Delineating industry groups of related firms and identifying strategic peers is important for both financial practitioners and scholars. Our study explores whether the degree to which pairs of companies are associated with each other in an online stock forum is related to the comovement of their stocks. We find that our news-based measure of relatedness can explain stock returns with the same power as the established SIC classification scheme. We investigate, whether our method can serve to define strategic peer groups and conclude that news-based relatedness can help delineate meaningful industry groups.
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