

Political Proximity and U.S Media Sentiment

August 30, 2015

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This Draft: August 30, 2015

Abstract

In this paper, we show how the bilateral political relationship (political proximity) between US and other countries affect the sentiment of US media towards firms with American Depositary Receipts (ADR). We distinguish news into negative and positive news by using RavenPack's sentiment score - Event Sentiment Score (ESS). With ESS, we count annual number of positive and negative news for each ADR firms and study the impact of political proximity on the sentiment of news by matching list of 2,579 ADR firms to RavenPack. We find that ADR firms from countries that have bad political relationship with US during the year receive relatively more negative news than positive news in that year and this has negative impact on stock performances. We also find that the negative impact of bad bilateral relationship on news sentiment is stronger for ADR firms with more exposure to US media. We conclude our paper by showing that bad bilateral relationship leads to higher likeliness of ADR firms to terminate their ADRs.

JEL Classification: G00, G30, H77

Keywords: Political Proximity; News Sentiment; American Depositary Receipts (ADR); Termination of ADR

1 Introduction

Media is a key element of development of financial markets as it provides the quantity and quality of information to investors on financial assets and on their issuers. Engelberg, Reed, and Ringgenberg (2012) find that a substantial portion of short sellers' trading advantage comes from their ability to analyse publicly available information. However, there has always been doubts that whether reporters of media can separate their personal opinions from the subjects that they cover. Researchers have shown that analysts issue biased and overoptimistic reports in an attempt to secure current and future investment banking business for the brokerage firms with which they are affiliated (e.g., Lin and McNichols (1998); Michaely and Womack (1999)).

Role of media in finance has been studied by previous literatures. Cutler, Poterba, and Summers (1989) is one of the first empirical studies to question the link between news coverage and stock prices. They find that important qualitative news stories do not seem to help explain large market returns unaccompanied by quantitative macro economic events. Fang and Peress (2009) find that stocks with no media coverage earn higher returns than stocks with high media coverage even after controlling for well-known risk factors. Further, Fang, Peress, and Zheng (2014) indentify that on average mutual funds tend to trade high-coverage stocks. However, there has been no evidence in finance on what factors affect the sentiment of the financial news. This article examines the importance of political proximity on the sentiment of news.

Sentiment of news plays important role in finance. Tetlock (2007) finds that high media pessimism predicts downward pressure on market prices followed by a reversion to fundamentals, and unusually high or low pessimism predicts high market trading volume. Following Tetlock (2007), Sprenger and Welpel (2011) show that the absolute value of cumulative returns prior to a news event are more pronounced for positive news than they are for negative news, suggesting more widespread information leakage before good news. Adding onto previous literatures, our paper explores the impact of the sentiment of news on the stock performances.

Apart from effect of political proximity on the sentiment of news, we also examine if ADR firms are more likely to terminate their ADRs because of bad bilateral political relationship.

Previous literatures do not touch on the effect of political proximity on cross-delisting or termination. Witmer (2005) find firms are more likely to voluntarily cross-delist if they are from countries with weaker investor protection. Daugherty and Georgieva (2011) find that culture plays an important role in the delisting decision of foreign firms in U.S. while Hostak, Lys, Yang, and Karaoglu (2009) find both agency costs and the compliance cost of Sarbane-Oxley Act play a role in motivating foreign firms to withdraw from the U.S. market. Liu (2004) looks at the shareholder wealth effects of foreign firms involuntarily delisting in the US.

Using a panel of 2,579 ADR firms from 44 countries, we show empirically that political proximity has impact on the sentiment of news from U.S. media towards ADR firms. Specifically, our measure of political proximity, *bad* - number of UN opposite votes (against U.S.) casted by a country scaled by total number of votes, has positive relationship with our news sentiment variable - "Unique News Negativeness" (*UNewsNeg*) which measures number of bad unique news relative to the number of good unique news. This shows that ADR firms from countries that have bad political relationship with U.S. during the year receive more negative news than positive news from U.S. media in that year. The evidence is robust for different proxies of political proximity and alternative methods for estimating sentiment of news. To mitigate the endogeneity concern, we adopt an instrumental variable approach, which provides causal link between the political proximity and the sentiment of news. Further, we also show that ADR firms with high exposure to US media (high sales in US) experience stronger negative impact of bad bilateral relationship.

Next, to test whether the sentiment of news has impact on stock performances, we regress our dependent variable from the main result, *UNewsNeg*, on Cumulative Abnormal Return (CAR) over 3 days event window. To obtain abnormal returns, we use the country's market return and US market return and find *UNewsNeg* has a statistically strong negative coefficient with CAR while *bad* is insignificant with CAR. The negative sign of *UNewsNeg* indicates that negative sentiment of news have unfavorable impact on stock performances. However when *UNewsNeg* is removed from the regression, *bad* is significant with CAR. This shows the pos-

sible channel through which political proximity can affect stock performances. The influence of political proximity on CAR is dissipated by introducing the sentiment of the news in the regression and this infers that political proximity does not directly affect stock performances but through the sentiment of news. Further, we use *bad* as an instrument variable for *UNewsNeg* to address any endogeneity issue.

Finally, we conclude our paper with results showing that ADR firms from countries that have bad political relationship with US during the year are more likely to terminate their ADRs in that year. Previous literatures only look into ADR firms which directly cross-list into US market (i.e. Level 2 and 3 ADRs and direct ordinary listings). In our article we expand from this barrier and include all levels of ADR firms and test whether bad political relationship leads to termination of ADRs. Our political proximity variable, *bad*, has positive and statistically significant coefficient which imply that during the year that a country has a bad political relationship with US, ADR firms from that country are likely to terminate their ADRs. Again, to prove the causality, we use two instrument variables from our main regression and find evidence consistent with the results from probit model.

We make contributions to the various strands of corporate finance literature in number of ways. First, there has been no studies that establish a direct relation between political proximity and financial news coverage. Not only that, we are the first ones to establish a literature on factors that affect sentiment of news. We provide empirical support that political proximity has direct impact on the sentiment of news coverage from US media. Second, our paper also extends from the previous studies by examining the impact of the sentiment of news coverage on stock performance with more recent data set and better source of media data. Our media data source, RavenPack, enable us to remove "repeated" news and "noisy" news from our data set to create "unique" and "firm-relevant" news so that our results are not driven by any news that are repeated and noisy. Finally, we contribute to the existing literature which looks into which firms cross-(de)list. We focus on termination of all levels of ADR firms and show that political proximity can influence likeliness of termination of ADRs.

Our paper is structured as follows. Section 2 outlines the literature review and hypothesis development. Section 3 describes the sample and data collection. Section 4 reports methodology and Section 5 presents our empirical results. Section 6 concludes our paper.

2 Related Literatures and Hypothesis Development

2.1 American Depositary Receipt

American Depositary Receipts (ADRs) were developed by JP Morgan in 1927 as a vehicle for investors to register and earn dividends on non-US stock without direct access to the overseas market itself. US depositary banks hold the overseas securities in custody in the country of origin and convert all dividends and other payments into US dollars to receipt holders in US. Investors, therefore, bear all currency risk and indirectly pay fees to the depositary bank. Each depositary receipt denotes shares that represent a specific number of underlying shares in the home market. For non-US companies to list in the US, they must satisfy two requirements. First, they have to arrange with a transfer agent and registrar for an exact replication of settlement facilities as for domestic securities. Second, to register with the US Securities and Exchange Commission (SEC), the non-US company must file a registration statement and furnish an annual report on a Form 20-F with a reconciliation of financial accounts with US Generally Accepted Accounting Principles (GAAP).

There are four types of ADRs that non-US companies can choose; Level I ADRs, Level II ADRs, Level III ADRs and Rule 144A. Level 1 ADRs trade over-the-counter as Pink Sheet issues with limited liquidity and they require minimal SEC disclosure and no GAAP compliances. Level II ADRs are exchange-listed securities but without a capital-raising element. To raise a new capital, companies should choose Level III ADRs, the most prestigious and costly type of listing, which require full SEC disclosure with Form 20-F and compliance with the exchange's own listing rules. Rule 144A is capital-raising issue in which the securities are privately placed to qualified institutional buyers and do not require compliance with GAAP or SEC disclosure

rules. Therefore it lacks liquidity. Lastly, some companies can directly list on a US exchange. They require an exact replication of settlement facilities as for US securities but have somewhat different GAAP reporting and SEC registration requirements. With rare exceptions, Canadian firms are the only firms that maintain ordinary listings.

2.2 Media Coverage and Political Proximity

O'Brien and Tan (2015) study the role of geographic proximity in media coverage for US and find analysts are 80% more likely to cover IPO firms headquartered in their home states than those in other states. Jones, Aelst, and Vliegthart (2011) find that geographic proximity to the United States was not a significant predictor of visibility in the early Cold War years, but it became a significant predictor in the late and post-Cold War years and then dropped in significance again in the post-9/11 period. This is consistent with research findings that point to the persistent influence of distance on foreign news coverage (e.g., Koopmans and Vliegthart (2011)). Apart from geographic proximity, Wu (2000) find the extension of a country's economical proximity and cultural proximity with others may affect the coverage of news. Du, Yu, and Yu (2014) is one of the first papers in finance literature that examine the direct link between proximity and the coverage of media. They examine cultural proximity with data of a group of US analyst of Chinese ethnic origin and find that analysts of Chinese ethnicity issue more accurate forecasts about earnings of Chinese firms. They also find market reaction is stronger if analysts of chinese ethnicity revise their forecasts upwards to issue favorable recommendations about a Chinese firm. How about political proximity then?

Previous literatures mostly focus on armed conflicts, such as World War II (Frey and Kucher (1999); Waldenström and Frey (2006)), the war in Iraq (Ahmad, Kearney, and Liu (2013); Rigobon and Brian (2003); Wolfers and Zitzewitz (2009)), the Northern-Ireland conflict (Besley and Mueller (2012)), the Basque conflict in Spain (Abadie and Gardeazabla (2003)), the civil war in Angola (Guidolin and La Ferrara (2007)), the Palestinian-Israeli conflict (Zussman and Zussman (2006); Zussman, Zussman, and Nielsen (2006); Jaeger and Paserman (2008)), etc.

However recently, somewhat non-physical political conflict has started to attract researchers.

In the study of economics, number of papers find the negative link between political proximity and economic flow. Gupta and Yu (2007) find that a deterioration in bilateral relations is followed by a significant decrease in economic flows between the United States and that country. Michales and Zhi (2010) estimate that French opposition to the Iraq War in the United Nations Security Council led to a reduction in French exports to the United States by about 15% and of American exports to France by nearly 8%. Empirically, Dajud (2013) find that political difference have an impact on bilateral trade that is robust to a wide range of econometric specifications. However there has been no evidence in finance how political proximity affects the media. We expect political proximity also has impact on the sentiment of news.

Hypothesis 1a: During the year when the bilateral relationship between a country and US is bad, U.S media increase the number of negative news relative to the number of positive news towards ADR firms from that country

2.2.1 Firms with High Exposure

Fisman, Hamao, and Wang (2014) empirically show that Japanese companies with high sales in China experience strong negative effect of China exposure on returns during two major adverse shocks to Sino-Japanese relations in 2005 and 2010. They used Japanese companies' sales in China as a proxy for the level of exposure to China. Following them, we consider ADR firms with high sales in US has higher exposure to US media than the ADR firms with low sales in US. If the bilateral political relationship has impact on the sentiment of news, we expect ADR firms with high sales in US (or high exposure to US media) will experience stronger negative impact in terms of news sentiment from US media relative to the ADR firms with low sales in US during the year when the bilateral political relationship is bad because of their higher exposure to US media.

Hypothesis 1b: During the year when the bilateral relationship between a country and US is bad, ADR firms with high sales in US will experience stronger negative effect on news

sentiment than ADR firms with low sales from US media because of their high exposure to US media.

2.3 Media Coverage and Stock Performance

A small body of cross-country literature associates political crisis risk with adverse stock market outcomes (Diamonte, Liew, and Stevens (1996); Berkman, Jacobsen, and Lee (2011); He, Nielsson, and Wang (2014)). However, they missed examining a possible channel through which political proximity can influence stock performance - the coverage of news. Fernandes and Ferreira (2008) show the added analyst coverage associated with cross-listing fosters the production of marketwide information, rather than firm-specific information. Fang and Peress (2009) find that stocks with no media coverage earn higher returns than stocks with high media by studying the cross-sectional relation between media coverage and expected stock returns. This results suggest that the breadth of information dissemination affects stock returns. Apart from coverage of the news, previous literatures also show prediction of sentiment of news on future stock returns.

Tetlock (2007) find that high media pessimism predicts downward pressure on market prices followed by a reversion to fundamentals, and unusually high or low pessimism predicts high market trading volume. Following Tetlock (2007), Sprenger and Welpel (2011) show that the absolute value of cumulative returns prior to a news event are more pronounced for positive news than they are for negative news, suggesting more widespread information leakage before good news. Consistent with Tetlock (2007), Ferguson, Philip, Lam, and Guo (2015) find similar results by using UK data while Ahmad et al. (2013) show how negative firm-specific textual sentiment affects firm-level performance in a time-varying manner. We believe sentiment of news is the channel through which political proximity affect stock returns.

Hypothesis 2: Number of bad news relative to the number of positive news for a company caused from bad bilateral political relations have negative impact on the stock return

2.4 Cross-(de)listing

There are many reasons why a non-US firm may choose to cross-list their shares in the US, including improved access to capital, greater liquidity, lower capital costs, heightened corporate prestige, and the greater investor protection for minority shareholders that tougher US securities regulations confer upon such firms (Karolyi (1998)). Sarkissian and Schill (2004) test for geographic and other forms of proximity biases in the overseas financing market and conclude that geographic, economic, cultural and industrial proximity of foreign stock exchanges between two countries play an important role in host market selection. Their finding suggests that firms prefer to cross-list in countries which are close-to-home markets and share similar language or colonial ties. Also firms cross-list in the market with which their countries trade heavily and have a similar industrial base to their home country.

Daugherty and Georgieva (2011) find that the cultural aspect play an important role in the cross-delisting decision of foreign firms in US. However no research has been done on the role of political aspect in the cross-(de)listing decision. Following Sarkissian and Schill (2004) result showing that firms cross-list in the market with which their countries trade heavily, we expect bad bilateral political relations will discourage firms to cross-list (or encourage cross-delist) in that country because of reduced economic flows caused by bad political relations (Dajud (2013); Gupta and Yu (2007)). Previous literatures focus on ADR firms that are cross-listed into US market (i.e. Level 2 and 3 ADRs and direct ordinary listing). We include all levels of ADR firms and test if ADR firms are more likely to terminate their ADRs when the bilateral political relation between US and their home-countries is bad.

Hypothesis 3: ADR firms are likely to terminate their ADRs during the year when bilateral political relations between US and their countries are bad

3 Data and Variable Construction

3.1 American Depositary Receipt

Our sample consists of all the news for 2,579 non-U.S. companies from 44 countries with American Depositary Receipt from January 2000 until December 2013. To construct a sample that is not biased toward recent ADR events, we use many different data sources for our cross-listing database. Data on non-US firms listing in the US market with ADRs are obtained from the primary depository institutions: Citibank, Bank of New York, JP Morgan, and Deutsche Bank. All institutions have a part of the information, and no individual database includes all US cross-listings actually available. We add to this information data collected directly from the stock exchanges on non-U.S. listings (including Canadian firms that list directly on US exchanges) from Worldscope.

3.2 News Variables

The data for a list of news comes from RavenPack News Analytics, a leading global news database used in quantitative and algorithmic trading, which has recently been used in finance research (e.g., Kolasinski, Reed, and Ringgenberg (2013); Dai, Parwada, and Zhang (2015); Shroff, Verdi, and Yu (2014); Dang, Moshirian, and Zhang (2015)). RavenPack collects and analyzes real time, firm-level business news from leading news providers, including Dow Jones Newswire, the Wall Street Journal (all editions), Barron's, and other major publishers and Web aggregators, including industry and business publication, regional and local newspapers, government and regulatory updates, and trustworthy financial websites. RavenPack measures news flows and the informational content of news articles for more than 30,000 firms across one hundred countries (more than 98% of the investable global market) with news covering a wide range of facts, opinions, and corporate disclosures.

To measure the informational content of a news article, RavenPack relies on two major approaches. In the first approach, RavenPack classifies a news article into news event categories

that may be value-relevant based on its taxonomy. RavenPack then measures the informational content of news events using proprietary algorithms, which have been developed and evaluated by effectively combining traditional language analysis and expert consensus, to determine the quantified sentiment score for each newsevent. The news-sentiment score indicates whether and to what extent a news event may have a positive, neutral, or negative effect on stock prices. This score is assigned to all relevant firms listed in the news report. The sentiment score has a value ranging between zero and one hundred, with a value above (or below) 50 indicating the positive (or negative) sentiment of a given news event, whereas a value of 50 represents a neutral sentiment. Alternatively, instead of analyzing a news article at the news-event level, RavenPack analyzes its information content based on the combination of traditional language analysis and market response methodologies. This analysis produces a news-sentiment score that represents the positive, neutral, or negative value effect of a given news article.

Among the other sentiment scores in RavenPack, we use the main sentiment score - the event sentiment score (ESS) which indicates how firm-specific news events are categorized and rated as having a positive or negative effect on stock prices by experts in linguistics, finance, and economics. The ESS variable is determined by systematically matching stories typically categorized by financial experts as having short-term positive or negative financial or economic impact. By using ESS, we count annual number of negative news and annual number of positive news for each firm. In addition to the news-sentiment score types, RavenPack also provides two other related measures: 1) the event-novelty score (ENS), which represents how novel a news article is, and 2) the news-relevance score (NRS), which indicates how relevant a news article is to a given firm. ENS variable enable us to distinguish "unique" news from repeated news while NRS variable enable us to remove potentially noisy news and focus only on firm-relevant news.

To RavenPack news data, we match the list of ADRs. We only consider firms with ADRs because foreign firms with ADRs attract the US media such as Dow Jones. Leuz (2003) argues that analyst may follow the cross-listed firm simply because the firm cross-listed and not because

the firm has actually increased its level of disclosure. ADRs provide an interesting opportunity for US investors, in that US investors can enjoy benefits of international diversification without going abroad and trading shares on foreign stock exchanges. Such diversification benefits from ADRs are demonstrated in recent paper by Errunza, Hogan, and Hung (1999). Table 1 shows number of ADR firms for each country examined in our article.

<Insert Table 1 here>

3.3 Political Proximity

Following previous literatures (Dajud (2013); Gupta and Yu (2007)), we construct a measure of *Political Proximity* - bilateral political relations - based on voting data from the United Nations General Assembly on issues which directly affect the United States' interests and on which the United States lobbied extensively. We define our political proximity variable (*bad*) as the number of votes cast by a country at the United Nations that are not identical to the US vote scaled by the total number of votes, which is the sum of identical votes, opposite votes, abstentions and absences for each country. Also we collect another political proximity variable - "*s2un*" - which measures the UN vote correlation from "The Affinity of Nations" database¹. It is available upto year 2012.

3.4 Controls

Firm-level accounting data are collected from Worldscope. We control for a firm-specific characteristics that are likely to be correlated with sentiment of news in regressions analysis. All firm level control variables are measured at the beginning of the year. We include size of a firm (*size*), log of the book to market ratio (*btm*), leverage (*lev*) and return on equity (*roe*). The definition of the firm-specific characteristics variables are given in the Appendix. We also include four country level control variables; log of GDP per capita (*gdpp*), GDP growth (*ggdp*), net percent equity flow (*netflow*) and economic flow (*usperc*). GDP per capita and GDP

¹<https://dataverse.harvard.edu/dataset.xhtml?persistentId=hdl:1902.1/12379>

growth are collected from World Development Indicators². Net percent equity flow is collected from Treasury International Capital and defined as the difference of “Annual Gross sales of foreign stocks by foreigners to US residents” and “Annual Gross purchases of foreign stocks by foreigners from US residents” divided by the sum of annual gross sales and annual purchases of foreign stocks by foreigners to/from US residents while economic flow data are collected from UN comtrade Database³ measured as total trade inflow and outflow to/from U.S for each country divided by total import and export of U.S to the rest of the world. Summary statistics are provided in Table 2.

<Insert Table 2 here>

4 Analysis of bilateral political relationship

Because we are interested in whether political proximity affects news sentiment of US media, we focus on all levels of ADR firms since all levels of ADR attract the attention of US media. We first present results on the impact of political proximity on the news sentiment of US media then we show how this news sentiment affect stock performances. To examine how the political proximity influences termination decisions of ADR firms, we use probit model.

4.1 News Sentiment

4.1.1 Main regression test

To test Hypothesis 1a - whether political relationship has an impact on news, we construct our dependent variable by using number of unique negative and unique positive news. We call our dependent variable as "Unique News Negativeness (UNewsNeg)" which is calculated as

$$UNewsNeg_{i,c,t} = \frac{\text{number of bad unique news} - \text{number of good unique news}}{\text{number of total unique news}}$$

²<http://data.worldbank.org/data-catalog/world-development-indicators>

³<http://comtrade.un.org/data/>

This measures number of unique negative news relative to the number of unique positive news scaled by total number of unique news. We construct such a measure because some firms (such as large firms) may have more media coverage than other firms. Comparing only count of unique negative news could be misleading so we scale it by total number of unique news. Large firms or those with well-known brand names would have been more likely to receive media coverage during our control period as well as at the time of first cross listed, so this is another way to control for size or other firm characteristics that directly lead to higher media coverage. (Liu, Sherman, and Zhang (2009))

We perform regression analysis at the firm level to examine the impact of political proximity on the sentiment of the news using following equation:

$$UNewsNeg_{i,c,t} = \alpha + \beta_1 \cdot PP_{c,t} + \beta_2 \cdot X_{i,t} + \beta_3 \cdot Y_{c,t} + \phi_c + \epsilon_t + \varepsilon_{i,c,t}$$

where the indices i, c and t correspond to firm, country and time, respectively. ϕ_c and ϵ_t represents country and year fixed-effect and $\varepsilon_{i,c,t}$ represents firm-time specific error term that is assumed be correlated within the firms and heteroskedastic. As such, all standard errors and test statistics are robust to these two departures from the classical regression model (Petersen (2009)) and clustered at firm-level. $PP_{c,t}$ indicates political proximity variable while $X_{i,t}$ represents firm-specific characteristics including size, leverage, book-to-market ratio and return on equity. $Y_{c,t}$ includes country level control variables; log of GDP per capita, GDP Growth, Net percent equity flow and economic flow.

We first test two different measures of political proximity. "bad" is number of UN opposite votes casted by a country divided by total number of votes and "s2un" is the UN vote correlation collected from "The Affinity of Nations" database. We also include results for lagged value of both variables in Table 3a. We show both bad and bad_lag have positive coefficient with significance level at 1% with our independent variable - "Unique News Negativeness (UNewsNeg)". This provides an evidence that bad political relationship between a country and US

during the year leads to larger number of negative news relative to the number of positive news from US media in that year towards the ADR firms from that country. The other variables, $s2un$ and $s2un_lag$, have negative and significant coefficient which is consistent with our results for bad as $s2un$ is opposite to bad .

<Insert Table 3a here>

4.1.2 ADR firms with high exposure to US media

In Hypothesis 1b, we expect that for the years when the bilateral relationship is bad, ADR firms with high sales in US will experience stronger negative effect on news sentiment than ADR firms with low sales from US media because of their high exposure to US media. We use the level of US sales scaled by total sales of ADR firms (US_Sales) as a proxy for the level of exposure to US media. From Worldscope, we collect geographical segment sales for each ADR firms and the level of sales in US are available for 534 ADR firms. In column 1 of Table 3b, we show that interaction of US_Sales and bad has statistically significant positive coefficient with $UNewsNeg$. This shows that ADR firms with high sales in US receive larger number of negative news relative to positive news than ADR firms with low sales in US when the bilateral relationship is bad. Column 2 of Table 3b tests the interaction term of bad and one year lag of US_Sales (a proxy for the level of exposure to US media in the previous year), and the result is consistent with column 1. To test Hypothesis 1b, we use following equation:

$$UNewsNeg_{i,c,t} = \alpha + \beta_1 \cdot bad_{c,t} * US_Sales + \beta_2 \cdot bad_{c,t} + \beta_3 \cdot X_{i,t} + \beta_4 \cdot Y_{c,t} + \phi_c + \epsilon_t + \varepsilon_{i,c,t}$$

where the indices i,c and t correspond to firm, country and time, respectively. ϕ_c and ϵ_t represents country and year fixed-effect and $\varepsilon_{i,c,t}$ represents firm-time specific error term that is assumed be correlated within the firms and heteroskedastic. As such, all standard errors and test statistics are robust to these two departures from the classical regression model (Petersen (2009)) and clustered at firm-level. $bad_{c,t}$ indicates political proximity variable while $X_{i,t}$

represents firm-specific characteristics including size, leverage, book-to-market ratio, return on equity and US sales. $Y_{c,t}$ includes country level control variables; log of GDP per capita, GDP Growth, Net percent equity flow and economic flow. $bad_{c,t} * US_Sales$ represents the interaction of US_Sales and bad .

<Insert Table 3b here>

4.1.3 News category

The quality or credibility of firm-specific information produced by the media may depend on the characteristics of that information (e.g, quantitative information, such as earnings announcements and financial statements, or qualitative information, such as opinions, rumors and verbal communications) or the manner in which the media accesses firm-specific information (e.g., through firm disclosures or through active information gathering). In our paper, we closely examine the former and classify our sample into hard and soft news; hard news as quantitative information and soft news as qualitative information. Table 4 reports the regression results for different news categories in column (1) and (2). For both type of news, the results are still consistent with our main results.

4.1.4 Repeated news

We also perform the same test with repeated news. We test another dependent variable, Total News Negativeness ($TNewsNeg$), in column (3) of Table 4,

$$TNewsNeg_{i,c,t} = \frac{\text{number of total bad news} - \text{number of total good news}}{\text{number of total news}}$$

which shows the overall measure for the sentiment of new from US media since we use total number of news which includes repeated news of unique news. The results are still consistent with our main results.

4.1.5 Sentiment Score

Rather than using our sentiment score, ESS, just to distinguish news between bad and good news, in column (4) of Table 4, we include it as dependent variable and tested direct impact of political proximity on the sentiment score. We take the average ESS score of firms' unique news ($UAvg_ESS$) each year and find that when bilateral political relationship between a country and US is bad, ADR firms from that country receive news which have high level of negative sentiment from US media.

<Insert Table 4 here>

4.1.6 Endogeneity

Although our finding in the previous sections are robust to the alternative estimations of news sentiment, the results may still suffer from endogeneity. Specifically, a potential problem is that our proxies for political proximity may be determined simultaneously with the media's sentiment which would bias our results. As a final robustness check, we use the instrument variable approach to address this concern.

Following Dajud (2013), we use Physical Integrity Rights Index (pri) as instrument variable which is constructed by summing up country scores in four matters: torture, extrajudicial killing, political imprisonment, and disappearance. Countries with the high scores are those where human rights are better respected. The reason for choosing pri as instrument variable is that human right issues are perhaps the most contentious issue in the United Nations. For this reason, most votes take place on resolutions directly or indirectly related to human rights. Therefore pri can be seen as highly correlated with $bad_{c,t}$. Further, following ? research, we use political leadership change, lc , as instrument variable. They find countries are more likley to vote in line with the U.S at UN General Assembly after leader change.

Table 5 shows instrument variable results. Model 1 (column 1 and 3) shows the results with pri and model 2 (column 2 and 4) shows the results with lc . The unreported test statistics support the construction of the instrument. For example, Hansen J statistics for overidentifying

restrictions show that instruments are valid and the first-stage F statistics for the weak instrument test are acceptable based on Staiger, Stock, and Watson (1997) guidelines. First-stage regressions of the instrument variable approach is reported in the first two column of Table 5 and the second-stage regressions are reported on the right two columns of Table 5. This additional analyses corroborate our findings that the political proximity has impact on the news sentiment of U.S media. The 2sls regression results are consistent with the results of our main tests.

<Insert Table 5 here>

4.2 Stock Performances

To test the impact of political proximity (i.e. $bad_{c,t}$) on stock returns of firms through the U.S media, (i.e. $UNewsNeg_{i,c,t}$), we use following equation.

$$CAR_{i,c,t} = \alpha + \beta_1 \cdot bad_{c,t} + \beta_2 \cdot UNewsNeg_{i,c,t} + \beta_3 \cdot X_{i,t} + \beta_4 \cdot Y_{c,t} + \phi_c + \epsilon_t + \varepsilon_{i,c,t}$$

where the indices i,c and t correspond to firm, country and time, respectively. ϕ_c and ϵ_t represents country and year fixed-effect and $\varepsilon_{i,c,t}$ represents firm-time specific error term that is assumed be correlated within the firms and heteroskedastic. As such, all standard errors again clustered at firm-level. $X_{i,t}$ represents firm-specific characteristics including size, leverage, book-to-market ratio and return on equity and $Y_{c,t}$ includes country level control variables; log of GDP per capita, GDP Growth, Net percent equity flow and economic flow. To calculate Cumulative Abnormal Return (CAR), abnormal stock returns are calculated first with RI (Return Index) from Datastream with 252 working days of pre-period. $CAR_{i,c,t}$ is abnormal stock returns over the 3-day (0,+2) event window for each news where date 0 is the news released date.

Tetlock (2007) finds high media pessimism predicts downward pressure on market prices followed by a reversion to fundamentals, and unusually high or low pessimism predicts high market trading volume. We extend from Tetlock (2007) which uses only Wall Street Journal

articles from year 1984 - year 1999. Our data spans from 2000 to 2013 and our data source has its own sentiment score so our news dataset is not only constrained to 77 predetermined GI categories from the Harvard psychosocial dictionary as it is in Tetlock (2007).

In Table 6, we take average of CAR of a firm for each year since our news sentiment variable in previous tests, *UNewsNeg*, is measured annually. First two columns of Table 6 show that the political proximity loses its significance with CAR when we regress *bad* with *UNewsNeg*. This shows that political proximity has impact on CAR as well but it does not directly affect it. Political proximity influence CAR through the news coverage. To address endogeneity issue, we use our political proximity variable, *bad*, as an instrument variable. Column 3 shows the first stage which is just column 2 of Table 3 and column 4 shows the second stage results. Our news sentiment variable, *UNewsNeg* is still negative and statistically significant.

<Insert Table 6 here>

4.3 ADR Termination

To test if ADR firms are more likely to terminate their ADRs because of bad bilateral political relations between US and their country, we estimate a series of probit models in the form of:

$$PR(termination) = \Phi[\alpha + \beta_1 \cdot bad_{c,t} + \beta_2 \cdot X_{i,t} + \beta_3 \cdot Y_{c,t} + \phi_c + \epsilon_t]$$

where the indices i, c and t correspond to firm, country and time, respectively. ϕ_c and ϵ_t represents country and year fixed-effect and $\epsilon_{i,c,t}$ represents firm-time specific error term that is assumed be correlated within the firms and heteroskedastic. Φ is the standard normal cumulative distribution and all standard errors again clustered at firm-level. $X_{i,t}$ represents firm-specific characteristics including size, leverage, book-to-market ratio and return on equity and $Y_{c,t}$ includes country level control variables; log of GDP per capita, GDP Growth, Net percent equity flow and economic flow.

Previous literatures focus on when foreign firms cross-(de)list into US market by consider-

ing firms that actually cross-listed into US markets (via Level 2 and 3 ADR and direct ordinary listing). In our paper, we consider all levels of ADR firms to see if political proximity has effect on their termination decisions. Table 7 presents our probit regression with a dependent variable as a dummy equal to 1 if a firm terminated in the year and 0 otherwise. Column 1 of Table 7 show that when bilateral political relationship between a country and US is bad, ADR firms from that country are more likely to terminated their ADRs in that year.

To confirm the causal link between political proximity and the termination decisions of ADR firms, we use an instrumental variable approach. We use the same instrument variables from our main regressions, Physical Integrity Rights Index (*pri*) and Leader Change (*lc*), to mitigate endogeneity issue. First-stage regressions of the instrument variable approach is reported in the Column 2 and 3 of Table 7 while Column 4 and 5 show the second stage. The results are still consistent with Column 1 and corroborate our finding that the bad bilateral political relation between a country and US will lead to higher likeliness of termination of ADRs for ADR firms from that country.

<Insert Table 7 here>

5 Conclusion

Our main focus of the paper is to investigate how political proximity affects the sentiment of news in US media by examining ADR firms only. Using a unique data set of news articles collected from RavenPack, which has its own sentiment of news for every news data, we find a strong empirical evidence of direct relationship between political proximity and sentiment of the news. Our results show that when bilateral political relation between a country and US is bad, ADR firms from that country receives more negative news relative to positive news. Further we also find that ADR firms which are more exposed to US media experience stronger negative impact of bad bilateral relationship.

Different to previous literatures, we find a possible channel through wich political proxim-

ity can affect stock performances. Our results infer that political proximity does not directly affect stock performances but through the sentiment of news. Further, we also differentiate our results on termination decisions of ADR firms to previous literatures which only look into certain level of ADR firms. Our results show that political proximity affects all levels of ADR firms in their terminations decisions.

Our primary contribution is to set up a new area of literature that explores what factors affect sentiment of news. No previous literatures have explored such an area and we provide empirical support that political proximity has direct impact on the sentiment of news from US media. We also extends from the previous studies by examining the impact of the sentiment of news coverage on stock performance with more recent data set and with a source of media data which enabled us to remove "repeated" news and "noisy" news from our data. Finally, we contribute to the existing literature which looks into which firms cross-(de)list by focusing on the termination of all levels of ADR firms rather than only certain levels of ADR firms.

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Appendix: Description of key variables

Variable	Description	Source
UNNewsNeg	Number of negative news minus positive news, scaled by total number of news. News are unique if ENS = 100 in RavenPack. ENS is event-novelty score (ENS) which represents how novel a news article is.	RavenPack
bad	Number of votes cast by a country at the United Nations that are not identical to the US vote scaled by total number of votes (incl. abstentions and absences).	United Nation General Assembly
s2un	UN vote correlation between a country and United States	The Affinity of Nations
size	Natural Logarithm of book value of total assets denominated in US dollars	Worldscope
lev	Long-term debt divided by book value of total assets	Worldscope
roe	Total return on equity in percentage	Worldscope
tobinq	Proxy for investment opportunities measured by Tobin's q. It is the ratio of market value of assets to book value of assets. Market value of assets is the sum of market capitalization and long-term debt while book value of assets is sum of common equity and long-term debt	Worldscope
uspcc	Measures economic proximity between a country and United States. It is calculated as ratio of country's total import/export with United states and total import/export of United states.	UN comtrade Database
netflow	Defined as the difference of "Annual Gross sales of foreign stocks by foreigners to US residents" and "Annual Gross purchases of foreign stocks by foreigners from US residents" divided by the sum of annual gross sales and annual purchases of foreign stocks by foreigners to/from US residents	Treasury International Capital
log_gdpp	Natural Logarithm of GDP per capita denominated in US dollars	World Development Indicators
ggdp	GDP growth rate	World Development Indicators
CAR	Cumulative Abnormal Return calculated with Return Index from Datastream with 252 working days of pre-period. It is abnormal stock returns over the 3-days (0,+2) event window for each news where date 0 is the news released date.	Datastream

Table 1: Number of Firms

The table shows the breakdown of 2,579 firms with American Depositary Receipt (ADR) in the sample from January 2000 to December 2013. ADR firms include firms which directly cross-list into US market.

Country	Number of firms	Country	Number of firms
Argentina	15	Luxembourg	7
Australia	190	Malaysia	11
Austria	26	Mexico	36
Belgium	25	Netherlands	39
Brazil	83	New Zealand	24
Canada	280	Norway	36
Chile	18	Pakistan	1
China	194	Peru	5
Colombia	5	Philippines	25
Czech Republic	3	Poland	28
Denmark	25	Portugal	17
Finland	27	Russia	30
France	102	Singapore	64
Germany	114	South Africa	74
Greece	18	South Korea	11
Hungary	5	Spain	45
India	19	Sweden	62
Indonesia	31	Switzerland	56
Ireland	37	Thailand	28
Israel	42	Turkey	27
Italy	76	United Kingdom	304
Japan	313	Venezuela	1
		TOTAL	2579

Table 2: Descriptive Statistics

The sample consists of all ADR firms from 44 countries matched with RavenPack observation between 2000 and 2013 with nonmissing data for all control variables. The table present means, standard deviations (SD), and percentiles for variables. Log of book asset value in US dollars (size), total debt divided by total asset (lev), return on equity (roe) and tobin's q (tobinq) are firm specific factors which denotes variables corresponding to firm i's value in year t. All firm level variables are winsorized at the 1 and 99 percentiles levels. Economic flow (usperc), net percent equity flow (netflow), log of GDP per capita (gdpp) and GDP growth (ggdp) are country specific factors which denotes variables corresponding to country c's value in year t.

	N	Mean	SD	p1	p25	Median	p75	p99
UNewsNeg	17,241	-0.27	0.37	-1.00	-0.50	-0.29	-0.06	1.00
bad	17,241	0.40	0.18	0.06	0.26	0.37	0.51	0.81
s2un	15,299	-0.12	0.40	-0.84	-0.39	-0.07	0.14	0.88
size	17,241	15.14	2.32	9.19	13.82	15.26	16.64	19.95
lev	17,241	0.16	0.15	0.00	0.03	0.14	0.25	0.59
roe	17,241	6.46	30.70	-143.39	1.91	9.93	18.34	92.17
tobinq	17,241	1.69	1.34	0.56	1.01	1.24	1.81	8.63
usperc	17,241	0.05	0.06	0.00	0.01	0.03	0.08	0.19
netflow	17,241	0.02	0.07	-0.15	-0.01	0.01	0.04	0.26
log_gdpp	17,241	27.83	1.13	25.26	26.96	28.01	28.62	29.74
ggdp	17,241	2.44	3.36	-5.53	1.03	2.18	3.77	11.30

Table 3a: News Sentiment

In this table we present regressions of political proximity variables on Unique News Negativeness (UNewsNeg). Firm level control variables - log of book asset value in US dollars (size), total debt divided by total asset (lev), return on equity (roe) and tobin's q (tobinq) - are included. Country characteristics include Economic flow (usperc), net percent equity flow (netflow), log of GDP per capita (gdpp) and GDP growth (ggdp). Results are obtained from regressions with year and country fixed effects. The absolute values of the t-statistics are based on robust standard errors clustered at the firm level.

	1	2	3	4
VARIABLES	UNewsNeg	UNewsNeg	UNewsNeg	UNewsNeg
bad_lag	0.352 (4.68)			
bad		0.303 (3.96)		
s2un			-0.191 (-4.69)	
s2un_lag				-0.136 (-3.86)
size	-0.003 (-1.32)	-0.003 (-1.37)	-0.001 (-0.62)	-0.006 (-2.71)
lev	0.129 (5.16)	0.131 (5.37)	0.126 (4.95)	0.159 (6.55)
roe	-0.001 (-8.01)	-0.001 (-8.32)	-0.001 (-7.97)	-0.001 (-8.41)
tobinq	-0.031 (-10.24)	-0.029 (-9.55)	-0.026 (-8.29)	-0.031 (-9.59)
usperc	-0.697 (-1.51)	-0.468 (-0.98)	-0.880 (-1.45)	-0.558 (-1.08)
netflow	-0.066 (-1.35)	-0.037 (-0.78)	-0.025 (-0.51)	0.004 (0.09)
log_gdpp	0.044 (1.81)	0.043 (1.81)	0.023 (0.86)	0.055 (2.28)
ggdp	-0.014 (-7.19)	-0.013 (-6.87)	-0.013 (-6.31)	-0.013 (-6.65)
Constant	-1.415 (-2.18)	-1.515 (-2.35)	-0.843 (-1.22)	-1.591 (-2.48)
Observations	16,618	17,241	15,299	14,354
R-squared	0.083	0.083	0.089	0.090

Table 3b: News Sentiment - Firms with High Exposure to US Media

The interaction term of level of US sales scaled by total sales of a firm (US_Sales) and political proximity variable (bad) is added to the regression in Column 2 of Table 3a to see if ADR firms with high exposure to US media experience stronger negative news sentiment from US than ADR firms with less exposure during the year with bad bilateral relationship. Firm level control variables - log of book asset value in US dollars (size), total debt divided by total asset (lev), return on equity (roe) and tobin's q (tobinq) - are included. Country characteristics include Economic flow (usperc), net percent equity flow (netflow), log of GDP per capita (gdpp) and GDP growth (ggdp). Results are obtained from regressions with year and country fixed effects. The absolute values of the t-statistics are based on robust standard errors clustered at the firm level.

	1	2
VARIABLES	UNewsNeg	UNewsNeg
bad*US_sales	0.438 (2.35)	
US_sales	-0.188 (-3.00)	
bad*US_sales_lag		0.493 (2.34)
US_sales_lag		-0.198 (-2.87)
bad	0.299 (1.49)	-0.067 (-0.27)
size	-0.009 (-2.25)	-0.010 (-2.56)
lev	0.187 (4.00)	0.232 (4.75)
roe	-0.001 (-3.87)	-0.001 (-3.72)
tobinq	-0.023 (-3.77)	-0.030 (-3.85)
usperc	-3.583 (-2.89)	-2.747 (-1.97)
netflow	-0.310 (-1.28)	0.039 (0.14)
log_gdpp	-0.050 (-0.66)	-0.002 (-0.02)
ggdp	-0.012 (-1.90)	-0.006 (-1.15)
Constant	1.503 (0.73)	0.318 (0.13)
Observations	2,464	1,887
R-squared	0.114	0.131

Table 4: News Sentiment Extra

In this table we present regressions of political proximity on UNewsNeg with sub-sample of hard and soft news in column 1 and 2. Column 3 has dependent variable as Total News Negativeness (TNewsNeg) while column 4 test direct impact of political proximity on average sentiment score of unique news (UAvg_ESS). Firm level control variables - log of book asset value in US dollars (size), total debt divided by total asset (lev), return on equity (roe) and tobin's q (tobinq) - are included. Country characteristics include Economic flow (usperc), net percent equity flow (netflow), log of GDP per capita (gdpp) and GDP growth (ggdp). Results are obtained from regressions with year and country fixed effects. The absolute values of the t-statistics are based on robust standard errors clustered at the firm level.

	1	2	3	4
VARIABLES	hard UNewsNeg	soft UNewsNeg	All News TNewsNeg	Sentiment Score UAvg_ESS
bad	0.202 (2.34)	0.377 (3.34)	0.303 (3.96)	-4.887 (-2.94)
size	-0.011 (-5.14)	0.010 (3.19)	-0.003 (-1.37)	0.030 (0.81)
lev	0.098 (3.84)	0.165 (4.17)	0.131 (5.37)	-2.409 (-5.11)
roe	-0.003 (-17.27)	0.001 (3.63)	-0.001 (-8.32)	0.038 (16.21)
tobinq	-0.028 (-7.18)	-0.015 (-3.61)	-0.029 (-9.55)	0.531 (9.57)
usperc	-0.203 (-0.39)	-0.610 (-0.92)	-0.468 (-0.98)	11.797 (1.04)
netflow	-0.020 (-0.39)	0.058 (0.81)	-0.037 (-0.78)	0.569 (0.56)
log_gdpp	0.065 (2.41)	0.001 (0.03)	0.043 (1.81)	-1.739 (-3.45)
ggdp	-0.017 (-8.56)	0.002 (0.81)	-0.013 (-6.87)	0.390 (9.69)
Constant	-1.933 (-2.68)	-0.660 (-0.69)	-1.515 (-2.35)	104.415 (7.68)
Observations	16,752	15,237	17,241	17,241
R-squared	0.134	0.038	0.083	0.123

Table 5: Instrument variable approach

In this table we present 2SLS regressions of political proximity on Unique News Negativeness (UNewsNeg) with two instrument variables; Physical Integrity Right Index (pri) and Leader Change (lc). Left two columns show first stage regressions and right two columns show second stage regression. Firm level control variables - log of book asset value in US dollars (size), total debt divided by total asset (lev), return on equity (roe) and tobin's q (tobinq) - are included. Country characteristics include Economic flow (usperc), net percent equity flow (netflow), log of GDP per capita (gdpp) and GDP growth (ggdp). Results are obtained with year and country fixed effects. The absolute values of the t-statistics are based on robust standard errors clustered at the firm level.

	1	2	3	4
VARIABLES	bad	bad	UNewsNeg	UNewsNeg
pri	-0.003 (-5.90)			
lc		0.010 (13.84)		
bad_hat			5.199 (2.99)	2.745 (3.52)
size	0.000 (1.23)	0.000 (1.73)	-0.001 (-0.43)	-0.002 (-0.84)
lev	0.003 (1.39)	0.002 (1.18)	0.096 (3.35)	0.122 (4.69)
roe	0.000 (4.48)	0.000 (3.91)	-0.001 (-7.84)	-0.001 (-8.54)
tobinq	0.000 (1.56)	0.001 (2.09)	-0.028 (-8.01)	-0.028 (-8.64)
usperc	1.551 (19.91)	1.666 (20.68)	-7.578 (-2.79)	-4.145 (-3.00)
netflow	-0.025 (-4.66)	-0.018 (-3.49)	0.126 (1.67)	0.021 (0.42)
log_gdpp	-0.043 (-10.24)	-0.051 (-13.03)	0.196 (2.55)	0.139 (2.88)
ggdp	0.003 (12.06)	0.003 (14.88)	-0.025 (-5.20)	-0.020 (-6.60)
Observations	13,403	15,322	13,403	15,322
R-squared	0.121	0.136	-0.224	-0.037

Table 6: Cumulative abnormal returns

In this table we present regressions of Unique News Negativeness (UNewsNeg) on cumulative abnormal return (CAR). Column 3 and 4 shows 2SLS regression with instrumental variable for UNewsNeg as bad. Firm level control variables - log of book asset value in US dollars (size), total debt divided by total asset (lev), return on equity (roe) and tobin's q (tobinq) - are included. Country characteristics include Economic flow (usperc), net percent equity flow (netflow), log of GDP per capita (gdpp) and GDP growth (ggdp). Results are obtained from regressions with year and country fixed effects. The absolute values of the t-statistics are based on robust standard errors clustered at the firm level.

	1	2	3	4
VARIABLES	car3	car3	UNewsNeg	car3
bad	-0.020 (-1.77)	-0.016 (-1.43)	0.300 (3.92)	
UNewsNeg		-0.014 (-7.09)		
UNewsNeg_hat				-0.068 (-1.69)
size	-0.002 (-2.95)	-0.002 (-3.04)	-0.003 (-1.38)	-0.002 (-3.24)
lev	-0.003 (-0.90)	-0.002 (-0.40)	0.131 (5.37)	0.006 (0.74)
roe	-0.000 (-1.34)	-0.000 (-1.99)	-0.001 (-8.32)	-0.000 (-2.06)
tobinq	0.002 (0.86)	0.001 (0.63)	-0.029 (-9.56)	-0.000 (-0.36)
usperc	-0.002 (-0.02)	-0.009 (-0.08)	-0.458 (-0.96)	-0.033 (-0.29)
netflow	0.010 (1.08)	0.010 (1.02)	-0.036 (-0.76)	0.008 (0.77)
log_gdpp	0.009 (1.38)	0.010 (1.48)	0.043 (1.81)	0.012 (1.76)
ggdp	-0.000 (-0.50)	-0.000 (-1.48)	-0.013 (-6.79)	-0.001 (-1.75)
Observations	17,241	17,241	17,241	17,241
R-squared	0.006	0.009	0.026	-0.039

Table 7: Termination

In this table we present probit regressions of political proximity on termination. Firm level control variables - log of book asset value in US dollars (size), total debt divided by total asset (lev), return on equity (roe) and tobin's q (tobinq) - are included. Country characteristics include Economic flow (usperc), net percent equity flow (netflow), log of GDP per capita (gdpp) and GDP growth (ggdp). Results are obtained from regressions with year and country fixed effects. The absolute values of the t-statistics are based on robust standard errors clustered at the firm level. Column 2 to 5 show results for two stage probit model with two instrument variables; Physical Integrity Right Index (pri) and Leader Change (lc). Column 2 and 3 show first stage results and column 4 and 5 present second stage results.

	1	2	3	4	5
VARIABLES	termination	bad	bad	termination	termination
pri		-0.004 (-6.12)			
lc			0.009 (12.90)		
bad	2.228 (2.21)				
bad_hat				39.136 (2.60)	12.805 (1.65)
size	-0.031 (-2.03)	0.000 (1.46)	0.000 (1.74)	-0.034 (-1.97)	-0.028 (-1.82)
lev	0.073 (0.37)	0.002 (1.02)	0.002 (0.81)	-0.260 (-1.09)	0.135 (0.65)
roe	0.000 (0.15)	0.000 (3.89)	0.000 (3.23)	-0.002 (-2.09)	-0.001 (-1.07)
tobinq	-0.076 (-2.78)	0.001 (2.75)	0.001 (3.56)	-0.121 (-3.34)	-0.102 (-2.99)
usperc	-6.804 (-1.43)	1.431 (18.94)	1.511 (19.23)	-59.406 (-2.70)	-21.754 (-1.72)
netflow	0.591 (1.39)	-0.046 (-9.14)	-0.035 (-7.36)	1.758 (2.04)	0.864 (1.47)
log_gdpp	0.073 (0.33)	-0.030 (-8.16)	-0.039 (-11.26)	0.826 (1.69)	0.319 (0.86)
ggdp	-0.015 (-0.80)	0.002 (12.69)	0.003 (16.19)	-0.109 (-2.55)	-0.043 (-1.47)
Constant	-5.551 (-0.93)	1.292 (13.52)	1.512 (16.82)	-43.376 (-2.23)	-17.265 (-1.34)
Observations	20,031	14,739	16,947	14,739	16,947
R-squared		0.960	0.960		