

Study sheet: Module 4, investments and equity research

This session teaches students to use auction and resale pricing data as a supplementary signal in equity research on listed luxury goods companies. The dataset maps individual brands to a stock ticker through a company mapping covering more than 2,000 public and private companies, with S&P 500 sector mapping, so a query on a single watch brand can be tied directly to the parent group's equity. The centerpiece of the session is a real, verifiable divergence: over one weekend in June, Phillips' New York watch sale became the highest-grossing watch auction in United States history at 75.8 million dollars with every lot sold, while Movado, a listed watch retailer, fell about four percent the same week. Students use this case to practice a skill equity researchers use routinely, checking whether a private-market signal confirms or contradicts what public markets are pricing in.

What you should be able to do

1. Explain how the brand-to-ticker mapping in the dataset connects private secondary-market transactions to a specific public equity.
2. Retrieve and interpret auction and resale records for brands belonging to a single listed parent company.
3. Articulate the Phillips-Movado divergence as a concrete example of saleroom activity and public equity price movement telling different stories in the same week.
4. Distinguish between a confirming signal (alt data and equity price move together) and a diverging signal (they move apart), and describe what each might imply for a research thesis.
5. Identify the limitations of using auction pricing data as an equity research input, including coverage gaps and the fact that auction sales represent a small slice of a luxury company's total revenue.
6. (Extension) Retrieve the same brand-level data programmatically via the production API for integration into a research model.

Key terms

- **Brand-to-ticker mapping:** the dataset's linkage of an individual designer or brand to the stock_ticker of its public parent company, covering more than 2,000 public and private companies.
- **Confirming signal:** a case where auction or resale activity for a brand moves in the same direction as that brand's public equity price.
- **Diverging signal:** a case, like the Phillips-Movado week, where saleroom activity and public equity price move in opposite directions.
- **Coverage gap:** a limitation where a brand or period is thinly represented in the dataset, which can look like weak demand when it actually reflects incomplete data collection.
- **Revenue mix:** the share of a company's total revenue that comes from channels the auction data can actually observe, relevant because secondary-market auction sales are typically a small slice of a diversified luxury group's business.
- **Saleroom:** shorthand for the physical or online auction venue where a lot is sold, as distinct from a company's retail or wholesale channel.

- **Parent group:** a public or private company that owns one or more individual brands, several of which may share a single stock_ticker in the dataset.

Core sandbox query

The query the module is built around. Run it, then change the brand or category and compare.

```
SELECT designer, item_title, sale_date, usd_price_decimal, stock_ticker
FROM all_watches_data
WHERE designer LIKE '%Movado%'
      AND status = 'sold'
ORDER BY sale_date DESC
LIMIT 50;
```

Common mistakes to avoid

1. Treating the Phillips-Movado divergence as a permanent thesis rather than as a single data point to be monitored against further weeks of activity.
2. Assuming a brand's auction lot count or realized prices scale proportionally with the parent company's total reported revenue, when auction sales are a small and uneven slice of that revenue.
3. Mixing categories under one ticker without noticing it. A parent group's stock_ticker may cover brands across watches, jewelry, and fine art, so a query meant to isolate one division should filter by designer or category, not by ticker alone.
4. Reading a single quarter's sold-lot count for a brand as a growth or decline signal, when recent periods are still being populated and are not yet stable enough for period-over-period comparison.
5. Mistaking a brand's thin representation in the dataset for weak market demand, when it may simply reflect which auction houses and marketplaces the brand's lots tend to pass through.
6. Under-specifying the designer filter, a misspelling or a name variant the field does not use, and drawing a conclusion from a much smaller sample than the brand's true auction activity.

Full lesson, more queries, and the homework are in Module 4 at academy.altfndata.com. Questions: info@altfndata.com.