

# SX40 - FACTSHEET SEPTEMBER - 2018



## ABOUT THE INDEX

SX40 is the flagship Index of the Metropolitan Stock Exchange of India Limited. It is a free float market capitalization based index with sector capping at 40% of the total index, and within each sector no more than 10 stocks are permitted, comprising 25% of the total index.

### 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*	127.60%	0.94%	28.81

\* Data as on 31 Aug 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:**  
Free float weighted market capitalisation

## Index Code

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

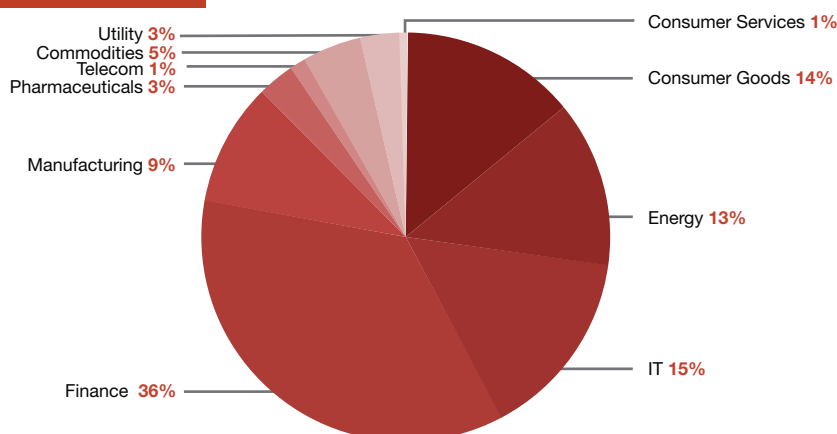
## Selection Criteria

- Underlying stocks must have a positive network
- The stock must have free float of at least 10% and should be within top 100 liquid companies
- Industry capping at 40%
- 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 optimal representation of various industries & sectors
- Rule based, index methodology - easily replicable.
- 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 *
HDFCBANK	10.28%	FINANCE	432860
RELIANCE	9.55%	ENERGY	402034
HDFC	7.48%	FINANCE	314769
ITC	6.53%	CONSUMER GOODS	274908
INFY	6.48%	IT	272603
TCS	5.31%	IT	223475
ICICIBANK	5.24%	FINANCE	220369
LT	4.00%	MANUFACTURING	168362
KOTAKBANK	3.76%	FINANCE	158289
HINDUNILVR	3.00%	CONSUMER GOODS	126426

\*\* Data as on 31 August 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	40%	S&P/TSX (10% & 25% Capped)



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