

Accepted Manuscript

Market States, Sentiment, and Momentum in the Corporate Bond Market

Lifang Li, Valentina Galvani

PII: S0378-4266(18)30039-6
DOI: [10.1016/j.jbankfin.2018.02.007](https://doi.org/10.1016/j.jbankfin.2018.02.007)
Reference: JBF 5301

To appear in: *Journal of Banking and Finance*

Received date: 31 December 2017
Revised date: 9 February 2018
Accepted date: 12 February 2018

Please cite this article as: Lifang Li, Valentina Galvani, Market States, Sentiment, and Momentum in the Corporate Bond Market, *Journal of Banking and Finance* (2018), doi: [10.1016/j.jbankfin.2018.02.007](https://doi.org/10.1016/j.jbankfin.2018.02.007)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Market States, Sentiment, and Momentum in the Corporate Bond Market

Lifang Li and Valentina Galvani

March 1, 2018

Abstract

We show that momentum profits for corporate bonds depend on the state of the market (UP/DOWN), as already documented for equities. Momentum gains exclusively follow UP periods. In contrast, DOWN markets herald momentum losses. Importantly, this study links momentum gains to underpricing, as measured by low sentiment. In particular, the UP-market momentum gains are generated exclusively by momentum portfolios formed in periods of low sentiment. The DOWN-market reversal returns in low sentiment are even larger than the UP-market momentum gains. We also introduce a novel top-volume bond momentum strategy and show that it yields large and persistent unconditional profits.

Keywords: market states; sentiment; momentum; underpricing; corporate bonds.

JEL: G00, G12

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات