ECO499 Replication Study: In Search of Attention; Asymmetric Attention and Stock Returns (Cziraki, Mondria, Wu, 2021)

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Outline

Paper Results

Observations	Length above 1	Length above 1	Length above 2	Dictionary 1	Dictionary 2	Dictionary 1 and 2	No selection
Month	t+1	t+1	t+1	t+1	t+1	t+1	t+1
Regression	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Abnormal national attn.	-0.239						
	(-1.563)						
Abnormal asymmetric attn.		0.214***	0.226***	0.262***	0.265***	0.278***	0.213***
		(3.435)	(3.559)	(3.571)	(3.671)	(3.762)	(3.417)
log(ME)	-0.240***	-0.241***	-0.244***	-0.210***	-0.206***	-0.206***	-0.241***
	(-6.359)	(-6.419)	(-6.415)	(-5.248)	(-5.302)	(-5.205)	(-6.508)
log(BE/ME)	-0.016	-0.016	-0.001	-0.021	-0.014	-0.017	-0.014
	(-0.257)	(-0.262)	(-0.011)	(-0.313)	(-0.222)	(-0.254)	(-0.229)
Ret	0.000	-0.000	-0.000	0.000	-0.001	-0.001	0.000
	(0.028)	(-0.032)	(-0.014)	(0.036)	(-0.209)	(-0.173)	(0.055)
Ret[t-12,t-1]	-0.000	-0.000	-0.000	-0.001	-0.001	-0.001	-0.000
	(-0.086)	(-0.086)	(-0.086)	(-0.344)	(-0.293)	(-0.364)	(-0.079)
Amihud	0.291	0.316	0.264	0.724	0.756	0.687	0.305
	(1.023)	(1.142)	(0.924)	(1.174)	(1.213)	(1.064)	(1.083)
Spread	1.269	1.268	1.191	2.078**	1.550*	2.063**	1.322
	(1.559)	(1.562)	(1.502)	(2.055)	(1.836)	(2.049)	(1.634)
Volatility	-0.002	-0.006	-0.020	-0.031	-0.051	-0.040	-0.011
	(-0.015)	(-0.062)	(-0.183)	(-0.277)	(-0.462)	(-0.353)	(-0.106)
ΔTurnover	0.012	-0.000	0.000	0.054	0.065	0.045	0.006
	(0.074)	(-0.003)	(0.003)	(0.285)	(0.345)	(0.233)	(0.034)
R-squared	0.055	0.054	0.057	0.064	0.063	0.065	0.054

Figure: Asymmetric Attention and Stock Returns, Paper

Replication Data

1. Google Search Volume data of 738 stocks in listed on SP500 from January 2004 to December 2016 (Normalized Monthly) .
2. The stock ticker and gvkey is used to identify the company.
3. Volume, price data are obtained from CRSP.

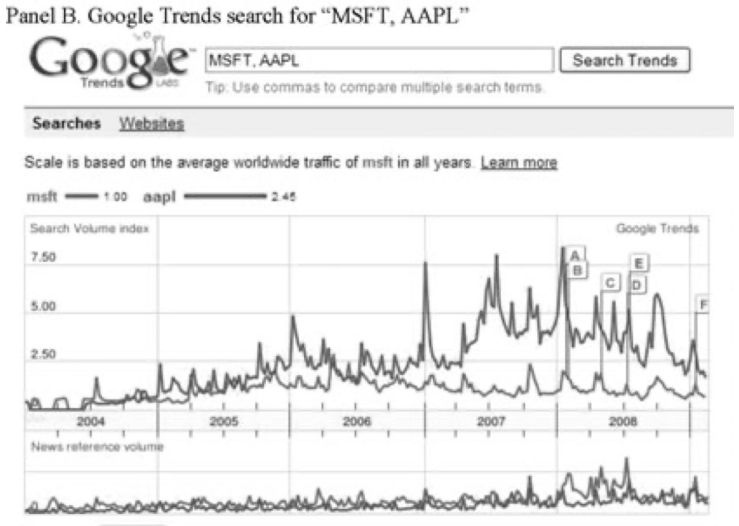

Figure: Sample SVI data from Google Trends

Summary Statistics

Variable	Obs	Mean	Std. dev.	Min	Max
us_search~x3	84,636	-.0101305	.2045301	-3.401197	2.285193
local_sea~x3	84,636	-.0162644	.6164782	-4.58156	4.61512
asymmetric~3	84,636	-.0061339	.6049544	-4.722333	4.963427
mkvalt	82,843	2.39e+10	4.40e+10	1.42e+08	7.51e+11
beme	82,017	.4404785	.4388216	-26.93212	15.95713
ret	84,438	1.074002	10.14384	-86.86451	269.3548
ret_cum	83,912	14.76931	43.39421	-99.03282	2530
amihud	84,550	1.09e-07	2.06e-06	0	.000104
spread	84,436	.0806496	.4574139	-1.960783	110.4367
ret_vol_sc~d	84,541	1.952686	1.503708	.0302854	45.24704
turnover_x	84,546	.0015136	.3342642	-4.961907	5.919207
Percen~R Ave	66,089	.0003233	.0010554	-.1166923	.1128716

Figure: Table 1: Summary Statistics

Case 1: No Selection

Fama-MacBeth (1973) Two-Step procedure

Number of obs	78132
Num. time periods	151
F(10, 140)	9.32
Prob > F	0.0000
avg. R-squared	0.0596
Adj. R-squared	0.0409

ret_dgtw_f1	Fama-MacBeth Coefficient	std. err.	t	P>|t|	[95% conf.	interval]
us_searches_x3	-.2177003	.1519965	-1.43	0.154	-.5182055	.0828048
asymmetric_searches_x3	.1441081	.0543935	2.65	0.009	.0365692	.251647
l_mkvalt	-.2211978	.0513793	-4.31	0.000	-.3227774	-.1196182
l_beme	-.0181031	.0583078	-0.31	0.757	-.1333807	.0971745
ret	.0012531	.0048796	0.26	0.798	-.008394	.0109003
ret_cum	-.0004013	.0033486	-0.12	0.905	-.0070217	.006219
l_amihud	.026145	.0468568	0.56	0.578	-.0664933	.1187834
spread	1.303045	.7003619	1.86	0.065	-.0816078	2.687698
ret_vol_scaled	.0168105	.1018282	0.17	0.869	-.1845093	.2181303
turnover_x	.0083459	.1619898	0.05	0.959	-.3119166	.3286084
cons	5.341494	.9739961	5.48	0.000	3.415851	7.267136

Figure: Table 2: Asymmetric Attention and Stock Returns, No Selection

Fama-MacBeth (1973) Two-Step procedure

Number of obs	= 70290
Num. time periods	= 151
F(10, 140)	= 9.05
Prob > F	= 0.0000
avg. R-squared	= 0.0630
Adj. R-squared	= 0.0422

ret_dgtw_f1	Fama-MacBeth Coefficient	std. err.	t	P>|t|	[95% conf.	interval]
us_searches_x3	-.2474951	.1564409	-1.58	0.116	-.5567871	.0617969
asymmetric_searches_x3	.1533561	.0552244	2.78	0.006	.0441746	.2625376
l_mkvalt	-.233936	.0533763	-4.38	0.000	-.3394638	-.1284082
l_beme	-.0018238	.0564696	-0.03	0.974	-.1134672	.1098197
ret	.0006195	.0051913	0.12	0.905	-.0096439	.0108829
ret_cum	-.0005087	.0034054	-0.15	0.881	-.0072414	.006224
l_amihud	.014984	.0493288	0.30	0.762	-.0825416	.1125096
spread	1.225688	.6892941	1.78	0.078	-.1370838	2.588459
ret_vol_scaled	.0073598	.105039	0.07	0.944	-.200308	.2150276
turnover_x	.0068684	.1652584	0.04	0.967	-.3198564	.3335931
cons	5.464771	1.00481	5.44	0.000	3.478209	7.451334

Figure: Table 3: Asymmetric Attention and Stock Returns, Length ¿ 2