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행복 지수가 무리행동에 미치는 영향

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The Impact of Happiness index on Herding Behavior

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Abstract

This paper investigates the role of happiness as a determinant of herding and anti-herding behavior in the Korean stock market using a Twitter-based happiness index as a proxy for investor sentiment. Using daily data for large-, medium-, and small-cap indices from January 2010 to March 2023, the study first confirms strong evidence of anti-herding behavior across all market segments, suggesting that investors generally rely on their own information rather than following market consensus. Rolling window correlation analysis reveals that large- and small-cap stocks exhibit a positive relationship between happiness and herding, while medium-cap stocks show a negative relationship. However, this relationship fluctuates over time, reflecting the dynamic and asymmetric interaction between sentiment and market behavior. Notably, during the COVID-19 pandemic, a positive association emerged across all markets, indicating that higher happiness levels reinforced anti-herding tendencies. The quantile-on-quantile (QQ) regression further demonstrates that the relationship between happiness and herding is regime-dependent. Specifically, extreme happiness states correspond to stronger anti-herding behavior, implying greater independence in investor decision-making. Overall, the findings highlight that the link between investor happiness and herding is not constant but varies across market conditions and sentiment regimes, offering new insights into the emotional dynamics underlying market behavior.

Keywords: Stock market, Herd Behavior, Rolling Window Correlation, Quantile-on-Quantile Regression

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