



## Japan Buyside Analytics Data feed

**Japan Buyside Analytics Datafeed combines the Tokyo Stock Exchange (TSE) daily short and margin trades with IHS Markit Securities Finance lendable (inventory) & on loan data to provide a single daily securities finance data feed.**

The combined dataset is an essential for anyone trading in Japan and looking to increase their alternative data and fundamental analysis factors, delivering significant performance improvement for both long-only and long-short portfolio construction in comparison to using the individual datasets independently.

Research conducted on the TSE and IHS Markit data found low correlation and different characteristics between the two sets of data. However, the combined dataset offers an enhanced signal for portfolio construction where the Information Ratio (IR) improves by 84% compared to the Securities Finance borrow and 125% in comparison to using the TSE short volume data on its own.

The combined IHS Markit and TSE dataset provides five years of historical data across 3,700 Japanese yen-denominated (JPY) equities – updated daily, including inventory and lendable assets totaling 100 trillion yen and on-loan assets exceeding 5 trillion yen – with daily breakdowns of trading volume and trading value data(\*) for all TSE-listed stocks.

\*The TSE dataset disseminates fragmented data extracted from daily trading value and volumes (only regular auction trading sessions on the TSE market) of TSE-listed issues based on flags for margin transactions and short selling that are attached to orders at the time of placement.

### KEY STATS

**JP¥ 100 trillion**

Lendable Inventory

**JP¥ 15 trillion**

Value on loan

**3,700**

Equities

**5 + years**

Combined data

### CUSTOMERS

**Hedge funds**

**Asset managers**

**High frequency traders**

### Investment Insight

Analyse long and short fund flow activity to support investment decision making, identify potential factor turning points and manage portfolio risk adjusted returns.

### Quantitative Signals

Improve multi-factor model performance. Uncorrelated with traditional quantitative factors. Improve back-test simulations with borrow cost\* and availability information.

### Holistic View on Short Interest

Exclusive combination of securities lending with daily short and margin trading to provide holistic view around short interest.

### Daily Distribution

Data is delivered three times daily via a SFTP/FTP.

### Risk Management

Track changes in institutional fund flow and identify portfolio exposure to both downward price reversals and short squeezes. Identify concentration risk and recalls.

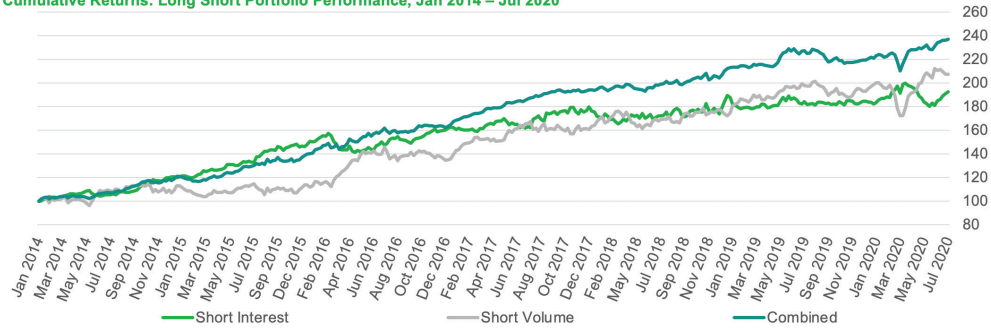
### Trading Transparency

Refine trade entry and exit points, understand the availability of borrow, the concentration of supply, and benchmark your cost of carry.

# Long Short Portfolio Performance: Top/Bottom 20%

The combination of Short Interest and Short Volume improves the Long-Short portfolio performance in comparison to using Short Interest and Short Volume independently. The combined signal has an IR of 2.15 in comparison to an IR of 1.17 and 0.96 for Short Interest and Short Volume respectively

Cumulative Returns: Long Short Portfolio Performance, Jan 2014 – Jul 2020



Factor	Annual Returns	Annual Volatility	Information Ratio	Annual Turnover Long Short Portfolio	Contribution from Short Portfolio
Short Interest	10.5%	9.0%	1.17	4.5	60%
Short Volume	11.7%	12.3%	0.96	23.7	31%
Combined	14.0%	6.5%	2.15	17.9	25%

©2020 IHS Markit. All Right Reserved.

# Yearly Breakdown & Performance in Up vs. Down Markets: Long Short Portfolio

Using a combination of the two factors gives a more consistent performance over the years and in different market regimes as compared to the individual factor performance. Short Volume performs better in Up Market periods while Short Interest performs better in Down Market periods

Factor	2014	2015	2016	2017	2018	2019	Jan-Jul 2020
Short Interest	0.37%	0.43%	0.16%	0.20%	0.11%	-0.05%	0.17%
Short Volume	0.20%	0.07%	0.37%	0.34%	0.15%	0.25%	0.22%
Combined	0.34%	0.33%	0.31%	0.32%	0.17%	0.08%	0.25%

Factor	Up	Down	Overall
Short Interest	-0.08%	0.66%	0.20%
Short Volume	0.45%	-0.14%	0.23%
Combined	0.19%	0.37%	0.26%

- Time Period: Jan 2014 – Jul 2020, weekly rebalance
- For every factor, stocks with top 20% of the factor values form the short portfolio and stocks in the bottom 20% form the long portfolio
- Equally weighted return spread between the long portfolio and the short portfolio is used to judge factor performance
- Down Market = When Universe return < 0, Up Market = When Universe return > 0. There are a total of 128 Down Market and 214 Up Market periods during our time period of study

©2020 IHS Markit. All Right Reserved.

## More information on IHS Markit products and services

AMERICAS  
+1 212 931 4900

EMEA  
+44 20 7260 2000

APAC  
+852 3726 7012

sales@ihsmarkit.com