**It Depends on Where You Search Institutional Investor Attention and Under-Reaction to News**

**Summary:**

1. **Main Focus**: The study investigates how institutional investor attention, measured through their activities on Bloomberg terminals, affects stock price reactions to news, particularly earnings announcements and analyst recommendations. 当大机构都关注earning announcement时，这对stock price的影响有多大（如果stock price change很快，说明efficient；如果慢，说明inefficient）
2. **Key Methodology**:
   * **Abnormal Institutional Attention (AIA)**: A new measure based on Bloomberg terminal usage (news reading/searching) to assess institutional investor attention.
   * **Comparison with Retail Attention**: Retail investor attention is measured using Google search data, and its effects are compared with AIA.
   * **Data Analysis**: Analyzing Russell 3000 stocks from February 2010 to December 2015, the study assesses how AIA influences stock price reactions to news.
3. **Findings**: 只有大公司的attention有用，散户的attention没有很大影响
   * **Attention and Price Reactions**: Announcements with high AIA show larger immediate price reactions and smaller post-announcement drifts. This suggests that when institutional investors pay more attention, prices adjust more completely to news.
   * **Contrast with Retail Attention**: Retail attention doesn't have a similar impact on price reactions, indicating the unique role of institutional attention in price adjustment.
   * **Determinants of Attention**: Firm-specific news is the most significant driver of AIA. Other factors like stock volatility, size, and analyst coverage also influence AIA.

**Insights and Takeaways:**

1. **Institutional vs. Retail Attention**: Institutional investors, as indicated by their focused news consumption, play a more crucial role in the immediate incorporation of news into stock prices compared to retail investors.
2. **Efficiency of Price Adjustment**: The efficiency of stock price adjustments to news is significantly higher when there is heightened institutional attention. This highlights the importance of institutional investors in market efficiency.
3. **Impact of Firm Characteristics**: The study also underscores how firm-specific characteristics like size, volatility, and news coverage can attract institutional attention, influencing stock price dynamics.
4. **Potential Strategies for Investors**: Understanding patterns of institutional attention can provide insights for other market participants, including retail investors and analysts, regarding the timing and magnitude of trades around major news events.
5. **Broader Implications for Market Dynamics**: The paper sheds light on the micro-level mechanics of price discovery in stock markets, demonstrating the impact of investor behavior and attention on market efficiency.

In conclusion, the paper offers a nuanced view of how investor attention, particularly from institutional investors, plays a pivotal role in how efficiently markets react to news, thereby influencing stock prices and market dynamics.

**Lame-Duck CEOs：已经宣布退休或退任但仍在职**

**Summary:**

1. **Problem Addressed**: The paper addresses concerns about "protracted CEO successions," where the transition between the outgoing and incoming CEO takes longer than usual. 新的CEO上任的交接仪式比平常久多了
2. **Research Findings**: Contrary to the negative expectations often associated with lame-duck CEOs, the study finds that these firms perform well. They generate significant positive abnormal returns, with an annual alpha of 9.6% above the market, and experience positive returns around earnings announcements.
3. **Data and Methodology**:
   * The study uses hand-collected data on CEO successions from S&P 1500 firms.
   * It defines a protracted succession as one where the successor is announced after the departure of the current CEO.
4. **Market Reaction**: The initial market reaction to the announcement of a protracted succession is negative. However, during the lame-duck period, the firms exhibit positive returns.
5. **Reasons for Outperformance**: The study examines several hypotheses for why firms with lame-duck CEOs might outperform, including increased firm risk, corporate governance characteristics, and CEO and turnover characteristics.
6. **Main Mechanism**: The most significant finding is that the intense competition among internal candidates for the CEO position leads to increased efforts and better performance, termed as "tournament competition." 因为继承人竞争激烈所以会导致more effort and better performance

**Insights and Takeaways:**

1. **Market Mispricing**: The market initially underestimates the value of firms with lame-duck CEOs but corrects over time as the firm's performance becomes apparent.
2. **Importance of Succession Planning**: While the market views protracted successions negatively, they are not necessarily detrimental to firm value. Good succession planning can help maintain firm performance even during transitions.
3. **Role of Internal Competition**: The competition for the CEO position among internal candidates can be a driving force for positive firm performance during the lame-duck period.
4. **Corporate Governance**: The study suggests that corporate governance practices do not explain the positive performance during the lame-duck period.
5. **Implications for Investors and Regulators**: The findings have implications for investors in evaluating the potential of firms undergoing CEO transitions and for regulators concerning disclosure requirements for succession plans.

In conclusion, the paper challenges the negative perception of lame-duck CEOs and shows that firms can indeed thrive during these transitional periods, primarily due to the internal competition and efforts put in by potential successors.