

Post Earnings Announcement Drift

- **Efficient Market Hypothesis (EMH)** - asset prices fully reflect all available information and the market only moves by reacting to new information.

But, there's anomaly...

- **Post Earnings Announcement Drift (PEAD)** - It has long been noted that after earnings are announced, estimated cumulative abnormal returns continue to drift up for firms that are perceived to have reported good financial results for the preceding quarter and drift down for firms whose results have turned out worse than the market had expected.

Input and Output

Inputs

- Financial Statement data
- Earnings Surprise data
- Price Movements data
- Momentum Indicator data

Output

- 30 day price movement direction or magnitude

System Structure

