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Abstract

Whether financial news ositive answer is easily used as a legitimation to limit the freedom of financial journalists. Long-term effects of news are moreover inconsistent with the Efficient Market Hypothesis (EMH), which maintains that new information gives immediately rise to a new equilibrium. The EMH is under discussion, however, as a result of the transformation of financial markets and of financial journalism due to new economic thoughts, new communication theories, high-frequency trading and high-frequency sentiment analysis. As a case study of a market panic we show the impact of US news, UK news and Dutch news on three Dutch banks during the financial crisis of 2007–9. To avoid market panics, financial journalists may strive for greater transparency, not only on asset prices and corporate philosophies, but also on network dependencies in the worldwide financial markets.

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