Information Transfer and Conference Calls*

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ABSTRACT: Using intraday data, we study the intra-industry information transfer associated with earnings conference calls. We document an economically and statistically significant co-movement of absolute and signed stock returns over the conference call window of the conference call firm and its industry peers. The effect is statistically and economically larger than the one related to the corresponding earnings announcement. Additional analysis reveals that shared institutional ownership and analyst coverage, as well as coverage by analysts providing industry recommendations, facilitate the transfer. Furthermore, the effect manifests both for peers that have already announced and those that are yet to announce, and for both true peers and rivals. Lastly, we find some evidence that peers that are mentioned during a conference call experience greater information transfers.

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1. Introduction

Beginning with Ball and Brown (1968) and Beaver (1968), a large body of research documents that equity markets find earnings news informative. Foster (1981) notes that the effect of a firm's earnings announcement is not restricted to its own stock price, but also extends to its peers, a result that fueled a rich literature on earnings-release-related intra-industry information transfers. More recently, conference calls have gained popularity as a key venue for information dissemination, allowing managers an opportunity to provide information supplementary to the earnings announcement and granting financial market participants a chance to ask questions on both the reported financial results and the expected future performance. Consistent with the nature of conference calls, extant evidence supports the notion that conference calls are associated with a firm's own equity returns and trading volume. Interestingly, however, the literature is generally silent on their effect on the information environment of the announcing firm's peers. We attempt to fill that gap by examining whether, on average, earnings conference calls elicit intra-industry information transfers, whether such transfers are of a magnitude comparable to those elicited by earnings announcements, and what mechanisms facilitate the flow of conference call related information among firms.

There are reasons to expect a conference call to induce as much as, if not more, information transfer than the respective earnings announcement. While an earnings announcement contains a plethora of company-specific financial and accounting information, a conference call often expands the discussion to macroeconomic and industry-wide effects. An earnings announcement mainly focuses on explaining a firm's performance in the prior quarter, and a conference call offers

more forward-looking information, as well as insights into rival and peer firms.[1] Furthermore, the overall managerial tone during the conference call or the content and atmosphere of the Q&A portion of the call, which is interactive in nature, could provide cues on the firm managers' and analysts' perception of the firm performance and prospects beyond the scripted earnings announcement.

Despite differences in the format and content of earnings announcements and conference calls, the information transfer literature usually not only combines them into a single informational event, but attributes all found capital market implications to information disclosed in the earnings announcements. In contrast, we rely on intraday data to separate the effect of the earnings announcement and the conference call. Specifically, capitalizing on the observation that the majority of earnings announcements are made outside of trading hours and a significant proportion of the follow-up conference calls are conducted during the next business day, we construct a large sample of firm-quarter observations where the two information events do not overlap. Using Thomson StreetEvents data between 2002 and 2010, we obtain 18,718 announcing firm observations with a combination of earnings conference calls during trading hours and earnings announcements outside of trading hours. The corresponding sample of peers consists of 330,552 observations, where the peers are firms covered by at least one analyst who also covers the announcing firms (as per I/B/E/S), and which also belong to the same 4-digit Global Industry Classification Standard [GICS] industry group.

[1] As an example, on a recent Pepsi conference call an analyst asked the management to address the fact that "Coke said the pricing for carbonated soft drinks was up." In another quarter the analysts covering the Coca-Cola earnings conference call requested management's view on the "competitive landscape, given Pepsi's new strategic alliance with Tingyi." (PepsiCo Q1 2014 Earnings Call on April 17, 2014; The Coca-Cola Q1 2012 Earnings Call on April 17, 2012.) Similar exchanges are frequently seen for other high profile rival pairs such as JC Penny-Macy's and Intel-AMD and in more dispersed multi-competitor markets.

We confirm that the capital market reaction for the announcing firm itself during the conference call window is economically and statistically significant, in line with the results in Frankel et al. (1999) and Matsumoto et al. (2011). We find that the average absolute return during the first hour from the start of a firm's conference call is 1.3 percent, which is more than a third of the earnings announcement absolute return (we measure the earnings announcement return as the overnight return plus the return during the first 30 minutes of the trading day).

We explore the central question of the paper – the existence and characteristics of intra-industry information transfer from earnings conference calls – in a seemingly unrelated regressions [SUR] framework. First, we evaluate the degree of information transfer from the announcing firm to its peers by regressing absolute and signed returns measured at the peer level on that same information metric measured at the conference call firm's level, controlling for firm characteristics and historical comovement of firm-pairs. We interpret a significantly positive coefficient as evidence of information transfers, whereby more informative news events trigger stronger stock movement among peers, and document a statistically and economically significant shift in returns for non-announcing peer firms during the announcing firm's conference call. Although this result, while novel, is not entirely surprising given the transfer documented by prior literature in the context of other disclosures, the question of relative magnitude of information transfer is non-trivial. We evaluate the transfers induced by conference calls relative to those stemming from earnings announcements by comparing the estimated coefficients in the two windows. The degree of co-movement between the peer firms' and the announcing firm's indicators is significantly more pronounced during the conference call window than the earnings announcement window. Our results suggest that, during the information-dense period at the release of quarterly news, relative

to the earnings release, conference calls facilitate a major portion of the information transfer to peer firms within the industry.

Much of the intra-industry information transfer literature focuses on documenting the existence and magnitude of information transfers, measured as capital market co-movements. Despite the observation in Schipper (1990) that the literature reports the phenomenon, but does not explain how it takes place, the subsequent papers on the topic, for the most part, do not provide insight into the drivers of the transfer. Notable exceptions are Drake et al. (2012) and Hilary and Shen (2013) who, respectively, examine the mechanisms for information flow and highlight the role of financial analysts in facilitating the transfer. We continue this line of research and examine three mechanisms which could facilitate information transfers: the overlap in sell side analysts' coverage and in institutional investor base, and coverage by analysts with greater industry expertise. Because analysts tend to specialize in certain industries, the choice of coverage likely reflects similarities in both product-market characteristics and business attributes, with overlap suggesting a greater degree of potential information transfer. On the other hand, while institutional investors do not exhibit similar industry clustering, they are more likely to pay attention to conference calls of firms whose stock they hold and thus are more likely to recognized news that may be transferrable. Consistent with these expectations, we find that the information transfer is significantly higher among firm pairs with both greater analyst coverage overlap and institutional investor ownership overlap and the effects are complementary. We also find greater information transfer from conference calls of firms covered by sell-side analysts who include industry recommendations in their reports. This impact is magnified when both the conference call firm and peer firms are covered by an industry expert.

Next, we examine whether the information transfer exists for both peer firms that have already announced and firms that are yet to announce. We find that significant information transfers from earnings announcements and conference calls exist in both groups. For both the earnings announcement window and the conference call window the effect is stronger for forward transfers (to peer firms that have not announced yet) consistent with the notion that released information has greater value when there is a higher degree of uncertainty regarding the performance of the peer. Interestingly, the relative informativeness of conference calls is slightly higher for backward transfers. In other words, the incremental transferable information contained in the conference call as compared to that in the earnings announcement is higher for the peers which already reported their own results. A related finding is that the forward information transfer from conference calls of firms which are first or second reporters among their peers is not larger than the forward information transfer from non-leading firms. This evidence is in line with the notion in Thomas and Zhang (2008) that subsequent announcers reinforce the information provided by the early ones.

We also consider whether the nature of the economic relation between the conference call firm and its peers impacts the degree of the information transfer. We identify subsamples of true-peers and rivals using the historical pairwise correlation in seasonal sales growth as a basis for the partition.[2] We find similar results for both the overall degree of information transfer and the incremental informativeness of the conference call relative to the earnings, in the two groups.

To evaluate the sensitivity of our results to the capital markets metric choice we consider three alternative non-directional measures of market reaction – abnormal trading volume, abnormal stock price volatility, and abnormal range (all normalized for time of day and day of

[2] Henceforth we refer to the subsample with positive sales growth correlation as "true-peers", while retaining the term "peer" for the full sample.

week effects). Inferences based on these metrics generally mirror the reported ones. Next, we carry out a placebo analysis swapping out the conference call holding firms and examining the extent of market comovement among pairs of firms which share neither industry affiliation, nor analyst overlap. We find that the overall degree of the information transfer is significantly reduced. As a second placebo analysis, we repeat the main analysis using data from the same overnight and hourly windows 28 days before the event date. While we continue to find evidence of returns comovement, the effect associated with the pseudo earnings announcement window dominates the one associated with the pseudo conference call window.

We carry out our analyses separately for the presentation and the Q&A portions of the call and find that for both the information transfer is significantly greater than that associated with the earnings announcements. We also observe that all our documented mechanisms appear to be significant in both parts of the call. Finally, we conduct some early-stage analysis in an effort to identify which conference call discourse characteristics contribute to the information transfer. While the intra-industry transfer literature often uses the announcing firm's earnings surprise as a summary measure of the underlying news (e.g., Wang 2014), the incremental information content of conference calls is likely to come from soft disclosures. Our preliminary findings indicate that peer firms which are mentioned during a call experience higher absolute and signed returns during the call. The extent of forward looking discussion and absolute tone (a proxy for strength of expression) are positively related to peer absolute returns. The results on a number of other conference call characteristics are mixed.

We believe that this study is of interest to a wide audience of academics and practitioners. The results contribute both to the prolific stream of literature on accounting-related information transfers and to the growing body of research on the capital market effects of corporate conference

calls. We believe this is the first paper to document the intraday dynamics of intra-industry information transfer around quarterly earnings releases and examine the mechanics facilitating these transfers. Specifically, our results suggest that examining earnings announcement related information transfers on aggregated day(s)-long window likely overstates the effect of the released information. We believe that the practical implications of the finding that conference calls significantly outweigh earnings announcements in the information transfer setting will be of interest to executives and financial analysts. While we do not explicitly address the potential profitability of trading strategies based on intraday information transfer, these results could also be of interest to portfolio managers.

The rest of the paper is organized as follows. Section 2 discusses the previous literature on conference calls and information transfers, and outlines our hypotheses. Section 3 presents the sample selection, variable definitions, and summary statistics. Section 4 outlines the research design and presents the results. Section 5 contains robustness and early-stage analyses, and section 6 concludes.

2. Literature review and hypotheses

2.1 Conference calls

Conference calls have become a ubiquitous venue for corporate disclosure. Earnings conference calls are frequently held within a day of the issuance of an earnings announcement. They typically last less than an hour and include a presentation prepared by the management followed by a question and answer session with invited financial market participants. The conference call literature, albeit small compared to the abundant body of earning announcement

research, yields interesting insights into the use and reaction to corporate calls.[3] There are several reasons why a conference call may provide information about the firm that is incremental to that disclosed in the earnings release. The presentation section of the conference call, significantly lengthier than the contemporaneous terse earnings announcement, contains a greater amount of both quantitative and qualitative disclosure presented by several key executives (almost always the CEO and the CFO, but frequently other key personnel). In addition, the conference call contains non-scripted disclosure driven by the questions of financial market participants such as sell-side analysts.[4] Conference calls may also contain "soft" information such as the choice and order of speakers, the tone and vocal cues of management, and the presence and attitude of other participants. Lastly, conference calls reiterate information included in the earnings announcements, potentially bringing it to the attention of inattentive participants.

Prior studies find evidence consistent with the notion that conference calls are incrementally informative over the contemporaneous earnings announcement (e.g. Frankel et al. 1999, Bushee et al. 2003, Matsumoto et al. 2011). When examining the capital market reaction to conference calls or to specific call characteristics, most papers utilize metrics based on a full day of trading (Doran et al. 2012, Price et al. 2014). A few studies, including Frankel et al. (1999), Bushee et al. (2003, 2004), and Lansford et al. (2009), deviate from this practice and rely on intraday metrics to study the information content of conference calls. Importantly, Matsumoto et al. (2011) argue that both the management discussion and the Q&A sections are perceived as informative by equity investors. Others, such as Bowen et al. (2002), Lansford et al. (2009), and

[3] Although there is research on the choice to hold conference calls (Tasker 1998, Bushee et al. 2003, 2004), we do not consider self-selection to be an issue in our setting, since during our sample period most firms covered by analysts regularly hold earnings-related conference calls.

[4] Mayew (2008) documents that the median number of non-executives participants in a conference call is nine; of them, about a third are sell-side analysts who concurrently cover the firm. Other participants are typically sell-side analysts not currently covering the firm, and (in smaller numbers) bankers, investors and business press journalists.

Mayew et al. (2013), show that analysts are also affected by the information released in conference calls as evidenced by an increase in the timeliness and accuracy of their forecasts, a decrease in dispersion thereof, and greater issuance of forecast revisions. Overall, this literature confirms the anecdotal evidence that conference calls are informative to various market participants both because of the "hard" information, such as forward-looking earnings guidance and clarification of reported numbers (Lansford et al. 2009, Bischof et al. 2013), and "soft" information, such as tone and linguistic complexity of managerial discourse (Brochet et al. 2015, Davis et al. 2012, Doran et al. 2012).

2.2 Information transfer

The earnings-related information transfer literature goes back at least four decades to Firth (1976) and Foster (1981). The basic premise of this research is that news disclosed by one firm is informative to the investors of related firms. The literature builds on the idea that related firms are subject to common economic events and conditions, and that industry peers often share both business threats and opportunities. Therefore, when investors observe how common economic events and conditions affect one firm, they can extrapolate the effect on industry peers. The extent of information transfer is most frequently measured by the degree of co-movement in stock returns, as the information influencing the price of one firm is expected to affect the price of related firms. This literature finds strong evidence that the stock price of industry peers responds both to the incidence of an earnings announcement (Han and Wild 1997) and to the specific information contained therein (Ramnath 2002, Thomas and Zhang 2008).

Extant research, however, does not reach a consensus on the efficiency of the capital market's recognition and absorption of the transferable information. Ramnath (2002) provides evidence that the earnings surprise, as measured by the analyst forecast error, for the first

announcer is positively associated with surprises of following peers, however, investors and analysts do not fully impound this information. On the other hand, Thomas and Zhang (2008) suggest a different dynamic, documenting a negative association between the first and the subsequent announcers' price responses, an observation supporting an overreaction by the peer firms' equity investors. Schipper (1990) observes that while the extant research focuses on documenting the existence and magnitude of information transfer, it does not explain how the transfers actually occur. Drake et al. (2012) note that returns of related firms may naturally move together regardless of whether information is actually transferred and instead focus on the possible mechanisms of the transfer as measured on aggregated week-long basis. They show that information is transferred through at least three channels at the time of the earnings announcement: the internet, financial analysts and the business press. Hilary and Shen (2013) focus in greater detail on one of these channels and explore the role of sell-side financial analysts in facilitating earnings related information transfer.

To our knowledge, extant research is silent on the connection between these two literatures, leaving an important gap in our understanding of the interplay between conference calls and information transfer. With this study we take a step to filling this void.

2.3 Hypotheses

2.3.1 Information transfer: conference calls vs. earnings announcements

While earnings announcements tend to be rich in financial detail, they provide relatively little insight into macroeconomic and industry-wide factors, as compared to the more expansive discourse of the conference calls.[5] In addition, whereas earnings announcements contain mostly

[5] Existing literature does not provide empirical evidence on the content of conference calls beyond observing that the calls increase the amount of information available about the firm, as opposed to simply reiterating earnings announcements or replacing other mechanism for disclosure (Bowen et al. 2002). Anecdotal evidence suggests that

backward-looking information, with the notable exception of a possible release of managerial guidance, conference calls provide significant forward-looking qualitative and quantitative disclosure, such as expected product releases, price movements, corporate consolidations, marketing strategies, and employee relations, among others. More so, conference calls frequently address industry dynamics or details pertaining to notable rivals or peers. Collectively, these factors suggest that the information transfer induced by conference calls should be stronger than that associated with the preceding earnings announcements.

Although the intended role of and information in earnings announcements and conference calls imply a one-directional hypothesis on the intensity of information transfer, institutional features provide a non-trivial tension. In particular, search and processing costs likely detract peer firms' equity holders from internalizing the information embedded in the conference calls, attenuating, or even reversing, the conjectured relation. Thus, stated in null form, our first hypothesis is:

H1: Conference calls induce the same amount of intra-industry information transfer as the respective preceding earnings announcements.

2.3.2 Effect of analyst and institutional investor overlap and analyst expertise on the intensity of conference calls information transfer

Sell-side analysts typically specialize in a limited number of industries, as evidenced by the sector-specific analyst rankings, such as those compiled by the All-America Research Team. The choice of coverage likely reflects not only product-market characteristics but other pertinent attributes, such as the business model (producer vs. wholesaler vs. retailer) or the degree of international operations. Because of such analyst specialization, firms with greater analyst

topics frequently covered in conference call discussions extend beyond those addressed in earnings releases. See Appendix C for a variety of conference calls transcript excerpts illustrating discussions likely containing transferrable information.

coverage overlap are likely more economically related and should exhibit greater degree of information transfer. Consistent with this idea, Hilary and Shen (2013) argue that analysts are better able to extrapolate the significance of managerial forecast information to peer firms when they cover both companies. In addition to signaling greater economic connections, analyst overlap may also provide a more direct link in the form of shared analysts alerting their clients to news contained within conference calls. However, regulatory limitations on private communications may restrict this channel.

Sell-side analysts likely differ in the degree of industry expertise they possess. We conjecture that coverage by analysts with greater industry expertise would be associated with a greater degree of information transfer, as such analysts are both better able to process relevant transferable information and are more likely to elicit greater disclosure of transferable information during the conference call. However, identifying and measuring such differences in industry expertise is not trivial. Kadan et al. (2012) posit that industry knowledge can take two forms: within-industry expertise and across-industry expertise. Within-industry expertise affects an analyst's ability to rank firms in an industry, while across-industry expertise affect his or her ability to evaluate the overall performance and prospects of an industry. All sell-side analysts provide firm-specific outputs in the form of forecasts, targets, and recommendations which are impacted by both types of industry expertise, as well as by firm-level expertise. However, only a subset of sell-side analyst reports include industry recommendations. Equating industry recommendations to industry expertise, we expect greater information transfer from conference calls of firms covered by analysts who include industry recommendations in their reports, than from conference calls of firms lacking such coverage.

In contrast to sell-side analysts, institutional investors, do not necessarily target economically-similar firms. In fact, they may choose to add highly dissimilar firms to their portfolio for the purposes of diversification. However, despite the dissimilarity, they are at least likely to be aware of the information disclosed by both firms. Cohen and Frazzini (2008) show that mutual fund managers holding both supplier and customer firms are more likely to trade on relevant information. Jung (2013) finds that overlap in institutional investor ownership is associated with a change in disclosure practices. Thus, we expect that an institutional investor who has significant positions in any two firms is more likely to listen to conference calls of both of these firms and to recognize news that may be transferrable. Overall, we anticipate that information transfer from conference calls increases in the number of shared analysts, the presence of industry experts, and the degree of shared institutional investor ownership. Stated in null form, the hypotheses are:

H2a: The intra-industry information transfer intensity does not vary in sell-side analyst coverage overlap.

H2b: The intra-industry information transfer intensity does not vary in sell-side analyst industry expertise.

H2c: The intra-industry information transfer intensity does not vary in institutional investors ownership overlap.

2.3.3 Effect of reporting sequence on the intensity of conference calls information transfer

The literature on earnings announcement information transfer either considers the effect of a firm's release on all peers, regardless of the timing of their own adjacent disclosures (Foster 1981), or limits the analysis to the transfer from early to late announcers only (Freeman and Tse 1995). To our knowledge, no study explicitly contrasts the information transfer from early to late announcers vs. that from the late to early ones. Since conference calls provide a significant richness of detail regarding current and future conditions within the industry, we expect that there exists

information transfer in both directions. In other words, not only do the investors apply the gleaned information to firms who have not yet disclosed their own financial results, but they also reevaluate the already reported results of early announcers in light of the detailed information subsequently entering the market. However, we do expect that the forward-looking transfer will exhibit a greater magnitude, as the value of transferable information is inherently higher when there is greater uncertainty regarding the underlying performance of the firm (as it had not yet reported its own earnings).

There is a lack of consensus in the existing research on whether the order the announcement within the peer group of firms impacts the magnitude of the information transfer. Foster (1981) does not find a significant difference between the transfer from the reports of the earliest announcers and their delayed peers. Freeman and Tse (1995) find that most of the information transfer occurs on the first, rather than the subsequent, earnings announcements. In contrast, Thomas and Zhang (2008) find that information transfer increases over time within the cluster of earnings announcements, likely due to the reinforcement that the late disclosure provides to the early transferable information. Thus, we also examine whether the intensity of information transfer to firms who have not yet announced, triggered by the first announcers differs from that of subsequent announcers. Given the lack of theory and the disagreement in extant empirical findings, we let the data speak on this issue. Stated in null form, the hypotheses are:

H3a: The intra-industry information transfer intensity does not vary in the relative sequence of the earnings announcements for the conference call and peer firms during the quarter.

H3b: The intra-industry information transfer intensity to lagging peers is the same for the first conference call holding firms and the non-first early announcers.

2.3.4 Effect of competition and contagion on conference calls information transfer

Thus far, our hypotheses speak to information transfers abstracting from the direction of the news. That is, we primarily consider information content in the Holthausen and Verrecchia (1990) sense, where trading volume and the variance of unexpected price changes imply that a signal is informative. However, what is good (bad) news for the announcing firm need not be good (bad) news for all of its peers. Prior literature on information transfers documents both contagion effects (i.e., the stock price of the announcing and peer firms move in the same direction) and competitive effects (i.e., the stock price of the announcing and peer firms move in opposite directions), depending on the context. For example, Lang and Stulz (1992) find a contagion effect among industry peers of bankruptcy announcements, whereas Akhikbe (2002) documents a competitive effect of new product innovations by industry rivals. The competitive versus contagion effects of earnings conference calls may be more difficult to detect *ex ante* as conference calls are more likely to contain mixed transferrable information. For example, while news of an increased market share will be adverse to the firm's rivals, simultaneous discussion of the overall loosening of government regulation or of the market-wide increase in customers' disposable income will lead to a positive transfer.

We expect that, all else equal, the positive association between signed stock returns of the announcing firm and its peers during the conference call – if any – will be attenuated (and possibly negative) for rivals as opposed to true-peers.[6] We identify true-peer and rival firm pairs by examining the historical sales growth pairwise Pearson correlation among announcing and peer firms. We opt for this specification because, even among firms identified as industry peers using conventional methods, such as SIC or GICS nomenclatures, some may compete head-to-head

[6] We are ignoring the possibility of strategic disclosure and withholding within conference calls given the absence of prior findings on this topic.

(rivals), while others target different segments or even produce complementary goods. The null form of this hypothesis is:

H4: The intra-industry information transfer intensity between conference call holding firms and their true-peers and rivals does not differ.

3. Sample and variables

3.1 Sample

We obtain earnings-related conference call transcripts of U.S. firms between 2002 and 2010 from Thomson StreetEvents. To examine the intraday information transfer, we limit our sample to the 51 percent of calls that take place during trading hours.[7] We further exclude calls that start before 10:00 am EST to allow for trading activity to incorporate the overnight news, and those calls that start after 2:30 pm EST, to exclude those running close to or through the close of the trading day. Of the remaining conference calls, nearly 90 percent pertain to an earnings announcement that is released outside of trading hours in the night before or the morning of the conference call day.[8] For consistency we limit our sample to these observations, thus effectively excluding calls pertaining to earnings announcements that are released during the prior trading day or earlier, or during the same trading day as the call. We match the conference call observations to non-missing financial, analyst, trading, and intraday data from Compustat, I/B/E/S, CRSP, and TAQ, respectively, and exclude firms which we identify as not having peers (discussed below).[9]

[7] The proportion of firms holding calls during trading hours has not changed materially over the sample period (a slight decline from about 55 to 45 percent). The timing of the call appears to be a matter of firm policy, i.e. quite sticky and not subject to strategic manipulation: most firms hold their calls consistently during/outside trading hours. Descriptively, the firms holding calls during trading hours are, on average larger, and have higher market to book value of equity. We include these variables as controls in the regression analyses.

[8] In untabulated analysis, we examine separately the firm-quarters where the earnings announcements are released between 4 pm and midnight (AMC) and between midnight and 9:30 am (BMO). We find that both the absolute and signed return results are comparable between the AMC and BMO subsamples, suggesting that the additional overnight hours available to process information do not impact the intensity of information transfer.

[9] TAQ database contains all intraday transactions data for securities listed on the NYSE, AMEX, and NASDAQ. We impose the standard TAQ data requirements of having PRICE>0, SIZE>0, CORR<2 and COND not equal to A/C/D/N/O/R/Z.

Finally, to ensure that our results are not attributable to penny stocks and very thinly traded stocks, we require a stock price of at least $1 at the fiscal period end date and a minimum of five trades in both the earnings announcement window, conference call window, and the same windows in the preceding four weeks. Our final sample contains 18,718 conference calls representing 1,531 distinct firms. Panel A of Appendix B provides details on the sample selection process. The observations are fairly evenly distributed in time, showing a gradual and monotonic increase from 1,118 calls in 2003 to 3,296 calls in 2010 (untabulated; 2002 only has 427 calls).

Prior studies take a number of approaches to identify peers. The most common methods are based on the primary business activity codification systems including Standard Industrial Classification [SIC] codes, Fama and French (1997) 48 industry groups, the North American Industry Classification System [NAICS], and the Global Industry Classification Standard [GICS]. Classifying firms into product-market groupings is non-trivial due to the shifts in industry definitions, variability in classification coding applications (Guenther and Rosman 1994), and abundance of multi-product firms. Other methodologies to classify firms, or to measure the degree of firm relatedness, rely on professionals' judgment as evidenced in 10-K filings (Li et al. 2013), overlapping analyst coverage (Kaustia and Rantala 2013) or explicit disclosure of competitors in analyst reports (De Franco et al. 2014). We apply a fairly stringent set of criteria by requiring both an industry grouping match and overlapping analyst coverage to identify peer firms. We do so as the degree of likely information transfer depends not only on shared product groupings, but also on other similarities reflected in analyst coverage choices, such as business model and locality. Thus, we classify as peer firm-quarters all firms which belong to the same 4 digit GICS group and have an overlap of at least one analyst with the conference call-holding firm in the quarter of interest.

Although earnings announcements are frequently clustered in calendar time within a specific industry, our focus on intraday analysis avoids many comingling concerns. Furthermore, we apply several filters in constructing the peer sample. In particular, we exclude peer firms which have an earnings announcement within a day of the conference call of interest (days -1 through +1).[10] We also require the peers to have non-missing data from I/B/E/S for the two earnings announcements closest to the conference call of interest and to have non-missing firm, trading, and intraday data from Compustat, CRSP, and TAQ, respectively. As for the conference holding firms, we impose a minimum stock price of $1 and a minimum of 5 trades in all windows of interest. Our final sample contains 330,552 firm-quarter peer observations and the mean (median) number of peers identified for a given conference call is 18 (14) with a full range spanning from 1 to 97 peers. Panel B of Appendix B provides details on the peer sample selection process.

3.2 Variables

We obtain intraday trade data from the NYSE Trade and Quote (TAQ) database to calculate measures of market reaction. A large number of both theoretical and empirical studies use signed returns as measures of information content (Ball and Brown 1968, Holthausen and Verrecchia 1988). In examining stock price co-movements prior studies mostly focus on positive information transfers where good (bad) news from a disclosing firm causes on average a positive (negative) stock price reaction in a non-disclosing firm. It is likely that firm pairs subject to strong industry commonalities experience positive information transfers. However, it is also possible that firm pairs in industries with high degree of market share competition experience negative information transfer where good (bad) news from a disclosing firm causes on average a negative (positive)

[10] As an example, if a conference call is held during trading hours on Wednesday, July 27, we exclude all peers which release earnings announcements between 4 pm on Monday, July 25, and 4pm on Thursday, July 28.

stock price reaction in a non-disclosing firm. Thus, examining information transfer as evidenced by signed stock price returns may not yield results on a pooled sample of firms subject to both positive and negative information transfers. For this reason, we also examine absolute returns as a non-directional measure of capital market movements.[11] The signed and absolute returns are measured as a percentage change from the first trade during the event window to the last trade during the event window. We consider two event windows to disentangle the peer reaction to the information content of the earnings announcement and the conference call. For the earnings announcement we calculate the returns from the closing price on the business day before the event date to the price at 10:00 am EST on the event date. Thus, the returns metric incorporates the information transfer during the after-hours trading and in the thirty minutes after the opening of the exchange.[12] We calculate the returns for the conference call window over the sixty minutes beginning with the start of the call. We select this approach since Matsumoto et al. (2011) report that the average presentation length is 18 minutes and the average length of the Q&A is 28 minutes and the 75th percentile of the two is 23 and 36 minutes respectively, suggesting that most calls within their sample conclude within one hour.[13] We assume that in the absence of firm specific news, the returns of both conference call holding firms and peer firms are on average zero over the intraday periods in question. To allow for the effect of macroeconomic shocks, we normalize the signed returns by subtracting the return on the S&P500 ETF [SPY] over the respective windows, and calculate the absolute returns after this normalization.[14] The other variables utilized in the

[11] We examine three additional metrics of non-directional information flows in the robustness section: trading volume, stock price volatility and price range. The results are consistent with those reported for the absolute returns.
[12] As a robustness check we consider only the 30 minute opening window to measure the earnings announcement returns. The inferences remain qualitatively unaffected.
[13] Section 5.4 contains additional discussion on the average duration of a conference call and its components.
[14] Using raw returns normalized by market returns is in line with prior literature such as Thomas and Zhang (2008).

analysis are defined in their respective results sections. To minimize the effect of outliers, we winsorize the top and bottom one percent of all continuous variables.

3.3 Descriptive statistics

Table 1 presents the descriptive statistics for the conference call holding firms and their peers. As earning announcements incorporate both good and bad news, it is not surprising that the signed returns over both the earnings announcement and the conference call window for both groups are close to zero. For the conference call holding firm, the mean (median) absolute return during the first hour from the start of a firm's conference call is statistically and economically significant 1.3 (0.8) percent, which is about a third of the earnings announcement absolute return of 3.8 (2.4) percent calculated as the overnight return plus the return during the first 30 minutes of the trading day.[15] This confirms the findings of prior research that conference calls are significant information events for the firm itself, albeit the capital market reaction is smaller than that induced by the respective preceding earnings release. For the peer firms we observe that the absolute returns metrics are comparable for the two windows.

Turning to the other variables, we note that the conference call holding firms and their peers are similar in size and book to market value of equity. The mean (median) of sell-side analyst coverage overlap for a firm-peer pair is 2 (1), while the overlap in institutional ownership is roughly 40 percent. The average correlation of signed (absolute) daily returns of firm-peer pairs during a non-event period preceding the earnings announcement is 46% (25%). The average earnings surprise relative to the latest median analysts' consensus forecast is small and positive.

Table 2 reports the Pearson (Spearman) correlations among the variables below (above) the diagonal. We note that for conference call holding firms the correlation between absolute

[15] This is consistent with the result in Matsumoto et al. (2011) on their somewhat smaller sample.

earnings announcement return and conference call return is highly positive (while the correlation between the signed returns over the two windows is negative, it is insignificant in multivariate analysis – untabulated). The correlations between signed returns during the earnings announcement window of the announcing firm and its peers is very close to the correlation during the conference call window. The absolute returns exhibit a slightly higher correlation during the conference call window as compared to the earnings announcement window – Pearson (Spearman) correlations of 0.157 vs. 0.133 (0.147 vs. 0.126).[16]

4. Findings

4.3.1 Comparison of information transfer in conference calls and earnings announcements

We examine the relative information transfer from earnings announcements and conference calls within a seemingly unrelated regressions [SUR] framework. We estimate the following models:

$$INFO\_Peer_{ea,pi,t} = \alpha + \beta_1 INFO\_Firm_{ea,i,t} + \sum P\&F\ controls + \varepsilon_{ea,pi,t} \quad (1a)$$

$$INFO\_Peer_{cc,pi,t} = \alpha + \beta_1 INFO\_Firm_{cc,i,t} + \sum P\&F\ controls + \varepsilon_{cc,pi,t} \quad (1b)$$

where $INFO\_Peer_{ea,pi,t}$ ($INFO\_Firm_{ea,i,t}$) represents either the signed or absolute return for the earnings announcement window for the peer (conference call holding) firm, respectively, and $INFO\_Peer_{cc,pi,t}$ ($INFO\_Firm_{cc,i,t}$) is the same for the conference call window. The coefficient β_1 in the first (second) model captures the degree of co-movement driven by the news contained in the earnings announcement (conference call) of the announcing firm. As controls, we include size and the book to market value of equity ratios of the conference call and peer firms, as well as the analyst following and the percentage of institutional ownership of the announcing firm. To control

[16] Interestingly, the alternative non-directional measures discussed in robustness (volume, volatility, range) exhibit an even higher difference. For example, the Spearman correlation between abnormal volatility for the announcing and peer firm is 0.058 on the earnings announcement window and 0.127 on the conference all window (untabulated).

for the quantity of earnings information released in the earnings announcement, we also include the absolute value of the earnings forecast error, measured against the latest median analyst forecast of the conference call holding firm. To account for cross-sectional variability in comovement patterns we include a pairwise Pearson correlation of firm and peer absolute or signed returns in the non-event period from -70 through -11 days before the conference call date.[17] Finally, we include calendar year-quarter and industry fixed effects to account for industry and time characteristics not modeled explicitly and allow the standard errors to cluster by conference call.[18]

Table 3 presents the results of the SUR analysis for absolute and signed normalized returns. We note that the coefficient of interest, β_1, is significantly positive across specifications, supporting the existence of information transfer both during the earnings announcement and conference call windows. The magnitudes of the estimated coefficients are economically and statistically higher in the conference call window. Focusing on the absolute returns analysis, the estimated coefficient of interest, β_1, is almost three time larger in the conference calls specification than the earnings announcements one (0.0380 vs. 0.0137). While the difference is smaller in the signed returns specifications, it remains economically significant: 0.0605 vs. 0.0362. A Chi-squared test of equivalence confirms the statistical difference of the estimated coefficients.

We recognize that return momentum and delayed reaction to earnings announcement news could affect the observed market metrics during the conference call window. Specifically, it may be the case that the implications of the released earnings announcement for the peer firm are

[17] We exclude days where the peer had an earnings announcement from the non-event period and require a minimum of 36 days of trading data.

[18] We find same inferences when carrying out all our analyses with standard errors clustered by calendar date to allow for the possibility that the standard-errors are correlated across firms in varying industries due to macroeconomic shocks. In untabulated analysis, we estimate the models separately by calendar year to examine whether changes in trading behavior and information channels impact information transfer magnitudes and mechanisms. We observe that our findings do not exhibit strong temporal variations.

processed in a gradual, rather than instantaneous, fashion. If that were the case, the peer firm capital market activity during the conference call window should be associated with the information released in the earnings announcement, as proxied by the conference call holding firm's capital market measures in the earnings announcement window. Another possibility is that during the conference call window the peer firms are, in fact, reacting to other news, which have been revealed to the market. To capture this effect, we consider whether the conference call window trading is associated with the trading during the preceding earnings announcement window. The generic model is:

$$INFO\_Peer_{cc,pi,t} = \alpha + \beta_1 INFO\_Firm_{cc,i,t} + \beta_2 INFO\_Firm_{ea,i,t} + \\ +\beta_3 INFO\_Peer_{ea,pi,t} + \sum P\&F\ controls + \varepsilon_{cc,pi,t} \quad (2)$$

where the variables are as defined previously. The coefficient β_1 captures the extent to which the information disclosed during the conference call of the announcing firm is related to the trading activity for the respective *Peer* after controlling for the delayed reaction to the information disclosed in the earnings announcements of the conference call firm (β_2) and the momentum from the response to some news disclosed previously (β_3). For conciseness, we do not tabulate the results, but note that for both metrics, the coefficient of interest, β_1, is statistically significant, supporting the existence of information-driven co-movement during the conference call window. We deploy model (2) in the cross-sectional analysis discussed in section 4.3.2.

Overall, our evidence not only supports the existence of information transfer related to earnings conference calls, but also suggests that the effect is economically and statistically larger than the information transfer from the respective earnings announcement. These results complement extant research examining earnings announcement-related information transfer at the daily level, documenting that the effect derives primarily from the more expansive and detail-rich conference calls.

4.3.2 Effect of analyst and institutional investor overlap and analyst expertise on the intensity of information transfer from conference calls

To examine the effect of shared coverage by sell-side analyst put forth in hypothesis H2a we estimate Model (2) separately for subsamples with low and high degree of analyst overlap. We group the conference call firm-peer pairs into High (Low) analyst overlap subsamples conditioning on whether the number of shared analysts in a given quarter is more than one (only one).[19] We present the results in Panel A of Table 4. We estimate the model using OLS and cluster the standard errors by conference call. The estimated coefficient β_1, reported on the first line, which captures the conference call driven information transfer, is larger for the high overlap group for both signed and absolute normalized returns. Specifically, the coefficients for the absolute returns regression (columns I and II) are 0.0458 vs. 0.0283 and for the signed returns regression (columns VI and VII) are 0.0830 vs. 0.0477. The Chi-squared test of equivalence confirms that the estimated β_1 coefficients are statistically significantly different in the respective subsamples. The measure of delayed reaction to the earnings announcement information of the conference call firm, the coefficient β_2, is positive but of much smaller magnitude and statistical significance for all four columns. The measure of momentum trading, β_3, is large and positive (small and negative) for the absolute (signed) returns, but does not subsume the statistical significance of the conference call related information transfer captured by β_1.[20]

Next, we examine the effect of the sell-side analysts' level of industry expertise highlighted in hypothesis H2b. We estimate Model (2) separately for the subsample of firms which were covered by at least one analyst whose report included an industry recommendation in the 120 days

[19] We choose this definition since the majority of pairs share one sell-side analyst. This cut-off yields subsamples of 39 percent (61 percent) for the High (Low) analyst overlap groups.

[20] In untabulated analysis we examine whether our selected control variables are strong predictors of the overlap itself and find that to be the case. This supports the notion that the increase in transfer observed with greater analyst overlap in our multivariate analysis is due to analysts acting as information transfer channels, rather than due to greater underlying economic similarity of the two firms.

around the conference call date.[21] The absolute returns regression results are presented in column III of Panel A of Table 4 and are contrasted with the results from the subsample of firms which were not covered by analysts offering industry recommendations (column IV). The estimated coefficient, β_1, is 0.0446 for firms covered by "industry experts" vs. 0.0309 for firms which are not, and the difference is statistically significant. Using signed returns (columns VII and IX), we observe an economically and statistically significant difference of 0.0901 vs. 0.0489 for firms with and without coverage by an "industry expert," respectively. As before, the coefficients on the earnings announcement window metrics do not subsume the effect captured by β_1. Finally, we consider whether the effect of analyst overlap and analyst industry expertise is additive and estimate Model (2) for the subsample of firm pairs where both the conference call holding firm and its peer were covered by at least one shared sell-side analyst whose reports also included industry recommendations in the 120 days around the conference call date. This subsample contains less than 10 percent of overall firm pairs. We report the results for absolute and signed returns in columns V and X of Panel A of Table 4. The estimated β_1 coefficients are the highest among the examined specifications: 0.0683 and 0.1261, respectively. We interpret this finding as evidence that the two sell-side analyst effects act as complements.

To formally test hypothesis H2c, the effect of overlap in institutional investor ownership, we estimate Model (2) separately for the sample partitions with low and high investor overlap. We group the firm-peer pairs into High (Low) investor overlap subsamples relative to the calendar quarter median of the percentage of outstanding shares in the peer firm held by institutional investors also holding shares in the conference call firm.[22] We present the results in Panel B of

[21] See Kadan et al. (2012) for details on brokerage houses providing industry recommendations and other data notes.
[22] We find similar results if we define the partitioning variable relative to the percentage of shares of the conference call firm held by institutions which also own shares of the peer firm.

Table 4. We observe that for both the absolute and signed returns specification, β_1, which captures the conference call driven information transfer, is almost twice as large in the high relative to the low overlap subsample. Again, we note that the coefficients on the earnings announcement window metrics of both the announcing firm and the peer firm itself do not subsume the conference call window coefficient.

In untabulated analysis, we examine whether the two "overlap" effects are additive. In particular, we assign all firm pairs into one of four groups: High Analyst-High Institution (1), High Analyst-Low Institution (2), Low Analyst-High Institution (3), and Low Analyst-Low Institution (4) where the overlaps are defined as above. We examine the information transfer during conference calls separately for the four groups and observe a complementarity of the overlap effects. Specifically, the β_1 coefficients in the absolute returns specification are 0.0552, 0.0348, 0.0370, and 0.0224 respectively for groups 1, 2, 3, and 4. Similarly, the coefficients for the signed returns are 0.1031, 0.0584, 0.0624, and 0.0371 for groups 1, 2, 3, and 4 respectively.

4.3.3 Effect of reporting sequence on the information transfer from conference calls

To examine hypothesis H3a – effect of reporting sequence on information transfer – we estimate Models (1a) and (1b) separately for "Peer Leads" ("Peer Lags") firm pairs where the partition is based on whether the peer reported an earnings announcement between 30 and 2 days prior (2 and 30 days subsequent) to the conference call.[23] As expected, the two subsamples are of similar size. The first four columns of Panel A of Table 5 presents the results of the SUR estimation using absolute returns as a dependent variable for the Peer Leads and Peer Lags groups. The

[23] Recall that we exclude peers reporting within one day of the conference call. We limit this analysis to firm-peer pairs where both announcements take place within a "cluster" of releases, identified as announcements which took place within 15 days of the mean earnings announcement date for a group containing a firm and its peers (same definition as elsewhere in the paper) within a given calendar quarter.

coefficient of interest, β_1, is higher for the Peer Lags group, suggesting more information transfer to the peers that have not yet reported their own quarterly results (but are slated to do so within several days or weeks). Notably, β_1 is large both in terms of magnitude and statistical significance over the two windows even for firms in the Peer Leads group. In other words, both earnings announcements and conference calls contain information transferrable to peers which have recently released their own quarterly performance results. The relative information transfer in the conference call window, as compared to the earnings announcement window, is similar for both groups of firms, although conference calls are slightly more informative in instances of backward information transfer (ratio of conference call coefficient to earnings announcement coefficient of 2.82 vs. 2.63).

Next, we examine whether the earliest reporters in a conference call cluster exhibit information transfer intensity different from the other firms leading their peers. To this end, we re-estimate Models (1a) and (1b) for the subsample of conference calls where the firm was a first or second reporter within a peer cluster of earnings releases. The last two columns of Table 5 Panel A present the results for absolute returns. β_1, is slightly lower than the coefficient reported for the full Peer Lags group for both the earnings announcement and the conference calls windows (albeit still higher than the backward transfer of late reporters to those who preceded them). This evidence is in line with the notion in Thomas and Zhang (2008) that subsequent announcers reinforce the information provided by the early ones.

Panel B of Table 5 repeats the Peer Leads and Lags analysis with signed returns. Again, we observe that the coefficient of interest, β_1, is higher for the Peer Lags group for both earnings announcement and conference call windows but is economically and statistically significant even for transfer to firms that have recently released their own results. The relative information transfer

of conference calls vs. earnings announcements is again slightly higher for backwards information transfer. The last two columns of Panel B illustrate that while the earnings announcement window signed returns forward information transfer is the same for earliest announcers and other firms, the conference call information transfer is significantly smaller. In fact, the earnings announcement and conference call window transfers are statistically insignificantly different for this subsample. These results suggest that peers of the earliest announcers find earnings announcements themselves relatively more informative but rely more on conference calls for firms subsequently adding to the information mix.

4.3.4 Effect of competition and contagion on the information transfer from conference calls

To examine hypothesis H4 – effect of the extent of competition on the intensity and direction of information transfer – we estimate Model (2) separately for the subsets of true-peer, neutral, and rival firm pairs. The true-peer (rival) sample consists of firms where the historical pairwise Pearson correlation of sales growth between the conference call holding firm and the control firm is greater (less) than or equal to 0.25 (-0.25). This classification identifies significantly more firm-pairs as true-peers than as rivals. Table 6 presents the results of the information transfer absolute and signed returns SUR regressions separately for the two subsamples. We observe that the β_1, which captures the information transfer, is statistically significant for all specifications. We note that β_1 remains larger for the conference call window than for the earnings announcement for both subsamples and metric specifications. Somewhat surprisingly, we find that β_1 is positive for signed returns among rival firms. This suggests that despite the competitive nature of the relation, majority of the transferrable information within both earnings announcements and conference calls impacts the two firms in the same direction. The relative informativeness of the quarterly conference calls over the earnings announcements is slightly more pronounced among rival firms

in the absolute returns specification but is the same for the two subsamples in the signed returns specification.

5. Robustness and additional analysis

5.1 Alternative measures of information signal

In addition to the absolute stock returns, we consider three alternative non-directional measures of informativeness used in the literature: trading volume, stock price volatility, and price range (Karpoff 1986; Holthausen and Verrecchia 1990; Lee et al. 1994). Conceptually, these metrics capture aspects of market activity that may be different from those driving absolute stock return. Namely, while the absolute return can be interpreted as the amount of net information – the ability of the information signal to move the price, it may or may not be associated with large trading volume or a high degree of volatility among prices depending both on the disagreement among market participants and the timing of the information releases within the window of interest. The range, in turn, is an extreme-value variance estimator which captures the same aspect of disagreement as volatility but gives disproportionate weight to the extreme positions. The variables are defined as follows:

VOLATILITY = SDPRC / MEANPRC[24]
RANGE = (HIGHPRC – LOWPRC) / LOWPRC
VOLUME = Number of shares traded during the event window[25]

where

ENDPRICE = The price of the last trade during the event window
STARTPRICE = The price of the first trade during the event window
SDPRC = The standard deviation of price during the event window
MEANPRC = The mean price during the event window

[24] Following the extant literature (Bushee et al. 2003, 2004), we measure volatility as a coefficient of variation, a unit-free measure of variability obtained by scaling the standard deviation of prices (rather than of trade-to-trade returns) by the average price.

[25] Similar to prior research (e.g. Frankel et al. 1999), we use the total number of shares traded rather than a metric of turnover, such as share volume scaled by the shares outstanding. Any impact of cross-sectional variation in float is minimized by the normalization of the volume against a non-event window.

HIGHPRC = The highest stock price during the event window
LOWPRC = The lowest stock price during the event window

The earnings announcement metrics are calculated for the thirty-minute window starting with the opening of the stock exchange at 9:30 am EST after the overnight earnings release. We do not consider the after-hours trading for these metrics due to the lack of reliable data for the complete overnight period. Even in the absence of information events, the levels of these non-directional metrics are likely to have non-zero means and prior research suggests that there are days-of-the-week and intraday patterns of trading, which may cause these metrics to vary systematically (Jain and Joh 1988). For these reasons, we normalize the event window metrics by subtracting from each measure the respective average for the same window on the same trading day during the prior four weeks. In other words, the raw trading volume (volatility/range) during the conference call occurring on a Tuesday between 11:30 am EST and 12:30 pm EST will be adjusted by subtracting the mean of the trading volume (volatility/range) within the same one hour window on the four prior Tuesdays: days -7, -14, -21 and -28 from the conference call date. For the peer firms we exclude non-event days with earnings announcement releases. Thus, abnormal volume, volatility, and range metrics represent unusual levels of trading for a given firm-window: positive (negative) values imply greater (smaller) trading activity during conference calls or earnings announcement intraday windows than during comparable non-event windows for a given firm. Untabulated descriptive statistics confirm that, as expected, the means and medians of all metrics for conference call holding firms are significantly different from zero on both the earnings announcement and the conference calls windows. The mean abnormal metrics for peer firms are small and positive, suggesting they experience a slightly elevated level of trading activity over the two windows.[26]

[26] We note that the medians of some metrics are negative. A likely explanation for this is that while we exclude from the four non-event days of each peer firm the dates on which it released its own earnings announcements, we are not able to fully eliminate the effect of all information events during this "control" period.

Replicating the structure of our main results we estimate models (1a) and (1b) for the three non-directional metrics in Table 7. Because the variables are normalized relative to non-event period trading patterns, the coefficients β_1 represent the degree of commonality in trading activity above usual given the day of the week and time of day. Our inferences on the relative information transfer for the earnings announcement and conference call windows apply to the abnormal volatility and range metrics. Specifically, the coefficients on the earnings announcement and conference call window information transfer are respectively 0.0324 and 0.0681 for the abnormal volatility and 0.0276 and 0.0700 for the abnormal range, and the differences are statistically significant. This evidence suggests that despite the potential conceptual differences of the constructs discussed above, they capture a similar aspect of the trading activity in our setting. We observe somewhat different results for abnormal volume. While the β_1 coefficients are positive and statistically significant in both windows, the conference call coefficient is only 18 percent greater than the earnings announcement one and the coefficients are not statistically significantly different. The cross-sectional results reported in Tables 4 through 6 are, for most part, similarly unaffected with usage of alternative non-directional metrics (untabulated).

5.2 Placebo tests

While our research design is geared toward isolating the information transfer associated with earnings announcements and conference calls, endogeneity remains a concern. To this end, we deploy a falsification test, identifying a setting where the examined covariance in measures of information signal should be muted. Specifically, we redefine our firm-peer groups substituting the conference call firm for a firm which holds a conference call during the same day and time of the day, but belongs to a different industry. More so, we limit the peer group to firms which do not have an overlap in sell-side analyst coverage. Thus, each conference call firm is matched over the

same earnings announcement and conference call window to a set of peers which do not belong to the same industry, are not jointly covered by the same analyst, and are expected to be responding to the earnings announcement and conference call information of some other firm. Because our research design should capture information transfer induced by the conference calls, we expect the coefficients of interest to decline and converge to zero.[27]

Table 8 replicates the main information transfer analysis for the absolute and signed return metrics. We note that the coefficient of interest, β_1, remains positive, however the estimates are much smaller than those reported in Table 3. In particular, the coefficient for the absolute (signed) returns specification is reduced from 0.0137 to 0.0026 (from 0.0362 to 0.0037) on the earnings announcement window and from 0.0380 to 0.0128 (from 0.0605 to 0.0094) on the conference call window. These results add credence to our findings.

A second concern is a systematically higher covariance of information signal measures during any given hour within the trading day than during the window spanning the overnight activity and the first thirty minutes of the trading day. To examine this possibility, we carry out our main analysis of both conference call and earnings announcement windows on non-event days. Specifically, for each set of conference call holdings firm and its peers we obtain the return metrics for the appropriate conference call and earnings announcement windows 28 days prior to the actual event.[28] We exclude peers which had their own earnings announcements within a day of the non-event date. We replicate Table 3 on these non-event windows (untabulated) and observe that the covariance during the pseudo-conference-call window is not systematically higher than the

[27] To the extent that our variables of interest retain some time-of-the-day effect or a macro component, the estimated coefficients will not equal zero.

[28] Namely, for a conference call held at 11 am on Wednesday July 27 we define a pseudo-conference-call window as starting from 11 am and ending at 12 pm on June 29 and the pseudo-earnings-announcement window as starting from 4 pm on June 28 and ending at 10 am on June 29. All return variables are normalized by subtracting out the return of the S&P500 ETF over the same window.

covariance during the pseudo-earnings-announcement window. Namely, while the conference call window coefficient is 178 (67) percent greater than the earnings announcement window coefficient on the event date for absolute (signed) returns, it is 4.4 (29) percent smaller on the non-event windows.[29]

5.3 Presentation and Q&A components

We examine whether our findings differ between the presentation and the Q&A portion of the conference call. Matsumoto et al. (2011) find that both segments have incremental information content for the announcing firm, however the Q&A is relatively more informative, particularly for firms with greater analyst coverage. Because macroeconomic and industry-wide transferrable information is likely to be present in both sections we do not have a directional prediction on the relative magnitude of information transfers. We estimate the length of the presentation and the Q&A portion on the basis of the number of words in the respective part of the transcript.[30] The mean and the median of the presentation (Q&A) section are both around 20 (28) minutes. The first thing we observe in untabulated analysis is that using the estimated total duration of the call yields similar results as using the estimate of 60 minutes adapted for uniformity in the rest of the paper. Replicating the main results in Table 3, we observe that the coefficient of interest, β_1, is positive and statistically significantly greater than the coefficient for the earnings announcement window for both the presentation and the Q&A portion of the call. In the absolute returns specification the coefficient of the presentation section is about 40% higher than the coefficient of the Q&A section,

[29] It is worth noting that on non-event days the means/medians of returns are significantly lower and the covariances are significantly higher than on event days for both conference call and earnings announcement windows. These results are in line with expectations, as only shared market and industry-wide information would be expected to move both conference call and peer firms' prices on non-event days.

[30] We estimate a simple model of predicting the duration based on the number of words separately for presentation and Q&A sections using a small sample of calls in 2014. We limit the analysis in this section to 98 percent of conference calls with presentation (Q&A) sections estimated to last between 6 (7) and 46 (59) minutes. Our estimated average durations are comparable to those reported in Matsumoto et al. (2011).

and in the signed returns specification the two coefficients are almost identical.[31] Replicating our other analyses on presentation and Q&A portions separately we observe that all documented mechanisms appear to be significant in both parts of the call.

5.4 What drives the information transfer?

We extend our analysis by examining a set of conference call attributes that may contribute to the observed information transfer. Prior research provides evidence that various conference call characteristics correlate with contemporaneous and subsequent returns and volatility of the disclosing firm. For example Davis et al. (2011) and Price et al. (2012) illustrate the role of tone, while others explore the extent of quantitative information, forward-looking discussion, financial information, and linguistic complexity. We examine the following conference call characteristics in the information transfer setting: forward looking focus, tone and absolute tone, extent of macroeconomic, industry-specific and general operations discussion, and explicit references to the peer firm. To create the dictionary of macroeconomic and general operations terms we codify the most common 4,000 words from the Loughran & McDonald 10-K list into seven categories, including the two aforementioned.[32] The macroeconomic (general operations) dictionary contains about 200 (500) terms including words such as "competition" and "regulation" ("expansion" and "products"). To create industry-specific dictionaries we follow a bottom-up approach by calculating the pooled frequencies of all words appearing in transcripts by GICS group and codifying a word as industry-specific if its rank within a group is significantly higher than its rank within the overall sample. The forward looking variable and the three content variables are

[31] The similarity of findings for presentation and Q&A sections have been observed in other conference call literature such as Larcker and Zakolyukina (2012).

[32] The codification was done independently by two readers and any differences in classification were reviewed by a third reader and reclassified. The list of macroeconomic terms was also augmented by an ad-hoc list of less frequent but unambiguously macroeconomic terms (such as "congress").

calculated as a percentage of total words in the transcript or in the respective section.[33]

To conduct the analysis, we modify Model 1(a) substituting the conference call firm's return metrics with the vector of characteristics described above. Panel A of Table 9 presents the results of regressing peer firm's absolute returns over the one hour window on conference call characteristics and controls. We observe that explicit mentions of a peer (a binary variable), the percent of forward looking words, and the absolute tone (a proxy for strength of expression) are significantly positively associated with the peer's absolute returns. Partitioning between true-peers and rivals, we observe that the absolute tone and peer mention (forward looking) effect is stronger for true-peers (rivals). Surprisingly, the three content variables are either positive but insignificant or negative on both the pooled sample and the two subsamples. The expected positive significant coefficient is observed only on the macroeconomic-presentation variable for the rival subsample. In untabulated analysis, we aggregate the three content variables into the one "actionable discussion" variable and observe persistently negative, marginally significant coefficients. For signed returns (Panel B of Table 9), we note that only the peer-mentions are statistically significant in the pooled specification. Within the two subsamples a number of variables are significant at about 20%: for true-peers the industry (operations) discussion within the presentation is positive in cases of good (bad) news and forward looking discussion is positive for bad news. For rival firms, macroeconomic presentation and industry-specific Q&A discussion is positive for good news while tone is negative for bad. In untabulated analysis the aggregated "actionable discussion" presentation variable is positive and significant at 20% on the pooled sample while the Q&A variable is not significant. While analysis based on linguistic classifications is associated with non-trivial challenges and the results are mixed, we believe that it provides an important layer of detail.

[33] Where total words exclude 100 "empty" words identified by frequency (such as "the", "be", "and", etc.).

6. Conclusion

Using intraday data, we examine the intra-industry information transfer related to conference calls. Specifically, we identify a large sample of firms which announce earnings after trading hours and hold a conference call during the next business day, allowing us to isolate the two effects. We document a statistically and economically significant co-movement in absolute and signed returns between the conference call firm and its non-announcing industry peers during the conference call window. Importantly, we find that the magnitude of the returns co-movement is much larger during the conference call window than the respective earnings announcement window. The information transfer elicited by conference calls is material for both peer firms that are yet to announce and those that have already announced financial results for the period, and is evident for both true-peers and rivals as identified with historical sales growth correlation. Conjecturing that shared analyst base and institutional ownership are likely mechanisms facilitating this information transfer, we document that the effect is significantly larger when the firms are jointly covered by multiple sell-side analysts and when a larger portion of shares of the announcing firm and its peers are owned by the same set of institutional investors. Additionally, we observe that coverage by an analyst with greater industry expertise increases information transfer. All three mechanism effects are complementary. In additional analysis, we extend our results with similar findings for trading volume, stock price volatility, and stock price range. We also observe that the documented comovement and the mechanisms facilitating it are significant in both the presentation and the question and answer portion of the call. Lastly, we provide early stage evidence on specific conference call characteristics that affect the documented information transfer. Our results contribute to both the information transfer and conference calls streams of research and should be of interest to academics and practitioners.

Appendix A: Variable Definitions

Capital Market Variables

EA Ret	=	The raw return is calculated as the stock price at 10 am after the overnight release of the earnings announcement divided by the prior business day closing stock price minus 1. It is normalized by subtracting out the return of the S&P500 ETF over the same window.
Abs EA Ret	=	The absolute of the raw return (calculated as the stock price at 10am after the overnight release of the earnings announcement divided by the prior business day closing stock price minus 1 less the return of the S&P500 ETF over the same window).
Abn EA Volume	=	The total number of shares traded between 9:30 am and 10:00 am after the overnight release of the earnings announcement minus the average of the total number of shares traded between 9:30 am and 10:00 am in four of the prior same weekdays.
Abn EA Volatility	=	The standard deviation of prices between 9:30 am and 10:00 am after the overnight release of the earnings announcement, scaled by the mean price in that window, minus the average of the standard deviation of prices between 9:30 am and 10:00 am, scaled by mean price, in four of the prior same weekdays.
Abn EA Range	=	The difference between the highest and the lowest stock price between 9:30 am and 10:00 am after the overnight release of the earnings announcement, scaled by the lowest price in that window, minus the average of the difference between the highest and the lowest stock price between 9:30 am and 10:00 am, scaled by the lowest price, in four of the prior same weekdays.
CC Ret	=	Same as EA Ret above but calculated for one hour from the start of the conference call.
Abs CC Ret	=	Same as Abs EA Ret above but calculated for one hour from the start of the conference call.
Abn CC Volume	=	Same as Abn EA Volume above, but calculated for one hour from the start of the conference call.
Abn CC Volatility	=	Same as Abn EA Volatility above, but calculated for one hour from the start of the conference call.
Abn CC Range	=	Same as Abn EA Range above, but calculated for one hour from the start of the conference call.

The addition of "Peer" to a variable name indicates that the variable is measured for the peer firm, as opposed to the conference call holding firm.

Mechanism and Control Variables

Ln(MVE)	=	Natural log of the market value of equity for the firm at the end of the fiscal quarter.

BM	=	Book to market value of equity for the firm at the end of the fiscal quarter.
# Analysts	=	The number of individual earnings forecasts for the quarter as reported by I/B/E/S.
% Inst Ownership	=	Percentage shares held by institutional investors.
Analysts' FE	=	The difference between the reported earnings per share and the latest median consensus forecast for the quarter as reported by I/B/E/S.
# Overlapping Analysts	=	The number of sell side analysts providing forecast for both the conference call firm and the respective peer.
Industry Expert	=	Indicates coverage by an analyst whose reports include an industry-level recommendation.
% Inst Overlap	=	The percentage of the peer's shares held by institutions, which also hold shares of the conference call firm.
Analysts' FE	=	I/B/E/S actual minus latest consensus median consensus forecast.
Abs Return Corr	=	The pairwise Pearson correlation of absolute daily returns between the conference call holding firm and peer in days -70 through -11 before the conference call date.
Return Corr	=	The pairwise Pearson correlation of daily returns between the conference call holding firm and peer in days -70 through -11 before the conference call date.

Conference Call Transcript Variables

% FWD	=	Number of forward-looking words divided by the total number of "non-empty" words in the conference call transcript.
% Industry Pres	=	Number of industry words divided by the total number of "non-empty" words in the presentation portion transcript. (bottom-up classification)
% Industry Q&A	=	Number of industry words divided by the total number of "non-empty" words in the Q&A portion of transcript. (bottom-up classification)
% Macro Pres	=	Number of macro words divided by the total number of "non-empty" words in the presentation portion transcript. (top-down classification)
% Macro Q&A	=	Number of macro words divided by the total number of "non-empty" words in the Q&A portion of transcript. (top-down classification)
% Oper Pres	=	Number of operations words divided by the total number of "non-empty" words in the presentation portion transcript. (top-down classification)
% Oper Q&A	=	Number of operations words divided by the total number of "non-empty" words in the Q&A portion of transcript. (top-down classification)
Peer_Mentions	=	An indicator variable set to 1 if the peer is mentioned by name during the announcing firm's conference call.
Tone	=	Number of positive minus the number of negative words divided by the sum of the positive and negative words in the conference call transcript.
Abs Tone	=	Absolute value of Tone.

Appendix B: Sample Construction

Panel A: Conference Call Observations	Firm-Quarters
US, non-ADR, earnings related conference calls	94,134
Less observations **not** meeting the following timing of call and earnings release requirements:	
-- Conference call takes place during trading hours	(46,406)
-- Conference call starts between 10am and 2:30pm	(2,942)
-- Firm-quarter can be matched to the I/B/E/S to obtain date and time of the earnings release (and has non-missing actual and forecast data)	(8,293)
-- The earnings were released between 4 pm on prior day and 9:30 am on conference call day	(4,308)
Subtotal of calls held between 10 am and 2:30 pm with the preceding overnight earnings release	32,185
Less firm-quarter observations not meeting the following data availability requirements:	
-- Conference call and the preceding trading day information are non-missing in CRSP	(2,047)
-- Earnings release and conference call windows have non-missing trades data in TAQ for the event date and at least one of the four non-event dates	(2,407)
Subtotal of conference call holding firm-quarters meeting all the requirements	27,731
-- Less firm-quarters with no valid peer firm-quarters (analyst overlap and ggroup match)	(8,047)
-- Less firm-quarters with price <$1 and <5 trades in each window of interest	(501)
-- Less firm-quarters before 2002 or missing other relevant firm, ownership or return correlation data	(465)
Final sample of conference call holding firm-quarters with at least one peer	18,718

Panel B: Peer Observations	
Firm-quarters with at least 1 shared analyst with the final firm-quarter conference call sample	1,114,894
Less firm-quarters not meeting the following requirements:	
-- Firm-quarter can be matched to I/B/E/S and must have an earnings release within 100 days	(159,121)
-- Event day and the preceding trading day information are non-missing in CRSP	(101,484)
-- Earnings release and conference call windows have non-missing trades data in TAQ for the event date and at least one of the four non-event dates	(70,874)
Subtotal of potential peer firm-quarters	783,415
-- Less peer firms with an earnings release within 1 day of conference call date	(105,065)
-- Less peer firms not in the same ggroup	(323,187)
-- Less peer firm-quarters with price <$1 and <5 trades in each window of interest	(18,489)
-- Less peer firm-quarters before 2002 or missing other relevant firm or return correlation data	(6,122)
Final sample of peer firm quarters	330,552

Appendix C: Conference Call Transcript Examples

The following are excerpts from select conference calls held in the first calendar quarter of 2014 which are likely to contain varied information relevant to peers of the conference call holding firm.

Q4 2013 Hilton Worldwide Holdings Inc Earnings Conference Call - 27 February 2014

ANALYST: … Earlier you painted a generally optimistic picture for net unit growth. Can you talk about the mood in the hotel development community, specifically in China right now? …

CHRIS NASSETTA: … And what we see so far in China in the beginning of this year, and we just had our investment committee meeting in the last couple of weeks where we review all the deals we're doing, it feels -- it still feels pretty good … I think there's no question that full service and luxury we still have pretty good momentum in China, but the pace at which the new development is getting done I think in the market generally at the higher end of the business has slowed somewhat. And I think it's picking up in the mid-scale segments of the business…

Q1 2014 Visa Inc. Earnings Conference Call - 30 January 2014

CHARLES SCHARF: Let me just switch topics for a second and just talk for a second about V.me … We are pleased that the work is now coming to market with the first phase of our redesigned platform released last week providing merchants with faster integration and easier time to market. I can share now that Joseph Bank, Ticketmaster , AutoZone , Petco will be some of the first merchants to go live with V.me through this new simplified integration…

Q1 2014 Lennar Corporation Earnings Conference Call - 20 March 2014

ANALYST: … It seems to me the biggest hurdle is regulatory uncertainties, so maybe what specifically are you doing and maybe a little bit about what the industry is doing …

STUART MILLER: … I know that we've seen some initial readings from the Senate's, I guess, finance committee or banking committee that's already approved GSE reform in a sense, but it's a long way until those reforms are adopted by both Houses of Congress and actually moved forward. A lot of people think that there might not be much movement this year and maybe not for a couple years, we'll have to wait and see. What we have seen though in the field is that at the margins credit has been reverting to more normalized levels in a very slow kind of orderly fashion…

Q1 2014 Spectrum Brands Holdings Inc Earnings Conference Call - 29 January 2014

ANALYST: … I have a question on the competitor discounting in the small appliances segment. How are you thinking about, going forward, responding to that discounting? And how is that -- I guess, can you give a little bit of color on how that is potentially impacting the product introductions that you are planning in that platform over the course of the year?

DAVE LUMLEY: … There is primarily one competitor that has taken their prices down dramatically. And they will get some unit sales from that, but we have been down that road two years ago. They are almost -- be in position now like the private-label pricing, which is always in this business, the small appliances. Why we are bringing out new products -- so first part is, I don't think that is sustainable. Two, we have a whole breadth of product line through Black & Decker, George Foreman, where we have different price points. And we're ready for it. But more importantly, our new products are priced higher than these very low prices that you are seeing in the market price, with much better products…

Q3 2014 Oracle Earnings Conference Call - 18 March 2014

ANALYST: … If you look at the IBM numbers, they are declining quite significantly. You mentioned some of the drivers already. Can you go a little bit deeper in there? And also how you see that -- we've been

waiting for a turnaround in hardware for a while. Now, all the things that you're talking are coming through. Is that something sustainable, and how do you see that playing out against the competition going forward?

MARK HURD: … Our T-systems, our network attach storage or ZFS storage and our engineered systems are now almost 70% of our revenue, and all three of those are growing and they are gaining share. So, is it sustainable? Listen, I can't predict the macro, but I can predict we will continue to gain share. And to add to Larry's point, we just don't compete with the server vendors. We actually do a lot of other things than just compete with an IBM. We compete with EMC, frankly, when we get into those environments because we radically change our customer's storage requirements. If our customer's got a petabyte of storage, we know how to compress that data with Exadata …

Q4 2013 Moody's Corporation Earnings Conference Call - 7 February 2014

RAY MCDANIEL: … I will conclude this morning's prepared remarks by discussing our full-year guidance for 2014. Moody's outlook for 2014 is based on assumptions about many macroeconomic and capital market factors including interest rates, corporate profitability, business investment spending, mergers and acquisition activity, consumer borrowing and securitization and the amount of debt issued… Corporate finance and public, project and infrastructure finance revenues are both projected to grow in the high single-digit percent range. Revenue from structured finance is expected to grow in the low single-digit percent range while revenue from financial institutions is expected to grow in the mid-single-digit range… Revenue from research, data and analytics is projected to grow in the high single-digit percent range while revenue for enterprise risk solutions is projected to grow in the low teens percent range…

Q3 2014 General Mills, Inc. Earnings Conference Call - 19 March 2014

DON MULLIGAN: … As we noted in our preliminary release last week, several factors restrained our third-quarter operating performance. Severe winter weather resulted in weak sales trends across the food industry and our categories…

ANALYST: … Could you just talk about what you are seeing with the weather and exactly what you meant by that?

KEN POWELL: … as the weather improves we are seeing those categories recover. Just in terms of the nature of the weather impact, basically on our side it really disrupted plant operations and logistics… on the retail side, we will let the retailers give you all the detail there, but I think basically it is just fewer trips for all the obvious reasons - fewer trips to restaurants and then of course in schools and universities which were closed they're just serving fewer meals in cafeterias and those sales are clearly lost.

Q3 2014 John Wiley & Sons Earnings Conference Call - 11 March 2014

ANALYST: … Would it be fair to say that there's not really been any change in the overall market? That the structural concerns that people had about open access haven't really come through? That you've still got moderate price inflation in the US, and you've got good growth in the US…? Second of all… It certainly seems, perhaps, a more reassuring message than what we've heard, for example, a few weeks back, that was suggesting that 2014 is going to be a very difficult year. Is there anything in the mix of your businesses that insulates you, perhaps, from some of the issues that they're facing?

STEVE SMITH: Your first question, on journals. I think, it's certainly true to say that our journal business remains stable and robust. And although we saw some challenges, particularly in Europe, related mostly to budgeted concerns rather than structural issues relating to open access, particularly after the last economic downturn, the demand remains really strong for the content…

There is still, I think, some confusion in the market for print books around blurring of channels, particularly with the development of rental. But I do feel that we've seen much of the disruption that we're going to get from rental. It's still a challenging marketplace in 2014. We certainly know, from looking at market data, that Wiley continues to win market share in the US.

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Table 1: Descriptive Statistics

Conference Call Firms

	# Obs.	Mean	(p-value)	Q1	Median	Q3	StDev
Ln(MVE)	18,718	7.268	(0.000)	6.259	7.189	8.125	1.419
BM	18,718	0.558	(0.000)	0.298	0.477	0.718	0.418
# Analysts	18,718	8.084	(0.000)	4.000	7.000	11.00	5.398
% Inst Ownership	18,718	0.719	(0.000)	0.579	0.753	0.887	0.232
Analysts' FE	18,718	0.014	(0.000)	-0.020	0.010	0.060	0.164
EA Ret	18,713	0.003	(0.000)	-0.022	0.001	0.026	0.053
Abs EA Ret	18,713	0.038	(0.000)	0.010	0.024	0.052	0.039
CC Ret	18,718	0.000	(0.875)	-0.008	-0.000	0.008	0.019
Abs CC Ret	18,718	0.013	(0.000)	0.003	0.008	0.017	0.015

Peer Firms

	# Obs.	Mean	(p-value)	Q1	Median	Q3	StDev
Ln(MVE)	330,552	7.697	(0.000)	6.599	7.583	8.710	1.531
BM	330,552	0.560	(0.000)	0.301	0.477	0.712	0.406
# Analysts Overlap	330,552	1.966	(0.000)	1.000	1.000	2.000	1.800
% Inst Ownership Overlap	309,360	0.406	(0.000)	0.284	0.405	0.527	0.177
Return Corr	330,552	0.460	(0.000)	0.296	0.478	0.643	0.234
Abs Return Corr	330,552	0.253	(0.000)	0.073	0.240	0.425	0.238
EA Ret	330,515	-0.000	(0.000)	-0.007	-0.000	0.006	0.014
Abs EA Ret	330,515	0.010	(0.000)	0.003	0.006	0.013	0.011
CC Ret	330,552	-0.000	(0.000)	-0.004	-0.000	0.004	0.009
Abs CC Ret	330,552	0.006	(0.000)	0.002	0.004	0.008	0.007

All continuous variables are winsorized at 1% and 99%. All variables are defined in Appendix I. The "p-value" column presents the p-value of a t test for equivalence to zero of the mean.

Table 2: Correlation Matrix

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) EA Ret	-	0.067	0.142	0.007	-0.018	-0.019	0.006	0.013
		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
(2) Abs EA Ret	0.074	-	0.011	0.126	-0.008	0.242	0.001	0.106
	(0.00)		(0.00)	(0.00)	(0.00)	(0.00)	(0.80)	(0.00)
(3) EA Ret Peer	0.130	0.021	-	-0.029	-0.005	-0.000	-0.019	0.009
	(0.00)	(0.00)		(0.00)	(0.00)	(0.84)	(0.00)	(0.00)
(4) Abs EA Ret Peer	0.020	0.133	0.066	-	0.002	0.101	-0.005	0.219
	(0.00)	(0.00)	(0.00)		(0.22)	(0.00)	(0.00)	(0.00)
(5) CC Ret	-0.039	0.004	-0.003	0.002	-	-0.012	0.139	-0.008
	(0.00)	(0.03)	(0.09)	(0.24)		(0.00)	(0.00)	(0.00)
(6) Abs CC Ret	-0.046	0.263	0.007	0.110	0.010	-	-0.006	0.147
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)		(0.00)	(0.00)
(7) CC Ret Peer	0.009	0.004	-0.012	-0.006	0.130	-0.007	-	-0.015
	(0.51)	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)		(0.00)
(8) Abs CC Ret Peer	0.014	0.118	0.024	0.293	-0.005	0.157	-0.025	-
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	

Pearson (Spearman) correlations are below (above) the diagonal. p-values are reported in brackets below the coefficients. All continuous variables are winsorized at 1% and 99%. All variables are as defined in Appendix I.

Table 3: Relation between Announcing and Peer Firms' Absolute and Signed Returns around Earnings Announcements and Conference Calls

	Dependent Variable = Peer's Metric			
Metric =	**Abs Returns**		**Signed Returns**	
	EA	**CC**	**EA**	**CC**
Metric	0.0137	0.0380	0.0362	0.0605
	(10.00)	(15.35)	(21.52)	(21.65)
Ln(MVE)	0.0001	0.0000	-0.0000	-0.0000
	(1.98)	(1.03)	(-0.31)	(-0.68)
BM	-0.0000	-0.0001	0.0006	-0.0000
	(-0.33)	(-0.78)	(2.46)	(-0.02)
Ln(MVE)_Peer	-0.0008	-0.0007	-0.0000	0.0000
	(-47.06)	(-71.15)	(-0.22)	(2.48)
BM_Peer	0.0023	0.0012	0.0008	-0.0001
	(20.45)	(21.65)	(5.26)	(-1.35)
# Analysts	0.0000	0.0000	0.0000	-0.0000
	(2.55)	(3.77)	(0.74)	(-0.04)
% Inst Ownership	0.0002	0.0004	-0.0001	-0.0002
	(0.96)	(3.52)	(-0.30)	(-0.95)
Abs(Analyst FE)	0.0008	0.0002	0.0001	0.0001
	(3.00)	(1.70)	(0.27)	(0.47)
(Abs) Return Corr	0.0008	0.0002	-0.0003	0.0004
	(5.06)	(2.19)	(-0.94)	(2.56)
Time FE	*Included*	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*	*Included*
Adj. R^2	13.61%	15.16%	2.05%	1.92%
# Observations	325,087		325,087	
CC Metric / EA Metric	2.7768		1.6701	
CC Metric = EA Metric	$p < 0.000$		$p < 0.000$	

The models are fit using a SUR estimator. The standard errors are clustered by conference call. The Adj. R^2 reflects the fit under an OLS. All continuous variables are winsorized at 1% and 99%. *Metric* takes the value of the respective announcing firm's metric. (Abs) Return Corr is the historical correlation between the conference call and peer firm's absolute or signed raw returns in the absolute and signed returns specifications, respectively. All other variables are defined in Appendix I. The sample excludes peer firms announcing on the same day as the conference call firm. Z-statistics are reported in brackets below the coefficients. The "CC Metric = EA Metric" row reports the p-values of a Chi^2 test of equivalence of the respective coefficients.

Table 4: Conference Call Information Transfer Intermediaries
Panel A: Analyst Overlap and Industry Expertise

	Dependent Variable = Peer's Metric									
Metric =	**Absolute Returns**					**Signed Returns**				
	High Overlap	**Low Overlap**	**Industry Expert**	**No Industry Expert**	**Industry Expert Overlap**	**High Overlap**	**Low Overlap**	**Industry Expert**	**No Industry Expert**	**Industry Expert Overlap**
	I	II	III	IV	V	VI	VII	VIII	IX	X
CC Metric	0.0458	0.0283	0.0446	0.0309	0.0683	0.0830	0.0477	0.0901	0.0489	0.1261
	(13.62)	(11.05)	(10.17)	(9.22)	(8.66)	(20.92)	(17.46)	(18.00)	(13.07)	(15.92)
EA Metric	0.0021	0.0011	0.0033	0.0011	0.0013	0.0043	0.0015	0.0038	0.0020	0.0063
	(1.97)	(1.51)	(2.34)	(1.22)	(0.54)	(3.38)	(1.79)	(2.31)	(1.81)	(2.32)
EA Metric Peer	0.0950	0.1070	0.1007	0.1029	0.0941	-0.0043	-0.0111	-0.0072	-0.0101	-0.0029
	(29.69)	(47.40)	(30.80)	(36.14)	(15.91)	(-1.07)	(-3.86)	(-1.63)	(-2.65)	(-0.38)
Ln(MVE)	0.0001	0.0000	0.0000	0.0001	0.0000	-0.0000	-0.0000	-0.0000	-0.0000	-0.0000
	(1.54)	(0.68)	(1.00)	(1.48)	(0.68)	(-0.68)	(-0.48)	(-0.64)	(-0.56)	(-0.25)
BM	-0.0001	-0.0000	-0.0001	-0.0000	-0.0001	-0.0001	0.0000	0.0001	-0.0001	0.0008
	(-1.12)	(-0.19)	(-0.48)	(-0.09)	(-0.65)	(-0.56)	(0.27)	(0.49)	(-0.60)	(2.27)
Ln(MVE)_Peer	-0.0006	-0.0007	-0.0006	-0.0006	-0.0005	0.0000	0.0000	0.0001	0.0000	0.0000
	(-38.85)	(-55.69)	(-38.22)	(-46.06)	(-14.87)	(1.99)	(1.88)	(2.75)	(1.00)	(0.56)
BM_Peer	0.0012	0.0009	0.0010	0.0010	0.0018	-0.0001	-0.0001	-0.0003	-0.0001	-0.0004
	(13.89)	(14.75)	(10.78)	(13.92)	(8.35)	(-1.15)	(-0.75)	(-1.94)	(-0.58)	(-1.37)
# Analysts	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0000	0.0000	0.0000	0.0000	0.0000
	(2.50)	(3.09)	(2.44)	(1.99)	(2.11)	(-0.26)	(0.34)	(0.48)	(0.57)	(0.13)
% Inst Ownership	0.0007	0.0002	0.0006	0.0003	0.0010	-0.0001	-0.0002	-0.0004	-0.0001	-0.0007
	(4.58)	(1.55)	(3.01)	(2.20)	(2.96)	(-0.32)	(-1.28)	(-1.03)	(-0.32)	(-1.28)
Abs(Analyst FE)	0.0002	0.0000	-0.0001	0.0002	-0.0004	-0.0003	0.0005	0.0004	-0.0002	-0.0001
	(1.03)	(0.27)	(-0.39)	(1.22)	(-1.02)	(-0.92)	(1.83)	(1.02)	(-0.57)	(-0.23)
(Abs) Return Corr	0.0001	0.0001	0.0003	0.0000	0.0005	0.0001	0.0006	0.0001	0.0004	-0.0001
	(0.77)	(0.78)	(2.40)	(0.08)	(2.11)	(0.44)	(3.64)	(0.24)	(2.08)	(-0.13)
Time FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
# Observations	125,260	199,790	119,992	168,366	25,329	125,260	199,790	119,992	168,366	25,329
Adj. R^2	18.83%	17.40%	19.08%	17.36%	22.47%	3.45%	1.35%	3.51%	1.61%	7.07%

High Ov / Low Ov	1.6223			1.7393		
High Ov=Low Ov	p < 0.000			p < 0.000		
Expert / No Expert		1.4454			1.8434	
Expert=No Expert		p < 0.013			p < 0.000	

The models are fit using OLS and the errors are clustered by conference call. All continuous variables are winsorized at 1% and 99%. The sample excludes peer firms announcing on the same day as the conference call firm. T-statistics are reported in brackets below the coefficients. The "High = Low" row reports the p-values of a Chi^2 test of the equivalence of the *CC Metric* estimated coefficients in the respective partition. *Metric* is absolute and signed normalized returns, respectively. "High Overlap" ("Low Overlap") indicates that more than one (one) analyst covered the conference call and peer firm during the period. "Industry Expert" ("No Industry Expert") indicates that the conference call holding firm was (was not) followed by at least one analyst whose reports included industry recommendations in the 120 days around the conference call date. The "Industry Expert Overlap" sample includes conference call holding firm-peer pair with at least one overlapping analyst whose reports included industry recommendations in the 120 days around the conference call date. (Abs) Return Corr is the historical correlation between the conference call and peer firm's absolute or signed raw returns in the absolute and signed returns specifications, respectively. All other variables are defined in Appendix I.

Panel B: Institutional Ownership Overlap

	Dependent Variable = Peer's Metric			
Metric =	**Abs Returns**		**Signed Returns**	
	High	**Low**	**High**	**Low**
CC Metric	0.0449	0.0265	0.0802	0.0439
	(12.14)	(11.36)	(20.33)	(15.17)
EA Metric	0.0015	0.0013	0.0038	0.0013
	(1.58)	(1.53)	(3.31)	(1.33)
EA Metric Peer	0.0954	0.1071	-0.0055	-0.0103
	(33.83)	(40.63)	(-1.55)	(-3.03)
Ln(MVE)	0.0001	-0.0000	-0.0001	-0.0000
	(2.85)	(-1.47)	(-1.15)	(-0.30)
BM	-0.0001	-0.0000	0.0000	-0.0000
	(-0.93)	(-0.46)	(0.27)	(-0.28)
Ln(MVE)_Peer	-0.0006	-0.0007	0.0000	0.0000
	(-40.32)	(-52.50)	(1.44)	(1.87)
BM_Peer	0.0011	0.0009	-0.0001	-0.0001
	(14.65)	(13.80)	(-0.89)	(-0.83)
# Analysts	0.0000	0.0000	0.0000	-0.0000
	(0.92)	(4.70)	(0.64)	(-0.80)
% Inst Ownership	0.0001	0.0005	-0.0003	-0.0002
	(0.42)	(3.86)	(-1.09)	(-0.98)
Abs(Analyst FE)	0.0002	-0.0000	0.0001	0.0000
	(1.07)	(-0.07)	(0.41)	(0.01)
(Abs) Return Corr	-0.0000	0.0000	0.0003	0.0006
	(-0.22)	(0.04)	(1.39)	(2.93)
Time FE	*Included*	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*	*Included*
# Observations	157,037	151,911	157,037	151,911
Adj. R^2	17.73%	18.36%	3.15%	1.16%
High / Low	1.6931		1.8275	
High = Low	$p < 0.000$		$p < 0.000$	

The models are fit using OLS and the errors are clustered by conference call. All continuous variables are winsorized at 1% and 99%. The sample excludes peer firms announcing on the same day as the conference call firm. T-statistics are reported in brackets below the coefficients. The "High = Low" row reports the p-values of a Chi^2 test of the equivalence of the *CC Metric* estimated coefficients in the respective partition. *Metric* is absolute and signed normalized returns, respectively. "High" ("Low") indicates that the overlap between the percentage of shares held by institutional investors of the peer and conference call firms is above (below) the median for the year-quarter. (Abs) Return Corr is the historical correlation between the conference call and peer firm's absolute or signed raw returns in the absolute and signed returns specifications, respectively. All other variables are defined in Appendix I.

Table 5: Relation between Announcing and Peer Firms' Returns as a Function of Reporting Sequence
Panel A: Absolute Returns

	Dependent Variable = Peer's Abs Returns					
	Peer Leads		Peer Lags		Peer Lags – First Reporters	
	EA	CC	EA	CC	EA	CC
Abs Returns	0.0121	0.0341	0.0192	0.0506	0.0168	0.0414
	(5.87)	(12.29)	(8.07)	(11.90)	(4.62)	(5.83)
Ln(MVE)	0.0001	-0.0000	0.0000	0.0001	0.0000	-0.0000
	(2.09)	(-0.35)	(0.69)	(1.74)	(0.22)	(-0.23)
BM	-0.0002	-0.0002	-0.0002	0.0001	0.0001	0.0004
	(-0.90)	(-2.19)	(-0.84)	(1.05)	(0.15)	(1.61)
Ln(MVE)_Peer	-0.0008	-0.0006	-0.0007	-0.0007	-0.0007	-0.0008
	(-27.89)	(-39.51)	(-20.20)	(-36.21)	(-11.63)	(-22.99)
BM_Peer	0.0030	0.0017	0.0022	0.0012	0.0022	0.0010
	(17.26)	(17.51)	(11.68)	(12.38)	(6.78)	(5.93)
# Analysts	0.0000	0.0000	0.0000	0.0000	0.0001	0.0000
	(0.45)	(2.07)	(1.48)	(1.12)	(2.64)	(1.48)
% Inst Ownership	0.0002	0.0006	0.0003	0.0007	-0.0001	0.0002
	(0.90)	(3.90)	(0.94)	(3.42)	(-0.10)	(0.68)
Abs(Analyst FE)	0.0006	0.0004	0.0006	0.0001	0.0009	-0.0001
	(1.60)	(2.07)	(1.43)	(0.39)	(1.17)	(-0.18)
(Abs) Return Corr	0.0006	0.0002	0.0007	0.0004	0.0015	0.0007
	(2.73)	(1.49)	(2.77)	(2.93)	(3.21)	(2.64)
Time FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
Adj. R^2	15.34%	15.54%	14.14%	16.25%	15.63%	17.71%
# Observations	111,402		102,961		34,081	
CC Metric / EA Metric	2.8167		2.6301		2.4691	
CC Metric = EA Metric	p < 0.000		p < 0.000		p < 0.002	

The models are fit using a SUR estimator. The standard errors are clustered by conference call. The Adj. R^2 reflects the fit under an OLS. All continuous variables are winsorized at 1% and 99%. The "Peer Leads" ("Peer Lags") sample consists of observations where the peer firms have reported results for the period before (after) the conference call firm. The "Peer Lags – First Reporters" sample consists of observations where the conference call firm is the first or second to report during the period. Observations outside the 15-day window on each side of the mean earnings announcement date for the period are excluded. (Abs) Return Corr is the historical correlation between the conference call and peer firm's absolute or signed raw returns in the absolute and signed returns specifications, respectively. All other variables are defined in Appendix I. The sample excludes peer firms announcing on the same day as the conference call firm. Z-statistics are reported in brackets below the coefficients. The "CC Metric = EA Metric" row reports the p-values of a Chi^2 test of equivalence of the respective coefficients.

Panel B: Signed Returns

	Dependent Variable = Peer's Signed Returns					
	Peer Leads		Peer Lags		Peer Lags – First Reporters	
	EA	CC	EA	CC	EA	CC
Returns	0.0348	0.0612	0.0483	0.0780	0.0479	0.0597
	(14.30)	(16.38)	(17.39)	(16.28)	(10.80)	(8.20)
Ln(MVE)	0.0001	-0.0000	-0.0001	-0.0001	-0.0004	-0.0001
	(0.69)	(-0.10)	(-1.21)	(-0.88)	(-2.26)	(-1.11)
BM	0.0008	0.0002	0.0001	0.0001	-0.0002	-0.0001
	(2.75)	(1.24)	(0.35)	(0.38)	(-0.38)	(-0.27)
Ln(MVE)_Peer	0.0001	0.0000	-0.0001	0.0000	-0.0001	0.0000
	(2.20)	(1.67)	(-2.23)	(1.23)	(-1.06)	(0.60)
BM_Peer	0.0016	-0.0001	0.0008	-0.0001	-0.0000	-0.0000
	(6.52)	(-0.79)	(3.22)	(-1.00)	(-0.06)	(-0.08)
# Analysts	-0.0000	-0.0000	0.0001	-0.0000	0.0001	0.0000
	(-1.12)	(-0.80)	(1.98)	(-0.23)	(2.87)	(0.26)
% Inst Ownership	-0.0000	-0.0001	0.0002	-0.0001	-0.0020	0.0000
	(-0.02)	(-0.36)	(0.31)	(-0.35)	(-2.10)	(0.08)
Abs(Analyst FE)	-0.0000	0.0000	0.0002	0.0001	-0.0004	0.0007
	(-0.07)	(0.01)	(0.27)	(0.16)	(-0.40)	(1.17)
(Abs) Return Corr	0.0001	0.0003	0.0003	0.0001	0.0006	0.0002
	(0.37)	(1.37)	(0.75)	(0.42)	(0.73)	(0.50)
Time FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
Adj. R^2	2.38%	2.35%	3.07%	2.83%	3.97%	2.56%
# Observations	111,402		102,961		34,081	
CC Metric / EA Metric	1.7587		1.6144		1.2474	
CC Metric = EA Metric	p < 0.000		p < 0.000		p < 0.141	

The models are fit using a SUR estimator. The standard errors are clustered by conference call. The Adj. R^2 reflects the fit under an OLS. All continuous variables are winsorized at 1% and 99%. The "Peer Leads" ("Peer Lags") sample consists of observations where the peer firms have reported results for the period before (after) the conference call firm. The "Peer Lags – First Reporters" sample consists of observations where the conference call firm is the first or second to report during the period. Observations outside the 15-day window on each side of the mean earnings announcement date for the period are excluded. (Abs) Return Corr is the historical correlation between the conference call and peer firm's absolute or signed raw returns in the absolute and signed returns specifications, respectively. All other variables are defined in Appendix I. The sample excludes peer firms announcing on the same day as the conference call firm. Z-statistics are reported in brackets below the coefficients. The "CC Metric = EA Metric" row reports the p-values of a Chi^2 test of equivalence of the respective coefficients.

Table 6: Relation between Announcing and Peer Firms' Returns as a Function of Peer Profile

	Dependent Variable = Peer's Metric							
Metric =	**Abs Returns**				**Signed Returns**			
	True-Peer		**Rival**		**True-Peer**		**Rival**	
	EA	**CC**	**EA**	**CC**	**EA**	**CC**	**EA**	**CC**
Metric	0.0191	0.0425	0.0079	0.0303	0.0420	0.0732	0.0260	0.0470
	(10.33)	(14.65)	(3.86)	(7.18)	(19.22)	(21.49)	(11.32)	(11.37)
Ln(MVE)	0.0001	0.0000	0.0001	0.0000	-0.0000	-0.0001	-0.0001	0.0000
	(1.86)	(1.33)	(0.98)	(0.51)	(-0.54)	(-1.20)	(-0.69)	(0.14)
BM	-0.0003	-0.0000	0.0005	-0.0002	0.0007	0.0001	0.0005	-0.0003
	(-1.94)	(-0.52)	(2.48)	(-1.91)	(2.44)	(0.70)	(1.36)	(-1.54)
Ln(MVE)_Peer	-0.0008	-0.0007	-0.0009	-0.0007	0.0000	0.0000	0.0000	0.0000
	(-31.81)	(-51.27)	(-22.81)	(-29.32)	(1.04)	(2.01)	(0.04)	(1.49)
BM_Peer	0.0028	0.0014	0.0018	0.0011	0.0010	-0.0001	0.0007	-0.0004
	(18.48)	(18.82)	(7.91)	(7.70)	(4.82)	(-1.00)	(2.18)	(-1.85)
# Analysts	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0000
	(1.53)	(2.50)	(1.97)	(2.05)	(0.15)	(0.21)	(1.73)	(-1.13)
% Inst Ownership	0.0003	0.0003	-0.0001	0.0006	0.0001	-0.0002	-0.0004	-0.0003
	(1.01)	(2.16)	(-0.17)	(2.90)	(0.30)	(-1.02)	(-0.80)	(-0.84)
Abs(Analyst FE)	0.0007	0.0003	0.0005	-0.0000	0.0001	0.0001	0.0006	0.0002
	(1.92)	(1.71)	(1.18)	(-0.10)	(0.24)	(0.21)	(0.72)	(0.56)
(Abs) Return Corr	0.0009	0.0004	0.0008	-0.0003	-0.0004	0.0003	-0.0006	0.0006
	(4.51)	(3.20)	(2.69)	(-1.74)	(-1.22)	(1.46)	(-1.36)	(2.14)
Time FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
Adj. R^2	14.34%	15.51%	13.28%	15.28%	2.59%	2.82%	1.49%	1.36%
# Observations	158,975		41,993		158,975		41,993	
CC Metric / EA Metric	2.2200		3.8538		1.7455		1.8049	
CC Metric = EA Metric	$p < 0.000$		$p < 0.000$		$p < 0.000$		$p < 0.000$	

The models are fit using a SUR estimator. The standard errors are clustered by conference call. The Adj. R^2 reflects the fit under an OLS. All continuous variables are winsorized at 1% and 99%. The "True-Peer" ("Rival") sample consists of observations where historical pairwise correlation

of sales growth between the conference call and peer firms are greater or equal (less than or equal) to 0.25 (-0.25). (Abs) Return Corr is the historical correlation between the conference call and peer firm's absolute or signed raw returns in the absolute and signed returns specifications, respectively. All other variables are defined in Appendix I. The sample excludes peer firms announcing on the same day as the conference call firm. Z-statistics are reported in brackets below the coefficients. The "CC Metric = EA Metric" row reports the p-values of a Chi^2 test of equivalence of the respective coefficients.

Table 7: Relation between Announcing and Peer Firms' Alternative Information Metrics

	Dependent Variable = Peer's Metric					
Metric =	**Abn Volatility**		**Abn Range**		**Abn Volume**	
	EA	**CC**	**EA**	**CC**	**EA**	**CC**
Metric	0.0324	0.0681	0.0276	0.0700	0.0162	0.0191
	(12.18)	(19.74)	(12.10)	(19.95)	(7.93)	(8.90)
Ln(MVE)	0.0000	0.0001	0.0002	0.0003	-1,589.4	-1,302.1
	(3.26)	(4.44)	(4.10)	(5.26)	(-2.22)	(-1.53)
BM	-0.0000	0.0001	-0.0001	0.0002	-339.77	880.32
	(-0.49)	(1.35)	(-0.32)	(1.46)	(-0.17)	(0.38)
Ln(MVE)_Peer	-0.0000	0.0000	-0.0001	0.0000	4,161.4	6,714.4
	(-0.88)	(1.94)	(-3.03)	(0.48)	(6.66)	(9.42)
BM_Peer	0.0000	0.0001	0.0001	0.0003	11,371	13,416
	(0.29)	(3.25)	(0.91)	(3.58)	(6.52)	(7.04)
# Analysts	0.0000	-0.0000	0.0000	-0.0000	133.16	-26.015
	(0.94)	(-0.30)	(0.90)	(-0.81)	(0.69)	(-0.12)
% Inst Ownership	-0.0001	-0.0001	-0.0005	-0.0005	-7,013.5	-2,365.0
	(-1.87)	(-2.26)	(-2.13)	(-2.42)	(-2.17)	(-0.67)
Abs(Analyst FE)	0.0001	-0.0000	0.0006	-0.0005	4,493.8	-5,720.4
	(1.60)	(-1.51)	(1.65)	(-1.54)	(1.04)	(-1.23)
Abs(Return Corr)	-0.0002	-0.0001	-0.0007	-0.0005	8,830.6	5,880.4
	(-3.58)	(-2.70)	(-3.92)	(-3.25)	(3.40)	(2.02)
Time FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*	*Included*	*Included*	*Included*
Adj. R^2	2.06%	3.48%	2.36%	4.40%	0.97%	1.42%
# Observations	325,087		325,087		325,087	
CC Metric / EA Metric	2.1038		2.5389		1.1783	
CC Metric = EA Metric	$p < 0.000$		$p < 0.000$		$p < 0.177$	

The models are fit using a SUR estimator. The standard errors are clustered by conference call. The Adj. R^2 reflects the fit under an OLS. All continuous variables are winsorized at 1% and 99%. *Metric* takes the value of the respective announcing firm's metric (abnormal volatility, abnormal range, or abnormal volume). All variables are defined in Appendix I. The sample excludes peer firms announcing on the same day as the conference call firm. Z-statistics are reported in brackets below the coefficients. The "CC Metric = EA Metric" row reports the p-values of a two-tailed Chi^2 test of equivalence of the respective coefficients.

Table 8: Relation between Announcing and Peer Firms' Absolute and Signed Returns around Earnings Announcements and Conference Calls: Placebo Analysis

	Dependent Variable = Peer's Metric			
Metric =	**Abs Returns**		**Signed Returns**	
	EA	**CC**	**EA**	**CC**
Metric	0.0026	0.0128	0.0037	0.0094
	(2.13)	(6.68)	(2.28)	(3.83)
Ln(MVE)	0.0001	0.0000	0.0000	-0.0001
	(1.28)	(1.38)	(0.62)	(-1.85)
BM	0.0001	0.0001	0.0000	-0.0001
	(1.09)	(1.23)	(0.11)	(-0.82)
Ln(MVE)_Peer	-0.0008	-0.0008	-0.0000	0.0000
	(-46.12)	(-65.16)	(-0.30)	(1.73)
BM_Peer	0.0018	0.0010	0.0006	0.0000
	(17.40)	(14.66)	(3.83)	(0.38)
# Analysts	0.0000	0.0000	-0.0000	-0.0000
	(0.07)	(0.74)	(-0.34)	(-0.01)
% Inst Ownership	0.0000	0.0001	-0.0001	0.0001
	(0.17)	(0.59)	(-0.28)	(0.69)
Abs(Analyst FE)	-0.0002	-0.0001	-0.0001	-0.0000
	(-0.62)	(-0.57)	(-0.17)	(-0.01)
(Abs) Return Corr	-0.0011	-0.0006	-0.0001	0.005
	(-6.55)	(-5.30)	(-0.25)	(2.37)
Time FE	*Included*	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*	*Included*
Adj. R^2	12.64%	13.36%	0.60%	0.27%
# Observations	248,851		248,851	
CC Metric / EA Metric	4.9568		2.5579	
CC Metric = EA Metric	$p < 0.000$		$p < 0.054$	

The models are fit using a SUR estimator. The standard errors are clustered by conference call. The Adj. R^2 reflects the fit under an OLS. All continuous variables are winsorized at 1% and 99%. *Metric* takes the value of the respective announcing firm's metric. (Abs) Return Corr is the historical correlation between the conference call and peer firm's absolute or signed raw returns in the absolute and signed returns specifications, respectively. All other variables are defined in Appendix I. The sample structure is described in section 5.2. Z-statistics are reported in brackets below the coefficients. The "CC Metric = EA Metric" row reports the p-values of a Chi^2 test of equivalence of the respective coefficients.

Table 9: Conference Call Characteristics
Panel A: Absolute Returns

	Dependent Variable = Peer's Abs Returns		
	Pooled	**True-Peer**	**Rival**
Abs(Analyst FE)	0.0004	0.0005	-0.0000
	(2.55)	(2.43)	(-0.00)
% FWD	0.0057	0.0042	0.0109
	(2.17)	(1.28)	(2.40)
Abs(Tone)	0.0005	0.0007	0.0003
	(2.47)	(2.76)	(0.89)
% Macro_Pres	0.0015	-0.0014	0.0057
	(0.79)	(-0.63)	(1.88)
% Macro_Q&A	-0.0056	-0.0064	-0.0021
	(-2.49)	(-2.27)	(-0.59)
% Industry_Pres	0.0017	0.0012	0.0013
	(1.19)	(0.70)	(0.54)
% Industry_Q&A	-0.0042	-0.0041	-0.0045
	(-2.26)	(-1.84)	(-1.38)
% Operations_Pres	-0.0064	-0.0071	-0.0030
	(-4.98)	(-4.49)	(-1.26)
% Operations_Q&A	0.0020	0.0006	0.0002
	(1.03)	(0.24)	(0.07)
Peer_Mentions	0.0004	0.0005	0.0002
	(4.72)	(4.59)	(0.79)
Controls	*Included*	*Included*	*Included*
Time FE	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*
# Observations	284,773	141,397	35,861
Adj. R^2	14.83%	15.02%	15.36%

The models are fit using OLS and the errors are clustered by conference call. All continuous variables are winsorized at 1% and 99%. The sample excludes peer firms announcing on the same day as the conference call firm. T-statistics are reported in brackets below the coefficients. The vector of controls includes ln(MVE), BM, ln(MVE)_Peer, BM_Peer, # Analysts, % Inst Ownership, and Abs Return Corr. All other variables are defined in Appendix I.

Panel B: Signed Returns

	Dependent Variable = Peer's Signed Returns				
	Pooled	**True-Peer**		**Rival**	
		Pos CC Ret	**Neg CC Ret**	**Pos CC Ret**	**Neg CC Ret**
Analyst FE	-0.0007	-0.0010	-0.0001	-0.0014	-0.0002
	(-2.22)	(-1.85)	(-0.23)	(-2.14)	(-0.34)
% FWD	-0.0020	-0.0052	0.0189	-0.0129	-0.0074
	(-0.43)	(-0.70)	(1.58)	(-1.24)	(-0.81)
Tone	-0.0002	-0.0005	0.0001	-0.0004	-0.0009
	(-0.65)	(-1.08)	(0.16)	(-0.73)	(-1.57)
% Macro_Pres	0.0015	-0.0025	-0.0017	0.0095	0.0052
	(0.42)	(-0.48)	(-0.34)	(1.44)	(0.78)
% Macro_Q&A	0.0027	0.0025	0.0001	0.0055	0.0004
	(0.70)	(0.39)	(0.02)	(0.69)	(0.05)
% Industry_Pres	0.0028	0.0054	-0.0012	-0.0053	-0.0035
	(1.22)	(1.46)	(--0.35)	(-1.02)	(-0.70)
% Industry_Q&A	-0.0027	-0.0062	-0.0004	0.0105	0.0008
	(-0.88)	(-1.21)	(-0.09)	(1.46)	(0.12)
% Operations_Pres	-0.0001	-0.0001	0.0058	0.0005	-0.0010
	(-0.03)	(-0.02)	(1.65)	(0.10)	(-0.20)
% Operations_Q&A	-0.0011	-0.0042	-0.0021	-0.0047	0.0006
	(-0.34)	(-0.72)	(-0.41)	(--0.61)	(0.09)
Peer_Mentions	0.0002	0.0006	0.0000	0.0003	0.0005
	(1.74)	(2.53)	(0.10)	(0.62)	(1.12)
Controls	*Included*	*Included*	*Included*	*Included*	*Included*
Time FE	*Included*	*Included*	*Included*	*Included*	*Included*
Industry FE	*Included*	*Included*	*Included*	*Included*	*Included*
# Observations	284,773	70,008	71,389	18,105	17,756
Adj. R^2	0.34%	1.27%	1.91%	0.88%	0.92%

The models are fit using OLS and the errors are clustered by conference call. All continuous variables are winsorized at 1% and 99%. The sample excludes peer firms announcing on the same day as the conference call firm. T-statistics are reported in brackets below the coefficients. The vector of controls includes ln(MVE), BM, ln(MVE)_Peer, BM_Peer, # Analysts, % Inst Ownership, and Return Corr. The "True-Peer" ("Rival") sample consists of observations where historical pairwise correlation of sales growth between the conference call and peer firms are greater or equal (less than or equal) to 0.25 (-0.25). The "Pos" ("Neg") subsample consists of the observations with non-negative (negative) returns of the conference call firm. All other variables are defined in Appendix.