

Internet Appendix for

The return power of individual stock analyst report: definition, factor and strategy

This Internet Appendix reports the t-test and beck-testing results as descried below.

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| Table IA 1 | The t-test result of return power from the 1 st day to 90 th days after the release of analyst report. |
| Table IA 2 | The back-testing results of Top-5 stock strategies based on LRM. |
| Table IA 3 | The back-testing results of Top-10 stock strategies based on LRM. |
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Table IA 1. The t-test result of return power from the 1st day to 90th days after the release of analyst reports.

Days after release	T-value	Difference with 0.5	Upper bound	Lower bound
1	32.70873***	0.01917	0.49885	0.50115
2	31.70289***	0.01457	0.49910	0.50090
3	33.97968***	0.01421	0.49918	0.50082
4	29.77027***	0.01041	0.49931	0.50069
5	26.68585***	0.00823	0.49940	0.50060
6	20.29720***	0.00564	0.49946	0.50054
7	15.73374***	0.00386	0.49952	0.50048
8	11.55577***	0.00262	0.49956	0.50044
9	8.12169***	0.00175	0.49958	0.50042
10	7.05239***	0.00146	0.49959	0.50041
11	6.66411***	0.00130	0.49962	0.50038
12	5.49459***	0.00102	0.49963	0.50037
13	4.02714***	0.00071	0.49965	0.50035
14	2.75764***	0.00046	0.49967	0.50033
15	2.86075***	0.00046	0.49969	0.50031
16	1.93633***	0.00030	0.49969	0.50031
17	2.70680***	0.00041	0.49970	0.50030
18	4.31461***	0.00064	0.49971	0.50029
19	3.69492***	0.00053	0.49972	0.50028
20	2.02848**	0.00028	0.49973	0.50027
21	1.64880*	0.00022	0.49973	0.50027
22	1.18340	0.00016	0.49974	0.50026
23	0.52415	0.00007	0.49975	0.50025
24	1.45872	0.00018	0.49975	0.50025
25	3.61201***	0.00045	0.49976	0.50024
26	4.86921***	0.00059	0.49976	0.50024
27	5.94871***	0.00071	0.49977	0.50023
28	8.08825***	0.00094	0.49977	0.50023
29	9.04043***	0.00103	0.49978	0.50022
30	9.27494***	0.00104	0.49978	0.50022
31	10.02312***	0.00111	0.49978	0.50022
32	11.65925***	0.00128	0.49979	0.50021
33	11.68536***	0.00127	0.49979	0.50021
34	12.43553***	0.00132	0.49979	0.50021
35	13.61502***	0.00142	0.49980	0.50020
36	13.54314***	0.00139	0.49980	0.50020
37	13.60779***	0.00138	0.49980	0.50020
38	14.80391***	0.00149	0.49980	0.50020
39	15.01172***	0.00150	0.49980	0.50020
40	14.89778***	0.00147	0.49981	0.50019
41	15.77135***	0.00154	0.49981	0.50019
42	16.98267***	0.00163	0.49981	0.50019
43	17.80400***	0.00169	0.49981	0.50019
44	18.70225***	0.00176	0.49982	0.50018
45	19.16118***	0.00179	0.49982	0.50018
46	19.81926***	0.00183	0.49982	0.50018
47	20.20923***	0.00185	0.49982	0.50018
48	21.10221***	0.00191	0.49982	0.50018
49	21.77655***	0.00195	0.49982	0.50018
50	23.70113***	0.00209	0.49983	0.50017
51	25.18500***	0.00220	0.49983	0.50017
52	26.49426***	0.00230	0.49983	0.50017
53	27.54062***	0.00238	0.49983	0.50017

54	27.37522***	0.00235	0.49983	0.50017
55	28.34783***	0.00241	0.49983	0.50017
56	30.48981***	0.00256	0.49984	0.50016
57	32.17794***	0.00267	0.49984	0.50016
58	33.55199***	0.00277	0.49984	0.50016
59	34.92800***	0.00287	0.49984	0.50016
60	35.95189***	0.00294	0.49984	0.50016
61	36.35228***	0.00296	0.49984	0.50016
62	37.62876***	0.00304	0.49984	0.50016
63	37.96860***	0.00304	0.49984	0.50016
64	38.41719***	0.00305	0.49984	0.50016
65	39.02842***	0.00308	0.49985	0.50015
66	39.82366***	0.00313	0.49985	0.50015
67	40.03063***	0.00313	0.49985	0.50015
68	39.63148***	0.00308	0.49985	0.50015
69	39.02344***	0.00302	0.49985	0.50015
70	39.32615***	0.00302	0.49985	0.50015
71	39.40543***	0.00300	0.49985	0.50015
72	39.73526***	0.00300	0.49985	0.50015
73	39.78882***	0.00300	0.49985	0.50015
74	39.71120***	0.00297	0.49985	0.50015
75	39.37236***	0.00293	0.49985	0.50015
76	39.52130***	0.00292	0.49986	0.50014
77	39.64989***	0.00291	0.49986	0.50014
78	40.10345***	0.00291	0.49986	0.50014
79	40.40085***	0.00292	0.49986	0.50014
80	41.39226***	0.00298	0.49986	0.50014
81	41.86460***	0.00299	0.49986	0.50014
82	41.16637***	0.00294	0.49986	0.50014
83	41.31711***	0.00295	0.49986	0.50014
84	41.71811***	0.00296	0.49986	0.50014
85	41.78104***	0.00295	0.49986	0.50014
86	42.39767***	0.00297	0.49986	0.50014
87	42.96428***	0.00300	0.49986	0.50014
88	43.44173***	0.00301	0.49986	0.50014
89	43.64197***	0.00301	0.49986	0.50014
90	43.61156***	0.00300	0.49987	0.50013

Table IA 2. Performance of Top-5 strategy

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mean daily return	0.0026	0.0004	0.0011	0.0057	0.0078	0.0141	0.0039	0.0023	0.0000	0.0047	0.0110	0.0086	0.0019
Std error	0.0209	0.0198	0.0177	0.0226	0.0214	0.0422	0.0262	0.0162	0.0199	0.0193	0.0259	0.0245	0.0236
Minimum	-0.0737	-0.0740	-0.0510	-0.0644	-0.0816	-0.1131	-0.0965	-0.0681	-0.0840	-0.0754	-0.0675	-0.0553	-0.0865
Quartile 1	-0.0086	-0.0100	-0.0095	-0.0061	-0.0066	-0.0071	-0.0085	-0.0061	-0.0111	-0.0069	-0.0053	-0.0062	-0.0125
Median	0.0036	0.0006	0.0001	0.0061	0.0084	0.0206	0.0047	0.0017	0.0012	0.0049	0.0110	0.0083	0.0046
Quartile 3	0.0156	0.0120	0.0125	0.0196	0.0204	0.0414	0.0200	0.0126	0.0124	0.0174	0.0281	0.0235	0.0175
Maximum	0.0549	0.0901	0.0578	0.0710	0.0720	0.0907	0.0662	0.0494	0.0487	0.0616	0.0766	0.0861	0.0683
Skewness	-0.4254	0.0134	0.0925	-0.3365	-0.2052	-0.9212	-0.6798	-0.4405	-0.5672	-0.3181	-0.0982	0.1186	-0.3572
Kurtosis	3.7305	5.5927	3.5835	3.9985	4.2749	3.8713	4.5532	4.8280	4.8177	3.9270	3.1482	3.4253	3.9500
Sharpe ratio	1.7593	0.1565	0.7597	3.7859	5.5336	5.1293	2.1951	2.0630	-0.1719	3.6230	6.4896	5.3458	1.1048
Maximum drawdown	0.2284	0.2232	0.2933	0.1264	0.0976	0.4581	0.2053	0.1521	0.2694	0.1384	0.1101	0.1391	0.4261
Win-rate	0.5781	0.5070	0.5041	0.6245	0.6557	0.6872	0.6008	0.5556	0.5165	0.5926	0.6653	0.6364	0.5798

Table IA 3. Performance of Top-10 strategy

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mean daily return	0.0021	0.0010	0.0015	0.0059	0.0063	0.0119	0.0019	0.0023	0.0000	0.0050	0.0084	0.0071	0.0012
Std error	0.0195	0.0180	0.0160	0.0205	0.0185	0.0385	0.0235	0.0128	0.0183	0.0166	0.0221	0.0186	0.0195
Minimum	-0.0753	-0.0498	-0.0461	-0.0606	-0.0677	-0.1128	-0.0959	-0.0451	-0.0802	-0.0777	-0.0868	-0.0426	-0.0890
Quartile 1	-0.0073	-0.0098	-0.0078	-0.0050	-0.0050	-0.0048	-0.0071	-0.0055	-0.0118	-0.0060	-0.0043	-0.0040	-0.0098
Median	0.0032	0.0011	0.0011	0.0067	0.0079	0.0159	0.0028	0.0030	0.0006	0.0049	0.0092	0.0078	0.0030
Quartile 3	0.0146	0.0123	0.0120	0.0189	0.0174	0.0392	0.0153	0.0103	0.0116	0.0160	0.0225	0.0197	0.0128
Maximum	0.0464	0.0901	0.0487	0.0634	0.0612	0.0926	0.0525	0.0391	0.0488	0.0444	0.0662	0.0640	0.0508
Skewness	-0.6718	0.3881	-0.1659	-0.3289	-0.3580	-0.8788	-0.9761	-0.3566	-0.4327	-0.4856	-0.4081	-0.1117	-0.6154
Kurtosis	4.1702	5.5836	3.3956	3.9312	4.4117	3.9474	5.4332	3.7312	4.6661	4.8898	4.0435	3.0416	4.8537
Sharpe ratio	1.4941	0.5940	1.2509	4.3066	5.1813	4.7351	1.1586	2.5761	-0.1793	4.4828	5.7667	5.7766	0.8194
Maximum drawdown	0.2403	0.1709	0.2093	0.1022	0.1301	0.4014	0.2421	0.1399	0.2264	0.1408	0.1124	0.0839	0.3669
Win-rate	0.5907	0.5305	0.5372	0.6624	0.6639	0.6872	0.5432	0.6091	0.5207	0.6461	0.6653	0.6612	0.5924

Table IA 4. Performance of Top-15 strategy

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mean daily return	0.0019	0.0008	0.0012	0.0052	0.0054	0.0110	0.0013	0.0020	0.0004	0.0043	0.0073	0.0064	0.0010
Std error	0.0193	0.0176	0.0153	0.0186	0.0171	0.0375	0.0227	0.0114	0.0176	0.0159	0.0211	0.0164	0.0183
Minimum	-0.0753	-0.0495	-0.0403	-0.0528	-0.0755	-0.1127	-0.0938	-0.0401	-0.0789	-0.0779	-0.0955	-0.0405	-0.0777
Quartile 1	-0.0083	-0.0093	-0.0070	-0.0060	-0.0044	-0.0052	-0.0072	-0.0045	-0.0089	-0.0055	-0.0047	-0.0041	-0.0095
Median	0.0029	0.0001	0.0011	0.0059	0.0061	0.0161	0.0023	0.0027	0.0015	0.0046	0.0085	0.0072	0.0013
Quartile 3	0.0159	0.0112	0.0110	0.0171	0.0163	0.0374	0.0138	0.0093	0.0109	0.0150	0.0198	0.0167	0.0127
Maximum	0.0435	0.0901	0.0487	0.0581	0.0584	0.0932	0.0464	0.0375	0.0469	0.0421	0.0605	0.0571	0.0454
Skewness	-0.6525	0.4513	-0.1542	-0.2686	-0.5913	-0.8977	-1.0893	-0.2220	-0.5444	-0.5994	-0.7475	-0.1092	-0.5280
Kurtosis	4.0927	5.8583	3.5475	3.5575	5.3907	3.9959	6.0141	4.0547	4.9968	5.2748	5.3139	2.9323	4.1657
Sharpe ratio	1.3753	0.4466	1.0544	4.1085	4.7381	4.4837	0.7865	2.4241	0.1372	3.9920	5.2827	5.8882	0.7067
Maximum drawdown	0.2363	0.1765	0.2062	0.1019	0.1200	0.4342	0.2569	0.1244	0.1829	0.1495	0.1251	0.0771	0.3425
Win-rate	0.5781	0.5070	0.5289	0.6414	0.6352	0.7037	0.5638	0.6091	0.5455	0.6379	0.6818	0.6860	0.5462

Table IA 5. Performance of Top-20 strategy

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mean daily return	0.0018	0.0007	0.0009	0.0044	0.0050	0.0099	0.0012	0.0017	0.0003	0.0042	0.0068	0.0065	0.0009
Std error	0.0189	0.0174	0.0149	0.0177	0.0161	0.0369	0.0220	0.0112	0.0171	0.0153	0.0202	0.0178	0.0176
Minimum	-0.0753	-0.0467	-0.0398	-0.0578	-0.0716	-0.1128	-0.0936	-0.0441	-0.0721	-0.0803	-0.0974	-0.0358	-0.0725
Quartile 1	-0.0085	-0.0097	-0.0079	-0.0067	-0.0033	-0.0053	-0.0067	-0.0041	-0.0082	-0.0058	-0.0028	-0.0039	-0.0086
Median	0.0029	0.0001	0.0006	0.0058	0.0049	0.0149	0.0015	0.0023	0.0009	0.0045	0.0085	0.0064	0.0016
Quartile 3	0.0146	0.0114	0.0098	0.0159	0.0149	0.0353	0.0118	0.0088	0.0100	0.0136	0.0170	0.0161	0.0117
Maximum	0.0435	0.0901	0.0452	0.0529	0.0579	0.0932	0.0483	0.0313	0.0473	0.0482	0.0523	0.1494	0.0445
Skewness	-0.6841	0.5326	-0.0942	-0.3127	-0.6646	-0.9008	-1.0810	-0.5907	-0.4639	-0.6038	-0.8183	2.0822	-0.4656
Kurtosis	4.2700	5.8789	3.4572	3.7401	5.4323	3.9320	6.1211	4.2726	4.7441	6.4187	6.0170	19.0414	3.9666
Sharpe ratio	1.3271	0.3974	0.7575	3.6243	4.6390	4.0991	0.7125	2.0329	0.0645	4.0601	5.1096	5.4840	0.5772
Maximum drawdown	0.2080	0.1679	0.2157	0.0955	0.1165	0.4390	0.2507	0.1207	0.1878	0.1458	0.1191	0.0671	0.3290
Win-rate	0.5781	0.5023	0.5207	0.6371	0.6598	0.6996	0.5679	0.6091	0.5372	0.6543	0.6777	0.6653	0.5546