts has gradually reduced so some of the analytical void has been taken up by paid-for research by independent corporate research companies.

The list below details some of the services available that provide more detailed information on individual shares.

Company	Link	Focus
Arete research	www.arete.net	For institutions
Autonomous research	www.autonomous.com	Global finance sector
BCA research	www.bcaresearch.com	Part of Euromoney Institutional research
Edisongroup.com	www.edisongroup.com	Company research - free
Equity Development.co.uk	www.equitydevelopment.co.uk	Company research - free
Hardman & co	www.hardmanandco.com	Company research - free
Morningstar.co.uk	www.morningstar.co.uk	Subscription service
Progressive-research.com	www.progressive-research.com	Company research - free
Redburn	www.redburn.com	Analysis for institutions
The analyst	www.theanalyst.co.uk	For institutional clients
Trusted sources research partners	www.tslombard.com	General analysis institutional subscribers
Trustintelligence.co.uk	www.trustintelligence.co.uk	Fund analysis free
Whiteboxquant	www.axioquant.com	Quant management services

General Investment

It seems that most successful investors like to write about their achievements with the result that those keen to study other people's methods could easily end up with bookshelves groaning under the weight of often repetitive themes and spend too much time on reading and not enough on research and action.

Despite this reservation, this section ends with a list of some of the more interesting and useful books on investment.

Investment Generally

Blood in the Streets – 1988 Lessons from history by James Dale Davidson & William Rees-Mogg

The Great Reckoning – 1991 by James Dale Davidson & William Rees-Mogg

Guides to Share Analysis

Accounting for Growth – Written in 1992 by highly successful investment manager Terry Smith to demonstrate the dangers of corporate accounting camouflage attempts by large companies.

Accounting Demystified – Explanation of accounting in practice by Anthony Rice, 7th Edition published by Pearson in 2015

The Economist Guide to Analysing Companies – 6th Edition published by Economist Newspapers in 2014

How to Pick Quality Shares – Phil Oakley – How to find good and avoid bad companies – Published by Harriman House in 2017

Smarter Stock Picking – by FT contributor David Stevenson – describes investment selection strategies in detail – published by FT Prentice Hall in 2011 (Chapter 9 outlines the STAR Screening methods)

Unlocking Company Reports & Accounts – Detailed guide to analysing company accounts by Wendy McKenzie – FT Pitman Publishing – 1998

Security Analysis – Classic guide by Benjamin Graham, foreword by Warren Buffett

The Intelligent Investor – Basic guide to investment analysis by Benjamin Graham

6.4 How to Select What You Need

The first point to stress is that the list of sources above is intended as no more than an indicative guide to the vast amount of material that is now easily accessible in printed and digital formats by private investors wherever they happen to live.

The second point to note is that it is vital to be selective in what you decide to read and use in order to develop a methodology that suits your personal preferences and also your financial requirements. Not least is the suggestion that you only spend enough time on gathering background information to develop your comfort investment zone. Reading too many anecdotes and alternative strategies is confusing and may well result in muddled and conflicting decisions.

In managing my share investments using the STAR screens, I now use no more than the following basic information sources:

- Regular updates on the key accounting metrics (See section 7) covering more than 1,200 global stocks downloaded to my spreadsheets.
- Data sheets on specific companies available from Morningstar and other services such as Reuters
- Press cuttings from newspapers such as The Times and the Financial Times
- Annual and Interim Reports and news items from company websites