T+ Dividend Index Points

Dividend index points forecasts for future dated index compositions

IHS Markit's T+ Dividend Index Points (T+ DIPs) is an enhanced index points service that incorporates all officially announced index changes, including additions and deletions, corporate actions, free float changes and rebalance adjustments.

Data captured in the DeltaOne T+ index feed is processed to calculate the T+ index divisor and combined with our Dividend Forecasting dataset for the new constituents.

Delivered via the SOLA platform, T+ DIPs gives customers advance insight into all associated changes and dividends affecting global indices and their constituents up to 30 days in advance.

Functionality	DIPs	T+DIPs
Official index divisor	●	●
Official index consituents	●	●
Dividend treatment validation	●	●
Calculation of dividend points per stock	●	●
Aggregation of dividend points by ex-date	●	●
Includes upcoming changes in constituents	●	●
Includes upcoming changes in corporate actions	●	●
Calculation of the T+divisor	●	●
Dividend forecasts for the new constituents	●	●

Advance insight

Benefit from accurate index points calculated using the future T+ index divisor

Risk Management

Mitigate the risks associated with index changes

Data integrity

Ensure accurate compositions, validated through a calculation engine, with a comprehensive system of quality controls

Dedicated support

Access global customers support through our index teams in New York, London and Singapore

Dividend treatment validation

Identify the treatment of individual payments and across different indices

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

Calculation methodology

The index divisor is equal to the value of the market capitalisation divided by the index level. The divisor is adjusted in the event of a corporate action or change in constituents in order to prevent discontinuities in the index:

$$T + divisor = \frac{T + adjusted\ total\ market\ value}{constant\ index\ value}$$

The T+ divisor can therefore be used to calculate the size of a future dividend in terms of the index value. The impact of a dividend paid by a constituent company expressed in index points is calculated as follows:

$$T + DIPs = \frac{DPS\ forecast \times proportion\ included \times T + constituent\ shares \times T + free\ float}{T + divisor}$$

T+ Index Changes

All officially announced index changes, including corporate actions, free float changes and rebalance adjustments are captured and delivered via the SOLA platform. Nightly files, intra-day announcements and ad hoc publications are monitored and pro-actively maintained, allowing customers to have the most up to date view of all associated changes affecting global indices up to 30 days in advance.

Dividend Forecasting

Dividend Forecasting from IHS Markit is a comprehensive dividend dataset that provides amount and date estimates up to four years into the future for more than 10,000 securities. Forecasts are determined by a global team of 35+ analysts using a rigorous bottom-up methodology taking into account quantitative and qualitative factors.

More information on IHS Markit products and services