Independent study title	FIRM-SPECIFIC INVESTOR SENTIMENT AND THE STOCK MARKET RESPONSE TO EARNINGS NEWS: EVIDENCE FROM THAILAND
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ABSTRACT

We link investors' behavioural biases with accounting-based anomalies to determine the investors differently react to earnings news consistent with the sentiment. Finding stock returns that responds to positive earnings surprises are significantly higher for high sentiment firms than firms with the low sentiment, meaning investors are more optimistic about the expectations on good earnings news for firms with the high sentiment. But low sentiment firms that have positive earnings surprises, investors only accept partial information of the good news that differs from their expectation, they expect on bad news.

Besides negative earnings surprises, the stock returns are marginally sensitive for low sentiment firms with insignificant effects since investors update their information in part as a result of bad earnings news, without taking into account the sentiment level.

Keywords: Behavioral finance, Stock market reaction, Firm-specific investor sentiment, Earnings announcement return