Summary of Cross-stock momentum and factor momentum

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1. **What are the research questions?**
   - Have previous studies of cross-stock momentum pinpointed the main features of the lead-lag linkages across stocks?
   - Is there any feature of cross-stock momentum that separates it from factor momentum?

2. **Why are the research questions interesting?**
   - The asymmetric relationship between stocks is neglected by prior studies.
   - The study of asymmetry assures more accurate identifying "leaders" of market info.

3. **What is the paper's contribution?**
   1. Theory on cross-stock momentum and factor momentum.
      - **Past studies:** factor momentum drives cross-stock momentum.
      - **Expand:** cross-stock momentum is not entirely driven by factor momentum.
   2. Studies on factor momentum.
      - **Past studies:** the understanding of factor momentum is not enough.
      - **Expand:** profits of factor momentum are mostly from high cross-stock links.
   3. Literature on co-movements of assets.
      - **Past studies:** study cross-stock momentum.
      - **Expand:** pinpoint the time-varying feature of the cross-stock linkages.
   4. Asset pricing literature using machine learning
      - **Past studies:** use other methods in different aspects.
      - **Expand:** use the PP for feature extraction and dimension reduction.

4. **What hypotheses are tested in the paper?**
   - H1: data-driven linkages generate significant return predictability.
   - H2: cross-stock momentum is not purely due to factor momentum.
   - H3: factor momentum profit is mostly from the high cross-stock links.
   a) **Do these hypotheses follow from and answer the research questions?**
      - Yes.
   b) **Do these hypotheses follow from theory?Explain logic of the hypotheses.**
      - The theory of hypotheses is written in this paper.

5. **Sample: comment on the appropriateness of the sample selection procedures.**
   - Stock returns and other market data from the 1926 to 2018, which is proper.

6. **Comment on the appropriateness of variable definition and measurement.**
   - Variables are defined well on the basis of prior studies about factors and mom.

7. **Comment on the appropriateness of the regress/predict model specification.**
   - The regression model is specified well since multiple cases are considered.

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

    - The empirical work may not fully reflect the idea of theories.

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

    - Utilize high-frequency intraday data to explore the intraday dynamics of cross-stock momentum and factor momentum.