**Analyst Recommendation Revisions and Subsequent Price Drifts: Behavioral Aspects**

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**Abstract**

The study explores stock price dynamics after analyst recommendation revisions. Following the previous literature, which documents significant post-recommendation stock price drifts and attributes them to investor inattention to company-specific events, I hypothesize that if on the day when a recommendation revision with respect to a stock was issued, the sign of the stock's abnormal return was opposite to the direction of the revision, then it means that investors were especially inattentive to the revision and that the subsequent price drift should be more pronounced. Analyzing a large sample of analyst recommendation revisions, I document that recommendation revisions accompanied by the opposite-sign event-day abnormal returns are followed by significantly greater post-event price drifts in the direction of the revision, the magnitude of the drifts increasing for longer post-event periods. This effect is stronger for small and more volatile stocks and remains robust after accounting for additional company- (size, Market Model beta, historical volatility) and event-specific (number of recommendation categories changed in the revision, analyst experience) factors.