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## Appendix 15.1

### Major US Stock Market Indexes

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(1) **Dow Jones Industrials Average** includes only 30 blue chip stocks. The Dow Jones averages are unique in that they are price weighted rather than market capitalization weighted. Their component weightings are therefore affected only by changes in the stocks' prices, in contrast with other indexes' weightings that are affected by both price changes and changes in the number of shares outstanding. The Dow Jones Transportation and Dow Jones Utilities indexes have 20 and 15 components, respectively.<sup>1</sup>

(2) **S&P 500** is a market capitalization weighted index of 500 stocks. The stocks of this index are selected for being a representative sample of leading companies in leading industries. Many "LargeCap" equity managers benchmark the performance of their portfolios to the S&P 500.

(3) **S&P 1500** combines the S&P 500 (LargeCaps) with the S&P 400 (MidCaps) and the S&P 600 (SmallCaps). During 2016, the S&P 500 was limited to companies with a market value (or capitalization) of \$5.3 billion or more. The S&P 400 companies had a market cap between \$1.4 billion and \$5.9 billion. The S&P 600 companies were between \$400 million and \$1.8 billion.

(4) **NYSE Composite** includes approximately 2,000 stocks traded on the New York Stock Exchange. It is designed to measure the performance of all common stocks listed on the NYSE, including American Depository Receipts (ADRs), Real Estate Investment Trusts (REITs), and tracking stocks. Closed-end funds, ETFs, limited partnerships and derivatives are excluded from the index. It is a measure of the changes in aggregate market value of all NYSE-listed common stocks, adjusted to eliminate the effects of capitalization changes, new listings and delistings. The index is weighted using free-float market capitalization. The market value of each stock is calculated by multiplying its price per share by the number of shares listed.<sup>2</sup>

(5) **Nasdaq Composite** includes about 2,500 stocks domestic and non-U.S. common stocks that are listed on the Nasdaq stock exchange. Each security is weighted so it affects the index in proportion to its market value. **Nasdaq 100** is an index of the 100 non-financial large-cap stocks in the Composite.<sup>3</sup>

(6) **Russell 3000** covers a broad U.S. equity universe representing approximately 98% of the U.S. market. It is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected. **Russell 1000** includes the largest cap 1000 securities in the Russell 3000. **Russell 2000** includes the smallest 2000 securities in the Russell 3000.<sup>4</sup>

(7) **Dow Jones Wilshire 5000** is the most comprehensive daily measure of the U.S. equity market. To be included in the index, a security must be the primary equity issue of a U.S. company. Excluded are bulletin-board issues, because in general they do not have consistently readily available prices. Two

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versions of the index are maintained, one weighted by full market capitalization and the other weighted by float-adjusted market capitalization. They are both calculated as “wealth measures”—tracking the total dollars gained or lost in the entire U.S. stock market.

(8) **Total Market Value** of all stocks traded in the United States is compiled quarterly by the Federal Reserve Board of Governors. The data are included in the Fed’s *Financial Accounts of the United States*.<sup>5</sup> Table L.223, titled “Corporate Equities,” shows the market value of all stocks traded in the U.S. as well as three component market values for stocks of nonfinancial corporations, financial corporations, and holdings of foreign issues by U.S. residents, including ADRs.

The table below summarizes some of the information provided above.

Index	Number of Stocks	Market Cap (\$ Bil.) <sup>6</sup>	Start Date
Dow Industrials	30	5,723	5/26/1896
Dow Transports	20	489	10/26/1896
Dow Utilities	15	420	1/2/1929
S&P 1500	1,500	21,616	12/30/1994
S&P 500	500	19,268	1/3/1928 <sup>7</sup>
S&P 100	100	12,164	1/4/1988
S&P 400	400	1,623	6/12/1991
S&P 600	600	725	12/31/1993
Nasdaq	~2,500	8,504	2/5/1971
Nasdaq 100	100	5,829	1/2/1986
Russell 3000	3,000	23,916	12/29/1978
Russell 2000	2,000	1,847	12/29/1978
Russell 1000	1,000	21,969	12/29/1978
Wilshire 5000	~3,600	23,274	1/31/1979
<b>Total (Flow of Funds)<sup>8</sup></b>	<b>Universe</b>	<b>220,857</b>	<b>1945</b>
U.S. Nonfinancial	Universe	106,436	1945
U.S. Financial	Universe	90,198	1945
Rest of World	Universe	24,223	1945

### Notes

<sup>1</sup> Dow Jones Averages home [page](#).

<sup>2</sup> Float-adjusted rather than full market capitalization is used to reflect the number of shares actually available to investors. For more, see the [NYSE Composite Index Methodology Guide](#).

<sup>3</sup> Nasdaq home [page](#).

<sup>4</sup> Russell US Indexes home [page](#).

<sup>5</sup> Federal Reserve Board, [Financial Accounts of the United States](#).

<sup>6</sup> As of yearend 2016.

<sup>7</sup> Daily. Monthly data began in January 1921.

<sup>8</sup> Annual data start in 1945; quarterly data since Q1-1952.

Source: Standard & Poor's, Nasdaq, Wilshire Associates, and Federal Reserve Board.