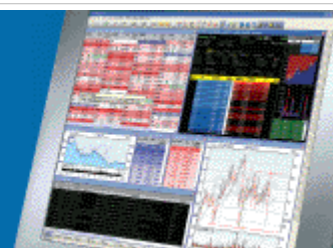


ShareScope Training Zone

Your guide to getting the best out of ShareScope



Tutorial 19 - Using Broker Consensus ratings in ShareScope

Broker consensus tells you how a stock is rated by City institutions. It gives you the consensus buy/hold/sell rating and can be drawn from multiple City institutions and brokers who look at all aspects of the companies before taking a view. Broker Consensus data is updated on a daily basis in ShareScope.

You can add broker consensus ratings to the List screen, Details screen and use it as criteria in Data Mining filters. We will look at each one of these in turn.

[List Screen](#)

[Details Screen](#)

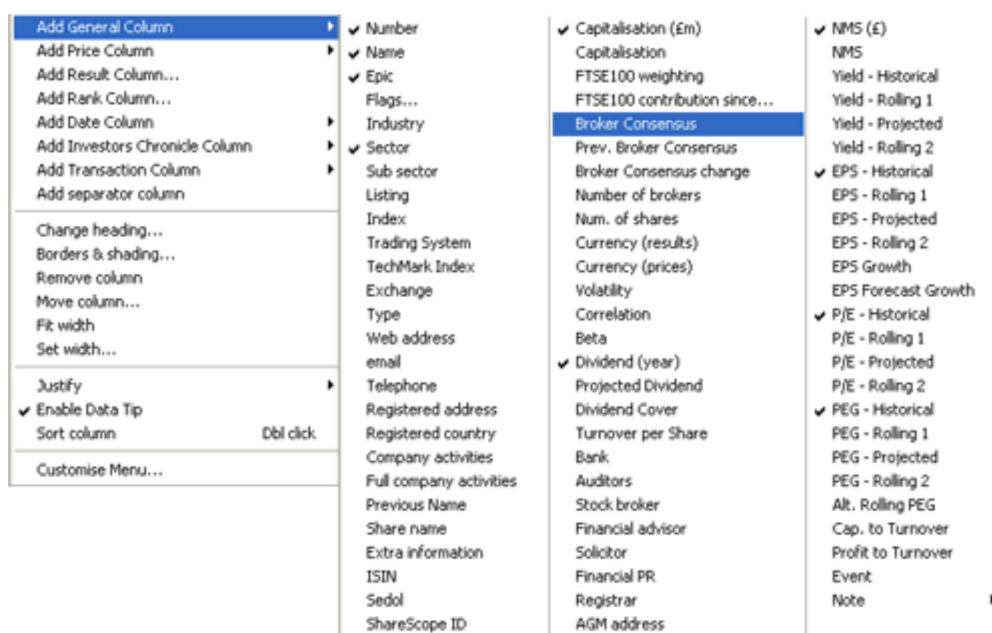
[Data Mining Screen](#)

[Broker Forecasts](#)

List Screen

A Broker Consensus column can be easily added to List screens in ShareScope - including portfolios and the Data Mining screen.

To add a column, hover the mouse over any column heading and right-click to bring up the context menu. From the menu that appears, select **Add General Column** and then **Broker Consensus**.



A new column will appear in the table and, where consensus data is available, will display one of the following ratings:

- Strong Buy
- Buy
- Weak Buy
- Strong Hold
- Hold
- Weak Hold
- Weak Sell

- Sell
- Strong Sell

You can reveal more information about the consensus by hovering the mouse over the rating. A tool-tip will appear providing details of consensus change, previous consensus and number of analysts.

Note: In ShareScope Plus and Pro, the individual forecasts and ratings made by each broker will also be displayed, as illustrated in the example below.

Broker consensus	Buy
- Evolution Securities Ltd	BUY
- Seymour Pierce	BUY
- ING Financial Markets	HOLD
- Oriel Securities	BUY
- Eden Group	BUY
- SG Securities	BUY
- Exane BNP Paribas	SELL
- Daiwa Europe Ltd	BUY
- Charles Stanley Securities	BUY
- Broker Name Withheld	BUY
Consensus change	No change
Prev. Consensus	Buy
No. Analysts	10

Broker Consensus data may also be displayed numerically in the List screen. To change the format, simply right-click on the column heading and select **Display as number** from the menu.

Numerical values are expressed as follows:

0 - 1.5	Strong Buy
1.5 - 2.5	Buy
2.5 - 3.5	Weak Buy
3.5 - 4.5	Strong Hold
4.5 - 5.5	Hold
5.5 - 6.5	Weak Hold
6.5 - 7.5	Weak Sell
7.5 - 8.5	Sell
8.5+	Strong Sell

Following the same steps as before, you may also add separate **Previous Broker Consensus**, **Broker Consensus change** and **Number of brokers** columns to the list screen.

Name	Broker consensus [▲]	Broker consensus	Prev. Consensus	Prev. Consensus	Consensus change
Tesco PLC	Buy	2.08	Buy	2.08	No change
BAE SYSTEMS PLC	Buy	2.20	Buy	2.00	Weaker
Petrofac Ltd	Buy	2.20	Buy	2.24	Stronger
AMEC PLC	Buy	2.24	Hold	4.60	Stronger
Johnson Matthey PLC	Buy	2.32	Hold	5.00	Stronger
Kazakhmys PLC	Buy	2.32	Buy	2.28	Weaker
Reed Elsevier PLC	Buy	2.32	Buy	2.36	Stronger
Rio Tinto PLC	Buy	2.32	Buy	2.36	Stronger

Note: the broker consensus only changes when ShareScope receives a forecast from an additional broker or when one of the existing brokers covering the stock updates its previous forecast.

You may wish to group together shares with similar broker consensus ratings. To sort a column, simply double click on the column heading. Double click again to reverse the order.

[Details Screen](#)

Broker Consensus data can also be displayed in the Details screen.

To add this information:

1. Right-click anywhere in the Details screen.
2. Select **New List box** from the context menu. A new blank box will appear on the screen.
3. Right-click inside the list box and select **Add List Box item** from the menu.
4. Select **Add General Item** and then **Broker Consensus**

As with List screens, you can also add **Previous Broker Consensus**, **Broker Consensus change** and **Number of brokers** to the List Box.

Broker consensus	Buy
Prev. Consensus	Hold
Consensus change	Stronger
No. Analysts	7

Data Mining Screen

Data Mining can be used to generate a list of stocks based on the Current consensus, Previous consensus, consensus Change or the Number of Brokers on which the consensus is based.

Let's begin by searching for stocks with a broad buy rating.

1. Click on the **Select Filter** button and select either an existing filter or create a new one. In this example we will select **New Filter**. Give the filter a name of your choice and select **OK**.
2. Click on the **Add Criterion** button to start the Data Mining wizard.
3. Select **Other criteria** and click **Next >**.
4. Select **Broker consensus** and then click **Next >**.
5. Select **Current consensus** and press **Finish**.

After a moment, a criterion box labelled Broker Consensus will appear on the right of the screen. Initially, the lower and upper limits will appear at their greatest available values.

In Data Mining, each Broker Consensus rating is given a numerical value. To reiterate, this is expressed as follows:

0 - 1.5	Strong Buy
1.5 - 2.5	Buy
2.5 - 3.5	Weak Buy
3.5 - 4.5	Strong Hold
4.5 - 5.5	Hold
5.5 - 6.5	Weak Hold
6.5 - 7.5	Weak Sell
7.5 - 8.5	Sell
8.5+	Strong Sell

As we are only interested in displaying stocks with a broad buy rating we need to specify a range of between 0 and 3.5 (Strong Buy - Weak Buy). So, in the left box, we enter 0 and in the right box **3.5**. Press **Enter** to filter the results.

By adding a Brokers Consensus column in your Data Mining screen, you will notice that all stocks with a Broker rating lower than Strong Hold are excluded from the list.

Now let's say, we want to look for stocks that have seen a positive change in the Brokers Consensus rating – in other words where sentiment towards the stock has improved.

1. Click on the **Add Criterion** button.
2. In the wizard, select **Other criteria** and click **Next >**.
3. Select **Broker consensus** and then click **Next >**.
4. Select **Change** and then press **Finish**.

A second box labelled **Broker Consensus** will appear on the screen.

As we are looking for an improvement in rating, we will need to search for stocks with a positive range - because a negative value would denote a fall in sentiment.

The lowest possible positive number we can enter in a filter box is 0.01, so in the left hand box enter **0.01**. As the right hand box by default displays the maximum possible positive value, we leave this unchanged. Press **Enter** to display the results.

By adding a Broker Consensus Change column, we can see that only stocks with a "Stronger" change are listed, as the example below shows:

No.	Name	Broker consensus	Consensus change
1	Petrofac Ltd	Buy	Stronger
2	AMEC PLC	Buy	Stronger
3	Johnson Matthey PLC	Buy	Stronger
4	Reed Elsevier PLC	Buy	Stronger
5	Rio Tinto PLC	Buy	Stronger
6	Pearson PLC	Buy	Stronger
7	Thomas Cook Group PLC	Buy	Stronger
8	Capita Group (The) PLC	Buy	Stronger
9	Tullow Oil PLC	Buy	Stronger
10	BT Group PLC	Buy	Stronger
11	Smiths Group PLC	Weak buy	Stronger
12	Centrica PLC	Weak buy	Stronger
13	Vodafone Group PLC	Weak buy	Stronger
14	British Sky Broadcasting Group	Weak buy	Stronger
15	British Airways PLC	Weak buy	Stronger
16	InterContinental Hotels Group F	Weak buy	Stronger

Broker Forecasts

In ShareScope Plus and Pro, you can view detailed broker forecasts including the date the forecast was made, the recommendation (e.g. buy) and the actual forecasts for turnover, profit, EPS and dividend. This data is important as it forms the basis of the broker consensus.

To display the broker forecasts for a particular share, right-click on the selected share in a list screen and select **Share's Broker Forecasts** from the context menu. Alternatively, for fast access, you can use the keyboard shortcut **Shift-#** to skip straight to the screen.

You can of course use the multi-window functionality in Plus/Pro to create an entirely new window. Simply right-click in any window and select **New Window : Broker Forecasts**. As with other screens in ShareScope, you can use the Find a Share function to locate items - simply begin typing the name of the share on your keyboard.

No.	Broker name	Opinion (abbrev)	Date forecast	Date confirmed	Forecast Profit (m)	Forecast EPS	Forecast Dividend	Forecast Turnover	Forecast Turnover ps
1	Numis Securities Ltd	HOLD	31/7/08	31/7/08	7,797.76	374.79	65.66	21,764.32	16.47
2	ABN AMRO	BUY	25/4/08	28/7/08	6,857.79	349.09	62.97	15,802.36	11.96
3	ING Financial Markets	BUY	8/8/08	8/8/08		363.96	68.98	20,210.06	15.30
4	Exane BNP Paribas	BUY	2/6/08	12/8/08	7,300.19	344.04	68.71	18,974.94	14.36
5	Charles Stanley Securities	ACCU	14/9/07	11/8/08					
6	Broker Name Withheld	BUY	30/7/08	12/8/08	7,031.10	358.18	67.18	15,554.77	11.77
7	Consensus	Buy			7,153.64	358.04	67.61	19,652.75	14.88

Anglo American PLC Year ending Dec 2008 Show min & max values Skip if no forecast

The image above displays the default layout for Setting 1. However, you can add additional columns and customise the layout as you would any other List screen.

At the bottom of the window, you will notice some additional options:

- **Company name** – click on the arrow buttons either side of the name to view the forecasts for the next/previous company in the underlying list.
- **Year ending** – this is the year that the forecast is for. By default, this will be the current (unreported) year. ShareScope will include up to three years' forecasts for each company. Click on the arrows to view the forecasts for the next/previous year.
- **Show min. and max. values** – ticking this box enables you to see, at a glance, the range of values forecast for each item (e.g. EPS).
- **Skip if no forecast** - for some companies there will be no forecasts. Tick this box to skip these as you move through the underlying list.

Remember, if you have any trouble finding or using any of these features, please don't hesitate to call our Customer Support team. They will be delighted to help.

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