Decoding Management Sentiment

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Transcript

00:00:00 – 00:00:09 Sharanya Srinivasan

How can we be certain that management is giving investors the right narrative?

00:00:10 – 00:00:13 Sharanya Srinivasan

Hi, I'm Sharanya, Senior Portfolio Manager in the Quantitative Investment Strategies team.

00:00:14 – 00:00:21 Sharanya Srinivasan

As investors, we're always trying to get inside the minds of company executives to understand management sentiment.

00:00:22 – 00:00:30 Sharanya Srinivasan

When a company reports its earnings, most investors tune in to the numbers. But we know that's only half the story. The real insight comes from what's left unsaid.

00:00:31 – 00:00:38 Sharanya Srinivasan

That's why we use natural language processing to decode the tone, language, not just what they are saying, but also how they are saying it.

00:00:39 – 00:00:49 Sharanya Srinivasan

Take this example from a recent earnings call. During the planned portion of the call, the CEO sounds confident and prepared. But in the Q&A section, things take a subtle turn.

00:00:50 – 00:01:00 Sharanya Srinivasan

There's a small shift in tone, and slight hesitation before answering a question. Those may seem insignificant, but they're enough for our large language models to pick up hidden intentions.

00:01:01 – 00:01:26 Sharanya Srinivasan

By combining these insights from audio signals with those from traditional data like financial reports, we are able to gain a 360-degree view to identify the less obvious opportunities before the rest of the market catches on.