SAS code documentation for the Open Source Cross Sectional Asset Pricing Project (Chen-Zimmermann)

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# Summary

Most of the signals can be made without using SAS at all. SAS is used for the following:

* Downloading the IBES-CRSP link table for analyst forecast signals (WRDS\_DL\_IBES.sas, calls iclink macro that is written by Moussawi of WRDS)
* Cleaning and downloading Thomson-Reuters 13F data (tr13f\_download.sas, code is written by Palacios, Moussawi, and Glushkov from WRDS)
* Calculating and downloading the Corwin-Schultz approximation of effective bid-ask spreads (Corwin\_Schults\_Edit.sas, written by Corwin and Schultz)

SAS is also used for calculating effective bid-ask spreads from TAQ data (folder bidasktaq/), but this signal was not to our knowledge ever shown to predict returns. Hou, Xue, and Zhang include this “anomaly” citing Hou and Loh (2016), but Hou and Lou only look at the spread of idiovol and use bid ask taq as a kind of control. In other words, you probably don’t need to worry about this code.

# Instructions for Predictors

1. See masterSAS.sas

# Instructions for the Maybe Predictor (bidasktaq)

1. Upload code to wrds
2. ssh into wrds
3. cd to your scratch folder, and check that the libname output for daily\_taq\_faster.sas is present. If not, use mkdir temp\_dtaq, or something like that
4. edit dtaq\_yyyy.sh to run over the years you want
5. upload code in code\_dtaq/ to wrds using WinSCP or something
6. run ‘qsub dtaq\_yyyy.sh’
7. run ‘qstat’
8. check for progress:
   1. cat dtaq\_yyyy.sh.o\*
   2. ls your scratch folder
9. delete if necessary: run ‘qdel [id]’
10. update combine\_and\_average.sas to point to a dtaq\_spreads\_yyyymmdd.sas7bdat file that has data. Also check directories exist.
11. run ‘qsas combine\_and\_average.sas’