Abstract

The thesis investigates the impact of social media and news headline sentiment on stock prices, specifically comparing gaming firms to companies from other industries. Tweets and news headlines containing keywords referring to four selected gaming and four non-gaming companies were collected over 5 and 3 months, respectively. Both tweets and news collected came from the general users or media rather than focusing solely on financial ones. The data were aggregated into daily values. Daily stock price data were also collected for each examined company to derive returns and volatility. The data were analysed using a vector autoregression model in combination with Granger causality. The study found no significant differences between gaming and non-gaming sectors. The polarity of sentiment showed no effect on stock prices. However, when sentiment was divided into different emotions, some significance was observed, although the findings varied across individual firms regardless of their sectors. It was concluded that when using sentiment for market predictions, it is beneficial to either utilize specifically financial media or determine the specific type of sentiment that influences a particular stock.