

Summary of Macroeconomic Attention and Announcement Risk Premia

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1. What are the research questions?

- Will macro-attention be influenced by announcement and fundamentals?
- Will macro-attention around announcement cause risk premium and decline in VIX?

2. Why are the research questions interesting?

- Macroeconomic announcements are important and are related to asset prices.
- This paper wants to figure out the role of attention between macroeconomic announcements and market reaction which also complements the study of ann risks premium.

3. What is the paper's contribution?

1. Literature on empirical literature on macroeconomic announcements.
 - **Past studies:**
 1. study the the contents and of macroeconomic announcements.
 2. focuses on average returns on macroeconomic announcement days.
 - **Expand1:** develop macroeconomic attention to study macroeconomic ann.
 - **Expand2:** pre-ann attention predicts ann risk premiums and changes in VIX.
2. Contribute to theories of endogenous attention and announcement risk premiums.
 - **Past studies:** focus on theories.
 - **Expand:** support elements of theories and suggest directions for future research.

4. What hypotheses are tested in the paper?

- H1: macro-attention will be influenced by announcement(short) and fundamentals(long).
- H2: attention of specific macro information will cause risks premium and lower VIX.

a) Do these hypotheses follow from and answer the research questions?

- Yes, they have answered Q1 and Q2.

b) Do these hypotheses follow from theory? Explain logic of the hypotheses.

- Theory: follow theories of endogenous attention and announcement risk premiums.
- Logic: H1-in the model of endogenous attention, attention is driven by uncertainty of fundamental change; H2-uncertainty can drive announcement risk premium and attention can reflect this.

5. Sample: comment on the appropriateness of the sample selection procedures.

- The sample period begins on June 1, 1980, for NYT, on January 1, 1984, for WSJ, and ends on December 31, 2020, for both publications, It's long enough.

6. Comment on the appropriateness of variable definition and measurement.

- MAI is the key variable, the indexes measure the percentage of articles on a given day that have content related to the macroeconomic fundamental of interest. It's defined well and can be better if this paper could give repeated articles lower weight.

7. Comment on the appropriateness of the regress/predict model specification.

- The R2 of some regress models are low, because the author controls few variables and FEs are not introduced, which is not proper.

8. What difficulties arise in drawing inferences from the empirical work?

- The number of observations and control variables are few, which may cause difficulties.

9. Describe at least one publishable and feasible extension of this research.

- Further study what role MAI plays in the process of announcements risk premium.
- Could we use search index to measure macro economic attention?