

Revue de littérature (pas fini, grave a peaufiner)

Information is one of the most valuable assets in the financial market. Its importance lies at the core of the “Perfect Market Hypothesis” (PMH), which states that the prices of financial assets fully reflect all available information, adjusting immediately to any new data (2). Consequently, this creates a strong demand for information flow. In another sense, the release of information tends to increase both realized and implied volatility (1)(3).

Although the PMH has faced numerous criticisms, the prominence of information is still widely accepted, and its influence on market decisions has been extensively studied across various subfields of economics. Different channels of influence have been explored, such as financial news. For example, Schumaker and Shen (4) use various linguistic and textual representations derived from financial news to predict stock market prices. Similarly, Ederington and Lee (5) analyze the impact of macroeconomic news announcements on interest rate and foreign exchange futures markets, particularly in terms of price changes and volatility. Both studies, among others, find that prices—such as stock prices—react primarily within minutes after the release of new information (4)(5).

Other studies focus on the communication dynamics of blog posts within the financial community to predict changes in the returns of financial assets (6). In this context, the impact of Trump’s tweets on various financial and macroeconomic variables has been analyzed by several studies, especially during his first term. Using high-frequency financial data, Gjerstad et al. (y) found an increase in uncertainty and trading volume, along with a decline in the U.S. stock market—regardless of the tweet’s content. However, the effect was stronger when Trump used confrontational words such as “tariff” or “trade war.” Some of his announcements also influenced the U.S. dollar exchange rate (l) and certain market indices within minutes of the tweet being posted (r)(a). His negative tweets about specific companies tended to reduce demand for their stocks (b)(g). The impact of his tweets also extended beyond the U.S., positively affecting volatility in European stock markets (z).

1. Information demand
2. The Adjustment of Stock Prices to New Information (FAMA, JENSEN)
3. roll

4,5 **News Trading and Speed (Foucault)**

4. Textual Analysis of Stock Market Prediction Using Financial News (SCHUMAKER, SHEN)

5. How Markets Process Information: News Releases and Volatility

6. **Can blog communication dynamics be correlated with stock market activity?**

a. An analysis of the impact of President Trump's tweets on the DJIA and S&P 500

b. Under his thumb the effect of president Donald Trump's Twitter messages on the US stock market

g. Making Trading Great Again: Trump-based Stock Predictions

y. Do President Trump's tweets affect financial markets? (Gjerstad and al)

z. Impacts of Donald Trump's tweets on volatilities in the European stock markets (Sun)

r. The Effects of Donald Trump's Tweets on US Financial and Foreign Exchange Markets (consoscu)

(l) Does the @realDonaldTrump Really Matter to Financial Markets?

~~They both found that some of the prices variation are influenced minutes after the release of information, but Ederington and Lee also found that volatility tend to stay higher for several hours. This is consistent with the conclusion of Foucault~~

~~According to (1), a growing demand emerged for information flow and tend to be correlated with an increasing risk aversion level on markets. But they also emphasise the correlation between return (realized and implied) volatility on one side and information flow on the other side. Roll (3) also noted a similar pattern where he conclude that a share of stock market volatility can be attributed to difference in information flow.~~

~~explaining the random walk pattern of assets price changes.~~

~~In the same line, sentiment analysis using social media like tweeter had also been widely used.~~