The Watchlist Trap: Stored Attention and Recalled Rallies*

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Abstract

What role does stock following play in retail investing? A watchlist, a list of stocks to follow, permits deliberation, so *warm* purchases of stocks added to the watchlist on an earlier day should outperform the same investors' *cold* purchases of stocks never watchlisted or added on the purchase day. Using a Chinese trading platform's dated, priced watchlist additions and investors' first purchases, I instead find warm purchases *underperform* cold purchases by 213 basis points in Chinese four-factor-adjusted returns over 180 trading days, concentrated in stocks added on a *limit-up close*, a close at the daily upper price limit. Even holding documented buying tendencies, patterns in stock characteristics, fixed, *late* warm purchases, made after the first 5 trading days from the first day the stock could be bought, underperform cold purchases by 160 basis points under that adjustment over 180 trading days. Yet deliberation, measured by news readings (opening stock-related articles), and reference dependence, measured by the watchlist-addition price and highest and lowest closing prices since watchlist addition, account for none of the gap. Beyond these alternatives, choice within investors' watchlists favors stocks after another limit-up close matching the watchlist-addition event, consistent with *similarity-based recall*: present events evoke similar past experiences.

Keywords: Retail investors; Investor attention; Memory; Price limits; Watchlists; Trading platforms.

JEL: G41, G11, G14, G51, D91.

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1. Introduction

What role does stock following play in retail investing? A *watchlist* is a personal list of stocks to follow, allowing deliberation before purchase. Information acquisition offers a natural account of that interval: investors learn about assets they expect to hold in Van Nieuwerburgh and Veldkamp (2010), and better-informed portfolios earn higher returns. Reference dependence offers a different account of choice, evaluated against a reference point that Kőszegi and Rabin (2006) model as recent expectations about outcomes. If following yields useful information, I expect *warm* purchases (purchases of stocks added to the watchlist on an earlier day) to outperform the same investors' *cold* purchases (purchases of stocks never watchlisted or added on the purchase day). Instead, I find that warm purchases *underperform* cold purchases by 213 basis points over 180 trading days. I refer to this return difference as the *warm–cold gap*. The gap is concentrated in stocks added on a *limit-up close*, when trading ends at the daily upper price limit.[1] This is the trap: warm purchases underperform cold purchases, yet measures of deliberation and reference dependence account for none of the gap. Turning to which stock is bought, investors' choice from their watchlists favors stocks after a later event of the same kind as the event on the day they added the stock, consistent with *similarity-based recall*, in which a present cue brings to mind similar earlier experiences.

Linked investor records connect this earlier interest to the eventual purchase. I link each dated and priced *watchlist addition*, the act of adding a stock to a watchlist, with records of articles investors open and trades on a Chinese trading platform (hereafter, the Platform). A stock on the list is a *watchlisted stock*. I refer to the investor's first recorded buy of a stock as a *first purchase*. These records identify when an investor began following a stock and whether and when the investor bought it.[2]

The dated interval between watchlist addition and purchase locates the gap: it widens after the *first feasible day*, the first trading day after watchlist addition on which the stock trades without remaining at its upper price limit throughout trading, and stays at about that size at longer waits. I group warm purchases by the trading days from that date to purchase. In the direct timing comparison, warm purchases after a wait underperform warm purchases on the first feasible day by 196 basis points, each measured against the same cold purchases over 180 trading days. These are returns following purchases made at different delays, rather than returns to holding the same stock for longer. The gap is concentrated in stocks added on a limit-up close: warm purchases of these stocks underperform cold purchases by 681 basis points over 180 trading days. The comparison with the investor's unbought alternatives gives a related result. I compare each warm purchase with random purchases from the same watchlist, restricting the alternatives to stocks added in the same band of trading days before purchase. Both the purchased stock and its alternatives are evaluated from the actual purchase date. Warm purchases underperform

[1] Return comparisons use CH-4-adjusted returns from the Chinese four-factor model, with investor and purchase-day effects; cold purchases include stocks never watchlisted or added on the purchase day. The accounting, the timing comparison with buying characteristics held fixed, and the contrasts after versus without a later limit-up close use returns net of same-day random market purchases. The headline return horizon is 180 trading days; the tests also use 20 and 60 trading days, reported in the tables, with Holm's adjustment across the tested horizons.

[2] The linked sample contains 9,501 investors and 534,852 first purchases.

these alternatives in every reported band of time since watchlist addition at 180 trading days. Even among stocks the investor chose to follow for comparable intervals, the eventual purchase underperforms. Therefore, a decline shared by the other stocks on the watchlist does not explain this comparison. Together, the timing and matched-alternative results locate the gap in what investors buy after following a stock, rather than in a uniform deterioration of everything they follow.

Even with *documented buying tendencies*, observable purchase patterns adapted from Han, He, and Weagley (2025), held fixed, the gap remains after a wait. I refer to purchases within the first 5 trading days from the first feasible day, including that day, as *early* purchases and to those afterward as *late* purchases. Purchases carrying more tendencies have lower subsequent returns (Section 5). I compare early and late warm purchases with cold purchases while holding these characteristics fixed, allowing each tendency the same return association across purchase groups. At 180 trading days, early warm purchases have no detected underperformance relative to cold purchases, with an estimated warm-minus-cold difference of −20 basis points. However, late warm purchases underperform cold purchases by 160 basis points over 180 trading days. The early comparison is consistent with those tendencies describing early purchases, whereas the late underperformance remains after they are held fixed. The distinction directs the analysis toward what happens between the recorded watchlist addition and the eventual purchase. A stock can remain on the watchlist while its price changes and later public events occur; the late result asks what the purchase earns after that interval has already elapsed.

Yet deliberation, measured by *news readings* (investors opening articles about a stock), and reference dependence describe buying but account for none of the warm–cold gap. I compare the gap before and after jointly holding the measured characteristics fixed, attributing its change to news readings, reference prices, attention measures and documented tendencies. More news readings about a stock while it is on the watchlist are associated with a greater likelihood of choosing it from the watchlist, but news readings measured on the day before purchase or before the market opens on the purchase day account for none of the return gap. Reference dependence predicts choice relative to a reference point (Kőszegi and Rabin 2006; Dean et al. 2026). I use as candidate reference points the *add price*, the price recorded at watchlist addition, and the *running high* and *running low*, the highest and lowest closing prices since watchlist addition. Investors' choices vary with these reference prices, but the reference-price measures account for none of the gap. Contrary to the prediction from sequential arrival in Bohren et al. (2024), investors are less likely to choose stocks that have outperformed their watchlist alternatives more often, holding cumulative relative performance fixed. Documented tendencies account for 47 percent of the warm–cold gap over 180 trading days. The Platform's *hot list*, a ranking of stocks using trading activity, searches and browsing, discussion and price changes, accounts for 35.8 basis points of that gap over 180 trading days. Nevertheless, part remains with every measured group held fixed. I compare late purchases of stocks added on a limit-up close with *same-date comparison stocks*, stocks that closed at the upper limit on the same watchlist-addition date and are evaluated as bought on the same purchase day; reversion common to these stocks does not explain late underperformance. The late purchases underperform these alternatives over 180 trading days. In contrast, on average across all watchlist additions, returns measured from the first feasible day do not detectably differ from cold-purchase returns at that horizon. Stocks eventually bought

late have higher returns from that starting date, largely earned before purchase; measured from purchase instead, they underperform stocks bought early at 180 trading days. The comparisons distinguish returns earned while following from those earned after buying.

Beyond these alternatives, investors choosing from their watchlists favor stocks after a later event that matches the event at watchlist addition, consistent with similarity-based recall. I refer to the trading day of a public attention-grabbing event and the following trading day as an *attention episode*; the events are announcements, upper-limit touches, abnormal trading volume and hot-list entry. A *matching episode* is a later attention episode whose event is of the same kind as the event on the day the investor added the stock. A *new limit-up close* occurs after the first feasible day and before purchase. I derive the prediction from Bordalo, Gennaioli, and Shleifer (2020): considering a stock can leave an experience without purchase, so a similar later episode can favor that experience in choice. Wachter and Kahana (2024) model retrieval of associated contexts, and Enke, Schwerter, and Zimmermann (2024) find that similar contexts cue earlier signals. I compare the stock purchased with the other stocks on that investor's watchlist at the same decision, holding documented tendencies, the stock's prior return volatility and frequency of attention-grabbing days, the *return since add*, the stock's price change from its add price, and time on the watchlist fixed. Using the measure that includes limit-up closes continuing the original run, late-purchase choice odds after a new limit-up close are 24 percent higher, and the odds ratio associated with that later event is 94 percent higher for stocks added on a limit-up close. This is a choice among watchlisted stocks when the investor buys. The stronger association for matching episodes remains when continuations of the original run are excluded. Extrapolation predicts buying after past price rises (Barberis et al. 2018; Da, Huang, and Jin 2021). Holding the return since watchlist addition fixed distinguishes the matching association from buying after rises regardless of the event at watchlist addition. A separate comparison holds the stock and current date fixed: after a *renewed upper-limit hit*, a later day on which the stock reaches its upper price limit, investors who added it on a limit-up close make more first purchases than investors who added it on another day with the same time on the watchlist, beyond their difference in the *reference week*, the trading week preceding the week immediately before the event. The comparison also holds when the later hit ends in a limit-up close. These comparisons connect the current choice with the investor's earlier encounter.

Turning to returns, the late return gap is concentrated in purchases after a new limit-up close. I compare late purchases after and without such a later event within the same delay band, holding documented tendencies fixed and excluding limit-up closes that continue the watchlist-addition-day run. Each group is evaluated relative to a common pool of the same investors' cold purchases. Late purchases after a new limit-up close underperform late purchases without a new limit-up close by 243 basis points over 180 trading days. The contrast remains within delay bands, so differences between those bands do not explain it. Even holding price appreciation since the first feasible day fixed leaves further underperformance after a new limit-up close: late purchases after a new limit-up close underperform late purchases without a new limit-up close by 228 basis points over 180 trading days. The comparison therefore holds both the delay band and the measured price appreciation before purchase fixed. Hot-list entry does not explain the further underperformance either. The contrast is not confined to late purchases: early purchases after a new limit-up close also underperform early purchases without a new limit-up close at 180

trading days in the run-up-controlled comparison, each group relative to the common cold pool. The choice result links buying to the earlier event; the return comparisons locate the late gap in purchases following a new limit-up close.

Moreover, such buying persists after the event at watchlist addition. Counting an event only if the stock had no event of the same kind in the preceding 20 trading days, warm purchases outside attention episodes make up 33.3 percent of all first purchases. Thus a purchase can follow recorded interest even when the stock has no counted public event near the purchase.

I link an identified investor's dated interest in a stock to that investor's later purchase and show that the occasion of the interest is associated with what is bought later. In the attention-driven buying literature of Barber and Odean (2008), I add the investor's earlier encounter to the current event in describing subsequent choice. For considered alternatives and information choice, I compare purchases with stocks followed for comparable intervals and measure deliberation through news readings, connecting the purchase comparison in Imas, Jin, and Lü (2026) with the information-choice question in Van Nieuwerburgh and Veldkamp (2010). In the work on buying tendencies and retail performance, I trace purchase characteristics from watchlist addition to purchase and measure their part of the same investor's warm–cold gap (Barber, Lin, and Odean 2024; Han, He, and Weagley 2025). For reference dependence and extrapolation, I connect the pre-ownership price path to later choice and returns, finding that the reference-price measures describe choice but account for none of the gap (Kőszegi and Rabin 2006; Barberis et al. 2018). In the literature on memory in markets, I connect a later choice to recorded interest before ownership, complementing the aggregate cues in Charles (2025) and the repurchase experience in Strahilevitz, Odean, and Barber (2011).

These associations connect retail demand to the investor's history of attention, with implications for how purchases are understood. For asset pricing, buying dated only by the current event can miss the earlier occasion on which interest in the stock began. For households, following a stock before buying is not followed by a better purchase: warm purchases underperform the same investors' cold purchases, and news readings account for none of the gap. For firms, later buying by investors who added a stock on a limit-up close is associated with a later event of the same kind. For platform design, a watchlist keeps previously followed stocks available for consideration when a similar event occurs. On the Platform, the watchlist records that prior interest, while the public, dated limit-up close makes the earlier and later encounters comparable.

Section 2 places the findings in the literature, and Sections 3 and 4 describe the setting and design. Section 5 establishes the gap's facts. Section 6 examines deliberation and reference dependence in stock following. Section 7 examines attention and matching episodes. Section 8 concludes.

2. Related Literature

My paper relates to five strands of literature: attention-driven buying and platforms; information acquisition and deliberation; buying tendencies and retail performance; the price path and choice; and memory and recall.

First, attention-driven buying and platform studies connect attention to purchase. Attention research establishes buying around attention-grabbing events, usually near the event date. Barber and Odean (2008) document net buying around news, unusual volume and extreme returns. Seasholes and Wu (2007) observe accounts at brokerage offices in Ningbo buying previously unowned Shanghai-exchange stocks on the day after upper-limit touches, followed by losses as prices revert. Chen et al. (2019) observe buying after limit-up days in Shenzhen investor-size groups and subsequent stock-level reversal. Da, Engelberg, and Gao (2011) use Google search frequency as a measure of investor attention and find higher subsequent prices followed by reversal; the measure concerns aggregate searches rather than an identified investor's purchase. Platform studies connect recorded attention to buying at different intervals. Barber et al. (2022) observe same-day buying around Top Movers display eligibility through aggregate Robinhood holder counts; Cong et al. (2026) find that aggregate retail order imbalance turns positive on the day after watchlist growth and negative thereafter. Levy et al. (2025) aggregate user-level watchlist changes and find that market-wide retail trading follows weeks later, associating the lag with poor performance without observing users' portfolios. Arnold, Pelster, and Subrahmanyam (2022) find greater leverage in trades following broker-selected push messages. These platform interventions concern an external stimulus, whereas the watchlist record identifies which stock the investor had chosen to follow before purchase. The investor-level record links dated watchlist interest to the same investor's first purchase, locating the return gap by the event at watchlist addition and the intervening wait.

Second, information acquisition and deliberation research relates what investors consider before purchase to their eventual choice and returns. Imas, Jin, and Lü (2026) find that purchased funds outperform recently viewed alternatives, though not the broader fund-market comparison. In my sample, watchlisted purchases underperform random purchases from the same watchlist matched on time on the watchlist in every reported band of days since watchlist addition, at 180 trading days. I observe stocks kept for later purchase rather than funds browsed shortly before trading. In Van Nieuwerburgh and Veldkamp (2010), investors choose information about assets they expect to hold. Gargano and Rossi (2018) associate brokerage-account browsing with better subsequent purchases; Guiso and Jappelli (2020) instead associate investors' reported information time with lower expected portfolio Sharpe ratios.[3] I measure deliberation through news readings during the interval before ownership and compare purchases with alternatives followed for a comparable interval; readings measured on the day before purchase or before the market opens on the purchase day account for none of the warm–cold gap.

Third, buying tendencies and retail-performance research connects the characteristics of investors and their trades to returns. Han, He, and Weagley (2025) distinguish tendencies'

[3]Outside finance, Imas, Kuhn, and Mironova (2022) find less myopic intertemporal choices after an assigned wait; Read, Loewenstein, and Kalyanaraman (1999) find less immediate gratification when choices precede consumption.

prevalence from their association with returns using actual and capitalization-weighted random purchases. They serve as controls when I test deliberation, reference dependence and memory as explanations of buying and of the warm–cold gap against never-watchlisted stocks or purchase-day watchlist additions. A history of limit-up closes also connects this setting to lottery-like stocks. Kumar (2009) associates households' lottery-type holdings with underperformance; Bali, Cakici, and Whitelaw (2011) document lower subsequent stock returns after high maximum daily returns. Bian et al. (2026) use the longest run of consecutive upper-limit touches to measure lottery character, while Liu et al. (2022) link surveyed gambling preferences to purchases with more prior upper-limit touches. The *Lottery-Like Stocks* measure records a completed run. I distinguish when interest in these stocks was recorded from when they were bought, without equating that record with a measured preference. These explanations sit within a retail-performance literature whose differing findings Barber, Lin, and Odean (2024) reconcile in a common data set: positive short-horizon predictability from retail order imbalance coexists with losing retail trades because of trade weighting and the level of retail trading.[4] Table IA-1 compares these objects in the Internet Appendix. An, Lou, and Shi (2022) document gains for large household accounts and losses for small household accounts through active trading during China's bubble and crash, reporting outcomes aggregated by wealth group. I hold the investor fixed, distinguish purchases by their watchlist histories and trace documented tendencies from watchlist addition to purchase, showing which measured characteristics account for part of the gap.

Fourth, reference dependence, extrapolation and sequential arrival offer explanations for choices along the price path. Reference points are recent expectations in Kőszegi and Rabin (2006) and comparative information from a known referent in Dean et al. (2026). George and Hwang (2004) interpret return predictability near a recent high through a reference-price account; Grinblatt and Keloharju (2001) relate recent highs and lows to buying relative to selling. Frydman and Wang (2020) document stronger disposition effects after purchase-price and capital-gain information becomes more prominent. I observe a price recorded before ownership—the add price—and the running high and running low since watchlist addition, so these reference prices are known at purchase. The return-since-addition control distinguishes the matching-episode association from the prediction that buying follows past price rises. Barberis et al. (2018) model bubbles with high volume following good fundamental news, as investors weigh average past price changes against overvaluation. Using crowdsourced stock rankings, Da, Huang, and Jin (2021) find extrapolative expectations of next week's returns, with greater weight on recent returns and stronger extrapolation among nonprofessionals. Liao, Peng, and Zhu (2022) model the interaction of extrapolative beliefs and the disposition effect: investors buy after gains and sell if gains continue, with volume predictions supported by account-level transactions during a Chinese stock-market bubble. Section 7 relates the higher odds of choosing a stock from the watchlist after a new limit-up close to the return since watchlist addition and to whether the stock was added on a limit-up close. The prediction from sequential arrival is not borne out by choice among watchlist stocks. Bohren et al. (2024) compare sequential with simultaneous information and find different choices despite identical outcome distributions. Stocks enter a

[4] Purchases trail sales before costs in Odean (1999); aggregate net buying predicts positive returns in Kaniel, Saar, and Titman (2008), without establishing investors' holding-period profits. Barber et al. (2009) report aggregate trading losses but statistically insignificant purchase-side losses at longer horizons.

watchlist successively, and their price histories unfold while they are on the watchlist. I connect the price path before ownership to choice among watchlist stocks and to subsequent purchase returns: the reference-price measures describe choice but account for none of the warm–cold gap.

Fifth, memory research relates present choice to earlier experiences. The relevant similarity here is between the episode before purchase and the investor's own watchlist-addition event. Wachter and Kahana (2024) model retrieval of associated contexts; Bordalo, Gennaioli, and Shleifer (2020) model recall favoring recent or similar experiences. In laboratory experiments, Enke, Schwerter, and Zimmermann (2024) find that contexts cue recall of similar past news and that belief overreaction varies with signal histories and signal-context associations. Aggregate market cues and investor-specific earlier encounters identify different objects in the memory evidence. Charles (2025) finds aggregate stock-day net retail buying in U.S. stocks when another firm's earnings announcement cues an association formed by their coincident announcements in the preceding quarter; the finding concerns market-level buying, with evidence suggestive of recall rather than an observed investor-level memory. Jiang et al. (2025) find that rising markets are associated with more positive recall of past experiences and that recall is reflected in return expectations and trading; their evidence is correlational and concerns market and portfolio experiences, without reported stock-level recall. The matching-episode comparison concerns first purchases, extending the question beyond earlier ownership. Using brokerage trades, Strahilevitz, Odean, and Barber (2011) find lower repurchase rates for stocks sold at a loss and stocks whose prices rose after sale. There, earlier experience comes from ownership; here, it is a watchlist addition without a position before the investor's first purchase. A new limit-up close supplies a later attention episode to compare with the event at watchlist addition, extending the next-day buying comparisons above (Seasholes and Wu 2007; Chen et al. 2019). Those studies do not follow an identified investor's purchase weeks after watchlist addition on a limit-up close, together with another limit-up close while that stock is on the watchlist. I connect a later choice within an investor's watchlist to the event at which that investor recorded interest before ownership; the stronger association when those events match is consistent with similarity-based recall.

3. The Setting and the Framework

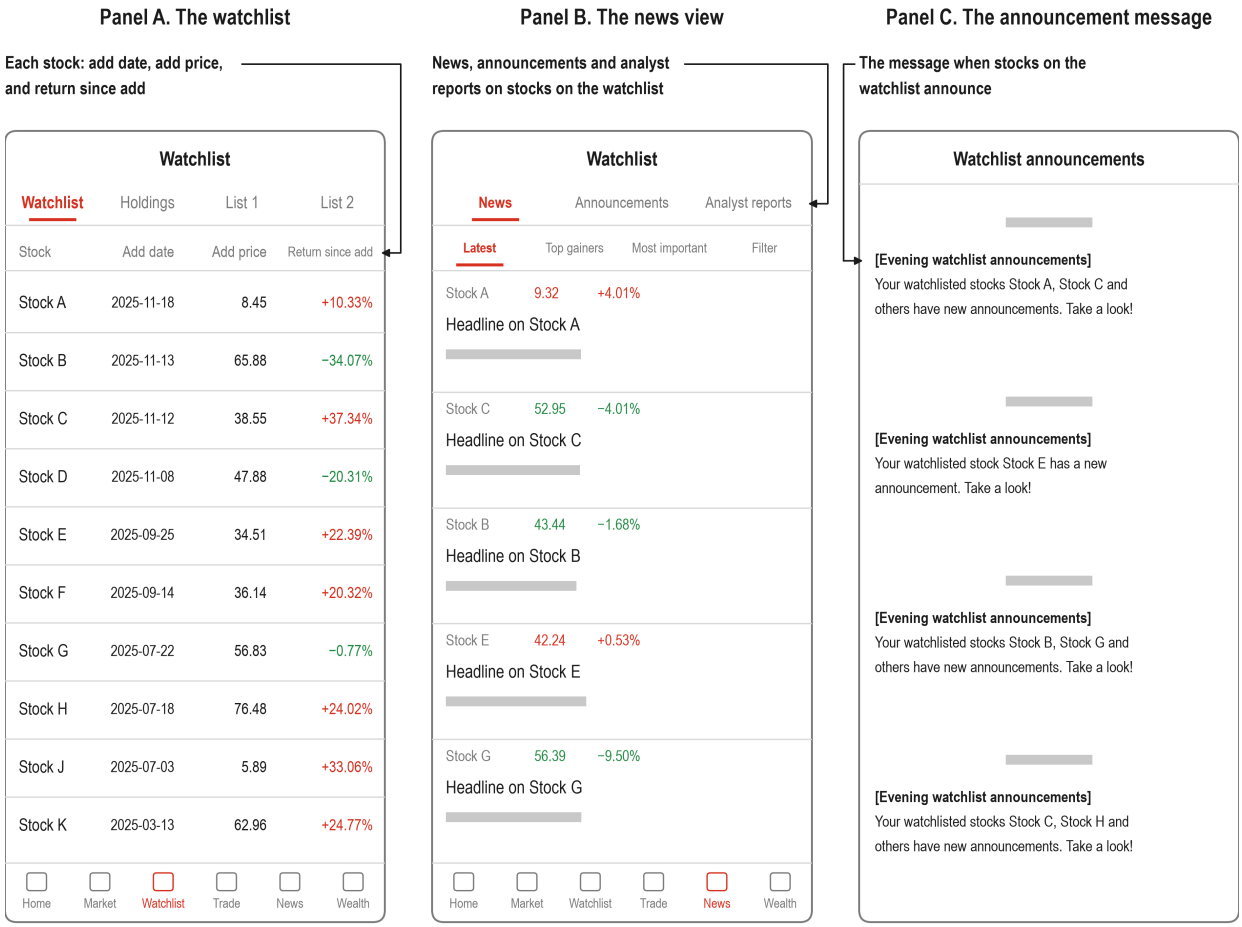
The framework distinguishes the event at watchlist addition from the attention episode preceding purchase. A later episode that matches the earlier event supplies the comparison for the recall explanation, while purchase returns supply a separate comparison of warm and cold purchases.

3.1. The Watchlist and News Screens

The Platform lets investors follow stocks before buying them and links those watchlist records to news readings and trades. Investors can keep a personal watchlist and encounter the Platform's hot list on the app's opening screen. The watchlist displays each stock's watchlist-addition date, add price and return since add, as illustrated in Figure 1. A watchlisted stock is on that list, whether

or not subsequently bought. When a stock announces, its *followers*, investors who have added it to their watchlists, are eligible for an *announcement-evening push*, a phone notification about the announcement; the pushed news message names the stock.

Figure 1: The Watchlist and News Views of the Platform, Redrawn



Note: The figure is an illustrative redraw of the Platform's interface with English labels; the stocks and every value are invented. Panel A shows the watchlist: each stock with its add date, add price and return since add. Panel B shows the news view: news, announcements and analyst reports on the stocks on the watchlist, each item under its stock's price and change. Panel C shows the announcement-evening push that names stocks on the watchlist with new announcements. Gains are in red and losses in green, as on the Platform.

The watchlist dates the investor's decision to follow a stock and provides a price reference for its subsequent performance. The add price is the price recorded at watchlist addition, and return since add is the gain or loss relative to it shown on the screen. I measure the add price using the last closing price on or before watchlist addition, which is exact for watchlist additions after the market close or on non-trading days and approximate for watchlist additions during trading. The Platform also places a purchased stock on the watchlist at purchase. A watchlist addition need not express an intention to buy, and a purchase without an earlier watchlist addition need not be unconsidered. Watchlist removals are not observed, so the unbought history is cumulative rather than a record of stocks still under active consideration.

The hot list summarizes activity across the Platform and the market rather than an individual investor's choices. Its stated inputs include trading activity, users' searches and browsing, discussion, and price changes. Searches reveal attention to a stock (Da, Engelberg, and Gao 2011). I use a vendor's retrospective archive and, for each purchase, the last capture on the immediately preceding trading day. A missing capture is not replaced with an older list.[5] Table IA-4 of the Internet Appendix describes the hot list and compares its purchase associations with the documented tendencies.

3.2. Price Limits, Next-Day Resale and Retail Participation

A daily upper price limit makes a limit-up close a public, dated event but does not guarantee that an interested investor can buy. Under the sample-period rules, investors face daily price limits of 10 percent relative to the previous closing price on the Main Boards, 20 percent on ChiNext and 20 percent on STAR (Shanghai Stock Exchange 2023; Shenzhen Stock Exchange 2023) (Table IA-2 of the Internet Appendix, Panel A, Main Board, ChiNext and STAR Market rows, China (A-shares) column). A limit-up close means that the stock ends trading at its daily upper price limit. Buy orders at that price have time priority and may remain unfilled when sellers are absent; unfilled orders lapse at the market close. The exchanges' Dragon and Tiger disclosures identify the leading buying and selling brokerage branches for stocks with abnormal price moves (Shanghai Stock Exchange 2023; Shenzhen Stock Exchange 2023). Upper-limit touches are publicized after the market close, with next-day individual buying documented by Seasholes and Wu (2007) and Chen et al. (2019). U.S. single-stock limits use moving intraday price bands and trading pauses, rather than a fixed distance from the previous closing price (U.S. Securities and Exchange Commission 2013).

The purchase wait starts on the first feasible day, so days when the stock could not be bought are excluded. A stock closing at its upper limit may have traded below it earlier or reopened after reaching it. A *one-price limit-up day* is a trading day on which the stock remains at the upper limit throughout trading; a stock suspended for the entire day does not trade. The first feasible day is the first trading day strictly after watchlist addition on which the stock trades and does not have a one-price limit-up day. I distinguish the trading days an investor waits after that date from the non-trading days (weekends and holidays) between watchlist addition and the first trading day. Table IA-3 of the Internet Appendix sets out the definitions.

The next-trading-day resale rule concerns how soon an investor can close a newly purchased position. Purchased A-shares cannot be resold before settlement and are not among the securities eligible for day trading (Shanghai Stock Exchange 2023; Shenzhen Stock Exchange 2023). The exchanges' joint Stock Connect guide states that purchases through Stock Connect may be sold

[5] The construction description comes from a screen capture of an answer generated by the Platform's AI assistant. It names volume, value traded and turnover; searches, browsing and discussion; and price changes and intraday ranges, with updates during or between trading days. Each rank refers to an archived capture. The archived ranking is distinct from the Platform's hot-stock index.

from the next trading day (Hong Kong Exchanges and Clearing 2024). Table IA-2 of the Internet Appendix gives the cross-market comparisons of limits, resale and settlement.[6]

Individual investors account for a large share of A-share trading. They accounted for 82.01 percent of trading in unrestricted Shanghai A-shares in 2017, the last year for which the exchange's statistical annual includes this table (Shanghai Stock Exchange 2018; Shanghai Stock Exchange 2026), compared with about 20 percent of U.S. stock-market activity in the press figure quoted by Eaton et al. (2022) (Table IA-2 of the Internet Appendix, Panel A, Share and Year rows, China (A-shares) and United States columns). [7]

3.3. Entry, Deferred Purchase and Matching Episodes

The framework separates entry into the watchlist from the later retrieval of a stock for purchase. Attention identifies a stock as a candidate, and watchlist addition records the date, price and public event associated with that encounter. A later purchase can follow a cue resembling the event at entry. In Bordalo, Gennaioli, and Shleifer (2020), observing a good can leave a memory without purchase, and similarity to a present cue favors recall of an earlier experience. Wachter and Kahana (2024) model the retrieval of associated contexts, through which the remote past can remain relevant to current decisions. Enke, Schwerter, and Zimmermann (2024) show in an experiment asymmetric recall of earlier signals about hypothetical companies when those signals share the present context. I distinguish these buying predictions from the return predictions: whether a stock is chosen and what that purchase subsequently earns are separate outcomes. I examine the following hypotheses.

H1 (Entry): Investors add stocks to their watchlists disproportionately on attention-grabbing days. The prediction is that watchlist additions occur disproportionately on limit-up closes and carry *Upper Price-Limit Hit*, the tendency marking a stock that reached its upper price limit on the day measured, more often than random market stocks on the same day. The table comparing watchlist additions with random market stocks in Section 7 reports the limit-up-close share and the tendency difference.

H2 (Persistence): Purchases associated with recorded interest continue beyond the event at watchlist addition. The prediction is that watchlisted stocks continue to convert into first purchases weeks after the first feasible day and that warm purchases occur outside attention episodes, counting an event only if the stock had no event of the same kind in the preceding 20

[6]The U.S. settlement rule and permission for same-day purchases and sales are separate institutional features (U.S. Securities and Exchange Commission 2023; U.S. Securities and Exchange Commission 2026). The appendix also reports exchange or regulator descriptions of daily limits in Taiwan, Korea, Japan, Thailand and Malaysia's FBM KLCI component stocks (Taiwan Stock Exchange 2026b; Korea Exchange 2026; Japan Exchange Group 2026; Stock Exchange of Thailand 2026; Securities Commission Malaysia 2021). U.S. evidence on extreme-return days, top-movers displays and publicly reported highs supplies possible attention counterparts (Barber and Odean 2008; Barber et al. 2022; George and Hwang 2004).

[7]The appendix supplements the Shanghai figure with account-level evidence from Jones et al. (2025) and distinguishes the U.S. headline figure from identified marketable retail orders in Boehmer et al. (2021). Participation figures for Taiwan, Japan and India retain their own periods and denominators (Taiwan Stock Exchange 2026a; Japan Exchange Group 2025; National Stock Exchange of India 2026).

trading days. The figure showing conversion and attention-episode coverage in Section 5 reports these comparisons. An account in which the event's effect on attention only fades instead places the associated buying near that event.

H3 (Retrieval by similarity): Investors are more likely to choose a watchlisted stock after a new limit-up close, especially when they added it on a limit-up close. Similarity concerns the relation between the current rally and the investor's own earlier encounter, rather than the current rally alone. The table comparing choices within the watchlist in Section 7 reports the association with a new limit-up close and its interaction with watchlist addition on a limit-up close, holding the return since watchlist addition and the other controls fixed. Extrapolation is an alternative to the recall explanation: expectations formed from past returns predict buying after any rally and possible underperformance when they exceed subsequent returns (Barberis et al. 2018; Da, Huang, and Jin 2021). Attention to the current rally alone predicts buying after a new limit-up close regardless of the event at watchlist addition, whereas memory predicts a stronger association for stocks added on a limit-up close.

H4 (Purchase returns): Late purchases after a new limit-up close underperform late purchases without a new limit-up close, and the warm–cold gap is concentrated in stocks added on a limit-up close. Reversion after the original upper-limit touch (Seasholes and Wu 2007), taken alone, predicts the largest underperformance for purchases nearest the original limit-up close and none beyond other stocks that closed at the upper limit on the same date, motivating comparisons across waits and against those same-date stocks bought on the same purchase day. The return figures in Sections 5 and 7 report these comparisons separately: warm minus cold by the event at watchlist addition, and late purchases with versus without a new limit-up close, with documented buying tendencies held fixed. The hypothesis concerns the returns of observed purchase groups; the retrieval hypothesis concerns which stock the investor chooses.

Deliberation, reference dependence and sequential arrival supply alternative predictions about choice and returns. I measure deliberation by news readings before purchase and examine their association with choice; if following supplies useful information, I expect warm purchases to outperform cold purchases. Reference-dependent choice evaluates outcomes against a reference point, recent expectations in Kőszegi and Rabin (2006); I use the add price, running high and running low as candidate references for choice and timing. Under sequential arrival, Bohren et al. (2024) find a preference for assets that outperform more often, given identical marginal outcome distributions. Applied to stocks on the watchlist, this predicts a greater chance of choosing a stock that beat its *list-mates*, the other stocks on the investor's watchlist, more often at a given cumulative relative return. Section 6 reports these buying comparisons beside their measured parts of the gap; Section 7 examines matching episodes and the recall explanation.

4. Data and Design

4.1. Data and Sample

Records from a Chinese trading platform, the Platform, identify what retail investors followed before buying and the stocks they eventually purchased. I link its watchlist additions, news

readings and executed trades by investor and stock, including watchlist additions that never lead to a purchase. A first purchase is the investor's first recorded buy of a stock in the panel. A warm purchase follows a recorded watchlist addition on an earlier day; cold purchases have no earlier watchlist addition record, covering stocks never watchlisted in those records or added on the purchase day. The watchlist addition records contain only investors' own watchlist additions; the Platform also places a purchased stock on the watchlist at purchase without a watchlist addition record. A purchase is therefore cold if the stock first appears on the watchlist through a purchase-day addition or through the purchase itself. The records permit comparisons between the same investors' warm and cold purchases and between a purchased stock and other stocks on their watchlists. The sample describes the A-share market regime under daily price limits and next-trading-day resale during the recorded period.

The sample consists of watchlist users who make both warm and never-watchlisted first purchases. I begin with first purchases during the period covered by the watchlist records and remove positions already held when the panel begins, identified by a sale before any recorded purchase. I retain watchlist users, exclude purchases whose watchlist addition occurs only afterward, and screen purchased stocks using information available on the preceding trading day. Investors' purchased stocks must have at least 252 trading days of history and must not be under special treatment (ST, *ST) or particular transfer (PT), with the retained observations reported in Table 1, Panel C. I then fix the investor sample by requiring both a warm purchase and a never-watchlisted purchase after these screens, before examining subsequent returns.[8] Investors in the final sample number 9,501 and make 534,852 first purchases and 1,714,851 watchlist additions from October 1, 2024 to December 1, 2025; news readings in the activity panel continue through December 24, 2025, while the return sample requires complete windows after each purchase (Table 1, Panels C and D).

Investors add more stocks than they buy, while warm purchases represent a substantial share of their first purchases. Investors make 209,458 warm purchases, comprising 39 percent of first purchases (Table 1, Panel C). Counting each investor once, investors make a median of 85 watchlist additions and 28 first purchases (Table 1, Panel A). Before purchase, their warm and cold stocks are similar in market capitalization, share price, return volatility, listing age and board, with volatility showing the largest standardized difference, 0.12 (Table 1, Panel B). Table IA-5 of the Internet Appendix, Panels A and B, repeats these characteristics using never-watchlisted purchases as the comparison group and using purchases from January 2025. Table IA-6 of the Internet Appendix describes price states, earnings releases and news readings around watchlist addition. The sample contains repeated choices from both the watchlist and the wider market.

4.2. Returns Relative to Random Purchases

I compare each purchase with random purchases available on the same day, keeping that comparison distinct from the adjustment applied to returns. A *menu* is the eligible set of stocks

[8] A missing trading-status observation on a suspended date is retained. The same investors supply the watchlist-addition sample, screened on the last trading day on or before watchlist addition; pairs with watchlist addition and purchase on the same day are excluded from that sample. Table IA-2 of the Internet Appendix describes the trading rules, and Figure IA-5 of the Internet Appendix shows the series over the sample period.

Table 1: The Sample: Investors, First Purchases, and Watchlist Additions

Panel A: Investors

	Mean	25th percentile	Median	75th percentile	Number of investors
Watchlist additions (#)	180.5	31	85	218	9,501
First purchases (#)	56.3	11	28	72	9,501
Warm share of first purchases	41.3%	25.0%	40.7%	56.2%	9,501

Panel B: Warm and cold first purchases

	Warm	Cold	Standardized difference
Market capitalization (billion yuan)	41.4	43.7	−0.02
Share price (yuan)	18.57	19.01	−0.01
Daily return volatility, past 252 trading days	3.44%	3.33%	0.12
Listing age (years)	17.0	16.6	0.04
Board			
Main board	85.3%	83.4%	0.05
ChiNext	13.4%	15.7%	−0.06
STAR	1.3%	0.9%	0.03
Number of first purchases	209,458	325,394	
Number of investors	9,501	9,501	

Panel C: First purchases

	Observations	Investors
First purchases in the sample period	760,366	17,933
Purchased by 1 December 2025	723,498	17,754
Sale recorded before the first purchase removed	722,473	17,740
Investors with at least one watchlist addition	718,580	17,344
Watchlist addition dated after the first purchase removed	703,381	17,318
At least 252 trading days of history	692,462	17,303
No exchange trading-status flag (ST/*ST/PT)	686,373	17,273
Investors with at least one warm and one never-watchlisted purchase	534,852	9,501
By watchlist status		
Warm	209,458	9,501
Never-watchlisted	174,445	9,501
Added to the watchlist on the purchase day	150,949	8,147
Cold (never-watchlisted or added that day)	325,394	9,501

Panel D: Watchlist additions

	Observations	Investors
Watchlist additions in the sample period, not bought the same day	2,855,078	29,142
Added by 1 December 2025	2,801,906	29,108
Investors with at least one first purchase	2,521,287	17,497
At least 252 trading days of history	2,467,258	17,474
No exchange trading-status flag (ST/*ST/PT)	2,446,119	17,469
Investors of Panel A's sample	1,714,851	9,501

Note: The table summarizes the investors in the sample, their first purchases, and their watchlist additions. A first purchase is *warm* (watchlisted) if the investor added the stock to the watchlist on an earlier day, and *cold* (never-watchlisted, or added that day) otherwise. Panel B compares the stocks of warm and cold first purchases on the last trading day before the purchase; the standardized difference divides warm minus cold by the square root of the mean of the two weighted variances. Panels C and D follow first purchases and watchlist additions from the whole sample period to the sample investors. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. The sample consists of first purchases of Chinese A-share common stocks (Shanghai, Shenzhen, ChiNext, and STAR) by retail investors from October 2024 to December 2025, excluding stocks with fewer than 252 trading days of history or under an exchange trading-status flag (ST/*ST/PT) on the day before the purchase, and restricted to the 9,501 investors with at least one warm (watchlisted) and one never-watchlisted purchase.

from which the purchase is chosen; its *benchmark* is the mean return on random purchases from that set. For the level of first-purchase performance, the alternatives are random market purchases. For a purchase from the watchlist, I also compare it with random purchases from the previously added, unbought stocks on that investor's watchlist. Each eligible alternative is equally likely, the purchased stock is excluded, and alternatives pass the same stock-history and trading-status screens. This comparison follows the logic of evaluating a decision against an equally weighted

random alternative in Akepanidtaworn et al. (2023), whose alternatives are managers' existing holdings.[9]

The return adjustment removes common return patterns before I compare actual and random purchases. The main adjustment is CH-4, the Chinese four-factor model of Liu, Stambaugh, and Yuan (2019), with market, size, earnings-to-price value and turnover-based sentiment factors. DGTW is the characteristic adjustment of Daniel et al. (1997): a stock's return is adjusted by the return of a value-weighted portfolio matched on size, book-to-market and momentum. I also report raw returns, market-adjusted returns and the capital asset pricing model (CAPM) adjustment. Returns begin after purchase, count the stock's own trading days, skip suspended dates and require a complete return window; at each horizon I retain purchases observed under every adjustment.

The return horizon evaluates the stock chosen at purchase, not the investor's realized holding-period return. I follow the stock for 180 trading days after purchase, whether the investor subsequently sells, as Odean (1999) evaluates securities over fixed horizons following transactions. Investors have a first recorded sale by the next trading day for 41 percent of warm first purchases and within 180 trading days for 97 percent (Figure IA-4 of the Internet Appendix). These are lower bounds on the incidence of beginning to exit: quantities are unobserved, and the first sale may dispose of only part of the position. The fixed return horizon therefore measures the purchase decision rather than assuming the stock remains in the investor's portfolio.

4.3. The Regression and the Decomposition

I estimate the warm–cold gap within investors and purchase dates. I regress each first purchase's CH-4 abnormal return over 180 trading days on an indicator for a warm purchase with investor and purchase-day fixed effects; the coefficient on that indicator is the warm–cold gap. The gap therefore compares warm and cold purchases of the same investor, rather than differences between investors who buy warm and those who buy cold. Each purchase's weight is the reciprocal of the product of the investor's first-purchase count in that class (warm or cold) on that day and count of days with an observed purchase or sale, so the day's purchases within a class count together and the investor's total weight reflects the share of observed trading days represented by that class, not the number of purchases. The warm–cold gap concerns returns on the stocks purchased after an earlier watchlist addition, compared with the stocks the same investors purchase without an earlier watchlist addition.

In the display, return is the abnormal return and warm indicates a warm purchase; i identifies the investor, j the first purchase and d the purchase day, while alpha and delta are the investor and purchase-day fixed effects, beta is the warm–cold gap and epsilon is the residual.

$$\text{return}_{ijd} = \alpha_i + \delta_d + \beta \text{warm}_{ijd} + \varepsilon_{ijd}$$

[9] Purchases are weighted inversely by the investor's number of first purchases of that kind on that day and by the investor's number of observed days with a purchase or sale. Their random purchases share the purchase's weight equally.

The decomposition distinguishes the watchlist's performance against the market from the purchased stock's performance against alternatives on that watchlist. For a warm purchase, its return less the mean return of its random market purchases equals the *list* (the mean return of random purchases from the investor's watchlist on the purchase day less that of random market purchases from the screened market without the investor's watchlist stocks that day) plus the *pick* (the purchase's return less the mean return of its random purchases from the watchlist); the *remainder* is the mean return of its random market purchases from that same market without the investor's watchlist stocks. Cold purchases have no *list* component and their *pick* compares their returns with random market purchases from the screened market without the investor's watchlist stocks on the purchase day; the warm–cold gap equals the *list* plus the *pick* plus the *remainder* when these parts are the warm coefficients from the regression above on identical observations, weights and fixed effects.

$$\text{warm–cold gap} = \text{list} + \text{pick} + \text{remainder}$$

Inference allows observations to be related within investors and within purchase dates. The reported return standard errors cluster by investor and purchase day; clustering instead by investor and stock preserves the significance of the warm–cold gap, the gap among stocks added on a limit-up close, the late contrast on the new-limit-up-close measure that includes continuations of the watchlist-addition-day run, late warm underperformance with tendencies held fixed, and late purchases against same-date limit-up stocks, all in CH-4 returns over 180 trading days (Table IA-16 of the Internet Appendix). These comparisons assess stock-level dependence without changing the purchase groups or return outcomes.

5. The Warm–Cold Gap: Three Facts

The warm–cold gap has a level, a timing pattern and a concentration by the event at watchlist addition; the documented tendencies come first because their return costs establish the purchase patterns the later accounting holds fixed. First purchases underperform random market purchases, and warm purchases underperform the same investors' cold purchases. In CH-4-adjusted returns over 180 trading days, the warm–cold gap widens after the first feasible day and stays at about that size at longer waits. It is concentrated in stocks added on a limit-up close. Cold purchases throughout this section include stocks never watchlisted or added on the purchase day; the return regressions use investor and purchase-day fixed effects unless stated otherwise.

5.1. First-Purchase Returns and Buying Tendencies

First purchases underperform the available market alternatives, and warm purchases underperform cold purchases. Investors' first purchases underperform same-day random market purchases by 841 basis points, and their warm purchases underperform cold purchases by 213 basis points (standard error 23 basis points), in CH-4-adjusted returns over 180 trading

Table 2: First Purchases Against Random Purchases, and the Warm–Cold Gap

Panel A: First purchases minus their random market purchases (bps)

	Horizon (trading days)				
	5	20	60	120	180
Raw	−164***	−353***	−620***	−910***	−1,042***
	(16)	(24)	(27)	(34)	(41)
Market-adj.	−164***	−353***	−621***	−912***	−1,044***
	(16)	(24)	(27)	(34)	(41)
CAPM	−165***	−349***	−596***	−879***	−1,032***
	(16)	(24)	(27)	(35)	(45)
CH-4	−156***	−315***	−515***	−684***	−841***
	(16)	(22)	(26)	(31)	(32)
DGTW	−145***	−293***	−505***	−694***	−744***
	(16)	(24)	(26)	(32)	(37)
Observations	532,093	532,024	531,641	530,543	529,600
Investor fixed effects	✓	✓	✓	✓	✓
Purchase-day fixed effects	✓	✓	✓	✓	✓

Panel B: Warm minus cold and its decomposition, 180 trading days (bps)

					Warm purchases
	Warm minus cold	List	Pick	Remainder	Against random market purchases
Raw	−201***	−767***	566***	0	−1,176***
	(23)	(36)	(35)	(7)	(50)
Market-adj.	−202***	−769***	567***	0	−1,178***
	(23)	(36)	(35)	(7)	(51)
CAPM	−241***	−842***	603***	−2	−1,187***
	(23)	(40)	(38)	(7)	(55)
CH-4	−213***	−565***	351***	0	−991***
	(23)	(25)	(28)	(7)	(38)
DGTW	−164***	−529***	368***	−3	−855***
	(25)	(29)	(30)	(8)	(46)
Observations	528,842	528,842	528,842	528,842	528,842

Note: The table reports cumulative abnormal returns in basis points under five adjustments (defined in Table IA-3), with investor and purchase-day fixed effects. Panel A regresses first purchases' returns, stacked with ten same-day random market purchases, on a first-purchase dummy. Panel B decomposes warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases. Its first column, the warm–cold gap in the purchases' own returns, sums the next three: the *list* compares warm and cold in ten same-day random purchases from the purchase's set (the watchlist if warm, else the rest of the market), the *pick* compares the purchase with its random purchases, and the *remainder* is the difference in random market returns between warm and cold purchase days. The last column compares warm purchases with their random market purchases. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. Panel B's rows are those of Table 7 (9,476 investors). The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

days (Table 2, Panels A and B). Random purchases from the watchlist underperform random purchases from the market excluding that investor's watchlist by 565 basis points, while actual warm purchases underperform the same market alternatives by 991 basis points under that adjustment and horizon (Table 2, Panel B). The gap also appears on investor-days with both kinds of purchase: warm purchases underperform cold purchases by 150 basis points (standard error 44 basis points) in CH-4 returns over 180 trading days without fixed effects (Table IA-11 of the Internet Appendix, Panel G).[10]

[10]The comparison fixes the investor and purchase date together rather than absorbing their effects separately. Tables IA-12, IA-13 and IA-14 vary the cold definition, characteristic matching and sample start. The first-purchase comparison across adjustments and sample starts is in Table IA-7.

First purchases show documented buying tendencies more often than random market purchases, and having more tendencies is associated with lower returns. A *buying tendency* is a documented purchase pattern measured by an observable stock or investor characteristic. I adapt the catalog of Han, He, and Weagley (2025), distinguishing a tendency's prevalence from its return association. Investors purchase stocks with *Abnormal Trading Volume*, unusually high trading value relative to the stock's history, on 52.5 percent of first purchases against 10.1 percent of random market purchases (Table IA-10 of the Internet Appendix, Panel A).[11] The tendency-count comparison connects these characteristics to first-purchase performance. In CH-4-adjusted returns over 180 trading days, each additional tendency is associated with first-purchase returns lower by 251 basis points, with standard error 13 basis points (Table 3). The slope for first purchases is steeper than that for random market purchases by 148 basis points per tendency (Table IA-9 of the Internet Appendix, Panel B). The actual-purchase slope describes the return associated with having more tendencies; its difference from the random-purchase slope establishes the comparison with market alternatives. These results motivate the later accounting of the warm–cold gap in terms of documented purchase characteristics.

Table 3: Lower Returns with Each Additional Purchase Tendency

	Horizon (trading days)				
	5	20	60	120	180
Raw	−47***	−94***	−179***	−249***	−289***
	(7)	(10)	(8)	(10)	(12)
Market-adj.	−47***	−95***	−179***	−250***	−290***
	(7)	(10)	(8)	(10)	(12)
CAPM	−47***	−96***	−176***	−248***	−310***
	(7)	(9)	(9)	(10)	(13)
CH-4	−49***	−100***	−186***	−228***	−251***
	(7)	(9)	(9)	(11)	(13)
DGTW	−44***	−92***	−178***	−240***	−235***
	(7)	(9)	(8)	(10)	(14)
Observations	524,839	524,785	524,426	523,521	522,582

Note: The table regresses a first purchase's cumulative abnormal return (bps), as in Table 2, on the number of the 15 purchase tendencies it has, with investor and purchase-day fixed effects, on first purchases with every tendency observed; entries are basis points per tendency, and Observations counts first purchases. The CH-4 factors are formed partly on size, value, and abnormal turnover, on which several tendencies are also built. Tendencies are measured at the previous trading day's close, except *Abnormal Trading Volume*, measured on the purchase day, and *Chase Dividend*, a purchase between a cash dividend's implementation announcement and its registration date. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

In the joint market-price fit, the lowest returns are associated with *Lottery-Like Stocks*, *Value* and *High Dividend* (coefficients −761 basis points, −556 basis points and −494 basis points), with additional lower-return associations for *Abnormal Trading Volume* and *Upper Price-Limit Hit* (−240 basis points and −221 basis points), in that cost ordering in CH-4 returns over 180 trading days with day effects (Table 4). Each column regresses returns jointly on the tendencies among all stocks

[11] Investors' corresponding shares for *Lottery-Like Stocks*, the trailing record of a completed run of consecutive closing prices at the upper limit, are 43.6 percent and 18.8 percent (Table IA-10 of the Internet Appendix, Panel A). Table IA-8 of the Internet Appendix reports the underperformance accounted for by those purchases; Figure IA-6 of the Internet Appendix reports tendency correlations; and Table IA-15 of the Internet Appendix decomposes tendency shares into the *list*, *pick* and *remainder*.

Table 4: The Market Price of Each Purchase Tendency

	Raw	Market-adj.	CAPM	CH-4	DGTW
Lottery-Like Stocks	−825***	−825***	−1,029***	−761***	−852***
	(92)	(92)	(93)	(91)	(93)
Value	−712***	−713***	−291***	−556***	70
	(86)	(86)	(86)	(86)	(87)
High Dividend	−719***	−718***	−181**	−494***	−497***
	(89)	(89)	(87)	(87)	(90)
Abnormal Trading Volume	−242***	−241***	−218***	−240***	−147***
	(57)	(57)	(57)	(50)	(56)
Upper Price-Limit Hit	−463***	−465***	−322***	−221**	−389***
	(62)	(62)	(53)	(87)	(99)
Contrarian	−250***	−249***	−260***	−146***	−159***
	(50)	(50)	(46)	(48)	(48)
Low Price	−274***	−272***	−47	−130	−182*
	(102)	(102)	(104)	(104)	(104)
Chase Dividend	−47	−48	5	−55	24
	(49)	(49)	(49)	(52)	(52)
Max Return	−106	−106	−67	−25	−40
	(67)	(67)	(66)	(67)	(68)
Momentum	81	82	−43	−13	147**
	(68)	(68)	(68)	(58)	(71)
Easy Name	−31	−32	81	88	61
	(117)	(117)	(116)	(115)	(123)
Salient Returns	297***	296***	54	96	285***
	(68)	(68)	(69)	(66)	(71)
Small Cap	1,204***	1,204***	1,328***	1,168***	401***
	(115)	(115)	(117)	(112)	(114)

Note: The table reports the market price of each purchase tendency. Each column regresses one of Table 2's returns over the 180 trading days from a day of first purchases on the tendencies jointly, with day fixed effects, among all stocks that traded that day; all columns use the same stocks and days. A tendency that is not observed for a stock enters as zero, with a dummy marking its absence. *Local Company* and *Prior Industry Purchase* relate the investor to the stock, so they carry no market price and are omitted. Each stock in the market on that day carries an equal share of that day's total weight of first purchases. Each first purchase is weighted by one over the investor's number of first purchases that day and by one over the investor's number of days with any purchase or sale. Coefficients are in basis points. Rows are ordered by the CH-4 coefficient, most negative first. Table IA-52 uses them. Standard errors clustered by stock and by day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

that traded that day, with day fixed effects; a tendency's market price compares stocks carrying that characteristic with stocks without it, holding the other tendencies fixed.

5.2. Purchase Delay and the Gap

The wait is common, and recorded interest continues beyond the event at watchlist addition. I examine conversion into a first purchase within a window of 60 trading days from the first feasible day, alongside the curve through the data endpoint (Figure 2). The cumulative share

bought is estimated using the product-limit method of Kaplan and Meier (1958).[12] Investors buy 3.2 percent of watchlist additions on the first feasible day, 10.2 percent within the 60-trading-day window, and 13.1 percent by the curve's endpoint, using the purchase weights (Figure 2) (H2). Most purchases observed within the window therefore occur after its opening day. Table IA-17 compares stocks added on a limit-up close with other watchlist additions and varies the investor set. Figure IA-1 varies the stock's trading condition at watchlist addition and price relative to the add price; Figure IA-3 reports conversion within groups counted from watchlist addition and from the first feasible day. A substantial share of first purchases is warm purchases made outside attention episodes, each comprising the trading day of a public attention-grabbing event and the following trading day. Here public events are announcements (earnings releases and other stock announcements), upper-limit touches, abnormal trading volume and entry to the Platform's hot list, rather than watchlist additions themselves. A purchase falls outside attention episodes when neither its trading day nor the preceding stock trading day is an event day. Investors' warm purchases outside all attention episodes account for 33.3 percent of all first purchases when an event counts only if the stock had no event of the same kind in the preceding 20 trading days and 10.6 percent under the stricter rule counting every flagged day, using the purchase weights (Figure 2).[13] These purchases have an earlier watchlist-addition date even when no measured public event occurs near the purchase. The watchlist therefore connects buying to an earlier expression of interest that proximity to the purchase date alone does not identify.

Turning from purchase timing to returns, at 180 trading days the warm–cold gap widens after the first feasible day and stays at about that size at longer waits. The bands group purchases by the number of trading days the investor waits from the first feasible day to purchase, so each contains purchases made at that delay after the stock's intervening price path, rather than the same stock held for longer. Investors' warm purchases underperform the same investors' cold purchases by 98 basis points on the first feasible day, by 226 basis points, 329 basis points and 247 basis points in the successive intermediate bands, and by 283 basis points in the longest-delay band, in CH-4-adjusted returns over 180 trading days (Figure 3; Table IA-20 of the Internet Appendix, Panel A). In a direct contrast, investors' warm purchases after a wait underperform warm purchases on the first feasible day by 196 basis points, each compared with the same cold purchases in CH-4-adjusted returns over 180 trading days (Table IA-20, Panel A). The relevant distinction is between purchase on that initial day and purchase after a wait.[14]

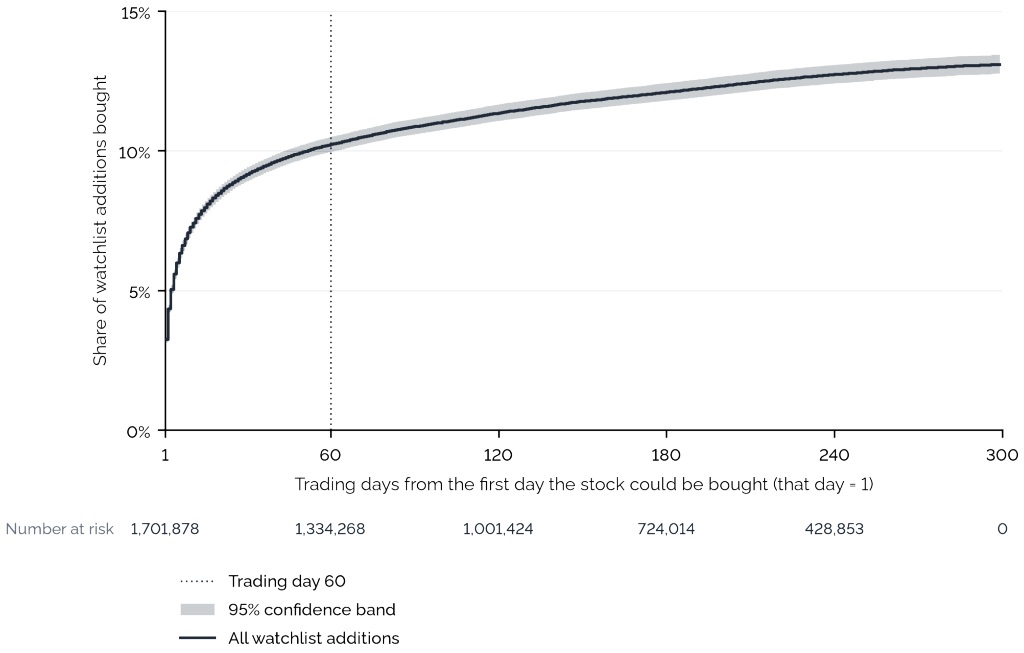
Lower initial watchlist returns would explain the warm–cold gap if investors already chose stocks with lower returns when they added them. That account predicts underperformance relative to cold purchases when all watchlist additions are evaluated from their first feasible day, including those never subsequently bought. I make that comparison using returns from feasible

[12] The product-limit interpretation assumes that censoring is independent of time to purchase. A watchlist addition still unbought when observation ends is censored rather than assigned a later purchase date. Figure IA-7 of the Internet Appendix places the Kaplan–Meier curve beside the raw share bought and reports censoring before the conversion window ends.

[13] Table IA-18 of the Internet Appendix varies the rule that counts attention episodes and purchase delay and crosses events at watchlist addition with events at purchase. A purchase outside attention episodes may still follow an unmeasured cue.

[14] Table IA-20 reports the other adjustments and horizons. Table IA-19 reports the warm–cold gap by time since watchlist addition and decomposes the bands on both starting dates; Figure IA-8 draws the paths together.

Figure 2: Conversion of Watchlist Additions, and Purchases Outside Attention Episodes

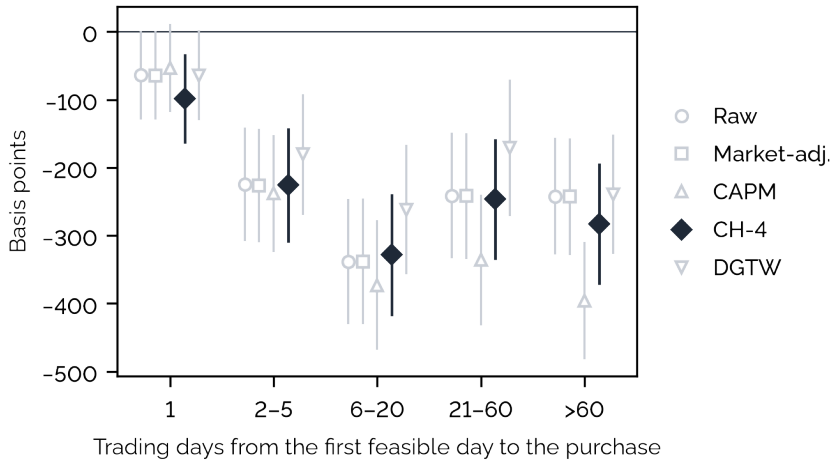


		Of all first purchases (%)	95% interval, purchase days (%)		95% interval, investors (%)	
	Count	Weighted share	Low	High	Low	High
Warm, no first event in 20 days	164,830	33.3%	31.5%	34.6%	32.9%	33.6%
Warm, no event on any day	43,141	10.6%	9.9%	11.2%	10.3%	10.8%

Note: The table counts warm (watchlisted) first purchases outside every attention episode, their weighted share of all first purchases, and its 95% intervals over purchase days or investors (500 bootstrap samples). An attention episode is an attention-grabbing event's trading day and the next; events are announcements, upper-limit touches, abnormal trading volume and hot-list entry, first in 20 trading days or on any day. The figure plots the Kaplan–Meier share of watchlist additions bought by trading day since the stock could first be bought, weighted as in Figure IA-7, with a shaded 95% interval (500 investor bootstrap samples). Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors).

purchase rather than from the eventual purchase date. If initial watchlist returns account for the warm–cold gap, the difference should already be visible at that starting date. Evaluating all watchlist additions also keeps the comparison from depending on which of those stocks investors eventually choose to buy. On average across all watchlist additions, initial watchlist returns underperform cold-purchase returns by an insignificant 5 basis points, with standard error 30 basis points, in CH-4-adjusted returns over 180 trading days, with investor and first-feasible-day fixed effects (Table 5). Investors' watchlist additions underperform random market purchases by 788 basis points when evaluated from the first feasible day in CH-4 returns over 180 trading days with the same fixed effects (Table 5). Table IA-22 varies the starting date of the return window, and Table IA-23 compares tendencies on the first feasible day. The fixed effects do not address selection into stock following. On average across all watchlist additions, the additions underperform market alternatives, but their insignificant difference from cold purchases does not support lower initial returns as the explanation for the warm–cold gap after a wait.

Figure 3: The Warm–Cold Gap Widens After the First Feasible Day and Stays



Note: The figure plots warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases in cumulative abnormal returns over 180 trading days, by trading days from the warm stock's first feasible day (the first day it could be bought) to the purchase; each band is one regression on all cold purchases, with investor and purchase-day fixed effects. Markers are the five adjustments, CH-4 filled; lines are 95 percent intervals, clustered by investor and purchase day. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors).

Table 5: Watchlist Additions Evaluated as if Bought on the First Feasible Day

		Watchlist addition minus		
Adjustment (bps)	Watchlist additions (mean)	(A) Random market	(B) Random watchlist	(C) Cold purchases
Raw	1,183	−939***	−164***	43
		(54)	(40)	(30)
Market-adj.	−333	−940***	−163***	43
		(54)	(40)	(30)
CAPM	−790	−946***	−69*	13
		(57)	(38)	(29)
CH-4	−513	−788***	−234***	−5
		(44)	(37)	(30)
DGTW	−641	−659***	−132***	33
		(52)	(42)	(32)
Observations		1,682,354	1,652,491	1,682,354

Note: The table treats each watchlist addition as if it were bought on its first feasible day (the first day it could be bought) and reports, under each adjustment over 180 trading days, the additions' mean cumulative abnormal return and its difference from ten random market stocks bought that day (A), ten earlier additions the investor had not bought (B) and cold (never-watchlisted, or added that day) first purchases (C), each difference with investor and day fixed effects, the day being an addition's first feasible day and a purchase's purchase day; the means carry no inference. Each event is weighted by one over the investor's number of events of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and that day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

5.3. Alternatives Matched on Time on the Watchlist

Deterioration in the other watchlist stocks is a rival explanation: it predicts that purchased stocks perform no worse than alternatives matched on time on the watchlist. A comparison with

Table 6: Warm Purchases Against Stocks Matched on Days Since the Watchlist Addition

	Horizon (trading days)				
CH-4 (bps)	5	20	60	120	180
Trading days; the watchlist addition is day 1					
Days 2 to 5	−102***	−114***	−159***	−195***	−191***
	(14)	(16)	(20)	(24)	(33)
Days 6 to 20	−147***	−277***	−411***	−528***	−595***
	(19)	(23)	(28)	(34)	(44)
Days 21 to 60	−122***	−245***	−385***	−490***	−625***
	(11)	(18)	(24)	(35)	(40)
Over 60 days	−102***	−181***	−296***	−328***	−444***
	(11)	(18)	(26)	(36)	(45)
Warm purchases					
Days 2 to 5	86,930	86,925	86,888	86,676	86,496
Days 6 to 20	45,230	45,227	45,202	45,066	45,006
Days 21 to 60	31,293	31,289	31,272	31,220	31,184
Over 60 days	36,203	36,199	36,170	36,165	36,072
Investor fixed effects	✓	✓	✓	✓	✓
Purchase-day fixed effects	✓	✓	✓	✓	✓

Note: The table reports warm (watchlisted) first purchases against random purchases of stocks the investor added in the same band of trading days before the purchase, in CH-4 cumulative abnormal returns, with investor and purchase-day fixed effects; the lower rows count warm purchases at each horizon. Day 1 has no band, since a purchase on the day of the watchlist addition is cold. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

every stock on the watchlist could combine stocks added recently with stocks followed for longer, so I restrict the alternatives to the purchased stock's band of trading days since watchlist addition. The rival concerns the return of the set from which the investor chooses, not just the purchased stock. Matching on time on the watchlist asks whether the purchased stock still underperforms other stocks the investor has followed for a comparable interval. These are random purchases from list-mates, the other eligible stocks on the same investor's watchlist, matched on time on the watchlist. Their return windows begin on the actual purchase date. Investors' warm purchases underperform these random purchases matched on time on the watchlist by 191 basis points, 595 basis points, 625 basis points and 444 basis points across the successive bands of time since watchlist addition, in CH-4-adjusted returns over 180 trading days (Table 6). This comparison holds the purchase date and time since watchlist addition the same for the purchased stock and its alternatives. The larger underperformance after the initial days remains when the alternatives have spent as long on the watchlist, so a decline common to those alternatives does not explain it.

5.4. Stocks Bought Early and Late

The timing of returns provides another comparison: the higher return of stocks eventually bought late is largely earned before purchase. Measured over 180 trading days from the first feasible day, late-bought stocks outperform early-bought stocks by 519 basis points in CH-4 returns net of random market purchases chosen at that starting date; 366 basis points, or 70 percent, is earned before the purchase (Table IA-30 of the Internet Appendix). Excluding never-bought additions from that fit, 485 basis points of the 520 basis points outperformance, or 93 percent, precedes purchase under the same adjustment and horizon (Table IA-30). Starting

instead at each stock's actual purchase and netting against random market purchases on that date, late-bought stocks underperform early-bought stocks by 160 basis points (standard error 46 basis points) in CH-4 returns over 180 trading days (Table IA-30). The first window includes the price path that precedes the decision; the second follows the stock after the investor buys it. Neither comparison estimates an effect of waiting. The original common-start comparison and the groups' tendency differences are reported in Table IA-21.

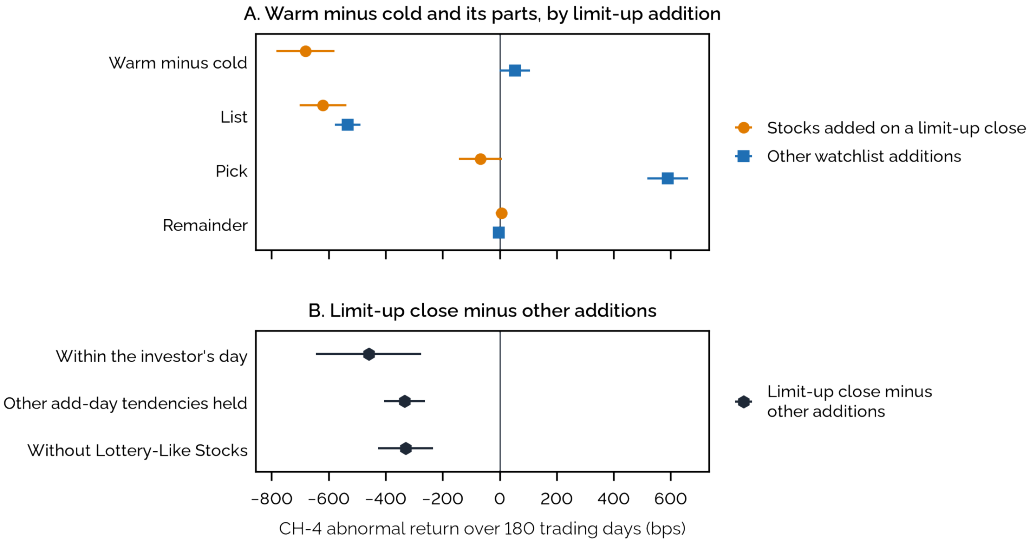
5.5. Stocks Added on a Limit-Up Close

Turning to the event at watchlist addition, the warm–cold gap is concentrated in stocks added on a limit-up close. Investors' warm purchases of stocks added on a limit-up close underperform cold purchases by 681 basis points (standard error 52 basis points), while warm purchases of other watchlist additions have estimated outperformance relative to cold purchases of 53 basis points (27 basis points) in CH-4-adjusted returns over 180 trading days (Figure 4, Panel A; Table IA-25 of the Internet Appendix, Panels A and B) (H4). This concentration motivates examining the original limit-up close without attributing underperformance to the event.[15]

Reversion common to stocks that closed at the upper limit on the same watchlist-addition date does not explain the underperformance of late purchases of stocks added on a limit-up close. Upper-limit touches are followed by price reversion in Seasholes and Wu (2007); I hold the original event date fixed by comparing late purchases with stocks that also closed at their upper limit on the watchlist-addition date, bought on the same purchase day. Investors' late warm purchases underperform these alternatives by 1,235 basis points (standard error 50 basis points) in CH-4-adjusted returns over 180 trading days (Table IA-25, Panel D). The reported timing comparison has late purchases underperforming the same-date limit-up alternatives by 515 basis points more than early purchases do (early purchases minus those alternatives: −721 basis points), whereas the cohort's own underperformance relative to random market purchases is larger on early purchase dates than late purchase dates (cohort minus market: −666 basis points and −325 basis points; late minus early: 341 basis points), in CH-4 returns over 180 trading days, a pattern reversion alone does not predict although the purchase dates differ in market conditions and in which cohort stocks remain (Table IA-25, Panel D). Purchases of limit-up additions also underperform the same investors' same-day cold purchases by 634 basis points, 588 basis points and 588 basis points in the successive late-delay bands under the same adjustment and horizon (Table IA-29, Panel B). These are levels for separate purchase groups, not a tested difference between bands. The estimated underperformance of late purchases of stocks added on one-price limit-up days relative to late

[15] Within an investor's purchase day, warm purchases of stocks added on a limit-up close underperform other warm purchases by 459 basis points (standard error 94 basis points), each net of same-day random market purchases (Figure 4, Panel B; Table IA-25 of the Internet Appendix, Panel C). With other watchlist-addition-day tendencies held fixed, purchases of stocks added on a limit-up close underperform purchases of other watchlist additions by 333 basis points (standard error 37 basis points) in returns net of same-day random market purchases (Table IA-25 of the Internet Appendix, Panel C). Outside *Lottery-Like Stocks*, purchases of stocks added on a limit-up close underperform purchases of other watchlist additions by 330 basis points (standard error 50 basis points) in returns net of same-day random market purchases, holding other watchlist-addition-day tendencies fixed (Figure 4, Panel B; Table IA-25 of the Internet Appendix, Panel C). Table IA-26 varies the watchlist-addition-day tendencies and their controls; Table IA-27 varies the reason for watchlist addition and time on the watchlist.

Figure 4: Warm Minus Cold for Stocks Added on a Limit-Up Close and Others



Note: The figure plots CH-4 abnormal returns over 180 trading days. Panel A plots warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases and its *list*, *pick* and *remainder*, with investor and purchase-day fixed effects, for stocks added on a limit-up close and other watchlist additions. Panel B plots limit-up minus other watchlist additions among warm purchases, net of same-day random market purchases (hexagons), as its rows name. Bars are 95% intervals (standard errors clustered by investor and purchase day); zero is marked. Table IA-25 prints the estimates. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors).

purchases of stocks added on traded limit-up days is not statistically detected (one-price minus traded: −123 basis points; standard error 158 basis points), each group measured against same-day cold purchases in CH-4 returns over 180 trading days (Table IA-29, Panel A).

The gap concerns what investors buy after following a stock, rather than a uniform deterioration of everything on their watchlists. Warm purchases underperform cold purchases; the gap widens after the first feasible day at 180 trading days and is concentrated in stocks added on a limit-up close. The common-start and purchase-start comparisons distinguish returns earned before purchase from returns earned afterward. Section 6 asks how much the observed alternatives account for, and Section 7 examines matching episodes and the recall explanation.

6. Deliberation and Reference Dependence in Stock Following

Deliberation, measured by news readings, and the price path describe buying but account for none of the warm–cold gap. The order-free decomposition of Gelbach (2016) attributes the change in the warm coefficient to each observed block, holding the other blocks in the full specification fixed. Investors' warm purchases underperform cold purchases by 213 basis points (standard error 24 basis points) before the blocks enter and by 76 basis points (23 basis points) with all blocks held, in CH-4-adjusted returns net of same-day random market purchases over 180 trading days

(Table 7, Panel A). Cold purchases include stocks never watchlisted or added on the purchase day. The tendencies account for 47 percent of this gap in CH-4 returns over 180 trading days (Table 7, Panel B). The hot list accounts for 35.8 basis points (standard error 3.7 basis points) of the warm–cold underperformance in CH-4 returns over 180 trading days (Table 7, Panel B). The blocks represent what the investor read, the price path while following the stock, attention episodes and documented buying tendencies. The sample contains 9,476 investors with complete returns net of same-day random market purchases (Table 7, Panel A).

6.1. News Readings Before Purchase

Deliberation can involve acquiring information before choosing: investors acquire information about assets they expect to hold in Van Nieuwerburgh and Veldkamp (2010), and more deliberate choices outperform viewed alternatives in Imas, Jin, and Lü (2026). Better-informed investors earn higher portfolio returns in the former model; the latter study does not find outperformance of the market. I use news readings as a proxy for deliberation and derive the prediction that warm purchases outperform the same investors' cold purchases only if following supplies useful information; the readings describe buying here. News readings around an earnings announcement differ according to whether investors follow the stock, own it, or are *neutral investors*, who neither have the stock on their watchlist nor own it. The *followed* state means that the stock is on the investor's watchlist but has not been bought. The *owned* state runs from the first purchase to the first sale of the initial position. I compare the share with news readings in the trading week before the announcement with the share in the announcement week, beginning on the trading day on which the release can first be reflected in the market. The sample uses periodic earnings reports without another announcement of the same stock on a different trading day during those weeks. This restriction separates the earnings comparison from responses to overlapping announcements.[16] Followers and owners increase their news readings more than neutral investors during the announcement week. Neutral investors' pre-announcement news-reading rate is 0.06 percent (Table IA-31 of the Internet Appendix); relative to the change for that group, followers' rate increases by 0.22 percentage points and owners' rate by 8.82 percentage points, with stock-by-day fixed effects (Table 8, Panel A). Each coefficient compares the state's change from its pre-announcement rate with the neutral group's change for the same stock and announcement. The baseline is therefore news readings before the announcement, not the absence of news readings. Owners show the larger increase, while followers also respond before they hold the stock. These comparisons show news readings before ownership, the proxy for deliberation whose contribution to the gap is measured below.

Warm purchases are more often preceded by news readings even when the purchase day is left out. I identify news readers by their recorded news readings before the purchase period used in the comparison. Among the previously identified news readers, warm purchases have a reading of the stock during the calendar week ending on the day before purchase 1.293 percentage points

[16] Quarterly, interim and annual reports are retained. Other announcements include bond notices; filings on the report's own trading day do not count as overlapping announcements. Observations without the required pre-announcement news-reading coverage are excluded. Table IA-31 of the Internet Appendix reports the weekly levels, changes and alternative weights, together with buying around the announcement.

Table 7: Warm Minus Cold with the Tendencies, the Price Path and News Held Fixed

Panel A: The warm coefficient (bps)

	(1)	(2)	(3)	(4)	(5)	(8)
Warm purchase	−213***	−87***	−88***	−87***	−87***	−76***
	(24)	(23)	(23)	(23)	(23)	(23)
Column (1) minus column (2)		−126.6***				
		(7.4)				
15 tendencies		✓	✓	✓	✓	✓
Around the add price			✓	✓	✓	✓
Around the peak since the watchlist addition				✓	✓	✓
Around the trough since the watchlist addition					✓	✓
News readings by the investor						✓
Announcement the evening before						✓
On the Platform's hot list at the previous close						✓
Observations	528,842	528,842	528,842	528,842	528,842	528,842
Warm purchases	206,845	206,845	206,845	206,845	206,845	206,845
Investors	9,476	9,476	9,476	9,476	9,476	9,476
Investor fixed effects	✓	✓	✓	✓	✓	✓
Purchase-day fixed effects	✓	✓	✓	✓	✓	✓

Panel B: Column (1) minus column (8), by block (bps)

	(1) − (8)
The 15 tendencies	−99.9***
	(7.2)
Around the add price	0.0
	(0.1)
Around the peak	0.3
	(1.0)
Around the trough	−1.0
	(0.8)
News readings by the investor	−0.3
	(0.7)
Announcement the evening before	−0.7
	(0.5)
On the Platform's hot list at the previous close	−35.8***
	(3.7)
Total	−137.3***
	(7.7)

Note: The table regresses CH-4 abnormal returns over 180 trading days, net of same-day random market purchases, on a warm (watchlisted) dummy over warm and cold (never-watchlisted, or added that day) first purchases. Panel B divides column (1) minus column (8) among the blocks independent of entry order; Panel A adds the ticked blocks in sequence, its second row the step from column (1) to column (2), which adds the tendencies. Around a price means a purchase-day range within 2% of it. Columns (6) and (7), which add news readings (the day before or before the open) and the announcement the evening before, print in the Internet Appendix. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors), less first purchases without a return over 180 trading days (9,476 investors left). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

more often than cold purchases (standard error 0.113), with investor and day fixed effects (Table IA-41 of the Internet Appendix). The earlier window, which includes the calendar week before purchase plus readings on the purchase day before the market opens, gives a difference of 1.28 percentage points (Table 8, Panel A). The former comparison excludes all purchase-day readings; neither difference is a contribution to the return gap. Figure IA-10 reports the reading profile around purchase.

Table 8: News Readings, Reference Prices and the Stock's Path While Followed

Panel A: News readings of a stock

	Behavior	Part of the warm–cold gap, 180 trading days
News readings after an announcement, followed (pp)	0.22*** (0.07)	
News readings after an announcement, owned (pp)	8.82*** (0.84)	
First purchase on the reaction day, followed (pp)	0.10*** (0.02)	
News readings in the week before, warm minus cold (pp)	1.28*** (0.12)	
News readings, choice in the list (log odds)	1.04*** (0.05)	
News readings of the stock		−0.3 (0.7)

Panel B: Prices against the add price, running high and running low (log odds)

	All purchases	Days 6 to 20	Days 21 to 60	Over 60 days	Part of the warm–cold gap, 180 trading days
New high since the watchlist addition	−0.09* (0.05)	−0.08 (0.15)	−0.18* (0.09)	−0.40*** (0.08)	
New low since the watchlist addition	0.26*** (0.05)	0.00 (0.17)	0.08 (0.09)	0.38** (0.17)	
Over 2 percent above add price, choice in the list	−0.18*** (0.02)				
Over 2 percent below add price, choice in the list	−0.31*** (0.02)				
The add price					0.0 (0.1)
The running high					0.3 (1.0)
The running low					−1.0 (0.8)

Panel C: The stock's path while followed

	Estimate
Days beating the other watchlist stocks, choice in the list (log odds)	−0.12*** (0.04)

Note: The table reports one measure per row, its unit in the label; the right column is its part of the CH-4 warm–cold gap at 180 trading days (bps) in Table 7's order-free decomposition of column (1) less column (8). Panel A: the change in news readings of a stock in its earnings week and, as a level difference with stock × day fixed effects, a first purchase on the reaction day, each against investors neither following nor owning it; news readings in the week before a purchase (investors with a 2024 news reading; their 2025 purchases); choosing the stock with more news readings. Panel B: buying a watchlisted stock on a day it makes a new high or low, by trading days from the first feasible day, and choosing one over 2 percent above or below its add price. Panel C: choosing the stock that beat the other watchlist stocks on more days. Standard errors clustered as in each row's Internet Appendix exhibit are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

More news readings about a candidate are associated with a greater likelihood that the investor chooses it from the watchlist. I use a conditional logit, following McFadden (1974), to compare the purchased stock with the available alternatives at the same purchase decision. The news-reading measure covers trading days strictly between watchlist addition and purchase, assigning readings after the market close to the next trading day; readings after the market close on the watchlist-addition day are therefore counted when their assigned trading day precedes purchase (Table IA-32 of the Internet Appendix, Panel A). Among the previously identified news readers, investors' odds of choosing a stock are 184 percent higher for a unit increase in

the log of one plus its news readings (Table 8, Panel A). The outcome is which stock is bought, conditional on a purchase, rather than whether the investor purchases anything. Table IA-32 of the Internet Appendix compares the own-watchlist choice with a placebo watchlist and reports the return associated with news readings. The choice comparison asks which stock the investor buys, whereas the gap accounting asks whether readings predict the purchased stock's relative return.

The measured news readings account for none of the warm–cold gap despite their association with choice. Their contribution is an insignificant −0.3 basis points (standard error 0.7 basis points), in the decomposition of the warm–cold difference in CH-4 returns over 180 trading days (Table 7, Panel B).

6.2. Reference Dependence in Stock Following

Price-path explanations predict different buying responses to the history observed while following a stock. Reference dependence makes choice depend on a reference point in Kőszegi and Rabin (2006) and on comparative information from a known referent in Dean et al. (2026); I adapt the recorded add price and running extremes to this setting. Extrapolators buy assets after rises because they expect further rises in Barberis et al. (2018), while expectations based on past returns are associated with lower returns over the following week in Da, Huang, and Jin (2021). Sequential arrival predicts preference for frequent outperformance in Bohren et al. (2024); I map that prediction to how often a stock beats its list-mates. These buying predictions do not themselves rank warm and cold returns: I examine their return implications through the observed price-path controls and their parts of the gap. Investors' choices vary with price relative to reference prices encountered while following the stock. The add price is recorded at watchlist addition; the running high and running low summarize the highest and lowest closing prices during the pre-purchase measurement period since watchlist addition. The comparison group consists of prices near the add price, between the upper and lower bands in Table 8, Panel B. Investors' odds of choosing a stock from the watchlist are 17 percent lower above that interval and 27 percent lower below it (Table 8, Panel B). The coefficients describe choices relative to prices near the add price, rather than changes in the probability of buying relative to an arbitrary price level.[17] In the longest-delay group, investors buy less often on a new-high day and more often on a new-low day since watchlist addition, in comparisons within stock-day strata (Table 8, Panel B). I consider regret over a rise observed while following a stock as a possible reason to postpone buying, an adaptation to stocks the investor has not owned; I hold the price-path observables together in one fit rather than assign regret a separate return prediction.

The stock's observed history permits a test of whether investors favor candidates that often outperform other stocks on their watchlists. Bohren et al. (2024) compare sequential and simultaneous information about assets with identical marginal outcome distributions; their experiment motivates the prediction that frequent outperformance is favored under sequential experience. Here investors' odds of choosing a stock are 12 percent lower per unit increase in

[17] Table IA-33 of the Internet Appendix compares the price-choice relation with the placebo watchlist. Figure IA-2 reports daily buying by price relative to the running high and the positions of stocks not yet bought.

the share of trading days on which it beat its list-mates while on the watchlist, with a log-odds standard error of 0.04, holding cumulative relative performance since watchlist addition fixed, opposite to the prediction from sequential experience (Table 8, Panel C). Table IA-34 of the Internet Appendix reports alternative measures and the return comparison. How often a stock outperformed other stocks on the watchlist is not detectably related to purchase returns. Investors' returns relative to random purchases from their watchlists have an insignificant slope of 148 basis points (standard error 120 basis points) per unit of the share of followed days on which the stock beat its list-mates, in CH-4-adjusted returns over 180 trading days, in the regression on all warm purchases (Table IA-34 of the Internet Appendix, Panel C).

Alongside these choice comparisons, the reference-price parts are near zero and account for none of the warm–cold gap. Proximity to the add price contributes 0.0 basis points (standard error 0.1 basis points), proximity to the running high 0.3 basis points (1.0 basis points), and proximity to the running low −1.0 basis points (0.8 basis points) to the gap in CH-4 returns over 180 trading days (Table 7, Panel B). Table IA-35 examines the reference-price comparisons by purchase delay.

Beyond the reference prices, holding price appreciation since the first feasible day fixed leaves further underperformance after a new limit-up close. Excluding continuations of the watchlist-addition-day run, late purchases after a new limit-up close underperform late purchases without a new limit-up close by 228 basis points (standard error 64 basis points), within delay bands and with documented tendencies and that run-up held fixed, each relative to a common pool of the same investors' cold purchases in CH-4 returns net of same-day random market purchases over 180 trading days (Table IA-42 of the Internet Appendix). The measured appreciation before purchase therefore does not explain this late contrast at the reported horizon.

6.3. Documented Buying Tendencies

Documented buying tendencies describe the characteristics investors select; if their different prevalence explains the warm–cold gap, holding them fixed should remove it. They account for part of the whole gap, but leave underperformance. In the full Gelbach decomposition, the tendencies account for 99.9 basis points (standard error 7.2 basis points), about 47 percent of the warm–cold gap in CH-4 returns over 180 trading days (Table 7, Panel B). This is their order-free contribution with all the observed blocks held, not the sequential change when tendencies alone enter. Tables IA-51 and IA-52 report tendency accounting for the *list* and *pick* at in-sample and market prices. With documented tendencies held fixed, early warm purchases have no statistically detected underperformance relative to cold purchases at 180 trading days (early warm minus cold: −20 basis points; standard error 28 basis points), while late warm purchases underperform cold purchases by 160 basis points (31 basis points) in CH-4 returns over 180 trading days (Table 9, Tendencies held column; Table IA-53 of the Internet Appendix, Panel D).

As the accounting above shows, deliberation, measured by news readings, and the price path describe buying but account for none of the warm–cold gap. Documented buying tendencies account for part, and warm purchases still underperform cold purchases with all measured blocks held. The next section examines attention episodes and whether matching the event at watchlist addition is associated with choice.

Table 9: Late, Not Early, Warm Purchases Trail Cold Ones with the Tendencies Held

CH-4, 180 trading days (bps)	None held	Tendencies held	Tendencies and prices held
Early warm purchase (trading days 1 to 5)	−139***	−20	−18
	(31)	(28)	(30)
Late warm purchase (trading day 6 on)	−294***	−160***	−162***
	(32)	(31)	(34)
15 tendencies		✓	✓
Around the add price, peak and trough			✓
Observations	528,842	528,842	528,842
Warm purchases	206,845	206,845	206,845
Investors	9,476	9,476	9,476
Early warm purchases	101,057	101,057	101,057
Late warm purchases	105,788	105,788	105,788
Investor fixed effects	✓	✓	✓
Purchase-day fixed effects	✓	✓	✓

Note: The table regresses CH-4 abnormal returns over 180 trading days in basis points, net of same-day random market purchases, on warm (watchlisted) dummies over warm and cold (never-watchlisted, or added that day) first purchases. Warm purchases are early, in the first trading week from the first feasible day (the first day the stock could be bought; days 1 to 5), or late, after that week (day 6 on); the second column holds the 15 tendencies fixed, and the third also holds the stock's price against its add price, peak and trough. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors), less first purchases without a return over 180 trading days (9,476 investors left). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

7. Attention Episodes and Recall

The question for attention and memory is whether an episode is associated with choice because it is attention-grabbing or because it matches an earlier encounter. An attention episode comprises the trading day of a public attention-grabbing event and the following trading day. A *matching episode* is a later attention episode whose event is of the same kind as the event on the day the investor added the stock. Attention-driven buying predicts purchases around attention-grabbing events (Barber and Odean 2008; Da, Engelberg, and Gao 2011); I derive the additional prediction for matching episodes from the similarity premise in Bordalo, Gennaioli, and Shleifer (2020), treating the watchlist addition as the earlier experience. Neither premise ranks warm and cold returns, so the buying associations and the return comparisons are assessed separately. I distinguish these buying comparisons from the late return gap and the undetected return difference between matching and nonmatching episodes. Holding purchase-day attention classes fixed leaves at least half the pooled warm–cold gap within classes. The prediction that less than half would remain fails at 180 trading days: warm purchases underperform cold purchases by 180 basis points within the measured classes against 213 basis points pooled, and within-class underperformance exceeds half the pooled gap by 73 basis points (standard error 11 basis points) in CH-4 returns over 180 trading days (Table IA-37 of the Internet Appendix). Table IA-24 of the Internet Appendix compares purchase returns with alternatives matched on purchase-day attention tendencies.

7.1. Attention Episodes

Followers show less extra buying at an earnings release and more at a renewed upper-limit hit, a later day when the stock reaches its upper price limit. An event study compares the change in followers' first-purchase rate around an earnings release with the change for non-followers of the same stock on the same day. Followers' first-purchase rate in the pre-release comparison week is 0.105 percentage points per trading day against 0.003 for comparable non-followers; on the release day and the following trading day, the followers' excess rate falls below its pre-release level by 0.034 percentage points per trading day (standard error 0.004), leaving a level gap of 0.061 percentage points per trading day, with stock-by-day and investor-by-day fixed effects (Table IA-36 of the Internet Appendix, Panel A). In the separate news-reading comparison, followers' announcement-week rate rises relative to neutral investors by 0.22 percentage points, with stock-by-day fixed effects (Table 8, Panel A). The separate reaction-day purchase comparison shows followers buying at a rate 0.100 percentage points above neutral investors, a level difference with stock-by-day fixed effects (Table 8, Panel A).[18] Followers' excess first-purchase rate instead rises around a renewed upper-limit hit by 0.097 percentage points per trading day (standard error 0.006), relative to non-followers and the pre-event difference, with stock-by-day and investor-by-day fixed effects (Table IA-36, Panel B). These event comparisons distinguish responses to different kinds of attention episode.

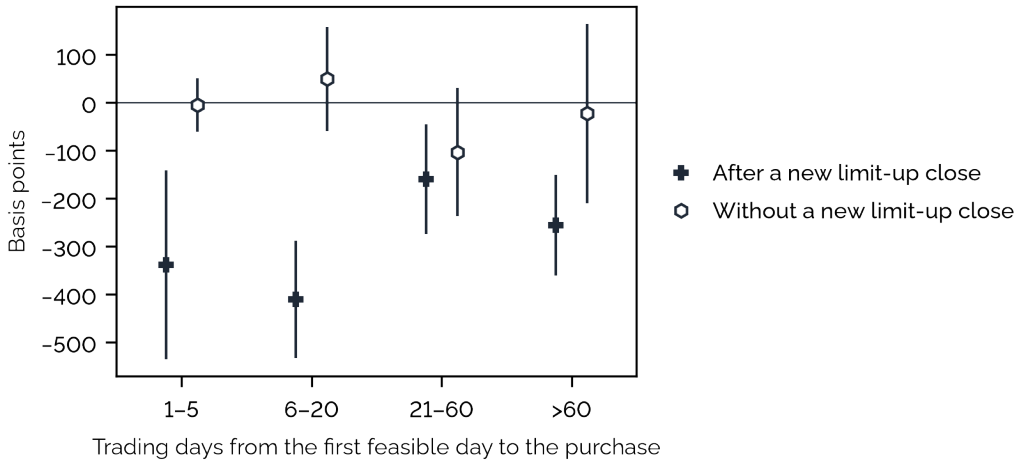
The hot list accounts for part of the gap, whereas the announcement before purchase accounts for none of it. The Platform's hot list combines trading activity, users' searches and browsing, discussion and price changes. The announcement's contribution is an insignificant −0.7 basis points (standard error 0.5 basis points) of the warm–cold gap in CH-4 returns over 180 trading days (Table 7, Panel B).

Late purchases after a new limit-up close underperform late purchases without a new limit-up close within the same delay band. Figure 5 shows warm purchases after a new limit-up close underperforming the common pool of the same investors' cold purchases in each delay band, while warm purchases without a new limit-up close have no detected underperformance, in CH-4 returns net of same-day random market purchases over 180 trading days, with tendencies held fixed and continuation closes excluded. With continuations of the watchlist-addition-day run excluded and documented tendencies held fixed, the further underperformance is 243 basis points (standard error 63 basis points), each group relative to a common pool of the same investors' cold purchases in CH-4 returns net of same-day random market purchases over 180 trading days (Table IA-49 of the Internet Appendix, Panel A). Mechanical timing does not explain this contrast: the comparison holds the delay band fixed. The after-versus-without contrast is also present among early purchases in the run-up-controlled comparison at 180 trading days, each group relative to the common cold pool (Table IA-42 of the Internet Appendix). Holding bands of days since the last limit-up close fixed also leaves late warm purchases underperforming cold purchases by 174 basis points (standard error 31 basis points), net of same-day random market purchases and with tendencies held fixed, in CH-4 returns over 180 trading days (Table IA-28,

[18] Table IA-36 of the Internet Appendix also reports the comparison around a renewed upper-limit hit, and Figure IA-11 draws the daily responses. Table IA-38 of the Internet Appendix reports hot-list responses for all screened investors with a watchlist addition, on dates with an archived hot list.

Panel A). Figure IA-9 of the Internet Appendix reports the contrast by band using the measure that includes continuation closes; its middle late band is not detectably different, and its early contrast is about as large as its late contrast at 180 trading days (Table IA-40). On that measure, holding hot-list entry at the previous market close fixed leaves late purchases after a new limit-up close underperforming late purchases without a new limit-up close by 177 basis points (standard error 60 basis points), relative to cold purchases under the same adjustment, horizon and netting (Table IA-40, Panel A). Searches reveal attention to a stock (Da, Engelberg, and Gao 2011); hot-list entry, which incorporates searches, does not explain that further underperformance.

Figure 5: Warm Minus Cold by Days from the First Feasible Day, with and without a New Limit-Up Close



Note: The figure plots warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases' CH-4 abnormal returns over 180 trading days, net of same-day random market purchases, for warm stocks with a new limit-up close, defined as in Table IA-49 (filled crosses), and without one (hollow hexagons). One regression includes the 15 tendencies and investor and purchase-day fixed effects; lines are 95% intervals, clustered by investor and purchase day. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors).

A separate calendar-wait comparison gives no statistically detected underperformance of warm purchases in the longest calendar-wait category, pooled across closures, relative to warm purchases when the next calendar day is a trading day (difference: −56 basis points), in CH-4 returns over 180 trading days net of same-day random market purchases, holding trading days waited after the first feasible day fixed (Table IA-39 of the Internet Appendix, Panel A).

7.2. Matching Episodes

I expect matching episodes to be associated with stronger buying if a watchlist addition leaves an experience that a similar later cue brings to mind. That is my derivation of a buying prediction from recorded interest, not a return prediction: the choice association is consistent with similarity-based recall but is not an observation of recall itself, while the additional return difference for matching episodes is not detected. Limit-up closes are common occasions for watchlist addition and identify the earlier rally that a later event can resemble. Investors make

Table 10: Watchlist Additions on the Market's Attention Days

Panel A: All watchlist additions

	The stock on the add day				
	Closed at limit	Touched only	Other	No record	All
Additions	590,707	109,784	1,010,715	3,645	1,714,851
Share of all additions	34.4%	6.4%	58.9%	0.2%	100.0%

Panel B: Watchlist additions against three comparisons

		Watchlist addition minus (pp)		
	Watchlist additions (%)	(A) Random market	(B) Random watchlist	(C) Cold purchases
Abnormal Trading Volume	52.6%	42.6***	31.9***	2.9***
		(0.6)	(0.6)	(0.4)
Chase Dividend	1.1%	−0.1*	−0.1	0.0
		(0.1)	(0.1)	(0.1)
Contrarian	4.4%	−5.2***	−7.5***	−2.5***
		(0.1)	(0.1)	(0.1)
Easy Name	13.7%	2.9***	0.1	−0.8**
		(0.9)	(0.9)	(0.4)
High Dividend	7.5%	−3.0***	0.0	−0.3
		(0.4)	(0.4)	(0.2)
Local Company	8.3%	0.8***	0.0	−0.2
		(0.1)	(0.1)	(0.1)
Lottery-Like Stocks	40.1%	21.8***	−4.4***	1.5***
		(1.1)	(1.0)	(0.4)
Low Price	9.0%	0.1	−0.8	−1.4***
		(0.6)	(0.6)	(0.2)
Max Return	22.8%	13.1***	1.3**	0.7**
		(0.7)	(0.6)	(0.3)
Momentum	48.5%	38.9***	27.6***	12.4***
		(0.7)	(0.6)	(0.3)
Prior Industry Purchase	35.0%	4.5***	−1.9***	−1.2***
		(0.4)	(0.4)	(0.2)
Salient Returns	19.0%	9.1***	1.5***	1.9***
		(0.5)	(0.5)	(0.3)
Small Cap	2.2%	−6.8***	−0.9***	0.1
		(0.1)	(0.1)	(0.1)
Upper Price-Limit Hit	37.5%	34.7***	30.9***	12.6***
		(0.7)	(0.7)	(0.3)
Value	7.9%	−2.3***	−1.5***	−1.2***
		(0.6)	(0.5)	(0.3)
Observations	1,701,960	1,701,960	1,671,857	2,027,354

Note: The table counts in Panel A watchlist additions by the stock's trading condition on the add day (closed at the upper price limit, touched the limit without closing there, other, or no record of trading that day), unweighted, and gives each condition's share of all additions. Panel B reports the share of watchlist additions with each of the 15 tendencies on the add day and its difference (pp) from ten random stocks of the market that day, from ten stocks the investor added earlier and had not bought, and from cold (never-watchlisted, or added that day) first purchases, each the coefficient on the addition with investor and event-day fixed effects; tendencies of an addition are measured at the close of its day. Each event is weighted by one over the investor's number of events of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and stock are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

34.4 percent of watchlist additions on dates when the stock closes at its upper price limit, counting each watchlist addition equally (Table 10, Panel A). Investors' watchlist additions have an *Upper Price-Limit Hit*, marking a stock that reached its upper price limit on the day measured, more often than random market stocks outside their watchlists on the same day, by 34.7 percentage points with investor and day fixed effects (Table 10, Panel B) (H1). Table IA-43 of the Internet Appendix compares the limit-up share with other tendencies measured at watchlist addition. The focus on this earlier event also follows the warm–cold gap's concentration in stocks added on a limit-up close, established in Section 5.

Late choice from the watchlist is more likely to favor a stock that has had a new limit-up close. Using the measure that includes continuation closes, in the conditional comparison of the purchased stock with other stocks on that investor's watchlist, investors' odds of choosing a stock are 24 percent higher after a new limit-up close, with a log-odds standard error of 0.02, holding documented tendencies, the stock's prior return volatility and frequency of attention-grabbing days, the return since watchlist addition and time on the watchlist fixed (Table 11, Panel B). A longer wait gives a stock more time to reach a new limit-up close, but this choice comparison holds time on the watchlist and the return since watchlist addition fixed among late purchases. This compares candidates at the investor's purchase decision, not the probability of any purchase. Table IA-45 of the Internet Appendix enters the tendencies jointly in the choice comparison.[19] The association with a new limit-up close is stronger when the investor originally added the stock on a limit-up close. On that measure, among late purchases the odds ratio associated with a new limit-up close is 94 percent higher for stocks added on a limit-up close (log-odds interaction standard error 0.04); for other watchlist additions, purchase odds are 7 percent higher after a new limit-up close (log-odds standard error 0.02), with the same controls (Table 11, Panel B) (H3). Attention to the new rally alone does not predict the stronger buying association for stocks added on a limit-up close, with the stock's frequency of attention-grabbing days held fixed.

The choice association and its stronger form for matching episodes remain when continuations of the original run are excluded. Investors' odds of choosing a stock after a new limit-up close are 31 percent higher, and the odds ratio associated with the new limit-up close is 82 percent higher for stocks added on a limit-up close, with tendencies, the return since watchlist addition and time on the watchlist held fixed in the conditional choice comparisons (Table IA-49 of the Internet Appendix). This distinction ensures that the later episode need not be part of the original run of limit-up closes. With hot-list status during the last 5 trading days held fixed, choice odds after a new limit-up close are not detectably higher for other watchlist additions, while the matching-episode difference remains: stocks added on a limit-up close have the stronger association (Table IA-49 of the Internet Appendix, Panel B). Holding bands of days since the last limit-up close fixed instead leaves a weak negative association for other additions, significant only at the 10 percent level (log odds −0.04; standard error 0.03), while the matching-episode difference remains (Table IA-49, Panel B). Both comparisons exclude continuation closes; without either added control, the association for other additions is detected.

Extrapolation from past returns does not explain the stronger choice association for matching episodes. The association remains with the return since watchlist addition held fixed and is stronger for stocks added on a limit-up close. Without a new limit-up close, investors' odds of choosing stocks added on a limit-up close are 46 percent lower (log-odds standard error 0.03), with the same controls (Table 11, Panel B). The lower odds without a later limit-up close and the stronger association after a matching episode are consistent with renewed interest tied to the earlier event, rather than an unconditional preference for every stock added on a limit-up close.

[19] Investors' odds of choosing a stock remain 18 percent higher after a new limit-up close, with a log-odds standard error of 0.02, when recent hot-list entry is also held fixed (Table IA-44 of the Internet Appendix, Panel A). The table also reports the other timing and control comparisons.

Table 11: A New Limit-Up Close While the Stock Waited, and the Choice of Stock

Panel A: A close at the upper price limit while the stock waited

	Warm purchases		
	All	Bought days 1 to 5	Bought day 6 on
Bought stocks	38.6%	15.3%	62.4%
List-mates, same days	25.0%	5.4%	45.0%
Bought minus list-mates (pp)	13.6***	9.9***	17.3***
	(0.6)	(0.4)	(0.8)
Matched list-mates, same days	31.7%	11.9%	47.9%
Bought minus matched list-mates (pp)	11.2***	5.9***	15.5***
	(0.6)	(0.4)	(0.8)
Bought on the first feasible day	27.0%	53.4%	0.0%
Observations	208,425	101,903	106,522
List-mates	50,706,087	16,947,125	33,758,962

Panel B: Choosing a stock after a new limit-up close, day 6 on (log odds)

	(1)	(2) With limit-up watchlist addition
A new limit-up close since the first feasible day	0.21***	0.07***
	(0.02)	(0.02)
Added on a limit-up close		−0.62***
		(0.03)
New limit-up close × added on a limit-up close		0.66***
		(0.04)
15 tendencies and stock type	✓	✓
Return since the watchlist addition	✓	✓
Log trading days on the watchlist	✓	✓

Note: The table reports in Panel A the share of warm (watchlisted) first purchases whose stock made a new limit-up close (a close at the upper limit since its first feasible day, unlike the purchase-day *Upper Price-Limit Hit*), and among list-mates (earlier watchlist additions not bought), all or matched on days from the first feasible day; matched differences cover matched purchases only. Panel B: conditional-logit log odds of buying against 20 random watchlisted stocks buyable that day, each one's new limit-up close from its own first feasible day; column (2) adds a watchlist addition on a limit-up close and their product. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and stock are reported in parentheses. The sample is as in Table 1 (9,501 investors), less, in Panel B, the 18 investors who added 1,000 or more stocks on one day (9,483 investors left). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

The matching-episode association also appears among investors considering the same stock on the same day. After a renewed upper-limit hit, followers who added the stock on a limit-up close make more first purchases than other followers with the same time on the watchlist, beyond their difference in the reference week, the trading week preceding the week immediately before the event, by 0.040 percentage points per trading day (standard error 0.007), against the other followers' event-day and following-day base rate of 0.18 percent, with stock-by-day and investor-by-day fixed effects (Table IA-50 of the Internet Appendix). The comparison also holds when the renewed upper-limit hit ends in a limit-up close (Table IA-50 of the Internet Appendix). During the trading week before the renewed upper-limit hit, the leads for limit-up followers indicate higher buying, are smaller than the event-day difference and are jointly different from zero (Table IA-50 of the Internet Appendix, Panel A). The comparison links a common current event to differences in the investor's recorded earlier encounter, consistent with similarity-based recall.

Turning from choice to returns, the late warm–cold gap is concentrated in purchases after a new limit-up close, although early purchases after a new limit-up close also underperform early purchases without a new limit-up close at 180 trading days in the run-up-controlled comparison (Table IA-42 of the Internet Appendix). The within-band contrast above and the run-up comparison in Section 6 hold the delay band and documented tendencies fixed and exclude continuations of the watchlist-addition-day run (Table IA-49). Figure IA-9 of the Internet Appendix locates the return pattern by band on the measure that includes continuation closes. Its band contributions multiply each group's share of late warm purchases by its return coefficient, not a causal effect of the episode (Table IA-40, Panel B). This concentration concerns purchases after a new limit-up close; the recall explanation rests on the additional dependence of buying on whether the later event matches the event at watchlist addition.

The further underperformance after a new limit-up close does not differ detectably between matching and nonmatching episodes. On the measure that includes continuation closes, the estimated further underperformance after a new limit-up close is greater for stocks added on a limit-up close than for stocks added on other days, but the difference is not statistically detected (the return contrast for limit-up additions minus that for other additions: −135 basis points; standard error 123 basis points), each group relative to the same investors' cold purchases in CH-4 returns net of same-day random market purchases over 180 trading days, with tendencies held fixed (Table IA-48 of the Internet Appendix, Panel A). Matching episodes are associated with which stock the investor chooses; a further return difference by match is not detected.

In the return comparison with documented tendencies held fixed, late warm purchases still underperform cold purchases at 180 trading days. With documented tendencies held fixed, early warm purchases have no statistically detected underperformance relative to cold purchases at 180 trading days (early warm minus cold: −20 basis points; standard error 28 basis points), while late warm purchases underperform cold purchases by 160 basis points (31 basis points) in CH-4 returns over 180 trading days (Table 9, Tendencies held column; Table IA-53 of the Internet Appendix, Panel D). These residual comparisons and the whole-gap accounting in Section 6 show what remains after the measured explanations are held fixed.

Investors' choices are more strongly associated with matching episodes, while the return comparisons distinguish the purchased stocks from the common cold benchmark. Buying after a matching episode is more likely both within the investor's watchlist and among followers of the same stock on the same day. The late gap is concentrated in purchases after a new limit-up close, but the return-side difference for matching episodes is not detected. The characteristics accompanying those purchases, including *Lottery-Like Stocks*, are shown in Figure IA-12 of the Internet Appendix and Tables IA-46 and IA-47. Investors' later choices remain associated with the event at which they first recorded interest in the stock.

8. Conclusion

Following a stock before buying is not followed by the better purchase that deliberation would suggest. Warm purchases, of stocks added to a watchlist on an earlier day, underperform the same investors' cold purchases, of stocks never watchlisted or added on the purchase day. At

the headline return horizon, the gap widens after the first feasible day and stays at about that size at longer waits. It is concentrated in stocks added on a limit-up close. Their late purchases also underperform stocks that closed at the upper limit on the same watchlist-addition date and are evaluated as bought on the same purchase day. Random purchases from the same watchlist matched on time on the watchlist outperform the stock eventually bought. The higher returns of stocks bought late, measured from their first feasible days, are largely earned before purchase.

Yet deliberation, measured by news readings, and reference dependence, measured by the add price and the running high and low while following the stock, describe investors' choices but account for none of the warm–cold gap. Hot-list entry and documented buying tendencies account for part, and warm purchases still underperform cold purchases with every measured group held fixed. With price appreciation since the first feasible day held fixed, late purchases after a new limit-up close underperform late purchases without a new limit-up close within delay bands at the headline return horizon.

Beyond these alternatives, choice within the watchlist favors stocks after matching episodes; this association is consistent with similarity-based recall but is not an observation of recall itself. The association with a later limit-up close is stronger for stocks added on a limit-up close, including when continuations of the original run are excluded, and appears among investors following the same stock on the same day. Turning to returns, the late warm–cold gap is concentrated in purchases after a new limit-up close, while a further return difference by match is not established. Purchases also occur outside measured attention episodes, linking buying to interest recorded before the current event.

These findings associate later demand with the investor's history of attention, so dating purchases only by the current event can miss where that interest began. For households, following a stock is not evidence of a better purchase; for firms, later buying is associated with events that resemble the event at which investors first recorded interest. For platform design, the watchlist keeps a previously followed stock available for consideration at a later similar event, making the history of attention relevant alongside today's attention-grabbing events.

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Internet Appendix for

"The Watchlist Trap: Stored Attention and Recalled Rallies"

Minxia Chen

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IA-I. Data and Design

The recorded watchlist links earlier interest to the first purchase, supporting the setting and design in Sections 3 and 4. This block places the record beside related studies, defines the empirical objects, and describes the institutions, sample variants, conversion histories and holding records used in the Main.

The investor-level record distinguishes the paper's contribution from evidence on aggregate demand and recently viewed alternatives. Table IA-1 identifies each closely related study's unit, whether investors are identified, what interest is recorded before trading, and whose returns are evaluated. Its final comparison places this paper's dated watchlist record beside those objects, so the contribution concerns the observed connection between interest and purchase rather than priority in documenting delayed buying.

The institutional comparisons extend Section 3 by separating daily price limits, settlement and permission to resell. Table IA-2 compares China's boards with Taiwan, Korea, Japan, Thailand, Malaysia's FBM KLCI component stocks, India and the United States. Japan uses fixed yen amounts that vary with the stock's price, while U.S. intraday bands move with a recent average price rather than remaining a fixed distance from the previous closing price. The U.S. rules also provide market-wide trading halts. These distinctions describe the rules an investor faces when an attention-grabbing price move occurs, rather than treating all trading interruptions as the same restriction.

Settlement and day trading are distinct parts of that comparison. U.S. investors have faced standard settlement on the trading day after the trade since 28 May 2024, while the U.S. day-trading rule permits same-day purchases and sales in margin accounts (Table IA-2, Panel A, One-day settlement (T+1) from row, United States column, and Panel B, United States: same-day resale). The A-share comparison concerns resale before settlement and the next-day restriction stated in the Stock Connect guide. The table keeps those rules separate from the daily price bands governing order execution.

Individual-investor participation also depends on the market, observation period and trading measure. Retail investors account for 81 percent of volume over January 2016 to June 2019 in the Chinese exchange account data studied by Jones et al. (2025), supplementing the Shanghai yearbook figure in the Main text (Table IA-2, Panel A, Second source and Its period rows, China (A-shares) column). U.S. investors' identified marketable retail orders account for 6.91 percent of share volume over 2010 to 2015 in the data of Boehmer et al. (2021), a lower bound because the identification omits some retail orders (Table IA-2, Panel A, Second source and Its period rows, United States column). This differs from the press figure for overall retail activity quoted by Eaton et al. (2022) in the Main text.

The other exchange statistics describe individual investors' shares using their own denominators. Domestic individuals account for 52.11 percent of Taiwan Stock Exchange trading value in 2025 (Table IA-2, Panel A, Share and Year rows, Taiwan column). Individuals account for 26.7 percent of brokerage, rather than proprietary, trading value on the TSE Prime Market in 2025 (Table IA-2, Panel A, Share and Year rows, Japan column). Individuals account

for 33.6 percent of NSE cash-market gross turnover in 2025 (Table IA-2, Panel A, Share and Year rows, India column). The market names and measures therefore identify what each participation figure describes.

The recall explanation in Section 3 requires a dated attention episode and a record that the investor followed the stock. Extreme-return days, top-movers displays and publicly reported highs provide possible counterparts in U.S. markets to the price-limit event examined here. These institutional and attention comparisons do not establish that the paper's purchase-return finding holds in those markets.

The comparison between recorded interest and purchase requires distinct definitions of the menu, benchmark and return adjustment. Table IA-3 supplies those definitions for the Main exhibits, including Figure 1, together with the *list*, *pick* and *remainder*, sample variables and news readings. It also distinguishes time since watchlist addition from time since the first feasible day; changing the starting day changes the interval being compared, not the meaning of a first purchase.

The Platform's hot list is a display distinct from the investor's own watchlist, as described beside Figure 1. Investors make 34.0 percent of first purchases in stocks on the hot list at the previous trading day's market close (Table IA-4, Panel A, First purchases column). The choice comparisons give the tendencies a stronger fit to purchase choices than the hot list, while the return rows separately report the cost associated with hot-list purchases. Display membership and its return association therefore remain different objects.

The sample comparison in Table 1 includes cold purchases made on the watchlist-addition day. Table IA-5 repeats the characteristic comparisons using never-watchlisted purchases as the comparison group, both over the full period and on the sample of purchases from January 2025. This separates the change from the inclusive cold group to never-watchlisted purchases from changes in the observation period; neither restriction redefines a warm purchase.

The watchlist records in Table 1 include both the investor's activity and the stock's state when interest is recorded. Table IA-6 reports the distribution of watchlist additions per active investor-day, price states before watchlist addition, and earnings releases and news readings around it. These details describe the circumstances of recorded interest without treating a watchlist addition itself as information acquisition or a commitment to buy.

The conversion curve in Figure 2 also depends on the stock's price state and on which investors' watchlist additions are followed. Figure IA-1 varies the stock's trading condition on the watchlist-addition day and plots conversion and daily buying for the sample investors, including price relative to the add price and the number still at risk. Figure IA-2 uses price relative to the running high and reports the positions of stocks not yet bought for the sample investors. Figure IA-3 extends those positions over the watchlist spell, reports conversion within groups of trading days counted from watchlist addition or from the first feasible day, and compares each trading condition on the watchlist-addition day with other watchlist additions.

The return horizon in Table 2 follows the stock after purchase, including after an investor sells. Figure IA-4 shows warm and cold first purchases still held without a sale, making the distinction between stock returns and realized holding-period profit visible. Figure IA-5 places

weekly watchlist additions and first purchases beside the market index, showing the observation period over which those decisions occur.

Table IA-1: Data and Returns in the Closest Papers and in This Paper

Panel A: Attention, watchlists and the retail response

Work	Unit of observation	Investor identified	Record of interest before the trade	Return of	Horizon	What this paper adds
Seasholes and Wu (2007)	stock-event (an upper-limit hit); first-time buys per account in one sub-sample	yes, on the event day and the next	inferred (the limit-up event)	aggregate price paid by individuals	5 days (purchases; 1 day for sales)	purchases weeks after the limit-up day, by the investor who recorded the stock on it, priced against that investor's other purchases
Barber and Odean (2008)	stock-day imbalance of investor groups	aggregate (households summed to groups)	inferred (attention proxies)	none	—	buying weeks after the day, dated by the buyer's own record, and its return
Chen, Gao, He, Jiang and Xiong (2019)	stock-day imbalance of six investor groups around a limit hit; stock-level event-time returns	aggregate (accounts pooled into groups)	inferred (the limit hit)	stock	day 1 to day 120	which investors buy weeks later and what their purchases earn against their own other purchases
Barber, Huang, Odean and Schwarz (2022)	stock-day change in Robinhood users holding a stock	aggregate	none	stock	20 days	identified purchases priced against the same investor's purchases, and their timing from a recorded interest
Levy, Rossi, Shalev and Zur (2025)	stock-week change in watchlist following	aggregate (additions summed to the stock; market-wide retail volume)	aggregate	stock	weeks; negative from week 21	the decision itself (who added, whether that person bought, when) and its price against the same investor's other purchases
Cong, Liu, Miao and Wang (2026)	stock-day growth in platform-wide watchlist counts	aggregate	aggregate (net counts; additions and removals unavailable)	stock	next day, then reversal	the investor-level link from addition to purchase, and the purchase's return
Imas, Jin and Lü (2026)	investor-trade: the chosen fund against the funds the same investor viewed in the seven days before	yes	own record (page views, seven days)	each purchase (funds)	1 to 12 weeks	a set recorded by the investor and kept for months, stocks rather than funds, and the timing of the choice from the list
Hirshleifer, Myers, Myers and Teoh (2008)	firm-quarter windows after earnings announcements	aggregate (one broker's households)	inferred (the announcement)	stock	3, 6, 9 and 12 months	per-purchase delays from a record, beyond three weeks
Gargano and Rossi (2018)	investor-month portfolios and investor-trade returns	yes	own record of time on the site, not of the stock bought	portfolio and each purchase	up to four months	attention to the stock bought, dated by its addition

Note: The table sets the closest papers beside this paper, whose row closes each panel. The Investor identified column says whether each decision is tied to one investor; aggregate means a variable is observed only summed over investors. The Record of interest before the trade column says whether interest in the stock is the investor's own dated record, a record observed only in aggregate, inferred from an event, or absent. The Return of column names what the return is measured on, and the Horizon column the horizons the paper reports. The What this paper adds column states what this paper's data observe beyond that paper.

(Continued)

Table IA-1—Continued

Panel A: Attention, watchlists and the retail response

Work	Unit of observation	Investor identified	Record of interest before the trade	Return of	Horizon	What this paper adds
Arnold, Pelster and Subrahmanyam (2022)	investor-trade, the trade after a push message	yes	own record (messages, clicks, research visits)	each trade (contracts for difference)	the round trip	cues that bring back a stock recorded weeks before, and the purchase's return over 180 trading days
This paper	investor-purchase	yes	own record (the watchlist addition, dated)	each purchase	5, 20, 60, 120 and 180 trading days	—

Panel B: Retail purchase performance, lottery-like stocks and reference prices

Work	Unit of observation	Investor identified	Record of interest before the trade	Return of	Horizon	What this paper adds
Odean (1999)	investor-trade, each purchase and sale	yes	none	each purchase	84, 252 and 504 trading days	which purchases underperform, by their origin and delay, against the same investor's purchases on the same day
Barber, Lee, Liu and Odean (2009)	investor-group portfolio-day	aggregate (complete trades, summed by investor type)	none	group portfolio	1 to 140 trading days	a purchase-level comparison, negative at 180 trading days within investor and day
Kumar (2009)	investor-portfolio, monthly	yes	none	portfolio	annual	purchases of stocks added on a limit-up close underperform purchases of other watchlist additions with *Lottery-Like Stocks* dropped, so the underperformance is not confined to lottery-like stocks
Bali, Cakici and Whitelaw (2011)	stock-month	none (stock returns only)	none	stock	one month	no pricing result; the asset-pricing implication stays a candidate
An, Wang, Wang and Yu (2020)	stock-month double sorts; a selling test on broker data	aggregate (yes in the selling test)	none	stock	one month	the investor's own add price, high and low as reference prices, which account for none of the gap
Liu, Peng, Xiong and Xiong (2022)	investor cross-section	survey-linked	none	none (what was bought, not its return)	—	the delay from a limit-up addition to the purchase, and its return
Hu (2026)	stock-month	none (stock returns only)	none	stock	one month	no pricing result

(Continued)

Table IA-1—Continued

Panel B: Retail purchase performance, lottery-like stocks and reference prices

Work	Unit of observation	Investor identified	Record of interest before the trade	Return of	Horizon	What this paper adds
George and Hwang (2004)	stock-month	none (stock prices only)	none	stock	six months	the investor's own add price, high and low since the addition, which account for none of the gap
Grinblatt and Keloharju (2001)	investor-stock-day, buying against selling	yes	none (the authors cannot see the universe each investor restricts to)	none	—	the universe each buyer restricted (the list) and the reference prices the buyer recorded
This paper	investor-purchase	yes	own record (the watchlist addition, dated)	each purchase	5, 20, 60, 120 and 180 trading days	—

Table IA-2: Trading Rules and Individual Investors' Share of Trading, by Market

Panel A: Price limits, settlement and individual investors' share of trading

	China (A-shares)	Taiwan	Korea	Japan	Thailand	Malaysia	India	United States
Daily price limit on an individual stock (%)								
Main Board	10							
ChiNext	20							
STAR Market	20							
Ordinary shares		10	30		30			
FBMKLCI component stocks						30		
Settlement and resale								
Same-day resale allowed from	December 1992							
Same-day resale allowed until	December 1994							
Next-day resale only (T+1)	after December 1994							
One-day settlement (T+1) from								28 May 2024
Individual investors' share of trading (%)								
Share	82.01	52.11		26.7			33.6	20
Year	2017	2025		2025			2025	2021
Second source	81							6.91
Its period	January 2016 to June 2019							2010 to 2015

Panel B: Rules stated in words

Japan: daily limit
fixed yen amounts by price band

United States: daily limit
Limit Up-Limit Down bands around the preceding five-minute average price

United States: same-day resale
same-day purchase and sale allowed (day trading, defined under FINRA Rule 4210 for margin accounts)

Note: The table reports, by market, the daily price limit on an individual stock, the resale and settlement rules, and individual investors' share of trading; a blank means no figure. Malaysia's row covers the component stocks of the FBMKLCI index. Panel B gives the limits that are not a fixed percentage of the previous close, and U.S. same-day resale. Shares are of trading value or volume as each source measures it; China's second source is one exchange's account data (Jones et al., 2025), Japan's share is of brokerage trading on the Prime Market, and the U.S. share is a press report cited by Eaton et al. (2022), with marketable retail orders (Boehmer et al., 2021) as a lower bound. Sources: the exchanges' rules and statistics for Shenzhen and Shanghai (2018, 2023), Taiwan, Korea, Japan, Thailand and India (2025, 2026); Securities Commission Malaysia (2021); SEC (2013, 2023, 2026); Chen et al. (2017).

Table IA-3: Variable and Return Definitions

Panel A: Returns	
Cumulative abnormal return	The return of the purchased stock from the trading day after the purchase, cumulated over the stock's trading days to the horizon, net of the adjustment named in the row, in basis points.
Raw	The stock's own return, with no adjustment.
Market-adjusted	The stock's return net of the free-float value-weighted return of all A-shares.
CAPM	The stock's return net of the return the CAPM predicts.
CH-4	The stock's return net of the return predicted by the Liu, Stambaugh, and Yuan (2019) four factors for China: market, size, value, and abnormal turnover.
DGTW	The stock's return net of the return on the Daniel et al. (1997) benchmark: a value-weighted portfolio of stocks matched to it on size, book-to-market, and momentum.
Common sample across adjustments	Within each horizon, all adjustments use the same first purchases and the same random purchases.
Returns observed (first purchases against random market purchases)	A first purchase enters when at least one of its random market purchases has every return observed.
Panel B: The benchmark sets	
Random purchases	For every first purchase, random purchases are drawn on the same day, every eligible stock equally likely; they keep the actual purchase date.
Random market (all first purchases)	Drawn from the stocks that pass the sample's history and trading-status restrictions that day; the purchased stock is not drawn.
Random watchlist	For a warm purchase, drawn from the stocks on the investor's watchlist, added on an earlier trading day and not bought; the purchased stock is not drawn.
Placebo watchlist	For a cold purchase, as many random market stocks as the investor added to the watchlist each day, dated that day, with the bought stock on a placebo date drawn the same way.
Random market (without watchlist stocks)	Drawn from the market without the investor's watchlist stocks; the purchased stock is not drawn.
Weight of a random purchase	The random purchases of a first purchase together carry its weight, in equal shares, so investor and purchase-day fixed effects leave the coefficient on a first-purchase dummy unchanged and change only its standard error.
Matched alternatives	For a warm purchase grouped by a tendency, the other stocks on the investor's watchlist that carry the tendency when the bought stock does and lack it when it does not; a warm purchase with none has no matched alternative.

Note: The table defines the terms that the notes of the other tables refer to: the returns and their adjustments (Panel A), the random purchases each first purchase is compared with (Panel B), the parts of the decomposition of warm minus cold (Panel C), the sample and the variables of the summary statistics (Panel D), the news readings (Panel E) and the public events (Panel F).

(Continued)

Table IA-3—Continued

Panel C: The decomposition of warm minus cold	
Pick	The purchase's return minus the mean return of its own random purchases: random watchlist purchases for a warm purchase, random market purchases for a cold purchase.
List	For a warm purchase, the mean return of its random watchlist purchases minus that of its random market purchases; zero for a cold purchase.
Remainder	The mean return of the purchase's random market purchases.
Identity	For every purchase, the return equals the *list* plus the *pick* plus the *remainder*, so with the same purchases, weights, and fixed effects, the warm coefficients on the three parts add up to the warm coefficient on the return.
Legs of the pick and the list	The *pick* and *list* of Table 2, Panel B, written as weighted averages, with the weights that regression puts on each purchase: the *pick* is the warm purchases' average excess over their random watchlist purchases minus the cold purchases' average excess over their random market purchases; the *list* is the average, over warm purchases, of the mean return of their random watchlist purchases minus that of their random market purchases.
Days on the watchlist (groups of warm purchases)	The random watchlist purchases are restricted to stocks that have been on the watchlist for the stated number of trading days since their watchlist addition, and a warm purchase whose watchlist holds no such stock is omitted; the first day of the clock is day 1.
Days from the first feasible day (groups of warm purchases)	Warm purchases are grouped by the trading days from the first feasible day (the first trading day after the watchlist addition on which the stock trades and is not sealed at the upper price limit all day) to the purchase, and the cold purchases are unchanged; the first feasible day is day 1.

Panel D: The sample and the summary statistics	
Sample period	Watchlist additions and first purchases are those dated from October 1, 2024, the first day the Platform's record of watchlist additions covers, to December 1, 2025, after which the Platform records only part of its watchlist additions.
Watchlist addition	An addition the investor makes. The Platform also adds a stock to the watchlist automatically when it is bought and records no watchlist addition for it; a stock added and bought on the same day is not a watchlist addition.
Weekend	A market closure of Saturday and Sunday only.
Holiday closure	A market closure that contains a public holiday.
Industry	A division of the China Securities Regulatory Commission's 2012 industry classification.
Volatility, past year	The standard deviation of the stock's daily returns over the past 252 trading days.
Listing age	The years since the stock's listing.
Standardized difference	Warm minus cold, divided by the square root of the average of the two groups' variances.
Number of purchase tendencies	Counted only for purchases on which all 15 tendencies are observed.
Differences from watchlist additions	Each difference is the coefficient on the watchlist addition in a regression of the tendency, with investor and event-day fixed effects.
Random additions	Each watchlist addition is stacked with the share among ten random additions drawn on its date, every eligible stock equally likely, from the market without the added stock and the investor's earlier watchlist additions.
Random watchlist stocks (against additions)	Ten random stocks from those the investor added to the watchlist on an earlier calendar day and had not yet bought; watchlist additions with no such stock are left out.
Cold purchases (against additions)	Cold (never-watchlisted) purchases, including stocks added to the watchlist on the purchase day (same-day watchlist additions).
Screens for watchlist additions	Watchlist additions are screened on the last trading day on or before the watchlist addition.

(Continued)

Table IA-3—Continued

Panel D: The sample and the summary statistics	
Tendencies of a watchlist addition	Measured at the close of its day (the last trading day on or before it).
Watchlist addition against purchase	Warm first purchases of a stock whose watchlist addition is in the data; the difference is the coefficient of a regression of the tendency on the purchase with investor-by-stock fixed effects.
Dash	An entry that is zero by construction, one with no possible observations, or one with no variation (a standard error of exactly zero, or one that cannot be computed).
First feasible day	The first trading day after the watchlist addition on which the stock trades and is not sealed at the upper price limit all day; it is day 1 of the trading days to a purchase. A watchlist addition is delayed by a one-price limit-up day when the first trading day after it is sealed at the upper price limit all day.
Reference prices	The price on the trading day before the purchase is compared with the add price, the running high and low (the highest and lowest close from the watchlist addition to two trading days before), the round number (the whole yuan nearest the unadjusted add price), and the 60-trading-day high (the highest close over the 60 trading days ending two trading days before).
Trigger	On the trading day before the purchase, a news reading of the stock by the investor, the stock's announcement-evening push, or a limit-up close or an absolute return in the top decile across stocks.
Purchase-day attention tendency	The bought stock is in the top decile of *Abnormal Trading Volume* on the purchase day or had an *Upper Price-Limit Hit* on the trading day before it.

Panel E: News readings	
News reading	The investor opening a news article that the Platform links to that stock alone (Tiers 1–2). Times are Beijing time, and a news reading before 9:30 is dated to that trading day.
News-article tiers	The Platform links each news article to stocks in four tiers: Tier 1, an article linked to the stock alone that names it in its title or summary; Tier 2, the other articles linked to the stock alone; Tier 3, articles linked to two or three stocks; and Tier 4, lists of four or more stocks.
Followed and owned	Around an earnings announcement, an investor's state in the stock: *followed* after a watchlist addition and before any purchase; *owned* from the first purchase to the first sale.
Good and bad news	An earnings announcement is good news when the stock's DGTW-adjusted return into day 0's open is zero or more, and bad news otherwise.
Neutral investors	For each stock and earnings announcement, up to 20 of the sample investors who had neither added the stock to their watchlist nor bought it on or before the announcement day, active on the Platform that day and matched on their activity in the seven calendar days before.
News-reading windows	Around an earnings announcement, day 0 is the first trading day whose 15:00 close follows the release. The week before is the five trading days before day 0, and the announcement week is day 0 and the four trading days after it; the outcome is whether the investor has at least one news reading of the stock (Tiers 1–2) in the window.
Investor-day and row weights	Under investor-day weights, a followed or owned row is weighted by one over the investor's number of stocks in that state announcing that day and by one over the investor's number of days with any purchase or sale, and a stock-day's neutral rows share equally the total weight of its followed and owned rows. Under row weights, every row counts once.
Announcement-evening push	From 20:00 to 21:00 on the evening of an announcement, the Platform pushes the announcement to the investors who have the stock on their watchlist, which includes every stock the investor holds, added automatically at purchase. An investor following the stock or an owner is eligible and remains eligible after selling, because a sale does not remove the stock from the watchlist; eligibility is not delivery.

Panel F: Public events	
Earnings release	A first-quarter, interim, third-quarter or annual report, dated by its disclosure date; in the event study of followers against non-followers, day 0 is the first trading day on or after that date. A release within 20 of the stock's trading days after an earlier kept release is dropped.
Renewed upper-limit hit	A day on which the stock reaches its upper price limit, at the close or during the day, after 20 trading days with none.
Abnormal-volume day	A day on which the stock's value traded, over its mean on the previous 252 trading days, is in the top decile across stocks that day, after 20 trading days with no such day.
Hot-list entry	The stock is on the Platform's end-of-day hot list after being absent from it on each of the 20 previous trading days; day 0 is the next trading day.
Other announcement	The reaction day of an announcement that is not a periodic report, after 20 trading days with no announcement of the stock.

Table IA-4: The Platform's Hot List and the Fifteen Tendencies in Which Stock Is Bought

Panel A: Share on the hot list the trading day before

	First purchases	Random market
All first purchases	34.0%	1.9%
Observations	534,852	5,348,520

Panel B: Log-likelihood per purchase of the stock bought

		95% interval, days		95% interval, investors	
	Estimate	Lower	Upper	Lower	Upper
Hot list minus the tendencies	−0.119	−0.130	−0.106	−0.126	−0.113
Refit in each bootstrap resample over days	−0.118	−0.129	−0.106		
Increments					
Hot list added to the tendencies	0.083	0.078	0.089	0.081	0.086
Tendencies added to the hot list	0.202	0.194	0.210	0.198	0.207
Hot list over 20 trading days minus the tendencies	−0.116	−0.127	−0.104	−0.123	−0.108
The placebo list					
Placebo list minus the tendencies	−0.529	−0.552	−0.503	−0.539	−0.518
Hot list added to the placebo list	0.421	0.404	0.435	0.412	0.430
Placebo list added to the hot list	0.011	0.009	0.012	0.010	0.012

Panel C: The hot list's coefficient in the purchase's CH-4 return (bps)

	Horizon (trading days)				
	5	20	60	120	180
Return	−69***	−158***	−220***	−421***	−629***
	(18)	(25)	(28)	(40)	(58)
Return net of random market purchases	−67***	−151***	−215***	−417***	−627***
	(18)	(25)	(28)	(41)	(59)
Holm-adjusted p, return		< 0.001	< 0.001		< 0.001
Holm-adjusted p, net return		< 0.001	< 0.001		< 0.001

Note: The table compares first purchases with ten same-day random market purchases. Panel A reports the share on the Platform's hot list the trading day before. Panel B reports differences in conditional-logit log-likelihood per purchase between the hot list and the 15 buying tendencies, with 95 percent intervals bootstrapped over purchase days and investors; the placebo list holds another platform's most-posted stocks. Panel C regresses the purchase's CH-4 return, gross and net of its random purchases, on the list, with the 15 tendencies, the stock's volatility, and investor and purchase-day fixed effects. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. In Panel C, standard errors clustered by investor and by purchase day are reported in parentheses, the stars are based on them, and the p-values are Holm-adjusted across 20, 60 and 180 trading days. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-5: Warm and Never-Watchlisted First Purchases

Panel A: October 2024 to December 2025

	Warm	Never-watchlisted	Standardized difference
Market capitalization (billion yuan)	41.4	53.2	−0.08
Share price (yuan)	18.57	20.51	−0.05
Volatility, past year	3.44%	3.31%	0.14
Listing age (years)	17.0	17.0	0.00
Board			
Main board	85.3%	84.4%	0.03
ChiNext	13.4%	14.8%	−0.04
STAR	1.3%	0.8%	0.05
Number of first purchases	209,458	174,445	
Number of investors	9,501	9,501	

Panel B: January to December 2025

	Warm	Never-watchlisted	Standardized difference
Market capitalization (billion yuan)	42.8	55.2	−0.07
Share price (yuan)	20.25	21.90	−0.04
Volatility, past year	3.43%	3.29%	0.16
Listing age (years)	16.7	16.9	−0.03
Board			
Main board	84.5%	84.5%	0.00
ChiNext	14.0%	14.7%	−0.02
STAR	1.5%	0.9%	0.05
Number of first purchases	160,155	120,238	
Number of investors	8,700	7,956	

Note: The table repeats Panel B of Table 1 with cold first purchases restricted to never-watchlisted ones, of stocks never on the investor's watchlist before or on the purchase day; Table 1 also counts stocks added on the purchase day as cold. Panel B drops October to December 2024, when the watchlist record, which begins in October 2024, misses the most earlier watchlist additions. The standardized difference divides warm minus cold by the square root of the mean of the two weighted variances. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. The Observations rows are unweighted counts. The sample is as in Table 1 (9,501 investors).

Table IA-6: Price State, Earnings Releases and News Readings of Added Stocks

Panel A: Additions per investor-day, by trading day, weekend and holiday

	All	Trading day	Weekend	Holiday closure
Investor-days with at least one watchlist addition, by number of watchlist additions (%)				
1	53.0%	52.9%	53.8%	51.3%
2	20.1%	20.2%	19.5%	20.0%
3	9.9%	10.0%	9.3%	10.1%
4	5.5%	5.5%	5.4%	5.8%
5 or more	11.5%	11.4%	12.0%	12.8%
Share of all watchlist additions	100.0%	86.2%	11.1%	2.6%

Panel B: Price state at the last close before the addition

	All	Trading day	Weekend	Holiday closure
No price-limit event	59.8%	59.0%	67.1%	55.1%
Touched the upper limit, closed below	6.5%	6.8%	4.3%	4.4%
Touched the lower limit, closed above	1.0%	1.1%	0.5%	0.1%
Closed at the upper limit	30.6%	30.9%	26.3%	39.6%
Closed at the lower limit	1.8%	1.9%	1.2%	0.6%
Suspended	0.3%	0.3%	0.6%	0.2%

Panel C: Earnings releases of the added stock (% of watchlist additions)

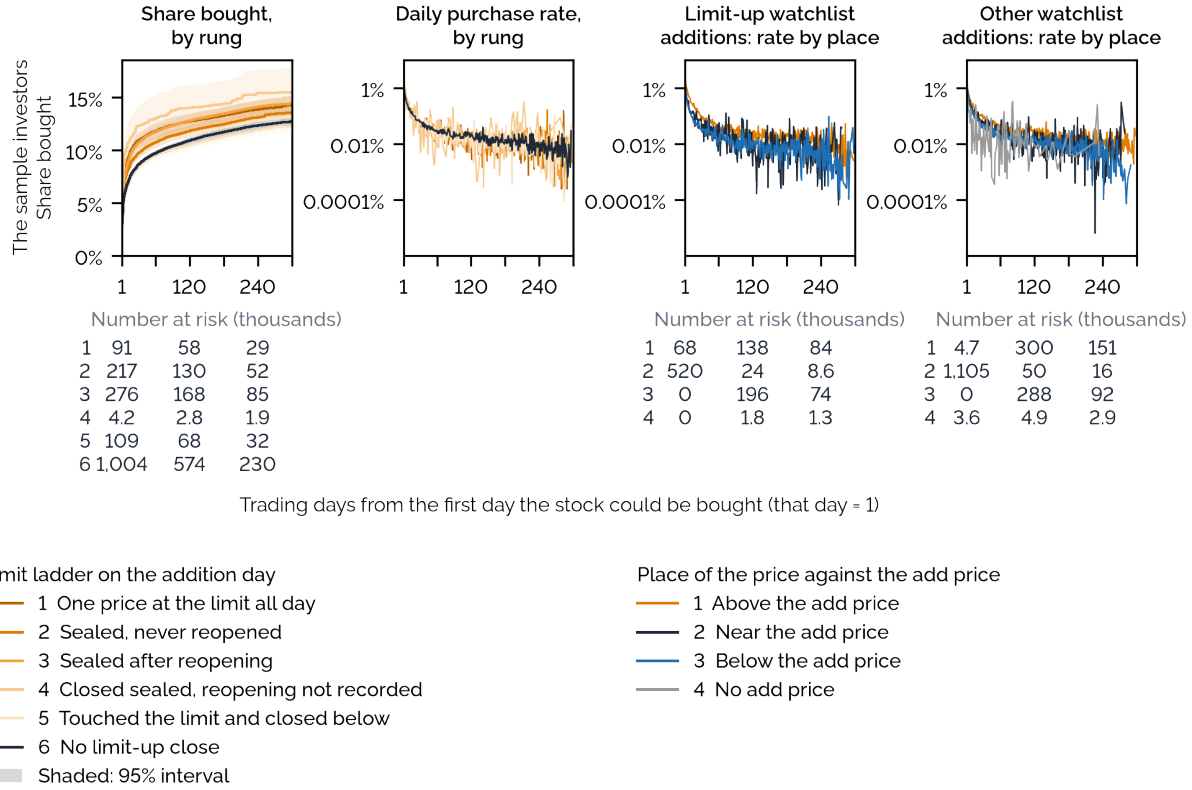
	All	Trading day	Weekend	Holiday closure
On the day of the watchlist addition	1.4%	1.6%	0.2%	0.0%
In the 7 calendar days through that day	8.8%	9.0%	9.4%	2.0%
In the 30 calendar days through that day	33.2%	34.0%	32.5%	7.7%
In the 90 calendar days through that day	64.0%	65.0%	63.7%	33.4%

Panel D: The investor's news readings about the added stock (% of watchlist additions)

	All	Trading day	Weekend	Holiday closure
Articles linked to the stock alone (Tiers 1–2)				
On the day of the watchlist addition	1.2%	1.3%	1.1%	0.6%
In the 7 calendar days through that day	1.4%	1.5%	1.3%	0.7%
In the 30 calendar days through that day	1.6%	1.6%	1.4%	0.8%
In the 90 calendar days through that day	1.7%	1.7%	1.5%	0.8%
Including articles linked to several stocks (Tiers 1–4)				
On the day of the watchlist addition	2.0%	2.0%	1.7%	1.0%
In the 7 calendar days through that day	2.6%	2.7%	2.4%	1.3%
In the 30 calendar days through that day	3.4%	3.5%	3.2%	1.9%
In the 90 calendar days through that day	4.2%	4.2%	4.1%	2.4%

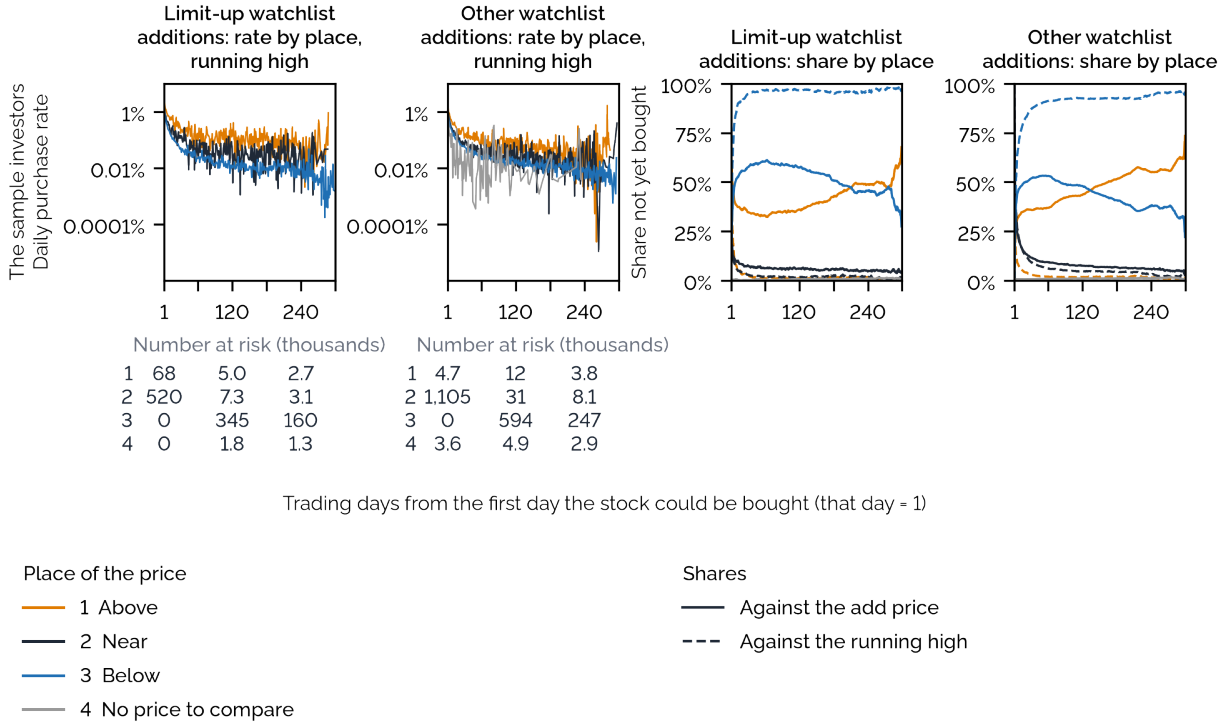
Note: The table describes the investor-days and the stocks of watchlist additions. Panel B's price state is at the close of the last trading day on or before the watchlist addition. In Panels C and D, the Platform records the date of a watchlist addition but not its time, so a release or news reading on that day may come before or after it. News readings are recorded from September 27, 2024. News-article tiers, weekends, and holiday closures are as in the Internet Appendix's variable definitions. Each watchlist addition is weighted by one over the investor's number of watchlist additions that day and by one over the investor's number of days with any purchase or sale; investor-day rows carry the second weight only. The sample is as in Table 1 (9,501 investors).

Figure IA-1: Purchases of Watchlisted Stocks by the Limit Ladder and by the Add Price



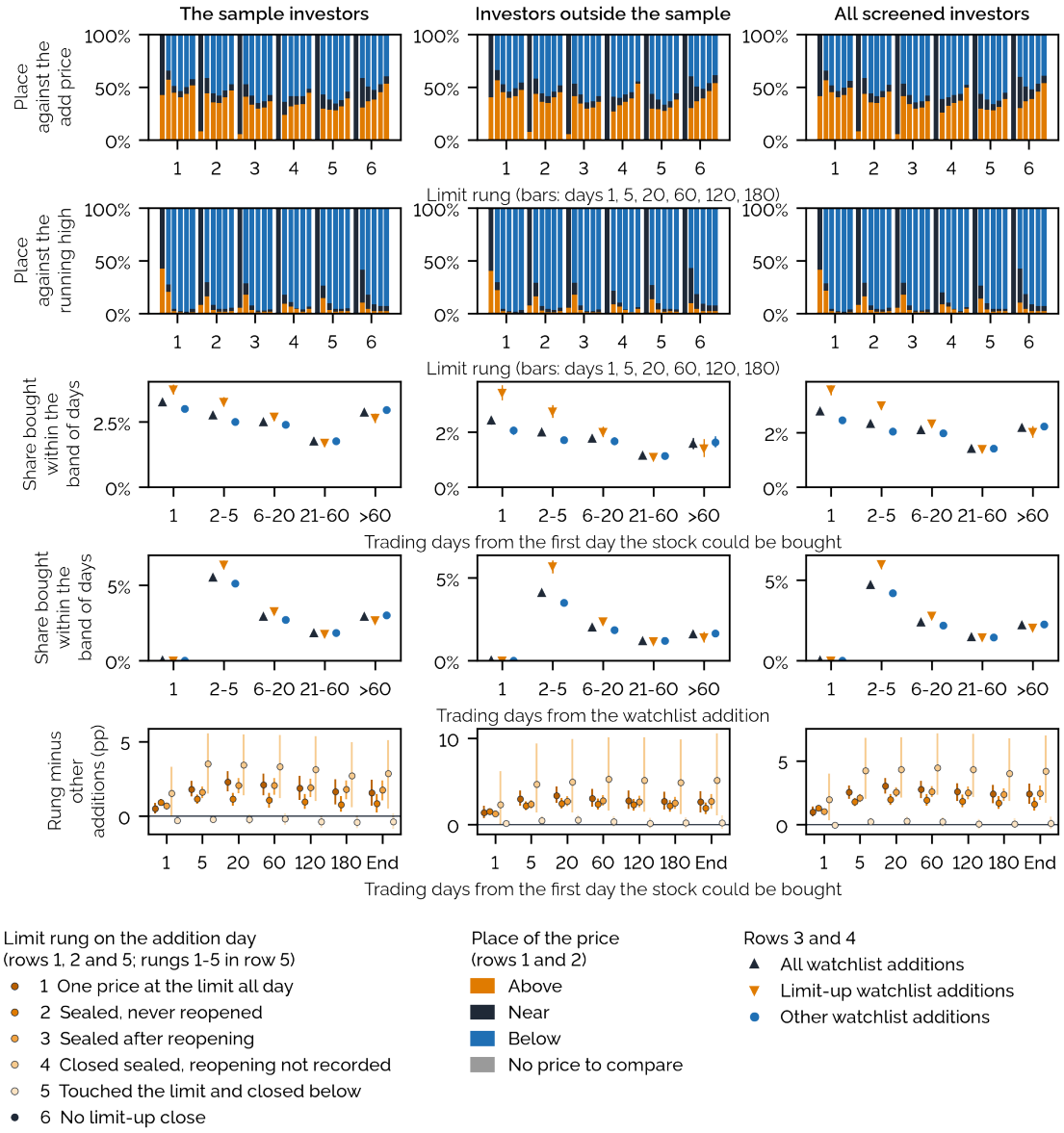
Note: The figure plots, by trading days from the stock's first feasible day: the share of watchlist additions bought by that day, by the limit ladder on the watchlist addition day, with 95 percent intervals bootstrapped over investors (first panel); the daily purchase rate of watchlist additions not yet bought, by the same ladder (second); and that rate by the place of the price against the add price, for limit-up and other watchlist additions (third and fourth), where near means within 2 percent in log distance. Rates are on a log scale; a day with no purchase, or none left at risk, is not drawn. The number at risk, in thousands, prints at days 1, 120 and 240 below the first, third and fourth panels. Each watchlist addition is weighted by one over the investor's number of watchlist additions that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors).

Figure IA-2: Purchases of Watchlisted Stocks by the Price Against the Running High



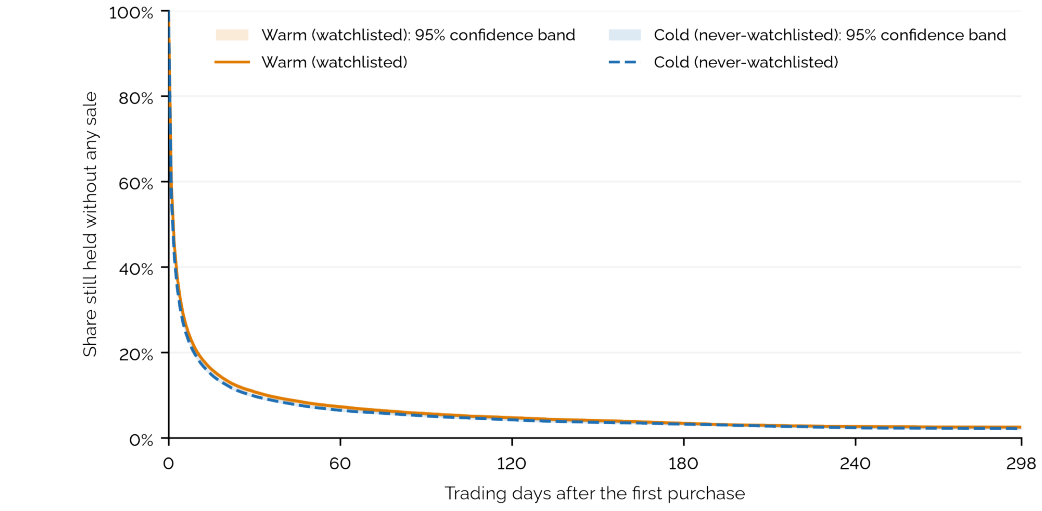
Note: The figure plots, by trading days from the stock's first feasible day (day 1): the daily purchase rate of watchlist additions not yet bought, by the place of the price against the running high since the watchlist addition, for limit-up and for other watchlist additions (first and second panels), where near means within 2 percent in log distance; and the share of those not yet bought in each place, against the add price (solid) and against the running high (dashed), for the same two groups (third and fourth). Rates are on a log scale; a day with no purchase is not drawn. The number at risk, in thousands, prints at days 1, 120 and 240 below the first and second panels. Each watchlist addition is weighted by one over the investor's number of watchlist additions that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors).

Figure IA-3: Watchlist Additions by Limit Rung: The Place of the Price and the Share Bought



Note: The figure plots watchlist additions by the limit rung on the addition day, for the sample investors (left column), investors outside the sample (middle) and all screened investors (right). Rows 1 and 2 give the share of watchlist additions not yet bought in each place of the price, against the add price and against the running high since the watchlist addition, on trading days 1, 5, 20, 60, 120 and 180 from the first feasible day (one bar each, left to right, within each rung), where near means within 2 percent in log distance. Rows 3 and 4 give the share bought within each band of trading days, counted from the first feasible day and from the watchlist addition, whose own day is day 1 and holds no warm purchase, for all watchlist additions and the two origins. Row 5 gives each rung minus other watchlist additions, in percentage points, in the share bought by each trading day shown and by the end of the data. Vertical lines are 95 percent intervals bootstrapped over investors. Each watchlist addition is weighted by one over the investor's number of watchlist additions that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors) in the left column.

Figure IA-4: Share of First Purchases Still Held without Any Sale

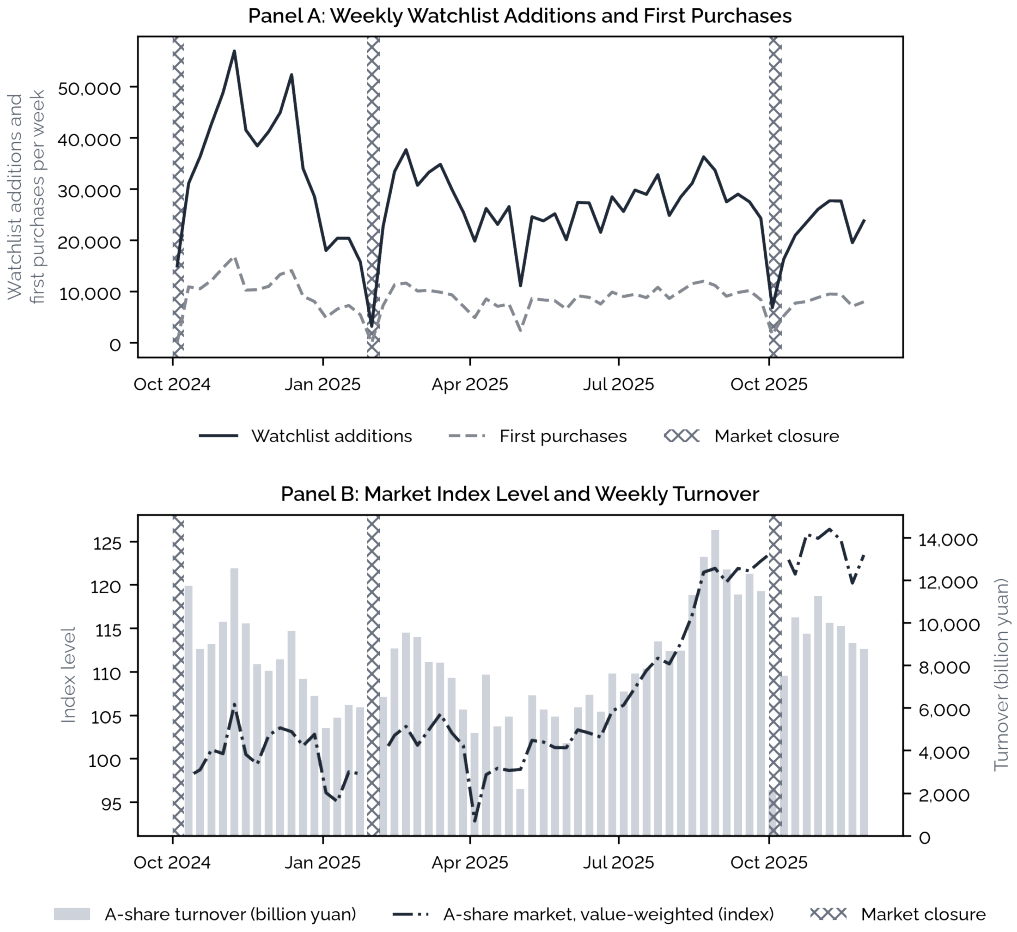


Number at risk

Warm	209,354	3,283	1,183	656	303	11
Cold	324,922	4,966	1,988	1,202	669	58

Note: The figure plots the Kaplan–Meier share of first purchases still held without any sale, by trading days after the purchase, for warm and cold first purchases. Positions not sold by December 24, 2025, the end of the data, are censored. The Platform records no sale quantities, so the first sale is a lower bound on the exit. Bands are 95% confidence intervals from 500 bootstrap samples of investors, and the numbers below the axis count the first purchases still held without any sale and still followed. Warm and cold first purchases are as in Table 1. Each first purchase is weighted by one over the number of first purchases of its kind the investor made that day, so that each investor-day counts once, and by one over the investor's number of days with any purchase or sale throughout the sample period. The sample is as in Table 1 (9,501 investors).

Figure IA-5: Watchlist Additions and First Purchases over the Sample Period



Note: The figure plots unweighted weekly counts of the sample investors' watchlist additions and first purchases (Panel A) and the A-share market (Panel B). Weeks run Tuesday to Monday and sum to the counts in Table 1. The index cumulates the free-float value-weighted daily return of all A-shares from 100 on September 30, 2024. The shaded bands mark the market closures for National Day (October 1 to 7, 2024, and October 1 to 8, 2025) and the Spring Festival (January 28 to February 4, 2025); the index line is broken across each closure. The sample is as in Table 1 (9,501 investors).

IA-II. First-Purchase Returns and the Warm–Cold Gap

First purchases underperform random market purchases, and warm purchases underperform the same investors' cold purchases, as Section 5 shows. These tables vary the sample, return adjustment, random-purchase menu and inference for that first fact, and extend the tendency comparisons. Unless stated otherwise, return comparisons use CH-4 abnormal returns over 180 trading days, investor and purchase-day fixed effects, and standard errors clustered by investor and purchase day; cold purchases include stocks never watchlisted or added on the purchase day.

The first-purchase underperformance in Table 2 can be assessed on a sample of purchases from January 2025 as well as the full period. Table IA-7 repeats purchases against same-day random market purchases under the alternative adjustments and horizons. The table varies when purchases enter the sample and how their subsequent returns are evaluated, while retaining the market menu as the source of the random-purchase benchmark.

The first-purchase level in Table 2 is not confined to purchases of *Lottery-Like Stocks*, a tendency in Table 3. Investors' purchases without that characteristic underperform same-day random market purchases by 284 basis points in CH-4-adjusted returns over 180 trading days (Table IA-8, Panel A). The class contributions show where the aggregate underperformance sits without equating a stock characteristic with an investor's motive.

The decomposition and tendency-count slope in Tables 2 and 3 ask different questions about underperformance. Table IA-9 reports the decomposition across menu thirds and the count-slope comparison: the slope for first purchases is steeper than that for random market purchases by 148 basis points per tendency (Panel B) in CH-4-adjusted returns over 180 trading days. That difference is distinct from the actual-purchase slope alone.

The tendency-count result in Table 3 rests on observable purchase characteristics. Investors buy *Lottery-Like Stocks* on 43.6 percent of first purchases (Table IA-10, Panel A). The table compares each tendency's prevalence with random market purchases and reports warm–cold comparisons along specifications with progressively finer fixed effects. Prevalence and the return associated with having a tendency remain separate comparisons.

The warm–cold gap in Table 2 can be compared within the same investor's purchase day and under alternative definitions of cold and the random-purchase menu. Investors' same-day warm purchases underperform their cold purchases by 150 basis points, without fixed effects in CH-4-adjusted returns over 180 trading days (Table IA-11, Panel G). Investors' warm purchases underperform never-watchlisted purchases by 205 basis points in CH-4-adjusted returns over 180 trading days (Table IA-12, Panel A). Investors' warm *pick* outperforms the cold *pick* by 183 basis points when random purchases are matched on characteristics, each purchase group compared with its own benchmark in CH-4-adjusted returns over 180 trading days (Table IA-13). Investors' warm purchases from January 2025 underperform cold purchases by 196 basis points in CH-4-adjusted returns over 180 trading days (Table IA-14, Panel A). The tables also vary horizons and adjustments and repeat the other headline cells on the sample of purchases from January 2025.

The tendency accounting behind Table 3 requires market return associations as well as purchase frequencies. Investors' purchase-day market universe has a joint coefficient of −761

basis points on *Lottery-Like Stocks*, with day fixed effects in CH-4-adjusted returns over 180 trading days (Table 4). The alternative-adjustment columns supply the market prices used in the accounting, not causal returns to an investor preference.

The documented tendencies in Table 3 need not measure unrelated features. Figure IA-6 reports their pairwise correlations on purchases, showing which characteristics overlap. This supports interpreting joint specifications and tendency counts without treating every additional characteristic as a distinct psychological mechanism; the correlations themselves do not assign any part of the return gap to a tendency.

The return decomposition in Table 2 can also be read through the characteristics of the alternatives and the chosen stocks. Investors' *list* contributes 25.6 percentage points to the warm–cold difference in having *Lottery-Like Stocks* (Table IA-15). The *pick* and *remainder* columns distinguish that menu composition from subsequent choice and differences between the dates of warm and cold purchases.

Table IA-16 varies the inference used for the gap, its limit-up concentration, the late contrast on the earlier indicator, late warm purchases with tendencies held fixed and late purchases against same-date limit-up stocks; the significance of these comparisons is preserved under clustering by investor and stock in CH-4 returns over 180 trading days, one of three horizons tested, supporting the inference statement in Section 4.

Table IA-7: First Purchases and Random Market Purchases, from January 2025

	Horizon (trading days)				
	5	20	60	120	180
First purchases					
Raw	−75***	−46	303***	1,007***	1,072***
	(21)	(40)	(50)	(38)	(73)
Market-adj.	−127***	−246***	−328***	−335***	−547***
	(13)	(22)	(26)	(26)	(30)
CAPM	−142***	−294***	−476***	−684***	−991***
	(12)	(19)	(25)	(29)	(32)
CH-4	−131***	−247***	−335***	−372***	−558***
	(11)	(17)	(24)	(29)	(32)
DGTW	−133***	−271***	−419***	−549***	−778***
	(10)	(15)	(21)	(28)	(27)
First purchases minus their random market purchases, investor and day fixed effects					
Raw	−148***	−318***	−562***	−765***	−851***
	(12)	(19)	(26)	(31)	(37)
Market-adj.	−148***	−318***	−562***	−766***	−852***
	(12)	(19)	(26)	(32)	(37)
CAPM	−147***	−308***	−528***	−721***	−803***
	(12)	(19)	(26)	(32)	(39)
CH-4	−144***	−291***	−473***	−611***	−838***
	(11)	(17)	(23)	(27)	(29)
DGTW	−138***	−292***	−479***	−608***	−641***
	(11)	(17)	(24)	(30)	(36)
Observations	390,127	390,063	389,790	389,568	389,018

Note: The table reports Table 2's cumulative abnormal returns, in basis points, for first purchases made from January 2025 to 1 December 2025, the end of the watchlist record, by horizon in trading days (columns) and adjustment (rows). The first block reports their weighted mean. The second block reports their return minus that of their ten random market purchases, drawn on the same day: the coefficient on a first-purchase dummy with investor and purchase-day fixed effects. Observations counts first purchases. Each first purchase is weighted by one over the investor's number of first purchases that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by purchase day are reported in parentheses, and the stars are based on them. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-8: The Share of the Underperformance Accounted For by Lottery-Like Purchases

Panel A: First purchases minus random market purchases by class, CH-4 return (bps)

	Horizon (trading days)				
	5	20	60	120	180
Not lottery-like (gated at 180)	−81***	−159***	−207***	−247***	−284***
	(8)	(14)	(18)	(23)	(27)
Lottery-like	−251***	−518***	−916***	−1,250***	−1,565***
	(29)	(36)	(39)	(45)	(49)
All first purchases	−156***	−315***	−515***	−684***	−841***
	(16)	(22)	(26)	(31)	(32)
Purchases, not lottery-like	294,653	294,634	294,537	294,331	294,061

Panel B: All first purchases minus random market purchases, by class, as accounting

	Horizon (trading days)				
	5	20	60	120	180
Share of the fit's weight					
Lottery-like purchases	43.6%	43.6%	43.5%	43.5%	43.4%
Their random market purchases	18.8%	18.8%	18.8%	18.8%	18.7%
Excess over random market purchases (percentage points)	24.8***	24.8***	24.7***	24.7***	24.7***
	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Lottery-like share by count	44.5%	44.5%	44.5%	44.4%	44.4%
Contribution to the gap to random market purchases (bps)					
Lottery-like	−109	−226	−399	−544	−679
	(13)	(16)	(17)	(19)	(21)
Not lottery-like	−46	−89	−116	−139	−160
	(5)	(8)	(10)	(13)	(15)
Undefined	−1	0	0	−1	−1
	(0)	(0)	(1)	(1)	(1)
Composition	0	0	0	0	0
Share of the gap to random market purchases					
Lottery-like	70.2%	71.7%	77.4%	79.5%	80.8%
	(8.0%)	(5.0%)	(3.3%)	(2.8%)	(2.5%)
Not lottery-like	29.4%	28.3%	22.6%	20.4%	19.1%
	(3.1%)	(2.5%)	(2.0%)	(1.9%)	(1.8%)

Note: The table compares first purchases' CH-4 return (bps) with random market purchases that day, by *Lottery-Like Stocks* status the day before, with investor and purchase-day fixed effects; Panel C restricts the random market purchases to lottery-like stocks. Panel B gives each class's contribution and share of the gap to random market purchases, with standard errors holding the weights fixed (for shares, also that gap; in percentage points); composition, zero by construction in Panel B, has no standard error. Panel D repeats Panel B for the warm (watchlisted) minus cold (not on the watchlist before the purchase day) gap, *list*, *pick* and *remainder*. The contributions and shares carry no stars. Each first purchase is weighted by one over the investor's number of first purchases that day and by one over the investor's number of days with any purchase or sale; in Panel D, counted separately for warm and cold purchases. Standard errors clustered by investor and by purchase day are reported in parentheses, and the stars are based on them. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-8—Continued

Panel C: Lottery-like purchases, within the class (bps)

	Horizon (trading days)				
	5	20	60	120	180
Against random market purchases	−251***	−518***	−916***	−1,250***	−1,565***
	(29)	(36)	(39)	(45)	(49)
Against random lottery-like purchases	−232***	−454***	−738***	−901***	−1,018***
	(26)	(33)	(36)	(43)	(47)
Random lottery-like against random market	−19***	−64***	−178***	−350***	−547***
	(5)	(7)	(9)	(10)	(15)

Panel D: The warm-cold gap by class (bps)

	Horizon (trading days)				
	5	20	60	120	180
Warm-cold gap, all purchases	−21**	−62***	−149***	−191***	−213***
	(9)	(14)	(18)	(19)	(23)
Contribution					
Composition	−14	−30	−57	−79	−101
Lottery-like	−8	−32	−79	−98	−101
	(7)	(10)	(13)	(14)	(17)
Not lottery-like	2	0	−11	−12	−11
	(3)	(5)	(8)	(11)	(15)
Undefined	0	0	−2	−1	0
	(0)	(0)	(1)	(1)	(1)
Lottery-like purchases					
Warm-cold gap	−17	−67***	−162***	−204***	−209***
	(14)	(22)	(26)	(30)	(36)
List	−45***	−168***	−344***	−481***	−634***
	(15)	(21)	(27)	(28)	(30)
Pick	30**	100***	181***	282***	430***
	(14)	(23)	(25)	(34)	(41)
Remainder	−2	1	0	−4	−5
	(2)	(3)	(5)	(7)	(10)
Share of the warm weight	48.5%	48.5%	48.4%	48.3%	48.3%
Share of the cold weight	40.0%	40.0%	39.9%	39.8%	39.8%
Purchases that are not lottery-like					
Warm-cold gap	3	0	−22	−23	−21
	(6)	(10)	(16)	(22)	(29)
List	−21*	−89***	−214***	−340***	−498***
	(11)	(16)	(19)	(24)	(29)
Pick	23*	86***	189***	312***	475***
	(12)	(17)	(25)	(29)	(39)
Remainder	1	3	3	4	2
	(1)	(3)	(5)	(8)	(9)

Table IA-9: Warm Purchases by the Tendencies' Market Price, and the Tendency Count

Panel A: Thirds of warm purchases by the tendencies' market price, CH-4 (bps)

	Weight share	List	Pick	Observations
Worst third	39.1%	−868***	376***	68,949
		(44)	(37)	
Middle third	28.5%	−523***	351***	68,948
		(23)	(38)	
Best third	32.4%	−235***	321***	68,948
		(27)	(44)	
Worst minus best		−633***	54	
		(39)	(50)	

Panel B: Return per additional tendency, against random market purchases (bps)

	Horizon (trading days)				
	5	20	60	120	180
Raw	−43***	−71***	−107***	−131***	−153***
	(5)	(6)	(6)	(7)	(10)
Market-adj.	−43***	−72***	−108***	−132***	−154***
	(5)	(6)	(6)	(7)	(10)
CAPM	−44***	−75***	−109***	−131***	−158***
	(5)	(6)	(6)	(7)	(10)
CH-4	−46***	−80***	−124***	−142***	−148***
	(5)	(6)	(7)	(8)	(11)
DGTW	−41***	−74***	−120***	−148***	−168***
	(5)	(6)	(6)	(7)	(10)
Observations	5,693,577	5,692,632	5,687,154	5,673,462	5,656,649

Note: The table reports cumulative abnormal returns in basis points, over 180 trading days in Panel A, with investor and purchase-day fixed effects. Panel A sorts warm (watchlisted) first purchases into thirds by the tendencies' market price of their watchlist: over the 15 tendencies, the share of the purchase's watchlist candidates with each, times its joint market price at CH-4 over 180 trading days, summed; the worst third is lowest. Each third's *list* and *pick* restrict the decomposition's warm-purchase weights to that third, cold purchases unchanged, no refit; Weight share is each third's share of those weights. Panel B regresses first purchases' returns, stacked with ten same-day random market purchases each, on the number of tendencies a purchase has times a first-purchase dummy; Observations counts both. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-10: The Share of Purchases with Each Tendency

Panel A: Share of purchases with each tendency

	Share of purchases			
	First purchases	Random market	Difference (pp)	Observations
Abnormal Trading Volume	52.5%	10.1%	42.4*** (0.6)	534,849
Chase Dividend	1.1%	1.2%	−0.2*** (0.0)	534,849
Contrarian	6.9%	9.7%	−2.8*** (0.2)	531,769
Easy Name	14.4%	10.8%	3.6*** (0.2)	534,150
High Dividend	7.2%	10.4%	−3.2*** (0.2)	534,272
Local Company	8.5%	7.7%	0.7*** (0.1)	532,642
Lottery-Like Stocks	43.6%	18.8%	24.8*** (0.5)	534,272
Low Price	10.6%	9.0%	1.6*** (0.3)	534,272
Max Return	25.2%	9.9%	15.2*** (0.5)	533,316
Momentum	40.1%	9.7%	30.4*** (0.5)	531,769
Prior Industry Purchase	45.7%	39.2%	6.5*** (0.2)	534,852
Salient Returns	19.8%	10.0%	9.7*** (0.4)	531,309
Small Cap	2.1%	8.9%	−6.9*** (0.1)	534,272
Upper Price-Limit Hit	25.4%	3.0%	22.4*** (0.6)	534,272
Value	8.2%	10.1%	−1.9*** (0.2)	534,272

Note: The table reports the weighted share of purchases with each of the 15 tendencies, among those on which it is observed. Panel A compares first purchases with their ten same-day random market purchases, equal-weighted; the difference is from a regression with investor and purchase-day fixed effects. Panel B compares warm (watchlisted) with cold (never-watchlisted, or added that day) first purchases; warm minus cold is a warm dummy's coefficient under the fixed effects each column names. Tendencies are measured at the previous trading day's close, except *Abnormal Trading Volume*, read on the purchase day, and *Chase Dividend*, a purchase between a cash dividend's implementation announcement and its registration date. Each first purchase is weighted by one over the investor's number of first purchases that day and by one over the investor's number of days with any purchase or sale; Panel B counts each kind's first purchases separately. Standard errors clustered by investor and purchase day (Panel A) and by investor and stock (Panel B) are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-10—Continued

Panel B: Share of warm and cold first purchases with each tendency

	Share of first purchases (%)		Warm minus cold (pp)			
	Cold	Warm	Pooled	Investor	Investor + day	Investor × day
Abnormal Trading Volume	51.3%	55.0%	3.7***	3.5***	3.2***	3.5***
			(0.4)	(0.3)	(0.3)	(0.7)
Chase Dividend	1.1%	1.0%	−0.1	−0.1	−0.1	0.0
			(0.1)	(0.1)	(0.1)	(0.1)
Contrarian	6.7%	6.8%	0.0	−0.1	−0.1	−0.2
			(0.2)	(0.2)	(0.2)	(0.4)
Easy Name	14.3%	14.5%	0.2	−0.2	−0.2	0.4
			(0.5)	(0.4)	(0.4)	(0.6)
High Dividend	7.6%	6.6%	−1.0***	−1.2***	−1.1***	−1.1***
			(0.2)	(0.2)	(0.2)	(0.4)
Local Company	8.6%	8.3%	−0.2	−0.3*	−0.3	−0.1
			(0.2)	(0.2)	(0.2)	(0.5)
Lottery-Like Stocks	39.9%	49.0%	9.1***	8.3***	8.3***	8.8***
			(0.6)	(0.5)	(0.5)	(0.9)
Low Price	10.2%	11.1%	1.0**	0.1	0.0	−0.4
			(0.5)	(0.4)	(0.3)	(0.7)
Max Return	22.6%	28.9%	6.3***	5.8***	6.0***	5.1***
			(0.4)	(0.4)	(0.4)	(0.7)
Momentum	37.2%	44.9%	7.7***	7.3***	7.2***	6.6***
			(0.4)	(0.3)	(0.3)	(0.7)
Prior Industry Purchase	45.3%	47.9%	2.6***	4.8***	1.6***	1.3**
			(0.4)	(0.3)	(0.3)	(0.5)
Salient Returns	18.1%	22.4%	4.3***	4.5***	4.7***	4.0***
			(0.4)	(0.3)	(0.3)	(0.6)
Small Cap	2.3%	1.7%	−0.6***	−0.4***	−0.4***	−0.1
			(0.1)	(0.1)	(0.1)	(0.3)
Upper Price-Limit Hit	25.0%	26.8%	1.8***	0.4	1.5***	2.1***
			(0.3)	(0.3)	(0.3)	(0.6)
Value	8.5%	7.7%	−0.8***	−1.6***	−1.3***	−0.5
			(0.3)	(0.3)	(0.3)	(0.6)

Table IA-11: Warm Minus Cold: *List*, *Pick* and *Remainder*, by Adjustment and Horizon

Panel A: Warm minus cold (bps)

	Horizon (trading days)				
	5	20	60	120	180
Raw	−20**	−48***	−130***	−173***	−201***
	(9)	(12)	(16)	(19)	(23)
Market-adj.	−20**	−48***	−131***	−174***	−202***
	(9)	(12)	(16)	(19)	(23)
CAPM	−19**	−50***	−138***	−196***	−241***
	(9)	(12)	(15)	(19)	(23)
CH-4	−21**	−62***	−149***	−191***	−213***
	(9)	(12)	(16)	(19)	(23)
DGTW	−18**	−46***	−116***	−156***	−164***
	(8)	(12)	(15)	(19)	(25)

Panel B: List (bps)

	Horizon (trading days)				
	5	20	60	120	180
Raw	−40***	−159***	−385***	−624***	−767***
	(11)	(21)	(25)	(31)	(36)
Market-adj.	−40***	−160***	−386***	−625***	−769***
	(11)	(21)	(25)	(31)	(36)
CAPM	−41***	−161***	−386***	−646***	−842***
	(11)	(20)	(25)	(31)	(40)
CH-4	−33***	−127***	−277***	−408***	−565***
	(11)	(17)	(20)	(23)	(25)
DGTW	−29***	−118***	−283***	−432***	−529***
	(11)	(20)	(23)	(28)	(29)

Note: The table reports the gap in Table 2's returns between warm (watchlisted) and cold (never-watchlisted, or added that day) first purchases (Panel A) and its *list*, *pick* and *remainder* as in Panel B of Table 2 (here Panels B to D). Each entry regresses the return or part on a warm dummy with investor and purchase-day fixed effects. At 180 trading days, Panel E repeats the decomposition without fixed effects, as weighted differences of means, and Panel F by days on the watchlist and from the first feasible day (defined in the Internet Appendix). Panel G repeats it at 180 trading days in CH-4 returns for warm and cold purchases on the same investor-day, without fixed effects, and for purchases from January 2025. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-11—Continued

Panel C: Pick (bps)

	Horizon (trading days)				
	5	20	60	120	180
Raw	20**	108***	252***	449***	566***
	(9)	(18)	(21)	(29)	(35)
Market-adj.	20**	108***	253***	450***	567***
	(9)	(18)	(21)	(29)	(35)
CAPM	22**	109***	246***	450***	603***
	(9)	(17)	(21)	(29)	(38)
CH-4	12	63***	127***	216***	351***
	(9)	(14)	(19)	(24)	(28)
DGTW	11	70***	167***	277***	368***
	(9)	(18)	(20)	(26)	(30)

Panel D: Remainder (bps)

	Horizon (trading days)				
	5	20	60	120	180
Raw	0	4	2	1	0
	(1)	(2)	(4)	(6)	(7)
Market-adj.	0	3	2	1	0
	(1)	(2)	(4)	(6)	(7)
CAPM	0	3	2	0	−2
	(1)	(2)	(4)	(6)	(7)
CH-4	0	2	1	0	0
	(1)	(2)	(4)	(6)	(7)
DGTW	0	2	−1	−1	−3
	(1)	(2)	(4)	(6)	(8)

Panel E: Without fixed effects, at 180 trading days (bps)

	At 180 trading days			
	Gap	List	Pick	Remainder
Raw	−311***	−781***	559***	−89***
	(25)	(37)	(32)	(15)
Market-adj.	−310***	−783***	559***	−87***
	(27)	(38)	(32)	(18)
CAPM	−321***	−844***	613***	−91***
	(31)	(42)	(35)	(23)
CH-4	−263***	−585***	319***	3
	(23)	(24)	(31)	(7)
DGTW	−228***	−550***	362***	−40***
	(29)	(29)	(32)	(9)

Panel F: By days on the list and from the first feasible day, 180 trading days (bps)

	At 180 trading days			
	Gap	List	Pick	Remainder
Raw				
Watchlist age, random own-watchlist purchases				
2 to 5	−202***	−877***	674***	0
	(24)	(52)	(50)	(7)
6 to 20	−216***	−714***	496***	2
	(23)	(46)	(45)	(7)
21 to 60	−187***	−579***	397***	−5
	(25)	(33)	(36)	(7)
Over 60	−164***	−612***	444***	5
	(27)	(20)	(31)	(9)
Days from first feasible day to purchase				
First feasible day (day 1)	−64*	−825***	760***	1
	(33)	(42)	(51)	(10)
2 to 5	−225***	−871***	637***	9
	(43)	(44)	(50)	(12)
6 to 20	−338***	−784***	453***	−7
	(47)	(46)	(49)	(11)
21 to 60	−241***	−623***	383***	−1
	(47)	(26)	(50)	(13)
Over 60	−242***	−542***	297***	3
	(44)	(22)	(47)	(14)
Market-adj.				
Watchlist age, random own-watchlist purchases				
2 to 5	−203***	−878***	675***	0
	(24)	(53)	(50)	(7)
6 to 20	−217***	−715***	497***	1
	(23)	(47)	(45)	(7)
21 to 60	−187***	−580***	397***	−5
	(25)	(33)	(37)	(7)
Over 60	−164***	−613***	444***	5
	(27)	(20)	(31)	(9)
Days from first feasible day to purchase				
First feasible day (day 1)	−64*	−827***	762***	1
	(33)	(42)	(51)	(10)
2 to 5	−227***	−873***	637***	9
	(43)	(44)	(50)	(12)
6 to 20	−338***	−786***	455***	−7
	(47)	(46)	(49)	(11)
21 to 60	−242***	−624***	384***	−1
	(47)	(27)	(50)	(13)
Over 60	−243***	−542***	296***	2
	(44)	(22)	(47)	(14)

(Continued)

Table IA-11—Continued

Panel F: By days on the list and from the first feasible day, 180 trading days (bps)

	At 180 trading days			
	Gap	List	Pick	Remainder
CAPM				
Watchlist age, random own-watchlist purchases				
2 to 5	−238***	−889***	651***	−1
	(24)	(56)	(53)	(7)
6 to 20	−250***	−731***	481***	−1
	(23)	(52)	(50)	(7)
21 to 60	−228***	−626***	403***	−6
	(24)	(39)	(40)	(7)
Over 60	−202***	−736***	531***	3
	(27)	(24)	(32)	(9)
Days from first feasible day to purchase				
First feasible day (day 1)	−53	−905***	850***	2
	(33)	(46)	(54)	(10)
2 to 5	−238***	−958***	714***	6
	(44)	(48)	(51)	(12)
6 to 20	−373***	−858***	493***	−9
	(49)	(50)	(50)	(11)
21 to 60	−336***	−674***	342***	−5
	(49)	(29)	(52)	(13)
Over 60	−396***	−574***	178***	0
	(44)	(24)	(47)	(14)
CH-4				
Watchlist age, random own-watchlist purchases				
2 to 5	−217***	−719***	501***	2
	(24)	(42)	(41)	(8)
6 to 20	−229***	−552***	322***	1
	(23)	(27)	(31)	(7)
21 to 60	−217***	−429***	215***	−3
	(24)	(19)	(29)	(7)
Over 60	−193***	−621***	425***	3
	(28)	(20)	(33)	(9)
Days from first feasible day to purchase				
First feasible day (day 1)	−98***	−576***	474***	4
	(34)	(38)	(47)	(10)
2 to 5	−226***	−621***	389***	5
	(43)	(30)	(45)	(12)
6 to 20	−329***	−580***	257***	−6
	(46)	(26)	(47)	(11)
21 to 60	−247***	−520***	271***	3
	(45)	(22)	(49)	(13)

(Continued)

Table IA-11—Continued

Panel F: By days on the list and from the first feasible day, 180 trading days (bps)

	At 180 trading days			
	Gap	List	Pick	Remainder
Over 60	−283***	−533***	251***	−2
	(46)	(22)	(47)	(14)
DGTW				
Watchlist age, random own-watchlist purchases				
2 to 5	−159***	−610***	453***	−2
	(26)	(50)	(47)	(8)
6 to 20	−176***	−453***	280***	−3
	(25)	(40)	(39)	(7)
21 to 60	−155***	−363***	214***	−6
	(26)	(29)	(34)	(7)
Over 60	−125***	−489***	361***	3
	(29)	(20)	(34)	(9)
Days from first feasible day to purchase				
First feasible day (day 1)	−64*	−574***	507***	3
	(34)	(39)	(48)	(10)
2 to 5	−181***	−604***	417***	6
	(45)	(36)	(47)	(12)
6 to 20	−262***	−543***	289***	−8
	(49)	(35)	(47)	(12)
21 to 60	−171***	−463***	297***	−5
	(51)	(25)	(51)	(13)
Over 60	−239***	−416***	183***	−6
	(45)	(22)	(47)	(14)

Panel G: Warm and cold on the same investor-day, and purchases from January 2025 (bps)

	At 180 trading days, CH-4			
	Gap	List	Pick	Remainder
Same investor-day, no fixed effects	−150***	−538***	384***	4
	(44)	(46)	(59)	(17)
Purchases from January 2025	−196***	−559***	359***	4
	(28)	(18)	(30)	(9)

Table IA-12: Warm Minus Cold: *List*, *Pick* and *Remainder*, Cold Restricted to Never-Watchlisted Purchases

Panel A: Warm minus cold and its decomposition (bps)

	Warm minus cold	List	Pick	Remainder
Raw	−169***	−763***	594***	0
	(29)	(37)	(43)	(10)
Market-adj.	−170***	−765***	595***	0
	(29)	(38)	(43)	(10)
CAPM	−205***	−841***	636***	−1
	(30)	(41)	(46)	(10)
CH-4	−205***	−546***	337***	4
	(31)	(30)	(35)	(10)
DGTW	−131***	−509***	379***	−2
	(31)	(32)	(36)	(10)

Panel B: Pick and list of Panel A, decomposed (bps)

	Pick in Panel A = (1) minus (2)		List in Panel A = (3) minus (4)	
	(1) Warm vs random from the watchlist	(2) Cold vs random market	(3) Random watchlist	(4) Random market
Raw	−412***	−1,006***	1,331***	2,095***
	(29)	(44)	(64)	(65)
Market-adj.	−413***	−1,008***	−159***	606***
	(29)	(44)	(35)	(42)
CAPM	−352***	−988***	−680***	161***
	(29)	(48)	(36)	(45)
CH-4	−432***	−769***	−277***	270***
	(29)	(35)	(31)	(12)
DGTW	−334***	−713***	−493***	16
	(31)	(38)	(31)	(24)

Note: The table repeats the decomposition of warm (watchlisted) minus cold first purchases over 180 trading days, with cold purchases restricted to stocks never on the investor's watchlist (stocks added on the purchase day excluded). The *pick* compares the purchase with ten random purchases that day from its set (the watchlist if warm, the rest of the market if cold), the *list* compares the two random sets (zero if cold), and the *remainder* is the random market return. Panel A regresses the return and each part on a warm dummy with investor and purchase-day fixed effects; Panel B decomposes its *pick* and *list* exactly with the weights that regression puts on each purchase. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by purchase day are reported in parentheses, and the stars are based on them. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-13: Warm Minus Cold: *List*, *Pick* and *Remainder*, Random Purchases Matched on Characteristics

Panel A: Warm minus cold and its decomposition (bps)

	Warm minus cold	List	Pick	Remainder
Raw	−201***	−547***	344***	2
	(23)	(28)	(29)	(9)
Market-adj.	−202***	−549***	344***	2
	(23)	(28)	(29)	(9)
CAPM	−242***	−647***	413***	−8
	(23)	(32)	(31)	(9)
CH-4	−213***	−379***	183***	−17*
	(23)	(24)	(28)	(9)
DGTW	−164***	−561***	382***	15**
	(25)	(29)	(31)	(8)

Panel B: Pick and list of Panel A, decomposed (bps)

	Pick in Panel A = (1) minus (2)		List in Panel A = (3) minus (4)	
	(1) Warm vs random from the watchlist	(2) Cold vs matched market	(3) Random watchlist	(4) Matched market
Raw	−409***	−752***	1,310***	1,858***
	(27)	(33)	(64)	(63)
Market-adj.	−410***	−754***	−192***	357***
	(27)	(33)	(30)	(28)
CAPM	−345***	−758***	−715***	−68**
	(27)	(35)	(29)	(28)
CH-4	−427***	−610***	−291***	89***
	(26)	(29)	(27)	(16)
DGTW	−325***	−707***	−524***	37
	(30)	(34)	(26)	(24)

Note: The table repeats Table 2's decomposition of warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases over 180 trading days, with the random market purchases drawn only from stocks in the bought stock's size, book-to-market and momentum group on the day before the purchase; the random watchlist purchases are unchanged. Panel A regresses the return and each part on a warm dummy with investor and purchase-day fixed effects; Panel B writes its *pick* and *list* as weighted averages over the purchases (defined in Table IA-3). Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-14: The Headline Results on Purchases from January 2025

Panel A: Returns, CH-4 (bps)

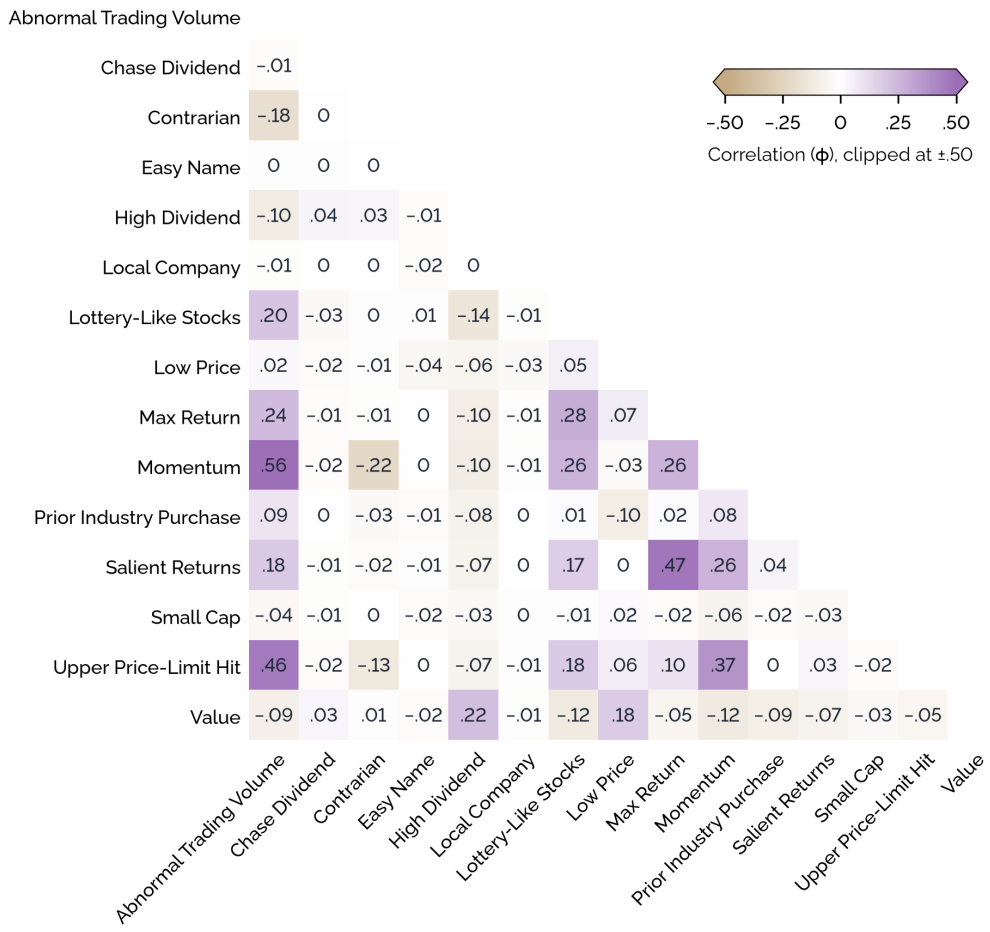
	All purchases			From January 2025		
	20	60	180	20	60	180
First purchases minus random market purchases	−315***	−515***	−841***	−291***	−473***	−838***
	(22)	(26)	(32)	(17)	(23)	(29)
Warm minus cold	−62***	−149***	−213***	−21*	−93***	−196***
	(12)	(16)	(23)	(11)	(15)	(28)
List	−127***	−277***	−565***	−86***	−204***	−559***
	(17)	(20)	(25)	(8)	(12)	(18)
Pick	63***	127***	351***	66***	114***	359***
	(14)	(19)	(28)	(12)	(16)	(30)
Return per additional tendency	−100***	−186***	−251***	−89***	−148***	−238***
	(9)	(9)	(13)	(7)	(8)	(13)
Part from the 15 tendencies, pooled	−23***	−44***	−81***	−15***	−30***	−65***
	(3)	(6)	(11)	(2)	(4)	(9)

Panel B: Stock following and the tendencies

	All purchases	From January 2025
Watchlist additions per investor, mean	180.5	132.3
Warm share of an investor's first purchases, mean	41.3%	44.1%
Upper Price-Limit Hit share, watchlist additions minus random market stocks (pp)	34.7***	32.0***
	(0.7)	(0.8)
Warm first purchases with any of the 15 tendencies	94.9%	95.0%
Cold first purchases with any of the 15 tendencies	93.1%	93.8%
Tendencies per purchase, warm minus cold	0.34***	0.24***
	(0.02)	(0.02)
Tendencies per purchase, minus random market purchases	1.44***	1.32***
	(0.03)	(0.03)

Note: The table repeats each headline result of the main tables on all first purchases and on those from January 2025. Panel A reports CH-4 cumulative abnormal returns at 20, 60 and 180 trading days: first purchases minus their random market purchases; warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases, with its *list* and *pick*; the return per additional tendency a purchase has; and the part of warm minus cold that the 15 tendencies account for, without fixed effects. Panel B reports the rows on stock following and the tendencies that its labels name. Each row is built as in the main table that reports it, with its weights and fixed effects. Standard errors in parentheses are clustered by investor and purchase day in Panel A (the tendencies' part as in Table IA-52) and by investor and stock in Panel B. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Figure IA-6: Pairwise Correlations among Purchase Tendencies



Note: The figure plots weighted Pearson correlations (ϕ) between pairs of purchase tendencies, which label both axes in alphabetical order. Each pair appears once, below the diagonal, and uses the first purchases for which both tendencies are observed. Each first purchase is weighted by one over the number of first purchases of its kind the investor made that day, so that each investor-day counts once, and by one over the investor's number of days with any purchase or sale throughout the sample period. Shading is purple for positive and ochre for negative correlations, darker with magnitude, and saturates at 0.5 in absolute value, as the color bar shows. The sample is as in Table 1 (9,501 investors).

Table IA-15: Warm Minus Cold in Tendency Shares: *List*, *Pick* and *Remainder*

Panel A: Warm minus cold and its decomposition (pp)

	Warm minus cold	List	Pick	Remainder
Abnormal Trading Volume	3.3***	12.2***	−9.0***	0.0
	(0.3)	(0.3)	(0.4)	(0.1)
Chase Dividend	−0.1	−0.1***	0.1	0.0
	(0.1)	(0.0)	(0.1)	(0.0)
Contrarian	−0.1	1.7***	−1.8***	0.0
	(0.2)	(0.1)	(0.2)	(0.1)
Easy Name	−0.2	2.8***	−2.9***	0.0
	(0.4)	(0.1)	(0.4)	(0.1)
High Dividend	−1.0***	−3.0***	2.1***	−0.1***
	(0.2)	(0.1)	(0.3)	(0.1)
Local Company	−0.3	0.8***	−1.2***	0.1
	(0.2)	(0.1)	(0.2)	(0.0)
Lottery-Like Stocks	8.4***	25.6***	−17.4***	0.1
	(0.5)	(0.3)	(0.5)	(0.1)
Low Price	−0.1	0.9***	−1.0***	0.1
	(0.3)	(0.1)	(0.3)	(0.1)
Max Return	6.1***	11.9***	−5.8***	0.0
	(0.4)	(0.2)	(0.4)	(0.1)
Momentum	7.3***	13.1***	−5.8***	−0.1
	(0.3)	(0.3)	(0.4)	(0.1)
Prior Industry Purchase	1.6***	7.0***	−5.4***	0.0
	(0.3)	(0.1)	(0.3)	(0.1)
Salient Returns	4.7***	7.7***	−3.0***	0.0
	(0.3)	(0.1)	(0.4)	(0.1)
Small Cap	−0.4***	−5.9***	5.6***	0.0
	(0.1)	(0.1)	(0.1)	(0.1)
Upper Price-Limit Hit	1.6***	6.0***	−4.4***	0.0
	(0.3)	(0.2)	(0.3)	(0.0)
Value	−1.3***	−1.0***	−0.3	0.0
	(0.2)	(0.1)	(0.3)	(0.1)

Note: The table decomposes the difference between warm (watchlisted) and cold (never-watchlisted, or added that day) first purchases in the share that has each tendency, in percentage points, into the *list*, the *pick* and the *remainder* in Panel B of Table 2, with the tendency dummy in place of the return; tendencies are measured as in Table 3. Panel A regresses each part on a warm dummy with investor and purchase-day fixed effects; Panel B decomposes its *pick* and *list* exactly, with the weights that regression puts on each purchase. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by stock are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-15—Continued

Panel B: Pick and list of Panel A, decomposed (pp)

	Pick in Panel A = (1) minus (2)		List in Panel A = (3) minus (4)	
	(1) Warm vs random from the watchlist	(2) Cold vs random market	(3) Random watchlist	(4) Random market
Abnormal Trading Volume	32.7***	41.7***	22.2***	10.0***
	(0.6)	(0.6)	(0.3)	(0.0)
Chase Dividend	−0.1	−0.2**	1.1***	1.2***
	(0.1)	(0.1)	(0.0)	(0.0)
Contrarian	−4.5***	−2.6***	11.3***	9.6***
	(0.2)	(0.2)	(0.1)	(0.0)
Easy Name	0.8	3.7***	13.6***	10.8***
	(1.2)	(1.0)	(0.1)	(0.0)
High Dividend	−0.8*	−2.9***	7.4***	10.4***
	(0.4)	(0.5)	(0.1)	(0.0)
Local Company	−0.2	1.0***	8.5***	7.7***
	(0.2)	(0.2)	(0.1)	(0.1)
Lottery-Like Stocks	4.4***	21.7***	44.1***	18.4***
	(1.2)	(1.2)	(0.3)	(0.1)
Low Price	0.8	1.8**	9.8***	9.0***
	(0.9)	(0.7)	(0.1)	(0.0)
Max Return	7.1***	12.9***	21.6***	9.7***
	(0.8)	(0.7)	(0.2)	(0.0)
Momentum	22.1***	27.8***	22.7***	9.6***
	(0.6)	(0.6)	(0.3)	(0.0)
Prior Industry Purchase	0.5	5.9***	47.5***	40.5***
	(0.6)	(0.5)	(0.4)	(0.4)
Salient Returns	5.0***	7.9***	17.5***	9.9***
	(0.6)	(0.5)	(0.1)	(0.0)
Small Cap	−1.3***	−6.9***	3.1***	9.0***
	(0.1)	(0.2)	(0.1)	(0.0)
Upper Price-Limit Hit	17.8***	22.2***	8.7***	2.8***
	(0.5)	(0.5)	(0.2)	(0.1)
Value	−1.6***	−1.3**	9.2***	10.2***
	(0.6)	(0.7)	(0.1)	(0.0)

Table IA-16: The Return Comparisons with Standard Errors Clustered by Investor and Stock

	Horizon (trading days)		
	20	60	180
Warm minus cold	−62***	−149***	−213***
	(12)	(18)	(35)
Warm minus cold, stocks added on a limit-up close	−304***	−563***	−681***
	(27)	(43)	(84)
Late warm purchases after a new limit-up close minus those without one, tendencies held	−76***	−73	−217**
	(29)	(46)	(94)
Late warm minus cold, tendencies held	−30*	−104***	−160***
	(16)	(24)	(45)
Late warm purchases of limit-up additions minus same-day limit-up stocks	−428***	−707***	−1,235***
	(40)	(68)	(141)
Investors	9,479	9,477	9,476
Stocks	4,968	4,968	4,948
Observations	531,275	530,890	528,842

Note: The table reports CH-4 abnormal returns over warm (watchlisted) and cold (never-watchlisted, or added that day) first purchases, with investor and purchase-day fixed effects: warm minus cold; the same for stocks added on a limit-up close; late warm purchases (day 6 on from the first feasible day) after a new limit-up close minus those without one, within delay bands, tendencies held; late warm minus cold, tendencies held; and late warm purchases of limit-up watchlist additions minus same-day purchases of stocks at the upper limit on the addition date. Its tests at 20, 60 and 180 trading days use Holm-adjusted p-values, so the test at 180 trading days is one of three; stars use unadjusted p-values. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Each claim's printed standard error is in its main table. Standard errors clustered by investor and stock are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

IA-III. The Wait and Stocks Added on a Limit-Up Close

The timing and concentration facts in Section 5 distinguish when warm purchases underperform and the event at watchlist addition associated with that gap. The gap widens after the first feasible day and stays at about that size at longer waits at 180 trading days; these exhibits vary the clock, purchase group and comparison stocks. Unless stated otherwise, return comparisons use CH-4 abnormal returns over 180 trading days, investor and purchase-day fixed effects, and standard errors clustered by investor and purchase day; cold purchases include stocks never watchlisted or added on the purchase day.

The conversion curve in Figure 2 accounts for watchlist additions whose observation ends before they are bought. Investors' watchlist additions are censored before the conversion-window endpoint in 13.4 percent of weighted observations (Figure IA-7). The Kaplan–Meier curve is shown beside the raw share bought and their difference, making the role of censoring visible rather than interpreting every unobserved purchase as a decision never to buy.

The conversion evidence in Figure 2 varies with whether the stock was added on a limit-up close. Investors buy 11.4 percent of limit-up watchlist additions by the reported conversion-window endpoint (Table IA-17, Panel B). The table compares other watchlist additions, trading conditions at watchlist addition and investor sets, and reports price positions among unbought stocks. The higher conversion distinguishes stocks added on a limit-up close from other watchlist additions.

The coverage panel of Figure 2 distinguishes delayed purchases from buying during an attention episode. Investors' warm purchases outside attention episodes account for 33.3 percent of all first purchases when an event counts only if the stock had no event of the same kind in the preceding 20 trading days (Table IA-18, Panel A). The table varies the rule that counts attention episodes and purchase-delay band and crosses the event at watchlist addition with the event at purchase; purchases outside attention episodes may still follow unmeasured cues.

The choice of starting date can be seen directly beside Figure 3. Figure IA-8 draws the warm–cold gaps by delay band from watchlist addition and from the first feasible day, with their intervals. Placing the paths together shows which timing comparison changes when initially unavailable trading days are included; it does not assign a causal effect to those days.

The delay comparison in Figure 3 uses the first feasible day as its starting point. Table IA-19 instead reports the warm–cold gap at each horizon by time since watchlist addition and decomposes the bands into the *list*, *pick* and *remainder* from both starting dates. This distinguishes trading days since watchlist addition from trading days since the first feasible day while retaining the same warm and cold definitions.

The warm–cold gap plotted in Figure 3 widens after the first feasible day and stays at about that size at longer waits at 180 trading days. Investors' warm purchases in the longest-delay band underperform cold purchases by 283 basis points (Table IA-20, Panel A). The other adjustments and horizons retain the first-feasible-day and after-a-wait comparisons without imposing a monotone path.

The comparison of stocks bought early and late in Section 5 complements the alternatives matched on time on the watchlist in Table 6. Investors' late-bought stocks outperform their early-bought stocks by 519 basis points when evaluated from each stock's first feasible day, net of random market purchases with investor and first-feasible-day fixed effects in CH-4-adjusted returns over 180 trading days (Table IA-21, Panel A). Never-bought stocks remain a separate group, so the comparison concerns initial watchlist returns conditional on eventual purchase timing.

The comparison of initial watchlist returns in Table 5 depends on where its return window starts. Investors' watchlist additions underperform random market purchases by 618 basis points when evaluated from the closing price on the watchlist-addition date, with investor and watchlist-addition-day fixed effects in CH-4-adjusted returns over 180 trading days (Table IA-22). The first-feasible-day row places the later start beside it, preserving the distinction between recording interest and reaching a feasible purchase day.

The comparison of initial watchlist returns in Table 5 also has a characteristic counterpart. Investors' watchlist additions, evaluated as purchases on the first feasible day, have an *Upper Price-Limit Hit* 13.7 percentage points more often than their cold purchases, with investor and first-feasible-day fixed effects (Table IA-23). The other tendency rows describe the candidate set at that feasible date, rather than its eventual purchase composition.

The matched-alternative comparison in Section 5 can also condition on purchase-day attention tendencies within the investor's watchlist. Warm purchases with *Abnormal Trading Volume* on the purchase day or an *Upper Price-Limit Hit* on the preceding trading day underperform warm purchases without those tendencies by 139 basis points after subtracting returns on watchlist alternatives matched on whether either tendency is present in CH-4-adjusted returns over 180 trading days (Table IA-24, Panel A). The table separates purchase returns from the matched alternatives' returns and varies the tendency grouping. The sale comparison concerns warm and cold first purchases within three trading days after the same investor's sale of another stock and the returns on warm purchases without a sale in that interval. Investors' warm purchases underperform cold purchases by more when made within three trading days after the same investor's sale of another stock than without a sale in that interval, with a statistically significant interaction after Holm adjustment of −126 basis points (standard error 50 basis points) over 180 trading days, one of three horizons tested under CH-4, net of same-day random market purchases (Table IA-24, Panel H). The other reported interaction estimates are −63 basis points (standard error 27 basis points) at 60 trading days and an insignificant −29 basis points (18 basis points) at 20 trading days after the same Holm adjustment, in CH-4 returns net of same-day random market purchases, comparing warm with cold purchases (Table IA-24, Panel H).

The pattern by watchlist-addition day in Figure 4 is accompanied by its estimates and standard errors. Investors' warm purchases of stocks added on a limit-up close underperform cold purchases by 681 basis points in CH-4-adjusted returns over 180 trading days (Table IA-25, Panel A). The other panels report other watchlist additions, contrasts between stocks added on a limit-up close and other watchlist additions and purchases against stocks sharing the same limit-up date, under the alternative adjustments.

The comparison of stocks added on a limit-up close in Figure 4 can be separated from the other recorded tendencies. Outside *Lottery-Like Stocks*, purchases of stocks added on a limit-up close underperform purchases of other watchlist additions by 330 basis points in returns net of random market purchases, with other watchlist-addition-day tendencies held in CH-4-adjusted returns over 180 trading days (Table IA-26, Panel A). Against the explanation that the warm–cold gap for stocks added on a limit-up close reflects a taste for *Lottery-Like Stocks*, purchases of *Lottery-Like Stocks* underperform purchases without that characteristic within both watchlist-addition groups (lottery-like minus non-lottery returns: −1,238 basis points, standard error 77 basis points, for limit-up additions; −1,279 basis points, standard error 51 basis points, for other additions), with an insignificant difference between those contrasts of 41 basis points (88 basis points), each watchlist-addition group compared with cold purchases in CH-4-adjusted returns over 180 trading days (Table IA-26, Panel B). Outside *Lottery-Like Stocks*, investors' warm purchases of stocks added on a limit-up close have estimated underperformance relative to cold purchases that is not statistically detected (warm minus cold: −65 basis points; standard error 49 basis points), whereas warm purchases of other watchlist additions outperform cold purchases by 505 basis points (33 basis points), leaving purchases of stocks added on a limit-up close with lower returns relative to cold purchases than purchases of other watchlist additions in CH-4-adjusted returns over 180 trading days (Table IA-26, Panel B).

The pattern by watchlist-addition day in Figure 4 motivates comparing announcement and limit-up watchlist additions. The estimated increase in underperformance from early to late purchases is greater for announcement watchlist additions than for limit-up watchlist additions, but the difference is not statistically detected (late minus early of announcement minus limit-up additions: −459 basis points; standard error 301 basis points), each measured relative to cold purchases in CH-4-adjusted returns over 180 trading days (Table IA-27, Panel E). The estimate does not support different underperformance after waiting for stocks added on an announcement day.

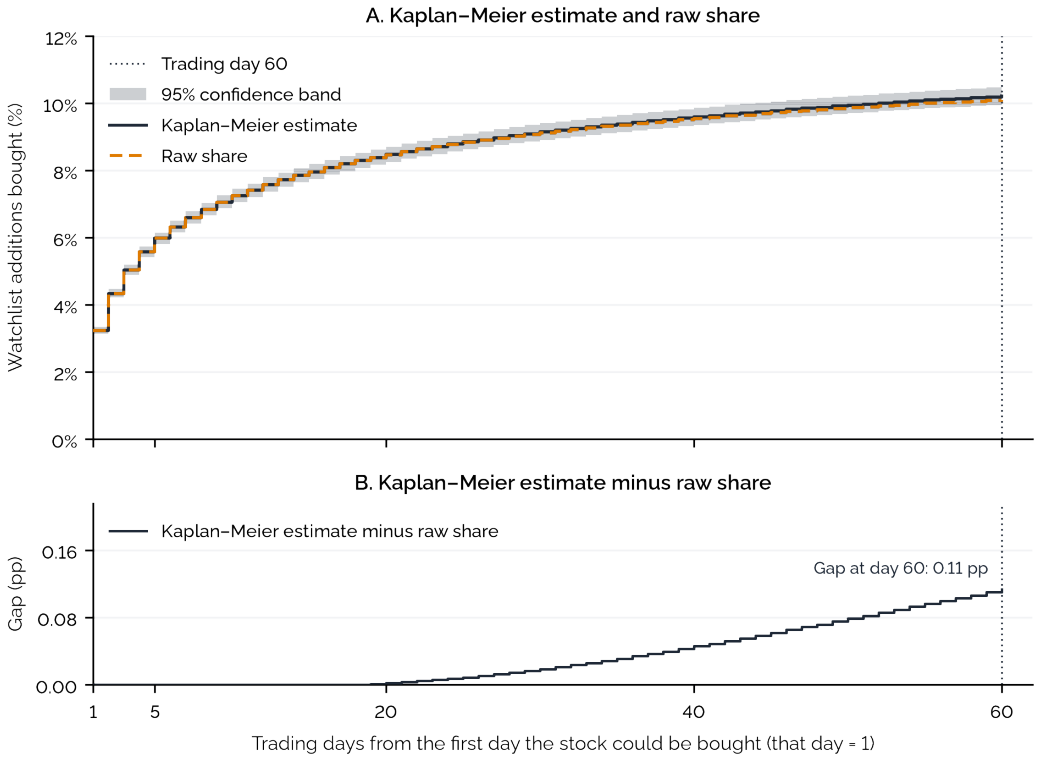
The patterns by watchlist-addition day and among late purchases in Figures 4 and IA-9 can be compared with days since the last limit-up close. Investors' late warm purchases underperform cold purchases by 174 basis points, net of random market purchases, with tendencies and days since the last limit-up close held fixed in CH-4-adjusted returns over 180 trading days (Table IA-28, Panel A). The table also varies the horizon and adjustment against same-date limit-up alternatives and describes purchases near a limit-up run.

The pattern for stocks added on a limit-up close in Figure 4 does not establish that inability to buy accounts for the warm–cold gap among late purchases. The estimated underperformance of late purchases of stocks added on one-price limit-up days relative to late purchases of stocks added on traded limit-up days is not statistically detected (one-price minus traded: −123 basis points; standard error 158 basis points), each group measured against same-day cold purchases in CH-4-adjusted returns over 180 trading days (Table IA-29). Warm purchases of stocks added on one-price limit-up days underperform purchases of stocks added on traded limit-up days by 376 basis points (standard error 107 basis points) pooling delays and by 617 basis points (161 basis points) among early purchases, each group measured against same-day cold purchases, on

investor-days holding both kinds of warm purchase in CH-4-adjusted returns over 180 trading days (Table IA-29 of the Internet Appendix).

Table IA-30 separates the return measured from the first feasible day into the periods before and after purchase, repeats the comparison without never-bought additions, and compares early- and late-bought stocks from their actual purchase dates, supporting Section 5. The purchase-start comparison has late-bought stocks underperforming early-bought stocks in CH-4 returns net of same-day random market purchases over 180 trading days, one of three horizons tested; the table reports the other tested horizons as well.

Figure IA-7: Conversion of Watchlist Additions: Kaplan–Meier Estimate and Raw Share



Note: The figure plots, in Panel A, two measures of the purchase of watchlist additions by each trading day from the first day the stock could be bought (day 1) to day 60. Watchlist additions never buyable in the data are left out. The solid line is the Kaplan–Meier estimate of the probability of a purchase by that day, shaded with its pointwise 95% interval from 500 bootstrap samples of investors. The dashed line is the raw share, which counts watchlist additions whose data end earlier as not bought. Panel B plots their difference in percentage points. The data of 191,001 watchlist additions (13.4 percent, weighted) end before day 60. Each watchlist addition is weighted by one over the number of watchlist additions the investor made that day, so that each investor-day counts once, and by one over the investor's number of days with any purchase or sale throughout the sample period. The sample is as in Table 1 (9,501 investors).

Table IA-17: Limit-Up and Other Watchlist Additions Bought, by Investor Set

Panel A: Limit-up minus other additions, share bought (pp)

	Trading days from the first day the stock could be bought, that day counted as day 1						
	Within 1	5	20	60	120	180	End of sample
The sample investors							
Difference	0.7	1.5	1.8	1.7	1.6	1.4	1.4
Lower 95% bound	0.5	1.2	1.3	1.2	1.0	0.9	0.8
Upper 95% bound	0.9	1.8	2.2	2.2	2.1	2.0	2.0
Investors outside the sample							
Difference	1.4	2.4	2.7	2.7	2.6	2.4	2.5
Lower 95% bound	1.1	2.0	2.3	2.2	2.1	1.9	1.8
Upper 95% bound	1.6	2.8	3.2	3.2	3.1	3.0	3.1
All screened investors							
Difference	1.1	2.1	2.4	2.4	2.3	2.2	2.2
Lower 95% bound	0.9	1.8	2.0	2.0	1.8	1.7	1.7
Upper 95% bound	1.3	2.3	2.8	2.8	2.7	2.6	2.7

Panel B: Share bought, by limit-up addition and investor set

	Trading days from the first day the stock could be bought, that day counted as day 1						
	Within 1	5	20	60	120	180	End of sample
The sample investors							
Limit-up watchlist additions	3.7%	7.0%	9.7%	11.4%	12.5%	13.1%	14.1%
Other watchlist additions	3.0%	5.5%	7.9%	9.7%	10.9%	11.7%	12.7%
Investors outside the sample							
Limit-up watchlist additions	3.4%	6.1%	8.1%	9.2%	9.7%	10.0%	10.6%
Other watchlist additions	2.0%	3.7%	5.4%	6.5%	7.2%	7.6%	8.2%
All screened investors							
Limit-up watchlist additions	3.6%	6.6%	8.9%	10.3%	11.0%	11.5%	12.3%
Other watchlist additions	2.4%	4.5%	6.5%	7.9%	8.7%	9.3%	10.1%

Note: The table compares watchlist additions made on a day the stock closed at its upper price limit (limit-up) with other watchlist additions (touch-only days included), in the Kaplan–Meier share bought by trading day from the first feasible day, for the sample investors, investors outside the sample and all screened investors. Panel A gives the difference, with investor-bootstrap 95 percent bounds; Panel B each group's share; Panel C each rung of the limit; and Panel D the sample against outside investors. Each watchlist addition is weighted by one over the investor's number of watchlist additions that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors), with the screened investors outside it added.

(Continued)

Table IA-17—Continued

Panel C: Each limit rung minus other additions, by investor set (pp)

	Trading days from the first day the stock could be bought, that day counted as day 1						
	Within 1	5	20	60	120	180	End of sample
The sample investors							
One price at the limit all day	0.5	1.8	2.3	2.1	1.9	1.6	1.6
Sealed, never reopened	0.9	1.1	1.1	1.1	0.9	0.8	0.9
Sealed after reopening	0.7	1.6	2.1	2.0	1.9	1.8	1.7
Closed sealed, reopening not recorded	1.5	3.5	3.4	3.3	3.1	2.7	2.8
Touched the limit and closed below	−0.3	−0.2	−0.2	−0.2	−0.4	−0.4	−0.4
Investors outside the sample							
One price at the limit all day	1.3	3.0	3.4	3.0	2.8	2.7	2.6
Sealed, never reopened	1.5	2.2	2.5	2.4	2.3	2.1	1.9
Sealed after reopening	1.3	2.3	2.7	2.8	2.7	2.5	2.7
Closed sealed, reopening not recorded	2.3	4.7	4.9	5.2	5.1	4.9	5.1
Touched the limit and closed below	0.1	0.5	0.5	0.3	0.1	0.2	0.2
All screened investors							
One price at the limit all day	1.0	2.5	3.0	2.8	2.6	2.4	2.4
Sealed, never reopened	1.3	1.8	2.0	1.9	1.8	1.7	1.6
Sealed after reopening	1.0	2.1	2.5	2.6	2.5	2.4	2.5
Closed sealed, reopening not recorded	2.0	4.2	4.3	4.5	4.3	4.0	4.2
Touched the limit and closed below	0.0	0.2	0.3	0.2	0.0	0.1	0.1

Panel D: Sample minus outside-sample investors, share bought (pp)

	Trading days from the first day the stock could be bought, that day counted as day 1						
	Within 1	5	20	60	120	180	End of sample
Difference	0.8	1.6	2.3	3.0	3.5	3.9	4.3
Lower 95% bound	0.7	1.3	2.0	2.5	3.0	3.4	3.8
Upper 95% bound	1.0	1.9	2.7	3.4	4.0	4.4	4.9

Table IA-18: First Purchases Inside and Outside Attention Episodes

Panel A: Attention-episode coverage of first purchases, first event in 20 trading days

	Of all first purchases (%)			95% interval of the weighted share (%)		Of warm (cold) purchases
	Count	Share	Weighted	Low	High	Share (%)
Warm: no event	164,830	30.8%	33.3%	31.5%	34.6%	78.7%
Warm: attention event only	28,691	5.4%	4.5%	4.2%	4.8%	13.7%
Warm: own news only	7,739	1.4%	1.8%	1.3%	2.4%	3.7%
Warm: both	2,386	0.4%	0.4%	0.3%	0.5%	1.1%
Warm: not defined	5,812	1.1%	1.9%	1.0%	3.1%	2.8%
Warm: all	209,458	39.2%	41.8%	—	—	—
Cold: no event	234,501	43.8%	42.2%	39.9%	44.0%	72.1%
Cold: attention event only	56,964	10.7%	8.2%	7.7%	8.7%	17.5%
Cold: own news only	11,408	2.1%	2.2%	1.6%	3.0%	3.5%
Cold: both	4,397	0.8%	0.7%	0.6%	0.9%	1.4%
Cold: not defined	18,124	3.4%	4.9%	2.3%	8.4%	5.6%
Cold: all	325,394	60.8%	58.2%	—	—	—

Panel B: The same, every flagged day

	Of all first purchases (%)			95% interval of the weighted share (%)		Of warm (cold) purchases
	Count	Share	Weighted	Low	High	Share (%)
Warm: no event	43,141	8.1%	10.6%	9.9%	11.2%	20.6%
Warm: attention event only	81,243	15.2%	14.4%	13.5%	15.1%	38.8%
Warm: own news only	15,085	2.8%	3.7%	3.4%	3.9%	7.2%
Warm: both	64,177	12.0%	11.3%	10.5%	12.2%	30.6%
Warm: not defined	5,812	1.1%	1.9%	1.0%	3.1%	2.8%
Warm: all	209,458	39.2%	41.8%	—	—	—
Cold: no event	74,260	13.9%	15.4%	14.5%	16.1%	22.8%
Cold: attention event only	120,402	22.5%	18.8%	17.7%	19.6%	37.0%
Cold: own news only	26,308	4.9%	5.5%	5.1%	5.9%	8.1%
Cold: both	86,300	16.1%	13.7%	12.8%	14.5%	26.5%
Cold: not defined	18,124	3.4%	4.9%	2.3%	8.4%	5.6%
Cold: all	325,394	60.8%	58.2%	—	—	—

Panel C: Warm purchases outside every attention episode, by days from the first feasible day

	First event in 20 trading days			Every flagged day		
	Count	Share (%)	Weighted (%)	Count	Share (%)	Weighted (%)
First feasible day	36,529	64.1%	65.0%	8,578	15.0%	18.3%
Days 2 to 5	37,982	83.3%	82.0%	7,352	16.1%	19.9%
Days 6 to 20	36,692	91.1%	89.6%	8,444	21.0%	26.3%
Days 21 to 60	25,978	84.8%	87.4%	8,293	27.1%	34.2%
After day 60	27,649	77.0%	80.5%	10,474	29.2%	37.3%
# of Warm Purchases	209,458	—	—	209,458	—	—

Note: The table classifies first purchases as warm (watchlisted) or cold (never-watchlisted, or added that day) and by the bought stock's attention episode containing the purchase (the trading day of a public attention-grabbing event of either kind below, and the next): attention events (an upper price-limit hit, abnormal trading volume, entry to the Platform's hot list) and own news (an earnings release or another announcement). Panels A, C and D count a class's first event in 20 trading days; Panel B, every event day. Other announcements are sparse in the announcement records from August 2025, so own news is a lower bound. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Intervals resample purchase days. The sample is as in Table 1 (9,501 investors).

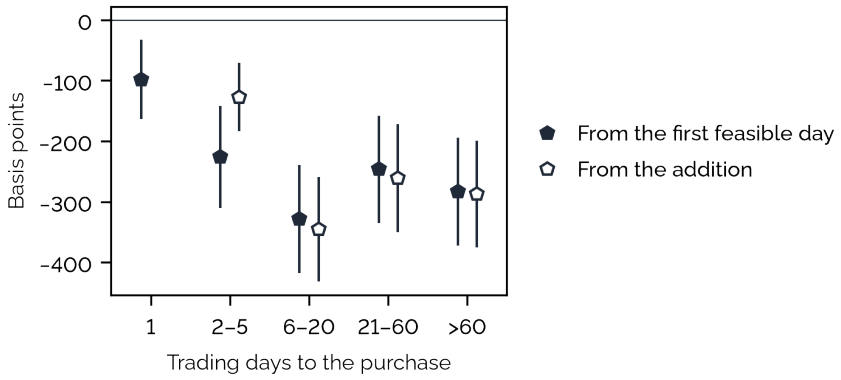
(Continued)

Table IA-18—Continued

Panel D: Warm purchases by the attention episode at the watchlist addition and at the purchase (count)

	Attention episode at the purchase					
	No event	Attention event only	Own news only	Both	Not defined	All
No event	117,968	11,439	4,624	882	0	134,913
Attention event only	31,393	15,169	1,258	742	0	48,562
Own news only	5,495	597	972	105	0	7,169
Both	2,315	563	172	568	0	3,618
Not defined	7,659	923	713	89	5,812	15,196
All	164,830	28,691	7,739	2,386	5,812	209,458

Figure IA-8: Warm Minus Cold by Days from the First Feasible Day and from the Watchlist Addition



Note: The figure plots warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases in CH-4 cumulative abnormal returns over 180 trading days, by trading days to the purchase, counted from the warm stock's first feasible day or from its watchlist addition, each day 1. A purchase on the add day is cold by definition, so the addition clock has no day-1 point. Each band is one regression on all cold purchases, with investor and purchase-day fixed effects; lines are 95 percent intervals, clustered by investor and purchase day. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors).

Table IA-19: Warm Minus Cold in Returns by Time on the Watchlist

Panel A: Warm minus cold by time on the watchlist (bps)

	Horizon (trading days)				
	5	20	60	120	180
Trading days since the watchlist addition					
Days 2 to 5	−42***	−80***	−139***	−163***	−127***
	(11)	(15)	(19)	(24)	(29)
Days 6 to 20	−41**	−134***	−253***	−309***	−346***
	(16)	(24)	(29)	(34)	(44)
Days 21 to 60	11	−54***	−148***	−162***	−261***
	(11)	(18)	(26)	(34)	(46)
Over 60 days	11	23	−39	−133***	−287***
	(10)	(16)	(24)	(34)	(45)
Observations	528,842	528,842	528,842	528,842	528,842
# of Investors	9,476	9,476	9,476	9,476	9,476

Panel B: The decomposition at 180 trading days (bps)

	Warm minus cold	List	Pick	Remainder	Warm purchases	Share of warm
Trading days since the first feasible day						
First feasible day	−98***	−576***	474***	4	57,021	27.2%
	(34)	(38)	(47)	(10)		
Days 2 to 5	−226***	−621***	389***	5	45,624	21.8%
	(43)	(30)	(45)	(12)		
Days 6 to 20	−329***	−580***	257***	−6	40,285	19.2%
	(46)	(26)	(47)	(11)		
Days 21 to 60	−247***	−520***	271***	3	30,633	14.6%
	(45)	(22)	(49)	(13)		
Over 60 days	−283***	−533***	251***	−2	35,895	17.1%
	(46)	(22)	(47)	(14)		
Trading days since the watchlist addition						
Days 2 to 5	−127***	−585***	451***	7	94,627	45.2%
	(29)	(33)	(38)	(9)		
Days 6 to 20	−346***	−590***	249***	−5	46,652	22.3%
	(44)	(25)	(44)	(11)		
Days 21 to 60	−261***	−518***	259***	−2	31,774	15.2%
	(46)	(22)	(49)	(13)		
Over 60 days	−287***	−531***	245***	−1	36,405	17.4%
	(45)	(22)	(47)	(14)		

Note: The table reports warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases in CH-4 cumulative abnormal returns, by the warm stock's trading days since its watchlist addition, whose same-day purchases are cold, leaving that clock's day 1 empty, and in Panel B also since the first day it could be bought (the first feasible day). Panel A regresses the return on being warm, each group against all cold purchases, with investor and purchase-day fixed effects. Panel B decomposes the warm–cold gap at 180 trading days into the *list*, the *pick* and the *remainder*. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. Purchases have returns at all five horizons. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-20: Warm Minus Cold by Days from the First Feasible Day, All Adjustments

Panel A: Warm minus cold by trading days from the first feasible day, CH-4 (bps)

	Horizon (trading days)				
	5	20	60	120	180
Trading days since the first feasible day					
First feasible day	−31**	−62***	−116***	−139***	−98***
	(12)	(19)	(23)	(27)	(34)
Days 2 to 5	−68***	−133***	−214***	−253***	−226***
	(16)	(20)	(28)	(35)	(43)
Days 6 to 20	−25*	−108***	−229***	−275***	−329***
	(15)	(23)	(29)	(34)	(46)
Days 21 to 60	11	−58***	−141***	−155***	−247***
	(11)	(17)	(25)	(34)	(45)
Over 60 days	11	25	−37	−130***	−283***
	(10)	(16)	(24)	(34)	(46)
Warm purchases on the first feasible day and after a wait					
On the first feasible day	−27**	−53***	−95***	−122***	−73**
	(12)	(19)	(23)	(27)	(33)
After a wait (day 2 on)	−23**	−79***	−174***	−217***	−269***
	(10)	(14)	(19)	(23)	(28)
After a wait minus first feasible day	—	—	—	—	−196***
					(41)
Observations	528,842	528,842	528,842	528,842	528,842
Investors	9,476	9,476	9,476	9,476	9,476

Note: The table reports in Panel A warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases in CH-4 cumulative abnormal returns by the warm stock's trading days since the first day it could be bought (the first feasible day), each group against all cold purchases, with investor and purchase-day fixed effects; its last rows come from one regression separating purchases on the first feasible day. Panel B repeats Panel A's groups in raw, market-adjusted, CAPM and DGTW returns. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-20—Continued

Panel B: The same comparison under the other adjustments (bps)

	Horizon (trading days)				
	5	20	60	120	180
Raw					
First feasible day	−28**	−32*	−68***	−85***	−64*
	(13)	(19)	(23)	(28)	(33)
Days 2 to 5	−62***	−95***	−179***	−218***	−225***
	(17)	(21)	(27)	(34)	(43)
Days 6 to 20	−13	−71***	−202***	−280***	−338***
	(15)	(23)	(30)	(35)	(47)
Days 21 to 60	13	−45**	−180***	−212***	−241***
	(12)	(19)	(26)	(39)	(47)
Over 60 days	11	18	−52**	−108***	−242***
	(11)	(17)	(24)	(34)	(44)
Market-adj.					
First feasible day	−28**	−33*	−68***	−86***	−64*
	(13)	(19)	(23)	(28)	(33)
Days 2 to 5	−62***	−96***	−181***	−220***	−227***
	(17)	(21)	(27)	(34)	(43)
Days 6 to 20	−13	−71***	−201***	−281***	−338***
	(15)	(23)	(30)	(35)	(47)
Days 21 to 60	13	−45**	−181***	−213***	−242***
	(12)	(19)	(26)	(39)	(47)
Over 60 days	11	18	−52**	−109***	−243***
	(11)	(17)	(24)	(34)	(44)
CAPM					
First feasible day	−25*	−31	−66***	−79***	−53
	(13)	(19)	(22)	(27)	(33)
Days 2 to 5	−61***	−98***	−179***	−223***	−238***
	(17)	(20)	(27)	(34)	(44)
Days 6 to 20	−14	−72***	−200***	−293***	−373***
	(15)	(23)	(29)	(34)	(49)
Days 21 to 60	16	−40**	−191***	−252***	−336***
	(12)	(18)	(26)	(37)	(49)
Over 60 days	6	−2	−110***	−228***	−396***
	(11)	(16)	(23)	(33)	(44)
DGTW					
First feasible day	−27**	−38**	−72***	−103***	−64*
	(12)	(18)	(21)	(27)	(34)
Days 2 to 5	−56***	−87***	−169***	−219***	−181***
	(15)	(19)	(26)	(33)	(45)
Days 6 to 20	−11	−59***	−178***	−244***	−262***
	(14)	(22)	(28)	(33)	(49)
Days 21 to 60	13	−50***	−154***	−162***	−171***
	(11)	(18)	(26)	(37)	(51)
Over 60 days	8	14	−30	−60*	−239***
	(10)	(15)	(23)	(33)	(45)

Table IA-21: Watchlisted Stocks When Added, by When They Were Bought

Panel A: Return as if bought on the first feasible day (bps)

	Horizon (trading days)				
	5	20	60	120	180
Bought days 2 to 5 minus day 1	125***	50*	−1	−17	−52
	(18)	(26)	(38)	(48)	(61)
Bought days 6 to 20 minus day 1	360***	475***	357***	282***	139**
	(25)	(31)	(43)	(52)	(66)
Bought days 21 to 60 minus day 1	191***	482***	760***	676***	545***
	(24)	(34)	(49)	(61)	(74)
Bought after day 60 minus day 1	182***	238***	448***	852***	1,047***
	(25)	(32)	(46)	(65)	(77)
Late minus early	207***	391***	496***	552***	519***
	(17)	(21)	(30)	(36)	(47)
Never bought minus early	−45***	−38**	33	55*	40
	(12)	(15)	(21)	(30)	(36)
Observations	1,682,066	1,681,877	1,681,057	1,678,200	1,675,121
# of Investors	9,501	9,501	9,501	9,501	9,501

Note: The table compares watchlisted stocks by when the investor first bought them, from day 1, the first trading day each could be bought: early (the first trading week, days 1 to 5), late (after it), or never. Panel A reports the CH-4 cumulative abnormal return from day 1 net of ten Random market stocks. Panel B reports late minus early in the share of stocks with each tendency at the watchlist addition and the purchase; the transient and persistent rows average four and eleven tendencies. Panel C reports the share of tendencies present at the watchlist addition and still at the purchase. Regressions include investor and day-1 fixed effects. Each watchlist addition is weighted by one over the investor's number of watchlist additions that day and by one over the investor's number of days with any purchase or sale; the day is day 1. Standard errors clustered by investor and by the first day (Panel A) or by investor and by stock (Panel B) are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-21—Continued

Panel B: Tendencies, late minus early purchases (pp)

	At the addition	At the purchase
Abnormal Trading Volume	−3.1***	−13.7***
	(0.6)	(0.5)
Chase Dividend	−0.1	0.1
	(0.1)	(0.1)
Contrarian	0.1	4.7***
	(0.3)	(0.3)
Easy Name	0.9	0.0
	(0.6)	(0.5)
High Dividend	−0.6*	−1.4***
	(0.3)	(0.3)
Local Company	0.3	0.4
	(0.3)	(0.3)
Lottery-Like Stocks	2.0***	6.4***
	(0.7)	(0.6)
Low Price	−1.2***	−1.2***
	(0.4)	(0.4)
Max Return	2.5***	6.4***
	(0.6)	(0.7)
Momentum	2.7***	−12.6***
	(0.6)	(0.5)
Prior Industry Purchase	0.5	11.2***
	(0.5)	(0.6)
Salient Returns	1.7***	4.1***
	(0.5)	(0.7)
Small Cap	−0.5***	−0.4***
	(0.1)	(0.1)
Upper Price-Limit Hit	−1.8***	−18.3***
	(0.5)	(0.5)
Value	−1.4***	−1.3***
	(0.4)	(0.3)
Transient tendencies, mean of four	−0.6*	−10.0***
	(0.3)	(0.3)
Persistent tendencies, mean of eleven	0.4**	2.2***
	(0.2)	(0.1)

Panel C: Tendencies carried at the addition and still carried at the purchase

	Bought	
	Days 1 to 5	Day 6 on
Transient tendencies	89.5%	45.3%
Persistent tendencies	99.1%	83.8%

Table IA-22: Watchlist Additions Against Cold Purchases by Where the Return Window Starts

	Watchlist addition minus		
	(A) Random market	(B) Random watchlist	(C) Cold purchases
Close of the watchlist addition's date	−618***	−73**	105***
	(42)	(32)	(26)
First feasible day	−788***	−234***	−5
	(44)	(37)	(30)

Note: The table reports watchlist additions minus cold (never-watchlisted, or added that day) purchases in CH-4 cumulative abnormal returns, with investor and event-day fixed effects, by where the watchlist addition's window starts: after the watchlist addition date's close, or at the first feasible trading day, with day effects and weights moved to that day. Each event is weighted by one over the investor's number of events of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by event day are reported in parentheses, and the stars are based on them. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-23: Watchlist Additions Against Cold Purchases in Tendencies

		Watchlist additions (%)	Watchlist additions minus cold (pp)
	Cold (%)	First feasible	First feasible
Abnormal Trading Volume	51.3%	58.3%	6.8***
			(0.3)
Chase Dividend	1.1%	1.1%	0.0
			(0.0)
Contrarian	6.7%	4.3%	−2.6***
			(0.2)
Easy Name	14.3%	13.7%	−0.8**
			(0.4)
High Dividend	7.6%	7.4%	−0.3
			(0.2)
Local Company	8.6%	8.3%	−0.2
			(0.1)
Lottery-Like Stocks	39.9%	42.5%	2.3***
			(0.5)
Low Price	10.2%	8.7%	−1.6***
			(0.2)
Max Return	22.6%	23.1%	0.8**
			(0.3)
Momentum	37.2%	50.2%	12.9***
			(0.3)
Prior Industry Purchase	45.3%	35.5%	−0.5**
			(0.2)
Salient Returns	18.1%	19.6%	1.8***
			(0.3)
Small Cap	2.3%	2.1%	0.0
			(0.1)
Upper Price-Limit Hit	25.0%	39.2%	13.7***
			(0.3)
Value	8.5%	7.6%	−1.2***
			(0.3)
Observations	325,394	1,701,880	2,027,274
Observations without 180 trading days of returns	3,374	19,526	—
Observations on a day with no cold purchase		4,960	—

Note: The table reports the shares of watchlist additions and of cold (never-watchlisted, or added that day) first purchases with each tendency, and watchlist additions minus cold in percentage points with investor and event-day fixed effects. A cold purchase's tendencies are measured on the trading day before the purchase. The first-feasible columns read a watchlist addition as if it were bought on its first feasible trading day, with its event day and weight on that day. *Abnormal Trading Volume* and *Chase Dividend* are measured on the event day itself. A cold purchase can raise its own day's volume, and a watchlist addition cannot. Each event is weighted by one over the investor's number of events of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and stock are reported in parentheses. The sample is as in Table 1 (9,501 investors), with all of those investors' watchlist additions. *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-24: Warm Purchases Against Matched Alternatives: Returns, Tendencies and Counts

Panel A: Returns by horizon, CH-4 (bps)

	5	20	60	120	180
With a purchase-day attention tendency					
Against matched alternatives	−147***	−166***	−216***	−274***	−289***
	(15)	(18)	(22)	(28)	(36)
Matched alternatives against all stocks on the watchlist	−90***	−226***	−383***	−426***	−433***
	(14)	(18)	(24)	(31)	(36)
No matched alternative	−208***	−422***	−581***	−651***	−662***
	(26)	(36)	(45)	(63)	(74)
Against all random purchases from the watchlist	−233***	−397***	−596***	−692***	−713***
	(22)	(26)	(28)	(36)	(41)
Cold against random market purchases	−254***	−477***	−731***	−896***	−1,030***
	(25)	(32)	(37)	(46)	(48)
Warm minus cold, against own random purchases	22	79***	134***	204***	317***
	(13)	(21)	(26)	(32)	(36)
Warm minus cold, returns	−22	−79***	−203***	−265***	−283***
	(14)	(19)	(25)	(27)	(34)
Without					
Against matched alternatives	−32***	−78***	−98***	−118***	−150***
	(5)	(10)	(17)	(23)	(29)
Matched alternatives against all stocks on the watchlist	14***	54***	91***	92***	98***
	(5)	(8)	(10)	(13)	(14)
No matched alternative	−262**	−4	422	−128	−111
	(129)	(253)	(395)	(408)	(469)
Against all random purchases from the watchlist	−21**	−24**	−1	−28	−52*
	(8)	(12)	(20)	(23)	(31)
Cold against random market purchases	−36***	−93***	−160***	−303***	−487***
	(6)	(13)	(17)	(22)	(30)
Warm minus cold, against own random purchases	15	69***	158***	276***	435***
	(11)	(17)	(24)	(31)	(40)
Warm minus cold, returns	−3	−12	−36**	−50**	−83***
	(6)	(13)	(18)	(23)	(31)
Difference, with minus without					
Against matched alternatives	−116***	−88***	−118***	−155***	−139***
	(15)	(20)	(29)	(38)	(46)

Note: The table compares warm (watchlisted) first purchases with random purchases from their matched alternatives (defined in Table IA-3) and from the whole watchlist, and cold (never-watchlisted, or added that day) first purchases with random market purchases, in CH-4 returns with investor and purchase-day fixed effects. Panel A groups purchases by a purchase-day attention tendency (also defined there), and Panels D to F by any of the five attention tendencies, *Lottery-Like Stocks* and *Momentum*. Panel H regresses returns net of same-day random market purchases on warm, a sale of another stock in the three trading days before, and their product, Holm-adjusted across 20, 60 and 180 trading days. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day (Panel B: investor and stock) are reported in parentheses (Panel H's stars unadjusted). The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-24—Continued

Panel B: The bought stock's share of each tendency less its benchmark's share (pp)

	Warm, watchlist		Cold, market	
	With	Without	With	Without
Abnormal Trading Volume	71.8***	−16.8***	85.5***	−10.1***
	(0.5)	(0.3)	(0.2)	(0.1)
Chase Dividend	−0.2*	0.0	−0.3***	0.0
	(0.1)	(0.1)	(0.1)	(0.1)
Contrarian	−9.0***	1.1***	−6.9***	1.8***
	(0.2)	(0.3)	(0.2)	(0.3)
Easy Name	0.8	0.9**	3.4***	3.7***
	(0.7)	(0.4)	(1.0)	(0.8)
High Dividend	−2.2***	0.7**	−5.5***	0.2
	(0.3)	(0.3)	(0.4)	(0.6)
Local Company	−0.1	−0.2	0.6***	1.3***
	(0.2)	(0.2)	(0.2)	(0.2)
Lottery-Like Stocks	10.9***	−3.4***	30.0***	11.4***
	(0.9)	(0.6)	(1.2)	(0.9)
Low Price	1.0	0.5	1.8**	−0.2
	(0.8)	(0.3)	(0.7)	(0.4)
Max Return	14.1***	−1.0***	21.5***	2.4***
	(0.8)	(0.4)	(0.9)	(0.3)
Momentum	44.8***	−5.4***	51.4***	−0.1
	(0.6)	(0.4)	(0.6)	(0.3)
Prior Industry Purchase	0.0	1.4***	5.8***	6.2***
	(0.6)	(0.4)	(0.6)	(0.5)
Salient Returns	9.7***	−0.8**	14.3***	0.8***
	(0.8)	(0.3)	(0.8)	(0.3)
Small Cap	−1.9***	−0.6***	−7.2***	−6.1***
	(0.1)	(0.1)	(0.3)	(0.3)
Upper Price-Limit Hit	36.7***	−5.5***	42.8***	−2.8***
	(0.5)	(0.2)	(0.5)	(0.1)
Value	−3.5***	0.2	−4.0***	0.7
	(0.5)	(0.5)	(0.5)	(0.7)

Panel C: Counts

	With	Without
Purchases with no matched alternative	20,929	324
Their share of the group's weight	16.3%	1.4%
Watchlist size, mean	252.8	228.3
Watchlist size, median	138.0	107.0
Share with watchlist of 20 or fewer	10.9%	15.2%
Purchases with a watchlist all of one kind	1,161	2,870
Days on the watchlist, median	4.0	12.0
Watchlist addition carried the tendency	80.7%	39.4%
Warm purchases not sold after 2 trading days	36.7%	56.9%
Warm purchases not sold after 20 trading days	9.1%	19.5%

Panel D: Any of the five attention tendencies, returns by horizon, CH-4 (bps)

	5	20	60	120	180
With any of the five attention tendencies					
Against matched alternatives	−165***	−252***	−353***	−421***	−454***
	(14)	(17)	(19)	(25)	(30)
Matched alternatives against all stocks on the watchlist	−32***	−78***	−135***	−153***	−142***
	(6)	(8)	(12)	(15)	(16)
No matched alternative	−100**	−269***	−291**	−379**	−292
	(41)	(74)	(114)	(157)	(203)

(Continued)

Table IA-24—Continued

Panel D: Any of the five attention tendencies, returns by horizon, CH-4 (bps)

	5	20	60	120	180
Against all random purchases from the watchlist	−194***	−328***	−482***	−569***	−587***
	(17)	(20)	(23)	(30)	(33)
Cold against random market purchases	−216***	−412***	−632***	−799***	−950***
	(20)	(28)	(32)	(39)	(39)
Warm minus cold, against own random purchases	22*	84***	150***	230***	363***
	(12)	(19)	(24)	(29)	(33)
Warm minus cold, returns	−16	−61***	−160***	−210***	−223***
	(12)	(17)	(22)	(24)	(29)
Without					
Against matched alternatives	−23***	−63***	−85***	−92***	−124***
	(6)	(12)	(21)	(27)	(36)
Matched alternatives against all stocks on the watchlist	16***	58***	95***	104***	90***
	(6)	(9)	(13)	(18)	(20)
No matched alternative	12	43	343*	−64	295
	(79)	(99)	(178)	(207)	(260)
Against all random purchases from the watchlist	−7	−3	22	9	−24
	(7)	(13)	(22)	(28)	(37)
Cold against random market purchases	−21***	−62***	−120***	−251***	−420***
	(6)	(10)	(19)	(25)	(36)
Warm minus cold, against own random purchases	14	59***	141***	260***	397***
	(10)	(15)	(27)	(37)	(48)
Warm minus cold, returns	−5	−16	−47**	−64**	−113***
	(6)	(12)	(21)	(30)	(38)
Difference, with minus without					
Against matched alternatives	−142***	−189***	−268***	−329***	−329***
	(15)	(20)	(27)	(36)	(47)
Retained and excluded, with					
Purchases retained	158,058	158,049	157,943	157,555	157,235
Purchases with no matched alternative	1,754	1,754	1,761	1,772	1,784
Weight retained	69.7%	69.7%	69.7%	69.6%	69.6%
Weight with no matched alternative	1.9%	1.9%	1.9%	1.9%	1.9%
Retained and excluded, without					
Purchases retained	47,251	47,243	47,233	47,204	47,144
Purchases with no matched alternative	680	680	681	680	682
Weight retained	27.5%	27.5%	27.5%	27.5%	27.5%
Weight with no matched alternative	0.9%	0.9%	0.9%	0.9%	0.9%

Panel E: Lottery-Like Stocks, returns by horizon, CH-4 (bps)

	5	20	60	120	180
With Lottery-Like Stocks					
Against matched alternatives	−199***	−305***	−442***	−492***	−481***
	(17)	(21)	(24)	(32)	(37)
Matched alternatives against all stocks on the watchlist	−31***	−112***	−250***	−402***	−573***
	(8)	(10)	(13)	(13)	(16)
No matched alternative	−76	−174	−506**	−1,073***	−1,503***
	(97)	(208)	(197)	(194)	(177)
Against all random purchases from the watchlist	−224***	−408***	−685***	−901***	−1,070***
	(23)	(25)	(27)	(33)	(39)
Cold against random market purchases	−255***	−508***	−866***	−1,182***	−1,500***
	(27)	(35)	(35)	(43)	(48)

(Continued)

Table IA-24—Continued

Panel E: Lottery-Like Stocks, returns by horizon, CH-4 (bps)

	5	20	60	120	180
Warm minus cold, against own random purchases	30**	100***	181***	282***	430***
	(14)	(23)	(25)	(34)	(41)
Warm minus cold, returns	−17	−67***	−162***	−204***	−209***
	(14)	(22)	(26)	(30)	(36)
Without					
Against matched alternatives	−76***	−143***	−192***	−239***	−283***
	(9)	(13)	(17)	(23)	(30)
Matched alternatives against all stocks on the watchlist	16***	72***	170***	287***	438***
	(5)	(8)	(11)	(11)	(15)
No matched alternative	−182**	−174	250	561***	971***
	(84)	(135)	(181)	(176)	(233)
Against all random purchases from the watchlist	−63***	−73***	−15	60**	174***
	(11)	(15)	(21)	(25)	(35)
Cold against random market purchases	−85***	−158***	−200***	−249***	−301***
	(9)	(14)	(20)	(25)	(30)
Warm minus cold, against own random purchases	22*	85***	185***	309***	475***
	(12)	(17)	(25)	(29)	(39)
Warm minus cold, returns	3	0	−26	−26	−22
	(6)	(11)	(16)	(22)	(29)
Difference, with minus without					
Against matched alternatives	−123***	−163***	−250***	−253***	−198***
	(15)	(21)	(26)	(34)	(44)
Retained and excluded, with					
Purchases retained	103,960	103,950	103,864	103,481	103,196
Purchases with no matched alternative	1,671	1,671	1,679	1,694	1,711
Weight retained	46.7%	46.7%	46.6%	46.6%	46.5%
Weight with no matched alternative	1.8%	1.8%	1.8%	1.8%	1.8%
Retained and excluded, without					
Purchases retained	101,205	101,197	101,168	101,131	101,029
Purchases with no matched alternative	907	908	907	905	909
Weight retained	50.3%	50.3%	50.4%	50.4%	50.5%
Weight with no matched alternative	1.2%	1.2%	1.2%	1.2%	1.2%

Panel F: Momentum, returns by horizon, CH-4 (bps)

	5	20	60	120	180
With Momentum					
Against matched alternatives	−177***	−239***	−364***	−417***	−454***
	(20)	(26)	(28)	(33)	(42)
Matched alternatives against all stocks on the watchlist	−88***	−189***	−272***	−328***	−334***
	(15)	(20)	(25)	(30)	(39)
No matched alternative	−209***	−410***	−550***	−723***	−751***
	(29)	(44)	(55)	(71)	(80)
Against all random purchases from the watchlist	−255***	−425***	−620***	−742***	−781***
	(27)	(32)	(36)	(43)	(50)
Cold against random market purchases	−304***	−546***	−811***	−1,015***	−1,178***
	(31)	(38)	(45)	(53)	(60)
Warm minus cold, against own random purchases	49***	121***	190***	273***	396***
	(15)	(23)	(27)	(30)	(38)
Warm minus cold, returns	2	−45**	−154***	−203***	−217***
	(16)	(22)	(27)	(27)	(34)

(Continued)

Table IA-24—Continued

Panel F: Momentum, returns by horizon, CH-4 (bps)

	5	20	60	120	180
Without					
Against matched alternatives	−63***	−130***	−195***	−220***	−231***
	(6)	(11)	(16)	(22)	(28)
Matched alternatives against all stocks on the watchlist	15**	46***	72***	80***	81***
	(6)	(9)	(11)	(12)	(14)
No matched alternative	−173	−60	762**	479	605
	(123)	(207)	(323)	(348)	(419)
Against all random purchases from the watchlist	−50***	−84***	−113***	−133***	−142***
	(8)	(13)	(19)	(24)	(30)
Cold against random market purchases	−63***	−151***	−260***	−386***	−540***
	(7)	(16)	(20)	(24)	(30)
Warm minus cold, against own random purchases	13	67***	147***	253***	398***
	(11)	(16)	(23)	(31)	(37)
Warm minus cold, returns	−8	−24**	−74***	−100***	−129***
	(6)	(12)	(16)	(22)	(27)
Difference, with minus without					
Against matched alternatives	−114***	−109***	−169***	−198***	−222***
	(19)	(28)	(31)	(38)	(52)
Retained and excluded, with					
Purchases retained	87,062	87,062	87,033	86,806	86,569
Purchases with no matched alternative	18,085	18,085	18,088	18,108	18,126
Weight retained	36.8%	36.8%	36.8%	36.8%	36.7%
Weight with no matched alternative	7.8%	7.8%	7.8%	7.8%	7.8%
Retained and excluded, without					
Purchases retained	102,229	102,212	102,131	101,929	101,783
Purchases with no matched alternative	367	367	366	368	367
Weight retained	54.8%	54.8%	54.8%	54.8%	54.8%
Weight with no matched alternative	0.6%	0.6%	0.6%	0.6%	0.6%

Panel G: Purchases with an unobserved tendency, counted as not carrying it

	Purchases
Abnormal Trading Volume	3
Easy Name	270
Lottery-Like Stocks	183
Max Return	646
Momentum	1,983
Salient Returns	3,094
Upper Price-Limit Hit	183

Panel H: First purchases after a sale of another stock, CH-4 (bps)

	Horizon (trading days)				
	5	20	60	120	180
Warm	−8	−37**	−104***	−107***	−110**
	(12)	(18)	(26)	(37)	(47)
Sale of another stock	−39***	−51***	−42**	−46*	−5
	(8)	(12)	(18)	(24)	(32)
Warm × sale	−17	−29*	−63**	−107***	−126**
	(12)	(18)	(27)	(39)	(50)
Holm-adjusted p, warm × sale		0.099	0.039		0.038
Observations	532,092	532,023	531,639	530,541	529,597

Table IA-25: Warm Minus Cold for Stocks Added on a Limit-Up Close and Others

Panel A: Stocks added on a limit-up close, 180 trading days (bps)

	Warm minus cold	List	Pick	Remainder	Weight share
Raw	−697***	−943***	98**	148***	
	(51)	(51)	(45)	(17)	
Market-adj.	−722***	−945***	97**	126***	
	(50)	(52)	(45)	(14)	
CAPM	−768***	−1,032***	142***	121***	
	(50)	(56)	(46)	(15)	
CH-4	−681***	−620***	−68*	7	
	(52)	(43)	(38)	(10)	
DGTW	−679***	−673***	−74*	68***	
	(53)	(46)	(40)	(10)	
Weight share of the group (CH-4)					36.3%

Panel B: Other watchlist additions, 180 trading days (bps)

	Warm minus cold	List	Pick	Remainder	Weight share
Raw	81***	−667***	832***	−84***	
	(27)	(32)	(45)	(11)	
Market-adj.	94***	−668***	834***	−72***	
	(26)	(32)	(45)	(12)	
CAPM	59**	−735***	866***	−72***	
	(27)	(36)	(49)	(13)	
CH-4	53*	−533***	590***	−3	
	(27)	(23)	(37)	(8)	
DGTW	129***	−448***	620***	−43***	
	(28)	(26)	(40)	(10)	
Weight share of the group (CH-4)					63.7%

Panel C: Limit-up minus other watchlist additions, CH-4, 180 trading days (bps)

	Investor's day	Tendencies held	No Lottery-Like Stocks
Limit-up close on the add day	−459***	−333***	−330***
	(94)	(37)	(50)

Panel D: Limit-up watchlist additions against same-day limit-up stocks, CH-4, 180 trading days (bps)

		Trading days since the first feasible day		
	All	Days 1 to 5	Day 6 on	Late minus early
Against the same day's limit-up stocks	−952***	−721***	−1,235***	−515***
	(49)	(67)	(50)	(75)
Against random market purchases	−1,465***	−1,387***	−1,561***	−174
	(72)	(108)	(58)	(107)
Same day's limit-up stocks against random market purchases	−513***	−666***	−325***	341***
	(38)	(58)	(24)	(53)
Observations	86,559	44,404	42,155	
Investors	7,104	5,898	5,818	
Mean size of the limit-up set	90.2	90.2	90.2	

Note: The table decomposes in Panels A and B warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases into the *list*, the *pick* and the *remainder* for stocks added on a limit-up close and other watchlist additions, with investor and purchase-day fixed effects; the last row is the group's weight share. Panel C compares warm purchases of limit-up watchlist additions with those of other watchlist additions, each net of same-day random market purchases, within the investor's purchase day, with the other add-day tendencies held, and without *Lottery-Like Stocks*. Panel D compares them with stocks that closed at the limit on the add date, bought the same day, by days from the first feasible day. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. Figure 4 plots the CH-4 rows of Panels A to C. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-26: Warm Purchases of Limit-Up Watchlist Additions with the Other Tendencies Held

Panel A: One regression, CH-4 (bps)

	All warm purchases, trading days			Other than Lottery-Like Stocks, trading days		
	20	60	180	20	60	180
Added on a limit-up close	−172***	−266***	−333***	−181***	−294***	−330***
	(19)	(24)	(37)	(21)	(29)	(50)
Abnormal Trading Volume	−96***	−171***	−247***	−93***	−154***	−235***
	(19)	(26)	(40)	(21)	(30)	(50)
Chase Dividend	86	253***	565***	−16	160	399**
	(60)	(94)	(193)	(57)	(111)	(187)
Contrarian	−44	−142***	−287***	−25	−82	−148
	(28)	(50)	(90)	(32)	(58)	(115)
Easy Name	−33	−76**	76	40	50	321***
	(26)	(35)	(57)	(27)	(38)	(66)
High Dividend	−27	−101**	−340***	−7	−85**	−425***
	(24)	(39)	(63)	(26)	(40)	(71)
Local Company	28	65**	81	46*	45	−15
	(20)	(32)	(59)	(27)	(38)	(71)
Lottery-Like Stocks	−197***	−477***	−1,121***			
	(20)	(28)	(41)			
Low Price	166***	−40	−101	88*	−78	80
	(55)	(57)	(73)	(53)	(61)	(92)
Max Return	−105***	−192***	−163***	−49*	−100***	−251***
	(25)	(32)	(44)	(29)	(38)	(63)
Momentum	−115***	−154***	−147***	−66***	−86***	−47
	(23)	(33)	(44)	(23)	(33)	(59)
Prior Industry Purchase	−2	88***	399***	18	97***	398***
	(16)	(24)	(36)	(18)	(27)	(47)
Salient Returns	0	−62*	−171***	−7	−49	−34
	(23)	(33)	(50)	(27)	(37)	(77)
Small Cap	108**	349***	1,385***	36	114	574***
	(50)	(72)	(140)	(57)	(74)	(131)
Value	−204***	−542***	−839***	−125***	−351***	−632***
	(37)	(59)	(79)	(34)	(53)	(83)
Observations	204,437	204,336	203,617	114,580	114,555	114,423

Note: The table regresses, in Panel A, warm purchases' CH-4 abnormal returns, net of ten same-day random market purchases, on the limit-up close and the tendencies measured at the watchlist addition, with investor and purchase-day fixed effects, on all warm purchases and without *Lottery-Like Stocks*; *Upper Price-Limit Hit* gives way to the limit-up close. Panel B gives warm (watchlisted) minus cold (never-watchlisted, or added that day) first purchases, with the same fixed effects but not net of random purchases, for all warm purchases and by limit-up addition and *Lottery-Like Stocks* at the watchlist addition, each group's gap being its weighted mean warm return minus the common cold term; its last rows subtract other stocks from *Lottery-Like Stocks* within limit-up and other additions, and their difference. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-26—Continued

Panel B: The warm-cold gap by limit-up close and Lottery-Like Stocks at the watchlist addition, CH-4 (bps)

	Horizon (trading days)				
	5	20	60	120	180
All warm purchases	−21**	−62***	−149***	−191***	−213***
	(9)	(12)	(16)	(19)	(23)
Added on a limit-up close					
Lottery-Like Stocks	−241***	−475***	−913***	−1,162***	−1,303***
	(42)	(50)	(63)	(68)	(71)
Other stocks	−44*	−132***	−214***	−223***	−65
	(23)	(27)	(33)	(39)	(49)
Not added on a limit-up close					
Lottery-Like Stocks	−19*	−102***	−310***	−516***	−774***
	(12)	(19)	(26)	(31)	(43)
Other stocks	88***	173***	304***	426***	505***
	(11)	(16)	(22)	(27)	(33)
Lottery-Like Stocks minus other stocks					
Added on a limit-up close	−196***	−343***	−698***	−938***	−1,238***
	(38)	(45)	(65)	(73)	(77)
Not added on a limit-up close	−108***	−274***	−614***	−942***	−1,279***
	(15)	(22)	(30)	(36)	(51)
Difference between the two	−89**	−69*	−84	3	41
	(34)	(41)	(63)	(73)	(88)

Table IA-27: Warm Purchases by the Reason at the Watchlist Addition and Time on the Watchlist

Panel A: Against the own watchlist, by the reason at the addition (bps)

	Trading days since the first feasible day		
	Days 1 to 5	Day 6 on	Late minus early
Own announcement	558***	−192	−750***
	(209)	(177)	(281)
Limit-up close	−807***	−948***	−141*
	(68)	(56)	(81)
Both	−839***	−991***	−152
	(198)	(194)	(246)
Neither	−119***	−266***	−147***
	(38)	(39)	(51)
Announcement minus limit-up	1,364***	756***	−609**
	(221)	(181)	(293)

Panel B: The pick, by the reason at the addition (bps)

	Trading days since the first feasible day		
	Days 1 to 5	Day 6 on	Late minus early
Own announcement	1,336***	586***	−750***
	(214)	(177)	(281)
Limit-up close	−29	−170***	−141*
	(60)	(58)	(81)
Both	−61	−213	−152
	(192)	(196)	(246)
Neither	659***	512***	−147***
	(43)	(45)	(51)
Announcement minus limit-up	1,364***	756***	−609**
	(221)	(181)	(293)

Note: The table reports CH-4 returns over 180 trading days of warm (watchlisted) first purchases by the reason at the watchlist addition, with investor and purchase-day fixed effects. A stock was added on its own announcement if an earnings release or another announcement after 20 quiet days fell on the watchlist addition's last trading day or preceded a non-trading-day watchlist addition, and on a limit-up close if it closed at its upper price limit that day. The *pick* also nets the cold (never-watchlisted, or added that day) purchases' mean. After-close watchlist additions are observed only on non-trading days; Panel E's fourth row adds trading-day watchlist additions observed only after 15:00. Panel E's first estimate at 180 trading days is the test fixed before full-sample estimation. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-27—Continued

Panel C: CH-4 against the market, warm class minus cold purchases (bps)

	Trading days since the first feasible day		
	Days 1 to 5	Day 6 on	Late minus early
Own announcement	399*	−19	−418
	(211)	(178)	(284)
Limit-up close	−767***	−726***	41
	(71)	(58)	(90)
Both	−907***	−1,132***	−225
	(264)	(172)	(310)
Neither	58	5	−53
	(36)	(40)	(49)
Announcement minus limit-up	1,166***	706***	−459
	(226)	(179)	(301)

Panel D: Against the own watchlist, by days from the first feasible day (bps)

	Trading days since the first feasible day				
	First feasible day	2 to 5	6 to 20	21 to 60	Over 60
Own announcement	654**	403	−139	−38	−444*
	(257)	(403)	(323)	(250)	(232)
Limit-up close	−667***	−967***	−1,075***	−1,031***	−671***
	(90)	(84)	(92)	(87)	(94)
Announcement minus limit-up	1,321***	1,370***	936***	993***	227
	(284)	(425)	(325)	(267)	(245)

Panel E: Late minus early, announcement minus limit-up (bps)

	Horizon (trading days)				
	5	20	60	120	180
CH-4 against the market, by the definition of an announcement					
Earnings releases and other announcements	−252***	−334***	−474***	−789***	−459
	(66)	(94)	(133)	(201)	(301)
Earnings releases only	−245***	−345***	−483***	−790***	−375
	(72)	(99)	(153)	(236)	(334)
Announcement on the addition's own trading day only	−257***	−339***	−511***	−847***	−545*
	(71)	(96)	(145)	(217)	(325)
Also additions inferred after the close	−252***	−332***	−469***	−782***	−446
	(66)	(94)	(132)	(198)	(299)
Investors in the first row's four classes					
Announcement, days 1 to 5					1,312
Announcement, day 6 on					1,208
Limit-up, days 1 to 5					5,584
Limit-up, day 6 on					5,410
Warm purchases against the own watchlist					
No tendencies held	−217***	−339***	−311**	−263	−283
	(74)	(110)	(140)	(215)	(284)
The 15 tendencies held	−187***	−276***	−261*	−253	−307
	(70)	(106)	(136)	(214)	(281)
CH-4 against the market					
No tendencies held	−222***	−343***	−322**	−225	−178
	(75)	(110)	(140)	(223)	(289)

(Continued)

Table IA-27—Continued

Panel E: Late minus early, announcement minus limit-up (bps)

	Horizon (trading days)				
	5	20	60	120	180
The 15 tendencies held	−190***	−277***	−266*	−211	−203
	(70)	(105)	(136)	(221)	(283)

Panel F: Warm purchases by the reason at the addition

	Trading days since the first feasible day		
	Days 1 to 5	Day 6 on	All
Warm purchases			
Own announcement	1,655	1,638	3,293
Limit-up close	40,365	37,298	77,663
Both	1,619	1,380	2,999
Neither	53,098	58,513	111,611
Undefined	5,908	7,984	13,892
All	102,645	106,813	209,458
Share of warm purchases			
Own announcement	1.6%	1.5%	1.6%
Limit-up close	39.3%	34.9%	37.1%
Both	1.6%	1.3%	1.4%
Neither	51.7%	54.8%	53.3%
The after-close rules			
Additions on non-trading days	—	—	30,628
Purchases the non-trading-day rule moves	—	—	654
Additions inferred after the close	—	—	21,097
Purchases the inferred rule moves	—	—	45
Observations	—	—	528,842
# of Warm Purchases	—	—	206,845
# of Cold Purchases	—	—	321,997
# of Investors	—	—	9,476

Table IA-28: Late Warm Minus Cold, Recent Limit-Up Closes, and Same-Day Limit-Up Stocks

Panel A: The warm–cold gap, early and late, beside the time since the stock's last limit-up close (bps)

	(1) Fifteen tendencies held	(2) Fifteen tendencies and days since the last limit-up close
Early warm purchase (days 1 to 5 from the first feasible day)	−20	−14
	(28)	(28)
Late warm purchase (day 6 on)	−160***	−174***
	(31)	(31)
Last limit-up close 1 to 5 trading days before		52
		(63)
Last limit-up close 6 to 20 trading days before		266***
		(57)
Last limit-up close 21 to 60 trading days before		145***
		(46)
Last limit-up close 61 to 120 trading days before		−143***
		(47)
15 tendencies	✓	✓
Observations	528,842	528,842
# of Warm Purchases	206,845	206,845
# of Early Warm Purchases	101,057	101,057
# of Late Warm Purchases	105,788	105,788
# of Investors	9,476	9,476
# of Warm Purchases, last limit-up close 1 to 5 trading days before		102,046
# of Warm Purchases, last limit-up close 6 to 20 trading days before		39,279
# of Warm Purchases, last limit-up close 21 to 60 trading days before		26,003
# of Warm Purchases, last limit-up close 61 to 120 trading days before		13,583
# of Warm Purchases, over 120 trading days, or none (omitted)		25,934
Investor fixed effects	✓	✓
Purchase-day fixed effects	✓	✓

Note: The table regresses, in Panels A and B, CH-4 abnormal returns over 180 trading days, net of same-day random market purchases, on early (the first trading week from the first feasible day) and late warm (watchlisted) dummies over warm and cold (never-watchlisted, or added that day) first purchases. Panel A adds bands of days since the last limit-up close; Panel B keeps stocks whose limit-up run setting *Lottery-Like Stocks* ended at most 19 trading days before. Panel C compares warm purchases of limit-up watchlist additions with other stocks closing at the limit that day, bought the same day, and with random market purchases. Panel D gives the first comparison's late rows and late minus early by adjustment. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses, none where under 50 investors contribute. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-28—Continued

Panel B: The warm–cold gap among purchases within 20 trading days of a limit-up run (bps)

	(1)	(2)
Early warm purchase (days 1 to 5 from the first feasible day)	−61	−2
	(51)	(49)
Late warm purchase (day 6 on)	−335***	−400***
	(67)	(68)
15 tendencies		✓
Observations	102,266	102,266
# of Warm Purchases	49,126	49,126
# of Early Warm Purchases	27,935	27,935
# of Late Warm Purchases	21,191	21,191
# of Investors	6,486	6,486
# of Investors, warm	5,653	5,653
# of Investors, cold	6,039	6,039
# of Investors, early warm	4,963	4,963
# of Investors, late warm	4,374	4,374
Investor fixed effects	✓	✓
Purchase-day fixed effects	✓	✓

Panel C: Warm purchases of limit-up watchlist additions by horizon, CH-4 (bps)

	Horizon (trading days)				
	5	20	60	120	180
All purchases					
Against the same day's limit-up stocks	−197***	−342***	−596***	−805***	−952***
	(27)	(33)	(35)	(38)	(49)
Against random market purchases	−298***	−601***	−1,018***	−1,301***	−1,465***
	(41)	(49)	(57)	(65)	(72)
Same day's limit-up stocks against random market purchases	−100***	−259***	−423***	−495***	−513***
	(16)	(21)	(30)	(38)	(38)
Late minus early					
Against the same day's limit-up stocks	−10	−155***	−202***	−280***	−515***
	(32)	(46)	(50)	(57)	(75)
Against random market purchases	79*	67	107	85	−174
	(47)	(62)	(68)	(86)	(107)
Same day's limit-up stocks against random market purchases	89***	222***	310***	365***	341***
	(22)	(27)	(35)	(50)	(53)

Panel D: Against the same day's limit-up stocks, by adjustment (bps)

	Horizon (trading days)				
	5	20	60	120	180
Day 6 on					
Raw	−203***	−441***	−755***	−1,098***	−1,325***
	(21)	(29)	(35)	(39)	(53)
Market-adj.	−203***	−442***	−755***	−1,100***	−1,328***
	(21)	(29)	(34)	(39)	(53)
CAPM	−207***	−448***	−765***	−1,135***	−1,396***
	(22)	(28)	(34)	(38)	(55)
CH-4	−203***	−428***	−707***	−960***	−1,235***
	(21)	(27)	(32)	(37)	(50)

(Continued)

Table IA-28—Continued

Panel D: Against the same day's limit-up stocks, by adjustment (bps)

	Horizon (trading days)				
	5	20	60	120	180
DGTW	−183***	−390***	−630***	−868***	−1,043***
	(21)	(26)	(32)	(36)	(47)
Late minus early					
Raw	4	−128***	−195***	−254***	−372***
	(31)	(46)	(40)	(49)	(64)
Market-adj.	4	−129***	−194***	−253***	−371***
	(31)	(46)	(40)	(49)	(64)
CAPM	2	−137***	−205***	−289***	−421***
	(31)	(46)	(40)	(50)	(64)
CH-4	−10	−155***	−202***	−280***	−515***
	(32)	(46)	(50)	(57)	(75)
DGTW	−7	−165***	−207***	−265***	−435***
	(30)	(48)	(43)	(51)	(70)

Table IA-29: Limit-Up Watchlist Additions by the Add Day's Trading Condition and the Wait

Panel A: Warm minus same-day cold purchases, by the limit-up addition day (bps)

	Warm purchases		
	All	Bought days 1 to 5	Bought day 6 on
One-price limit-up day (could not be bought that day)	−730***	−648***	−810***
	(141)	(208)	(200)
Limit-up day that traded below the limit at some point	−307***	−122	−578***
	(75)	(108)	(107)
One-price minus traded	−376***	−617***	−123
	(107)	(161)	(158)
Warm and cold purchases in the fit, one-price day	8,436	4,429	4,072
Warm and cold purchases in the fit, traded day	39,356	21,270	19,191
Warm purchases, limit-up day unresolved	647	299	348

Panel B: All limit-up watchlist additions, by trading days from the first feasible day (bps)

	Warm purchases
	All
Bought on the first feasible day (day 1)	−169
	(125)
Bought days 2 to 5	−266
	(164)
Bought days 6 to 20	−634***
	(177)
Bought days 21 to 60	−588***
	(189)
Bought day 61 on	−588***
	(155)
Warm and cold purchases in the fit, day 1	14,683
Warm and cold purchases in the fit, days 2 to 5	11,466
Warm and cold purchases in the fit, days 6 to 20	9,052
Warm and cold purchases in the fit, days 21 to 60	6,436
Warm and cold purchases in the fit, day 61 on	8,194

Note: The table reports CH-4 abnormal returns over 180 trading days of warm (watchlisted) first purchases of stocks added on a day they closed at the upper price limit, minus same-day cold (never-watchlisted, or added that day) first purchases, with investor and purchase-day fixed effects on investor-days holding both. A one-price limit-up day opened, stayed and closed at the limit, so the stock could not be bought that day; on a traded limit-up day the stock traded below the limit at some point. Panel A's columns and Panel B's rows group purchases by trading days since the stock's first feasible day after the watchlist addition (day 1); Panel B pools every limit-up addition. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by purchase day are reported in parentheses, and none where under 50 investors contribute. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-30: Stocks Bought Late and Early, Measured from the Purchase and from the First Feasible Day

Panel A: Returns from the purchase: late-bought minus early-bought stocks (bps)

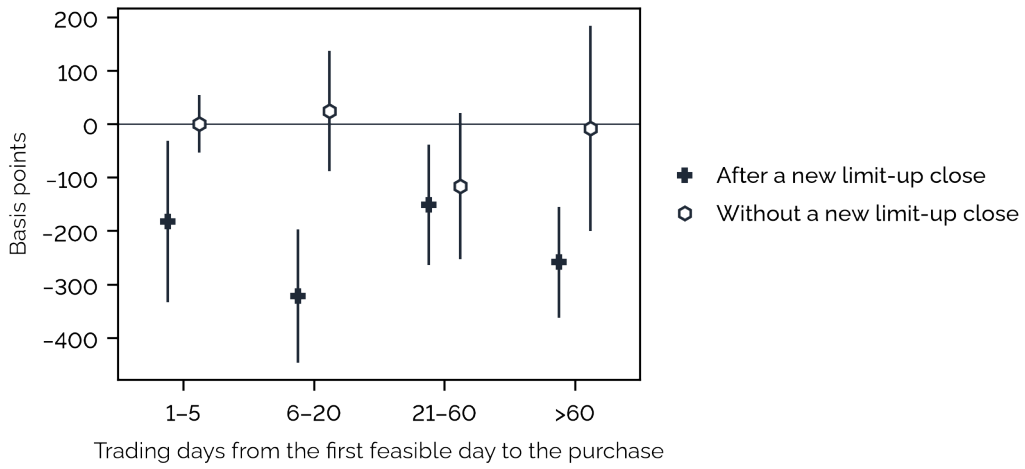
	Horizon (trading days)		
	20	60	180
Late minus early	44.0	2.2	−160.4
	(21.6)	(26.8)	(45.9)
Investors	8,030	8,026	8,019
Observations	207,294	207,188	206,438

Panel B: Returns from the first feasible day over 180 trading days: late-bought minus early-bought stocks (bps)

	Never-bought watchlist additions kept	Never-bought watchlist additions left out
Before the purchase	365.5***	484.9***
	(44.6)	(35.1)
After the purchase	153.4***	35.0
	(50.9)	(45.4)
Total	518.9***	519.9***
	(47.1)	(43.6)
Before the purchase, share of the total	70%	93%
Investors	8,456	8,015
Observations	1,675,121	206,392

Note: The table compares watchlisted stocks first bought late (trading day 6 on from the first feasible day) with those bought early (days 1 to 5), in CH-4 cumulative abnormal returns net of ten random market stocks drawn on the day each window starts. Panel A measures from each stock's purchase (investor and purchase-day fixed effects); it carries no stars, because its tests at 20, 60 and 180 trading days use Holm-adjusted p-values and the test at 180 trading days is one of three. Panel B measures 180 trading days from the first feasible day (investor and first-feasible-day fixed effects) and divides late minus early at the purchase; its first column keeps never-bought watchlist additions. Each watchlist addition is weighted by one over the investor's number of watchlist additions that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day (Panel A) or first feasible day (Panel B) are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Figure IA-9: Warm Minus Cold by Delay, with and without Any Later Limit-Up Close



Note: The figure repeats Figure 5 with a new limit-up close counted as any limit-up close between the first feasible day and the purchase, including closes that continue a run begun on the watchlist-addition day. Filled crosses are warm purchases after such a close and hollow hexagons those without one, each as warm minus cold in CH-4 abnormal returns over 180 trading days; lines are 95% intervals. The regression, standard errors and weights are as in Figure 5. The sample is as in Table 1 (9,501 investors).

IA-IV. The Alternatives and Their Parts of the Gap

News readings and reference prices describe buying but account for none of the warm–cold gap, while the hot list accounts for part, as Section 6 shows. These exhibits vary the reading measures, price comparisons, attention episodes and return specifications behind that accounting; the whole-gap decomposition remains Table 7. Unless stated otherwise, return comparisons use CH-4 abnormal returns over 180 trading days, investor and purchase-day fixed effects, and standard errors clustered by investor and purchase day; cold purchases include stocks never watchlisted or added on the purchase day.

The comparison of news readings by investor state in Table 8 distinguishes investors who follow a stock from those who own it. Owners' announcement-week news-reading rate changes by 8.82 percentage points relative to neutral investors, with stock-day fixed effects (Table IA-31, Panel A). The table varies weights, news sign and the pre-announcement comparison and reports reaction-day buying; the Main accounting separately finds that news readings account for none of the warm–cold gap.

The pre-purchase news readings in Table 8 can be located along the calendar path around a trade. Investors have a news reading of the stock on the preceding day for 0.7 percent of warm purchases in the longest-delay group (Figure IA-10). The warm and cold profiles distinguish acquisition before purchase from the return accounting, in which news readings account for none of the warm–cold gap.

The association between news readings and choosing from the watchlist in Table 8 need not imply a higher purchase return. Investors' warm-purchase return relative to random purchases from their watchlists has an insignificant slope of −102 basis points per unit of logarithmic news readings net of the alternatives' news readings, with standard error 149 basis points, among news readers in CH-4-adjusted returns over 180 trading days (Table IA-32, Panel B). The placebo-watchlist comparison supplies a separate reference for the choice association.

The within-watchlist price comparison in Table 8 can be compared with the placebo watchlist constructed for a cold purchase. Investors' difference in the slope change at the add price is −2.12 log odds for warm choice minus placebo-watchlist choice (Table IA-33, Panel B). The references enter in turn alongside the local specifications, separating the choice association from the near-zero reference-price contribution in the Main return accounting.

The comparison in Table 8 relates investors' choice to how often a stock beat its list-mates while on the watchlist: the conditional-logit estimate indicates a lower chance of choice where the prediction was a higher one, and the comparison has a return counterpart. Investors' return relative to random purchases from their watchlists has an insignificant slope of 148 basis points per unit of the share of followed days beating list-mates, with standard error 120 basis points in CH-4-adjusted returns over 180 trading days (Table IA-34, Panel C). The table retains the choice specifications and estimator differences rather than treating their signs as a common mechanism verdict.

The reference-price accounting in Table 8 is complemented by returns at crossings and new extremes. Investors make 0.8 percent of warm purchases in the longest-delay band at a new low

since watchlist addition (Table IA-35, Panel D). The table compares the return positions and the gap by delay on that sample; it does not locate the band gaps in new-low purchases.

Followers buy more frequently than comparable non-followers before an earnings release, and the release narrows that difference. In the pre-release comparison week, followers' first-purchase rate is 0.105 percentage points per trading day, against 0.003 for non-followers (Table IA-36, Panel A). On the release day and the following trading day, their excess rate falls by 0.034 percentage points per trading day (standard error 0.004) relative to the pre-release comparison week, leaving a follower-minus-non-follower level difference of 0.061 percentage points per trading day, with stock-by-day and investor-by-day fixed effects (Table IA-36, Panel A). Around a renewed upper-limit hit, followers' excess first-purchase rate increases by 0.097 percentage points per trading day (standard error 0.006) relative to non-followers and the pre-event difference, with stock-by-day and investor-by-day fixed effects (Table IA-36, Panel B). The conditional-logit coefficient is −1.21 log odds (standard error 0.04), measuring the change in relative purchase odds within the stock-day (Table IA-36, Panel F). Non-followers begin with a much lower purchase rate, so the additive rate difference and relative-odds change are different estimands. Figure IA-11 draws the daily responses; the Main return comparison evaluates purchases after a new limit-up close separately.

The hot-list comparison complements the attention-episode evidence in Section 6. Table IA-38 compares followers who added a stock while it was on the hot list with followers who added it while it was not, at the stock's re-entry, using all screened investors with a watchlist addition, on dates with an archived hot list. The buying contrast does not provide evidence of a stronger response for the former group; the study also retains the purchase-return comparison, keeping the display association distinct from the Main accounting for purchases after a new limit-up close.

The calendar-wait comparison alongside Figure 5 varies time before the first feasible day separately from trading days waited afterward. Calendar waiting is not estimated precisely enough to establish a return difference. The estimated underperformance of warm purchases after the longest holiday closure relative to warm purchases after the shortest calendar wait is not statistically detected (longest closure minus shortest wait: −56 basis points), with the confidence interval from −317 basis points to 206 basis points, in CH-4 returns over 180 trading days net of same-day random market purchases, holding trading days waited after the first feasible day fixed (Table IA-39 of the Internet Appendix, Panel A). This estimate does not establish either a difference or equal returns. The calendar comparison is distinct from the within-band comparison of purchases after a new limit-up close. The table varies closures, whether the stock was added on a limit-up close, and balance comparisons.

The comparison following a new limit-up close in Figure IA-9 separates purchases after a new limit-up close from purchases without a new limit-up close. Investors' late purchases after a new limit-up close underperform those without a new limit-up close by 217 basis points, within delay bands, each relative to cold purchases, net of same-day random market purchases and holding tendencies fixed in CH-4-adjusted returns over 180 trading days (Table IA-40, Panel A). The comparison uses the earlier indicator, which includes continuation closes; the table retains early comparisons, band contributions and the alternative starting day for the earlier indicator.

Table IA-41 varies the pre-purchase reading window and supports Section 6's warm–cold comparison with all purchase-day readings excluded. The additional day rows are the preceding calendar day and the earlier pre-purchase interval; they are descriptive buying comparisons, not parts of the return gap.

The reading measures differ in which observations precede the purchase. The new warm–cold comparison uses the calendar week ending on the day before purchase and excludes all purchase-day readings. The earlier purchase-level measure includes that calendar week and readings before its purchase-day pre-open cutoff, whereas the reading block in Table 7 uses the preceding trading day and readings before its own purchase-day pre-open cutoff. The within-watchlist choice measure uses readings after watchlist addition through the preceding trading day, assigns each reading to the first trading day whose market close follows it, and excludes readings assigned to the purchase day.

Table IA-42 varies the return horizon in the comparison of late purchases after a new limit-up close with late purchases without a new limit-up close, holding the delay band, documented tendencies and the run-up since the first feasible day fixed, excluding continuation closes and using a common pool of cold purchases. It supports Section 6's further-underperformance result in CH-4 returns net of same-day random market purchases over 180 trading days, one of three horizons tested; the table also displays the other tested horizons.

Table IA-31: News Readings and Buying a Stock Around Its Earnings Announcement, by Investor State

Panel A: News readings of the stock, week before and announcement week (pp)

	Investor-day weights			
	Before	After	Change	Change
Followed	0.169***	0.385***	0.216***	0.172**
	(0.031)	(0.058)	(0.066)	(0.068)
Owned	5.919***	14.735***	8.815***	9.721***
	(0.582)	(0.875)	(0.844)	(0.800)
Owned minus followed	5.750***	14.350***	8.599***	9.549***
	(0.574)	(0.866)	(0.840)	(0.823)
Stock × day fixed effects	Yes	Yes	Yes	Yes
Investor fixed effects	No	No	No	Yes
Neutral mean	0.059	0.124	0.064	0.064
Observations	948,598	948,598	948,598	948,222

Panel B: Panel A with row weights (pp)

	Row weights			
	Before	After	Change	Change
Followed	0.081***	0.100***	0.019	0.073***
	(0.009)	(0.012)	(0.013)	(0.021)
Owned	3.917***	11.504***	7.587***	7.839***
	(0.262)	(0.494)	(0.454)	(0.464)
Owned minus followed	3.836***	11.404***	7.568***	7.766***
	(0.261)	(0.494)	(0.454)	(0.463)
Stock × day fixed effects	Yes	Yes	Yes	Yes
Investor fixed effects	No	No	No	Yes
Neutral mean	0.015	0.035	0.020	0.020
Observations	948,598	948,598	948,598	948,222

Note: The table reports linear probability regressions on the investor's state in a stock around its earnings announcement, against *neutral investors*. The outcome is a news reading of the stock in the week before and the week of the announcement, under investor-day weights (Panel A) and row weights (Panel B), and a first purchase on the reaction day (day 0) under both (Panels C and D); Panel D separates good from bad news and adds days without an announcement. The states, neutral investors, weights, day 0, windows and good news are defined in Table IA-3. Stock × day fixed effects are included, with investor fixed effects where marked. Standard errors clustered by investor and by stock are reported in parentheses. The sample consists of investor-stock announcements and first purchases of Chinese A-share common stocks (Shanghai, Shenzhen, ChiNext, and STAR) from October 2024 to November 2025, excluding stocks with fewer than 252 trading days of history or under an exchange trading-status flag (ST/*ST/PT) on the reaction day, and restricted to the 9,501 investors with at least one warm (watchlisted) and one never-watchlisted purchase. *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-31—Continued

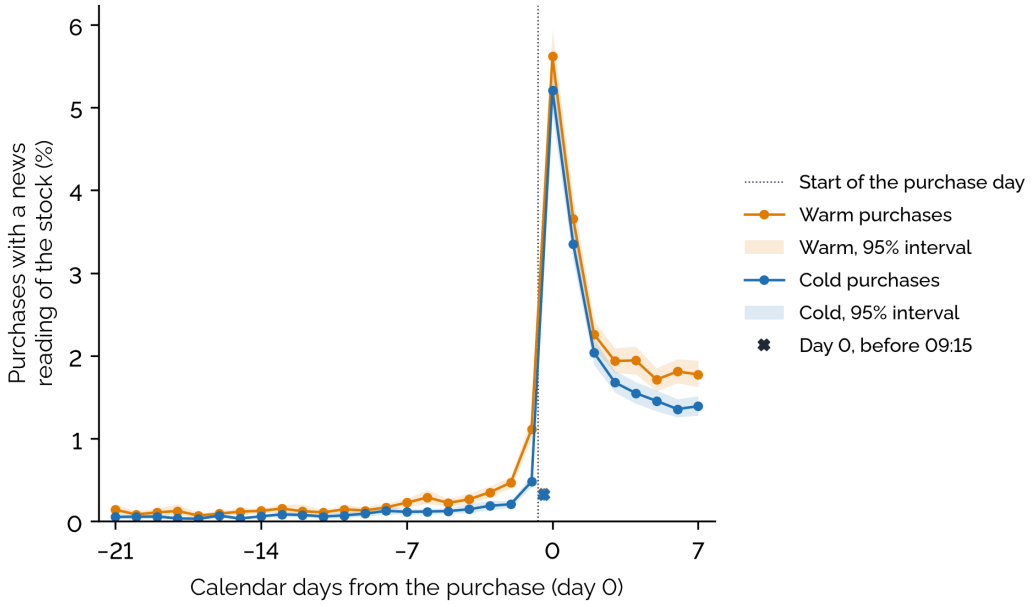
Panel C: First purchase on the reaction day (pp)

	Investor-day weights		Row weights	
	Purchase	Purchase	Purchase	Purchase
Followed	0.100***	0.131***	0.067***	0.095***
	(0.017)	(0.019)	(0.006)	(0.009)
Stock × day fixed effects	Yes	Yes	Yes	Yes
Investor fixed effects	No	Yes	No	Yes
Neutral mean	0.021	0.021	0.007	0.007
Observations	941,654	941,267	941,654	941,267

Panel D: First purchase by followers against days without an announcement (pp)

	Purchase
Investor-day weights	
Followed, good news	0.127***
	(0.026)
Followed, bad news	0.078***
	(0.024)
Followed, no announcement	0.126***
	(0.019)
Good minus bad, absolute size	−0.047
	(0.051)
Observations	1,651,062
Row weights	
Followed, good news	0.073***
	(0.009)
Followed, bad news	0.062***
	(0.008)
Followed, no announcement	0.069***
	(0.006)
Good minus bad, absolute size	−0.003
	(0.016)
Observations	1,651,062

Figure IA-10: News Readings of the Bought Stock by Calendar Day Around a First Purchase



		Read on the day before (%)			Read before 09:15 that day (%)
	Purchases	Share	Low	High	Share
First feasible day	30,754	1.83%	1.58%	2.12%	0.48%
Days 2 to 5	24,860	1.42%	1.07%	1.80%	0.35%
Days 6 to 20	22,695	0.98%	0.77%	1.22%	0.28%
Days 21 to 60	21,954	0.55%	0.40%	0.70%	0.24%
Over 60 days	32,316	0.65%	0.48%	0.84%	0.26%

Note: The figure plots the percent of warm (watchlisted) and cold (never-watchlisted, or added that day) first purchases with a news reading of the stock. Crosses are day-0 news readings before 09:15; bands and vertical lines are 95% bootstrap intervals over investors. The table gives warm purchases by trading days from the first feasible day: the percent with a news reading the day before, with its interval, and before 09:15 that day. Over the seven days before and the cross, warm minus cold is 1.28 percentage points (standard error 0.12, clustered by investor and stock), with investor and purchase-day fixed effects. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. The sample is as in Table 1 (9,501 investors), restricted to 2024 news readers and their 2025 purchases.

Table IA-32: News Readings of a Stock and the Choice Within the Watchlist

Panel A: The choice of a stock on the watchlist with news readings, log odds

	Own watchlist	Placebo watchlist
News readings of the stock while on the watchlist, log(1 + n)	1.04***	3.13***
	(0.05)	(0.11)
The stock's news while on the watchlist, log(1 + n)	0.04***	0.42***
	(0.01)	(0.02)
Trading days on the list, log(1 + n)	−0.98***	−0.41***
	(0.01)	(0.02)
Return since the watchlist addition	1.30***	0.17***
	(0.04)	(0.05)

Panel B: Pick against its list on news readings of the stock, CH-4, 180 trading days

	Return (bps per unit)
The bought stock	−137
	(133)
Random listed stocks	−36
	(75)
Difference	−102
	(149)

Note: The table reports conditional-logit log odds of which stock is bought, one stratum per purchase, on the investor's news readings of the stock on trading days strictly between its watchlist addition and the purchase, among 2024 news readers. A cold (never-watchlisted, or added that day) purchase's set is a placebo watchlist. Columns carry the tendencies and stock type. Panel B regresses a purchase's CH-4 return over 180 trading days, less the mean of ten random stocks on the list, on the stock's news readings relative to the set, and on those ten stocks. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors, in parentheses, are clustered by investor and stock (Panel A) and investor and purchase day (Panel B). The sample is as in Table 1, less the 18 investors who added 1,000 or more stocks on one day, which leaves 9,483 of 9,501 investors. *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-33: The Price Against the Add Price and the Choice Within the Watchlist

Panel A: The choice of a stock by its price against the add price, log odds

	Own watchlist	Placebo watchlist
More than 2 percent above the add price	−0.18***	0.20***
	(0.02)	(0.02)
More than 2 percent below the add price	−0.31***	−0.03
	(0.02)	(0.02)
Slope above the add price	−0.94***	−1.25***
	(0.10)	(0.09)
Slope below the add price	1.26***	−1.17***
	(0.12)	(0.17)
Distance from the running high	−0.49***	−0.18**
	(0.10)	(0.09)
Distance from the running low	2.72***	1.34***
	(0.10)	(0.09)

Panel B: Kink at the add price, as tested, log odds

	Estimate
Own watchlist	−2.20***
	(0.16)
Placebo watchlist	−0.08
	(0.19)
Difference	−2.12***
	(0.23)
Own watchlist, the price 20 trading days before the watchlist addition	0.50**
	(0.23)

Panel C: Pick against its list on the gain above the add price, CH-4, 180 days

	Return (bps per unit)
The bought stock	1,935
	(415)
Random stocks on the watchlist	1,344***
	(199)
Difference	591
	(400)

Note: The table reports log odds from conditional logits of which stock is bought, on the price against the add price. A cold (never-watchlisted, or added that day) purchase's set is a placebo watchlist. Columns carry the tendencies and stock type. Panels D and E add one reference point per column: its slope below, its kink and its jump above it. Panel C reports the slope of a purchase's CH-4 return over 180 trading days, less the mean of ten random listed stocks, on the gain above the add price. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and stock, and in Panel C by investor and purchase day, are reported in parentheses. The sample is as in Table 1, less the 18 investors who added 1,000 or more stocks on one day, which leaves 9,483 of 9,501 investors. *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-33—Continued

Panel D: Reference points added in turn, own watchlist, log odds

	(a)	(b)	(c)	(d)	(e)
Add price					
Slope below	1.54***	1.69***	1.52***	1.32***	1.32***
	(0.12)	(0.12)	(0.11)	(0.13)	(0.13)
Kink	−0.34**	−0.57***	−2.48***	−2.42***	−2.40***
	(0.14)	(0.13)	(0.15)	(0.17)	(0.17)
Jump	0.08***	0.02	0.09***	0.09***	0.09***
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Exactly at the add price	0.74***	0.83***	0.69***	0.69***	0.73***
	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)
Running high					
Slope below	—	0.00	−0.32***	−0.30***	−0.13
		(0.11)	(0.11)	(0.11)	(0.13)
Kink	—	1.94***	2.24***	2.18***	3.91***
		(0.42)	(0.41)	(0.41)	(0.48)
Jump	—	0.10***	0.08***	0.09***	0.05*
		(0.02)	(0.02)	(0.02)	(0.03)
Running low					
Slope below	—	—	0.67	0.73	0.88
			(0.92)	(0.91)	(0.92)
Kink	—	—	1.68*	1.62*	1.44
			(0.91)	(0.91)	(0.92)
Jump	—	—	−0.13***	−0.13***	−0.14***
			(0.03)	(0.03)	(0.03)
Round number					
Slope below	—	—	—	0.38**	0.37**
				(0.17)	(0.17)
Kink	—	—	—	−0.07	−0.06
				(0.19)	(0.19)
Jump	—	—	—	0.01	0.01
				(0.02)	(0.02)
60-trading-day high					
Slope below	—	—	—	—	−0.28***
					(0.10)
Kink	—	—	—	—	−2.56***
					(0.48)
Jump	—	—	—	—	0.06*
					(0.03)

Panel E: Reference points added in turn, placebo, log odds

	(a)	(b)	(c)	(d)	(e)
Add price					
Slope below	−1.23***	−0.77***	−0.93***	−0.96***	−0.96***
	(0.17)	(0.17)	(0.17)	(0.17)	(0.17)
Kink	1.55***	1.06***	0.08	−0.17	−0.18
	(0.18)	(0.18)	(0.18)	(0.19)	(0.19)
Jump	0.20***	0.16***	0.16***	0.15***	0.16***
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Exactly at the add price	0.15***	0.20***	0.25***	0.25***	0.22***
	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)
Running high					
Slope below	—	−0.50***	−0.61***	−0.58***	−0.67***
		(0.10)	(0.10)	(0.10)	(0.11)
Kink	—	1.68***	1.83***	1.78***	1.94***
		(0.33)	(0.33)	(0.33)	(0.48)

(Continued)

Table IA-33—Continued

Panel E: Reference points added in turn, placebo, log odds

	(a)	(b)	(c)	(d)	(e)
Jump	—	0.10***	0.08***	0.08***	−0.01
		(0.02)	(0.02)	(0.02)	(0.02)
Running low					
Slope below	—	—	−1.59	−1.67	−1.75
			(1.56)	(1.56)	(1.56)
Kink	—	—	2.93*	3.04*	3.13**
			(1.57)	(1.57)	(1.57)
Jump	—	—	0.16***	0.16***	0.17***
			(0.04)	(0.04)	(0.04)
Round number					
Slope below	—	—	—	−0.13	−0.12
				(0.25)	(0.25)
Kink	—	—	—	0.67***	0.66**
				(0.26)	(0.26)
Jump	—	—	—	0.06**	0.06**
				(0.03)	(0.03)
60-trading-day high					
Slope below	—	—	—	—	0.11
					(0.11)
Kink	—	—	—	—	−0.66
					(0.50)
Jump	—	—	—	—	0.16***
					(0.03)

Panel F: Slope changes at other prices, as tested, log odds

	Own watchlist	Placebo watchlist
At the add price	−71.18***	−2.56
	(3.52)	(3.66)
5 percent below the add price	4.50***	0.37
	(1.43)	(1.38)
2 percent below the add price	31.10***	4.57*
	(2.58)	(2.60)
2 percent above the add price	37.83***	4.02*
	(2.46)	(2.29)
5 percent above the add price	−4.09***	−6.52***
	(1.16)	(1.02)

Panel G: Kink at the add price, as tested, linear fit

	Percentage points per unit
Own watchlist	−6.08
	(0.56)

Table IA-34: Beating List-Mates and the Choice Within the Watchlist

Panel A: The choice of a stock by its share of days beating list-mates, log odds

	Own watchlist	Placebo watchlist
Share of days the stock beat the other watchlist stocks	−0.12***	−0.03
	(0.04)	(0.04)
Return since the watchlist addition, relative to the other watchlist stocks	0.51***	0.11**
	(0.04)	(0.04)
Trading days on the list, log(1 + n)	−0.83***	−0.03
	(0.02)	(0.02)

Panel B: The share of days beating the other watchlist stocks, log odds

	Estimate
Own watchlist	−0.12***
	(0.04)
Placebo watchlist	−0.03
	(0.04)
Difference	−0.10**
	(0.05)
Own watchlist, less the 60 trading days before the watchlist addition	0.26**
	(0.13)

Panel C: Pick against its list on the share of days, CH-4, 180 trading days

	Return (bps per unit)
The bought stock	−165
	(96)
Random stocks on the watchlist	−313***
	(110)
Difference	148
	(120)

Note: The table reports log odds from conditional logits of which stock is bought, on the share of trading days the stock beat the other watchlist stocks since its watchlist addition. A cold (never-watchlisted, or added that day) purchase's set is a placebo watchlist. Columns carry the tendencies, stock type and days listed by return. Panel C reports the slope of a purchase's CH-4 return over 180 trading days, less the mean of ten random stocks on the list, on the bought stock's share relative to its set. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and stock in Panels A and B and by investor and purchase day in Panel C are reported in parentheses. The sample is as in Table 1, less the 18 investors who added 1,000 or more stocks on one day, which leaves 9,483 of 9,501 investors. *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-35: Returns of Warm Purchases by the Price's Position Since the Watchlist Addition

Panel A: Warm minus cold (bps)

	Trading days since the first feasible day				
	First feasible day	Days 2 to 5	Days 6 to 20	Days 21 to 60	Over 60 days
Warm minus cold	−102***	−231***	−323***	−249***	−281***
	(34)	(44)	(47)	(46)	(48)
Observations	377,820	366,796	361,614	352,040	357,324
# of Investors	9,256	9,259	9,253	9,178	9,188

Panel B: Warm purchases by the price's position on the purchase day (bps)

	Trading days since the first feasible day				
	First feasible day	Days 2 to 5	Days 6 to 20	Days 21 to 60	Over 60 days
Above the add price	212**	273**	−7	280*	−134
	(93)	(108)	(136)	(167)	(144)
New high since the addition	—	—	25	243**	399***
			(176)	(123)	(126)
New low since the addition	—	—	−67	−207	599
			(276)	(280)	(420)
Observations	54,365	43,289	37,995	28,475	33,889
# of Investors	5,739	5,555	5,276	4,207	3,920

Panel C: Panel B with the 15 tendencies (bps)

	Trading days since the first feasible day				
	First feasible day	Days 2 to 5	Days 6 to 20	Days 21 to 60	Over 60 days
Above the add price	219**	81	−176	251	−134
	(93)	(107)	(135)	(164)	(143)
New high since the addition	—	—	−30	104	357***
			(170)	(128)	(129)
New low since the addition	—	—	−77	−341	493
			(270)	(272)	(409)
Observations	54,365	43,289	37,995	28,475	33,889
# of Investors	5,739	5,555	5,276	4,207	3,920

Panel D: The warm–cold gap of Panel A in new-low purchases and the rest (bps)

	Trading days since the first feasible day				
	First feasible day	Days 2 to 5	Days 6 to 20	Days 21 to 60	Over 60 days
In purchases at a new low	—	—	0	3	−8
In the other purchases	—	—	−323	−252	−274
Share of warm purchases at a new low	—	—	1.6%	3.7%	0.8%

Note: The table reports CH-4 cumulative abnormal returns over 180 trading days, net of ten same-day random market purchases, by days since the warm stock was first tradable after its watchlist addition (the first feasible day). Panel A compares warm and cold (never-watchlisted, or added that day) purchases. Panel B regresses warm (watchlisted) purchases' return on the day's whole price range being above the add price or at a new high or low since the watchlist addition, with a spline in the return since the watchlist addition; Panel C adds 15 tendencies. Panel E repeats B on cold purchases over a same-investor warm purchase's look-back. Fits have investor and purchase-day fixed effects. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-35—Continued

Panel E: Placebo on cold purchases (bps)

	Trading days since the first feasible day				
	First feasible day	Days 2 to 5	Days 6 to 20	Days 21 to 60	Over 60 days
Above the closing price a look-back earlier	253***	199*	23	109	3
	(76)	(110)	(113)	(161)	(191)
New high over the look-back	—	—	353***	103	−171*
			(119)	(87)	(101)
New low over the look-back	—	—	−429	32	−369
			(361)	(262)	(706)
Observations	90,453	67,676	57,993	44,007	42,813
# of Investors	6,133	5,907	5,595	4,485	3,713

Table IA-36: First Purchases by Followers and Non-Followers Around Public Events

Panel A: First purchase after an earnings release, followers minus non-followers (pp)

	Event
	Earnings
Follower × days 0 and 1	−0.034***
	(0.004)
Follower, days −10 to −6 (reference window)	0.095***
	(0.004)
Follower × days −5 to −1, pooled	−0.027***
	(0.003)
The leads, one term per day (same rows)	
Follower × day −5	0.002
	(0.004)
Follower × day −4	−0.026***
	(0.004)
Follower × day −3	−0.034***
	(0.004)
Follower × day −2	−0.038***
	(0.004)
Follower × day −1	−0.043***
	(0.004)
Five leads jointly zero: F statistic	30.2
Denominator degrees of freedom	5,006
Level difference, days 0 and 1 (percentage points)	
Follower minus non-follower	0.061
	(0.003)
Levels (percent per trading day)	
Non-followers, days −10 to −6	0.003
Non-followers, days 0 and 1	0.005
Followers, days −10 to −6	0.105
Followers, days 0 and 1	0.069
Identifying population, after the singleton drop	
Followers	5,408
Non-followers	4,211
Events	19,984
Stocks	5,007
Observations	38,655,027

Note: The table reports linear probability estimates of a first purchase of a stock on each trading day around its public event (percentage points), for investors who added the stock to their watchlist at least six trading days before the event (followers) against active investors who had not (non-followers), relative to days 6 to 10 before the event. The five events are defined in the Internet Appendix's variable definitions. Panel C is fitted on a smaller sample, and Panel F fits the same comparison as a conditional logit. Each event counts equally, and each investor equally within it, reweighted by the inverse of the sampling rate. Fits include stock × day and investor × day fixed effects unless stated; Panel B's p-values are Holm-adjusted across the four other events. Standard errors clustered by investor and by stock are reported in parentheses, and the stars, in Panel A only, are based on them. The sample is as in Table 1 (9,501 investors) in its stock screens and period, but covers every investor with a watchlist addition. *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-36—Continued

Panel B: Days 0 and 1 by event (pp)

	Event				
	Earnings	Limit hit	Volume	Hot list	Other
Stock × day and investor × day fixed effects					
Follower × days 0 and 1	−0.034	0.097	0.108	0.135	−0.006
	(0.004)	(0.006)	(0.006)	(0.009)	(0.004)
Holm-adjusted p, across the four other events		0.00	0.00	0.00	0.11
Follower, days −10 to −6	0.095	0.041	0.033	0.045	0.060
	(0.004)	(0.003)	(0.002)	(0.004)	(0.003)
Level difference, days 0 and 1	0.061	0.137	0.141	0.180	0.054
	(0.003)	(0.006)	(0.006)	(0.009)	(0.004)
Five leads jointly zero: F statistic	30.2	2.4	5.3	24.2	7.1
Stock × day and investor fixed effects					
Follower × days 0 and 1	−0.038	0.088	0.099	0.123	−0.014
	(0.003)	(0.005)	(0.005)	(0.008)	(0.004)
Follower, days −10 to −6	0.096	0.045	0.036	0.050	0.063
	(0.004)	(0.003)	(0.002)	(0.003)	(0.003)
Levels (percent per trading day)					
Non-followers, days −10 to −6	0.003	0.002	0.001	0.004	0.003
Non-followers, days 0 and 1	0.005	0.028	0.020	0.055	0.006
Identifying population, stock × day and investor × day fixed effects					
Followers	5,408	13,764	12,673	13,589	13,113
Non-followers	4,211	4,338	4,342	4,332	4,320
Events	19,984	9,707	14,512	5,327	7,037
Stocks	5,007	3,927	4,891	2,756	3,707
Observations	38,655,027	36,419,413	39,845,189	23,951,825	22,005,315

Panel C: The daily path, days −5 to 20 (pp)

	Event				
	Earnings	Limit hit	Volume	Hot list	Other
Follower, days −10 to −6	0.086	0.036	0.030	0.037	0.063
	(0.007)	(0.004)	(0.003)	(0.004)	(0.005)
Follower × day −5	0.008	0.003	−0.007	0.020	−0.006
	(0.008)	(0.005)	(0.007)	(0.007)	(0.008)
Follower × day −4	−0.016	−0.014	−0.005	−0.011	−0.012
	(0.008)	(0.005)	(0.005)	(0.006)	(0.007)
Follower × day −3	−0.032	−0.014	−0.004	0.005	−0.025
	(0.008)	(0.005)	(0.006)	(0.007)	(0.009)
Follower × day −2	−0.039	−0.004	−0.002	0.004	−0.020
	(0.010)	(0.006)	(0.005)	(0.007)	(0.008)
Follower × day −1	−0.041	−0.008	0.010	0.074	−0.029
	(0.009)	(0.005)	(0.006)	(0.015)	(0.010)
Follower × day 0	−0.013	0.040	0.123	0.200	−0.016
	(0.009)	(0.012)	(0.018)	(0.024)	(0.008)

(Continued)

Table IA-36—Continued

Panel C: The daily path, days −5 to 20 (pp)

	Event				
	Earnings	Limit hit	Volume	Hot list	Other
Follower × day 1	−0.030	0.128	0.081	0.096	−0.021
	(0.009)	(0.020)	(0.014)	(0.015)	(0.010)
Follower × day 2	−0.056	0.089	0.062	0.074	−0.024
	(0.011)	(0.015)	(0.011)	(0.012)	(0.010)
Follower × day 3	−0.047	0.051	0.034	0.056	−0.033
	(0.008)	(0.013)	(0.009)	(0.011)	(0.008)
Follower × day 4	−0.043	0.032	0.031	0.039	−0.034
	(0.008)	(0.011)	(0.007)	(0.011)	(0.009)
Follower × day 5	−0.050	0.021	0.018	0.022	−0.032
	(0.007)	(0.008)	(0.008)	(0.008)	(0.008)
Follower × day 6	−0.054	0.009	0.021	0.008	−0.038
	(0.008)	(0.008)	(0.007)	(0.008)	(0.008)
Follower × day 7	−0.053	0.012	0.013	0.019	−0.033
	(0.008)	(0.008)	(0.007)	(0.008)	(0.011)
Follower × day 8	−0.059	0.009	0.009	0.013	−0.029
	(0.009)	(0.008)	(0.007)	(0.009)	(0.007)
Follower × day 9	−0.043	0.011	0.001	0.002	−0.040
	(0.008)	(0.008)	(0.009)	(0.007)	(0.008)
Follower × day 10	−0.062	0.000	0.012	−0.002	−0.032
	(0.010)	(0.008)	(0.006)	(0.008)	(0.008)
Follower × day 11	−0.052	−0.003	0.011	0.010	−0.040
	(0.007)	(0.008)	(0.010)	(0.008)	(0.006)
Follower × day 12	−0.064	0.000	0.007	0.003	−0.031
	(0.011)	(0.007)	(0.005)	(0.008)	(0.008)
Follower × day 13	−0.057	0.003	0.001	−0.005	−0.031
	(0.008)	(0.008)	(0.007)	(0.008)	(0.007)
Follower × day 14	−0.055	−0.009	−0.003	−0.006	−0.047
	(0.008)	(0.007)	(0.009)	(0.008)	(0.010)
Follower × day 15	−0.050	0.000	0.001	0.006	−0.036
	(0.008)	(0.007)	(0.005)	(0.007)	(0.010)
Follower × day 16	−0.057	−0.007	0.000	−0.010	−0.035
	(0.007)	(0.007)	(0.006)	(0.007)	(0.008)
Follower × day 17	−0.058	0.004	−0.006	−0.010	−0.023
	(0.007)	(0.007)	(0.007)	(0.007)	(0.008)
Follower × day 18	−0.073	−0.006	−0.001	−0.012	−0.040
	(0.010)	(0.005)	(0.005)	(0.007)	(0.009)
Follower × day 19	−0.068	−0.007	0.002	−0.016	−0.039
	(0.009)	(0.006)	(0.006)	(0.007)	(0.007)
Follower × day 20	−0.061	−0.015	−0.002	−0.006	−0.044
	(0.008)	(0.007)	(0.006)	(0.007)	(0.009)

(Continued)

Table IA-36—Continued

Panel C: The daily path, days −5 to 20 (pp)

	Event				
	Earnings	Limit hit	Volume	Hot list	Other
Identifying population					
Followers	968	1,849	1,869	2,482	1,814
Non-followers	1,015	2,107	2,108	2,817	2,088
Events	19,984	9,707	14,512	5,327	7,037
Stocks	5,007	3,927	4,891	2,756	3,707
Observations	17,225,174	18,240,562	18,542,765	17,799,530	10,675,010

Panel D: Days 0 and 1 by age on the list (pp)

	Event				
	Earnings	Limit hit	Volume	Hot list	Other
Follower × days 0 and 1, by trading days on the watchlist from the first feasible day					
Day 1 (the first feasible day)	−0.402	0.037	0.031	−0.244	−0.263
	(0.051)	(0.069)	(0.063)	(0.069)	(0.056)
2 to 5 trading days	−0.499	−0.134	−0.097	−0.092	−0.344
	(0.031)	(0.034)	(0.031)	(0.037)	(0.028)
6 to 20 trading days	−0.067	0.106	0.119	0.154	−0.031
	(0.011)	(0.012)	(0.013)	(0.018)	(0.010)
21 to 60 trading days	−0.009	0.119	0.110	0.162	0.007
	(0.005)	(0.008)	(0.007)	(0.011)	(0.006)
More than 60 trading days	−0.008	0.086	0.107	0.125	0.002
	(0.003)	(0.007)	(0.007)	(0.009)	(0.004)
Follower × days 0 and 1, by trading days on the watchlist from the add day					
Day 1 (the add day)	−0.212	−0.068	0.134	0.016	−0.215
	(0.057)	(0.070)	(0.068)	(0.082)	(0.061)
2 to 5 trading days	−0.441	−0.101	−0.044	−0.123	−0.314
	(0.032)	(0.034)	(0.033)	(0.037)	(0.029)
6 to 20 trading days	−0.115	0.098	0.109	0.132	−0.058
	(0.012)	(0.013)	(0.014)	(0.019)	(0.010)
21 to 60 trading days	−0.007	0.119	0.111	0.165	0.006
	(0.005)	(0.008)	(0.007)	(0.011)	(0.005)
More than 60 trading days	−0.008	0.086	0.107	0.125	0.003
	(0.003)	(0.006)	(0.007)	(0.009)	(0.004)
Follower, days −10 to −6, by trading days on the watchlist from the first feasible day					
Day 1 (the first feasible day)	0.705	0.436	0.412	0.571	0.477
	(0.040)	(0.028)	(0.026)	(0.035)	(0.033)
2 to 5 trading days	0.762	0.506	0.447	0.531	0.522
	(0.030)	(0.018)	(0.017)	(0.018)	(0.021)
6 to 20 trading days	0.196	0.109	0.109	0.125	0.128
	(0.008)	(0.005)	(0.005)	(0.006)	(0.007)
21 to 60 trading days	0.069	0.039	0.025	0.037	0.051
	(0.004)	(0.003)	(0.002)	(0.004)	(0.003)

(Continued)

Table IA-36—Continued

Panel D: Days 0 and 1 by age on the list (pp)

	Event				
	Earnings	Limit hit	Volume	Hot list	Other
More than 60 trading days	0.038	0.018	0.016	0.015	0.029
	(0.002)	(0.002)	(0.002)	(0.004)	(0.003)
Follower, days −10 to −6, by trading days on the watchlist from the add day					
Day 1 (the add day)	0.625	0.508	0.402	0.571	0.479
	(0.035)	(0.032)	(0.027)	(0.031)	(0.033)
2 to 5 trading days	0.744	0.489	0.432	0.527	0.506
	(0.030)	(0.017)	(0.017)	(0.019)	(0.020)
6 to 20 trading days	0.251	0.131	0.135	0.162	0.160
	(0.010)	(0.005)	(0.006)	(0.007)	(0.008)
21 to 60 trading days	0.070	0.040	0.025	0.038	0.052
	(0.004)	(0.003)	(0.002)	(0.004)	(0.003)
More than 60 trading days	0.039	0.018	0.016	0.016	0.029
	(0.002)	(0.002)	(0.002)	(0.004)	(0.003)

Panel E: Follower × days 0 and 1, other samples and controls (pp)

	Event				
	Earnings	Limit hit	Volume	Hot list	Other
Later followers in place of non-followers	−0.068	0.113	0.083	0.188	−0.013
	(0.007)	(0.008)	(0.006)	(0.012)	(0.004)
The 9,501 sample investors	−0.030	0.091	0.104	0.132	−0.006
	(0.004)	(0.007)	(0.007)	(0.010)	(0.004)
Followers who added the stock by day −11	−0.016	0.100	0.110	0.139	0.002
	(0.003)	(0.006)	(0.006)	(0.009)	(0.004)
Without another event in days −5 to 1	−0.051	0.061	0.054	0.076	−0.024
	(0.004)	(0.011)	(0.005)	(0.016)	(0.004)
Inactive followers included	−0.028	0.072	0.082	0.101	−0.007
	(0.003)	(0.005)	(0.005)	(0.008)	(0.003)
Every buying non-follower added (investor effects)	−0.047	0.055	0.065	0.074	−0.019
	(0.003)	(0.005)	(0.005)	(0.007)	(0.003)
Positive day-0 return	−0.020				
	(0.006)				
Negative day-0 return	−0.046				
	(0.004)				

Panel F: Conditional logit on stock × day strata, log odds

	Event				
	Earnings	Limit hit	Volume	Hot list	Other
Follower × days 0 and 1	−0.85	−1.21	−1.36	−1.33	−0.99
	(0.03)	(0.04)	(0.04)	(0.04)	(0.05)

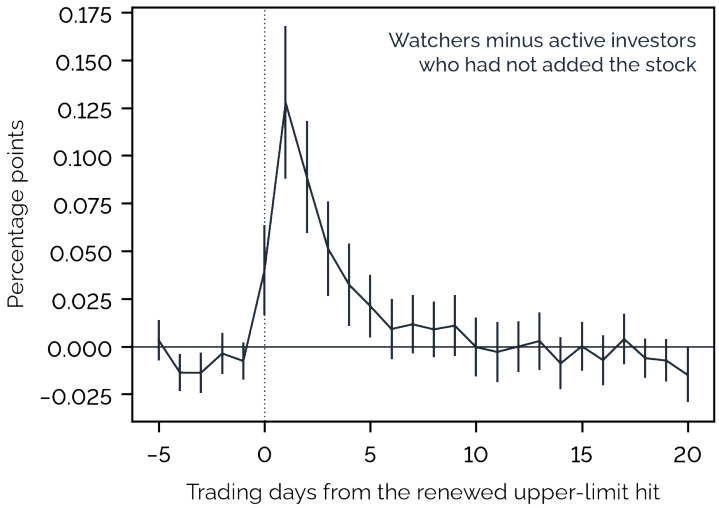
(Continued)

Table IA-36—Continued

Panel F: Conditional logit on stock × day strata, log odds

	Event				
	Earnings	Limit hit	Volume	Hot list	Other
Follower, days −10 to −6	2.59	2.56	2.77	2.59	2.66
	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)
Strata	47,754	31,434	35,791	27,935	14,119
Events	14,003	9,103	11,949	5,284	4,654

Figure IA-11: Followers' First Purchases Around a Renewed Upper-Limit Hit



Note: The figure plots, around a renewed upper-limit hit (defined in the Internet Appendix), the linear-probability difference in the chance of a first purchase that day between followers, who added the stock at least six trading days before, and active investors who had not, relative to days 10 to 6 before, with stock × day and investor × day fixed effects. Vertical lines are 95% intervals, clustered by investor and stock. In relative odds, the conditional logit's days 0 and 1 are negative (−1.21 log odds). The prediction tested on earnings evenings was not met. The sample is as in Table 1 (9,501 investors) in its stock screens and period, but covers every investor with a watchlist addition.

Table IA-37: The Warm–Cold Gap Within Classes of Purchase-Day Attention

Panel A: The warm–cold gap within classes of purchase-day attention (bps)

	Horizon (trading days)				
	5	20	60	120	180
Warm minus cold	−21**	−62***	−149***	−191***	−213***
	(9)	(12)	(16)	(18)	(23)
Within classes	−11	−44***	−122***	−159***	−180***
	(8)	(12)	(16)	(18)	(22)
Composition	−10***	−18***	−27***	−32***	−34***
	(1)	(1)	(1)	(2)	(2)
Within minus half the gap	−1	−13	−48	−64	−73
	(4)	(6)	(8)	(9)	(11)
Same purchases at each horizon	−2	−18	−49	−63	−73
	(4)	(6)	(7)	(9)	(11)
Holm-adjusted p		0.034	< 0.001		< 0.001
First purchases (N)	531,344	531,275	530,890	529,788	528,842

Panel B: Classes of purchase-day attention, 180 trading days (bps)

	Warm share	Cold share	Warm (N)	Cold (N)	Warm minus cold
No mark	39.9%	43.1%	67,874	118,841	−58*
					(33)
Abnormal volume only	17.3%	17.6%	39,789	69,076	−132**
					(56)
Upper limit reached only	1.2%	1.5%	1,873	5,513	83
					(127)
Hot-list entry only	3.6%	3.3%	5,951	7,239	−200*
					(118)
Two or more marks	38.0%	34.5%	91,358	121,325	−335***
					(39)

Panel C: Each mark alone, 180 trading days (bps)

	Marked		Unmarked	Parts	
	Warm share	Gap	Gap	Within	Composition
Abnormal volume	55.0%	−289***	−80***	−195***	−18***
		(34)	(30)	(22)	(2)
Upper limit reached	16.3%	−401***	−183***	−218***	5***
		(61)	(25)	(23)	(1)
Hot-list entry	37.9%	−282***	−80***	−156***	−57***
		(39)	(28)	(22)	(3)

Note: The table divides the CH-4-adjusted gap between warm (watchlisted) and cold (never-watchlisted, or added that day) first purchases into a part within classes of purchase-day attention and a composition part that sum to it. The marks are abnormal volume or the upper limit on the purchase day, and the Platform's hot list the day before. Panel A gives both parts by horizon, the within part minus half the gap, Holm-adjusted across 20, 60 and 180 trading days, and that contrast on the purchases with returns at every horizon; Panels B and C give the classes and each mark at 180 trading days. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-38: The Platform's Hot List in Additions, First Purchases and Their Returns

Panel A: Additions and first purchases on the hot list

	First purchases			
	Warm	Cold	All	Additions
On the list at the previous close				
First purchases or additions on the list (%)	38.7	30.8	34.0	34.8
Random stocks on the list (%)	1.9	1.9	1.9	1.8
Difference (pp)	36.75***	28.84***	32.09***	32.99***
	(0.90)	(0.72)	(0.82)	(0.78)
Difference, 15 tendencies held (pp)	10.66***	8.03***	8.97***	9.91***
	(0.50)	(0.43)	(0.46)	(0.38)
Same, abnormal volume the day before (pp)	11.50***	9.01***	9.93***	—
	(0.50)	(0.43)	(0.46)	
On the list before the open				
First purchases on the list (%)	38.9	31.0	34.3	—
Random stocks on the list (%)	1.9	1.9	1.9	—
Difference (pp)	36.94***	29.12***	32.33***	—
	(0.92)	(0.73)	(0.82)	
Difference, 15 tendencies held (pp)	10.95***	8.29***	9.26***	—
	(0.51)	(0.43)	(0.47)	
On the list over the past 20 or 5 trading days				
First purchases or additions, any of 20 days (%)	63.9	53.5	—	52.7
Random stocks, any of 20 days (%)	11.4	11.4	—	11.0
Difference (pp)	52.50***	42.08***	—	41.72***
	(0.67)	(0.63)		(0.67)
First purchases or additions, any of 5 days (%)	50.8	41.5	—	43.1
Random stocks, any of 5 days (%)	4.6	4.6	—	4.4
Difference (pp)	46.25***	36.87***	—	38.74***
	(0.81)	(0.69)		(0.74)
First purchases or additions, days on the list of 20	4.47	3.16	—	2.93
Random stocks, days on the list of 20	0.38	0.39	—	0.36
Difference (days)	4.09***	2.77***	—	2.57***
	(0.16)	(0.12)		(0.12)
# of Events	209,458	325,394	534,852	1,701,960
# of Events without a pre-open list	80,564	115,456	196,020	—
Investor and day fixed effects	✓	✓	✓	✓

Note: The table reports the Platform's vendor-archived hot list. Panel A compares watchlist additions and warm (watchlisted) and cold (never-watchlisted, or added that day) first purchases with ten same-day random stocks, on dates with a list; Panel G gives each window's log-likelihood gain per event over the 15 tendencies, alone and beside them (day-bootstrap intervals). Panels B, D and E report follower-minus-non-follower first-purchase probabilities (percentage points); D and E keep investors at risk on day 0, counted six days before. Panel B compares followers who added the stock while listed with the rest, on days 0 and 1 of a hot-list entry, net of the other two events and of ten to six days before; why they added then is not held. Panel F: CH-4 returns over random purchases on all dates (basis points). Events count once in Panels B, D and E; investor-days, elsewhere. Standard errors clustered by investor and stock, or by purchase day in Panel F, are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-38—Continued

Panel B: Days 0 and 1 of the event, hot at the addition minus not (pp)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Hot-list entry minus the other two	−0.022	−0.024	−0.019	−0.046*	−0.028	−0.022	—
	(0.018)	(0.018)	(0.018)	(0.024)	(0.021)	(0.018)	
The other two events, pooled	0.047***	0.045***	0.046***	0.025*	0.058***	0.047***	
	(0.014)	(0.014)	(0.014)	(0.014)	(0.016)	(0.014)	
Same, net of the leads						−0.021	
						(0.019)	
Each event's own contrast							
Renewed upper-limit hit							0.024
							(0.017)
Abnormal-volume day							0.074***
							(0.016)
Hot-list entry	—	—	—	—	—	—	0.025
							(0.016)
Observations	34,712,051	34,712,051	35,049,212	15,675,446	25,066,503	34,712,051	34,712,051
Bands of time on the list	✓		✓	✓	✓	✓	✓
No other event near the entry				✓			
Sample investors only					✓		
Leads pooled						✓	
Contrast by event							✓
Stock-day fixed effects	✓	✓	✓	✓	✓	✓	✓
Investor-day fixed effects	✓	✓		✓	✓	✓	✓
Investor × event fixed effects			✓				

Panel C: Followers in Panel B's column (1), by event

	Renewed upper-limit hit	Abnormal-volume day	Hot-list entry
# of Events	9,708	14,513	5,330
# of Stocks	3,927	4,891	2,756
# of Follower rows	9,287,417	8,441,002	6,618,619
Follower rows, 6 to 20 trading days on the watchlist			
On the hot list at the addition	179,004	33,747	50,019
Not on it	550,572	455,909	423,802
No list that day	0	0	0
Follower rows, 21 to 60 trading days on the watchlist			
On the hot list at the addition	968,716	600,832	663,731
Not on it	1,716,428	1,666,497	1,106,618
No list that day	0	0	0
Follower rows, more than 60 trading days on the watchlist			
On the hot list at the addition	1,995,723	1,550,330	1,706,187
Not on it	3,682,114	3,931,195	2,457,611
No list that day	0	0	0
Follower rows left out (1 to 5 days, or no first feasible day)	194,860	202,492	210,651
Follower rows with no addition found	0	0	0

Panel D: Followers' first purchases of stocks on the hot list, by rank

	Followers minus non-followers (pp)		
	Day 0	Days 0 and 1	Stock-days
Rank on the end-of-day list, minus ranks 1 to 5			
1 to 5	—	—	1,327

(Continued)

Table IA-38—Continued

Panel D: Followers' first purchases of stocks on the hot list, by rank

	Followers minus non-followers (pp)		
	Day 0	Days 0 and 1	Stock-days
6 to 10	−0.048	−0.044	1,347
	(0.068)	(0.053)	
11 to 15	−0.134**	−0.044	1,356
	(0.065)	(0.050)	
16 to 20	−0.151**	−0.107**	1,344
	(0.071)	(0.050)	
21 to 50	−0.186***	−0.139***	8,076
	(0.069)	(0.049)	
51 to 100	−0.241***	−0.202***	13,431
	(0.075)	(0.051)	
Ranks 11 to 15 minus ranks 6 to 10	−0.087	0.000	—
	(0.058)	(0.044)	
Log heat and its square	✓	✓	
Stock-day and investor-day fixed effects	✓	✓	

Panel E: Followers' next-day first purchases, stocks that fell minus stocks that rose

				Hot list minus	
	Hot list	Limit hit	Abnormal volume	Limit hit	Abnormal volume
Fell minus rose (pp)	−0.113***	−0.051***	−0.021***	−0.062***	−0.092***
	(0.016)	(0.012)	(0.004)	(0.019)	(0.016)
Fell minus rose, absolute change held (pp)	−0.088***	−0.053***	−0.021***	−0.035*	−0.067***
	(0.015)	(0.013)	(0.004)	(0.019)	(0.016)
# of Stock-days that fell	6,383	7,839	46,055	—	—
# of Stock-days that rose	20,297	15,002	70,206	—	—
Stock-day and investor-day fixed effects	✓	✓	✓	✓	✓

Panel F: First-purchase returns and the hot list, CH-4 (bps)

	Horizon (trading days)				
	5	20	60	120	180
First purchase minus its random purchases					
(1) No controls	−156***	−315***	−515***	−684***	−841***
	(16)	(22)	(26)	(31)	(32)
(2) Plus the 15 tendencies	−51***	−103***	−158***	−241***	−346***
	(5)	(10)	(13)	(17)	(25)
(3) Plus on the hot list at the previous close	−43***	−87***	−133***	−197***	−283***
	(4)	(9)	(13)	(17)	(23)
On the hot list, in (3)	−83***	−179***	−285***	−487***	−702***
	(19)	(26)	(27)	(38)	(57)
(1) minus (3), order-free					
The 15 tendencies	−86***	−171***	−291***	−330***	−332***
	(11)	(14)	(17)	(23)	(28)
The hot list	−27***	−58***	−91***	−156***	−225***
	(6)	(8)	(9)	(12)	(18)

(Continued)

Table IA-38—Continued

Panel F: First-purchase returns and the hot list, CH-4 (bps)

	Horizon (trading days)				
	5	20	60	120	180
Total	−113***	−228***	−383***	−487***	−558***
	(14)	(17)	(19)	(23)	(25)
Timing of the readings, the hot list's part of (1) minus (3)					
Abnormal volume measured the day before	−29***	−60***	−94***	−158***	−226***
	(6)	(8)	(9)	(12)	(17)
The hot list measured before the open	−29***	−58***	−80***	−135***	−196***
	(6)	(9)	(9)	(12)	(18)
The hot list over a window in place of the previous close, its part of (1) minus (3)					
Any of the past 20 trading days	−8*	−31***	−59***	−101***	−140***
	(4)	(6)	(8)	(10)	(14)
Any of the past 5 trading days	−21***	−49***	−92***	−159***	−222***
	(5)	(8)	(10)	(13)	(18)
Days on the list of the past 20	−4	−43***	−123***	−164***	−260***
	(8)	(12)	(10)	(12)	(18)
Hot-listed purchases by the list's heat (terciles)					
Not on the list	−80***	−172***	−282***	−375***	−475***
	(6)	(13)	(17)	(21)	(23)
Lowest	−222***	−407***	−705***	−945***	−1,126***
	(26)	(39)	(46)	(54)	(62)
Middle	−302***	−557***	−885***	−1,234***	−1,468***
	(33)	(45)	(51)	(63)	(70)
Highest	−376***	−781***	−1,262***	−1,608***	−1,971***
	(71)	(81)	(84)	(97)	(117)
By rank on the list					
1 to 5	−365***	−851***	−1,275***	−1,466***	−1,914***
	(89)	(106)	(106)	(116)	(156)
6 to 10	−321***	−715***	−1,183***	−1,704***	−1,961***
	(68)	(82)	(92)	(114)	(148)
11 to 15	−466***	−777***	−1,355***	−1,786***	−1,957***
	(71)	(64)	(102)	(138)	(157)
16 to 20	−306***	−627***	−1,050***	−1,490***	−1,567***
	(64)	(86)	(102)	(121)	(152)
21 to 50	−310***	−569***	−915***	−1,169***	−1,408***
	(38)	(54)	(60)	(68)	(78)
51 to 100	−228***	−419***	−703***	−964***	−1,192***
	(24)	(35)	(40)	(53)	(63)
By sample investors' first purchases of the stock that day (terciles)					
Lowest	−173***	−372***	−649***	−941***	−1,254***
	(19)	(28)	(34)	(45)	(55)
Middle	−306***	−576***	−945***	−1,273***	−1,538***
	(34)	(48)	(58)	(69)	(77)
Highest	−440***	−841***	−1,324***	−1,649***	−1,868***
	(76)	(84)	(88)	(98)	(124)
Observations	5,788,652	5,787,204	5,781,264	5,765,126	5,748,107
Investor and purchase-day fixed effects	✓	✓	✓	✓	✓

Panel G: Log-likelihood per event, against the 15 tendencies alone

		95% interval, days	
	Estimate	Lower	Upper
Warm first purchases			
Past 20 days: hot list alone, minus the 15 tendencies alone	−0.085	−0.099	−0.072
Past 20 days: hot list with the tendencies, minus the tendencies alone	0.146	0.140	0.152
Previous close: hot list alone, minus the 15 tendencies alone	−0.109	−0.122	−0.096
Previous close: hot list with the tendencies, minus the tendencies alone	0.098	0.092	0.104
Past 5 days: hot list alone, minus the 15 tendencies alone	−0.040	−0.051	−0.028
Past 5 days: hot list with the tendencies, minus the tendencies alone	0.129	0.123	0.135
Days of the past 20: hot list alone, minus the 15 tendencies alone	−0.164	−0.179	−0.150
Days of the past 20: hot list with the tendencies, minus the tendencies alone	0.133	0.126	0.139
Cold first purchases			
Past 20 days: hot list alone, minus the 15 tendencies alone	−0.138	−0.151	−0.123
Past 20 days: hot list with the tendencies, minus the tendencies alone	0.108	0.103	0.114
Previous close: hot list alone, minus the 15 tendencies alone	−0.131	−0.145	−0.114
Previous close: hot list with the tendencies, minus the tendencies alone	0.073	0.066	0.079
Past 5 days: hot list alone, minus the 15 tendencies alone	−0.086	−0.099	−0.069
Past 5 days: hot list with the tendencies, minus the tendencies alone	0.095	0.088	0.101
Days of the past 20: hot list alone, minus the 15 tendencies alone	−0.243	−0.262	−0.220
Days of the past 20: hot list with the tendencies, minus the tendencies alone	0.081	0.076	0.087
Additions			
Past 20 days: hot list alone, minus the 15 tendencies alone	−0.369	−0.381	−0.357
Past 20 days: hot list with the tendencies, minus the tendencies alone	0.075	0.072	0.078
Previous close: hot list alone, minus the 15 tendencies alone	−0.264	−0.277	−0.250
Previous close: hot list with the tendencies, minus the tendencies alone	0.080	0.076	0.084
Past 5 days: hot list alone, minus the 15 tendencies alone	−0.271	−0.284	−0.258
Past 5 days: hot list with the tendencies, minus the tendencies alone	0.079	0.075	0.082
Days of the past 20: hot list alone, minus the 15 tendencies alone	−0.488	−0.503	−0.472
Days of the past 20: hot list with the tendencies, minus the tendencies alone	0.057	0.054	0.060

Table IA-39: The Chosen and the Calendar-Imposed Wait Before a Watchlist Purchase

Panel A: The chosen and the calendar-imposed wait in one fit (bps)

	Horizon (trading days)				
	5	20	60	120	180
Trading days from the first feasible day (against day 1)					
2 to 5	−26	−62***	−123***	−103**	−143***
	(16)	(24)	(32)	(40)	(51)
6 to 20	19	−35	−139	−182	−296
	(19)	(30)	(36)	(42)	(56)
21 to 60	48***	2	−115***	−41	−201***
	(18)	(26)	(35)	(44)	(61)
More than 60	43***	64**	9	−2	−236***
	(16)	(25)	(34)	(44)	(56)
Calendar days from the addition to the first trading day (against 1)					
2 to 3	−3	−4	−7	10	25
	(10)	(16)	(23)	(31)	(41)
4 or more	44	11	96	−13	−56
	(31)	(47)	(84)	(115)	(133)
Holm-adjusted p, 6 to 20 trading days		0.243	< 0.001		< 0.001
Holm-adjusted p, 4 or more calendar days		1.000	0.774		1.000
SE by investor and addition date, 4 or more	25	50	78	113	145
Observations	206,837	206,820	206,711	206,302	205,931

Panel B: 4 or more calendar days, each closure left out in turn (bps)

	Horizon (trading days)		
	20	60	180
Closure left out			
Tail of the 2024 National Day holiday	−59	−66	−98
	(54)	(79)	(140)
2025 Spring Festival	34	158*	80
	(53)	(93)	(141)
2025 Qingming	−1	87	−133
	(51)	(92)	(149)
2025 May Day holiday	5	111	−39
	(51)	(91)	(147)
2025 Dragon Boat	13	105	−5
	(50)	(90)	(144)
2025 National Day holiday	61	136	−146
	(45)	(91)	(143)

Note: The table regresses the CH-4 return of warm (watchlisted) first purchases, net of ten same-day random market purchases outside the watchlist, on two waits with investor and purchase-day fixed effects: trading days from the first feasible day, and calendar days from the watchlist addition to the next trading day. Rows with p-values Holm-adjusted across 20, 60 and 180 trading days, printed below, carry no stars; Panel A's bin of 4 or more days adds a standard error clustered by investor and watchlist addition date. Panel C compares days 6 to 20 with day 1 by limit-up addition (a watchlist addition on a limit-up close or not) and by *Lottery-Like Stocks*, in regressions with cold (never-watchlisted, or added that day) purchases. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses and set the stars. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-39—Continued

Panel C: Days 6 to 20 against day 1, by limit-up addition and by Lottery-Like Stocks (bps)

	Horizon (trading days)				
	5	20	60	120	180
Limit-up minus other additions	−2	−58	−125	−204	−308
	(39)	(57)	(67)	(84)	(111)
Lottery-like minus other purchases	13	−61	−136	−178	−326
	(31)	(51)	(66)	(80)	(103)

Panel D: Standardized differences on the addition day

	Calendar days		Trading days			
	2–3	4+	2–5	6–20	21–60	60+
Log market capitalization	0.04	0.11	0.06	0.13	0.08	0.04
60-day turnover	−0.02	−0.12	0.06	0.10	0.12	0.08
60-day volatility	−0.02	−0.19	0.09	0.14	0.15	0.27
Rank in the 252-day range	−0.06	−0.34	0.08	0.05	−0.01	−0.10
30-day return	−0.02	−0.38	0.17	0.19	0.10	0.14
Lottery-Like Stocks	−0.04	−0.02	0.22	0.26	0.25	0.24

Panel E: Warm purchases by the two waits (N)

	Trading days from the first feasible day					
	1	2–5	6–20	21–60	60+	Addition dates
1 calendar day	46,812	35,894	31,428	23,780	27,611	282
2 to 3 calendar days	9,451	9,001	8,051	6,259	7,726	123
4 or more calendar days	758	729	806	594	558	21

Table IA-40: Warm Minus Cold in Returns After a New Limit-Up Close of the Stock

Panel A: After a new limit-up close, by days from the first feasible day (bps)

	(1)	(2)	(3) Days since the last limit-up close	(4) Hot list
Early, after a new limit-up close	−690***	−183**	−160**	−129*
	(89)	(77)	(77)	(77)
Early, without a new limit-up close	−53*	0	2	3
	(29)	(28)	(28)	(28)
Late, day 6 to 20, after a new limit-up close	−770***	−322***	−336***	−282***
	(68)	(64)	(63)	(63)
Late, day 6 to 20, without a new limit-up close	102*	24	−10	−2
	(59)	(58)	(56)	(58)
Late, day 21 to 60, after a new limit-up close	−419***	−152***	−204***	−123**
	(56)	(58)	(57)	(57)
Late, day 21 to 60, without a new limit-up close	77	−116*	−81	−127*
	(72)	(70)	(69)	(70)
Late, day over 60, after a new limit-up close	−430***	−259***	−276***	−244***
	(54)	(53)	(53)	(53)
Late, day over 60, without a new limit-up close	215**	−8	86	−13
	(99)	(98)	(97)	(98)
Late: after minus without (band-weighted)	−670***	−217***	−281***	−177***
	(61)	(61)	(59)	(60)
Day 6 to 20	−872***	−346***	−326***	−280***
	(88)	(84)	(82)	(83)
Day 21 to 60	−496***	−35	−123	4
	(87)	(87)	(85)	(87)
Day over 60	−645***	−251**	−362***	−231**
	(116)	(114)	(113)	(114)
Early: after minus without	−636***	−182**	−161**	−133*
	(87)	(77)	(76)	(76)
15 tendencies		✓	✓	✓
Observations	528,842	528,842	528,842	528,842
# of Warm Purchases	206,845	206,845	206,845	206,845
# of Investors	9,476	9,476	9,476	9,476
Investor fixed effects	✓	✓	✓	✓
Purchase-day fixed effects	✓	✓	✓	✓

Note: The table regresses CH-4 abnormal returns over 180 trading days, net of same-day random market purchases, on warm (watchlisted) dummies over warm and cold (never-watchlisted, or added that day) first purchases. A warm purchase is early (the first trading week from the first feasible day) or late, and follows a new limit-up close if it closed at the limit since then. Columns (2)–(4) add the 15 tendencies; (3) adds days since the last limit-up close; (4), the previous close's hot-list entry, which covers every purchase. The late difference weights bands by purchases after a new limit-up close. Panel B multiplies each column (2) coefficient by its share of early or late warm purchases; the first column gives that share after a new limit-up close. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-40—Continued

Panel B: Each band's part of the warm–cold gap, with and without a new limit-up close

		Part of the warm–cold gap (bps)	
	Share of early or late warm purchases (%)	After a new limit-up close	Without a new limit-up close
Days 1 to 5	15.9%	−29.0**	−0.1
		(12.3)	(23.3)
Days 6 to 20	20.9%	−67.4***	4.0
		(13.3)	(9.6)
Days 21 to 60	20.2%	−30.6***	−9.9*
		(11.6)	(5.9)
Over 60 days	28.2%	−72.9***	−0.4
		(14.9)	(5.4)

Table IA-41: News Readings of the Bought Stock Before a Purchase, the Purchase Day Left Out

	Estimate
Calendar days −7 to −1	1.29
	(0.11)
Calendar day −1	0.61
	(0.07)
Calendar days −5 to −2	0.54
	(0.08)
Calendar days −7 to −1 and the purchase day before 09:15	1.28
	(0.12)
Investors	6,850
Observations	317,933

Note: The table reports linear-probability estimates (percentage points) of a news reading of the bought stock by the investor in a window of calendar days before a first purchase, warm (watchlisted) minus cold (never-watchlisted, or added that day), with investor and purchase-day fixed effects. The first window leaves out the purchase day; the indented rows divide it into the day before and days 5 to 2 before; the last window adds the purchase day before 09:15. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and stock are reported in parentheses. The sample is as in Table 1 (9,501 investors), restricted to 2024 news readers and their 2025 purchases.

Table IA-42: Warm Purchases After a New Limit-Up Close, with the Run-Up Held

	Horizon (trading days)		
	20	60	180
Late warm purchases, weighted over delay bands†	−39.0	−23.0	−227.7***
	(23.8)	(31.9)	(63.7)
Trading days 6 to 20	−130.2***	−189.6***	−476.9***
	(38.9)	(51.1)	(80.3)
Trading days 21 to 60	−66.1*	−89.2*	−51.8
	(36.3)	(48.8)	(86.7)
Over 60 trading days	39.0	131.1**	−190.3*
	(36.3)	(53.5)	(112.5)
Early warm purchases (trading days 1 to 5)	−55.3	−104.0*	−365.9***
	(50.4)	(60.7)	(102.3)
Run-up since the first feasible day and its square held	Yes	Yes	Yes
Tendencies held	Yes	Yes	Yes
Observations	531,275	530,890	528,842

Note: The table reports CH-4 abnormal returns, net of same-day random market purchases, of warm (watchlisted) first purchases whose stock had a new limit-up close since the first feasible day, minus those whose stock had none, by delay band. Every row compares with one pool of cold (never-watchlisted, or added that day) first purchases, not divided by whether their stock had a limit-up close. A new close excludes continuations of the addition day's run. Late means trading day 6 on from the first feasible day; the first row weights each delay band by its share of the late purchases after one. The run-up since that day, its square and the tendencies are held. †Holm-adjusted across the three horizons; not detected at 20 and 60 trading days. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

IA-V. Recall

The stronger choice association after a matching episode in Section 7 is consistent with similarity-based recall. These exhibits extend the entry and choice comparisons, compare followers of the same stock on the same day, and distinguish the buying association from the undetected return difference between matching and nonmatching episodes; the late gap is concentrated in purchases after a new limit-up close. Unless stated otherwise, return comparisons use CH-4 abnormal returns over 180 trading days, investor and purchase-day fixed effects, and standard errors clustered by investor and purchase day; cold purchases include stocks never watchlisted or added on the purchase day.

Whether a stock was added on a limit-up close in Table 10 is a feature of recorded interest before purchase. Investors make 34.4 percent of watchlist additions on dates when the stock closes at its upper price limit (Table IA-43, Panel A). Bought watchlist additions and quarter-specific comparisons show how that description varies; the separate Main accounting locates the warm–cold gap by whether the stock was added on a limit-up close without attributing it to the rule.

The choice association after a new limit-up close in Table 11 remains when recent hot-list membership enters. Investors' odds of choosing a stock among late purchases are 18 percent higher after a new limit-up close with the tendencies, return since watchlist addition, time on the list and hot-list membership held (Table IA-44, Panel A). The table adds days since the last limit-up close, whether the stock was added on a limit-up close, early purchases and set counts, while Table IA-45 compares jointly entered tendencies within the watchlist, placebo watchlist and market menu: investors lean away from *Lottery-Like Stocks* within their own lists. The Main return accounting evaluates underperformance after a new limit-up close separately from these buying associations.

Figure IA-12 describes the characteristics accompanying renewed interest: bought stocks carry the completed-run *Lottery-Like Stocks* record more often than unbought list-mates across time on the watchlist, while the list-mates' share is nearly flat, supporting the closing comparison in Section 7.

The corresponding characteristic history distinguishes what was already present when interest was recorded from what appears at purchase. Investors buy stocks with *Abnormal Trading Volume* at both dates in 39.0 percent of warm-purchase comparisons (Table IA-46). That table retains every transition for bought stocks and list-mates, while Table IA-47 varies the wait and the distribution of time on the watchlist among list-mates. These histories describe the characteristics entering the Main return accounting, not changes in investors' preferences.

The return comparison for matching episodes in Section 7 distinguishes choice from performance. On the earlier indicator, which includes continuation closes, the estimated further underperformance after a new limit-up close is greater for stocks added on a limit-up close than for stocks added on other days, but the difference is not statistically detected (the return contrast for limit-up additions minus that for other additions: −135 basis points; standard error 123 basis points), with documented tendencies held fixed, each group relative to cold purchases and net of same-day random market purchases in CH-4-adjusted returns over 180 trading days

(Table IA-48, Panel A). The origin comparison distinguishes further underperformance from the stronger buying association after a matching episode.

Table IA-49 excludes continuations of the watchlist-addition-day run and varies the choice specification, the matching-episode interaction and hot-list controls, supporting the choice comparisons in Section 7. Its return rows support Section 6's within-band late contrast in CH-4 returns net of same-day random market purchases over 180 trading days, one of three horizons tested, each group relative to the same investors' cold purchases; the table displays the other tested horizons.

Table IA-50 compares followers who added a stock on a limit-up close with other followers of the same stock and day with the same time on the watchlist, beyond their difference in the reference week, and reports each group's base rates. It supports Section 7's matching-episode comparison while keeping the purchase-rate difference separate from the return evidence.

Table IA-43: Watchlist Additions on Limit-Up Days and Three Buying Tendencies

Panel A: All watchlist additions

	The stock on the add day				
	Closed at limit	Touched only	Other	No record	All
Additions	590,707	109,784	1,010,715	3,645	1,714,851
Share of all additions	34.4%	6.4%	58.9%	0.2%	100.0%
Lottery-Like Stocks					
Share flagged	41.5%	43.4%	28.7%	35.4%	34.0%
Difference from other (pp)	12.7	14.7			
	(0.8)	(0.9)			
Share flagged, add day included	48.9%	43.2%	28.7%	—	36.6%
Difference from other, add day included (pp)	20.2	14.5			
	(0.7)	(0.9)			
Max Return					
Share flagged	22.1%	23.2%	17.4%	19.2%	19.4%
Difference from other (pp)	4.7	5.8			
	(0.7)	(0.8)			
Largest return at the limit, share of flagged	94.0%	94.9%	91.3%	89.6%	92.6%
Share flagged, add day included	25.1%	24.6%	18.1%	—	20.9%
Difference from other, add day included (pp)	7.0	6.5			
	(0.7)	(0.8)			
Salient Returns					
Share flagged	16.1%	19.0%	16.5%	18.1%	16.5%
Difference from other (pp)	−0.4	2.5			
	(0.6)	(0.7)			
Share flagged, add day included	17.8%	20.4%	17.1%	—	17.5%
Difference from other, add day included (pp)	0.7	3.3			
	(0.6)	(0.7)			

Panel B: Additions bought as warm first purchases

	The stock on the add day				
	Closed at limit	Touched only	Other	No record	All
Additions bought	87,476	14,181	107,185	301	209,143
Share of the group's additions	14.8%	12.9%	10.6%	8.3%	12.2%
Lottery-Like Stocks					
Share flagged	46.9%	49.0%	34.0%	52.2%	40.4%
Difference from other (pp)	12.9	15.0			
	(1.0)	(1.3)			
Max Return					
Share flagged	25.8%	27.5%	20.8%	11.1%	23.4%
Difference from other (pp)	5.0	6.7			
	(1.0)	(1.2)			
Salient Returns					
Share flagged	17.8%	21.5%	18.7%	16.7%	18.5%
Difference from other (pp)	−0.9	2.8			
	(0.9)	(1.1)			

Note: The table counts watchlist additions by the stock's add-day state: closed at its upper daily price limit, touched it only, other, or no price record. Panel B's purchases are warm (watchlisted). Each tendency is measured on the trading day before the add day or, where marked, at the add day's close (—, no price record that day). Shares leave out undefined flags. *Lottery-Like Stocks* is built from consecutive limit-up closes: a run of at least three in 250 trading days (two on ChiNext and STAR). *Max Return* and *Salient Returns* are the top decile of the largest daily return and of daily return salience over the previous calendar month; the largest return is at the limit within 0.2 percentage points. Panel D gives each tendency's share of warm first purchases at the watchlist addition and at the purchase, and the difference within investor-stock pairs (a dash: constant within a pair). Differences are in percentage points, with standard errors clustered by investor and stock in parentheses; only Panel D's carry stars. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-43—Continued

Panel C: By quarter of the addition

	Quarter of the addition				
	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4 (Oct.–Nov.)
Additions					
Closed at limit	207,093	109,819	104,493	111,083	58,219
Touched only	38,649	19,891	18,822	21,293	11,129
Other	267,531	192,850	181,158	249,414	119,762
No record	1,324	468	652	809	392
All	514,597	323,028	305,125	382,599	189,502
Share bought as a warm first purchase (%)					
Closed at limit	18.2%	15.1%	14.5%	11.5%	8.9%
Touched only	15.8%	13.7%	12.1%	10.2%	8.0%
Other	12.4%	11.6%	10.6%	9.7%	6.9%
No record	7.9%	10.0%	8.6%	7.9%	7.4%
All	15.0%	12.9%	12.0%	10.3%	7.6%
Lottery-Like Stocks, share of additions flagged (%)					
Closed at limit	45.9%	41.6%	39.0%	36.7%	38.8%
Touched only	48.1%	42.2%	45.5%	38.7%	34.2%
Other	29.7%	29.6%	29.8%	28.5%	23.8%
No record	24.0%	35.7%	40.7%	45.0%	37.9%
All	37.6%	34.5%	33.9%	31.5%	29.0%
Max Return, share of additions flagged (%)					
Closed at limit	25.7%	21.0%	21.8%	16.0%	23.7%
Touched only	25.5%	20.5%	25.5%	19.8%	23.2%
Other	17.5%	18.6%	18.0%	15.7%	18.4%
No record	20.4%	15.2%	15.0%	23.5%	20.5%
All	21.4%	19.5%	19.7%	16.0%	20.3%
Salient Returns, share of additions flagged (%)					
Closed at limit	15.9%	18.8%	16.3%	12.7%	17.6%
Touched only	17.9%	22.2%	19.3%	15.9%	22.6%
Other	15.3%	18.0%	16.8%	15.9%	17.5%
No record	16.8%	7.6%	17.2%	24.2%	24.2%
All	15.7%	18.5%	16.8%	15.0%	17.9%

Panel D: Warm first purchases minus the investor's own watchlist addition of the stock

	Share of warm first purchases (%)		
	Watchlist addition	Purchase	Difference (pp)
Abnormal Trading Volume	52.6%	55.0%	2.4***
			(0.6)
Chase Dividend	1.0%	1.0%	0.0
			(0.1)
Contrarian	4.3%	6.8%	2.5***
			(0.2)
Easy Name	14.6%	14.5%	0.0
			(0.0)
High Dividend	6.7%	6.6%	−0.1
			(0.1)
Local Company	8.3%	8.3%	—
Lottery-Like Stocks	43.7%	49.0%	5.3***
			(0.5)
Low Price	12.0%	11.2%	−0.8***
			(0.3)
Max Return	25.4%	28.9%	3.5***
			(0.6)
Momentum	50.5%	44.9%	−5.6***
			(0.5)
Prior Industry Purchase	39.3%	47.9%	8.6***
			(0.4)

(Continued)

Table IA-43—Continued

Panel D: Warm first purchases minus the investor's own watchlist addition of the stock

	Share of warm first purchases (%)		
	Watchlist addition	Purchase	Difference (pp)
Salient Returns	19.4%	22.4%	3.0***
			(0.6)
Small Cap	1.7%	1.7%	0.0
			(0.1)
Upper Price-Limit Hit	43.7%	26.8%	−16.9***
			(0.5)
Value	8.1%	7.7%	−0.4***
			(0.1)
Observations			209,143

Table IA-44: The Choice of a Watchlisted Stock After a New Limit-Up Close

Panel A: Late purchases (day 6 on from the first feasible day), log odds

	(1)	(2)	(3) Days 2 to 5	(4) Hot list	(5) Added on a limit-up close
A new limit-up close	0.13***	0.21***	0.22***	0.17***	0.07***
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
A limit-up close on days 2 to 5 before			−0.01		
			(0.02)		
On the hot list in the last 5 trading days				0.45***	
				(0.02)	
Added on a limit-up close					−0.62***
					(0.03)
A new limit-up close × added on a limit-up close					0.66***
					(0.04)
Return since the watchlist addition		0.84***	0.84***	0.74***	0.79***
		(0.04)	(0.04)	(0.04)	(0.04)
Log trading days on the list		−0.22***	−0.22***	−0.19***	−0.22***
		(0.01)	(0.01)	(0.01)	(0.01)
Fifteen tendencies and stock type	✓	✓	✓	✓	✓
Observations	105,061	104,919	104,919	104,919	104,919
Stocks in the sets	2,119,978	2,112,478	2,112,478	2,112,478	2,112,478

Panel B: Early purchases (days 1 to 5), log odds

	(1)	(2)	(3) Days 2 to 5	(4) Hot list	(5) Added on a limit-up close
A new limit-up close	−2.18***	0.41***	0.41***	0.39***	0.29***
	(0.03)	(0.04)	(0.04)	(0.04)	(0.05)
A limit-up close on days 2 to 5 before			0.04		
			(0.03)		
On the hot list in the last 5 trading days				0.15***	
				(0.03)	
Added on a limit-up close					0.09***
					(0.03)
A new limit-up close × added on a limit-up close					0.18***
					(0.06)
Return since the watchlist addition		2.46***	2.46***	2.47***	2.46***
		(0.13)	(0.13)	(0.13)	(0.13)
Log trading days on the list		−2.95***	−2.95***	−2.95***	−2.96***
		(0.02)	(0.02)	(0.02)	(0.02)
Fifteen tendencies and stock type	✓	✓	✓	✓	✓
Observations	101,578	101,463	101,463	101,463	101,463
Stocks in the sets	1,943,723	1,937,161	1,937,161	1,937,161	1,937,161

Note: The table reports log odds from conditional logits of which stock is bought, one stratum per warm (watchlisted) first purchase: the bought stock and 20 random others on the investor's watchlist buyable that day. In Panel B the dummy for a stock with under 250 trading days of history is not estimated. Panel C counts the stocks. Panel B's column (5) product reverses sign in a linear within-set fit; Panel A's does not. A new limit-up close is an upper-limit close from the first feasible day to the day before the purchase. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by stock are reported in parentheses, and the stars are based on them. The sample is as in Table 1, less the 18 investors who added 1,000 or more stocks on one day, which leaves 9,483 of 9,501 investors. *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-44—Continued

Panel C: The stocks in the sets, by time from the first feasible day

	Early	Late
Bought stocks		
Number	102,265	105,245
A new limit-up close	15.8%	69.0%
A limit-up close on days 2 to 5 before	27.2%	20.1%
On the hot list in the last 5 trading days	60.1%	50.4%
Added on a limit-up close	44.0%	40.1%
Empty window (bought on the first feasible day)	56,805	0
Window and days on the list differ by over 5 trading days	167	246
Other stocks in the set		
Number	1,846,419	2,014,917
A new limit-up close	49.7%	54.7%
A limit-up close on days 2 to 5 before	12.4%	8.7%
On the hot list in the last 5 trading days	22.8%	17.2%
Added on a limit-up close	38.9%	36.7%
Empty window (first feasible on the purchase day)	84,140	29,162
Window and days on the list differ by over 5 trading days	4,792	5,239
Sets		
Other stocks that could not be bought that day	14,759	6,904
Purchases with no other stock left	687	184
Purchases outside the hot list's coverage (from 2024-08-29)	0	0

Table IA-45: The Choice of a Stock Within the Watchlist, Fifteen Tendencies

Panel A: The choice of a stock on the watchlist, fifteen tendencies, log odds

	Own watchlist	Placebo watchlist	Random market purchases (placebo)
Abnormal Trading Volume	1.33***	1.69***	1.58***
	(0.02)	(0.02)	(0.02)
Chase Dividend	−0.03	−0.02	−0.05
	(0.05)	(0.05)	(0.05)
Contrarian	−0.08***	0.02	0.04
	(0.02)	(0.02)	(0.03)
Easy Name	0.06**	0.22***	0.23***
	(0.02)	(0.04)	(0.04)
High Dividend	0.03	−0.23***	−0.15***
	(0.03)	(0.05)	(0.05)
Local Company	−0.01	0.12***	0.15***
	(0.02)	(0.02)	(0.02)
Lottery-Like Stocks	−0.07***	0.69***	0.66***
	(0.02)	(0.03)	(0.03)
Low Price	0.15***	−0.03	−0.03
	(0.03)	(0.04)	(0.04)
Max Return	0.05***	0.23***	0.19***
	(0.02)	(0.02)	(0.02)
Momentum	0.31***	0.41***	0.39***
	(0.02)	(0.02)	(0.02)
Prior Industry Purchase	0.06***	0.36***	0.37***
	(0.01)	(0.02)	(0.02)
Salient Returns	−0.04**	−0.05**	−0.05**
	(0.02)	(0.02)	(0.02)
Small Cap	−0.26***	−0.99***	−0.98***
	(0.04)	(0.04)	(0.04)
Upper Price-Limit Hit	0.87***	1.13***	1.13***
	(0.02)	(0.02)	(0.02)
Value	−0.10**	−0.02	0.02
	(0.05)	(0.05)	(0.05)
Stock type			
Realized daily volatility	−14.49***	−35.74***	−35.30***
	(1.53)	(2.02)	(2.06)
Upper-limit and abnormal-volume days (per 10)	0.059***	0.150***	0.154***
	(0.005)	(0.008)	(0.007)
Under 250 trading days	−1.44***	—	—
	(0.16)		

Note: The table reports log odds from conditional logits of which stock is bought, one stratum per first purchase: the bought stock and 20 random stocks from the investor's own watchlist if warm (watchlisted), from a placebo watchlist if cold (never-watchlisted, or added that day), or its ten random market purchases (placebo). Stock type is the stock's realized daily volatility and its count of upper-limit and abnormal-volume days over the 250 trading days before it was added to the list or placebo list, or, for random market purchases, before the purchase day. Panel C is the *Lottery-Like Stocks* row of a fit adding a sixteenth tendency, *Volatility* (past-year daily volatility within 10 percent of the investor's other holdings' average), overall and by whether the bought stock has a purchase-day attention tendency, against alternatives with that status. Standard errors clustered by investor and stock are reported in parentheses. The sample is as in Table 1, less the 18 investors who added 1,000 or more stocks on one day, which leaves 9,483 of 9,501 investors. *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-45—Continued

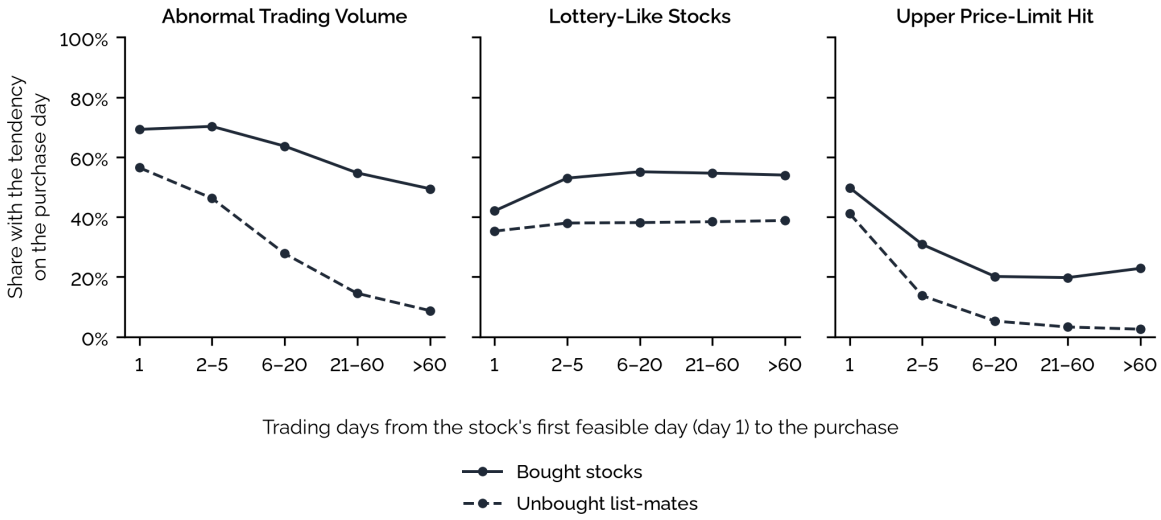
Panel B: Observations and set sizes

	Own watchlist	Placebo watchlist	Random market purchases (placebo)
Observations	206,677	309,834	324,268
Stocks in the sets	4,089,676	5,850,836	3,563,808

Panel C: *Lottery-Like Stocks*, by the bought stock's attention tendency, log odds

	Own watchlist	Placebo watchlist	Random market purchases (placebo)
All purchases	-0.07^{***}	0.69^{***}	0.66^{***}
	(0.02)	(0.03)	(0.03)
Bought stock without an attention tendency	-0.06^{**}	0.68^{***}	0.63^{***}
	(0.02)	(0.04)	(0.04)
Bought stock with an attention tendency	-0.04^{**}	0.68^{***}	0.72^{***}
	(0.02)	(0.03)	(0.03)

Figure IA-12: Tendencies of Bought and Unbought Watchlisted Stocks, by Days from the First Feasible Day



Note: The figure plots, for warm (watchlisted) purchases, the share of stocks with each purchase tendency on the purchase day, by trading days from the stock's first feasible day, the first day it could be bought after the investor added it (day 1). Solid lines are the bought stocks; dashed lines are their list-mates, the other stocks the investor added earlier and had not yet bought, each counted from its own first feasible day. Shares count stocks, unweighted. Tendencies are measured at the previous trading day's close, except *Abnormal Trading Volume*, measured on the purchase day. The sample is as in Table 1 (9,501 investors), restricted to warm purchases with at least one list-mate.

Table IA-46: Tendencies of Bought Stocks and List-Mates at the Watchlist Addition and the Purchase

Panel A: Present at both dates, or at the watchlist addition only

	Present at both dates			Present at the watchlist addition, absent at the purchase		
	Bought	List-mates	Difference	Bought	List-mates	Difference
Abnormal Trading Volume	39.0%	14.6%	24.4*** (0.5)	13.9%	34.7%	−20.8*** (0.4)
Chase Dividend	0.3%	0.1%	0.2*** (0.0)	0.7%	0.9%	−0.2*** (0.0)
Contrarian	2.2%	1.2%	1.0*** (0.1)	2.0%	3.2%	−1.2*** (0.1)
Easy Name	14.5%	13.7%	0.8*** (0.2)	0.0%	0.1%	−0.1*** (0.0)
High Dividend	6.2%	6.5%	−0.2* (0.1)	0.5%	1.1%	−0.6*** (0.0)
Local Company	8.3%	8.5%	−0.1 (0.1)	0.0%	0.0%	0.0 (0.0)
Lottery-Like Stocks	42.9%	38.4%	4.6*** (0.3)	0.8%	2.4%	−1.6*** (0.1)
Low Price	10.4%	8.2%	2.1*** (0.3)	1.6%	0.8%	0.7*** (0.1)
Max Return	19.7%	11.7%	8.0*** (0.4)	5.7%	11.8%	−6.1*** (0.2)
Momentum	37.4%	16.7%	20.7*** (0.6)	13.3%	30.3%	−17.0*** (0.4)
Prior Industry Purchase	39.8%	30.6%	9.3*** (0.2)	0.0%	0.0%	0.0 (0.0)
Salient Returns	13.5%	7.6%	5.9*** (0.3)	5.9%	11.1%	−5.2*** (0.2)
Small Cap	1.4%	1.8%	−0.4*** (0.1)	0.3%	0.4%	−0.1*** (0.0)
Upper Price-Limit Hit	22.5%	6.3%	16.1*** (0.5)	21.4%	34.5%	−13.1*** (0.3)
Value	7.3%	8.0%	−0.7*** (0.2)	0.7%	0.6%	0.1** (0.1)

Note: The table reports all four combinations of having each tendency at the watchlist addition and on the purchase day: at both dates, at the addition only, at the purchase only, and at neither, for the bought stock and for the other stocks on the investor's watchlist that day (list-mates). The difference is bought minus list-mates in percentage points, from a regression without fixed effects. Each tendency is dated as its definition in the Internet Appendix states. Shares are in percent. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by purchase day are reported in parentheses, and the stars are based on them. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-46—Continued

Panel B: Present at the purchase only, or at neither date

	Absent at the watchlist addition, present at the purchase			Absent at both dates		
	Bought	List-mates	Difference	Bought	List-mates	Difference
Abnormal Trading Volume	16.3%	7.0%	9.2***	30.8%	43.7%	−12.8***
			(0.2)			(0.4)
Chase Dividend	0.7%	1.0%	−0.3***	98.3%	98.0%	0.3***
			(0.0)			(0.1)
Contrarian	4.5%	10.2%	−5.7***	91.2%	85.4%	5.8***
			(0.2)			(0.3)
Easy Name	0.0%	0.0%	0.0	85.4%	86.2%	−0.8***
			(0.0)			(0.2)
High Dividend	0.4%	1.0%	−0.7***	92.9%	91.4%	1.6***
			(0.0)			(0.2)
Local Company	0.0%	0.0%	0.0	91.7%	91.5%	0.1
			(0.0)			(0.1)
Lottery-Like Stocks	6.2%	6.0%	0.2	50.1%	53.3%	−3.2***
			(0.1)			(0.4)
Low Price	0.7%	1.8%	−1.1***	87.3%	89.1%	−1.8***
			(0.1)			(0.3)
Max Return	9.3%	9.7%	−0.4	65.2%	66.7%	−1.5***
			(0.3)			(0.5)
Momentum	7.7%	5.4%	2.3***	41.6%	47.6%	−6.0***
			(0.1)			(0.4)
Prior Industry Purchase	8.7%	17.4%	−8.7***	51.4%	52.0%	−0.6***
			(0.2)			(0.2)
Salient Returns	8.9%	9.6%	−0.7***	71.7%	71.7%	0.0
			(0.2)			(0.4)
Small Cap	0.3%	1.2%	−0.9***	98.0%	96.6%	1.4***
			(0.0)			(0.1)
Upper Price-Limit Hit	4.4%	1.9%	2.5***	51.8%	57.3%	−5.5***
			(0.1)			(0.4)
Value	0.3%	1.3%	−1.0***	91.7%	90.1%	1.6***
			(0.0)			(0.2)

Table IA-47: Tendencies Gained by the Purchase, and List-Mates' Time on the Watchlist, by the Wait

Panel A: Absent at the watchlist addition, present at the purchase, minus list-mates (pp)

	Bought days 1 to 5		Bought day 6 on	
	All list-mates	Matched on time	All list-mates	Matched on time
Abnormal Trading Volume	8.4***	4.0***	10.0***	10.0***
	(0.4)	(0.4)	(0.4)	(0.4)
Chase Dividend	−0.5***	−0.1*	−0.1	−0.1
	(0.1)	(0.1)	(0.1)	(0.1)
Contrarian	−8.5***	−0.1**	−2.7***	−2.6***
	(0.2)	(0.1)	(0.2)	(0.2)
Easy Name	0.0***	—	0.0	0.0
	(0.0)		(0.0)	(0.0)
High Dividend	−0.8***	0.0*	−0.5***	−0.4***
	(0.0)	(0.0)	(0.1)	(0.1)
Local Company	—	—	—	—
Lottery-Like Stocks	−2.6***	1.0***	3.0***	3.7***
	(0.2)	(0.2)	(0.5)	(0.5)
Low Price	−1.4***	0.0	−0.8***	−0.6***
	(0.0)	(0.0)	(0.2)	(0.2)
Max Return	−7.1***	0.3*	6.4***	4.0***
	(0.2)	(0.2)	(0.5)	(0.5)
Momentum	−1.3***	1.1***	6.0***	5.6***
	(0.2)	(0.2)	(0.3)	(0.3)
Prior Industry Purchase	−14.1***	−0.2	−3.2***	−0.1
	(0.2)	(0.1)	(0.4)	(0.3)
Salient Returns	−6.8***	0.2	5.6***	3.5***
	(0.2)	(0.2)	(0.4)	(0.4)
Small Cap	−1.0***	−0.1***	−0.9***	−0.9***
	(0.0)	(0.0)	(0.1)	(0.1)
Upper Price-Limit Hit	0.9***	1.1***	4.1***	4.1***
	(0.1)	(0.1)	(0.2)	(0.2)
Value	−1.0***	−0.1***	−0.9***	−0.8***
	(0.0)	(0.0)	(0.1)	(0.1)

Note: The table reports, for warm (watchlisted) first purchases, the share whose stock has each of the 15 buying tendencies on the purchase day but not at the watchlist addition, for the bought stock minus its list-mates, the stocks the investor added earlier and had not bought, in percentage points, by purchases on days 1 to 5 and day 6 on from the stock's first feasible day (day 1). List-mates matched on time on the watchlist are in the bought stock's band of time on the watchlist. Panel B counts the list-mates on the purchase day by their own time since the addition and since the first feasible day, in percent. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by stock are reported in parentheses, and none where under 50 investors contribute. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-47—Continued

Panel B: List-mates on the purchase day by their own age

	Bought days 1 to 5	Bought day 6 on
Added day 1	0.0%	0.0%
Added days 2 to 5	7.6%	3.0%
Added days 6 to 20	16.3%	11.6%
Added days 21 to 60	27.4%	26.1%
Added 60 or more trading days before	48.7%	59.2%
Feasible day 1	2.3%	0.8%
Feasible days 2 to 5	6.7%	2.9%
Feasible days 6 to 20	15.8%	11.7%
Feasible days 21 to 60	27.0%	25.9%
Feasible 60 or more trading days before	48.1%	58.6%
No feasible day before the purchase	0.2%	0.1%

Table IA-48: A New Limit-Up Close, by Limit-Up Watchlist Addition and from the Second Day

Panel A: After minus without a new limit-up close, by limit-up watchlist addition and from day 2 (bps)

	(1) By limit-up watchlist addition	(2) By limit-up watchlist addition, tendencies held	(3) From day 2	(4) From day 2, tendencies held
Late, limit-up watchlist additions	−770***	−259**		
	(115)	(111)		
Late, other watchlist additions	−475***	−124*		
	(71)	(72)		
Late, limit-up less other watchlist additions	−296**	−135		
	(125)	(123)		
Early, limit-up watchlist additions	−505***	−186*		
	(108)	(99)		
Early, other watchlist additions	−532***	−146		
	(122)	(119)		
Late, all watchlist additions			−673***	−207***
			(60)	(60)
Early, all watchlist additions			−706***	−179**
			(96)	(87)
15 tendencies		✓		✓
Observations	528,842	528,842	472,752	472,752
# of Warm Purchases	206,845	206,845	150,803	150,803
# of Investors	9,476	9,476	9,428	9,428
Investor fixed effects	✓	✓	✓	✓
Purchase-day fixed effects	✓	✓	✓	✓

Panel B: Warm purchases by term

	(1)	(2)	(3) Days since the last limit-up close	(4) Hot list
Early, after a new limit-up close	16,048	16,048	16,048	16,048
Early, without a new limit-up close	85,009	85,009	85,009	85,009
Late, day 6 to 20, after a new limit-up close	22,156	22,156	22,156	22,156
Late, day 6 to 20, without a new limit-up close	17,681	17,681	17,681	17,681
Late, day 21 to 60, after a new limit-up close	21,326	21,326	21,326	21,326
Late, day 21 to 60, without a new limit-up close	9,014	9,014	9,014	9,014
Late, day over 60, after a new limit-up close	29,801	29,801	29,801	29,801
Late, day over 60, without a new limit-up close	5,810	5,810	5,810	5,810
Early, on the first feasible day	56,042	56,042	56,042	56,042

Note: The table varies Table IA-40's regression of CH-4 abnormal returns over 180 trading days, net of same-day random market purchases, on warm (watchlisted) dummies over warm and cold (never-watchlisted, or added that day) first purchases, with its early, late and new-limit-up-close terms. Panel A gives after minus without a new limit-up close for stocks added on a limit-up close and for other watchlist additions, with first-feasible-day purchases kept (columns (1) and (2)) and dropped (columns (3) and (4)); columns (2) and (4) hold the 15 tendencies fixed. Panel B counts the warm purchases in each term of Table IA-40's columns (1) to (4). Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-49: A New Limit-Up Close Without Continuations of the Addition-Day Run

Panel A: Late warm purchases after a new limit-up close minus those without one (bps)

	Horizon (trading days)		
	20	60	180
Weighted over delay bands	−58.4**	−45.4	−242.8***
	(23.7)	(31.9)	(63.0)
Trading days 6 to 20	−142.2***	−193.7***	−459.8***
	(39.2)	(51.8)	(78.9)
Trading days 21 to 60	−83.8**	−106.2**	−56.2
	(36.4)	(49.3)	(86.4)
Over 60 trading days	13.7	93.3*	−233.6**
	(35.7)	(53.0)	(112.5)
Weighted over delay bands, hot list at the previous close held	−48.3**	−31.3	−202.8***
	(23.6)	(31.8)	(62.5)
Observations	531,275	530,890	528,842

Note: The table defines a new limit-up close as a limit-up close between the first feasible day and the purchase that does not continue a run of limit-up closes begun on the watchlist-addition day. Panel A reports CH-4 abnormal returns of late warm (watchlisted) purchases (day 6 on from the first feasible day) after a new limit-up close minus those without one, each against the same investors' cold (never-watchlisted, or added that day) purchases, tendencies held, with investor and purchase-day fixed effects; the first row's tests at 20, 60 and 180 trading days use Holm-adjusted p-values, so the test at 180 trading days is one of three. Panel B reports conditional-logit log odds of buying a stock against 20 random others on the watchlist, per late warm first purchase, with the tendencies, the stock's prior return volatility and frequency of attention-grabbing days, the return since watchlist addition and days on the watchlist held; column (5) also holds bands of trading days since the stock's last limit-up close. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day (A) or investor and stock (B) are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-49—Continued

Panel B: Choice of a watchlisted stock in late purchases (log odds)

	(1)	(2)	(3)	(4)	(5)
New limit-up close	0.27***	0.22***	0.08***	0.02	−0.04*
	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)
Added on a limit-up close			−0.51***	−0.54***	−0.58***
			(0.03)	(0.03)	(0.03)
New limit-up close × added on a limit-up close			0.60***	0.62***	0.67***
			(0.04)	(0.04)	(0.04)
On the hot list in the last five trading days		0.44***		0.45***	
		(0.02)		(0.02)	
Last limit-up close 1 to 5 trading days before					0.28***
					(0.04)
Last limit-up close 6 to 20 trading days before					0.27***
					(0.03)
Last limit-up close 21 to 60 trading days before					0.01
					(0.03)
Last limit-up close 61 to 120 trading days before					−0.09***
					(0.03)
Choice sets	104,919	104,919	104,919	104,919	104,919
Observations	2,112,478	2,112,478	2,112,478	2,112,478	2,112,478

Table IA-50: Followers' First Purchases After a Renewed Upper-Limit Hit, by How They Added the Stock

Panel A: First purchase of the stock (pp)

	(1)	(2)	(3)
Limit-up follower × days 0 and 1	0.0404***	0.0423***	0.0456***
	(0.0065)	(0.0066)	(0.0085)
Limit-up follower × days −5 to −1	0.0077***	0.0068***	0.0066**
	(0.0021)	(0.0021)	(0.0026)
Limit-up follower	−0.0140***	−0.0299***	−0.0143***
	(0.0017)	(0.0018)	(0.0020)
Follower × days 0 and 1	0.0687***	0.0793***	0.0775***
	(0.0067)	(0.0062)	(0.0087)
Follower × days −5 to −1	−0.0081***	−0.0060***	−0.0052**
	(0.0020)	(0.0020)	(0.0023)
Follower	0.0242***	0.0528***	0.0244***
	(0.0025)	(0.0028)	(0.0028)
Time on the watchlist held	Yes	No	Yes
Renewed upper-limit hits	9,707	9,707	6,623
Stocks	3,927	3,927	3,414
Investors	14,317	14,317	13,677
Observations	36,419,413	36,419,413	24,622,719

Panel B: Followers' first purchases of the stock (percent of follower-days)

	Added on a limit-up close	Added on another day
Days −10 to −6	0.027	0.069
Days 0 and 1	0.188	0.178

Note: The table reports linear-probability estimates (percentage points) of a first purchase of a stock on days 10 before to 1 after a renewed upper-limit hit (defined in the Internet Appendix), for followers, who added the stock at least six trading days before, against active investors who had not, with stock × day and investor × day fixed effects. Limit-up followers added the stock on a limit-up close; their rows are relative to other followers, and days 10 to 6 before are omitted. Columns (1) and (3) hold days on the watchlist in bands; column (3) keeps hits whose day is a limit-up close. Limit-up followers' five lead days are jointly different from zero. Panel B gives followers' weighted purchase rates. Each event counts equally, and each investor equally within it, reweighted by the inverse of the sampling rate. Standard errors clustered by investor and by stock are reported in parentheses. The sample is as in Table 1 (9,501 investors) in its stock screens and period, but covers every investor with a watchlist addition. *, **, and *** denote significance at the 10%, 5%, and 1% levels.

IA-VI. Tendencies and What Remains

Documented tendencies account for part of the whole warm–cold gap, while late warm purchases still underperform cold purchases with tendencies held fixed, as Sections 6 and 7 show. These tables compare the prices used in the tendency accounting and extend the early–late specifications; no contribution is assigned to recall. Unless stated otherwise, return comparisons use CH-4 abnormal returns over 180 trading days, investor and purchase-day fixed effects, and standard errors clustered by investor and purchase day; cold purchases include stocks never watchlisted or added on the purchase day.

The in-sample attribution uses prices estimated within the purchase comparisons underlying Table 7. Investors' tendencies and their missing-value indicators account for an insignificant −1 basis point (standard error 1 basis point) of the *list*'s 565 basis points underperformance at in-sample prices in CH-4-adjusted returns over 180 trading days (Table IA-51). The near-zero estimate accounts for none of the *list*'s underperformance in this attribution. This contribution belongs to that attribution and is not the full Gelbach contribution quoted in the Main text.

The sequential step when tendencies are added in Table 7 differs from accounting at market prices without fixed effects. Investors' tendency composition accounts for 285 basis points of the *list*'s underperformance in the market-price, differences-of-means accounting in CH-4-adjusted returns over 180 trading days (Table IA-52). The other parts and adjustments show how the accounting changes with the prices applied to the observed tendency differences.

The early–late accounting in Table 9 retains uncertainty about the change in tendency contributions. Investors' combined tendency contribution has an insignificant late-minus-early difference of −17 basis points, with standard error 14 basis points, in the Gelbach decomposition of warm returns relative to cold purchases in CH-4-adjusted returns over 180 trading days (Table IA-53, Panel C). The table also reports the specification steps omitted from Table 7, the decile variant and early and late coefficients across horizons, keeping those comparisons distinct from the sequential step when tendencies are added.

Table IA-51: The *List* and the *Pick* Attributed to the Tendencies at In-Sample Prices

	At 180 trading days				
	Raw	Market-adj.	CAPM	CH-4	DGTW
List					
The 15 tendencies and missing flags	−3***	−3***	−4***	−1	−2**
	(1)	(1)	(1)	(1)	(1)
Total	−767***	−769***	−842***	−565***	−529***
	(36)	(36)	(40)	(25)	(29)
First row as a share of the total	0%	0%	0%	0%	0%
Pick					
The 15 tendencies and missing flags	−132***	−133***	−162***	−125***	−130***
	(8)	(8)	(8)	(7)	(8)
Total	566***	567***	603***	351***	368***
	(35)	(35)	(38)	(28)	(30)
First row as a share of the total	−23%	−23%	−27%	−36%	−35%

Note: The table attributes the *list* and the *pick* of the return gap over 180 trading days between warm (watchlisted) and cold (never-watchlisted, or added that day) first purchases to the tendencies at in-sample prices. Each part's regression on a warm dummy, with investor and purchase-day fixed effects, adds the 15 tendencies and missing-value dummies; the first row sums each coefficient (a tendency's in-sample price) times its warm minus cold difference. Table IA-52 gives the attribution at market prices. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and by purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Table IA-52: Warm Minus Cold and Its Parts Attributed to the Tendencies

	At 180 trading days			
	Warm minus cold	List	Pick	Remainder
Raw				
The 15 tendencies at market prices	−79***	−300***	218***	2
	(11)	(26)	(17)	(2)
Missing tendency data	0	0	0	0
	(1)	(1)	(1)	(0)
Purchase-day composition	−95***	0	0	−95***
	(13)	(0)	(0)	(13)
Not explained by tendencies	−137***	−481***	341***	4
	(26)	(41)	(34)	(6)
Total	−311***	−781***	559***	−89***
	(25)	(37)	(32)	(15)
Market-adj.				
The 15 tendencies at market prices	−79***	−300***	218***	2
	(12)	(26)	(17)	(2)
Missing tendency data	0	0	0	0
	(1)	(1)	(1)	(0)
Purchase-day composition	−93***	0	0	−93***
	(18)	(0)	(0)	(18)
Not explained by tendencies	−138***	−483***	341***	4
	(26)	(41)	(34)	(6)
Total	−310***	−783***	559***	−87***
	(27)	(38)	(32)	(18)
CAPM				
The 15 tendencies at market prices	−120***	−393***	271***	2
	(12)	(27)	(18)	(1)
Missing tendency data	0	−1	0	0
	(1)	(1)	(1)	(0)
Purchase-day composition	−93***	0	0	−93***
	(23)	(0)	(0)	(23)
Not explained by tendencies	−107***	−450***	342***	1
	(26)	(44)	(36)	(6)
Total	−321***	−844***	613***	−91***
	(31)	(42)	(35)	(23)
CH-4				
The 15 tendencies at market prices	−81***	−285***	203***	1
	(11)	(25)	(17)	(1)
Missing tendency data	0	0	0	0
	(1)	(1)	(1)	(0)
Purchase-day composition	0	0	0	0
	(3)	(0)	(0)	(3)
Not explained by tendencies	−181***	−300***	117***	2
	(25)	(34)	(36)	(6)
Total	−263***	−585***	319***	3
	(23)	(24)	(31)	(7)

Note: The table attributes the gap in Table 2's returns over 180 trading days between warm (watchlisted) and cold (never-watchlisted, or added that day) first purchases, and its *list*, *pick* and *remainder* (Panel B of Table 2), to the purchase tendencies, each a difference of weighted means without fixed effects. Market prices come from regressing returns of stocks traded on purchase days on the tendencies with day fixed effects. The first row sums each tendency's price times the part's difference in its share of purchases; that regression's missing-value dummies and day effects give the next two rows, and the row not explained by tendencies the rest. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Delta-method standard errors cluster the market prices by stock and day and the share differences by investor and day, omit the day effects' variance, and are reported in parentheses. The sample is as in Table 1 (9,501 investors). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-52—Continued

	At 180 trading days			
	Warm minus cold	List	Pick	Remainder
DGTW				
The 15 tendencies at market prices	−71***	−238***	166***	2
	(11)	(26)	(17)	(1)
Missing tendency data	0	0	0	0
	(1)	(1)	(1)	(0)
Purchase-day composition	−43***	0	0	−43***
	(6)	(0)	(0)	(6)
Not explained by tendencies	−115***	−311***	196***	0
	(29)	(37)	(36)	(6)
Total	−228***	−550***	362***	−40***
	(29)	(29)	(32)	(9)

Table IA-53: Warm Minus Cold in Returns with the Tendencies, the Price Path and News Held Fixed

Panel A: The warm coefficient (bps)

	(1)	(6)	(7)	(9)
Warm purchase	−213***	−86***	−86***	−54**
	(24)	(23)	(23)	(26)
Warm × announcement evening (eligible for the push)				−88*
				(47)
15 tendencies		✓	✓	✓
Around the add price		✓	✓	✓
Around the peak since the watchlist addition		✓	✓	✓
Around the trough since the watchlist addition		✓	✓	✓
News readings by the investor		✓	✓	✓
Announcement the evening before			✓	✓
On the Platform's hot list at the previous close				✓
Warm × announcement evening				✓
Observations	528,842	528,842	528,842	528,842
Warm purchases	206,845	206,845	206,845	206,845
Investors	9,476	9,476	9,476	9,476
Purchases without a reference price	3	3	3	3
Investor fixed effects	✓	✓	✓	✓
Purchase-day fixed effects	✓	✓	✓	✓

Panel B: The warm–cold gap by time on the watchlist, and the tendencies in deciles (bps)

	(2)	(2), deciles
Warm purchase		−84***
		(23)
Early warm purchase (trading days 1 to 5)	−20	
	(28)	
Late warm purchase (trading day 6 on)	−160***	
	(31)	
15 tendencies	✓	
15 tendencies, measures in deciles		✓
Around the add price, peak and trough		
Observations	528,842	528,842
Warm purchases	206,845	206,845
Investors	9,476	9,476
Early warm purchases	101,057	
Late warm purchases	105,788	
Investor fixed effects	✓	✓
Purchase-day fixed effects	✓	✓

Note: The table extends Table 7's regression of CH-4 abnormal returns over 180 trading days, net of same-day random market purchases, on a warm (watchlisted) dummy over warm and cold (never-watchlisted, or added that day) first purchases; Panel A adds its ticked blocks. Panel B divides warm purchases into early (the first trading week from the first feasible day) and late; its second column uses tendency deciles, *Contrarian* and *Momentum* sharing one. In Panel C, late minus early subtracts the early part. Each first purchase is weighted by one over the investor's number of first purchases of its kind that day and by one over the investor's number of days with any purchase or sale. Standard errors clustered by investor and purchase day are reported in parentheses. The sample is as in Table 1 (9,501 investors), less first purchases without a return over 180 trading days (9,476 investors left). *, **, and *** denote significance at the 10%, 5%, and 1% levels.

(Continued)

Table IA-53—Continued

Panel C: The change from column (1) to column (2), by tendency (bps)

	All	Early	Late
Abnormal Trading Volume	−5.8***	−17.0***	6.1***
	(1.7)	(4.1)	(1.6)
Chase Dividend	−0.1	−0.1	−0.1
	(0.1)	(0.1)	(0.1)
Contrarian	0.4	1.7	−1.0
	(0.4)	(1.6)	(1.4)
Easy Name	−0.3	−0.3	−0.4
	(0.4)	(0.4)	(0.6)
High Dividend	3.2***	1.7**	4.7***
	(0.7)	(0.8)	(0.9)
Local Company	−0.2	−0.4	−0.1
	(0.2)	(0.2)	(0.2)
Lottery-Like Stocks	−93.0***	−50.1***	−138.5***
	(4.7)	(4.3)	(6.6)
Low Price	0.0	−0.2	0.2
	(0.1)	(0.4)	(0.4)
Max Return	−20.1***	−8.5***	−32.1***
	(3.1)	(2.1)	(4.7)
Momentum	−12.9***	−23.1***	−2.7**
	(3.9)	(6.5)	(1.3)
Prior Industry Purchase	5.7***	−1.7	13.9***
	(1.0)	(1.0)	(1.6)
Salient Returns	−4.3	−4.6**	−3.8
	(2.8)	(2.1)	(4.0)
Small Cap	−5.6***	−2.5*	−8.9***
	(1.2)	(1.3)	(1.4)
Upper Price-Limit Hit	−3.3***	−19.1***	13.5***
	(1.1)	(5.3)	(3.8)
Value	9.8***	5.7***	14.3***
	(1.6)	(1.7)	(2.1)
Transient tendencies	−21.5***	−57.4***	15.9***
	(4.3)	(8.1)	(4.6)
Late minus early (transient)			73.3***
			(10.5)
Persistent tendencies	−105.0***	−60.9***	−150.7***
	(5.9)	(5.7)	(8.2)
Late minus early (persistent)			−89.8***
			(8.0)
Total	−126.6***	−118.3***	−134.8***
	(7.4)	(10.4)	(9.7)
Late minus early (total)			−16.6
			(13.7)

Panel D: Panel B's early and late warm purchases by horizon, CH-4 (bps)

	Horizon (trading days)				
	5	20	60	120	180
Column (1)					
Early warm purchase (trading days 1 to 5)	−40***	−77***	−144***	−180***	−139***
	(12)	(15)	(20)	(24)	(31)
Late warm purchase (trading day 6 on)	0	−50***	−158***	−204***	−294***
	(10)	(16)	(21)	(24)	(32)
Column (2): the 15 tendencies held					
Early warm purchase (trading days 1 to 5)	−5	−17	−51***	−73***	−20
	(10)	(13)	(18)	(22)	(28)
Late warm purchase (trading day 6 on)	6	−30**	−104***	−111***	−160***
	(8)	(14)	(18)	(23)	(31)
Column (5): also around the add price, peak and trough					
Early warm purchase (trading days 1 to 5)	−2	−11	−48**	−61***	−18
	(10)	(13)	(19)	(23)	(30)
Late warm purchase (trading day 6 on)	4	−38***	−107***	−122***	−162***
	(9)	(14)	(19)	(25)	(34)