

Impact of Investor Attention to the Covid-19 Crisis on Stock Returns; Evidence of Asian Stock Markets

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ABSTRACT

Introduction: Investor attention may impact stock prices, according to various theoretical and empirical research. This study examines the investor attention and response to the Covid-19 pandemic in the Asian stock market. Also, as the secondary objective, this research examines the negative impact of investors' enhanced attention to COVID-19 on stock market returns is likely to be strong whether in countries with higher uncertainty avoidance culture or lower uncertainty avoidance culture.

Design/Methodology/Approach: Ten Asian countries were selected from China, India, Pakistan, Bangladesh, Japan, South Korea, Sri Lanka, Indonesia, Singapore, and Vietnam. This research has used panel data analysis, descriptive statistics, correlation analysis, and regression analysis.

Findings: According to this study's findings, the investor attention has a negative relationship with the stock market returns.

Conclusion: Overall, our findings have substantial implications for attention theory because they show that increased investor attention to an unfavorable shock, even if it originates in the health sector, results in poor financial market returns.

Keywords: *Investor Attention, Asian Stock Markets, Uncertainty Avoidance Index, Google Search Volume, Covid-19, Stock Market Returns*