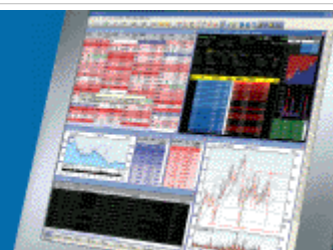


ShareScope Training Zone

Your guide to getting the best out of ShareScope



Tutorial 2 - Sectors

This week, our tutorial covers **sectors** and the various ways you can use sector data to measure the performance of your investments and find new opportunities.

Sector Indices

[Displaying a sector's constituent shares](#)

[Comparing a share's performance to its sector - on a graph](#)

[Comparing a share's performance to its sector - in a list](#)

[Identifying out-performing sectors](#)

Sector Indices

ShareScope lists three main sets of UK sector indices - the **FTSE All-Share Sector Indices** the FTSE 350 SuperSector Indices and the **FTSE 350 Sector Indices**.

The FTSE 350 Supersector and FTSE 350 Sector Indices are calculated in real-time and are derived from the companies in the FTSE 100 and FTSE 250. Intraday data for these indices is available in Plus and Pro and the daily OHLC data is available in the 6pm update for all versions of ShareScope.

The FTSE All-Share Sector Indices are derived from the shares in the FTSE 100, FTSE 250 and FTSE Small Cap (i.e. the FTSE All-Share). These indices are only calculated at the end of the day, after market close. Only a closing price is available and it is included in the 12pm update the next trading day.

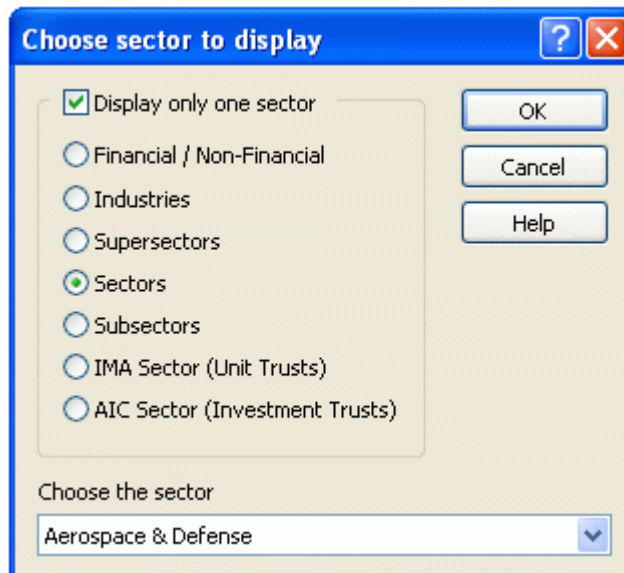
All of these sector indices can be found in the **Indices** fixed list. There is also a fixed list available for the FTSE 350 Sector Indices. To view Indices, go to the menu and select **Indices** (in ShareScope Gold) or go to **Change List** and then select **Indices** (in Plus/Pro).

ShareScope also lists the IMA Sector Indices for Unit Trusts and these too can be found in the Indices list.

Displaying a sector's constituent shares

You can apply a sector filter in the List, Portfolio and Data Mining screens.

Right-click in the List screen to display the context menu. Hover the cursor over the **Select sector** option and a sub-menu will be revealed. Click on the **Choose the sector** option and the dialog below will be displayed:



Use the options to filter the list as required. For example, to display only companies in the Mining sector, make sure the **Sectors** radio button is selected and then select **Mining** from the drop-down list underneath. Click on OK to apply.

The list will be filtered immediately as shown in the example below.

Name	Type	Index	Sector	Subsector
Anglo American PLC	Ord	FTSE 100	Mining	General Mining
Antofagasta PLC	Ord	FTSE 100	Mining	General Mining
Aquarius Platinum Ltd	Ord	FTSE Mid 250	Mining	Platinum & Precious
BHP Billiton PLC	Ord	FTSE 100	Mining	General Mining
Eurasian Natural Resour	Ord	FTSE 100	Mining	General Mining
Fresnillo PLC	Ord	FTSE 100	Mining	Platinum & Precious
Gem Diamonds Ltd	Ord	FTSE Mid 250	Mining	Diamonds & Gemst
Hochschild Mining PLC	Ord	FTSE Mid 250	Mining	General Mining
Kazakhmys PLC	Ord	FTSE 100	Mining	General Mining
Lonmin PLC	Ord	FTSE 100	Mining	Platinum & Precious
Petropavlovsk PLC	Ord	FTSE Mid 250	Mining	Gold Mining
Randgold Resources Ltc	Ord	FTSE 100	Mining	Gold Mining
Rio Tinto PLC	Ord	FTSE 100	Mining	General Mining
Vedanta Resources PLC	Ord	FTSE 100	Mining	General Mining
Xstrata PLC	Ord	FTSE 100	Mining	General Mining

By applying the sector filter to the **FTSE 350** fixed list, you will see the constituents of the FTSE 350 Sector Mining Index. If you apply the filter to the **FTSE All-Share** fixed list, you will see the constituents of the FTSE All-Share Sector Mining Index.

Note: When selected, a sector filter will be applied to all lists (including portfolios and data mining filters) until deactivated.

To remove the filter and return to the full list, right-click in the List to display the context menu. You will notice that there is a tick next to the **Select sector** option. Clicking on the option in the sub-menu will remove the tick and deactivate the filter.

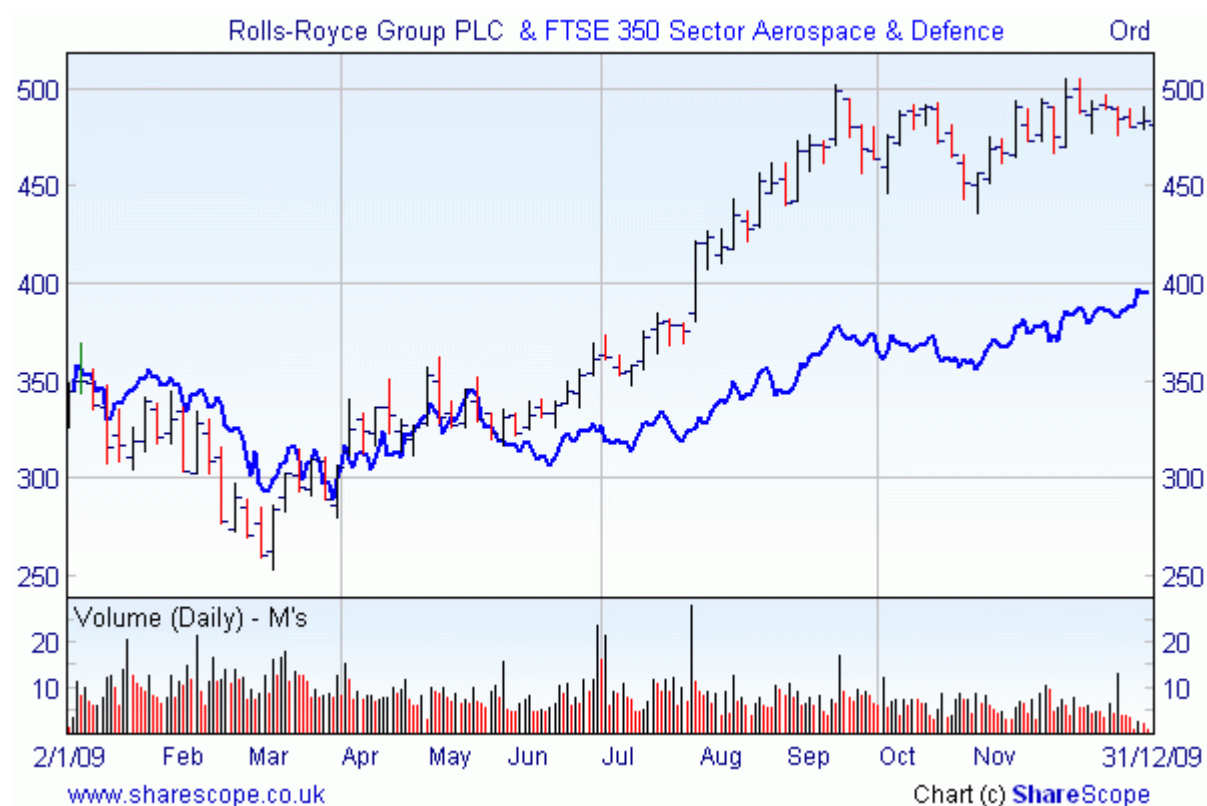
As a shortcut to the **Select sector** dialog, you can add a button to one of your toolbars. Right-click in the desired toolbar and select **Customise Toolbars** from the context menu. Click on the **View** tab and scroll down to find the **Display just one sector** button. To access the **Choose sector to display** dialog hold down **Shift** when left clicking on the button on the toolbar.

Comparing a share's performance to its sector

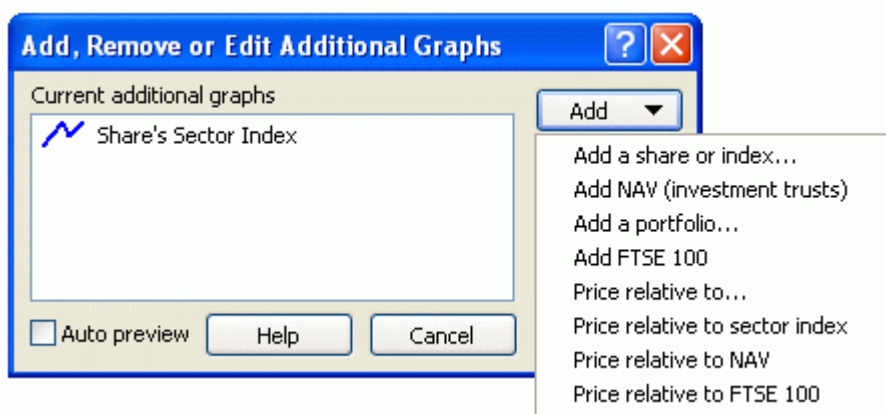
Most investors will want to measure their investments against a benchmark such as the sector index

or the market as a whole. There are a number of ways to do this in ShareScope.

Look at the chart below for Rolls-Royce Group PLC: we have added its sector (Aerospace & Defence) in blue. The scale is calibrated for Rolls-Royce's share price. The sector has been re-based to provide a direct comparison. In this example, we can see that Rolls-Royce largely under-performed its sector through the first quarter of 2009 and then followed the index closely for a few months, but has out-performed since early June.



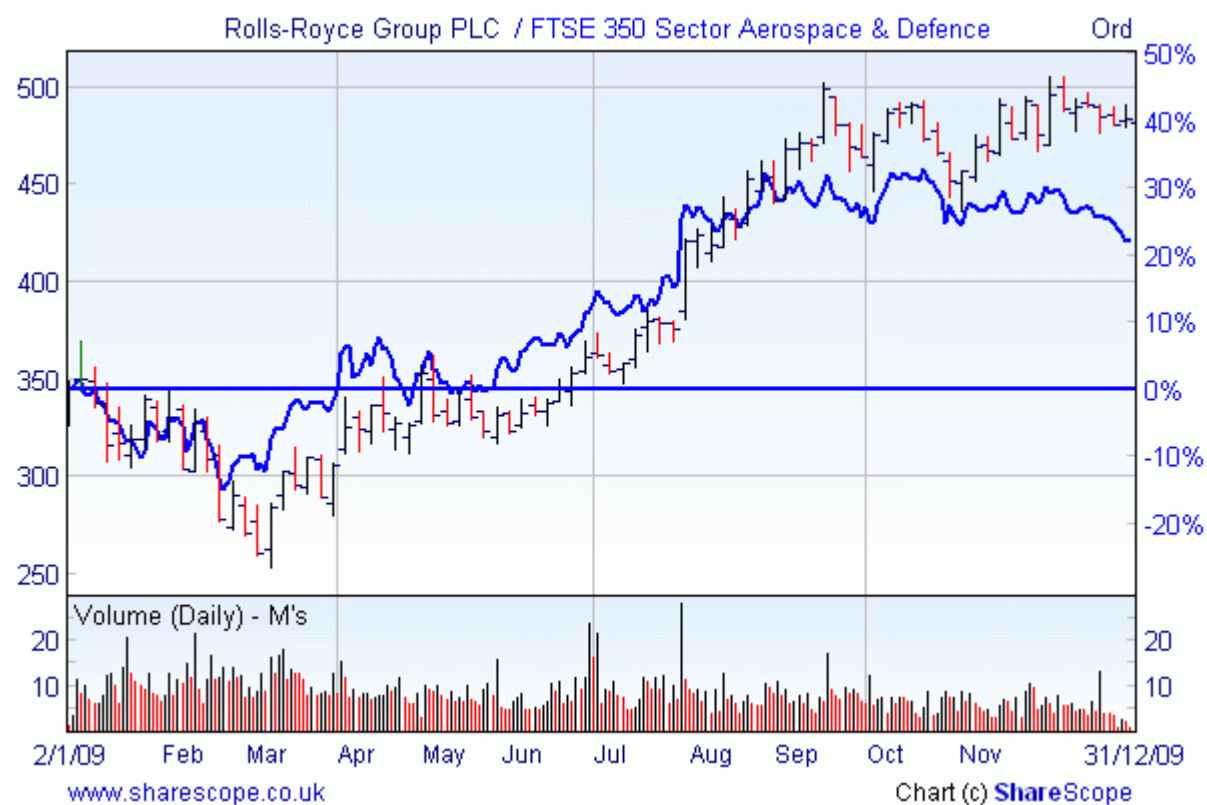
To add the sector index, simply right-click in the Graph screen and select **Additional Graphs**. In the dialog, click the **Add** button and select **Add share's sector index** from the drop-down menu. This feature always adds the FTSE 350 sector index. To remove it, simply select the option again.



Note: On the drop-down menu you will also find options to **Add a Share or Index**, **Add NAV**, **Add a Portfolio** and **Add FTSE 100**. Use these options to compare a share to another share or other benchmarks.

An alternative way of measuring performance against a sector is to use the **Price Relative to sector index** options also in the **Additional Graphs** dialog. This will display the relative out- or under-performance of the share against its sector index. This is expressed as a percentage and measured from the first date displayed on the chart. To do this, select the **Price relative to sector index** option from the drop-down menu when clicking on **Add**.

You can see this on the chart below:



Here, the actual Rolls-Royce price bars can be ignored. The blue price line represents the relative performance of Rolls-Royce against the Aerospace & Defence FTSE 350 sector index (the horizontal blue line). We have limited the date range on this chart to start from the first trading day of 2009 so the graph tells us that, at the time of writing, if you bought Rolls-Royce on the 2nd January, your investment would have out-performed its sector index by around 23% so far.

Note: On the drop-down menu, there are also options for **Price relative to FTSE 100** and **Price relative to...** which enables you to compare the share against any instrument.

Yet another way to compare the performance of a share you own with its sector or index is to add the benchmark to your portfolio.

Look at the example portfolio below. This is a watchlist of stocks created in January 2009. To help measure performance, the FTSE 100 index has been included in the # portfolio together with a column displaying the price change over 2009.

In an active portfolio, this could be the date on which shares were purchased or the period they were held for. Sorting the list by this price change column will show you how the stocks have performed compared to the benchmark.

Portfolio: My Portfolio		No. in Portfolio	13	Av. price	£11.59	-7.06p	-0.61%	Cap	£100,102.2	Av. Cap	£7.7
Name	EPIC	Close	Close +/-	Price %	Price high	Price low	Price % between 2/1/09 and 31/12/09	Broker consensus			
Petrofac Ltd	PFC	£10.09	▲ 7p	0.70	£10.63	£3.49	▲ 183.2	Hold			
Antofagasta PLC	ANTO	£10.25	▼ -6p	-0.58	£10.38	£4.07	▲ 110.4	Weak buy			
Standard Chartered PLC	STAN	£15.51	▼ -14	-0.93	£16.89	£5.87	▲ 81.1	Weak buy			
SABMiller PLC	SAB	£17.83	▼ -9p	-0.50	£18.52	£9.21	▲ 52.9	Weak sell			
Smith & Nephew PLC	SN.	£6.35	▼ -15	-2.38	£6.50½	£4.20	▲ 43.1	Hold			
London Stock Exchange Group Pl	LSE	£6.85	▼ -9½	-1.37	£9.41	£3.70	▲ 34.2	Hold			
Thomas Cook Group PLC	TCG	£2.42	▼ -½p	-0.21	£2.97½	£1.77	▲ 26.1	Hold			
I- FTSE 100	UKX	5,455.3	▼ -42.	-0.78	5,538.0	3,512.0	▲ 18.7				
Hammerson PLC	HMSC	£3.96	▲ ½p	0.15	£4.53	£2.11	▲ 8.8	Hold			
British Airways PLC	BAY	£1.92½	▲ ½p	0.26	£2.40	£1.16	▲ 3.7	Buy			
Reed Elsevier PLC	REL	£5.09½	▲ 3p	0.59	£5.48	£4.20	▼ -2.0	Buy			
Resolution Ltd	RSL	84½p	▼ -2p	-2.43	£1.12	78½p	▼ -17.4	Strong hold			
Wolseley PLC	WOS	£14.90	▼ -3p	-0.20	£15.21	£5.85½	▼ -26.4	Hold			

To add an index to the portfolio, simply add it as you would a share.

To create the column, right-click in one of the grey column headings and select **Add Price Column** from the context menu. From the sub-menu, select **% Price change since** or **between**. In the dialog that is displayed, select the required date(s) and click on **OK**. To sort by the column, double-click in the column heading. To keep the index highlighted while you sort the list, select it, then hold down the **Shift** button on your keyboard while you double click a column heading.

This can be a great way to measure the performance of a watchlist. For example, if you want to test a new stock-picking strategy using ShareScope's Data Mining, copy the shares identified by the filter into a portfolio and track their progress for 6-12 months.

Identifying out-performing sectors

A key strategy used by many private and professional investors is to track the top performing sectors. Here's how you can do it in ShareScope.

Look at the portfolio below: we've added all the FTSE 350 sector indices, the FTSE 350 itself and the FTSE 100. We've also added a column that shows the **% price change** since March 3rd 2009 which is roughly when the markets turned bullish. Sorting by this column we can see that, at the time of writing, 17 sectors have outperformed the benchmarks with all of them having risen over the same period. Industrial Metal, Forestry & Paper and Automobiles & Parts are the top performers.

Portfolio: Sector Performance		No. in Portfolio	40	Av. price	£53.60	-15.97p	-0.30%	Cap	£0	Av. Cap	£0
No.	Name	Close	Last price	Close + / -	Price %	Price% 3/3/09					
1	I- FTSE 350 Sector Industrial Metals	5,001.46	15/1/10	▼ -2.58	-0.1	▲ 198.29					
2	I- FTSE 350 Sector Forestry & Paper	3,921.85	15/1/10	▲ 7.54	0.2	▲ 196.62					
3	I- FTSE 350 Sector Automobiles & Parts	3,002.08	15/1/10	▲ 18.71	0.6	▲ 169.85					
4	I- FTSE 350 Sector Mining	22,569.7	15/1/10	▼ -299.4	-1.3	▲ 158.60					
5	I- FTSE 350 Sector Technology Hardware & Equipm	375.88	15/1/10	▼ -0.47	-0.1	▲ 121.48					
6	I- FTSE 350 Sector Banks	4,877.24	15/1/10	▼ -76.44	-1.5	▲ 121.01					
7	I- FTSE 350 Sector Industrial Engineering	4,111.51	15/1/10	▼ -30.04	-0.7	▲ 101.95					
8	I- FTSE 350 Sector Life Insurance	3,919.06	15/1/10	▼ -43.89	-1.1	▲ 98.32					
9	I- FTSE 350 Sector Personal Goods	10,529.8	15/1/10	▲ 30.27	0.3	▲ 92.74					
10	I- FTSE 350 Sector Industrial Transportation	2,012.16	15/1/10	▼ -31.89	-1.6	▲ 81.20					
11	I- FTSE 350 Sector Financial Services	5,101.44	15/1/10	▼ -111.0	-2.1	▲ 74.86					
12	I- FTSE 350 Sector Chemicals	4,706.99	15/1/10	▲ 23.06	0.5	▲ 74.48					
13	I- FTSE 350 Sector Software & Computer Services	605.06	15/1/10	▼ -0.68	-0.1	▲ 73.43					
14	I- FTSE 350 Sector Oil Equipment Services & Distribi	15,800.75	15/1/10	▼ -32	-0.2	▲ 73.38					
15	I- FTSE 350 Sector Real Estate Investment Trusts	1,895.49	15/1/10	▲ 2.31	0.1	▲ 68.15					
16	I- FTSE 350 Sector Electronic & Electrical Equipmen	1,632.73	15/1/10	▲ 1.5	0.1	▲ 64.15					
17	I- FTSE 350 Sector General Industrials	2,287.82	15/1/10	▲ 23.53	1.0	▲ 56.93					
18	I- FTSE 350	2,851.65	15/1/10	▼ -20.75	-0.7	▲ 56.22					
19	I- FTSE 100	5,455.37	15/1/10	▼ -42.83	-0.8	▲ 55.33					
20	I- FTSE 350 Sector Beverages	8,052.03	15/1/10	▼ -48.14	-0.6	▲ 55.03					
21	I- FTSE 350 Sector General Retailers	1,641.07	15/1/10	▼ -20.99	-1.3	▲ 54.32					
22	I- FTSE 350 Sector Support Services	3,727.07	15/1/10	▼ -13.93	-0.4	▲ 53.83					
23	I- FTSE 350 Sector Food Producers	4,821.28	15/1/10	▼ -33.11	-0.7	▲ 50.34					
24	I- FTSE 350 Sector Travel & Leisure	4,188.27	15/1/10	▼ -3.36	-0.1	▲ 49.25					
25	I- FTSE 350 Sector Equity Investment Instruments	5,151.5	15/1/10	▼ -24.23	-0.5	▲ 48.50					
26	I- FTSE 350 Sector Fixed Line Telecommunications	2,047.11	15/1/10	▼ -18.72	-0.9	▲ 48.38					
27	I- FTSE 350 Sector Oil & Gas Producers	8,414.17	15/1/10	▼ -23.79	-0.3	▲ 46.00					
28	I- FTSE 350 Sector Media	3,399.43	15/1/10	▲ 14.29	0.4	▲ 41.29					
29	I- FTSE 350 Sector Health Care Equipment & Service	3,515.71	15/1/10	▼ -78.89	-2.2	▲ 39.61					
30	I- FTSE 350 Sector Aerospace & Defence	3,095.01	15/1/10	▼ -44.09	-1.4	▲ 31.97					
31	I- FTSE 350 Sector Food & Drug Retailers	4,813.36	15/1/10	▲ 36.17	0.8	▲ 29.87					
32	I- FTSE 350 Sector Pharmaceuticals & Biotechnolog	8,749.75	15/1/10	▼ -155.7	-1.7	▲ 28.84					
33	I- FTSE 350 Sector Household Goods	6,413.54	15/1/10	▼ -5.8	-0.1	▲ 27.40					
34	I- FTSE 350 Sector Tobacco	25,190.9	15/1/10	▲ 377.0	1.5	▲ 25.03					
35	I- FTSE 350 Sector Electricity	6,755.57	15/1/10	▲ 83.55	1.3	▲ 19.77					
36	I- FTSE 350 Sector Mobile Telecommunications	3,115.95	15/1/10	▼ -47.12	-1.5	▲ 15.76					
37	I- FTSE 350 Sector Gas, Water & Multiutilities	4,103.81	15/1/10	▼ -23.61	-0.6	▲ 14.62					
38	I- FTSE 350 Sector Construction & Materials	3,566.33	15/1/10	▼ -32.19	-0.9	▲ 11.42					
39	I- FTSE 350 Sector Nonlife Insurance	1,318.09	15/1/10	▼ -2.74	-0.2	▲ 5.43					
40	I- FTSE 350 Sector Real Estate Investment & Service	1,636.02	15/1/10	▲ 11.71	0.7						

By adding the **Price relative to FTSE 100** to the graph screen, you can see by exactly how much each sector has outperformed the main index. Alternatively, use the Price relative to option and select the **FTSE 350**.

Looking at the graphs below of two of the top three sectors, we can see just this. We've also added the MACD indicator to give an indication of how much strength might be left in the trend.



Here, the Industrial Metals sector looks as if it may be losing steam as the sector has been making higher highs while the MACD is diverging, whilst the Automobiles & Parts sector is still building a strong uptrend.

Similarly, you could create portfolios of the constituent stocks in particular sectors to find the top performing stocks in the top performing sectors. Bearish customers might prefer to look for the worst performing sectors and stocks for shorting opportunities.

Remember if you have any trouble finding or using any of these features, please don't hesitate to call our Customer Support team on **020 7749 8504**. They will be delighted to help.