

MarketPsych Indices from Refinitiv

Easy-to-interpret real-time analytics across
news and social media

[refinitiv.com](https://www.refinitiv.com)

Psychological insight. Market foresight.

Where there are markets, there are emotions.

Where there are emotions, there are cycles.

Where you understand cycles, you profit.

REFINITIV[™]
DATA IS JUST
THE BEGINNING[™]



You can't see the invisible – or can you?

Behavioral economists demonstrate that investor perceptions affect markets in predictable ways. What if you could measure economic and market cognition in real time? You could see patterns as they emerge, not in hindsight. And you can.

MarketPsych Indices from Refinitiv scour the news and other media constantly. They analyze it and extract meaning. And they give it to you straight – in numbers you can use to drive profitable decisions.

MarketPsych Indices by the numbers

Asset and sentiment coverage:

- Over 15,000 companies
- 36 commodities and energy subjects
- 187 countries
- 62 sovereign markets
- 45 currencies
- 150+ cryptocurrencies

Textual coverage and archives:

- 2,000 news sources
- 800 blogs, stock message boards and social media sites
- Start date of 1998 archives (2009 for cryptocurrencies)

CONSTANT VIGILANCE, CLEAR SIGNALS	INFORMATION MOVES MARKETS
<p>MarketPsych Indices analyze news and social media in real time. They convert the volume and variety of professional news and social media into manageable information flows that drive sharper decisions. The indices are delivered as real-time data series that can easily be incorporated into your analysis and decision processes – quantitative or qualitative.</p> <p>Three key types of indicators are provided:</p> <ul style="list-style-type: none"> • Emotional indicators such as fear, joy and trust • Fundamental perceptions including earnings expectations, interest rate forecasts and management trust discussions • Buzz metrics that indicate how much market-moving topics – such as labor disputes, innovation and central banks – are being discussed around a company <p>The indicators are updated every minute for individual global indices, companies, bonds, countries, commodities, currencies and cryptocurrencies. They can be ported directly into visualization or statistical tools used by research analysts, financial advisors or traders – or they can be plugged straight into algorithms for rapid investment decisions.</p>	<p>Information alters the way investors transact. For example, social media fear indicates that investors are cautious and as a result, prices will be vulnerable to sharp short-term sell-offs. Positive fundamental news slowly percolates through investors' consciousness, driving longer-term price momentum. The indices accurately show the perceptions, preoccupations and concerns of market participants – which inevitably influence prices.</p> <p>For example:</p> <ul style="list-style-type: none"> • Identify the most positive stocks according to the media • Compare price forecasts for each currency • Track the level of social unrest and inflation expectations in countries • See which sovereign bonds are most stressed • Monitor production and consumption references for commodities • Follow the sentiment swings in cryptocurrencies to stay ahead of prices • Find overlooked stock opportunities and jump in before the herd <p>You can understand the market's mental state – vital for timing market cycles. See which opportunities are likely to outperform and which are overdone.</p>

Who benefits from this insight?

- **Quant Traders/Investors**
Better identify changing market cycles, augment alpha generation strategies and improve risk models. Refine momentum, mean reversion and volatility strategies.
- **Advisors and Wealth Managers**
Generate novel investment ideas, perform innovative research and better communicate with clients using sentiment and visualization tools.
- **Global Macro Hedge Funds**
Understand market cycles based on the psychological perceptions in each country, market and asset class. Make better global asset allocation decisions.
- **Online Brokerages**
Generate client trade ideas. Create compelling visualizations of current events and market impact. Clearly display the movement of social media sentiment across companies and regions.
- **Research Analysts**
Monitor market-moving events. Identify the specific price drivers of an asset.
- **Risk Managers**
Monitor speculative and crowding risk across assets in which your firm is positioned.
- **Forex and Currency**
Traders identify news and social media flow that might impact investment theses. Find arbitrage opportunities by monitoring macroeconomic imbalances and attitudes towards countries and currencies.
- **Commodity and Energy Firms**
Track global information flow about agricultural and energy products, including supply and demand issues, industrial accidents and weather damage, better-time trend emergence, exhaustion and reversals.
- **Economists**
Monitor risk perceptions across currencies. Identify changes in key macroeconomic themes such as global interest rate forecasts and unemployment. Update leading economic indicators with news and information as it happens.
- **Communications and Consultants**
Understand memes that are moving the prices of the companies you track. Fashion communications to better address hidden issues and create a more transparent market.
- **Cryptocurrency Investors, Miners and Exchanges**
Deploy artificial intelligence and machine learning strategies to anticipate swings in sentiment. Hedge as investor enthusiasm wanes. Identify trending coins and innovative technologies.

Innovative technology

MarketPsych is the market leader in quantitative behavioral economics. Performing high-speed text analysis on news and social media across the Internet globally, MarketPsych's text analytics engine uses patented natural language processing software, delivering meaningful measures derived from the global information flow.

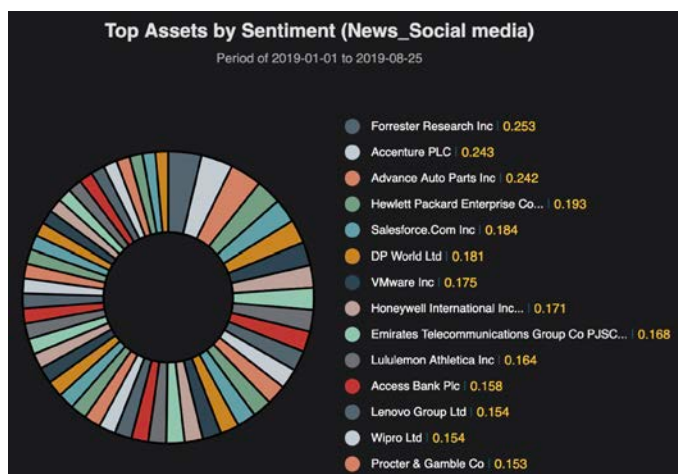
Out-psyching the markets

MarketPsych was founded by psychiatrist and quantitative portfolio manager – Dr. Richard Peterson – who also authored *Inside the Investor's Brain: The Power of Mind Over Money* (Wiley, 2007) and *Trading on Sentiment: The Power of Minds Over Markets* (Wiley, 2016). With dual expertise in quantitative research and high-speed cognitive computing, the company created text analysis software that measures market-impacting meaning conveyed in the written word. By honing in on the impactful aspects of this data, MarketPsych Indices condense useful information for traders, investors, risk managers and others.

Why Refinitiv?

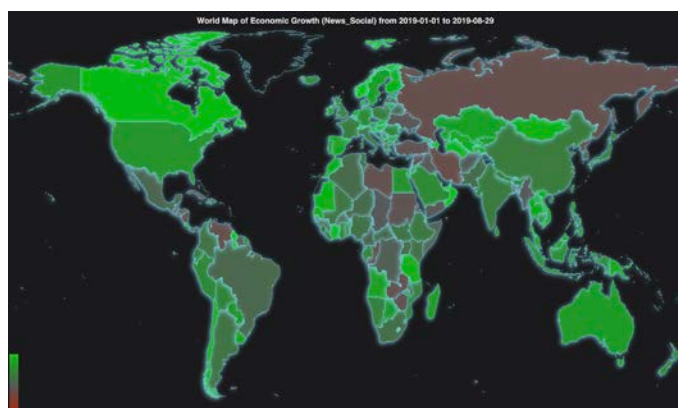
Refinitiv is one of the world's largest providers of financial markets data and infrastructure, serving over 40,000 institutions in over 190 countries. We are new market pioneers with 167 years of confidence. We provide leading data and insights, trading platforms and open data and technology platforms that connect a thriving global financial markets community – driving performance in trading, investment, wealth management, regulatory compliance, market data management, enterprise risk and fighting financial crime.

Watch the drivers and see events unfold



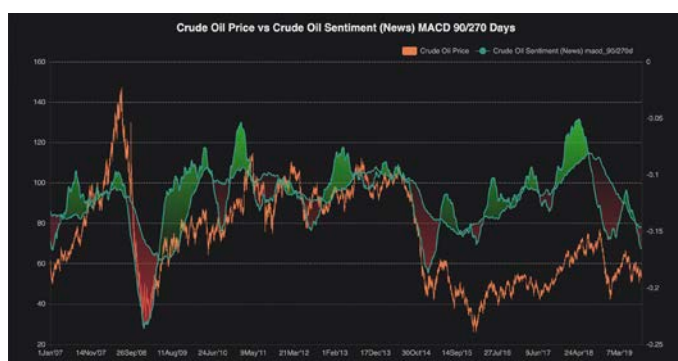
Find outperforming assets

The ranked list to the left displays equities with the highest average sentiment scores through August 2019 according to the MarketPsych Indices. Third-party researchers and academics have found that over the past 20 years, when ranked by average sentiment over weekly, monthly and yearly windows, the most positive companies outperform more negative peers over the following period. This positive sentiment momentum effect is relatively consistent over time. It appears in stocks in major markets such as Australia, Canada, China, Eurozone, India, Japan, Germany, South Africa, Switzerland and the UK, and the U.S. brokerages and advisors in these regions give their customers access to sentiment screening tools. Buy-side and research firms develop their own sentiment-based signals based on such insights.



Heatmaps and dashboards

Financial analysts and advisors quickly summarize important global and corporate trends with RMI-based dashboards and heatmaps. To the left is a global heatmap summarizing national economic growth according to the media through August 2019. Growth is notably slower in Russia, Iran and Venezuela (red shading) following U.S. sanctions. RMI clients use such heatmaps to monitor social media activity, generate trading ideas and monitor risks. For countries, analysts monitor the more than 60 country RMI including residential real estate sentiment, social unrest, agricultural stress, unemployment and government corruption. For companies, stock analysts visualize corporate themes including innovation, earnings expectations, management trust and rumors of corporate debt default.



Timing trends with sentiment

Media sentiment sometimes leads prices at major turning points. Follow the price trend and time reversals using sentiment moving average crossovers. In the image to the left, when business media crude oil sentiment turns negative from 2007 to 2019, crude prices typically follow the sentiment lower. Conversely, rising sentiment appears to exert an upward pull on prices. According to Netherlands-based RMI client NN Investment Partners (\$300 billion AUM), such sentiment-based moving averages have significant forward predictive power as a risk-off signal for timing stock market corrections. Several RMI historically declined before downturns in economic activity and asset prices, improving traditional risk management indicators.

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