

Comments on “The Sentiment Hidden in Italian Texts through the lens of a new dictionary” by Giuseppe Bruno, Juri Marcucci, Attilio Mattiocco, Marco Scarno, Donatella Sforzini



The views expressed in this discussion are my own. No responsibility for them should be attributed to the Bank of Canada
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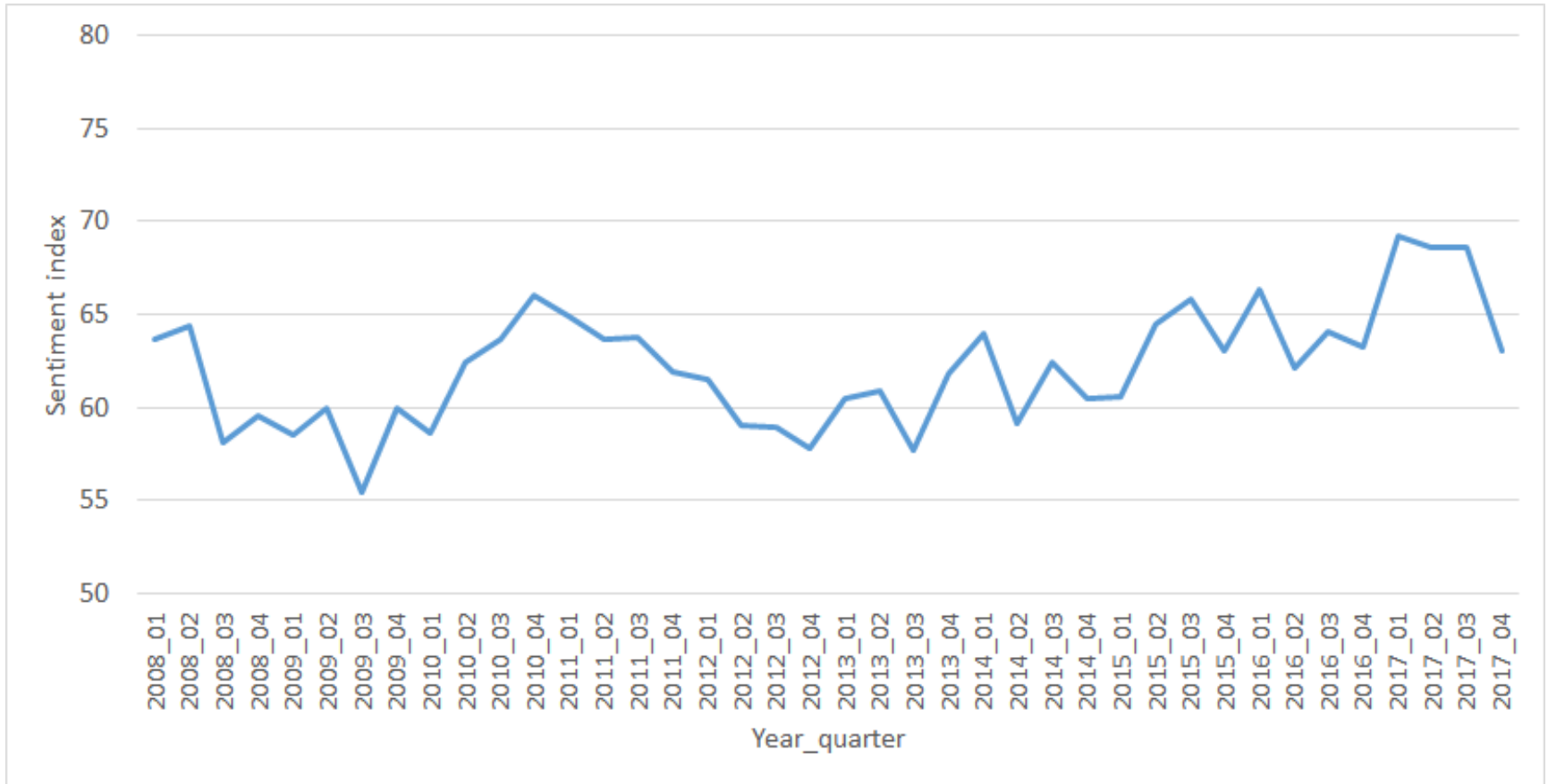
Key Lessons Learned

- Sentiment expressed in Economic Bulletin follows general economic conditions
- Sentiment can vary significantly throughout a Bulletin although start and end are consistently positive
- LCA can help isolate the most important themes in a Bulletin.

Comments

- Economic Bulletin goes back to 1998. Why not use full sample?
 - Can we get a better baseline for “normal” times?
- Main question: What can be done with these results?
 - Does the Bulletin move market sentiment?
 - Is the Bulletin consistent with market sentiment?
 - What part of the Bulletin is getting market attention?

Comments



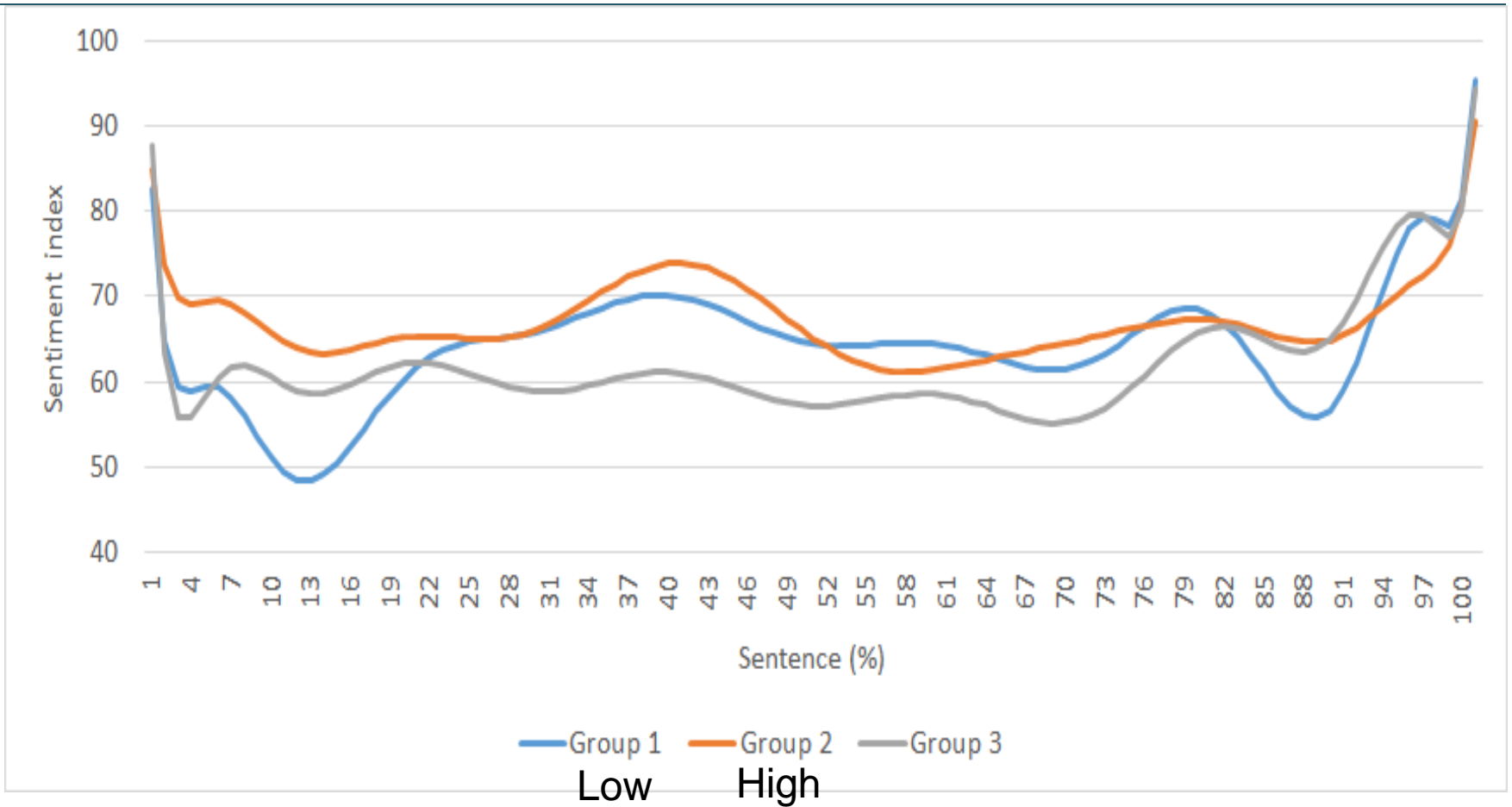
Low

High

Comments

- Correlations with real variables interesting but
 - Correlations with growth rates
 - Correlations by Bulletin section
 - Real sections more with GDP than financial sections?
 - Forecasts more with T+? than other sections?
 - correlations with real time data
 - Higher with real-time or revised data?

Comments



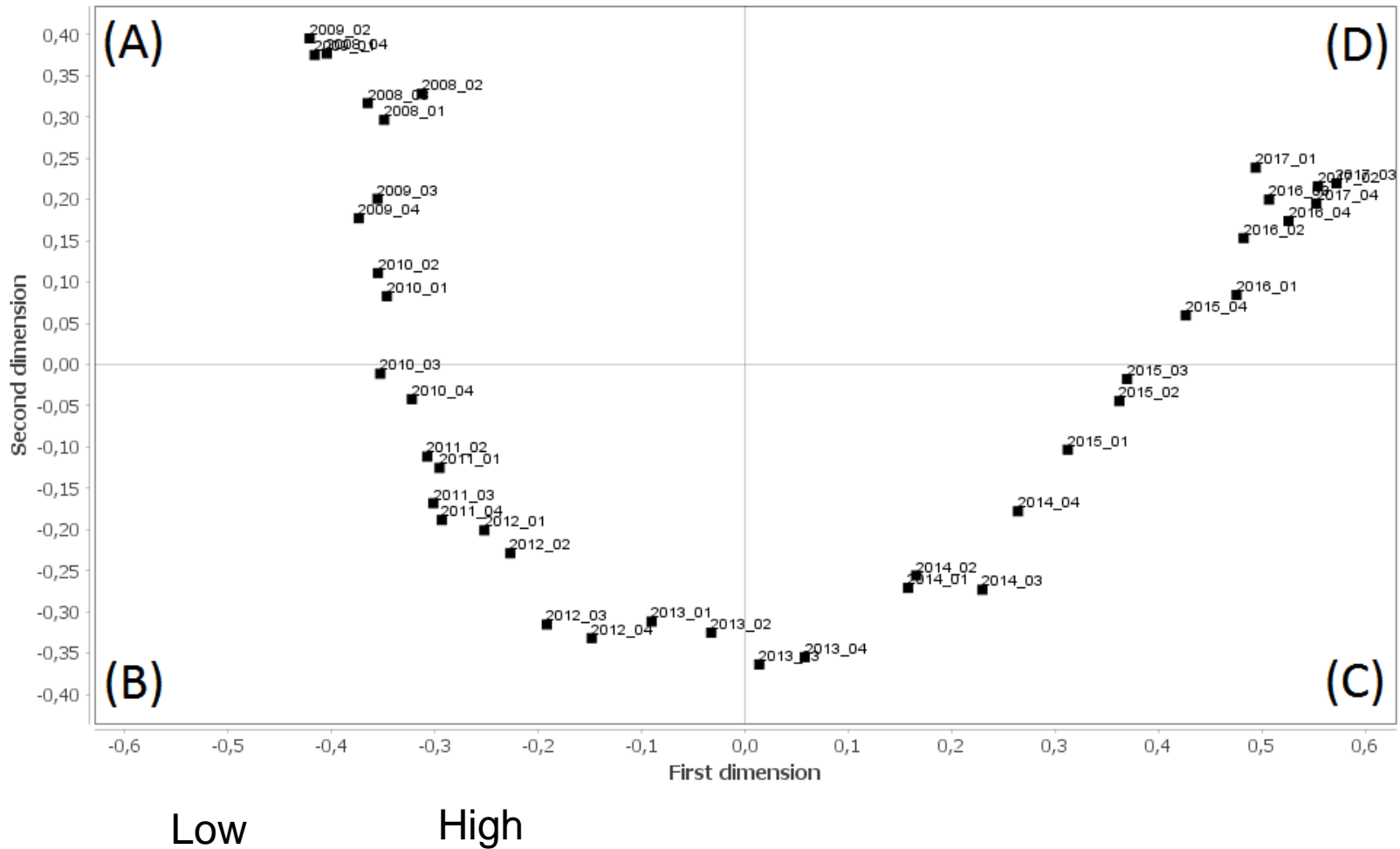
Comments

- Difference between Low and High Sentiment
 - In Overview, Financial Markets and Economic Developments, and Forecasts sections
 - But not in Italian Economy (e.g. Labour, Financial Markets, Banks, etc) sections
 - Why?
- Why are the start and end so much more positive?

Comments

- Do the LCA based on a polarity-based TDM matrix instead of or in addition to word count
- How much more explanatory power when using three dimensions?

Comments



Comments

Quadrant (A) Bulletin 2008-2010	Quadrant (B) Bulletins 2011-2013	Quadrant (C) Bulletins 2013-2015	Quadrant (D) Bulletins 2015-2017
<p> Inflation matters price increase rising inflation support system bank recapitalization scrapping incentive deficit reduction credit offer restriction export contraction debt restructuring operation correct(fix) securitization effect </p>	<p> debt crisis financial maneuver/budget debt reduction expense reduction state title spreads governance reform fall GDP spending cut reduce rate </p>	<p> business credit cost strengthening signal stability law debt restructuring Greece bank liquidity business credit European stability contribution export growth raw course </p>	<p> Brexit referendum result Banca monte paschi Stress test continue growth pay growth decrease unemployment continue credit expansion inflation reduction to support growth </p>

Next Steps

- What do the results mean?
- Benchmarking the results against other texts
 - Are Bulletins more or less positive than subsequent speeches and press coverage?
 - Does sentiment in the press move up or down as a result of the Bulletins?
 - Does the English version represent the same sentiment using other ‘standard’ dictionaries?

Thank you

