

Faculty of Business Administration

Brown Bag Seminar

Reading preferences of short sellers: Evidence from annual reports

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Abstract

Using textual analysis, we investigate whether the short sellers read and learn from annual reports by focus on the daily abnormal shorting volume and the abnormal stock returns from 2009 to 2017. We find that textual variables do predict the abnormal shorting volume. However, positive relationship between abnormal shorting volume and abnormal stock returns suggests that short sellers are unable to outperform the market by incorporate the textual information into their shorting activities. We further find role of accounting quality for short sellers used from annual reports. Finally, we find that some textual variables can predict future stock returns from 4-day to 1-year.

Date: 04 Sep 2019 (Wed)

Time: 15:00-16:30

Venue: E22-3010

ALL ARE WELCOME!