



HELLENIC REPUBLIC

**National and Kapodistrian
University of Athens**

EST. 1837

Department of Economics

Research Seminar Series in Economic Sciences, 2021-2022

Speaker: Dr. Dionisis Philippas, *Associate Professor of Financial Economics Department of Finance, Accounting & Management Control, ESSCA School of Management*

Webpage: <https://www.essca.fr/en/people/philippas-dionisis-professor/>



Title: [Investors' attention and information losses under market stress](#)

Date & Time: Wednesday, February 2nd, 2022, 19:00 - 20:30

Webex Link: <https://uoa.webex.com/uoa/j.php?MTID=m6f2d44769f2375bf2090852c432d9ac6>

Url: <http://www.econ.uoa.gr/ereynhtika-seminaria-research-seminars.html>

Abstract: The paper proposes a novel point-wise entropy approach to measure the time-varying losses in the value of information that investors associate with market signals, financial and economic indicators, and news. We cast our approach in a Bayesian framework and assume that market agents update their beliefs to incoming signals based on a prior information set. By exploiting the distribution rather than the time-series properties of information signals, our method is able to construct univariate signal-specific, but also composite proxies of information loss, with the latter being more efficient in reducing misleading effects and interpretation errors. As an empirical illustration, we construct information loss proxies for the US equity market from several mainstream information signals and find that the majority of information loss indicators can influence investors' attention, which then intermediates the impact of information signals on market outcomes. Finally, we show that, by relying on composites rather than univariate proxies, market agents can diversify and thus reduce their information losses when interpreting signals associated with the same underlying event.

Organizers: Dimitris Kenourgios, *Professor*
George Dotsis, *Assoc. Professor*
Frago Kourandi, *Assist. Professor*

Thank you.

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