Dear Editors and Guest Editors,

I am pleased to submit my manuscript, "Predicting Market Reactions to News: An LLM-Based Approach Using Spanish Business Articles," for consideration in the Special Issue on Artificial Intelligence and Finance of the *International Review of Financial Analysis*. This paper develops a novel framework that embeds economic structure into Large Language Model (LLM) text classification, thereby enriching the interpretability of the signals extracted from financial news. By systematically identifying and classifying firm-specific shocks in Spanish business articles, the methodology offers an innovative application of generative AI to market analysis.

This work has benefited from substantial feedback at several academic forums, including the Generative AI in Finance Conference (Montréal, October 2024), CEMFI's Banking & Finance Seminar (Madrid, October 2024), the Mirian Andrés Seminar (La Rioja, November 2024), and the 3rd Contemporary Issues in Financial Markets and Banking (online, January 2025). Each presentation provided valuable insights, prompting enhancements to both the technical rigor and clarity of the paper. For instance, we broadened our evaluation metrics, added the analysis of trading intensity and transaction costs, justified in detail the choice of benchmark, and included examples illustrating the proposed methodology.

Although the proprietary Dow Jones Newswires dataset used in this study cannot be publicly shared, all procedures and findings have been extensively documented to ensure reproducibility. The manuscript has not been published nor submitted elsewhere, and we have no conflicts of interest to disclose. We propose no exclusions for reviewers. We appreciate your consideration and look forward to your feedback. Please let me know if you require any additional information.

Sincerely,

Jesús Villota