

2019-02-15 Meeting notes

Date

15 Feb 2019

Attendees

- [Elisa Kendall](#)
- [tom dalglish](#)
- [Bobbin Teegarden](#)
- [David Saul](#)
- [Lucy Opsitnik](#)
- [Pete Rivett](#)
- [Mike Atkin](#)
- [Anthony B. Coates](#)
- [Dan Gillman](#)
- [Marla Dans](#)
- [Jefferson Braswell](#)
- Chris Hayes, BAML (added to JIRA)

Agenda

- 1) Review Market Indices Framework**
- 2) Unravel core components/constituents**
- 3) Evaluate competency questions**
- 4) For next week (unravel FIBO relationships (gap analysis), define competency questions)**



Proceedings:

Attendees: Bobbin Teegarden, David Saul, Elisa Kendall, Lucy Opsitnik, Pete Rivett, Tommy Dalglish, Tony Coates, Dan Gillman, Michael Atkin, Chris Hayes, Jeff Braswell, Marla Dans

11:35 AM: Indices Mind Map - start with core questions and then align to the components of the index

11:36 AM: Must be able to track history of index for benchmarking and analytical projection

11:36 AM: Must be able to track corporate actions of the securities in the index

11:37 AM: Must track weightings and calculations - price of constituents (should be able to replicate the index independently)

11:38 AM: Pricing has multiple dimensions (is the price quoted the same as the TIME of the price of the index)

Framework Questions

11:40 AM: Non-constituent components (combination of pricing + adds/deletes of securities)

11:40 AM: What is basis for derivative?

11:41 AM: PR - also need to track how/where the index is used to be able to link the index to the "basis for derivative"

11:42 AM: How should FIBO test the adequacy of the ontology to make sure it is complete

11:43 AM: Additions/deletions refers to adds/deletes to the index

Jeff Braswell (to Everyone): 11:44 AM: Dow Jones does not use market cap

Michael Atkin (to Everyone): 11:44 AM: calculation components (must track how the index is calculated and need market capitalization if it is included in the index. These are the business rules of the index

11:45 AM: Tommy D - looking to find data (from Jonathan Bloch from EDI) to test the index

11:46 AM: Calculation type = the business rules. FIBO must have all the concepts associated with any business rule.

11:47 AM: Weighting has dimensions (i.e. Price weighted, value weighted, market cap driven index, VWAP)

TommyD (to Everyone): 11:47 AM: <https://www.thebalance.com/different-types-of-weighted-indexes-1214780>

Michael Atkin (to Everyone): 11:48 AM: Question about naming (are we making a distinction between index types) - a rate index is different from a composite index. Open issue on how to express in FIBO

11:49 AM: Economic, FX and rate-based are all currently in FIBO. Consider "composite index" as the name for this area of activity. Composite has components

11:50 AM: Types of indexes (simple dimension, composite index, aggregate index)

11:52 AM: Calculation agent = entity responsible for calculation and setting the price. This is different from redistributor of the index

11:53 AM: Evaluate calculation agent against the current definition in derivatives - might need to be elevated in FIBO

Constituents

Michael Atkin (to Everyone): 11:55 AM: These represent the things in the index - what's missing from FIBO (rules about the things in the basket, the dates for pricing, corporate actions, historical pricing must be accounted for time series)

11:58 AM: NAICS and SIC are the appropriate classification types - including any reclassification of industry type, sector, country of listing, country of registration, etc.)

12:01 PM: Example of query (regulatory reporting for aggregate fund reporting - referring to same bond in two databases beginning and ending of quarter but different day counts (one in error). Semantic model was able to identify the DQ problem of conflicting day counts

12:02 PM: Structural data quality - another key question for evaluating the completeness of FIBO for indexes

12:05 PM: Changes to index needs to be aligned to URIs of components (countries, companies, currencies)

12:10 PM: Requirements (1) fully understand the relationships from framework model, (2) evaluate what is in/not in FIBO (3) how to organize the properties within FIBO (4) reverse engineer the questions to ensure that FIBO covers

Jeff Braswell (to Everyone): 12:11 PM: Index definition and validation

12:15 PM: Potential gaps in FIBO (market data/pricing components)

12:16 PM: What is the minimal content I need to know to express a basic market index (is it in FIBO, validated) - think about using the data about a specific index against the basic queries that might be asked

12:20 PM: Tommy Action: EuroStoxx50 as sample index

12:21 PM: Chris Action: collaborate with Elisa on the questions (can we flesh out these questions to enable us to trace into FIBO) and to better understand the relationships expressed in this model

12:23 PM: MSCI - doing a lot of rebalancing and will expose the questions to be thinking about. MA to track down friends at MSCI (Oslem is candidate)

12:25 PM: Create starting list of questions about tracking an index (use MSCI rebalancing) to drive the evaluation

12:27 PM: Goal is to improve the referential model (to identify issues) for DQ evaluation

Decisions:

Action items

- Elisa Kendall FIBO gap analysis against top line constituents of "mind map"
- tom dalglish Obtain sample data from Jonathan Block at EDI (EuroStoxx50)
- Elisa Kendall work with Chris Hayes to unravel the basic competency questions (relationship analysis)

Mike Atkin Find contact at MSCI (currently rebalancing many indices and will unveil essential competency questions)