
Chapter 3

Screening COMPUSTAT® (Global) With the Research Assistant

Screening the COMPUSTAT (Global) Database

Are you looking for European financial services companies with a consistent record of outperforming their peers? Which Australian mining companies have the lowest price to earnings ratios? How are companies in the CAC 40 Index performing? No matter what your questions are, the Research Assistant feature in Standard & Poor's Research Insight can guide you quickly and easily to the answers.

Research Insight gives you a powerful, yet easy-to-use, tool for screening (searching) the extensive COMPUSTAT (Global) database for companies that meet an endless range of criteria. Your screening criteria can include individual data items, concepts or formulas. The companies that pass your screen can then be saved in a set so you can use the data in other spreadsheet applications. This chapter uses U.S. Dollars as the target currency. For information on changing the target currency refer to *How to Translate Data into a Target Currency* on page 73 of Chapter 6 - Translating Currencies.

This chapter shows you how to:

- Define screening criteria
- View the results of a screen and save your set
- Save the results of a screen
- Access the Classic View window

Defining Screening Criteria and Viewing the Results of a Screen

The first step in running a screen is to define your screening criteria. For example, if you wanted to identify companies in the same country as Acerinox SA (Spain) with a return on equity ratio of more than 15, you would:

Begin from the Research Insight desktop:

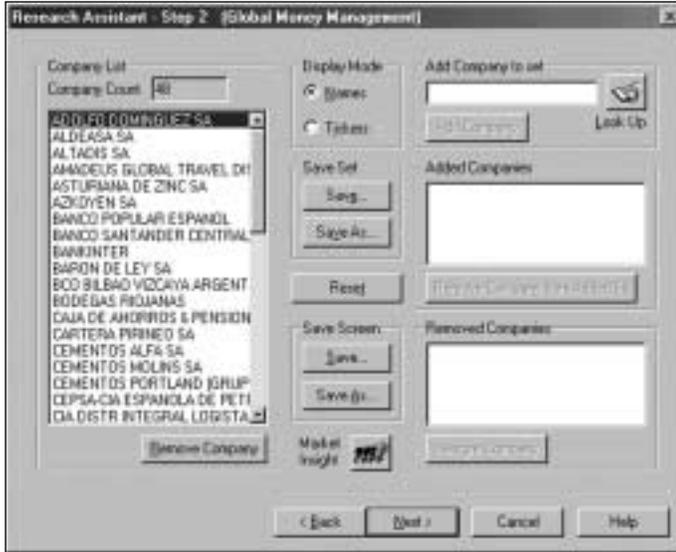
1. Click the  (**Research Assistant**) button.
You will see the Research Assistant - Step 1 window.



2. Enter the GVKEY for Acerinox SA (**101529**) in the **Companies** field.
3. Select **Country** in the Find Similar Companies area.

Hint: If you don't know a company's GVKEY, click the **Look Up** button. Begin entering the name of the company. When the name is highlighted, click **Paste**, then click **Close**. The company's GVKEY will appear in the **Companies** field.

4. Select the **Fundamentals** tab and click the **ROE** check box.
5. Select **>** from the drop-down list to the right and enter **15** in the far right field.
6. Click **Next**. Research Insight will screen the COMPUSTAT (Global) database, and the results will appear on the next Research Assistant window.



You can now remove or add companies to your set. Or you can click **Next** to continue to the Research Assistant - Step 3 window:



From here, you can open a pre-formatted report or chart or begin building a custom report or chart. For now, let's open a 5-Year Annual Ratio Report on each company that passed the initial screen.

(Continued)

From the Research Assistant - Step 3 window:

1. Click the **Open Report** radio button and click **Next**.
2. From the **Ratio Reports and Models** folder, select **Annual Ratio Report-5Years**.



3. Click **Finish**. The Annual Ratio Report for the first company in your set displays.

	1991	1992	1993	1994	1995
LIQUIDITY					
Current Ratio	1.91	1.95	1.88	1.75	204%
Quick Ratio	0.87	0.91	0.92	0.96	204%
ACTIVITY					
Inventory Turnover	0.08	0.08	0.08	0.08	204%
Receivables Turnover	24.34	27.21	27.09	27.09	204%
Total Asset Turnover	2.04	1.94	1.92	1.92	204%
Days Sales Outstanding (Days)	14.64	16.24	16.24	16.24	204%
Days Payable Outstanding (Days)	204%	204%	204%	204%	204%
Operating Cycle (Days)	204%	204%	204%	204%	204%
PERFORMANCE					
Return on Total Assets	0.84	0.98	0.91	0.98	204%
Return on Capital Employed	2.23	1.83	2.29	2.76	204%
PROFITABILITY					
Operating Margin Before Taxes (%)	93.23	93.51	93.16	93.21	204%
Operating Margin After Taxes (%)	11.16	13.89	14.93	14.40	204%
Return on Equity (%)	11.36	13.89	13.98	13.94	204%
Return on Assets (%)	0.84	0.98	0.91	0.98	204%
After Tax Profit Margin (%)	0.84	0.98	0.91	0.98	204%
Subordinated Return (%)	21.08	21.08	21.08	21.08	204%
Return on Common Equity (%)	21.08	21.08	21.08	21.08	204%
Return on Total Equity (%)	21.08	21.08	21.08	21.08	204%

Hint: To view this report for other companies in your set, simply select a company from the **Companies** list on the left. The list can be viewed by company name or GVKEY by clicking the **Name** or **Ticker** button in the Companies area.

Changing Your Initial Set and Saving the Results of Your Screen

When you screen the COMPUSTAT (Global) database, Research Insight searches against a subset of the total population to find the companies that meet your criteria. This subset is called the initial set. You can either choose an initial set, or let Research Insight evaluate your screen against the default set which is a combination of two pre-defined sets in Research Insight, \$G (all Active Industrial companies) and \$F (all Active Financial Services companies). You can change the initial set to any pre-defined set or create your own set by saving your screen results.

The example on page 36 searched all active companies in the COMPUSTAT (Global) database (\$G+\$F). If you wanted to narrow your focus to industrial companies in the same SIC code as Fuji Photo Film Co. Ltd. with a net income of more than \$100 million (U.S.) and more than three years of sales increases, you would:

Begin from the Research Assistant - Step 1 window:

1. Click **Change Set** to display the Initial Set dialog box.
2. Click the **Look Up** button, select **\$G GV Industrial Active**, click **Paste**, then click **Close**.
3. \$G will appear in the **Set** field. Click **OK**.



Hint: You have just narrowed your focus to actively traded industrial companies in the COMPUSTAT (Global) database. In other instances, you may want to screen on Financial Services companies (\$F GV Financial Active) or a specific index (\$L GV Indexes Active & Research). You can also screen one of the many other pre-defined sets in the Look Up List.

4. Enter the GVKEY for Fuji Photo Film Co. (**4925**) in the **Companies** field of the Research Assistant - Step 1 window.
5. Select **SIC** in the Find Similar Companies area.
6. Select the **Fundamentals** tab and click the **Net Income** check box.
7. Select **>** from the drop-down list to the right and enter **100** in the far right field.
8. Select the **Growth** tab and click the **No. of Yrs Sales Increase** check box.

9. Select **>** from the drop-down list to the right and enter **3** in the far right field.



10. Click **Next**. Research Insight will screen the COMPUSTAT (Global) database, and the results will appear in the Research Assistant - Step 2 window.



Assuming you are satisfied with the results, we will now show you how to save the results of your screen.

Hint: Saving the screen allows you to run the screen in the future using your defined criteria and formulating an up-to-date set. You can also save your set from this window by clicking the **Save** button in the Save Set area, and if you open the saved set in the future, your set will always contain the same companies as when you originally saved it.

To save your screen:

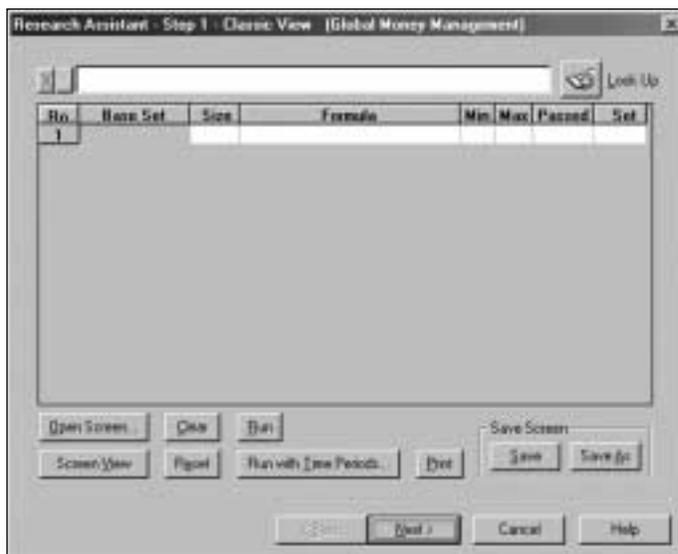
1. Click **Save** in the Save Screen area to display the **Save As** dialog box.



2. Select a location in which to save your screen. In this example, we will save the screen in the **Research Insight/Gvscns** folder (the default location).
3. Enter a screen name in the **File Name** field and click **Save**. You can also enter a brief description of the screen in the **Description** field.

Accessing the Classic View of a Screen

The Research Assistant - Step 1 - Classic View window looks like this:



To access the Classic View window, click the **Classic View** button on the Research Assistant - Step 1 window. The Classic View window allows you to view and modify the underlying Base Set and Formulas used in developing screens in the Research Assistant. However, if you make modifications in this window, you **cannot** return to the first Research Assistant window.

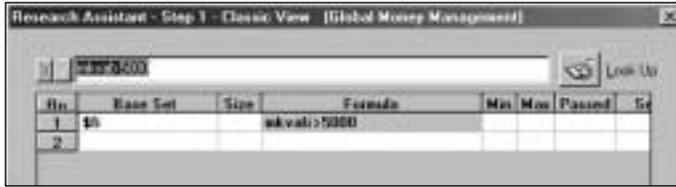
You can also work in the Classic View window to develop and run your own customized screens by inserting various formulas. For example, here is how you could work in the Classic View window to find all active financial companies in the COMPUSTAT (Global) database that have an issue market value greater than \$5 billion (U.S.).

Hint: While the example that follows uses the U.S. dollar as its target currency, Research Insight gives you the option of choosing to run screens, open reports, etc. in more than 110 different currencies. For information on working with different currencies, refer to Chapter 6 - Translating Currencies.

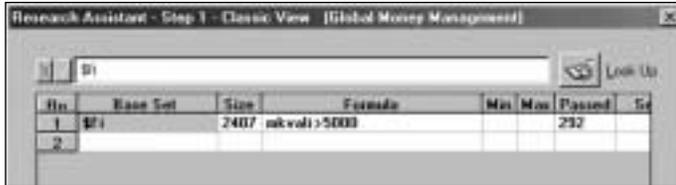
Begin from the Research Assistant - Step 1 window:

1. Click **Classic View**.
2. Select the **Base Set** cell in the first row. Place your cursor in the upper command line, Enter **\$FI** and press **Enter** on your keyboard. (\$FI is the set of all Global Financial Active Issues.)

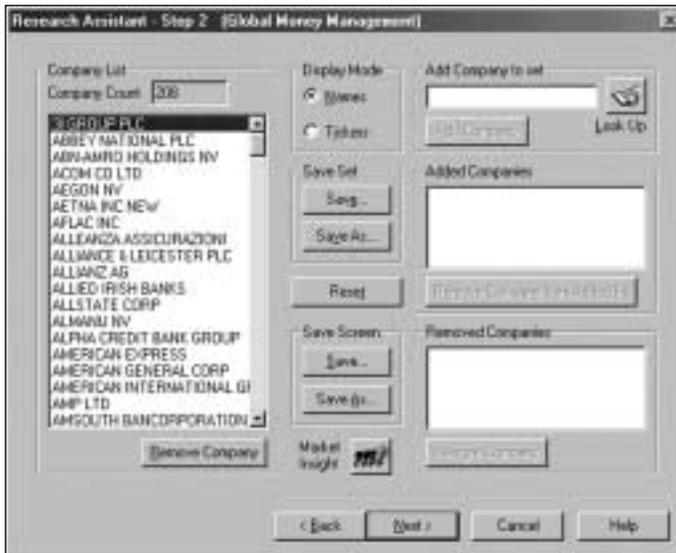
3. Select the **Formula** cell in the first row. Place your cursor in the upper command line, enter **mkvali>5000** and press **Enter**.



4. Click **Run**. Research Insight will screen the Global database, and the number of issues that passed the criteria displays in the **Passed** column.



5. Click **Next** to view a list of companies that passed your screening criteria.



Hint: To use this set of companies in a report or chart, click **Next**. To save the set of companies, click **Save** in the **Save Set** area. To save the screen click **Save** in the **Save Screen** area.