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~Analyst Emotions and M&A Outcomes: Evidence from Conference Calls

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Title:

Analyst Emotions and M&A Outcomes: Evidence from Conference Calls

Abstract:

This study leverages large language models (LLMs) to analyze analyst emotions expressed during the Q&A section of merger and acquisition (M&A) conference calls. We extract emotional signals—such as sadness, optimism, joy, fear, and anger—from analysts' questions and examine how these emotions relate to short- and long-window cumulative abnormal returns (CARs) around deal announcements.

Our preliminary findings suggest that negative emotions, such as sadness, anger, and anxiety, are associated with lower acquirer announcement returns, while positive emotions, such as optimism, joy, and excitement, correspond to higher returns. These results imply that analyst sentiment during M&A discussions provides valuable information about deal quality and future market performance.

Short Bio:

David (Yang) Yang is an Assistant Professor of Finance in the School of Analytics, Finance, and Economics at Southern Illinois University Carbondale. His research interests lie in empirical corporate finance and financial markets. His work has been published in The Accounting Review and Journal of Corporate Finance. His work has been presented at major academic conferences in the U.S. and worldwide.