Original Paper

An Empirical Study on the Announcement of Corporate Quarterly Results in India

S.Saravanakumar[1*] and A.Mahadevan[2]

[1] JKK Nattraja College of Engineering & Technology, Anna University of Technology, Tamilnadu, India

[2] Excel Business School, Anna University of Technology, Chennai, Tamilnadu, India

* S.Saravanakumar, E-mail: harisaravanakumar@yahoo.co.in

Abstract

Announcement of quarterly results is the course of communicating the performance of a company to its owners. Investors' long-term buying decisions are largely based on the earnings stream of the firm. In order to show the progress of the company, the earnings position is revealed as per the listing agreement at a regular interval. Normally a higher earnings than the previous quarter earnings should be welcomed by the market. This should be associated with greater return after the result is announced. All higher return after the announcement cannot say to be due to the earnings results. To find out the impact of results on returns, the impact of other factors in returns is to be segregated. The impact of other factors in return is taken from the index which is nothing but the market return. The announcement of earnings is unique and specific to a company, to study its impact on the market place, the impact of other factors is removed, that is why the period is limited to 32 days and the return is calculated for 31 days. This study examines abnormal returns of earnings announcement during the pre-announcement and post announcement period. This study is based on samples of 50 Nifty companies listed on National Stock Exchange, exhibited that investors do not gain value from earnings announcement. Indeed shareholders earned little value over a period of 15 days prior to the earnings announcement through to 15 days after the announcement. The lower return may be partially compensated because of the current earnings yield. This study also indicates that announcement of result does not convey any useful information to the investing community, which needs to be further investigated.

Keywords

earnings announcements, quarterly results, abnormal returns, cumulative abnormal returns, event window, pre and post announcement periods, chart analysis

1. Introduction

Disclosure of quarterly results is a means of communicating the results of operations on a periodic and regular basis. It is basically an extension of the annual reporting exercise on a more frequent basis. Quarterly reports are of great utility to the investing community. Investors consider interim/quarterly financial reports to be of more value than financial information which enables them to analyze actual performances and also revise their projections. Interim financial reports provide price-sensitive data to investors. Timely and reliable interim financial reporting improves the ability of investors, creditors and other stakeholders to understand an enterprise's capacity to generate earnings, cash flows, liquidity and its financial condition. It is a medium for continuous communication by the management with the investors and enables efficient investment decision making.

Quarterly reporting leads to better price discovery and reduces chances of leakage of financial information. Investors are updated on the financial performance and financial status at frequent time intervals and within a short time from the end of the financial period. This avoids surprises at the end of financial year and facilitates efficient allocation of resources. Interim financials plays an important role in strengthening the confidence of investors in capital markets. The quarterly performance has taken center stage in recent times as far as the stock market is concerned. The stock market has in recent times tended to react instantaneously to information made available in quarterly financial reports. The prime objective of disclosing financial results is to provide useful and relevant information to all stakeholders concerned.

Quarterly results includes not only financial statements but also other means of communicating information that relates directly or indirectly to the information connected with enterprise resources, obligations earnings etc. The traditional practices of Indian companies have been to communicate information on their operations and financial status once a year through their annual reports. However, the emphasis has shifted steadily towards a more prompt and continuous reporting information. Periodic reporting rather than annual reporting provides users with more current information for use in assessing the performance of a business enterprise. Investors and academicians all over the world favor such an interim report since it provides timely information which is of price sensitive nature.

2. Background of the Study

The propagation of financial information at regular intervals helps the companies in sharing the information with the outside world. It is the question of integrity of managements and level of transparency in presentation of information of both the financial and non-financial developments in the respective companies, which determines the goals. Disclosure of quarterly results will prevent insider trading to some extent. The quarterly performance influences the stock price like the annual financial information. The importance of the quarterly information will be felt, if the same can be comparable to the corresponding period of the previous one or two years.

Quarterly results have been given more importance but not at the cost of yearly performance. The short-term result is a path which ultimately leads to the destination of long-term goals. Stock market does not only take short-term goals in-to consideration, of course, quarterly results also have importance. Stock market price depends on the consistent profitability of a company which can be shown only through quarterly results. It helps to achieve the long-term goals by quarterly review of the financial parameters, it also helps in the judging the position of the company vis-à-vis its competitors. Hence drawing of quarterly results not only helps the company, but it also helps the investors by transparent reporting of the quarterly performance. We will review the norms of disclosure as followed in communicating quarterly results.

2.1 Norms on Disclosure

The concept of quarterly results dissemination and forwarding to the stock exchanges is compulsory. In India, disclosure of quarterly results is mandatory as per the requirements of the clause 41 of the listing agreement between companies and stock exchanges. Under this clause of listing agreement, all listed companies are required to:

- Furnish unaudited financial results on quarterly basis within one month to the stock exchange where the company is listed.
- Advertise the financial results within 48 hours of the conclusion of the board meeting, at least in only national daily newspaper and in the one regional language newspaper in which the registered office of the company is situated.

Likewise, an amendment to section 21 of the Securities Contract (Regulation) Act has been made recently whereby it has been made mandatory for companies listed on the stock exchanges to comply with the interim reporting requirements specified in the listing agreement. The clause 41 of the listing agreement requires ten items of information compulsorily to be disclosed in the given format.

Table 1. Disclosure of Unaudited Financial Results- Compulsory basis

Particulars	**Quarter ended …**	**Corresponding quarter in the previous year**	**Previous quarter**	**Current accounting year**	**Previous accounting year**
Net Sales/Income from Operations Other Income Total Expenditure Interest Gross Profit (Loss) after Interest Depreciation Provision for Tax Net Profit (Loss) (5-6-7) Paid up Equity Share Capital Reserves excluding					

revaluation reserves					

(Source: The Chartered Accountant)

Besides to that, many corporates disclosed still a few more items on a voluntary basis. The following table presents other items that are disclosed by companies in the quarterly results published by them.

Table 2. Disclosure of Unaudited Financial Results-Voluntary basis

Particulars	**Quarter ended …**	**Corresponding quarter in the previous year**	**Previous quarter**	**Current accounting year**	**Previous accounting year**
Profit Before Tax Operating Profit Total Income Earnings Per Share Growth Rate in Sales Growth Rate in Profit Reasons for Profit Decline Changes in Share Capital Book Value Per Share Investments Merger and Acquisition Net Worth Market Share of the Product Operating Expenses No of Units Sold					

(Source: The Chartered Accountant)

2.2 Pros and Cons of Quarterly Results

Quarterly results are used more to understand progressive trends in business, rather than to arrive at quick judgments on a corporate performance. Noble organizations use this opportunity of quarterly disclosures to build a process of stretch in their own effort, which in turn enhances their competitive abilities. Creative accounting is a function of corporate ethics, and has nothing to do with reporting frequency. Ethical companies will never resort it. Unethical companies will indulge in it irrespective of the frequency of reporting.

2.2.1 Pros

1) Higher frequency of information to investors enhances transparency and generates pressure on the management to perform well.

2) It helps a company in knowing as to whether the current financial year progressing in the direction of the long-term goal of the company or not.

3) It helps the shareholders to know about the progress of the company where they have invested their fortunes.

4) It guards the shareholders against the promoters who take advantage of price sensitive information in the absence of the publication of quarterly results.

5) It also helps them to add further quantity of shares if the company's performance is excellent.

6) It reduces scope for the year-end creative accounting.

7) It shows whether the company is in the right direction of fulfilling long-term goals.

8) Analysts and investor communities do not have to wait for a year to see the results. Investors can also take a decision of buy/sell/hold on the basis of quarterly results.

9) It guards them from fly-by-night operators who do not publish the annual report also at rimes leaving the shareholders in dilemma.

2.2.2 Cons

1) Unless accompanied by appropriate commentary on performance, it can lead to distortion in market perception and consequent unwarranted volatility in a company's stock price.

2) Many companies, who indulge in speculation in the stock market, can make handsome profits by manipulating their quarterly results by artificially increasing the prices.

3) Sometimes if a genuine company cannot deliver good results in particular quarter because of some unavoidable circumstances, then they have to give an explanation to investor and analyst communities.

4) It puts a lot of pressure on the accounts departments to organize the finalization of the quarterly results, which are required to be published within a month.

5) The companies have to bear the additional financial burden of advertising the quarterly results.

3. Review of Literature

Earlier researches have seen continued rising in prices of shares when positive annual reports have been presented. A few important studies are reviewed in this paper. Fama, Fisher, Jensen and Roll (1969) conducted the first study on semi-strong form of Efficient Market Hypothesis (EMH). They examined the behavior of abnormal returns at the announcements of stock splits and found that there is a considerable market reaction prior to the stock split announcement. Jordan (1973) assessed the behavior of security prices surrounding the quarterly earnings announcements and found that stock market is efficient in the semi-strong form. Ball and Brown (1968) examined price changes surrounding the announcement of a firm's annual earnings and found that the stock market reacts quickly to annual earnings announcements. However, Watts (1978), and Foster et al. (1984) found statistically significant abnormal returns after quarterly earnings announcements. Bernard and Thomas (1989, 1990), and Ball (1992) documented significant delays in the adjustment of stock prices to quarterly earnings announcements.

Recently, considerable attention has been given to examining the association between corporate disclosure and share price anticipation of earnings (e.g. Schleicher and Walker, 1999; Lundholm and

Myers, 2002; Gelb and Zarowin, 2002; Hussainey et al., 2003 and Schleicher et al., 2007). These papers find that the stock market's ability to anticipate future earnings changes is significantly improved when firms voluntarily provide higher levels of disclosure. However, these studies do not take into account the possibility that dividend policy may provide an alternative device for conveying value relevant information to the stock market that might act as a substitute or complement for narrative disclosure in the financial communication process. Hanlon et al. (2007) examine the impact of dividend propensity (i.e. whether a firm pays cash dividends) on the stock market's ability to anticipate future earnings. They modify and use the returns-earnings regression model introduced by Collins et al. (1994) to compare the association between current year stock returns and future earnings for firms that pay dividends in the current year as compared with non-dividend paying firms. They find that US dividend paying firms exhibit significantly higher levels of share price anticipation of earnings than non-dividend paying firms. However their paper does not allow for the possibility that voluntary disclosure may act as an alternative communication mechanism. Parischa (2000) describes the items disclosed in the quarterly results statements, according to her some information disclosed compulsorily and some voluntarily which took part investment decisions.

4. Objectives of the Study

The prime objective of the study has been to examine the behavior of stock price around the announcement of quarterly financial results. An auxiliary purpose was to investigate if strategies based on information contained in earnings announcement could be used to outperform the market and to study the investor expectations on the information content in disclosure of quarterly results. In this context, the behavior of stock prices has been examined in the pre-and post-announcement periods in relation to the announcement of quarterly results.

5. Research Methodology

5.1 Sample and Data

This study consists of 50 companies listed and included in the S&P CNX Nifty index of National Stock Exchange. The selection of the sample has primarily been guided by two factors, the active trading continuously for the sample period, and the availability of quarterly earnings announcements. The present study covers a period of one quarter from October 2010 to December 2010. Companies that have any price sensitive information other than earnings report during the event window (31 days) are eliminated. There are three sets of data have been applied to this study. The first set of data consists of quarterly earnings announcement released by the sample companies. This includes the dates on which the board meeting approved quarterly financial results of the company. The second set of data consists of daily-adjusted closing prices of the stocks selected for the study at the National Stock Exchange for the period covered (-15 days to +15 days) by this study. Daily-adjusted closing prices are used in the study as these are assumed to reflect the consensus of the market participants regarding price of the stock at the end of the trading. The third set consists of the S&P CNX Nifty index of common share prices compiled and published by the National Stock Exchange for the event window (-15 days to +15 days) were collected from the website of NSE and respective companies websites, financial dailies like The Hindu Business Line and Economic Times.

Further, the study has also attempted to test the opinion of individual investors with regard to the usefulness of various items disclosed by the companies in the quarterly results.

5.2 Testing Procedure

This paper examines the stock market reaction to earnings announcement in the National Stock Exchange of India. A sample of 50 Nifty companies from different sectors is examined. The finding shows daily abnormal return gets a pick 15 days before the earnings announcement, and 15 days after the dividend announcement. In order to study the impact of earnings announcement on stock returns, present study covers two measures: (i) Daily Abnormal Return (DAR) and (ii) Cumulative Abnormal Return (CAR) during pre-announcement and post announcement period. DAR indicates the relative daily percentage price change in the earnings disclosure stocks compared to the change in average market price. This study used Nifty index as the proxy of market return. DAR is calculated as follows:

$$DAR_{it} = R_{it} - R_{mt}$$

Where, DAR_{it} is the market-adjusted abnormal return for security i over time period t.

R_{it} is the time t returns on security i, calculated as $(S_{it} - S_{it-1})/S_{it-1}$. Where, S_{it} is the market closing price of stock i on day t. S_{it-1} is the market closing price of stock i on day t-1.

R_{mt} is the time t return on the Nifty index calculated as $(I_t - I_{t-1})/I_{t-1}$. Where, I_{it} is the market index on day t. I_{t-1} is the market index on day t-1.

The daily market adjusted abnormal return (DAR) indicates the change in individual stock's price due to the earnings announcement. As the percentage change in Nifty index is deducted, the remainder gives us the chaotic portion of the value change, which is specific to that individual stock consequential from its earnings announcement. DAR is calculated over a period starting from –15 days to +15 days relative to the earnings announcement day (0 day). The next portion is cumulative abnormal returns (CAR), which measures the security's total return over a time period starting from the pre-announcement of earnings to the post-earnings announcement including the announcement day. This study covers 31-day window period starting from -15 day to +15 day relative to the earnings announcement day (0 day). CAR is computed as follows:

$$CAR_t = \sum_{t=1}^{t=j} DAR_t$$

Where, CAR_t is cumulative abnormal return, DAR_t as defined above, j denotes the day -15 through days +15.

Finally, this study used parametric test to determine the statistical implication of daily market adjusted average abnormal return of earnings disclosing stocks over the window period. The t-statistics were calculated by using cross-sectional method by employing the standard deviation of abnormal returns of the sample companies. Moreover, the statistical significance of the cumulative abnormal returns is examined with the help of t-test.

6. Empirical Analysis and Findings

Table 3 shows that the average daily market adjusted abnormal returns (ADAR) on the day of earnings announcement was only 0.42 percent, which is not statistically significant. One point is clearly evident from that analysis, the fact that the information content of earnings announcement of a company often leaks out to the market a few days before the announcement made by the company. Hence, this trend shows the earnings announcement normally carries no useful information to the market participants on the event day. Therefore, it is evident from the ADARs of the day -6, and -5 are about 0.70% and 1.06% respectively. It is clear from the table 3 that market reacts earlier than the actual announcement of earnings.

Table 3. ADAR, CAR and t-statistic value for the 31-day window period

Event Window	ADAR	CAR	t-statistic
-15	-0.09%	-0.09%	-0.17
-14	-1.40%	-1.49%	-3.58
-13	-0.03%	-1.52%	-3.65
-12	0.31%	-1.21%	-2.90
-11	-0.04%	-1.25%	-3.01
-10	0.07%	-1.18%	-2.83
-9	2.20%	1.02%	2.48
-8	-0.35%	0.67%	1.63
-7	0.01%	0.68%	1.66
-6	0.70%	1.38%	1.35
-5	1.06%	2.44%	1.92
-4	-1.93%	0.51%	1.23
-3	0.03%	0.54%	1.20
-2	-0.15%	0.39%	0.99
-1	0.04%	0.43%	0.87
0	0.42%	0.85%	0.43
1	0.53%	1.38%	1.06
2	-0.06%	1.32%	1.49
3	-0.24%	1.08%	1.31
4	0.48%	1.56%	1.08
5	-0.24%	1.32%	1.20
6	-0.52%	0.80%	2.11
7	-0.15%	0.65%	1.18
8	-0.28%	0.37%	0.89
9	0.31%	0.68%	0.70
10	0.17%	0.85%	0.32
11	0.02%	0.87%	2.01
12	0.09%	0.96%	0.59
13	-0.16%	0.80%	0.34

14	0.05%	0.85%	0.78
15	-0.11%	0.74%	0.54

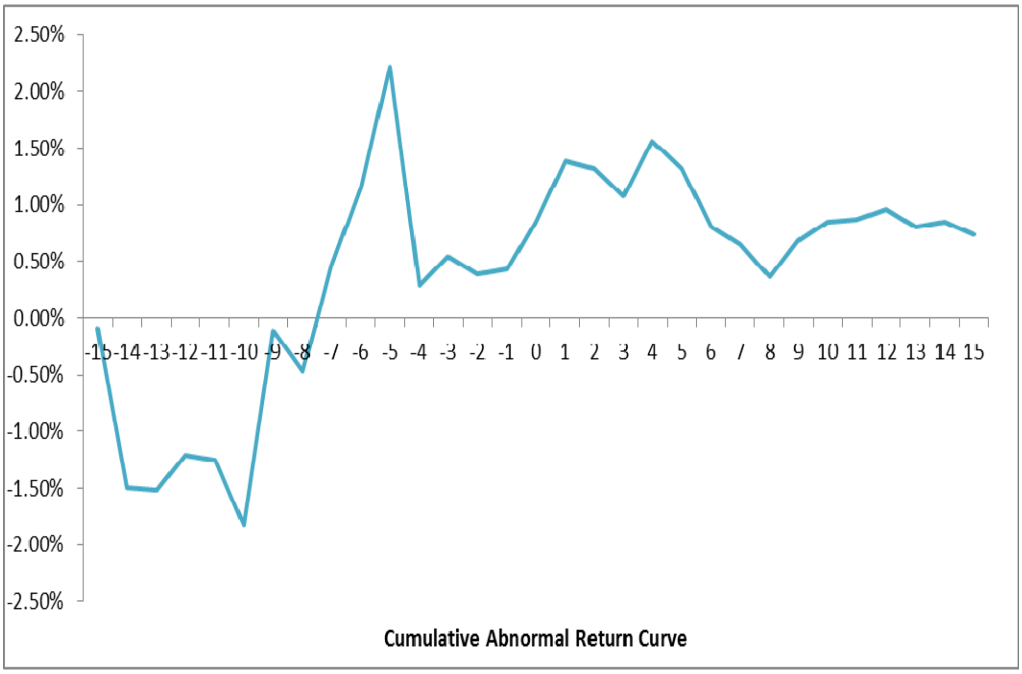

Figure 1. Cumulative abnormal return for the 31-day window period

Figure 1 presents the abnormal returns of the earnings announcements over the years for 50 stocks. Market reacts to the earnings announcements on the event day in a manner consistent with the information content in the earnings announcements. If earnings disclosed is more than the market participant's expectation, the reaction of the market for that particular scrip follows bullish trend and vice versa. Prior to earnings announcement, highest DAR found in day -5, and then the percentage return on all other days is less than that on the day -5. Hence, it is clear from above table, the stock market reacts a few days before the announcement of earnings is made. The day following the earnings announcement, the market generated a return of 0.53%, the very next day to the earnings announcement is not generated any positive income to the market participants. During the post announcement periods, all DARs are insignificant except those on day +6, and +11.

Stock market is always influenced by money flows and information flows. During the 31-day window period, the market gets affected by several macro-economic information and money supply forces from the domestic and foreign institutional investment. Hence the earnings announcement event is supported by several adverse effects which are not incorporated under this study. It is very hard to make superior return by taking this announcement information. By taking CAR for that 31-day window period, considerable return found in the day -5 prior to the earnings announcement. In the post announcement period, the investors may harvest their funds in the stock market during the first 5 days after the announcement of dividend. Although the result tends to suggest that investors may have positively reacted to the earnings announcement, the evidence seemed to gain some value from the earnings announcements. This study shows that investors earn more value in the post announcement period that the return gained in the pre-announcement period.

7. Individual Investors Opinion on Quarterly Results

In order to study the opinion of individual investors with regard to the effectiveness of various items revealed by the company in the quarterly results, responses of 100 individual investors selected from the city of Coimbatore of Tamilnadu on the basis of convenience sampling system. A detailed questionnaire prepared on a five point scale having Highly Useful, Useful, Do Not Know, Less Useful and Not Useful classifications. Weighted average scores have been calculated on the basis of weights assigned, that is, 5,4,3,2 and 1 respectively. The responses of investors to these items are presented in Table 4.

Table 4. Individual investors opinion regarding items disclosed in quarterly results

Particulars	Highly Useful	Useful	Do Not Know	Less Useful	Not Useful	Weighted Average Score
Compulsory Basis						
Net Sales/Income from Operations	62	34	1	2	1	30.27
	48	45	3	3	1	28.87
Other Income	51	36	4	8	1	28.73
Total Expenditure	26	59	5	9	1	26.67
Interest	36	55	2	5	2	27.87
Gross Profit (Loss) after Interest	15	28	4	46	7	19.87
	18	65	3	12	2	25.67
Depreciation	59	35	3	2	1	29.93
Provision for Tax	51	31	4	5	9	27.33
Net Profit (Loss) (5-6-7)	17	32	42	4	5	23.47
Paid up Equity Share Capital						
Reserves excluding revaluation reserves						
	54	31	9	2	4	28.60
Voluntary Basis	22	57	11	4	6	25.67
Profit Before Tax	32	45	6	9	8	25.60
Operating Profit	65	29	0	4	2	30.07
Total Income	46	41	2	5	6	27.73
Earnings Per Share	28	23	46	2	1	25.00
Growth Rate in Sales /Profit	16	19	58	3	4	22.67

Changes in Share Capital Operating Expenses						

(Source: Primary data)

It is evident from the above table that investors have given highest importance to net sales or net income from operations followed by earnings per share and net profit. Thus, earnings per share though not required to be disclosed under the requirement of listing agreement have been disclosed voluntarily by many companies. After that other income, total expenditure and profit before tax from the voluntary disclosure are considered highly useful. This reveals the fact regarding the increasing awareness among companies to satisfy the needs of investors. Again these items of information have been categorized according to the investor's usefulness with the help of range method of variation. According to this method, scores less than 20 are considered not useful, 21 to 24 are placed under less useful, 24 to 25 are categorized under do not know, 26 to 27 are coming under useful category, and 28 and above are considered highly useful.

Table 5. Ranking of items in disclosure of quarterly results

Highly Useful	Useful	Do Not Know	Less Useful	Not Useful
1. Net Sales/Income from Operations 2. Other Income 3. Total Expenditure 4. Net Profit (Loss) 5. Profit Before Tax 6.Earnings Per Share	1.Interest 2.Gross Profit (Loss) after Interest 3.Paid up Equity Share Capital 4.Growth Rate in Sales /Profit	1.Provision for Tax 2.Operating Profit 3.Total Income 4.Changes in Share Capital	1.Reserves excluding revaluation reserves 2.Operating Expenses	1.Depreciation

(Source: Primary data)

Table 5 reveals that the items of sales, other income, total expenditure, net profit, profit before tax and earnings per share are considered highly useful by the investors. Their investment decisions are taken on the basis of above information contained in the quarterly results statements. Then some information like interest, gross profit, paid up share capital, growth rate in sales/profit have been placed in the useful category. Likewise tax provision, operating profit, total income and changes in share capital placed under do not know category. Reserves excluding revaluation reserves and operating expenses are considered less useful and depreciation is not useful item according to the investors. Even though some items are disclosed voluntarily are considered useful and some mandatory items are considered not useful by the investors. The crux of the analysis is that investors find only those items of quarterly results useful which have a direct impact on their investment decision making.

8. Conclusion

The study is made to find out whether the announcement of earnings is having any influence on the stock return. The findings of the present study basically highlight as to how the market evaluates quarterly results. It is simply not true, that earnings announcement data can provide a profitable guide to investment timing or improve a portfolio's rate of return. Information is reflected in stock prices so rapidly that published data tells the investor virtually nothing about the future change in stock prices. Not only do stock returns reflect the firm's earnings data when published but they also anticipate future earnings growth to some extent. The growth factor is taken in terms of percentage which increase profit over the previous year performance, was supposed to be an important performance indicator that is likely to affect the stock returns.

There are variety of factors that influence the movement of share price and hence the return. The performance of the company as disclosed by the earnings result is one among them. In pre-announcement period highest earnings bracket experienced the largest negative abnormal returns. Investors experienced a little abnormal return on the day of the earnings announcement. In post announcement period, the investors harvested a slight return from their investment. In academic literature, it is suggested that earnings disclosed have no impact on the value of share in the absence of other market imperfections. While checking investors' opinion on quarterly results, they are showing interest on some items are disclosed compulsorily and some disclosed voluntarily. Their investment decision is based on information content in the earnings announcement. This information will help to the investors in making sound and rational investment decisions.

References

Ball, R, (1992). The Earnings-Price Anomaly. *Journal of Accounting and Economics, 15,* 319-345.

Ball, R., & Brown, P. (1968). An Empirical Evaluation of Accounting Income Numbers. *Journal of Accounting Research, 6*(2), 159-178.

Bernard, V. L., & Thomas, J. K. (1990). Evidence that Stock Prices Do Not Fully Reflect the Implications of Current Earnings for Future Earnings. *Journal of Accounting and Economics, 13,* 305-340.

Bernard, V. L., & Thomas, J. K. (1989). Post Earnings Announcement Drift: Delayed Price Response or Risk Premium? *Journal of Accounting Research, 27,* 1-48.

Collins, D. W., Kothari, S. P., Shanken, J., & Sloan, R. G. (1994). Lack of timeliness and noise as explanations for the low contemporaneous return-earnings association. *Journal of Accounting and Economics, 18*(3), 289-324.

Fama, E. F., Fisher, L., Jensen, M. C., & Roll, R. (1969). The Adjustment of Stock Prices to New

Information. *International Economic Review, 10*(1), 1-21.

Foster, G., Olsen, C., & Shevlin, T. (1984). Earnings Releases, Anomalies, and the Behaviour of Security Returns. *Accounting Review, 59*(4), 574-603.

Gelb, D. S., & Zarowin, P. (2002). Corporate disclosure policy and the informativeness of stock prices. *Review of Accounting Studies, 7,* 33-52.

Hanlon M., Myers, J., & Shevlin, T. (2007). Are dividends informative about future earnings? *Working paper,* University of Michigan.

Hussainey, K., Schleicher, T., & Walker, M. (2003). Undertaking large-scale disclosure studies when AIMR-FAF ratings are not available: the case of prices leading earnings. *Accounting and Business Research, 33*(4), 275-294.

Jordan, R. J. (1973). An Empirical Investigation of the Adjustment of Stock Prices to New Quarterly Earnings Information. *Journal of Financial and Quantitative Analysis, 8*(4), 609-620.

Lundholm, R. J., & Myers, L. A. (2002). Bringing the future forward: The effect of disclosure on the returns-earnings relation. *Journal of Accounting Research, 40*(3), 809-839.

Parischa, J. S. (2000). Interim Reporting – A Device for Investors. *The Chartered Accountant, 33,* 12-16.

Schleicher, T., & Walker, M. (1999). Share price anticipation of earnings and management's discussion of operations and financing. *Accounting and Business Research, 29*(4), 321-335.

Schleicher, T., Hussainey, K., & Walker, M. (2007). Loss firms' annual report narratives and share price anticipation of earnings. *The British Accounting Review, 39*(2), 153-171.

Watts, R. L. (1978). Systematic Abnormal Returns after Quarterly Earnings Announcements. *Journal of Financial Economics, 6,* 127-150.