

Non-Public Financial Information Hacks



Roy Zuckerman

In this paper we investigate the preponderance of obtaining non-public financial information through cyber hacks. Using data acquired from a major networking equipment provider, we find that attempted hacks on public companies' HQs rise by up to 60% during the 14 calendar days preceding the release of quarterly earnings. Attacks drop to normal levels a day after the earnings release. We find no such effect for private companies in our dataset. The results remain robust after controlling for day of the week, malware activity and other seasonal effects. We find a relationship between the actual earnings surprise (SUE) and the cyber activity, but find no significant abnormal returns for the firms in our sample prior to the release of quarterly earnings. Taken together, these results imply that cyber hackers have significant interest in obtaining non-public financial information prior to its release.

How Technological Innovations are Changing the World of Investment Management



Ari Achiaz

Technology is shaping every aspect of our lives, and in the last several years it has disrupted the traditional investment world, in a developing field called Wealth-Tech. This review focuses on four sub-fields of Wealth-Tech. The first section reviews technological innovations in data analysis (e.g. NLP) that enable investors to gather and analyze data. The second section demonstrates new Alternative Data that uses technology to create investment value. The third section analyzes innovation in asset management, including Digital Wealth Managers (Robo advisors) and Copy Trading. The last section illustrates new Alternative Assets that expand the breadth of available assets, P2P lending and Equity Crowd investing for example. This review paper is the tip of the iceberg of the ways that technology is disrupting investment management. In the next decade, we are likely to see many more changes and just as many academic papers that analyze them.