Summary of How Capital Markets Read China's Marketization Signals Heterogeneously: A High-Frequency Approach to Institutional Change (Zheng Zhou ; December 21, 2025)

1) The research question: How do capital markets interpret institutional signals from emerging market reforms?

2) Motivation: To develop a high-frequency approach to decode the institutional changes, and to examine how marketization signals are transmitted between market segments and why China maintains this unique reform rhythm

3)The marginal contributions to the literature: **1.** advance the measurement of institutions by developing the first high-frequency objective measure of institutional change that addresses fundamental identification challenges in empirical research **2.** challenge the fundamental assumption that good institutions generate homogeneous benefits across all economic participants. **3.** extend the announcement-effects literature beyond monetary policy to institutional analysis, demonstrating how Fed-style event-study methodologies can identify causal effects when appropriate structures exist.

4)Hypothesis: develop an empirical framework within which to measure China's marketization intensity through deviations between actual price adjustments and market-expected prices

5) Sample: Use data for the period running from March 2013 to May 2025

6) Dependent variables: Capital Market Responses(through both observable channels (headline-price surprises) and unobservable channels (latent factors capturing deeper institutional signals))

Independent variables: Marketization Surprises(measured through oil price deviation)

7) Regression model specification: 1. establish the baseline model, showing that OLS and heteroskedasticity-based identification yield divergent results 2. employ a single-factor Kalman filter 3. extend the analysis to a multi-factor framework

8) Difficulties: 1. temporal mismatch misses critical within-year reversals 2. substantial measurement error through expert bias, anchoring effects, and systematic disagreements across evaluators

9) Publishable and feasible extension of this research: 1. construct new frameworks for measuring and interpreting institutional changes in emerging markets

Summary of Machine Forcast Disagreement
(Zheng Zhou ; December 21, 2025)

1) The research question: How to measure disagreement between investors?

2) Motivation: Belief disagreement is a primary motivation for trade, thus understanding disagreement is critical to understanding the behavior of financial markets

3)The marginal contributions to the literature: 1. introduce a new measure of belief disagreement at the asset level 2. measure stock-level disagreement as dispersion in investors' future return (or earnings) forecasts, which they refer to as machine forecast disagreement (MFD). They document the strong predictive power of MFD for the cross-sectional pricing of individual stocks. 3. investigate the economic underpinnings of MFD alpha

4)Hypotheses: investor beliefs can disagree.

The logic of the hypotheses: (i) they have different prior beliefs; (ii) they observe different information; or (iii) one or both of them is not fully rational

5) Sample: To construct the long-short portfolio for each month from August 1976 to December 2022, individual stocks are sorted by MFD into decile portfolios

6) Dependent variables: Return

Independent variables: Investor Disagreement(measured as the standard deviation of future return forecasts across investors)

7) prediction model specification: propose a belief-generating model(including random forest regression) from which they build an empirical measure of investor disagreement

Empirical regression model: Fama-MacBeth cross-sectional regression

8) Difficulties: how to measure the investor belief disagreement

9) Publishable and feasible extension of this research: 1. improve the measurement of investor belief disagreement 2. to interpret invetor disagreement from different aspects and models