



## Capital Market Exchange Releases 2013 Performance and Recaps Systematic Ability to Filter Big Data for Downside Risks in Corporate Bonds

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**Burlington, MA** - Capital Market Exchange announces its performance results for the past year to showcase the predictive power of its patent-pending Sentiment Adjusted Spread model. Capital Market Exchange is a Boston based analytics company that provides professional bond investors a market implied spread for over 10,000 dollar denominated investment grade corporate bonds and their credit default swaps. The firm combines information culled from big data to quantify factors professionals in the High Grade credit market view as influencing near-term corporate bond spreads.

Capital Market Exchange quantifies factors using its proprietary analytics to build a Sentiment Adjusted Spread and provides investors with a mark that helps them spot currently mispriced bonds. This process has helped credit professionals to continue to incorporate historically relevant factors while more actively and efficiently identify emerging risks. Credit teams regularly use Capital Market Exchange Sentiment Adjusted Spreads and alerts to complement their investment making decisions.

Capital Market Exchange has completed its analysis of 2013 performance and has made available a by quarter recap of its ability to extract out trading signals from investor sentiment as well as help investment teams avoid downside risk. For example, bond investors began 2013 concerned about leveraged buy-out (LBO) activities. Capital Market Exchange's analyzed factors influencing transaction risk and identified technology and consumer goods sectors as particularly vulnerable to LBO takeovers. From its spread attribution analysis, Capital Market Exchange then correctly alerted investment teams to specific firms whose leverage ratios, profitability growth patterns and competitive market positioning revealed they were similar to other takeover candidates.

Sarah Biller, Capital Market Exchange's President, said, "Our efforts to narrow the possible factors influencing current corporate credit spreads to the most salient emerging risks and quantify them for credit investors fills a gap left by over-the-counter trading. We use current factors to build a spread by issue from the bottoms-up and give investment teams a clear picture of where structural limitations in the global bond market have hampered their discovery of risk. This 2013 recap shows a systematic ability of CMX's approach to alert to downside risk."

This pattern of successfully providing transparency led Capital Market Exchange to enhance its Investment Grade Bond Analytics Platform to include Credit Default Swaps. Heightened concerns about liquidity in the cash bond market have led to a renewed interest in CDS instruments by investment teams. Capital Market Exchange is currently in the process of analyzing factors from its most recent factor aggregation process. Please contact Capital Market Exchange for additional information.