Datastream - Index Constituents

For many indices Datastream can provide information about the historical constituents of an index, but the historic coverage is not great and it is a lot of work to retrieve historic lists from Datastream – you have to do it separately for each month. And of course, you need a computer with a Datastream connection. So unless the index of your interest is not covered in Compustat but is covered by Datastream, avoid using Datastream to obtain constituents.

If you want to use Datastream, these are the steps to take.

- **Step 1:** Obtain the Datastream identifier for the index you are interested in. Click on the Datastream tab in excel and select ‘Static Request’ . In the Static Request wizard, click on ‘Find Series’ on the right. Look up the index of interest by using the search box in the top left; narrow down any results you get by using the filter options on the left side of the screen. For instance, if you are interested in the index constituents of the Amsterdam MidKap Index (AMX), type in ‘AMX’ in the search box, press ‘Enter’, and subsequently filter the results by selecting ‘Constituent Lists’ on the left side of the screen. When you have found the index you are looking for, note down the corresponding code listed in the column ‘Symbol’. For the AMX index, the symbol is ‘LAMSMKAP’.

- **Step 1 b (optional):** To get a better idea about what your are doing in step 2, let’s have a look at what happens when we execute a static request with our newly obtained identifier for the AMX index. Close the ‘Datastream Navigator’ tab – now you are back in the Static Request wizard – and enter the code in the box next to ‘Series/List’. By doing so, you let Datastream know you are interested in the constituents of the AMX index. In the box next to ‘Datatypes/Expressions’ enter ‘NAME,ISIN’. By doing so you let Datastream know you are interested in the names and ISIN codes of the companies in the constituents list entered in the box next to ‘Series/Lists’. Press the button ‘Submit’ in the lower right corner to send your data request. The Static Request wizard will close and you will see a list of 25 company names and ISIN codes appear in your excel sheet. These companies currently make up the Amsterdam MidKap Index; the list might have looked different in 2010. Most likely you are interested in all companies that were in the index at least once in a specific period, to avoid potential selection biases in any later analyses you might perform.

- **Step 2:** Create a request table that executes requests for the name and ISIN codes of the constituents of the index of interest at different points in time. Click on ‘ New Request Table’, and when prompted to save, do so. Click on cell B7 and type ‘Yes’. This tells Datastream to execute the request in this row when the Request Table is processed later on. In cell C7, enter ‘S’. This indicates the request is a static request. In cell E7, fill in the symbol of the index of interest obtained in step 1, followed by the first month and year (format MMYY) for which you want to have the index constituents. In the Amsterdam MidKap Index example, cell E7 may be filled with for instance ‘LAMSMKAP0110’. In cell F7, type ‘NAME,ISIN’ to tell Datastream you want to have the names and ISIN codes for the companies in the index. In cell K7 type ‘=Sheet1!A1’ and create a new sheet (which will automatically be labelled ‘Sheet1’). Now you have a complete request in row 7, waiting to be executed. Copy the contents of row 7 to row 8, and change in cell E8 the month and year to the next month. In the Amsterdam MidKap Index example, this yields ‘LAMSMKAP0210’. Change in cell K8 the destination to a new destination, for instance ‘=Sheet1!D1’.
This tells Datastream to put the output to the request in row 8 in cell D1 in the worksheet ‘Sheet1’. Continue creating new rows in this way, until you have arrived in the month and year that match the end of the period of interest. Execute the table by clicking on ‘Process Table’ in the top left corner of the excel sheet. In Sheet1 you will find the output of all these requests next to each other.

- **Step 3:** Put all identifiers together, and remove duplicates. The output from **step 2** contains many duplicates as there is a high probability that a firm remains in the index of interest from one month to another. Manually copy all ISIN codes from your output in Sheet1 to a new sheet into one column (so each ISIN list below the other). Select this whole column, click on the ‘Data’ tab in the top middle-left of excel, select the option ‘Remove Duplicates’ and press ok. Excel removes all duplicate ISINs from the column, leaving you with a list of unique ISIN codes of the constituents of the index of interest for the months and years used in **step 2**.

As you can see, obtaining constituents from Datastream is much more cumbersome than in Compustat. However, for some more obscure indices (such as the Amsterdam MidKap index) using Datastream may be a solution.