```
Stata code to replicate:
Do Weather-Induced Moods Affect the Processing of Earnings News?  (deHaan, Madsen, Piotroski 2017, JAR)

This file contains code for the market tests in Tables 4 through 7.



***-----------------------------------------------------------------***
*
*       load the SAS dataset and make a few extra variables
*
***-----------------------------------------------------------------***;


*** load - this is the SAS dataset
    clear all
    cd "YOUR_DIRECTORY"
    use "YOUR_DIRECTORY.dta"


*** setup

    * create weekly indicators and interactions with de-meaned UE
    gen week = week(eadate)
    qui: tab week, gen(w)
    foreach v of varlist w1-w52  {
        egen `v'_mean = mean(`v')
        gen z`v' = `v' - `v'_mean
        gen ue_dec_z`v' = zue_dec * z`v'
        drop `v'_mean z`v'
    }

    * create UE_dec split on good and bad
    gen ue_dec_good = 0
    gen ue_dec_bad = 0
    gen ue_dec_wf_good = 0
    gen ue_dec_wf_bad = 0
    replace ue_dec_good = ue_dec if ue >= 0
    replace ue_dec_wf_good = ue_dec_wf if ue >= 0
    replace ue_dec_bad = ue_dec if ue < 0
    replace ue_dec_wf_bad = ue_dec_wf if ue < 0

    * create deciles of absolute ue to use in the volume tests
    gen ue_abs = abs(ue)
    xtile ue_abs10 = ue_abs, n(10)





***-----------------------------------------------------------------***
*
*       Table 4b
*
***-----------------------------------------------------------------***;

*** summary statistics
    sum car_portff_vw pead_portff_vw turn_abn wf
    sum ue size btm replag_log numest_log persist volatility beta instown fq4 loss friday busy xtrm_any



***-----------------------------------------------------------------***
*
*       Table 5
*
***-----------------------------------------------------------------***;

*** setup the code
    local mainvar       "ue_dec ue_dec_wf"
    local controlsdayfe "ue_dec_zxtrm_any ue_dec_zsize ue_dec_zbtm ue_dec_zreplag_log ue_dec_znumest_log ue_dec_zpersist ue_dec_zvolatility ue_dec_zfq4 ue_dec_zbeta
ue_dec_zinstown ue_dec_zloss ue_dec_zfriday ue_dec_zbusy size btm replag_log numest_log persist volatility beta instown fq4 loss  ue_dec_zw2-ue_dec_zw52"

    local reg_details       = ", cluster(eadate) a(eadate)"
    local outreg_options    = "tdec(2) bracket dec(4) adj   tstat aster(tstat) sortvar(`mainvar') keep(`mainvar' )"



*** regressions
    areg car_portff_vw `mainvar'                                        `reg_details'
    outreg2 using table_temp2.xls, replace                  `outreg_options'

    areg car_portff_vw `mainvar'     `controlsdayfe'                    `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'

    areg car_portff_vw `mainvar'     `controlsdayfe' if year <= 2004    `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'

    areg car_portff_vw `mainvar'     `controlsdayfe' if year > 2004     `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'

    areg pead_portff_vw `mainvar'                                 `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'

    areg pead_portff_vw `mainvar'   `controlsdayfe'                     `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'
```

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    areg pead_portff_vw `mainvar'   `controlsdayfe' if year <= 2004 `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'

    areg pead_portff_vw `mainvar'   `controlsdayfe' if year > 2004  `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'




***-----------------------------------------------------------------***
*
*       Table 6 - ERCs by good versus bad UE
*
***-----------------------------------------------------------------***;

*** setup
    local mainvar       "ue_dec_good ue_dec_bad wf ue_dec_wf_good ue_dec_wf_bad"
    local controlsdayfe "ue_dec_zxtrm_any ue_dec_zsize ue_dec_zbtm ue_dec_zreplag_log ue_dec_znumest_log ue_dec_zpersist ue_dec_zvolatility ue_dec_zfq4 ue_dec_zbeta
ue_dec_zinstown ue_dec_zloss ue_dec_zfriday ue_dec_zbusy size btm replag_log numest_log persist volatility beta instown fq4 loss  ue_dec_zw2-ue_dec_zw52"

    local reg_details       ", cluster(eadate) a(eadate)"
    local outreg_options    "tdec(2) bracket dec(4) adj   tstat aster(tstat) sortvar(`mainvar') keep(`mainvar' )"

    local test          "test ue_dec_wf_bad ue_dec_wf_good"
    local lincom        "lincom ue_dec_wf_bad - ue_dec_wf_good"


*** regressions
    areg car_portff_vw `mainvar'                                        `reg_details'
    outreg2 using table_temp2.xls, replace                  `outreg_options'
    `test'
    `lincom'

    areg car_portff_vw `mainvar'     `controlsdayfe'                    `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'
    `test'
    `lincom'

    areg car_portff_vw `mainvar'     `controlsdayfe' if year <= 2004    `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'
    `test'
    `lincom'

    areg car_portff_vw `mainvar'     `controlsdayfe' if year > 2004     `reg_details'
    outreg2 using table_temp2.xls, append                   `outreg_options'
    `test'
    `lincom'


***-----------------------------------------------------------------***
*
*       Table 7 - trading volume tests
*
***-----------------------------------------------------------------***;


*** setup
    local controlsvol       "ue_dec ue_abs10 xtrm_any size btm replag_log numest_log persist volatility beta instown fq4 loss friday busy"
    local outreg_options    "tdec(2) bracket dec(4) adj   tstat aster(tstat)   drop(`controlsvol')"


*** regressions
    reg turn_abn wf                                                 ,  cluster(eadate)
    outreg2 using table_temp2.xls, replace                          `outreg_options'

    areg turn_abn wf `controlsvol'                                  , a(week)  cluster(eadate)
    outreg2 using table_temp2.xls, append                           `outreg_options'

    areg turn_abn wf `controlsvol' turn_abn_mkt                     , a(week)  cluster(eadate)
    outreg2 using table_temp2.xls, append                           `outreg_options'

    areg turn_abn wf `controlsvol' turn_abn_mkt    if year  <= 2004     , a(week)  cluster(eadate)
    outreg2 using table_temp2.xls, append                           `outreg_options'

    areg turn_abn wf `controlsvol' turn_abn_mkt    if year  > 2004      , a(week)  cluster(eadate)
    outreg2 using table_temp2.xls, append                           `outreg_options'
```