

Documentation for News Sentiment Scores

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This code was developed in the study "Measuring News Sentiment" by Adam Shapiro, Moritz Sudhof, and Daniel Wilson. Forthcoming in *Journal of Econometrics*, <https://doi.org/10.1016/j.jeconom.2020.07.053>. Please cite accordingly.

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Shapiro, Adam Hale, Moritz Sudhof, and Daniel J. Wilson. 2020. "Measuring News Sentiment." Federal Reserve Bank of San Francisco Working Paper 2017-01. <https://doi.org/10.24148/wp2017-01>

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Folder overview

This folder contains materials to replicate the News Sentiment score described in Federal Reserve Bank of San Francisco Working Paper 2017-01, "Measuring News Sentiment" by Shapiro, Sudhof, and Wilson, as listed below.

main_NS_score.py	<p>The main python script developed to calculate the News PMI model sentiment score of .txt files. Before running this file, set the directories in lines 10-12 and the names of the folders with the .txt files in line 13. You will also need to set the directory for the lexicons in line 10 of NS_functions.py</p> <p>This file outputs a .csv file with the file name and corresponding sentiment score</p>
NS_functions.py	An auxiliary python script that contains functions to load the lexicons used by main_NS_score.py
LoughranMcDonald_2016.csv	<p>Loughran-McDonald 2016 lexicon. Loaded in main_NS_score.py</p> <p>Dictionary source: Loughran, T., and B. McDonald. 2011. "When Is a Liability Not a Liability? Textual Analysis, Dictionaries, and 10-Ks." <i>The Journal of Finance</i> 66: 35-65. https://sraf.nd.edu/textual-analysis/</p>
ns.vader.sentences.20k.csv	Lexicon created using a corpus of economic news articles and scored with Vader