Using Equity Screening to Identify Growth Ahead of Peers

Bloomberg's Equity Screening function helps with idea generation as U.S. first-quarter earnings approach. Use the Example Screens to identify companies with faster one-year sales and EPS growth than the weighted average of their peer group. Compare the screen against S&P 500 performance with backtesting.

To view the screen, run `{ EQS <GO> }`. Type 93<GO> to open the sample screen page. In the amber box labeled <Search Example Screens>, type “EPS & sales growth vs. sector” and select from the auto-complete box. This will open the results page. Typing 96<GO> reveals options that allow the user to edit the criteria and review the screen.

Bloomberg has developed a backtesting tool that can analyze the performance of a portfolio produced by an EQS screen. The test updates the portfolio at user-defined historical intervals. Click the Backtest button or enter 97<GO> to perform a test.
In Analytical Parameters, check 'Use Benchmark' and type S&P to select the S&P 500. For Analysis Period, change the frequency to quarterly, set the exact start date as 3/31/09 and the end date to Last Quarter End. Type 1<GO> to update, and 1<GO> to Run. Name the backtest and type 1<GO> to Save & Run the screen. Users receive an e-mail message when the test is finished.

Select the blue attachment in the e-mail to open the Equity Backtesting Results. The results show how a portfolio created with an EQS screen and rebalanced quarterly returned 173 percent, while the S&P 500 returned 94 percent during the same period.

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