Discussion:
Media Focus, Sentiments and Capital Allocation in Space

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March 31, 2023

Summary

- Data: Dow Jones Factiva 2022
- Patterns:
  1. News sentiments comove with business cycle
  2. News sentiments varies with financial volatility
  3. News correlates with temporary belief rather than fundenmentals
  4. News shares predicts future capital reallocation
  5. Media predicts allocation efficiency
- Models: One-sector (Blanchard et al., 2013) & Multi-regional (unsolved)

My take

- Very interesting research ideas regarding regional news impact
- Significant result in News shares $\Rightarrow$ future capital reallocation
- One-sector model prediction seems matching the data
- Nitpicks on empirical part:
  1. Not sufficient data description: how many years of panel data?
  2. Data source: is this hand "collected" or purchased from Dow Jones?
  3. Visualization: figure to compare California and Alabama is too small
  4. NY effect: NY news share dominants $\Rightarrow$ serious selection bias?

Appendix

References I

Blanchard, Olivier J, Jean-Paul L'Huillier, and Guido Lorenzoni (2013) "News, Noise, and Fluctuations: An Empirical Exploration," *American Economic Review*, 103 (7), 3045–3070, 10.1257/aer.103.7.3045.