

## WHEN CAN THE MARKET IDENTIFY OLD NEWS?

*Anastassia Fedyk, Harvard University, Boston, MA 02136, 609-755-4859, [afedyk@fas.harvard.edu](mailto:afedyk@fas.harvard.edu)  
James Hodson, Jozef Stefan Institute, Trzaska Cesta, 47, Ljubljana, Slovenia 1000, 070-626-201,  
[james.hodson@ijs.si](mailto:james.hodson@ijs.si)*

### ABSTRACT

Why do investors react to old information? We experimentally document that active finance professionals are more likely to discard direct “reprints” than “recombination” news stories that draw content from several sources. We study the market implications of this mechanism using a unique dataset of news passing through the Bloomberg terminal. Firms see larger price moves on days when they have more recombination stories relative to reprints. Furthermore, while overall reactions to old information have declined over time, differential reactions to recombination stories have risen. Altogether, we document investors’ increased sophistication in discarding reprints, but continuing susceptibility to recombination of old information.

**Keywords:** news, information processing, investor inattention, capital markets.

**Note:** Copy has not been submitted for inclusion in the proceedings.