

CEOs' Facial Display of Emotion and Stock Prices

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Abstract

By using a novel dataset of videos of CEO interviews on CNBC over 2009-2018, we analyze facial expressions of CEOs during the interviews in order to measure the extent of positive and negative emotions conveyed by CEO facial expressions. We find that stock prices react positively to happiness and react negatively to sadness both in a general sample as well as interviews held within two days after earnings announcements. We do not find any evidence of returns reversing subsequently.