Analysis Report on Consensus effect on Stock Price/Return (Beat Up Cases)

Dingming

1. Overall Summary  
   The analysis is conducted using data from the semiconductor sector, covering 67 equities: 20 from the U.S., 13 from the EU, 20 from developed Asia Pacific markets, and 14 from emerging Asia Pacific markets.

There are 755 beat cases and 254 situation 1 cases. The observation window is set to 20 days after the earnings announcement, and only cases where the earnings beat exceeds 10% are included in the analysis.  
  
Situation 1 takes up 1/3 within beat situations and 2/3 within beat up situations.

1. Distribution of Trough Dates  
   图表

   AI 生成的内容可能不正确。



Troughs most frequently occur on day 2, with the majority distributed between days 2 and 5. Notably, 90.94% of the troughs occur between days 2 and 10.

1. Average Cumulative Return by Day1/ Trough/ day20



This result indicates that most of the cumulative return from day 1 to day 20 is driven by the return on day 1, which averages around 6.5%. In contrast, the average cumulative return between day 2 and 20 is approximately 2.5%.

4. Average Cumulative Return from Day X to Day 20



This table shows the average cumulative return from day x to day 20. The average cumulative return declines as the start date increases.

Since we cannot accurately predict whether a "beat-up" situation will occur on day 1, our discussion of cumulative returns focuses on the period from day 2 to day 20. According to the table, holding the stock from day 3 yields the highest average cumulative return of 2.8%. This is because approximately one-third of beat-up cases experience a trough on day 2, meaning that starting to hold the stock from day 3 allows investors to benefit from the post-trough rebound more effectively than starting on other days.

Given that troughs most frequently occur on day 2, primarily distributed between days 2 and 5, and 80% of all troughs fall between day 2 and 10, I further calculate average cumulative returns for the holding periods from day 3 to x, day 6 to x, and day 11 to x.

The results show that the period from day 3 to day 20 has the highest average cumulative return. In contrast, the lower cumulative returns for day 6 to x and day 11 to x can be attributed to the fact that, in many cases, stock prices have already risen following the trough on day 2.



