The Hidden Toll Roads of Wall Street

- Essential financial services benefit from high switching costs and recurring demand.
- FDIQ offers exposure to leading financial data and market infrastructure providers.
- Strong cash flow supports long-term appeal, while premium valuations remain a risk.

The Backbone of Global Financial Markets

We see an attractive opportunity in financial data and market infrastructure providers as global capital markets expand and become increasingly data-driven. In 2025, global equity market capitalization reached USD157.8tr (+18.9%y-y), while outstanding fixed income securities totaled USD160.7tr (+10.6% y-y). Meanwhile, over USD17tn in assets are benchmarked against MSCI indices, highlighting the growing importance of financial data and index providers. As markets become larger and more complex, demand for data, analytics and trading infrastructure continues to grow. These businesses also benefit from diversified revenue streams, including subscriptions, index licensing, credit ratings and trading services, offering exposure to financial market growth with less direct lending and balance-sheet risk than traditional banks.

Data, Trust & Pricing Power

FDIQ offers exposure to businesses with strong competitive advantages, supported by established databases, regulatory credibility and high switching costs. We estimate that 70–80% of the portfolio has high barriers to entry, while 55–60% generates recurring or subscription-based revenue. Around 65–75% benefits from high switching costs, with 55–65% having relatively strong pricing power. These advantages are particularly evident in credit ratings, financial data and index providers such as S&P Global (SPGI), Moody's (MCO), MSCI and London Stock Exchange (LSEG), where established databases and industry credibility make their services difficult to replicate. This supports customer retention, pricing power and earnings resilience over time.

Key preferred stocks in Invesco Bloomberg Financial Data Providers ETF

FDIQ provides exposure to leading companies in financial data, credit ratings, investment analytics and market infrastructure. Top 10 holdings include Cboe Global Markets (CBOE, 4.97%), an options and derivatives exchange operator; Experian (EXPN, 4.94%), a credit information provider; and SPGI (4.86%), a leading provider of credit ratings and financial data. Other major holdings include Verisk Analytics (VRSK, 4.82%), LSEG (4.77%), Nasdaq (NDAQ, 4.73%), MSCI (4.68%), CME Group (4.63%) and ICE (4.52%), which provide insurance analytics, market data, indices and trading infrastructure. MCO (4.5%) adds further exposure to credit ratings and risk analytics.

A Strong Foundation, but AI Risks Remain

FDIQ holds high-quality businesses with strong cash flows, high margins and established market positions, supporting premium valuations. However, high valuations and AI disruption remain key risks. Financial Data & Analytics (25–30% of the portfolio) faces greater disruption risk, while Credit Ratings & Index Providers benefit from trust and established standards, and Exchanges & Market Infrastructure from critical roles and regulatory barriers. We estimate a beta of 0.9–1.0x vs the S&P 500, implying an annual return of approximately 8–10% under the CAPM framework.

The Market Behind the Markets

We view FDIQ as an attractive long-term satellite holding, offering differentiated exposure to financial data and market infrastructure beyond traditional banks and insurers, with investment returns supported by strong cash flow fundamentals and disciplined valuations.

Analyst

Siriluck Pinthusoonthorn
Siriluck@globlex.co.th,
+662 672 5806

Suwat Sinsadok, CFA, FRM, ERP,IAA
suwat.s@globlex.co.th,
+662 687 7026.

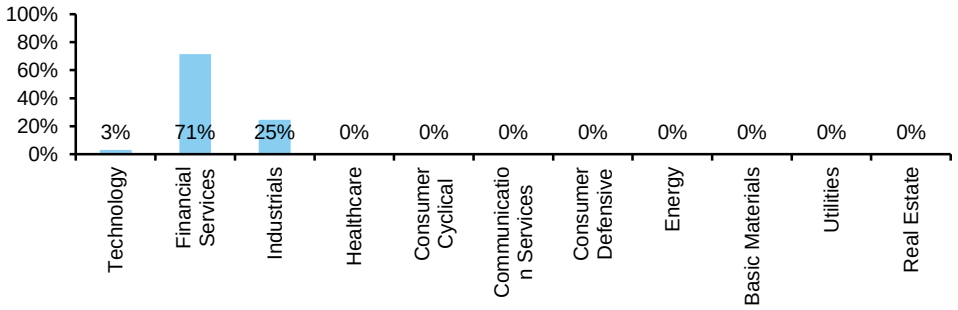
Top Holdings (%)

	Company name	Bloomberg Ticker	%stake	Company
1	Cboe Global Markets	CBOE Equity	4.97	Operates options, derivatives and securities exchanges.
2	Experian	EXPN LN Equity	4.94	Provides consumer credit data, analytics and fraud prevention services.
3	S&P Global	SPGI Equity	4.86	Provides credit ratings, financial data and market intelligence.
4	Verisk Analytics	VRSK Equity	4.82	Provides data analytics and risk assessment solutions, primarily for the insurance industry.
5	London Stock Exchange Group	LSEG LN Equity	4.77	Provides financial data, analytics, trading and clearing services.
6	Nasdaq	NDAQ Equity	4.73	Operates stock exchanges and provides market technology and financial data services.
7	MSCI	MSCI Equity	4.68	Provides global investment indices, portfolio analytics and ESG data.
8	CME Group	CME Equity	4.63	Operates futures and derivatives exchanges across major asset classes.
9	Intercontinental Exchange	ICE Equity	4.52	Operates global exchanges and provides financial data, trading and clearing services.
10	Moodys	MCO Equity	4.50	Provides credit ratings, risk analytics and financial intelligence.
	Top 10 Holdings		**47.42**	

ETF Overview

Invesco Bloomberg Financial Data Providers ETF	
Ticker	FDIQ
Issuer	Invesco Capital Management
Launch date	02-Nov-12
Settlement cycle	T+1
Expense Ratio (net)	0.35%
Yield	1.99%
Beta (5Y monthly)	0.99
PE Ratio (TTM)	24.12

Sector Weightings (%)



ETF Summary

Invesco Bloomberg Financial Data Providers ETF	
Category	Financial Service
Theme investment	Financial Infrastructure & Data Economy
Value chain	-
Positioning	Financial Infrastructure
Top country	US (66.68%)
Top Sector	Financials (71.44%)
Top Capitalisation	Mid (59.74%)

ETF performance



ETF performance

Invesco Bloomberg Financial Data Providers ETF	
YTD Daily Total Return (%)	23.12
1-Month Total Return (%)	11.08
3-Month Total Return (%)	5.58
1-Year Total Return (%)	33.11
3-Year Total Return (%)	24.75
5-Year Total Return (%)	6.40
10-Year Total Return (%)	8.21
Life Total Return (%)	10.92
vs S&P 500 (TR)	15.03

Sources: Fincance.yahoo; Fidelity; Globlex Research (As of 30 Oct-26)

GENERL DISCLAIMER

Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, Globlex Securities Public Company Limited

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.