

[Working Papers](#)

Investor Sentiment in Japanese and U.S. Daily Mutual Fund Flows

Stephen J. Brown, William N. Goetzmann, Takato
Hiraki, Noriyoshi Shirishi & Masahiro Watanabe

SHARE   

WORKING PAPER 9470

DOI 10.3386/w9470

ISSUE DATE February 2003

We find evidence that is consistent with the hypothesis that daily mutual fund flows may be instruments for investor sentiment about the stock market. We use this finding to construct a new index of investor sentiment, and validate this index using data from both the United States and Japan. In both markets exposure to this factor is priced, and in the Japanese case, we document evidence of negative correlations between Bull' and Bear' domestic funds. The flows to bear foreign funds in Japan display some evidence of negative correlation to domestic and foreign equity funds, suggesting that there is a foreign vs. domestic sentiment factor in Japan that does not appear in the contemporaneous U.S. data. By contrast, U.S. mutual fund investors appear to regard domestic and foreign equity mutual funds as economic substitutes.

Download a PDF

[Information on access](#)

Acknowledgements and Disclosures



Download Citation



Related

TOPICS

Financial Economics

Financial Markets

PROGRAMS

Asset Pricing

More from NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Retirement and Disability](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



15th Annual Martin Feldstein Lecture:

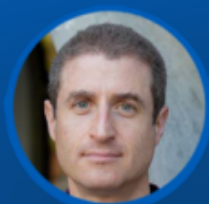
The Next Flight of the Bumblebee: The Path to Common Fiscal Policy in the Eurozone

Mario Draghi, former President, European
Central Bank and former Prime Minister, Italy
Summer Institute, 2023

2023, 15th Annual Feldstein Lecture, Mario Draghi, "The Next Flight of the Bumblebee: The Path to Common Fiscal Policy in the Eurozone"

LECTURE

Dr. Mario Draghi, who served as President of the European Central Bank and Prime Minister of Italy, presented the 2023...



Methods Lecture:

Linear Panel Event Studies

Jesse M. Shapiro, Harvard University and NBER

Liyang Sun, CEMFI

July 28, 2023

2023 Methods Lectures, Jesse Shapiro and Liyang (Sophie) Sun, "Linear Panel Event Studies"

Overview: Linear panel event studies are increasingly used to estimate and plot causal effects of changes in policies...



Panel Discussion:

Long-Term Dynamics of the Employment-to-Population Ratio

Karen Glenn, Social Security Administration
Stephen Goss, Social Security Administration
Nicole Maestas, Harvard University and NBER
Julie Topoleski, Congressional Budget Office
July 26, 2023

2023, SI Economics of Social Security, Panel, "Long-Term Dynamics of the Employment-to-Population Ratio"

Supported by the Alfred P. Sloan Foundation, the National Science Foundation, and the Lynde and Harry Bradley...

National Bureau of Economic Research

Contact Us

1050 Massachusetts Avenue

Cambridge, MA 02138

617-868-3900

info@nber.org

webaccessibility@nber.org

[HOMEPAGE](#)

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW



© 2024 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.