

































$$I_{t,f} = p_{t,s'} C_{s',f} \quad (\text{H1})$$

where,  $p$  are stocks prices suitably weighted by market cap or other divisor as common practice for common indices (Tagiliani and Guide 2009). An unweighted index of this kind is shown in the bottom row of figure C1 for results corresponding to the analysis described in this paper. Conversely, a pre-defined basket of stocks such as the S&P 500® can be unbundled to find its exposure to the canonical sectors.

With an investment strategy employing longs and shorts at the same time in correct proportions, it is conceivable to invest in, for example, the *c-tech* component of S&P 500®.

The desirable features of an index include completeness, objectivity and investability (Pastor *et al.* 2013). The *c-indices* constructed using the ideas outlined here would not only be of value to investors through investment vehicles such as exchange-traded funds, Futures, etc., but also serve as important economic indicators.