**Does social-media sentiment predict stock returns? Evidence from Twitter**

* A novel proxy for investor sentiment constructed from Twitter are utilized as a proxy for investor sentiment, which has the advantage of avoiding endogeneity and directly capturing investor sentiment.
* Twitter sentiment index have additional predictive power for U.S. stock returns, which is not captured by traditional factors, such as market risk premium, firm size, book-to-market ratio, or momentum
* The results suggest that empirical asset pricing models, market regulators and investors should consider the possible role of investor sentiment from online sources.