

SX40 - FACTSHEET MAY - 2018



METROPOLITAN STOCK EXCHANGE

ABOUT THE INDEX

SX40 is the flagship Index of Metropolitan Stock Exchange of India Limited (MSE). It is an adjusted free-float based index of 40 large-cap liquid stocks representing diversified sectors of the economy. SX40 is designed to measure the economic performance with better representation of various industries and sectors.

Objective

SX40 is designed to be a performance benchmark and facilitate creation of efficient investment and risk management instruments. It would also help in structuring passive investment vehicles.

PERFORMANCE OF SX40



Period	Returns%	Std. Deviation%	P/E
FY 10-11	11.70%	1.11%	22.75
FY 11-12	-8.84%	1.26%	18.31
FY 12-13	8.31%	0.78%	18.84
FY 13-14	20.58%	1.01%	20.27
FY 14-15	25.52%	0.82%	24.56
FY 15-16	-8.13%	1.05%	21.39
FY 16-17	16.45%	0.76%	22.68
FY 17-18	10.24%	0.61%	24.2
FY 10-18*	108.67%	0.95%	25.14

* Data as on 31 May 2018

Quick Facts

- **Index Universe:**
Large Cap companies
- **No. of Companies:** 40
- **Base Date:** March 31, 2010
- **Base Value:** 10,000
- **Currency:** Indian Rupee
- **Index Basket Recasting:**
Semi-annually
- **Minor Share Issuance adjustment:** Monthly
- **Methodology:**
Adjusted Free float weighted market capitalisation

Index Code

- **Bloomberg:** SX40 Index
- **Thomson Reuters:** MCSX40
- **TickerPlant:** SX40

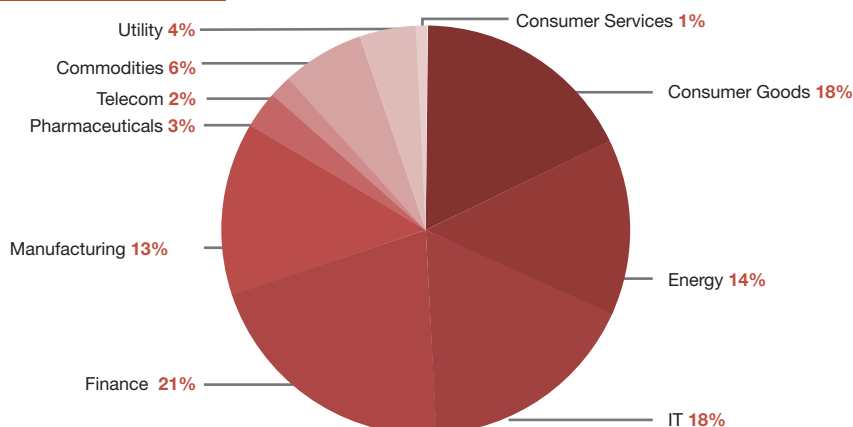
Selection Criteria

- Underlying stocks must have a positive networth
- The stock must have free float of at least 10% and should be within top 100 liquid companies
- Industry capping at 20%
- Top 40 companies meeting above criteria constitute SX40

KEY FEATURES

- Superior return and risk adjusted return
- A unique index of India, benchmarking global best practices of index designing
- Better reflection of the organised sector in the economy through enhanced industry representation
- Rule based, transparent and replicable
- Industry capping eliminates industry bias and enhances index stability
- Low cost for funds (MFs and ETFs) - construction and maintenance
- Low tracking error for passive portfolio management (MFs, ETFs, etc.)

INDUSTRY WEIGHTS (%)



TOP 10 CONSTITUENTS

Company	Index Weight	Industry	Mkt Cap Rs Cr *
RELIANCE	9.76%	ENERGY	371773
ITC	7.62%	CONSUMER GOODS	290539
INFY	7.62%	IT	290457
HDFCBANK	6.43%	FINANCE	245092
TCS	6.12%	IT	233356
LT	5.51%	MANUFACTURING	209973
HDFC	4.33%	FINANCE	164923
HINDUNILVR	3.74%	CONSUMER GOODS	142644
MARUTI	3.69%	CONSUMER GOODS	140784
M&M	2.81%	MANUFACTURING	107180

* Data as on 31 May 2018

International Practices

Parameters	SX40	International Practices
Minimum Free Float	10%	FTSE-25%, CAC 20%, S&P 500- 50%
Liquidity	Within Top 100	NIKKEI: Turnover as Liquidity
Review	Semi-annually	Quarterly, Half yearly, Annual, Need Based
Minor Share Issuance adjustment Free Float Change	Monthly	DAX, FTSE: Qtrly, 10% and above changed else annual, Nasdaq, S&P 500 Qtrly if less than 5%
Industry Cap	20%	S&P/TSX (10% & 25% Capped)



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