Paper Summary

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This paper is aiming at how to utilize the financial articles by sentiment analysis. The authors found that the tones and words used as content in the financial news are correlated to the performance of stock markets. For example, compared to objective articles, they found that subject one is more predictive on in prices direction (59.0% versus 50.0%). In advanced, through sentiment analysis on the subject articles, they found that the negative sentiment articles perform better (50.9% versus 50.0%). Moreover, an interesting finding is that the negative articles have 52.4% of time accompanied with the price increase as well as the positive articles have 53.5% of time accompanied price decrease. The authors concluded that it might be caused by the contrarian trading strategy of traders. In short, this paper indicates that the financial articles do correlate to the performance of stock prices and in which way the words affect them.

Reference:

Robert S, Yulei Z, Chen-Neng H, Hsinchun C. 2012, Evaluating sentiment in financial news articles. Decision Support System 53 : 458-464