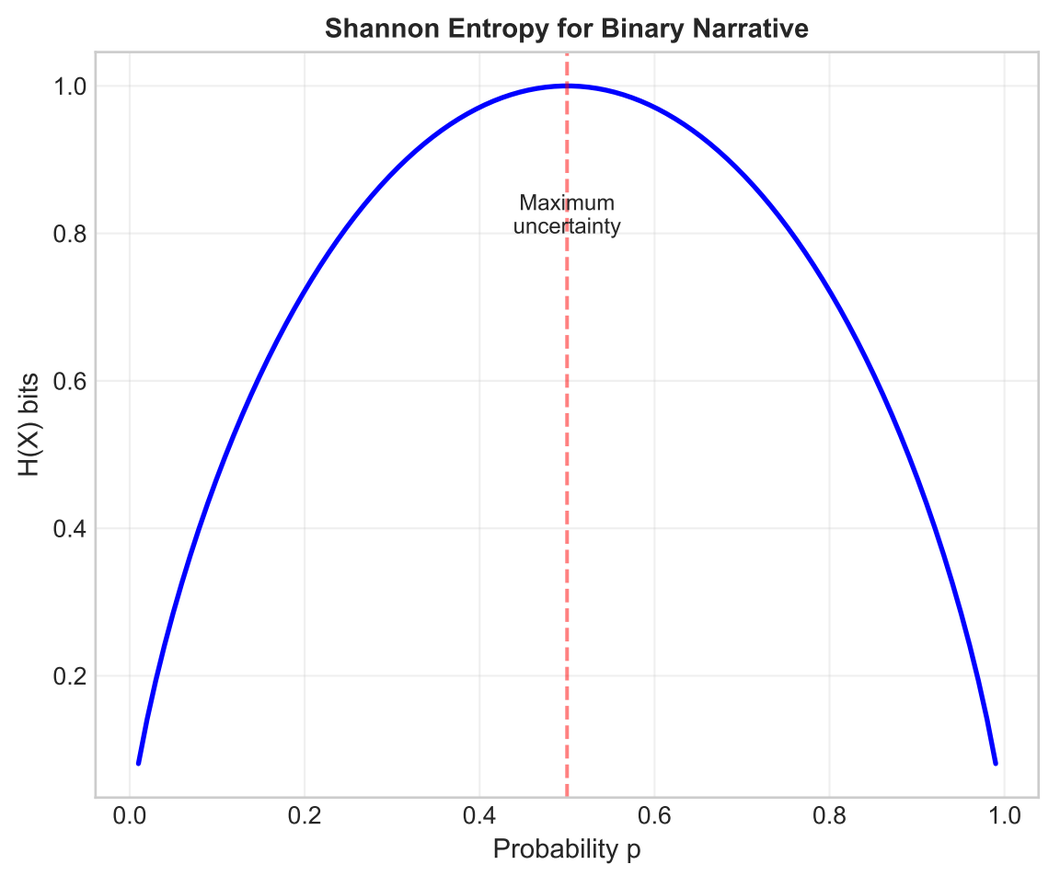
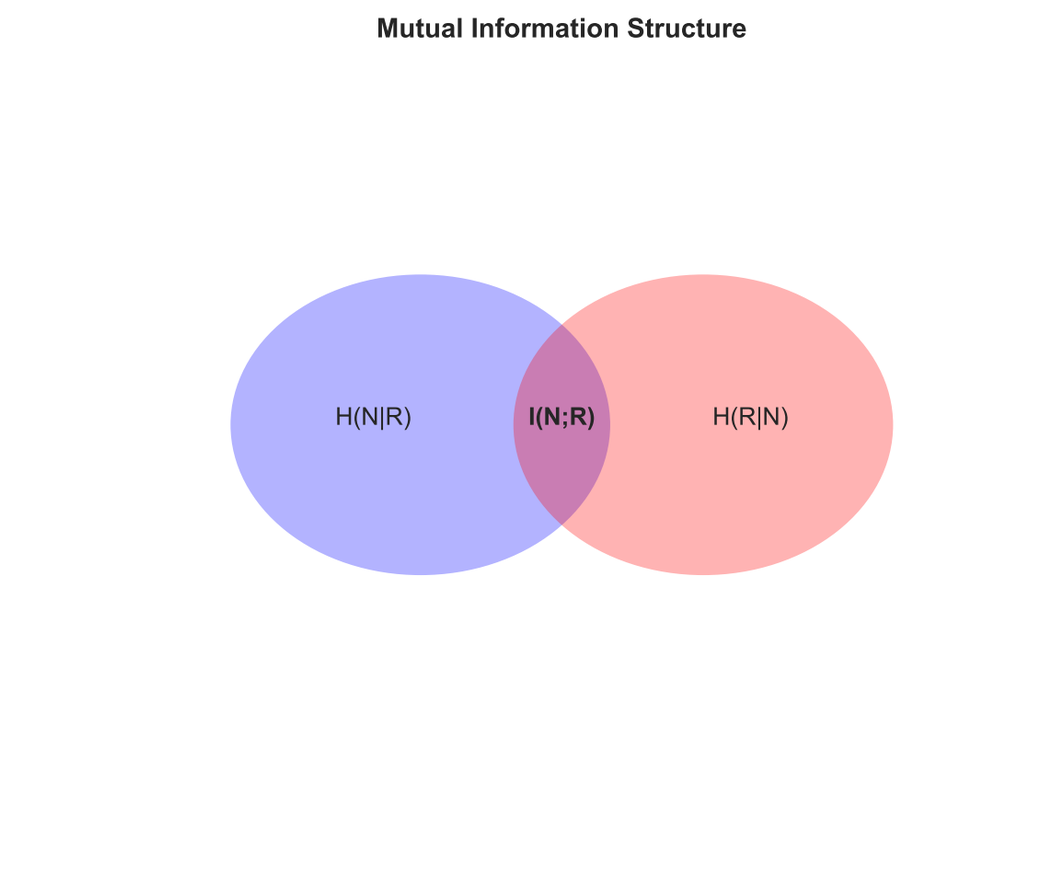
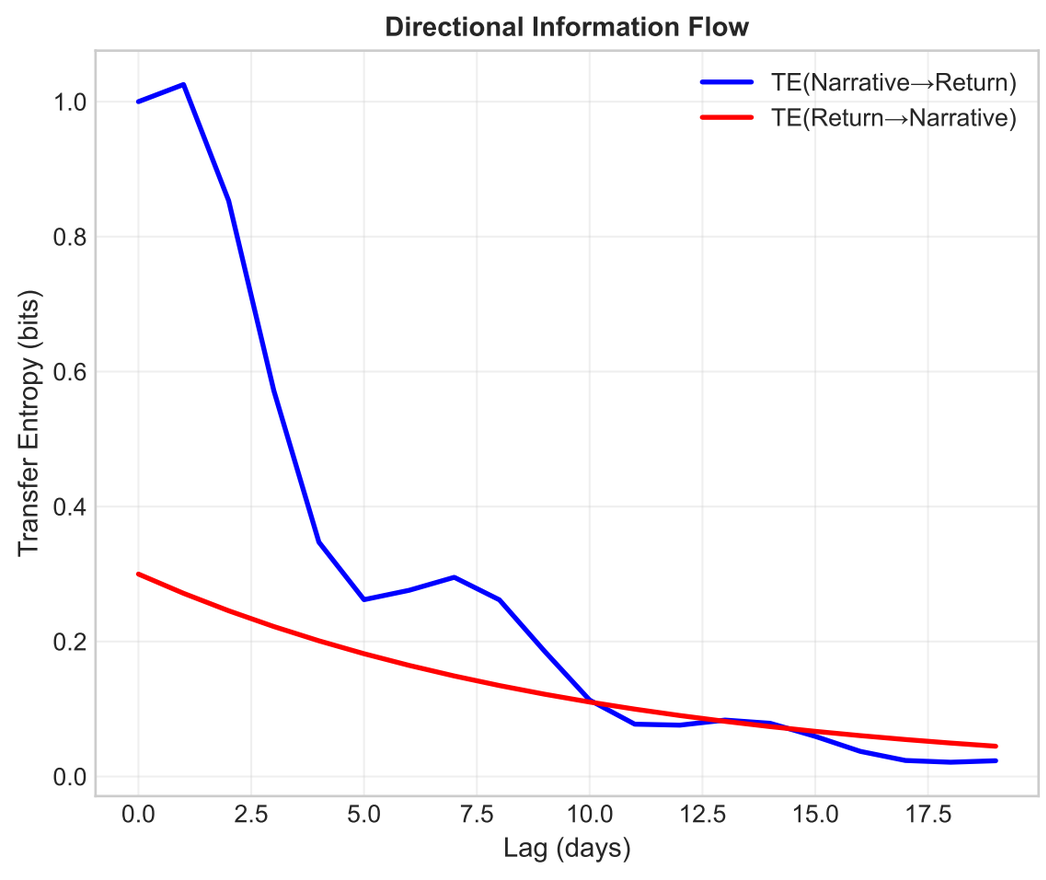
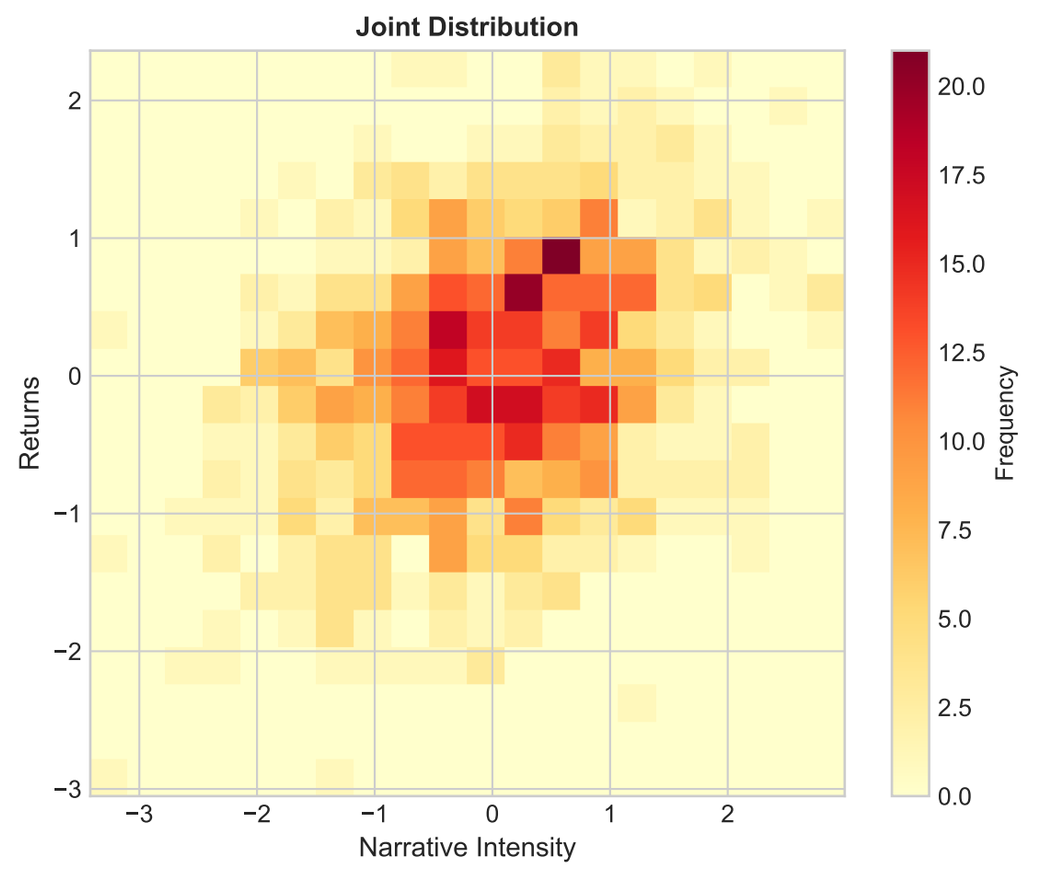

Shannon Entropy for Binary Narrative
H(X) bits
Probability p
Maximum
uncertainty
1.0
0.8
0.6
0.4
0.2
0.0
0.2
0.4
0.6
0.8
1.0


Mutual Information Structure
H(N|R)
I(N;R)
H(R|N)


Directional Information Flow
TE(Narrative→Return)
TE(Return→Narrative)
Transfer Entropy (bits)
Lag (days)
0.0
0.2
0.4
0.6
0.8
1.0
0.0
2.5
5.0
7.5
10.0
12.5
15.0
17.5


Joint Distribution
Returns
Narrative Intensity
Frequency
2
1
0
−1
−2
−3
−3
−2
−1
0
1
2
20.0
17.5
15.0
12.5
10.0
7.5
5.0
2.5
0.0