On the Effects of Stock Spam E-mails

Michael Hanke, Florian Hauser

Abstract

A rising number of unsolicited e-mails recommend buying certain stocks, pretending that the sender has private information that will boost these stocks' prices when it becomes publicly available. We first describe the common characteristics of stocks pushed by such e-mails. Then, we investigate the effect of stock spam e-mails on returns, volatility, intraday spread, and volume. We find a significant impact of spam mails on all of these variables. As a second contribution, we characterize features of stocks that are particularly easy to manipulate, and we investigate dependencies between these features.

JEL classification: D82, G14, G24

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