Analyst recommendations have little effect, researcher says

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In a new paper to be published in

Journal of Accounting and Economics, Robert S. Hansen, Francis Martin Chair in Business and professor of finance and economics, suggests that analysts'

recommendations have little effect on stock prices. The study, co-authored with Oya Altinkiliç of the University of Pittsburgh, found that when an analyst changes a recommendation on a stock, the share price moves on average just 0.03 percent, far less than had been suggested in previous research.

To learn more about the study, see this Financial Times story as well as this mention in the New York Times.