

Quick Take: Where in the World Are Underfollowed Stocks?

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Emerging Markets (EM): Expanding Listings

- In Developed Markets (DM), the number of stocks in the public equity universe has been roughly unchanged over the past decade. Early-stage DM firms are staying private, given abundant sources of private capital and perceived frictions associated with public listing.
- The picture looks very different in EM. The investible universe has steadily expanded, as young companies continue to tap public markets to fund growth (top chart, dark-blue bars).

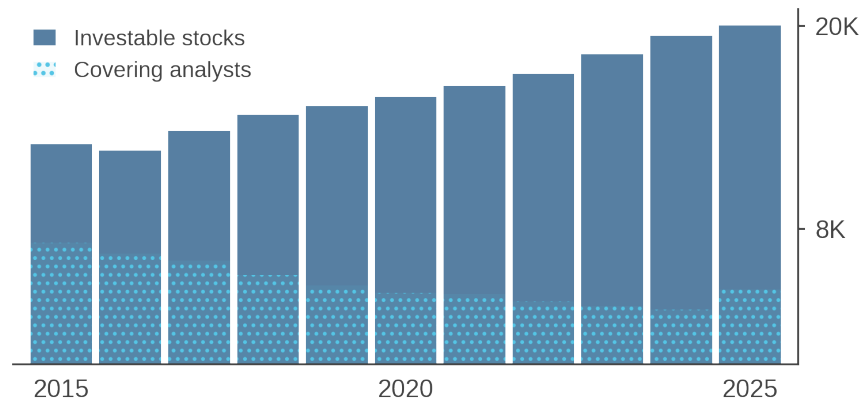
Shrinking Analyst Coverage

- While EM equity issuance is up, the number of stocks there followed by analysts has fallen (top chart, dotted overlay). Cost pressures on sell-side research departments and fascination with U.S. equities' outperformance have pulled resources away from EM coverage, particularly at the smaller end of the cap spectrum (bottom chart).

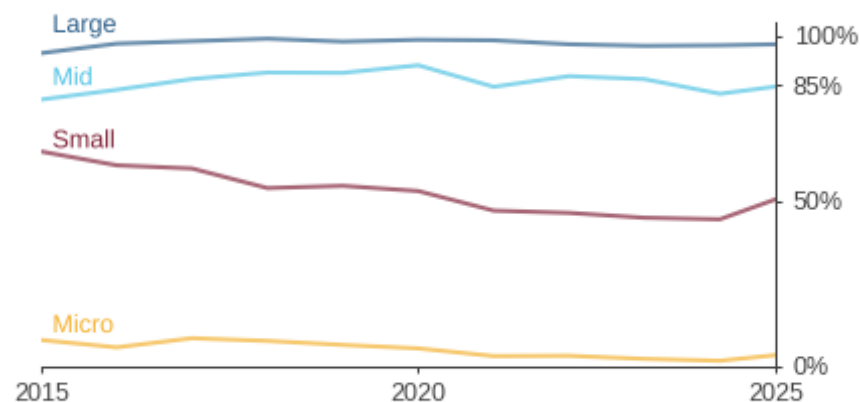
Seeds of Opportunity

- In EM, this combination of expanding listings and shrinking sell-side coverage creates opportunities for active investors.
 - For traditional, discretionary stock pickers, reliant on sell-side work to filter the EM universe and build ideas, this will be a headwind.
 - Systematic managers, however, will benefit as their process is expressly designed to capture relative mispricings across broad and diverse market segments, nowhere better exemplified than by the 20,000 investible equities in EM. Moreover, as we discussed in [prior research](#), data coverage for systematic forecasting in EM has grown even as analyst coverage has declined.

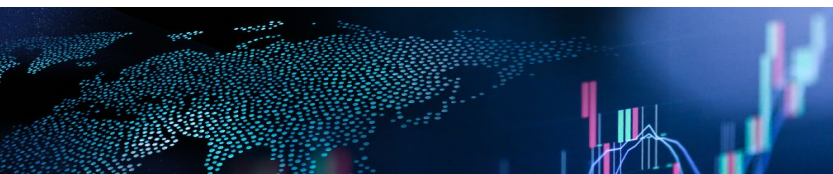
EM: Investible Stocks and Covering Analysts (IBES)



Fraction of Investible EM Stocks with Analyst Coverage



Investibility is determined by minimum thresholds on market cap and average daily volume. Covering analysts include unique analysts that maintain estimates for stocks in the EM investible universe. Capitalization bands are defined as: Large = highest 70%, mid = 70-85%, small = 85-99%, micro = 0-1%. Source: Acadian based on IBES estimates, MSCI Copyright MSCI 2025, All Rights Reserved. Unpublished. PROPRIETARY TO MSCI. For illustrative purposes only.



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