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## Voluntary monthly earnings disclosures and analyst behavior

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### ABSTRACT

We examine how voluntary monthly earnings disclosures relate to monthly analyst behavior. We focus on the number of analysts following a firm and several properties that characterize analysts' earnings forecasts for the upcoming annual earnings. We find firms that disclose monthly earnings attract more analysts, have more accurate and less dispersed analyst earnings forecasts, and have lower overall uncertainty and less commonality of information in analysts' earnings forecasts. In addition, the effect of monthly earnings disclosure on analyst behavior is more pronounced for the firms that regularly disclose monthly earnings. Our results are consistent with the notion that an important role played by a voluntary increase in reporting frequency is to trigger the generation of idiosyncratic information by financial analysts. In other words, analysts tend to complement rather than substitute for firm-provided voluntary disclosures.

*JEL classification:* M48; G24; G17

*Keywords:* Voluntary monthly earnings disclosures; Analyst following; Analyst forecast properties

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