

Securities Analysis

February 4th & 5th, 2009

Yahoo! Finance is great, but how does it compare to pay services like Morningstar, Value Line, and S&P's NetAdvantage?

All four provide price quotes and performance data. Yahoo! may be the most convenient for such information, with quick updates and the most accessible historical data. But Yahoo! only provides data (with some 3rd party ratings and news feeds). High-quality reports and analysis cost money.

Morningstar, Value Line, and S&P offer a number of services both to individual and institutional subscribers. The library licenses the following:

- Morningstar Library Edition
- Value Line Research Center
- S&P NetAdvantage

Features and Usability

- Traditionally, Morningstar was strongest in funds, S&P in bonds, Value Line in stocks.
- All four provide screeners. Morningstar and Value Line allow screening on more variables than NetAdvantage and offer preset screens, but NetAdvantage allows you to export more data to Excel from the results list. Yahoo!'s new Java screener is much more sophisticated than their html version.
- Morningstar is easiest to use, Value Line least user-friendly. NetAdvantage has the most content, then Value Line.
- See the attached chart for more comparisons.

BYU's Business Library

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Other sources of investment information:

- **Mergent** (Moody's) competes with the three covered today. The Library only has paper copies.
- **Bloomberg** is a sophisticated, terminal-based service and the market leader for actual traders and investment bankers. An amazing amount of information, speed, and flexibility, but a steep learning curve. The library has a terminal near the MEGI reference desk on the first floor of HBLL. There is also one in W237 TNRB. Thomson and Reuters have competing services.
- **WRDS**, the Wharton Research Data Services, is a platform for multiple databases, including CRSP and Compustat. A favorite for faculty doing in-depth analysis and historical research. Accessible through the MEGI site.
- **Factiva**, from Dow Jones, contains business news from papers all over the world. Click on the plus sign next to Subject and search for a select Analyst Comment/Recommendation. Then specify a company or add other search parameters. Adjust the date range. This results in press releases about reports from a multitude of investment banks, often including the ratings or data. By clicking on the Companies tab at the top you can also use Factiva to pull up quotes and company profiles. You can find a brief video tutorial here: <http://screencast.com/t/7kb1fyfdj>

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Service Comparisons



Price	Mostly free. \$13.95/mo for “Real-Time Quotes”	Basic features are free. \$18.95/mo for premium membership.	Varies by package.	Varies by package.
Financial Statements and Ratios	3 years	10 years	5 years	10 years
Ratings	Aggregated from 3 rd parties (good variety but little detail)	Proprietary	Proprietary	Proprietary
Analyst Reports	<ul style="list-style-type: none"> • Aggregated and cost extra 	<ul style="list-style-type: none"> • Stocks • Funds (inc. ETFs) 	<ul style="list-style-type: none"> • Stocks • Funds • 12 years of historical reports 	<ul style="list-style-type: none"> • Stocks • Funds • Bonds (corporate)
Screener	<ul style="list-style-type: none"> • Stocks • Funds • Bonds (inc. municipal) 	<ul style="list-style-type: none"> • Stocks • Funds (inc. ETFs) 	<ul style="list-style-type: none"> • Stocks • Funds • Options 	<ul style="list-style-type: none"> • Stocks • Bonds • Funds • Dealers
Education	Articles, glossaries, video tutorials, and personal finance guides	Articles, glossary, and 150 interactive courses, like “Portfolios 405: Investing in IPOs”	Includes a library of video tutorials	Articles, glossary, and a retirement tutorial
Unique Features	<ul style="list-style-type: none"> • Covers options and currencies • Alerts • Create portfolios 	<ul style="list-style-type: none"> • Portfolio Manager with X-Ray analysis (can’t save) 	<ul style="list-style-type: none"> • Covers options, convertibles, and special situations • Brief Industry Reports • <i>Value Line Investment Survey</i> 	<ul style="list-style-type: none"> • Industry Reports • Profiles of many private companies • Register of Executives (short bios) • Security Dealers of North America (directory) • <i>The Outlook; Credit Week</i> • Compustat Excel Analytics
Notes	Relies heavily on 3 rd party news feeds	Stewardship Grades for Funds	Can screen stocks on social responsibility indicators	