What Shapes My Style?

The Effects of Journalists' Home Bias on Media Sentiment of Misconduct Firms

ABSTRACT

This paper explores the behavioral factors that affect journalists' idiosyncratic reporting styles by examining the effects of home bias on the sentiment of the news articles they write about firms under misconduct investigation. Using a generalized difference-in-difference design, we find that home journalists, defined as those whose hometown is in the same city as the misconduct firm's registration address, have significantly more positive reporting sentiment about the firm in the investigation period than non-home-journalists. Their more positive sentiment is not correlated with better contemporaneous firm performance, suggesting that it is unlikely to be attributed to information advantage. The effects of home bias are attenuated by journalist expertise about the misconduct firm and its industry. However, other factors that have been commonly shown to reduce behavioral bias, such as journalist age and firm information environment proxies, are not associated with lower home bias. Stock investors do not seem to account for journalist home bias when reacting to news article sentiment in the investigation period, and there is evidence that home journalists' coverage of the misconduct firm impedes the market's price discovery about future investigation outcome. These findings provide an initial step to open the black box of the determinants of individual journalists' reporting styles.

JEL codes: G14; G40; M41

Keywords: individual decision-makers, journalists, home bias, media sentiment, stock returns.

1. Introduction

This paper examines the effects of individual journalists' home bias on their reporting sentiment in the context of corporate misconduct. Recent development in behavioral economics has given rise to a rich literature on individual decision makers in accounting and finance,[1] which started off by exploring the individual characteristics of firm managers and directors and their effects on various corporate policies and outcomes (e.g., Bertrand and Schoar 2003). It later expanded to other market participants, including regulators (e.g., Allen and Ramanna 2013), audit partners (e.g., Gul et al. 2013), and security analysts (e.g., He et al. 2019). Compared with the vast literature on these players, empirical research on the personal characteristics of another important market participant—the journalists—has been relatively scarce, despite the pivotal role that the media plays in capital markets (e.g., Fang and Peress 2009; Tetlock 2010; Engelberg and Parsons 2011).

The media has long been treated as a "faceless institution" in academic research (Dougal et al. 2012). Using journalist fixed effects, Dougal et al. (2012) are among the first to document that *Wall Street Journal* (*WSJ*) columnists' persistent "stylistic or thematic choices" in opinion articles as captured by columnist fixed effects have strong explanatory power for daily Dow Jones Industrial Average returns, suggesting that journalists' distinct writing styles can shift market sentiment. Given the significant influence media can exert on investors' opinion towards the reported events (e.g., Tetlock 2007; Gurun and Butler 2012; Hillert et al. 2014), these findings contribute to the media literature by advancing our understanding of the factors that affect media sentiment beyond economic considerations such as advertising revenue (e.g., Reuter and Zitzewitz 2006; Gurun and Butler 2012) and the need to maintain good relationships with firm managers

[1] Please refer to Hanlon et al. (2022) for a detailed review of the individual decision maker literature.

(e.g., Call et al. 2021), creditors (Durante et al. 2021), and firms with common business group affiliation (Ru et al. 2020).

However, the approach taken by Dougal et al. (2012) is not without limitations. First, the fixed effects methodology is silent on the specific behavioral factors that contribute to journalists' idiosyncratic preferences, which remain a black box. Second, the findings from *WSJ* columnists may not generalize to financial journalism in general because column writing is different from routine reporting activities, with the latter emphasizing accuracy and timeliness and having a relatively short turnaround time (e.g., Guest 2021; Call et al. 2021). Thus, there may be less room for non-columnist reporters to express their individual preferences and flex unique writing styles in mundane reporting, which constitutes the majority of the articles that the audience read. In addition, Dougal et al. (2012) examines the effects of columnist styles on market-wide sentiment. However, as mentioned earlier, when it comes to *firm*-level coverage, journalists face a variety of economic constraints that may lead to biased reporting (e.g., Reuter and Zitzewitz 2006; Gurun and Butler 2012; Call et al. 2021; Durante et al. 2021; Ru et al. 2020). In developing economies such as China, journalists have also been shown to have more positive reporting sentiment when under political pressure (e.g., Piotroski et al. 2017; You et al. 2018; Hope et al. 2021). In the presence of these institutional constraints, whether there is room for journalists' individual characteristics to affect their reporting sentiment is an open question and thus calls for more research (Hanlon et al. 2022).

However, opening up the black box of the behavioral factors that shape journalists' individual writing styles is a challenging task. First, there are few systematic data sources for journalists' personal information, making large-scale empirical analysis difficult. Second, the "endogenous matching" issue that often plagues research on individual decision makers is also

present in the journalist setting. Specifically, as journalists' decision to cover a firm is not random, it is possible that any observed relationship between a particular journalist characteristic and article sentiment is due to these journalists intentionally selecting certain types of firms and/or events to cover, making it difficult to draw causal inferences on the effects of individual journalist characteristics on reporting sentiment.

In this paper, we aim to fill the gap in prior research by examining the effects of Chinese journalists' home bias on the sentiment of news articles about firms under misconduct investigation. This research question is motivated by the following reasons. First, the unique institutional features of the Chinese media industry enable us to obtain high quality and comprehensive data on the personal particulars of Chinese journalists based on their press card registration information, making large-sample analysis feasible.

Second, unlike unobservable personality traits (e.g., overconfidence) that often rely on indirect measures (e.g., option holdings) or surveys, a journalist's hometown is an observable characteristic that can be objectively identified from his/her resident ID. Furthermore, prior research shows that home bias—the preferential treatment of people or firms from an individual's hometown or geographically close regions—can significantly influence the decisions of investors (e.g., French and Poterba 1991; Chan et al. 2005) and entrepreneurs (e.g., Dahl and Sorenson 2012). A recent study also documents evidence of home bias among information intermediaries in the context of municipal bond analysts (e.g., Cornaggia et al. 2020). Collectively, these findings suggest that home bias is potentially a "first-order factor" in individual decision-making (Hanlon et al. 2022). However, evidence of home bias among municipal bond analysts may not necessarily generalize to journalists. The reason is that firms often operate in multiple geographic locations. Thus, even if a journalist's hometown is not the same as the firm's headquarter, it is still possible

that he/she may have personal interactions with the firm as a customer or investor, etc., diluting the effects of home bias. Therefore, examining the effects of home bias on journalists' reporting sentiment can further advance our understanding of its influence on information intermediaries, a relatively under-explored area in the home bias literature.

Third, corporate misconducts are material events with far-reaching negative consequences for the transgressing firm (e.g., Dechow et al. 1996; Graham et al. 2008; Murphy et al. 2009; Johnson et al. 2014), its shareholders (e.g., Feroz et al. 1991; Karpoff et al. 2008a), executives (Karpoff et al. 2008b) and directors (Srinivasan 2005; Fich and Shivdasani 2007). Thus, the announcement of misconduct investigation by regulators is an unambiguously negative shock to firm reputation and future prospects, inducing journalists to make decisions about whether to cover the firm in their future reporting and the tone of the coverage (Goldman et al. 2021; Call et al. 2021). By employing a generalized difference-in-difference (DID) design that compares the change in the sentiment of articles about the firm in the investigation period over the benchmark non-investigation period between "home-journalists" (i.e., journalists whose hometown is in the same city as the firm's headquarter) and "non-home-journalist" (i.e., journalists whose hometown is not in the same city as the firm's headquarter) with a dense fixed effects structure, we are able to control for unobservable characteristics at the firm-, journalist-, and newspaper-level as well as general time trend, and thus provide causal evidence on the effects of journalist home bias on reporting sentiment.[2]

Using a comprehensive sample of articles from 329 Chinese newspapers about A-share listed companies with at least one misconduct investigation by the China Securities Regulatory

[2] The investigation period is defined as the period between the announcement of investigation by the China Securities Regulatory Commission and the sanction announcement date. Section 3 provides more details about the research design.

Commission (CSRC) between 2000 and 2020, we find evidence consistent with home bias having a significant impact on the journalists' reporting sentiment about these firms after the announcement of investigation. Specifically, although there is little change in home journalists' propensity to cover the misconduct firm over the investigation period as compared with the benchmark period, their reporting sentiment becomes significantly more positive than a group of non-home-journalists that cover the same firms. Furthermore, in both the benchmark and the investigation period, there is little evidence that home journalists' sentiment is positively associated with firm performance as measured by contemporaneous quarterly gross profit, sales growth, and average change in analyst recommendations. On the contrary, non-home-journalists' sentiment has a significant positive relationship with contemporaneous gross profit and sales growth in the investigation period, and with average analyst recommendation changes in both the benchmark and the investigation period. Collectively, these findings suggest that home-journalists' more positive sentiment about the misconduct firms in the investigation period is unlikely to be driven by information advantage, but is more consistent with home bias.

Next, we examine the factors that contribute to the cross-sectional variation in the severity of home bias. Drawing on previous research, we examine two sets of factors. The first is journalist characteristics. Specifically, we test if journalist expertise and age are negatively associated with home bias. A number of studies have found that expertise is associated with higher quality decision-making in the context of journalism (Ahern and Sosyura 2015), portfolio allocation (e.g., Pool et al. 2012; Parwada 2008) and auditing (e.g., Bonner and Lewis 1990; Jayaraman and Milbourn 2015). In addition, prior research suggests that older journalists have higher reporting quality in the setting of merger and acquisition (M&A) rumors (Ahern and Sosyura 2015). Thus,

we examine if journalists with higher expertise about the firm and its industry and older journalists are less prone to the influence of home bias in their coverage of the misconduct firm.

Second, we examine if the firm's overall information environment can help attenuate journalist home bias. Prior research documents that more transparent information environment can reduce investors' behavioral biases such as underreaction to new information by reducing information uncertainty (e.g., Zhang 2006; Hirshleifer 2001; Daniel, Hirshleifer and Subrahmanyam 1998, 2001). By the same token, we examine if greater information transparency may reduce journalists' home bias by enabling them to learn about the views and opinion of other market participants such as analysts and other journalists, thereby providing more objective coverage of the misconduct firm.

Consistent with prior research, we find that journalists with higher expertise, as measured by their past coverage of the misconduct firm or its industry in general, exhibit less home bias in their reporting sentiment. However, contrary to previous evidence, older journalists have higher home bias, possibly because the older generation tends to uphold stronger traditional values (e.g., Lu and Yang 2006; Chen and Lu 2011) that treat people from one's hometown as "extended families" since these networks of relatives and compatriots have been instrumental in risk sharing (e.g., Fafchamps 2011), job search and job referral (e.g., Ioannides and Loury 2004, Topa 2011) in the earlier stage of their lives when formal economic institutions were still in rudimentary form. Furthermore, there is little evidence that information transparency proxies, such as analyst and media coverage at both the firm and industry level, affect journalist home bias. Taken together, these findings suggest that unlike other commonly-examined behavioral frictions such as inattention (e.g., Hirshleifer and Teoh 2003; Hirshleifer, Lim and Teoh 2011) and ambiguity aversion (e.g., Epstein and Schneider 2008; Caskey 2009), the effects of home bias tend to vary

more strongly with the decision-makers' intrinsic characteristics (e.g., expertise) than the external information environment.

In the last set of tests, we explore the capital market consequences of journalist home bias. First, if home bias is associated with lower reporting quality as implied by the statistically insignificant relationship between home journalist sentiment and firm performance in the investigation period, we investigate if stock investors discount the credibility of home-journalists' articles about the misconduct firm by reacting less to them. Prior research has presented mixed evidence regarding if investors are able to tell the quality of news reporting and adjust their reactions accordingly. In the U.S. setting, Engelberg, Sasseville and Williams (2012) find that investors overreact to the stock recommendations by Jim Cramer from the popular television show *Mad Money* even if his recommendations do not appear to generate significant abnormal returns in the long run. However, in the Chinese setting, investors appear to discount the news reported by state-controlled traditional media and official "party" papers when the articles are more likely to be positively biased (e.g., Piotroski et al. 2019; Wang et al. 2019). Thus, whether Chinese investors can see through journalists' home bias is an empirical question. By examining the relationship between the misconduct firms' article-publication-window abnormal returns and journalist sentiment over the investigation period, we find that although investors react positively to article sentiment, their reactions are not decreasing in the percentage of articles written by home-journalists on a particular day, suggesting that they do not discern journalist home bias.

Second, we investigate if journalists' home bias affects the price discovery process about the outcome of the misconduct investigation. Previous studies suggest that stock investors are forward-looking and impound into prices information about the firm's future prospects, such as future earnings (e.g., Lundholm and Myers 2002) and the probability of M&A deal completion

(e.g., Betton et al. 2014). To the extent that investors rely on the media to assess the severity of the misconduct and the regulatory sanctions, biased news report by home-journalists may impede the price discovery process. By regressing the misconduct firms' article-publication-window abnormal returns on the yet-to-be-disclosed penalty amount, we find that current period stock returns are negatively associated with future penalty amount, suggesting that investors are likely to infer penalty-related information from the news articles. However, this negative relationship is weaker when a greater percentage of articles on a day are written by home journalists, indicating that their biased reporting may hinder market price discovery.

Our study makes the following contributions. Academically, it is related to three streams of literature. First, it adds to the emerging research on the effects of journalist characteristics on reporting sentiment (e.g., Dougal et al. 2012) and more broadly, the literature on individual decision makers. Specifically, by studying if and how journalists' home bias influences their reporting sentiment, this paper represents an initial step to open the black box of the determinants of journalists' unique writing styles and their capital market consequences. Second, this paper contributes to the literature on home bias by documenting its effects in an important yet under-explored setting—the media, shedding further light on how information intermediaries' output is adversely affected by this bias beyond the previous findings among investors and managers (e.g., French and Poterba 1991; Chan et al. 2005; Dahl and Sorenson 2012). Third, it adds to the research on the determinants of media sentiment by documenting the importance of *behavioral* factors in shaping the tone of media articles beyond economic and political considerations (e.g., Reuter and Zitzewitz 2006; Gurun and Butler 2012; Call et al. 2021; Durante et al. 2021; Ru et al. 2020; You et al. 2018; Piotroski et al. 2017; Hope et al. 2021). Professionally, findings from this study can inform players in the media industry about how journalists' personal characteristics affect their

reporting bias, which may have implications for coverage assignments and other reporting-related decisions.

2. Literature Review

2.1. Research on individual decision makers

Traditional economic theories assume that decision makers are *Homo economicus* that make uniform choices under a particular situation by maximizing standard utility functions (e.g., von Neumann and Morgenstern 1947). This assumption was later challenged by behavioral economics, which views decision makers as individuals with idiosyncratic preferences, beliefs, experiences and other characteristics. Thus, they may make heterogeneous choices even when facing the same set of economic constraints (e.g., Simon 1955; Kahneman and Tversky 1974, 1979; Thaler 2000). This has led to the development of a burgeoning research on individual decision makers, which aims to incorporate individual characteristics that have been shown to affect decision-making in other disciplines (e.g., psychology, sociology) to improve the explanatory power of neoclassic models for a wide variety of economic outcomes.

The early studies in this field have mainly focused on the characteristics of firm managers and directors. The seminar work of Bertrand and Schoar (2003) introduced the manager fixed effects approach to the finance literature, which has quickly become a standard way to study the time-invariant effects that individual managers have on firm policies (e.g., Bamber et al. 2010; Dyreng et al. 2010; Ge et al. 2011; Davis et al. 2015; Moon 2021). Later studies expanded this research by zooming in on the specific characteristics, either directly observable or inferred, that drive the between-individual variations in management styles, including gender (e.g., Barua et al. 2010), race/ethnicity (e.g., Nguyen et al. 2018), appearance (e.g., Hsieh et al. 2020), past personal

experiences (e.g., Bernile et al. 2017; Benmelech and Frydman 2015), and innate personalities such as overconfidence (e.g., Malmendier and Tate 2005) and narcissism (e.g., Chatterjee and Hambrick 2007).

Besides managers and directors, a substantial body of research has also examined the individual characteristics of other market participants, including regulators, audit partners, and security analysts. For regulators, studies have examined how past experiences and political beliefs of standard setters (e.g., Allen and Ramanna 2013; Jiang et al. 2018), politicians (e.g., Mehta and Zhao 2020), and judges (e.g., Huang et al. 2019) affect various regulatory outcomes. For audit partners, a wealth of evidence has pointed to the significant effects individual partners have on audit quality (e.g., Gul et al. 2013; Aobdia et al. 2015; Knechel et al. 2015; Ittonen et al. 2013; Chi et al. 2017; Chou et al. 2021). For information intermediaries, extensive research has examined the effects of analyst characteristics on the quality of their forecasts and recommendations, such as gender (e.g., Kumar 2010), race/ethnicity (e.g., Bhagwat and Liu 2020), appearance (e.g., He et al. 2019; Cao et al. 2020; Li et al. 2020; Peng et al. 2021), and experiences (e.g., De Franco and Zhou 2009; Brown and Mohammad 2010; Drake and Myers 2011).

2.2. Research on media sentiment

Despite the rich literature on managers, regulators, auditors and analysts, the effects of individual characteristics on the output of another major information intermediary—the journalists—have been underexplored in the extant research. The financial media plays an important role in capital markets as an indispensable information disseminator and has profound impact on the functioning of the financial markets. Apart from improving firms' information environment (e.g., Fang and Peress 2009; Tetlock 2010), the media has also been shown to have significant influence on market sentiment towards the covered events. For example, Tetlock (2007)

finds that pessimistic sentiment of *WSJ*'s "Abreast of the Market" column predict downward pressure on subsequent market prices, which then revert to a level that is in line with fundamentals. These findings suggest that media sentiment shapes market opinion, rather than being a "sideshow" with little market impact or an instrument that merely follows public sentiment. Gurun and Butler (2012) show that the media's reporting tone tends to be positively biased when it has advertising business with the featured firm, and that this reporting bias contributes to inflated stock prices especially for firms with poorer information environment. Hillert et al. (2014) document that media sentiment can reinforce investor opinion and exacerbate their bias, leading to momentum that can last for a year before the prices start to reverse to their fundamental levels.

To explain the cross-sectional variation in media sentiment, the extant research has mainly focused on journalists' economic and political incentives. For example, Reuter and Zitzewitz (2006) and Gurun and Butler (2012) show that firms receive more positive media coverage when they spent more on advertising, even if high advertising expenditure is not associated with superior economic performance. Journalists may also have positively biased reporting sentiment to maintain a good relationship with the featured entity. Call et al. (2021) provide survey evidence that journalists may receive company complaint after writing unfavorable articles and may even be "moved to a different beat" if the company has sufficient influence over the employer. Durante et al. (2021) find that newspapers exhibit a pro-lender bias where they are more likely to cover the good performance of the banks they borrow from than bad performance, as compared with other non-lender banks. Ru et al. (2020) document that newspapers have a more positive reporting tone for firms with which they have common business group affiliation than unconnected firms. In developing economies, journalists also face political pressure to report positively on selected firms. For example, Piotroski et al. (2017) show that state-owned newspapers tend to be positively biased

in their firm coverage than non-official newspapers. Similarly, You et al. (2018) find that official newspapers plays little governance role due to their positive bias. Hope et al. (2021) document that political pressure imposed by local governments suppress media coverage of local firms' tunneling scandals, leading to deterioration in price discovery. Compared with the extensive research on the economic determinants of media sentiment, relatively few studies have examined the behavioral factors that influence sentiment, with the notable exception of Dougal et al. (2012) that use journalist fixed effects to gauge the effects of idiosyncratic journalist styles on reporting sentiment.

2.3. Research on home bias

Originally, home bias refers to the phenomenon wherein economic agents "are more likely to conduct transactions with parties who are geographically closer to them, either in the same country or the same state, rather than those outside" (Lin and Viswanathan 2016), and empirical evidence has mainly concentrated in the area of investment decisions by investors and entrepreneurs (e.g., French and Poterba 1991; Chan et al. 2005; Dahl and Sorenson 2012; Lin and Viswanathan 2016). Later on, this concept has been extended to include hometown favoritism, wherein agents give preferential treatment to people or firms from their hometown due to place attachment (e.g., Altman and Low 1992). For example, Yonker (2017) finds that CEOs are less likely to cut employment in establishments located near their hometowns in periods of industry distress. Cornaggia et al. (2020) find that municipal credit analysts are more likely to give positively biased ratings to issuers from their home states. To the best of our knowledge, few other studies have investigated the influence that home bias has over information intermediaries' decisions and the associated market consequences, especially in the media setting.

The extant research has offered two competing explanations for home bias. The behavioral camp regards it as a bias that can lead to suboptimal decision-making. For example, Seasholes and

Zhu (2010) find that retail investors' local holdings do not outperform their non-local holdings, and that their purchases of local stocks significantly underperform sales of local stocks. Similarly, Pool et al. (2012) document that professional fund managers also outweigh local securities in their portfolios even if these investments do not outperform, and that this tendency is stronger for inexperienced managers. Lin and Viswanathan (2016) show that the loans extended by online investors to local businesses generate lower returns than those granted to outside businesses. Yonker (2017) find that local CEOs are less likely to fire employees and that the results are concentrated in firms with poorer corporate governance, implying that it is a suboptimal policy. Cornaggia et al. (2020) show that municipal bond analysts are more likely to issue upgrades to the securities issued by their hometown states than downgrades as compared with their ratings for non-hometown states securities, suggesting that their more favorable ratings to home state bonds reflect a behavioral bias.

Alternatively, the economic explanation attributes market participants' home bias to their local information advantage. For example, a large body of research has documented that sophisticated institutional investors possess an informational edge over outside investors about local companies, as reflected by more effective monitoring of corporate behaviors (e.g., Gaspar and Massa 2007; Chhaochharia, Kumar and Niessen-Ruenzi 2012) and superior portfolio returns (e.g., Coval and Moskowitz 2001; Teo 2009; Bernile, Kumar and Sulaeman 2015; Kang, Stice-Lawrence and Wong 2021). Malloy (2005) and Bae et al. (2008) show that analysts that are geographically closer to the covered firm produce more accurate earnings forecasts. Dahl and Sorenson (2012) find that entrepreneurs are more likely to locate their ventures in hometown as they can capitalize on their local social capital.

3. Sample Construction and Research Design

3.1. Sample construction

Table 1, Panel A provides the sample construction procedure. First, we scrap articles published by major Chinese newspapers from CNKI, a key national research and information publishing institution in China. The original database contains 659 party, governmental, business and professional newspapers at both the national and regional level. To identify the firm(s) that are mentioned in an article, we search for keywords related to the firm's trading symbol and name (both full and abbreviated) in the title and body. We then sum up the total number of times a firm is mentioned, and assign an article to the firm with the highest number of mentions, provided that it is mentioned at least three times.[3] We then keep articles covering Chinese A-share listed firms that were published between 2000 and 2020.

For each article, we identify the journalist(s) that authored it, and merge the news article database with the journalists' resident IDs scraped from the National Press and Publication Administration (NPPA) website.[4] In China, all reporters and editors are required to possess a government-approved press card to practice journalism, which is renewed every five years. From the press card, we collect information on a journalist's name, gender, resident ID, the affiliated newspaper, and the card issuance date. The resident ID is an eighteen-digit number with the first six digits indicating the person's birthplace at the county level, followed by an eight-digit number representing his/her birthday (year-month-date), plus a three-digit sequence number and a one-digit check number. We use the names of the journalist and the newspaper employer to merge the news articles with journalist information to minimize the noise introduced by same-name journalists. The resulting 341,338 articles form our initial sample.

[3] On average, each article mentions 2.12 firms, and each firm is mentioned 2.94 times per article.
[4] https://press.nppa.gov.cn/

Second, following prior research (e.g., Jiang et al. 2021), we obtain information on corporate violations from *Sina Finance*, which compiles a comprehensive database of company violation records, and keep cases that were investigated by the China Securities Regulatory Commission (CSRC), which is a government agency responsible for the detection and investigation of potential corporate misconducts as well as the determination and enforcement of administrative sanctions if the firm is found guilty. Using company name and the investigation announcement date, we match each case with CSRC's sanction decision (e.g., the amount of penalty) based on the sanction announcements posted on the CSRC website, which also provide other related information such as the commencement date of the misconduct. We further augment this dataset with information about the violation types obtained from the CSMAR database. Merging the violation data with the news article data leads to a decrease of 299,376 articles as we exclude articles that did not cover firms under CSRC investigations during the sample period.

Next, we drop 5,574 articles that cover financial firms as their financial statements are not directly comparable to those of non-financial firms. Another 5,495 articles are excluded due to missing values on key variables for the covered firm. The final sample consists of 30,893 articles.

Table 1, Panel B provides descriptive statistics on the newspapers. Among the 329 newspapers that are included in the final sample, 211 (or 64%) are administered by central or regional party organizations, 275 (or 84%) are administered by central or regional party committees, government agencies, or social and professional organizations, and 49 (15%) specialize in business and finance. 84 (26%) newspapers have nationwide distribution, while the rest are local newspapers. As our sample focuses on articles that report firm-related news, despite the greater proportion of party and government newspapers, they only supply 28% and 50% of the

sample articles, respectively. Business/finance newspapers account for 56% of the articles. National newspapers supply 53% of the articles.[5]

Table 1, Panel C reports statistics on journalist characteristics. Among the 3,139 journalists included in the final sample, 49% are male and 51% are female. Partitioning by age groups, 31% are between 20 and 30, 43% are between 30 and 40, 21% are between 40 and 50, and the remaining 5% are between 50 and 60. Partitioning by the nature of the newspaper, 45% are employed by party newspapers, 71% by government newspapers, 36% by business/finance newspapers, and 43% by national newspapers.

Table 1, Panel D tabulates the distribution of misconduct types by year of investigation and sanction announcement. Violation1 to Violation8 refers to Delayed Disclosure, False Disclosure or Misleading Statement, Major Omission, False Statement, Inflated Profits, Illegal Guarantee, Fraudulent IPO, and Inflated Assets, respectively. In total, our sample includes 375 corporate misconduct investigations involving 322 A-share listed firms. As it is possible that a case may involve multiple misconduct types, a total count of 650 misconducts were implicated in these 375 cases. Major Omission is the most common type of violation (28%), followed by Delayed Disclosure (26%), False Disclosure or Misleading Statement (25%), Inflated Profits (14%), Illegal Guarantee (3%), False Statement (2%), Inflated Assets (1%), and Fraudulent IPO (0.4%). The average number of days between the investigation and sanction announcement date is 519 days, though there is some variation across the violation types. In general, there is an increasing trend in the number of investigation and sanction announcements in recent years.

[5] The internet appendix lists all the newspapers that are included in this study.

3.2. Calculation of reporting sentiment

We measure article sentiment using the following procedure. First, we calculate each article's sentiment using a dictionary-based approach (*SentimentWord*) and a machine-learning-based approach (*SentimentML*). To calculate *SentimentWord*, we first merge a self-compiled dictionary, which includes 2,000 positive words, 1,802 negative words, 542 tone-strengthening adverbs (e.g., very, absolutely), and 299 tone-softening adverbs (e.g., a little, relatively), with the dictionary developed by Jiang et al. (2019), which includes 3,338 positive words and 5,890 negative words, to obtain the final dictionary used in the analysis, which includes 5,338 positive words, 7,691 negative words, along with the tone-strengthening and tone-softening adverbs. Next, each article is broken down into sentences based on the punctuation marks, and each sentence broken down into words. For each word, we measure its sentiment using the following steps: (1) Determine if the word is a sentiment word as identified by the dictionary, and assign a base score of 1 (-1) if it is a positive (negative) word; (2) among all words that fall between the word in question and the last sentiment word identified in the same sentence, search for any tone-strengthening adverbs, tone-softening adverbs, and negation words (e.g., not, no). If tone-strengthening adverbs are identified, the base score of the word in question is multiplied by 1.5. If tone-softening adverbs are identified, the base score is multiplied by 0.5. If negation words are identified, the base score is multiplied by -1. We then measure the sentiment of a sentence using the total score of the sentiment words contained in it, and the sentiment of the article (*SentimentWord*) as the average sentiment of the sentences.

To calculate *SentimentML*, we asked two groups of students to score the sentiment of a subsample of sentences randomly drawn from the news articles (-1 for negative, 0 for neutral, and

1 for positive).[6] We kept the sentences that received identical scores from the two groups and use them as the training sample (approximately 113,000 sentences). We then train a classification model using Sklearn's multinomialNB algorithm and use it to calculate the machine-learning-based sentiment measure for all sentences for the sample articles. An article's *SentimentML* is the average sentiment of all the sentences contained in it. The correlation between *SentimentWord* and *SentimentML* is 0.82.

To reduce noise, we standardize *SentimentWord* and *SentimentML* and extract their principal component, which is used as our final measure of reporting sentiment (*Sentiment*).[7] This factor explains 91% of the total variations in the data.

3.3. Research design

To examine if journalists exhibit home bias when reporting firms under misconduct investigations, we estimate the following regression:

$$Sentiment_{i,k,t} = \beta_0 + \beta_1 * Home_{i,k,t} + \beta_2 * Home_{i,k,t} * InvestigationPeriod_{i,k,t} + \beta_3 * InvestigationPeriod_{i,k,t} + \text{Controls} + \text{Journalist FE} + \text{Newspaper FE} + \text{Firm FE} + \text{Year FE} + \varepsilon_{i,k,t}, \quad (1)$$

where $Sentiment_{i,k,t}$ is the sentiment of article k about misconduct firm i published on day t, and a higher *Sentiment* value indicates a more positive tone. $Home_{i,k,t}$ is an indicator variable that is equal to 1 if article k is written by at least one home-journalist, and 0 otherwise. $InvestigationPeriod_{i,k,t}$ is an indicator variable that is equal to 1 if article k is published over the investigation period of firm i, which is between the investigation announcement and sanction announcement, and 0 otherwise. In other words, articles with *InvestigationPeriod* equal to 0 are those published between

[6] A total of 40 undergraduate students participated in the scoring. 35% of the students were from Xiamen University, while others were from other first-tier mainland Chinese universities. All students majored in business or economics.

[7] Specifically, *Sentiment* is calculated as $0.7071 * standardized(SentimentWord)/\sqrt{1.81989} + 0.7071 * standardized(SentimentML)/\sqrt{1.81989}$, where 0.7071 is the eigenvector and 1.81989 is the eigenvalue.

2000 and 2020 but are outside the investigation period, provided that the firm remains in business.[8] The coefficient of β_1 captures the differences in the sentiment of the articles written by home- versus non-home-journalists about the firm in the benchmark period. β_3 gauges the differences in the sentiment of articles written by non-home-journalists about the firm in the investigation period versus the benchmark period. The coefficient on the interaction variable $Home_{i,k,t}$ * $InvestigationPeriod_{i,k,t}$ (β_2), which is our variable of interest, compares the difference in the change of sentiment between home- and non-home-journalist in the investigation period. If journalists exhibit home bias, we expect β_2 to be significantly positive. However, we do not make predictions about the signs of β_1 and β_3 as β_1 is not only influenced by home bias but also home- versus non-home-journalists' endogenous coverage decisions, while β_3 is affected by the trade-off between the journalists' incentive to provide informative coverage (Goldman et al. 2021) and the economic and political pressures they need to consider when writing articles.

We include the following control variables that have been shown to affect media coverage and sentiment. First, we control for firm characteristics, including size (*Size*), leverage (*Lev*), profitability (*ROA*), sales growth (*Growth*), book-to-market (*BM*), the size of the board (*BoardSize*), number of independent directors (*IndependentDirector*), and whether the firm is a state-owned-enterprise (*SOE*). Second, we control for the age (*Age*) and gender (*Sex*) of the journalists. Third, we control for newspaper characteristics, including if the newspaper's headquarter is the same as the firm's headquarter (*LocalNewspaper*), as well as the interactions between newspaper characteristics and *InvestigationPeriod* (*LocalNewspaper* * *InvestigationPeriod*, *Party* * *InvestigationPeriod*, *Govern* * *InvestigationPeriod*, *Finance* * *InvestigationPeriod*, and *National* * *InvestigationPeriod*), as prior research suggests that these

[8] Figure 1 provides a graphical illustration of the timeline of the difference-in-difference design.

characteristics may bias journalists' reporting sentiment for political reasons (e.g., Hope et al. 2021; Piotroski et al. 2019; Wang et al. 2019).[9] Fourth, we control for the type(s) of the misconduct and the logarithm of the monetary penalty (in RMB) imposed by CSRC (*Penalty*) to alleviate the concern that some journalists may have prior knowledge about the severity of the misconduct before the sanction announcement, which affects their reporting sentiment.[10] Lastly, we include journalist-, newspaper-, firm- and year-fixed effects to explore the within-journalist and within-firm variation in reporting sentiment that can be attributed to the journalist' hometown being the same as the firm's headquarter. Standard errors are double-clustered by firm and year. Please refer to Appendix A for detailed variable definitions.

4. Main Results

4.1. Descriptive statistics

Table 2 reports the descriptive statistics of the main variables. *Sentiment* has a mean (median) or -0.026 (-0.077) with a standard deviation of 1.352. For the 30,893 articles in the final sample, 12.4% are written by at least one home-journalist (*Home*); 7.8% are published during the investigation period (*InvestigationPeriod*); 40.1% cover misconduct firms that are SOEs (*SOE*); and 20.2% are published by local newspapers (*LocalNewspaper*). Partitioning by misconduct types, 15.1% of the articles are about firms suspected of False Disclosure or Misleading Statements (*Violation2*), 13.2% about Major Omissions (*Violation3*), 9.3% about Delayed Disclosures

[9] Specifically, *Party* is an indicator variable that is equal to 1 if the newspaper is administered by central or regional party organizations, and 0 otherwise. *Govern* is an indicator variable that is equal to 1 if the newspaper is administered by central or regional party committees, government agencies, or social and professional organizations, and 0 otherwise. *Finance* is an indicator variable that is equal to 1 if the newspaper is a business/finance newspaper, and 0 otherwise. *National* is an indicator variable if the newspaper is a national newspaper, and 0 otherwise. *Party*, *Govern*, *Finance* and *National* are not included in regression (1) as they are subsumed by the newspaper fixed effects.

[10] Specifically, *Violation1* to *Violation8* are indicator variables representing the type of firm misconduct, and refer to Delayed Disclosure, False Disclosure or Misleading Statement, Major Omission, False Statement, Inflated Profits, Illegal Guarantee, Fraudulent IPO, and Inflated Assets, respectively.

(*Violation1*), 7.4% about Inflated Profits (*Violation5*), 2.6% about Fraudulent IPOs (*Violation7*), 1% about Illegal Guarantees (*Violation6*), 0.5% about Inflated Assets (*Violation8*), and 0.3% about False Statements (*Violation4*). The mean (median) of *Penalty* is 3.077 (0) with a standard deviation of 5.884. Regarding the sample journalists, their mean (median) age (*Age*) is 35.34 (33.82), and approximately 51.1% of them are male (*Sex*). The distributions of the firm characteristic variables are comparable to those reported in Jiang et al. (2021).

4.2. Change in home journalists' propensity to report the misconduct firm

Before examining if home journalists have more positive reporting sentiment for the misconduct firms over the investigation period, we first investigate if there is any change in their propensity to report the misconduct firm after the investigation announcement, as prior research suggests that journalists weigh the need to provide informative coverage to the audience (e.g., Goldman et al. 2021) against the economic or political pressure (e.g., Gurun and Butler 2012; Hope et al. 2021) they face. Specifically, we estimate an ordinary least squares (OLS) regression with *Home* as the dependent variable and *InvestigationPeriod* as our independent variable of interests, along with control variables and fixed effects.[11] The coefficient on *InvestigationPeriod* gauges the effects of the investigation announcement on the probability that a news article about the misconduct firm is written by home journalists.

Table 3 presents the estimation results. In Column (1), the model includes *InvestigationPeriod* as the sole predictor while controlling for firm and year fixed effects. The coefficient on *InvestigationPeriod* is significantly negative, suggesting that home journalists are less likely to report the misconduct firm after the investigation announcement. This inference

[11] Prior research suggests that OLS regressions produce consistent and unbiased estimates of the average partial effects of the explanatory variables and perform at least as well as probit or logit models while being able to accommodate complex fixed effects structures (e.g., Noreen 1988; Angrist and Pischke 2008; Wooldridge 2010).

remains qualitatively similar in Column (2) and (3) where additional controls on firm and journalist characteristics and future investigation outcomes are included. However, in Column (4) where journalist and newspaper fixed effects are included, the coefficient on *InvestigationPeriod* loses its statistical significance, suggesting that once controlling for time-invariant journalist and newspaper characteristics, there is little change in home journalists' propensity to cover the misconduct firm in the investigation period.

4.3. Change in home journalists' reporting sentiment about the misconduct firm

Having documented that home journalists are as likely to cover the misconduct firm over the investigation period as they are over the benchmark period, we proceed to examine if there is any change in their reporting sentiment. Table 4 reports the estimation results of regression (1). In Column (1) where the control variables are omitted, the coefficient on *Home* is statistically insignificant, suggesting that home and non-home journalists do not differ significantly in reporting sentiment about the misconduct firm over the benchmark period. The coefficient on *InvestigationPeriod* is significantly negative, indicating that non-home journalists are more negative about the misconduct firm after the investigation announcement. The coefficient on the interaction variable *Home*InvestigationPeriod*, our variable of interest, is significantly positive at the 1% level, suggesting that home journalists are more positive than non-home journalists about the misconduct firm in the investigation period, consistent with home journalists exhibiting a home bias.

In Column (2) where additional controls on firm, journalist, and newspaper characteristics are included, the coefficient on *Home*InvestigationPeriod* remains significantly positive. However, the coefficient on *InvestigationPeriod* becomes statistically insignificant, possibly because of the significantly negative coefficient on *Finance*InvestigationPeriod*, which suggests

that the more negative sentiment in the investigation period is concentrated among business- and finance-oriented newspapers. Inferences remain similar in Column (3) where controls on future investigation outcomes are included, implying that home journalists' more positive sentiment in the investigation period is not driven by their private information about the severity of the misconduct. Taken together, evidence in Table 4 are consistent with home bias having a significant impact on journalists' reporting sentiment in the investigation period.

4.4. Home bias or information advantage?

One of the main alternative explanations for the above finding is that home journalists are more positive about the misconduct firms not because of home bias, but because of an information advantage about firms headquartered in their hometown, as prior research suggests that economic agents take advantage of their deeper social capital within the hometown region (e.g., a better understanding of the area, personal connections) in the context of entrepreneurs' venture location choices (Dahl and Sorenson 2012). Although it is difficult to explain why the social capital embedded in the journalists' hometown only informs them about firms whose misconducts are *less* severe than expected by the non-home journalists (and hence the more positive sentiment), we nevertheless investigate this possibility by examining if the sentiment of the home journalists in the investigation period can better "nowcast" the firm's contemporaneous economic performance than the sentiment of the non-home journalists. Specifically, we estimate the following regressions:

$$Performance_{i,q} = \beta_{0a} + \beta_{1a} * HomeJSentimentQ_{i,q} + \beta_{2a} * HomeJSentimentQ_{i,q} * InvestigationPeriod_{i,q} + \beta_{3a} * InvestigationPeriod_{i,q} + \text{Controls} + \text{Firm FE} + \text{Year FE} + \varepsilon_{i,q}, \quad (2a)$$

$$Performance_{i,q} = \beta_{0b} + \beta_{1b} * NonHomeJSentimentQ_{i,q} + \beta_{2b} * NonHomeJSentimentQ_{i,q} * InvestigationPeriod_{i,q} + \beta_{3b} * InvestigationPeriod_{i,q} + \text{Controls} + \text{Firm FE} + \text{Year FE} + \varepsilon_{i,q}, \quad (2b)$$

where $Performance_{i,q}$ is one of the following variables: $GrossProfitQ_{i,q}$, $GrowthQ_{i,q}$, and $DRating_{i,q}$. $GrossProfitQ_{i,q}$ ($GrowthQ_{i,q}$) is firm i's gross profit margin (sales growth) in quarter q, and $DRating_{i,q}$ is the average change in analyst recommendations about firm i in quarter q, which aims to capture all the news about the firm's future prospects that's available to sophisticated information intermediaries such as financial analysts. $HomeJSentimentQ_{i,q}$ ($NonHomeJSentimentQ_{i,q}$) is the average *Sentiment* score of articles covering firm i that are written by home (non-home) journalists in quarter q. $InvestigationPeriod_{i,q}$ is an indicator variable that is equal to 1 if quarter q at least partially falls into the investigation period, and 0 otherwise. Regression (2a) (regression (2b)) is estimated using a subsample of firm-quarters where there is at least one article written by home (non-home) journalists.[12] The coefficient on $HomeJSentimentQ_{i,q}$ ($NonHomeJSentimentQ_{i,q}$) in regression (2a) (regression (2b)) measures the contemporaneous correlation between home-journalist (non-home-journalist) sentiment and firm performance over the benchmark period. The coefficient on $HomeJSentimentQ_{i,q}$ * $InvestigationPeriod_{i,q}$ ($NonHomeJSentimentQ_{i,q}$ * $InvestigationPeriod_{i,q}$) measures the change in the informativeness of home journalist (non-home journalist) sentiment about contemporaneous firm performance in the investigation period. If home journalists' more positive sentiment is due to information advantage, we should observe a significantly positive coefficient on $HomeJSentimentQ_{i,q}$ * $InvestigationPeriod_{i,q}$.

In both regression (2a) and (2b), we include the following control variables: The dependent variable measured as of the end of the previous quarter (*L1DV*) and the same quarter in the previous year (*L4DV*); the firm's last quarter size (*L1SizeQ*), leverage (*L1LevQ*), profitability (*L1ROAQ*),

[12] As it is common for the sample firms to receive coverage from only the home journalists or non-home journalists (but not both) in a particular quarter, estimating a pooled regression with both *HomeJSentimentQ* and *NonHomeJSentimentQ* as independent variables will result in too many observations with missing values and a substantially smaller sample.

sales growth (*L1GrowthQ*), book-to-market ratio (*L1BMQ*), board size (*L1BoardSizeQ*), independent directors (*L1IndependentDirectorsQ*), and ownership type (*L1SOEQ*), along with firm and year fixed effects to control for other unobservable firm- and time-specific factors that affect firm performance.

The estimation results are tabulated in Table 5. In Column (1) and (2), the dependent variable is *GrossProfitQ*. In Column (1), the coefficients on *HomeJSentimentQ* and $HomeJSentimentQ_{i,q}$ * $InvestigationPeriod_{i,q}$ are both statistically insignificant, suggesting that home journalists' sentiment is not correlated with contemporaneous gross profit in both the benchmark and the investigation period. However, there is evidence that non-home-journalists' sentiment is informative about the current-quarter gross profit in the investigation period, as indicated by a significantly positive coefficient on $NonHomeJSentimentQ_{i,q}$ * $InvestigationPeriod_{i,q}$ in Column (2). In Column (3) and (4) where the dependent variable is *GrowthQ*, while home journalists' sentiment is not correlated with contemporaneous sales growth in the benchmark period, empirical results suggest that this correlation becomes significantly more negative in the investigation period, implying that more positive home journalist sentiment is indicative of lower same-quarter sales growth (Column (3)). On the contrary, although non-home journalist sentiment is also not associated with current-quarter sales growth in the benchmark period, the significantly positive coefficient on $NonHomeJSentimentQ_{i,q}$ * $InvestigationPeriod_{i,q}$ in Column (4) suggests that their sentiment has higher nowcasting ability in the investigation period. In Column (5) and (6) where the dependent variable is *DRating*, there is again little evidence that home journalist sentiment is associated with contemporaneous analyst recommendation changes in both the benchmark and the investigation period (Column (5)). For non-home journalists, their sentiment has a positive correlation with average analyst

recommendation changes in the benchmark period, as indicated by the significantly positive coefficient on $NonHomeJSentimentQ_{i,q}$. The coefficient on $NonHomeJSentimentQ_{i,q}$ * $InvestigationPeriod_{i,q}$ is negative but statistically insignificant. Collectively, there is little evidence that home journalists have an informational edge over non-home journalists about the misconduct firms' economic performance during the investigation period. On the contrary, there is some evidence that non-home journalists' sentiment is more informative about the firms' contemporaneous performance, especially in the investigation period.

5. The Mitigating Factors of Journalist Home Bias

Having documented that home journalists do provide more positive coverage about the misconduct firms than non-home journalists and that their more positive sentiment is not associated with better firm performance, we next explore the factors that may attenuate this bias. Building on prior research on the quality of decision-making, we first examine if journalist expertise and age are associated with lower home bias as these two factors have been shown to contribute to better decision-making in the context of M&A news coverage choices (Ahern and Sosyura 2015), portfolio allocation (e.g., Pool et al. 2012; Parwada 2008) and audit quality (e.g., Bonner and Lewis 1990; Jayaraman and Milbourn 2015). For expertise, we consider a journalist's past experience with both the misconduct firm and the industry that it belongs to. Specifically, we develop a time-varying measure of firm expertise using the logarithm of one plus the number of articles a journalist has written about the misconduct firm over a 28-day window ending one day before the publication day of the article in question (*Follow*).[13] Similarly, we measure industry expertise using the logarithm of one plus the number of articles a journalist has written about firms

[13] If the article in question is written by multiple journalists, we use their average *Follow* value.

in the same industry as the misconduct firm over a 28-day window ending one day before the publication day of the article in question (*FollowInd*).[14] [15] For age, we use the age of the journalist as of the date when the news article is published (*Age*).[16]

In addition to journalist characteristics, we also examine if the transparency of the firm's overall information environment helps to mitigate journalist home bias. A large body of research shows that higher transparency is associated with reduced investor bias as implied by more efficient price discovery (e.g., Zhang 2006; Hirshleifer 2001; Daniel, Hirshleifer and Subrahmanyam 1998, 2001; Fang and Peress 2009; Tetlock 2010). Similarly, if there is a continuous flow of timely information about the misconduct firm or its industry that's generated by other market participants, journalists' home bias may be attenuated as they can learn more about the company and other parties' opinion on it, which may allow them to develop a more objective assessment of the firm. We measure information environment using both the firm's and its industry's analyst and media coverage. Specifically, *Cover* (*News*) is the firm's analyst (media) coverage, measured as the logarithm of one plus the number of analysts following the firm (news articles covering the firm) over a 28-day window ending one day before the publication day of the article in question. *CoverInd* (*NewsInd*) is the industry-level analyst (media) coverage, measured as the logarithm of one plus the number of analysts following firms (news articles covering firms) in the same industry as the misconduct firm over a 28-day window ending one day before the publication day of the article in question. To test if these factors affect journalist home bias, we modify regression (1) by introducing a three-way interaction term between

[14] If the article in question is written by multiple journalists, we use their average *FollowInd* value.
[15] We choose a 28-day window to ensure that the journalists' knowledge about the firm is up to date. Results are qualitatively similar if we use longer windows such as the past six months to measure *Follow* and *FollowInd*.
[16] If the article is written by multiple journalists, we use their average age.

*Home*InvestigationPeriod* and the conditioning variable, along with the associated two-way interactions. Control variables and other specifications remain the same as in regression (1).

Table 6, Panel A reports the results on the effects of journalist characteristics on home bias. In Column (1), the conditioning variable is *Follow*. The coefficient on *Home*InvestigationPeriod* is significantly positive while the coefficient on the three-way interaction term *Home*InvestigationPeriod*Follow* is significantly negative, suggesting that home journalists' more positive sentiment in the investigation period is attenuated by their past reporting experience about the firm. Similar observations can be made in Column (2) where the conditioning variable is *FollowInd*. The coefficient on *Home*InvestigationPeriod* is significantly positive while the coefficient on *Home*InvestigationPeriod*FollowInd* is significantly negative, consistent with journalists' industry expertise mitigating home bias. In Column (3), the conditioning variable is *Age*. Contrary to expectation, the coefficient on *Home*InvestigationPeriod*Age* is significantly positive, indicating that older journalists have more positive reporting sentiment about the misconduct firm in the investigation period. One possible explanation for this finding is that the older generation in China have relied more on the relationships with hometown acquaintances and associates for career development (e.g., Ioannides and Loury 2004, Topa 2011) and risk sharing (Fafchamps 2011) than formal market institutions, and thus are more likely to see firms in their hometown as part of an "extended family" and are reluctant to report negatively on it. Overall, these results further confirm prior research's finding that expertise is a key determinant of decision-making quality, while the effects of age may depend on the cultural and institutional background of the environment where the decision maker is raised.

Panel B tabulates the results on the effects of firm information environment on journalist home bias. Interestingly, none of the four information transparency measures appear to have an

effect on home journalists' reporting sentiment in the investigation period, as the coefficients on the three-way interaction terms are statistically insignificant in all four columns. While the coefficient on *Home*Investigation* is still significantly positive in Column (1) and (3) where the conditioning variable is firm-level analyst coverage (*Cover*) and media coverage (*News*), respectively, it is insignificant in Column (2) and (4) where the conditioning variable is industry-level coverage (*CoverInd* and *NewsInd*, respectively). One possible reason is that in these two specifications the coefficient on *Home*Investigation* measures the effects of this interaction when the conditioning variable (*CoverInd* or *NewsInd*) is 0, and since few of our sample firms have zero industry-level analyst or media coverage, the lack of power may be one explanation for the loss of statistical significance for *Home*Investigation*. Taken together, these findings shed light on the unique nature of journalist home bias in comparison with other commonly-studied behavioral biases such as inattention (e.g., Hirshleifer and Teoh 2003; Hirshleifer, Lim and Teoh 2011) and ambiguity aversion (e.g., Epstein and Schneider 2008; Caskey 2009), which can be ameliorated by greater information transparency. Instead, it seems that a journalist's proneness to home bias varies more with intrinsic characteristics such as expertise than the firm's external information environment.

6. The Stock Market Consequences of Journalist Home Bias

6.1. Can investors discern journalist home bias?

In our last set of tests, we investigate the stock market consequences of journalist home bias. First, as prior research provided mixed evidence regarding investors' ability to assess the quality of media content (e.g., Engelberg, Sasseville and Williams 2012; Piotroski et al. 2019; Wang et al. 2019), we examine if stock investors can discern journalist home bias by exploring if

their reactions to the sentiment of the articles covering the misconduct firm in the investigation period become weaker if the article is written by home journalists. Specifically, we estimate the following regression:

$$ARETn_{i,t} = \beta_0 + \beta_1 * SentimentD_{i,t} + \beta_2 * SentimentD_{i,t} * PerHome_{i,t} + \beta_3 * PerHome_{i,t} + \text{Controls} + \text{Firm FE} + \text{Year FE} + \varepsilon_{i,t}, \quad (3)$$

where $ARETn_{i,t}$ (n = 1, 2, 3, 4, 5) is the misconduct firm's cumulative market-adjusted abnormal return (in percentage) over [t, $t + n$], where t is the article publication day. $SentimentD_{i,t}$ is the average *Sentiment* score of the articles covering the misconduct firm on a particular day t. $PerHome_{i,t}$ is the percentage of articles covering the misconduct firm on day t that are written by home journalists. If investors react positively to media sentiment (e.g., Piotroski et al. 2019; Wang et al. 2019), and if they can detect journalist home bias, the coefficient on $SentimentD_{i,t}$ (β_1) is expected to be significantly positive while the coefficient on the interaction term $SentimentD_{i,t} * PerHome_{i,t}$ (β_2) is expected to be significantly negative.

We include the following controls in regression (3). First, we control for the firm's lagged characteristics such as size (*L1Size*), leverage (*L1Lev*), ROA (*L1ROA*), sales growth (*L1Growth*), book-to-market (*L1BM*), board size (*L1BoardSize*), the number of independent directors (*L1IndependentDirectors*), and ownership type (*L1SOE*), all measured as of the end of the most recent fiscal year. We also control for momentum (*LARET*), calculated as the firm's cumulative market-adjusted abnormal return (in percentage) over [t – 3, t – 92], where t is the article publication day. Lastly, we control for Fama-French risk factor returns *SMBn*, *HMLn*, *RMWn*, and *CMAn* (n = 1, 2, 3, 4, 5), which are the excess returns from the risk factor portfolios over the same window used to measure the dependent variable *ARETn*. Firm and year fixed effects are included to control for unobservable firm characteristics and time trends that affect returns. As evidence in

Table 5 suggests that journalists' reporting sentiment is largely uncorrelated with firm performance in the benchmark period (except for the positive association between non-home journalist sentiment and current-quarter average analyst recommendation changes) while there is some evidence that non-home journalist sentiment can nowcast firm performance in the investigation period, regression (3) is estimated separately for the benchmark period (i.e., *InvestigationPeriod* = 0) and the investigation period (i.e., *InvestigationPeriod* = 1) to examine potential differences in the return-sentiment relationship in these two periods.

The estimation results are presented in Table 7. In Column (1) to (5), the regression is estimated using the benchmark period subsample, and except for a weakly significant coefficient of 0.001 on *SentimentD* when the dependent variable is *ARET3* (Column (3)), there is little evidence that the stock market react to journalists' reporting sentiment, which is in line with the finding in Table 5 that sentiment in general does not appear to be a strong predictor of firm performance in the benchmark period. In Column (6) to (10), the regression is estimated using the investigation period subsample. Except for Column (7) where the dependent variable is *ARET2*, the coefficient on *SentimentD* is significantly positive in all other specifications, suggesting that investors react positively to news sentiment in the investigation period, possibly because (non-home journalists') sentiment is more informative about firm fundamentals in this period as indicated by Table 5. However, the coefficient on *SentimentD* * *PerHome* is statistically insignificant in all five columns, suggesting that investors do not react less to the average article sentiment on a given day if a greater percentage of the articles are written by home journalists. Thus, it appears that investors do not discount the reporting sentiment of home journalists in the investigation period.

6.2. Home journalists' reporting and market price discovery about investigation outcome

In light of the evidence in Table 7 that investors do not discern journalist home bias, we explore one possible implication of this finding by examining if home journalists' coverage of the misconduct firm in the investigation period hinders the market's price discovery about future investigation outcome, as prior literature suggests that stock prices incorporate information about future firm prospects such as earnings (e.g., Lundholm and Myers 2002) and the probability of M&A deal completion (e.g., Betton et al. 2014). In particular, we examine if the misconduct firms' abnormal returns over the article publication window contain information about the future penalty amount assessed by the regulator, and whether this information content is lower on days when a greater percentage of the articles are written by home journalists. Specifically, we estimate the following regression:

$$ARETn_{i,t} = \beta_0 + \beta_1 * Penalty_{i,c} + \beta_2 * Penalty_{i,c} * PerHome_{i,t} + \beta_3 * PerHome_{i,t} + \text{Controls} + \text{Firm FE} + \text{Year FE} + \varepsilon_{i,t}, \quad (4)$$

where $Penalty_{i,c}$ is the logarithm of one plus the pecuniary penalties imposed on misconduct firm i in case c as disclosed in future sanction announcement. This regression is estimated using the investigation period subsample only, and the control variables and other specifications are the same as in regression (3). To the extent that the market impounds information about future penalties in current-period stock price and that the amount of the penalty is positively associated with the severity of the misconduct and thus negatively associated with firm future performance, we expect the coefficient on $Penalty_{i,c}$ (β_1) to be significantly negative. If home journalists' biased reporting sentiment of the misconduct firm impedes the price discovery process, the coefficient on $Penalty_{i,c}$*$PerHome_{i,t}$ (β_2) is expected to be significantly positive.

Table 8 presents the estimation results. In Column (1) where the dependent variable is *ARET1*, the coefficient on *Penalty* is significantly negative, suggesting that the publication-window returns are negatively correlated with future penalty amount, while the coefficient on *Penalty*PerHome* is statistically insignificant. In Column (2) to (4) where the measurement window of the dependent variable expands to two to four days after the article publication day, the coefficient on *Penalty* remains significantly negative, and the coefficient on *Penalty*PerHome* is significantly positive, which is consistent with home journalists' reporting resulting in a lower amount of information about future penalties in current-period prices. In Column (5), the coefficients on *Penalty* and *Penalty*PerHome* are all statistically insignificant, implying that the market's learning about future penalties from the news articles is completed within five days. Taken together, evidence in Table 8 is suggestive that home journalists' reporting bias in the investigation period obstructs the market's inferences about future investigation outcomes from the news articles.

7. Conclusion

This study examines the effects of journalists' home bias on the sentiment of the news articles they write about firms under misconduct investigation. Prior literature on behavioral economics shows that augmenting neoclassic models with individual characteristics can significantly improve their explanatory power for the decisions of a variety of market participants, including managers, analysts, auditors and regulators. However, we know relatively little about the effects of personal preferences in the setting of the media. Despite the significant influence media sentiment has on investor behaviors and security prices, previous studies on the determinants of sentiment have mainly focused on the economic and political pressures that journalists face, while few have attempted to open the black box of the *behavioral* factors that

influence individual journalists' reporting styles. Leveraging the unique data on Chinese journalists' hometowns, we shed light on this issue by investigating if home bias leads journalists to report more positively on firms from their hometowns after the announcements of misconduct investigations. We find evidence consistent with journalists falling prey to the influence of home bias, as home journalists are more positive in their reporting sentiment about the misconduct firm in the investigation period than non-home journalists that cover the same firm over the same time period. The effects of home bias become weaker if the journalist has a relatively high level of expertise about the misconduct firm or its industry, but are stronger among older journalists. Furthermore, there is little evidence that the transparency of the external firm information environment can mitigate journalist home bias. Lastly but not least, the stock investors do not seem to discern the bias in home journalists' reporting sentiment, and their coverage of the misconduct firm hinders the market's price discovery about the severity of the case as implied by future penalty amounts. To the best of our knowledge, this paper is one of the first systematic studies on the effects of home bias in the media context and the associated stock market consequences.

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Appendix A. Variable Definitions

Variable	Definition
Sentiment	The principal component of a news article's dictionary-based sentiment score (*SentimentWord*) and machine-learning-based sentiment score (*SentimentML*). Details about the calculation of *SentimentWord* and *SentimentML* and the extraction of principal component are provided in Section 3.2.
Home	An indicator variable that is equal to 1 if the journalist's hometown city is the same as the city of the misconduct firm's business registration (i.e., a "home journalist"), and 0 otherwise. If there are multiple journalists that authored the article, we regard the article to be written by home journalists if there is at least one journalist whose hometown city is the same as the firm's city of registration.
InvestigationPeriod	An indicator variable that is equal to 1 if an article covering the misconduct firm is published over the investigation period, defined as the period between the CSRC investigation announcement date and the sanction announcement date, and 0 otherwise.
Size (*L1Size, L1SizeQ*)	The natural logarithm of the firm's total assets measured as of the end of the current year. The prefix *L1* means the variable is measured as of the end of the previous period. The suffix *Q* means the variable is measured on a quarterly basis.
Lev (*L1Lev, L1LevQ*)	Total liability divided by total assets as of the end of the current year. The prefix *L1* and the suffix *Q* are defined similarly as above.
ROA (*L1ROA, L1ROAQ*)	Net income divided by total assets as of the end of the current year. The prefix *L1* and the suffix *Q* are defined similarly as above.
Growth (*L1Growth, L1GrowthQ*)	Sales growth, calculated as the difference between current year sales and the previous year's sales, divided by the previous year's sales. The prefix *L1* and the suffix *Q* are defined similarly as above.
BM (*L1BM, L1BMQ*)	Book-to-market ratio as of the end of the current year. The prefix *L1* and the suffix *Q* are defined similarly as above.
BoardSize (*L1BoardSize, L1BoardSizeQ*)	The logarithm of the number of board members as of the end of the current year. The prefix *L1* and the suffix *Q* are defined similarly as above.
IndependentDirector (*L1IndependentDirector, L1 IndependentDirectorQ*)	The number of independent directors divided by the total number of board members as of the end of the current year. The prefix *L1* and the suffix *Q* are defined similarly as above.
SOE (*L1SOE, L1SOEQ*)	An indicator variable that is equal to 1 if the firm is a State-Owned Enterprise as of the end of the current year, and 0 otherwise. The prefix *L1* and the suffix *Q* are defined similarly as above.
Age	The age of the journalist as of the date when the news article is published. If an article is written by multiple journalists, we use their average age.
Sex	An indicator variable that is equal to 1 if the journalist is a male, and 0 otherwise. If an article is written by multiple journalists, we take their average *Sex* value.
LocalNewspaper	An indicator variable that is equal to 1 if the newspaper's contact address is in the same city as the misconduct firm's city of registration, and 0 otherwise.
Violation1	An indicator variable that is equal to 1 if the firm is deemed by CSRC to have Delayed Disclosure issues in the sanction announcement, and 0 otherwise.

Violation2	An indicator variable that is equal to 1 if the firm is deemed by CSRC to have False Disclosure or Misleading Statement issues in the sanction announcement, and 0 otherwise.
Violation3	An indicator variable that is equal to 1 if the firm is deemed by CSRC to have Major Omission issues in the sanction announcement, and 0 otherwise.
Violation4	An indicator variable that is equal to 1 if the firm is deemed by CSRC to have False Statement issues in the sanction announcement, and 0 otherwise.
Violation5	An indicator variable that is equal to 1 if the firm is deemed by CSRC to have Inflated Profits issues in the sanction announcement, and 0 otherwise.
Violation6	An indicator variable that is equal to 1 if the firm is deemed by CSRC to have Illegal Guarantee issues in the sanction announcement, and 0 otherwise.
Violation7	An indicator variable that is equal to 1 if the firm is deemed by CSRC to have Fraudulent IPO issues in the sanction announcement, and 0 otherwise.
Violation8	An indicator variable that is equal to 1 if the firm is deemed by CSRC to have Inflated Assets issues in the sanction announcement, and 0 otherwise.
Penalty	The logarithm of one plus the pecuniary penalties in the sanction announcement.
Party	An indicator variable that is equal to 1 if the newspaper is administered by central or regional party organizations, and 0 otherwise.
Gover	An indicator variable that is equal to 1 if the newspaper is administered by central or regional party committees, government agencies, or social and professional organizations, and 0 otherwise.
Finance	An indicator variable that is equal to 1 if the newspaper specializes in business and finance, and 0 otherwise.
National	An indicator variable that is equal to 1 if the newspaper has nationwide distribution, and 0 otherwise.
GrossProfitQ	Gross profit margin of the current quarter, calculated as the difference between quarterly sales and COGS, divided by quarterly sales.
GrowthQ	Sales growth of the current quarter, calculated as the difference between quarter *q* sales and *q-4* sales, divided by *q-4* sales.
DRating	Average change in analyst recommendations in the current quarter. Specifically, we first assign the value 1 to upgrades, -1 to downgrades, and 0 to "no-change" in analyst reports. If it is the first time an analyst issued recommendation for the firm, we assign the value 1 to buy-recommendations and -1 to sell-recommendations. We then sum up all recommendation changes and divide it by the number of analysts.
HomeJSentimentQ	The average *Sentiment* score of articles covering the misconduct firm that are written by home journalists during the quarter.
NonHomeJSentimentQ	The average *Sentiment* score of articles covering the misconduct firm that are written by non-home journalists during the quarter.
Follow	The logarithm of one plus the number of articles covering the misconduct firm that are written by a particular journalist over [*t* -1, *t* - 28], where *t* is the article publication day. If an article is written by multiple journalists, we use the average number of articles.

FollowInd	The logarithm of one plus the number of articles covering firms in the same industry as the misconduct firm that are written by a particular journalist over [t -1, t - 28], where t is the article publication day. If an article is written by multiple journalists, we use the average number of articles.
Cover	The logarithm of one plus the number of analysts following the misconduct firm over [t -1, t - 28], where t is the article publication day.
CoverInd	The logarithm of one plus the number of analysts following firms in the same industry as the misconduct firm over [t -1, t - 28], where t is the article publication day.
News	The logarithm of one plus the number of news articles covering the misconduct firm over [t -1, t - 28], where t is the article publication day.
NewsInd	The logarithm of one plus the number of news articles covering firms in the same industry as the misconduct firm over [t -1, t - 28], where t is the article publication day.
ARETn (n = 1, 2, 3, 4, 5)	The misconduct firm's cumulative market-adjusted abnormal return (in percentage) over [t, $t + n$], where t is the article publication day.
SentimentD	The average *Sentiment* score of articles covering the misconduct firm on a particular day t.
PerHome	The percentage of articles covering the misconduct firm on day t that are written by home journalists.
LARET	The misconduct firm's cumulative market-adjusted abnormal return (in percentage) over [t - 3, t - 92], where t is the article publication day.
SMBn (n = 1, 2, 3, 4, 5)	The Fama-French small-minus-big excess return over [t, $t + n$], where t is the article publication day.
HMLn (n = 1, 2, 3, 4, 5)	The Fama-French high-minus-low excess return over [t, $t + n$], where t is the article publication day.
RMWn (n = 1, 2, 3, 4, 5)	The Fama-French robust-minus-weak excess return over [t, $t + n$], where t is the article publication day.
CMAn (n = 1, 2, 3, 4, 5)	The Fama-French conservative-minus-aggressive excess return over [t, $t + n$], where t is the article publication day.

Figure 1. Illustration of the Timeline in the Difference-in-difference Design

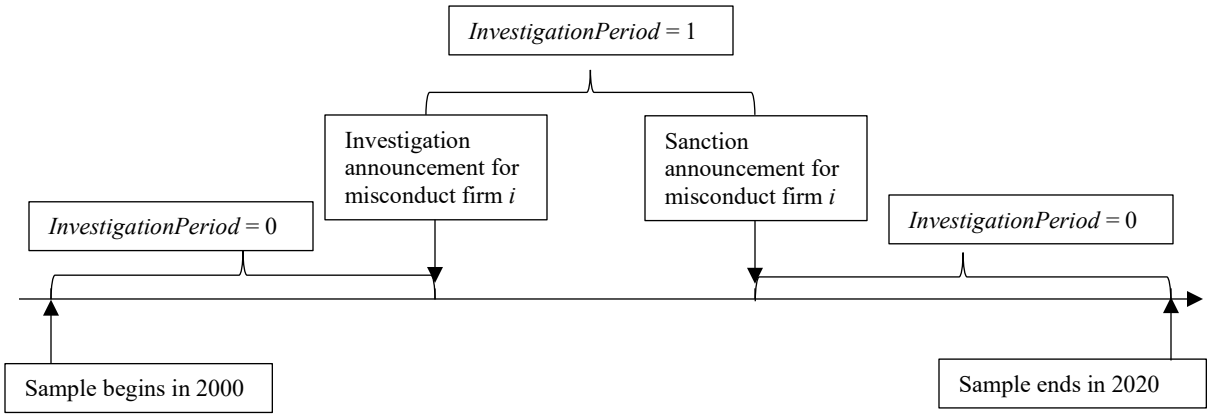

TABLE 1
Sample Construction and Descriptive Statistics

Panel A. Sample selection

Steps	No. of articles
(1) Newspaper articles about Chinese A-share listed firms between 2000 and 2020	341,338
(2) Delete articles that cover firms without misconduct investigations by the CSRC.	(299,376)
(3) Delete articles that cover financial firms.	(5,574)
(4) Delete articles that cover firms with missing values for main variables.	(5,495)
Final sample	30,893

Panel B. Distribution of newspapers by type

		No. of newspapers	No. of articles
Party	Yes	211	8,643
	No	118	22,250
Government	Yes	275	15,340
	No	54	15,553
Business/finance	Yes	49	17,262
	No	280	13,631
National	Yes	84	16,255
	No	245	14,638

Panel C. Distribution of journalists by characteristics and employment

		No. of journalists	No. of articles
Sex	Male	1,548	15,779
	Female	1,591	15,114
Age	20-30	969	9,096
	30-40	1,356	14,012
	40-50	652	5,951
	50-60	162	1,834
Party newspaper	Yes	1,424	8,643
	No	1,715	22,250
Government newspaper	Yes	2,233	15,340
	No	906	15,553
Business/finance newspaper	Yes	1,132	17,262
	No	2,007	13,631
National newspaper	Yes	1,344	16,255
	No	1,795	14,638

Panel D. Distribution of misconduct types by year of investigation and sanction

	Violation1		Violation2		Violation3		Violation4		Violation5		Violation6		Violation7		Violation8	
Yr. of	Invtg.	Sanc.	Invtg.	Sanc.	Invtg.	Sanc.	Invtg.	Sanc.	Invtg.	Sanc.	Invtg.	Sanc.	Invtg.	Sanc.	Invtg.	Sanc.
2002	3		1		0		0		0		0		0		0	
2003	3	2	0	1	2	0	0	0	1	0	0	0	0	0	0	0
2004	7	4	5	1	9	3	0	0	3	2	0	0	0	0	0	0
2005	9	3	10	2	11	3	0	0	6	1	1	0	0	0	0	0
2006	9	3	4	4	9	6	0	0	2	2	2	0	0	0	0	0
2007	6	11	7	4	6	6	2	0	4	3	0	0	0	0	0	0
2008	2	4	2	4	3	8	0	0	2	3	0	0	0	0	0	0
2009	5	4	3	4	5	5	0	1	0	0	0	0	0	0	0	0
2010	8	5	8	6	7	5	0	1	2	4	1	1	1	0	2	0
2011	5	10	3	6	4	8	2	0	1	3	0	3	0	0	0	1
2012	5	10	4	9	7	10	0	1	3	0	1	0	1	0	0	0
2013	5	4	13	4	13	5	0	0	8	1	0	1	1	2	1	1
2014	10	7	12	10	14	15	1	1	7	9	0	0	0	1	0	1
2015	13	9	17	16	23	16	5	2	7	10	0	0	0	0	1	0
2016	9	13	9	11	9	19	0	4	8	9	2	0	0	0	0	0
2017	13	9	13	13	15	13	0	0	14	8	0	2	0	0	2	2
2018	26	14	24	17	19	15	0	0	11	11	2	0	0	0	1	1
2019	25	23	25	20	25	23	2	0	10	8	10	5	0	0	2	0
2020	5	33	3	31	4	25	0	2	1	16	1	8	0	0	0	3
Total	168		163		185		12		90		20		3		9	
Avg. days	487		543		505		444		563		534		726		561	

Table 1 describes the sample selection procedure and related descriptive statistics. Panel A lists the steps used to construct the final sample. Panel B reports the distribution of the sample newspapers by type (e.g., whether it is a party newspaper, government newspaper, business/finance newspaper, or national newspaper). Panel C presents the distribution of the journalists by personal characteristics and the types of their newspaper employers. Panel D tabulates the distribution of the misconduct types by year of investigation announcement and sanction announcement. The total number of cases and the average number of days between the investigation and sanction announcement date by type are reported in the last two rows. Violation1 to Violation8 refers to Delayed Disclosure, False Disclosure or Misleading Statement, Major Omission, False Statement, Inflated Profits, Illegal Guarantee, Fraudulent IPO, and Inflated Assets, respectively.

TABLE 2
Summary Statistics of Main Variables

	N	Mean	SD	Min	P25	Median	P75	Max
Sentiment	30,893	-0.026	1.352	-2.526	-1.177	-0.077	1.044	3.034
Home	30,893	0.124	0.329	0.000	0.000	0.000	0.000	1.000
InvestigationPeriod	30,893	0.078	0.268	0.000	0.000	0.000	0.000	1.000
Size	30,893	22.166	1.368	19.077	21.438	22.018	22.861	25.542
Lev	30,893	0.538	0.261	0.070	0.328	0.522	0.723	1.412
ROA	30,893	0.004	0.144	-0.766	0.004	0.018	0.057	0.213
Growth	30,893	0.127	0.594	-0.827	-0.123	0.066	0.259	3.996
BM	30,893	0.531	0.239	0.053	0.365	0.518	0.692	1.058
BoardSize	30,893	2.423	0.237	1.792	2.303	2.398	2.565	2.996
IndependentDirector	30,893	0.374	0.079	0.158	0.333	0.364	0.429	0.611
SOE	30,893	0.401	0.490	0.000	0.000	0.000	1.000	1.000
Age	30,893	35.343	7.522	23.617	29.444	33.817	40.081	56.331
Sex	30,893	0.511	0.492	0.000	0.000	0.500	1.000	1.000
LocalNewspaper	30,893	0.202	0.401	0.000	0.000	0.000	0.000	1.000
Violation1	30,893	0.093	0.291	0.000	0.000	0.000	0.000	1.000
Violation2	30,893	0.151	0.358	0.000	0.000	0.000	0.000	1.000
Violation3	30,893	0.132	0.339	0.000	0.000	0.000	0.000	1.000
Violation4	30,893	0.003	0.056	0.000	0.000	0.000	0.000	1.000
Violation5	30,893	0.074	0.262	0.000	0.000	0.000	0.000	1.000
Violation6	30,893	0.010	0.100	0.000	0.000	0.000	0.000	1.000
Violation7	30,893	0.026	0.160	0.000	0.000	0.000	0.000	1.000
Violation8	30,893	0.005	0.068	0.000	0.000	0.000	0.000	1.000
Penalty	30,893	3.077	5.884	0.000	0.000	0.000	0.000	19.299

Table 2 reports the summary statistics of the main variables. *Violation1* to *Violation8* are indicator variables representing the type of firm misconduct, and refer to Delayed Disclosure, False Disclosure or Misleading Statement, Major Omission, False Statement, Inflated Profits, Illegal Guarantee, Fraudulent IPO, and Inflated Assets, respectively. Appendix A provides detailed variable definitions.

TABLE 3
Change in Home Journalists' Propensity to Report the Misconduct Firm

DV is *Home*	(1)	(2)	(3)	(4)
InvestigationPeriod	**-0.039*** **	**-0.027*** **	**-0.028** **	**-0.008**
	(-3.08)	**(-3.72)**	**(-2.43)**	**(-1.65)**
Size		0.024**	0.023**	0.001
		(2.50)	(2.71)	(0.48)
Lev		0.033	0.032	-0.015
		(0.93)	(1.04)	(-1.55)
ROA		-0.011	-0.002	-0.008
		(-0.50)	(-0.08)	(-0.58)
Growth		-0.001	-0.000	0.001
		(-0.23)	(-0.05)	(0.35)
BM		0.016	0.007	-0.001
		(0.49)	(0.19)	(-0.13)
BoardSize		0.042*	0.044**	0.009
		(2.04)	(2.17)	(1.55)
IndependentDirector		-0.013	-0.019	0.005
		(-0.23)	(-0.31)	(0.22)
SOE		0.058**	0.054**	0.024***
		(2.36)	(2.53)	(2.87)
Age		0.004***	0.004***	0.000
		(3.15)	(3.14)	(0.75)
Sex		-0.002	-0.002	0.003
		(-0.09)	(-0.07)	(0.39)
LocalNewspaper		0.332***	0.332***	0.241***
		(4.05)	(4.08)	(13.04)
Violation1			-0.021	0.007
			(-1.46)	(1.04)
Violation2			-0.008	-0.001
			(-0.65)	(-0.20)
Violation3			-0.045**	0.001
			(-2.41)	(0.13)
Violation4			-0.005	-0.002
			(-0.24)	(-0.10)
Violation5			0.022	0.006
			(1.22)	(0.90)
Violation6			0.024	-0.011
			(0.92)	(-1.01)
Violation7			0.000	0.000
			(0.00)	(0.00)
Violation8			-0.090**	-0.053**
			(-2.38)	(-2.19)
Penalty			0.003**	0.000
			(2.58)	(0.29)
Firm FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Journalist FE	No	No	No	Yes
Newspaper FE	No	No	No	Yes
N	30,893	30,893	30,893	30,893

Adj-R^2	0.268	0.376	0.378	0.876

Table 3 provides OLS regression results on the change in home journalists' propensity to cover the misconduct firm during the investigation period. Standard errors are double-clustered by firm and year. t-stats are presented in brackets. *, **, and *** represent significance levels at 10%, 5%, and 1%, respectively. Please refer to Appendix A for detailed variable definitions.

TABLE 4
Change in Home Journalists' Reporting Sentiment about the Misconduct Firm

DV is *Sentiment*	(1)	(2)	(3)
Home	0.123	0.087	0.088
	(1.66)	(1.21)	(1.22)
Home*InvestigationPeriod	**0.430*** **	**0.375*** **	**0.381*** **
	(3.13)	**(3.40)**	**(3.51)**
InvestigationPeriod	-0.316***	-0.022	0.041
	(-8.63)	(-0.23)	(0.47)
Size		0.157***	0.159***
		(4.73)	(4.98)
Lev		-0.357***	-0.352***
		(-5.23)	(-4.87)
ROA		0.257***	0.230***
		(3.62)	(2.96)
Growth		0.032**	0.031**
		(2.50)	(2.37)
BM		-0.560***	-0.576***
		(-4.96)	(-5.16)
BoardSize		-0.123***	-0.112***
		(-4.39)	(-3.73)
IndependentDirector		-0.329**	-0.342**
		(-2.20)	(-2.26)
SOE		-0.035	-0.031
		(-0.84)	(-0.87)
Age		0.011***	0.012***
		(4.97)	(4.93)
Sex		-0.118*	-0.118*
		(-2.01)	(-1.98)
LocalNewspaper		0.090***	0.090***
		(3.41)	(3.42)
*LocalNewspaper*InvestigationPeriod*		-0.069	-0.090
		(-0.92)	(-1.19)
*Party*InvestigationPeriod*		-0.026	-0.015
		(-0.23)	(-0.13)
*Gover*InvestigationPeriod*		-0.023	-0.016
		(-0.25)	(-0.18)
*Finance*InvestigationPeriod*		-0.253***	-0.263***
		(-3.48)	(-4.05)
*National*InvestigationPeriod*		0.022	0.035
		(0.43)	(0.69)
Violation1			-0.115*
			(-2.05)
Violation2			0.021
			(0.52)
Violation3			-0.037
			(-0.83)
Violation4			0.217**
			(2.14)
Violation5			0.001

			(0.01)
Violation6			0.096
			(0.76)
Violation7			0.000
			(0.00)
Violation8			-0.209**
			(-2.16)
Penalty			-0.002
			(-0.50)
Firm FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
Journalist FE	Yes	Yes	Yes
Newspaper FE	Yes	Yes	Yes
N	30,893	30,893	30,893
Adj-R^2	0.677	0.684	0.684

Table 4 provides OLS regression results on the change in home journalists' reporting sentiment about the misconduct firm during the investigation period. Standard errors are double-clustered by firm and year. t-stats are presented in brackets. *, **, and *** represent significance levels at 10%, 5%, and 1%, respectively. Please refer to Appendix A for detailed variable definitions.

TABLE 5
Is Home Journalists' More Positive Sentiment Driven by Home Bias or Information Advantage?

DV is	(1) *GrossProfitQ*	(2) *GrossProfitQ*	(3) *GrowthQ*	(4) *GrowthQ*	(5) *DRating*	(6) *DRating*
HomeJSentimentQ	**0.003**		**0.025**		**0.003**	
	(0.78)		**(0.96)**		**(0.20)**	
HomeJSentimentQ*InvestigationPeriod	**-0.006**		**-0.095****		**-0.033**	
	(-0.68)		**(-2.13)**		**(-1.13)**	
NonHomeJSentimentimentQ		**0.001**		**0.010**		**0.019*****
		(0.36)		**(0.95)**		**(3.49)**
NonHomeJSentimentQ*InvestigationPeriod		**0.013****		**0.059***		**-0.008**
		(2.24)		**(1.92)**		**(-0.94)**
InvestigationPeriod	0.022*	0.014*	-0.044	-0.026	-0.079*	-0.036**
	(2.11)	(1.88)	(-0.81)	(-0.40)	(-1.84)	(-2.66)
L1DV	0.760***	0.687***	0.399***	0.475***	0.210**	0.232***
	(8.94)	(25.28)	(5.76)	(24.97)	(2.41)	(3.35)
L4DV	0.170	0.138***	-0.201***	-0.152***		
	(1.55)	(4.80)	(-4.01)	(-11.50)		
L1SizeQ	-0.014**	-0.002	-0.085	0.014	-0.007	0.014
	(-2.78)	(-0.75)	(-1.20)	(0.52)	(-0.21)	(1.23)
L1LevQ	0.021	-0.023	0.075	0.085	0.020	-0.002
	(1.05)	(-1.41)	(0.37)	(0.78)	(0.25)	(-0.08)
L1ROAQ	0.030	0.081*	1.456	1.650***	0.351	0.318***
	(0.17)	(2.10)	(1.07)	(4.27)	(1.70)	(3.61)
L1GrowthQ	0.007	0.001			-0.012	0.001
	(1.64)	(1.02)			(-0.79)	(0.59)
L1BMQ	-0.015	-0.015**	-0.411**	-0.190**	-0.082	-0.094*
	(-0.59)	(-2.47)	(-2.77)	(-2.67)	(-0.78)	(-1.78)
L1BoardSizeQ	-0.027**	0.006	-0.029	0.214***	0.022	-0.011
	(-2.51)	(1.02)	(-0.18)	(3.68)	(0.49)	(-0.75)
L1IndependentDirectorQ	0.009	0.004	-0.070	-0.093	-0.166	-0.049
	(0.17)	(0.24)	(-0.43)	(-0.45)	(-1.28)	(-1.04)
L1SOEQ	-0.001	-0.008	-0.054	-0.043	0.031	-0.023
	(-0.07)	(-1.17)	(-1.02)	(-0.77)	(1.36)	(-1.36)
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes

Year FE	Yes	Yes	Yes	Yes	Yes	Yes
N	887	6,236	887	6,236	887	6,236
Adj-R^2	0.875	0.814	0.524	0.516	0.175	0.110

Table 5 provides evidence on if home journalists' more positive sentiment in the investigation period is attributable to home bias or information advantage by examining the change in the correlation of quarterly average sentiment of home or non-home journalists with contemporaneous firm performance. *L1DV* (*L4DV*) is the dependent variable measured at the end of the previous quarter (same quarter in the last year). Standard errors are double-clustered by firm and year. t-stats are presented in brackets. *, **, and *** represent significance levels at 10%, 5%, and 1%, respectively. Please refer to Appendix A for detailed variable definitions.

TABLE 6
Cross-sectional Variation in Journalist Home Bias

Panel A. Journalist characteristics

DV is *Sentiment*	(1)	(2)	(3)
Home	0.085	0.088	0.100
	(1.17)	(1.20)	(0.46)
*Home*InvestigationPeriod*	0.522***	0.521***	-0.577
	(4.24)	(4.37)	(-1.24)
Home*InvestigationPeriod*Follow	**-0.464*** **		
	(-3.05)		
Home*InvestigationPeriod*FollowInd		**-0.410*** **	
		(-2.90)	
Home*InvestigationPeriod*Age			**0.024** **
			(2.29)
*Home*Follow*	-0.014		
	(-0.25)		
*Home*FollowInd*		-0.012	
		(-0.25)	
*Home*Age*			-0.000
			(-0.05)
*InvestigationPeriod*Follow*	-0.036		
	(-0.54)		
*InvestigationPeriod*FollowInd*		-0.019	
		(-0.41)	
*InvestigationPeriod*Age*			-0.002
			(-0.47)
InvestigationPeriod	0.066	0.060	0.103
	(0.70)	(0.73)	(0.55)
Follow	0.016		
	(0.49)		
FollowInd		0.009	
		(0.38)	
Age			0.012***
			(3.80)
Controls	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
Journalist FE	Yes	Yes	Yes
Newspaper FE	Yes	Yes	Yes
N	30,893	30,893	30,893
Adj-R^2	0.684	0.684	0.684

Panel B. Firm information environment

DV is *Sentiment*	(1)	(2)	(3)	(4)
Home	0.112	0.080	0.055	-0.012
	(1.59)	(0.96)	(0.67)	(-0.10)
*Home*InvestigationPeriod*	0.381**	0.148	0.587***	0.331
	(2.41)	(0.78)	(3.35)	(0.80)
Home*InvestigationPeriod*Cover	**-0.042**			
	(-0.41)			

Home*InvestigationPeriod*CoverInd		**0.082**		
		(1.60)		
Home*InvestigationPeriod*News			**-0.124**	
			(-1.70)	
Home*InvestigationPeriod*NewsInd				**0.018**
				(0.16)
*Home*Cover*	-0.056***			
	(-3.56)			
*Home*CoverInd*		0.001		
		(0.09)		
*Home*News*			0.019	
			(0.93)	
*Home*NewsInd*				0.027
				(1.12)
*InvestigationPeriod*Cover*	0.007			
	(0.20)			
*InvestigationPeriod*CoverInd*		0.001		
		(0.06)		
*InvestigationPeriod*News*			-0.003	
			(-0.10)	
*InvestigationPeriod*NewsInd*				-0.019
				(-0.72)
InvestigationPeriod	0.031	0.042	0.037	0.098
	(0.35)	(0.45)	(0.46)	(1.01)
Cover	0.050***			
	(4.90)			
CoverInd		0.005		
		(0.47)		
News			-0.037	
			(-1.72)	
NewsInd				-0.036
				(-0.94)
Controls	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Journalist FE	Yes	Yes	Yes	Yes
Newspaper FE	Yes	Yes	Yes	Yes
N	30,893	30,893	30,893	30,893
Adj-R^2	0.685	0.684	0.684	0.684

Table 6 provides evidence on the factors that may attenuate journalists' home bias in articles covering the misconduct firm. Panel A (Panel B) presents results on the cross-sectional variation in the change in home journalists' reporting sentiment in the investigation period by journalist characteristics (firm information environment proxies). Standard errors are double-clustered by firm and year. t-stats are presented in brackets. *, **, and *** represent significance levels at 10%, 5%, and 1%, respectively. Please refer to Appendix A for detailed variable definitions.

TABLE 7
Can Stock Investors Discern Journalist Home Bias?

	InvestigationPeriod = 0					*InvestigationPeriod* = 1				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DV is	*ARET1*	*ARET2*	*ARET3*	*ARET4*	*ARET5*	*ARET1*	*ARET2*	*ARET3*	*ARET4*	*ARET5*
SentimentD	**0.000**	**0.001**	**0.001***	**0.001**	**0.002**	**0.002****	**0.002**	**0.004***	**0.005****	**0.002****
	(1.47)	**(1.61)**	**(1.83)**	**(1.53)**	**(1.36)**	**(2.58)**	**(1.54)**	**(2.07)**	**(2.42)**	**(2.58)**
SentimentD*PerHome	**-0.001**	**-0.001**	**-0.002**	**-0.002**	**-0.002**	**-0.002**	**-0.002**	**-0.000**	**-0.003**	**-0.002**
	(-0.88)	**(-1.21)**	**(-1.29)**	**(-1.13)**	**(-0.97)**	**(-1.48)**	**(-0.76)**	**(-0.07)**	**(-0.94)**	**(-1.48)**
PerHome	0.000	0.001	0.002	0.002	0.002	0.008**	0.011**	0.014**	0.014*	0.008**
	(0.42)	(0.62)	(1.08)	(1.04)	(0.98)	(2.70)	(2.56)	(2.37)	(1.99)	(2.70)
L1Size	-0.002**	-0.004***	-0.005***	-0.007***	-0.009***	-0.007	-0.014	-0.017	-0.023	-0.007
	(-2.78)	(-3.65)	(-3.45)	(-3.52)	(-3.66)	(-1.06)	(-1.61)	(-1.61)	(-1.63)	(-1.06)
L1Lev	-0.001***	-0.001***	-0.001***	-0.002***	-0.003***	0.005	0.010	0.012	0.014	0.005
	(-3.85)	(-4.37)	(-6.16)	(-8.65)	(-9.05)	(1.19)	(1.42)	(1.41)	(1.48)	(1.19)
L1ROA	-0.000*	-0.000	-0.001***	-0.003***	-0.004***	0.009	0.013	0.016	0.020	0.009
	(-2.03)	(-1.11)	(-3.12)	(-4.40)	(-5.43)	(1.50)	(1.46)	(1.47)	(1.55)	(1.50)
L1Growth	-0.000**	-0.000	-0.000	-0.000	-0.000	-0.000	0.000	0.001*	0.001	-0.000
	(-2.69)	(-1.44)	(-0.52)	(-0.89)	(-0.48)	(-0.16)	(1.47)	(1.85)	(1.54)	(-0.16)
L1BM	0.009**	0.016***	0.023***	0.029**	0.036**	0.020	0.028	0.050*	0.054	0.020
	(2.78)	(3.11)	(2.96)	(2.82)	(2.78)	(1.05)	(1.34)	(1.83)	(1.47)	(1.05)
L1BoardSize	-0.005**	-0.007**	-0.009*	-0.010*	-0.012*	0.003	0.001	0.008	0.012	0.003
	(-2.73)	(-2.11)	(-2.03)	(-1.84)	(-1.82)	(0.26)	(0.10)	(0.41)	(0.54)	(0.26)
L1IndependentDirector	-0.003	-0.011*	-0.015*	-0.016	-0.021	0.041	0.059*	0.054	0.065	0.041
	(-0.97)	(-1.79)	(-1.81)	(-1.34)	(-1.36)	(1.70)	(1.77)	(1.28)	(1.27)	(1.70)
L1SOE	-0.001	-0.003	-0.004	-0.003	-0.003	0.009	0.021**	0.030**	0.042**	0.009
	(-0.68)	(-1.21)	(-0.96)	(-0.78)	(-0.65)	(1.48)	(2.46)	(2.14)	(2.17)	(1.48)
LARET	0.000	-0.001	-0.001	-0.002	-0.002	-0.001	-0.001	-0.002	-0.001	-0.001
	(0.02)	(-0.61)	(-0.86)	(-0.74)	(-0.71)	(-0.31)	(-0.16)	(-0.40)	(-0.08)	(-0.31)
SMBn	0.553***	0.585***	0.583***	0.546***	0.529***	0.430*	0.631**	0.622*	0.440	0.385
	(4.75)	(4.99)	(5.13)	(5.20)	(4.93)	(2.00)	(2.22)	(1.97)	(1.41)	(1.28)
HMLn	-0.132	-0.144	-0.155	-0.203*	-0.240**	-0.092	0.081	0.124	0.042	-0.020
	(-1.34)	(-1.41)	(-1.40)	(-1.96)	(-2.30)	(-0.42)	(0.35)	(0.49)	(0.14)	(-0.07)
RMWn	-0.087	-0.065	-0.082	-0.104	-0.076	-0.724**	-0.946***	-0.834**	-1.112***	-1.146***
	(-0.56)	(-0.36)	(-0.46)	(-0.60)	(-0.43)	(-2.61)	(-3.17)	(-2.43)	(-3.30)	(-3.76)
CMAn	0.331***	0.364***	0.419***	0.459***	0.471***	0.531	0.062	0.159	0.217	0.359
	(3.73)	(4.49)	(4.89)	(5.29)	(5.13)	(1.69)	(0.24)	(0.78)	(0.97)	(1.24)
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

N	20,379	20,379	20,379	20,379	20,379	1,852	1,852	1,852	1,852	1,852
Adj-R^2	0.054	0.064	0.073	0.079	0.081	0.119	0.145	0.156	0.181	0.202

Table 7 examines if stock investors can discern journalists' home bias by regressing the misconduct firms' cumulative market-adjusted abnormal returns on the average sentiment of all articles covering the firm on a particular day, the percentage of articles written by home journalists, and the interaction between the two, along with control variables and fixed effects. Standard errors are double-clustered by firm and year. t-stats are presented in brackets. *, **, and *** represent significance levels at 10%, 5%, and 1%, respectively. Please refer to Appendix A for detailed variable definitions.

TABLE 8
Home Journalists' Reporting and Market Price Discovery about Investigation Outcome

	InvestigationPeriod = 1				
	(1)	(2)	(3)	(4)	(5)
DV is	*ARET1*	*ARET2*	*ARET3*	*ARET4*	*ARET5*
Penalty	**-0.003*** **	**-0.005*** **	**-0.005*** **	**-0.005** **	**-0.004**
	(-4.01)	**(-3.55)**	**(-3.33)**	**(-2.34)**	**(-1.45)**
Penalty*PerHome	**0.000**	**0.001** **	**0.001** **	**0.001** **	**0.001**
	(0.74)	**(2.47)**	**(2.18)**	**(2.31)**	**(1.56)**
PerHome	0.006***	0.002	0.007***	0.004	0.009**
	(4.34)	(0.93)	(2.93)	(1.50)	(2.69)
L1Size	-0.010	-0.019**	-0.023**	-0.028*	-0.034*
	(-1.53)	(-2.33)	(-2.19)	(-2.03)	(-1.94)
L1Lev	0.006	0.011	0.013	0.016	0.018
	(1.35)	(1.65)	(1.65)	(1.62)	(1.59)
L1ROA	0.010	0.015	0.019	0.022	0.026*
	(1.66)	(1.70)	(1.72)	(1.69)	(1.76)
L1Growth	-0.000	0.000	0.001*	0.001	0.001*
	(-0.17)	(1.52)	(1.95)	(1.72)	(1.99)
L1BM	0.019	0.027	0.049	0.054	0.102*
	(0.95)	(1.16)	(1.66)	(1.34)	(2.06)
L1BoardSize	0.002	-0.000	0.005	0.009	0.001
	(0.15)	(-0.02)	(0.25)	(0.39)	(0.05)
L1IndependentDirector	0.042	0.060	0.056	0.068	0.054
	(1.74)	(1.75)	(1.36)	(1.37)	(0.94)
L1SOE	0.009	0.021**	0.031**	0.043**	0.041*
	(1.50)	(2.52)	(2.34)	(2.27)	(1.97)
LARET	-0.001	-0.001	-0.003	-0.001	-0.001
	(-0.33)	(-0.24)	(-0.48)	(-0.13)	(-0.10)
SMBn	0.437*	0.629**	0.624*	0.438	0.379
	(2.06)	(2.21)	(2.00)	(1.42)	(1.27)
HMLn	-0.085	0.088	0.141	0.052	-0.009
	(-0.40)	(0.38)	(0.57)	(0.18)	(-0.03)
RMWn	-0.717**	-0.966***	-0.857**	-1.138***	-1.179***
	(-2.55)	(-3.12)	(-2.43)	(-3.31)	(-3.82)
CMAn	0.522	0.033	0.116	0.175	0.314
	(1.65)	(0.13)	(0.57)	(0.76)	(1.08)
Firm FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
N	1,852	1,852	1,852	1,852	1,852
Adj-R^2	0.119	0.147	0.156	0.180	0.200

Table 8 examines if home journalists' reporting bias about the misconduct firm in the investigation period impedes the market's price discovery about the investigation outcome. Specifically, we regress the firm's cumulative market-adjusted abnormal returns in the investigation period on the logarithm of the yet-to-be-announced penalty amount, the percentage of articles covering the firm on a particular day that are written by home journalists, and the interaction between the two, along with control variables and fixed effects. Standard errors are double-clustered by firm and year. t-stats are presented in brackets. *, **, and *** represent significance levels at 10%, 5%, and 1%, respectively. Please refer to Appendix A for detailed variable definitions.

Internet Appendix. List of Newspapers

21st Century Business Herald	China Culture News	Daily Economic News	Huangshi Daily	Ningxia Daily	Wenhui Daily
21st Century Pharmacy	China Economic Herald	Dali Daily	Huaxing Times	Oriental Urban And Rural News	Wenzhou Daily
Agricultural Resources Herald	China Economic Times	Dalian Daily	Hubei Daily	Panzhihua Daily	Workers' Daily
All Walks Of Life News	China Electric Power News	Dandong Daily	Huizhou Daily	Pingdingshan Daily	Wuhai Daily
Altay Daily	China Electronic News	Datong Daily	Hunan Daily	Private Economic News	Wuhu Daily
Anhui Daily	China Energy News	Dazhou Daily	Inner Mongolia Daily	Pu'er Daily	Wuxi Daily
Anhui Economic News	China Environment News	Dezhou Daily	International Business Daily	Qiannan Daily	Xiamen Daily
Ankang Daily	China Fashion Weekly	Dingxi Daily	International Financial News	Qianxinan Daily	Xi'an Daily
Anshan Daily	China Film News	Dongguan Daily	Jiamusi Daily	Qingdao Daily	Xiangsheng News
Anyang Daily	China Financial News	Dongying Daily	Jianghuai Times	Qinghai Daily	Xiangtan Daily
Baiyin Daily	China Fisheries News	Economic Information Daily	Jiangmen Daily	Qinhuangdao Daily	Xiaogan Daily
Baoding Daily	China Flower News	Economic Observation News	Jiangsu Economic News	Qinzhou Daily	Xijiang Daily
Baoji Daily	China Food News	Economic Times	Jiangsu Science And Technology News	Qiqihar Daily	Xinhua Daily
Baotou Daily	China Food Safety News	Electromechanical Business News	Jiangxi Daily	Quanzhou Evening News	Xinhua Daily Telegraph
Bayannur Daily	China Gold News	Ezhou Daily	Jiangyin Daily	Quzhou Daily	Xinjiang Daily
Bayinguoleng Daily	China High-Tech Industry Guide	Farmers's Daily	Jiaozuo Daily	Rizhao Daily	Xinxiang Daily
Bazhong Daily	China Industry And Commerce News	Financial Investment News	Jiaxing Daily	Sanming Daily	Xinyang Daily
Beidahuang Daily	China Industry And Economy News	Financial Times	Jilin Daily	Science And Technology Daily	Xuchang Daily
Beihai Daily	China Industry News	First Financial Daily	Jinan Daily	Securities Daily	Xuzhou Daily
Beijing Business Daily	China Information News	Foshan Daily	Jinhua Daily	Securities Times	Ya'an Daily
Beijing Daily	China Intellectual Property News	Fujian Daily	Jining Daily	Shaanxi Daily	Yanbian Daily
Beijing Science And Technology News	China Labor Security News	Fushun Daily	Jinzhong Daily	Shanghai Financial News	Yanfu People's Daily
Bengbu Daily	China Medical News	Futures Daily	Jinzhou Daily	Shanghai Science And Technology News	Yangquan Daily
Benxi Daily	China Metallurgical News	Gansu Daily	Jiujiang Daily	Shanghai Securities News	Yangzhou Daily

Binhai Times	China Mining News	Golmud Daily	Jiuquan Daily	Shangqiu Daily	Yantai Daily
Caac News	China Natural Resources News	Grain And Oil Market News	Jixi Daily	Shantou Daily	Yibin Daily
Cangzhou Daily	China Nonferrous Metals News	Guang'an Daily	Kaifeng Daily	Shanxi Daily	Yichun Daily
Capital Construction News	China Ocean News	Guangdong Science And Technology News	Kunming Daily	Shanxi Economic Daily	Yichun Daily
Chaidamu Daily	China Petrochemical News	Guangxi Cppcc News	Laiwu Daily	Shaoxing Daily	Yili Daily
Changbaishan Daily	China Petroleum Daily	Guangxi Daily	Langfang Daily	Shenyang Daily	Yinchuan Daily
Changchun Daily	China Post News	Guangyuan Daily	Lanzhou Daily	Shenzhen Special Zone Daily	Yingkou Daily
Changde Daily	China Press And Publication Radio And Television News	Guangzhou Daily	Leshan Daily	Shenzhen Economic Dail y	Yixing Daily
Changji Daily	China Quality News	Guilin Daily	Liangshan Daily	Shijiazhuang Daily	Yiyang Daily
Changjiang Daily	China Real Estate News	Guiyang Daily	Lianyungang Daily	Shishi Daily	Yongzhou Daily
Changsha Evening News	China Reform News	Guizhou Cppcc News	Liaoning Daily	Shiyan Daily	Yueyang Daily
Changzhou Daily	China Securities Journal	Guizhou Daily	Liaoyuan Daily	Shuangyashan Daily	Yulin Daily
Chaoyang Daily	China Ship News	Haidong Times	Liberation Daily	Sichuan Daily	Yuncheng Daily
Chaozhou Daily	China Social News	Haikou Daily	Liuzhou Daily	Sichuan Economic Daily	Yunnan Cppcc News
Chengde Daily	China Space News	Hainan Daily	Longdong Daily	Southern Daily	Yunnan Daily
Chengdu Daily	China Tax News	Handan Daily	Luoyang Daily	Southern Weekend	Yunnan Economic Daily
Chifeng Daily	China Textile News	Harbin Daily	Luzhou Daily	Suihua Daily	Yuxi Daily
China Agricultural Mechanization Guide News	China Times	Hebei Daily	Medcine Economic Reporter	Suzhou Daily	Zhangjiajie Daily
China Aviation News	China Tourism News	Hebei Economic Daily	Meizhou Daily	Taiyuan Daily	Zhangjiakou Daily
China Building Materials News	China Trade News	Hebi Daily	Meizhou Daily	Taizhou Daily	Zhangye Daily
China Business Herald	China Traditional Chinese Medicine News	Hefei Evening News	Mianyang Daily	Taizhou Daily	Zhanjiang Daily
China Business News	China Urban And Rural Financial News	Hegang Daily	Mindong Daily	Tangshan Labor Daily	Zhejiang Daily
China Business Times	China Water Resources News	Heihe Daily	Minxi Daily	Three Gorges Daily	Zhengzhou Daily
China Chemical Industry News	China Water Transport News	Heilongjiang Daily	Mudanjiang Daily	Tianjin Daily	Zhongshan Daily
China City News	China Youth News	Heilongjiang Economic News	Nanchang Daily	Tianshui Daily	Zhoushan Daily

China Coal News	Chongqing Daily	Henan Daily	Nanjing Daily	Tibet Daily	Zhuhai Special Zone News
China Communications News	Communication Industry News	Henan Science And Technology News	Nanning Daily	Tonghua Daily	Zhumadian Daily
China Computer News	Communication Information News	Hohhot Daily	Nantong Daily	Tongliao Daily	Zibo Daily
China Construction News	Consumer Daily	Huaian Daily	National Daily	Ulanqab Daily	Zigong Daily
China Consumer News	Corps Daily	Huainan Daily	New Financial Watch	Weifang Daily	Zunyi Daily
China County Economic News	Cpcc Daily	Huanggang Daily	New Rural Commercial News	Weihai Daily	