Working Papers

1. Jostova, Gergana, Stanislava (Stas) Nikolova, and Alexander Philipov. "Data Uncertainty in Corporate Bonds". *Available at SSRN: https://ssrn.com/abstract=4840643* (May 2024).

   We study the impact of data uncertainty in corporate bonds on decision making. We provide a taxonomy of data choices a researcher is compelled to make when constructing a sample of monthly corporate bond returns, and investigate the impact of these choices on the researcher's conclusions. Using momentum as a case study, we show that different but reasonable data choices may lead to conflicting findings about a strategy's profitability and thus result in data uncertainty. We propose a Bayesian decision-making framework for a researcher faced with data uncertainty.

2. Hosseini, Amin, Gergana Jostova, Alexander Philipov, and Robert Savickas. "The Social Media Risk Premium". *Available at SSRN: https://ssrn.com/abstract=3514826* (May 2023). http://dx.doi.org/10.2139/ssrn.3514826.

   We show that social media risk is priced in the cross sections of stocks and bonds. New social media stock and bond factors earn annual premiums of 7.2% and 3.3%, respectively. Their contributions to explaining the cross-section are significant when tested both with classical and recent machine-learning asset-pricing methodologies. The social media risk premium is higher when market uncertainty is higher and sentiment is lower. Unlike other risk factors, the social media factor origins are clearly identified: prior to the age of social media their premiums did not exist.