



Lecture on “Asset Pricing with Co-search Interaction”

by Professor Stanley Iat-Meng Ko

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Date: 24 August 2023 (Thursday)
Time: 11:00 am – 12:15 pm
Venue: Room 202,
2/F, Cheng Yu Tung Building,
The Chinese University of Hong Kong,
12 Chak Cheung Street,
Shatin, N.T.
Language: English

Abstract:

Are internet search activities informative of stock returns? We explore the internet traffic on the US Securities and Exchange Commission's (SEC) Electronic Data Gathering, Analysis, and Retrieval (EDGAR) website which holds all public US companies' information with hundreds of thousands of document views per day by users. We identify co-searched firms, i.e. one firm is searched subsequently after another, and incorporate such information in the conventional asset pricing model. The contributions of this study are threefold. First, we introduce the micro-level behavioral information of individual stocks to the empirical asset pricing literature, whereas the traditional asset pricing studies focus on aggregated portfolios. Second, with the identification of co-search peers, we define and construct the co-search network in the universe of trading stocks. Through the lens of the co-search network, we identify the virtual spatial stock return dependence across the network. Third, we extend the traditional linear asset pricing models by using the Spatial Arbitrage Pricing Theory (S-APT).

About the Speaker:

Professor Ko is an Associate Professor at the Graduate School of Economics and Management at Tohoku University in Japan. Prior to his current position, he served as an Assistant Professor at the University of Macau. He holds a bachelor's degree in Finance from Tsinghua University, along with an M.Phil and a Ph.D. in Economics from The Chinese University of Hong Kong. Professor Ko's research is centered around applied econometrics, focusing particularly on finance and social network analysis.

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