Dividend Forecasting: Dividend Index Points (DIPs)

Determine the impact future dividends will have on the price of indices and their constituents

Dividend Forecasting from IHS Markit delivers DIPs estimates up to four years in the future for over 8,000 global securities in more than 160 global indices, so users can assess how dividends will impact the fair value of equity index derivatives.

Accurate dividend forecasting is vital for anyone using derivatives and index products. IHS Markit’s DIPs solution enables equity derivative traders to measure the precise impact future dividends will have on indices and their constituents, and calculate fair values using key variables, including the index value, interest rates (cost of funds), days to expiration and dividend streams.

DIPs values are calculated by combining our leading Dividend Forecasting dataset with our comprehensive Index Management service, which collates and provides official data on global equity indices. Crucially, Dividend Forecasting specialists review and validate the treatment of atypical payments such as special dividends and capital returns with the index providers, to correctly interpret whether each payment will trigger a divisor change.

Dividend Forecasting is a leading fundamental dataset supported by the deep understanding of a 35+ global team of analysts. The majority of investment banks, proprietary traders and, increasingly, hedge funds and asset managers rely on Dividend Forecasting for accuracy, timeliness and productivity.

Data integrity
Rely upon official index data verified by our Index Management service using a comprehensive system of quality controls

Independent forecasts
Trust in dividend forecasts delivered by a global team of 35+ analysts using a methodology that has been refined and improved since 2003

Dividend treatment validation
Identify the treatment of individual payments and across different indices, each updated to reflect the correct inclusion or exclusion and index points data calculation for the specific index and provider

Timeliness
Receive up-to-date information on index treatment enhanced by long-standing relationships with index providers, and up-to-date forecasts that reflect the latest policy changes and earnings releases

Support
Enjoy full access to IHS Markit’s research team to explain the logic behind index treatment and calculations, providing additional transparency and insight
Dividend Forecasting web portal

IHS Markit delivers projected dividend index points for indices and their constituents via an intuitive web front end. Review forecast DIPs by index or sub-index with customizable basket date parameters.

More information on IHS Markit products and services

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