

MD&A Text Plagiarism and Stock Return Comovement

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Abstract: This study investigates the economic implications of text plagiarism in Management Discussion and Analysis (MD&A) disclosures between paired firms on stock return comovement, using a sample of Chinese listed firms. We demonstrate that heightened MD&A text plagiarism correlates with increased stock return comovement. Channel analyses suggest that this effect is driven by greater information-processing friction and stronger corporate informational reputation. The dissemination of new quantitative information mitigates such mispricing and further reduces comovement. The comovement effect is more pronounced when both firms disclose positive news, share a common investor clientele, and operate in less competitive industries. By linking text plagiarism to market behavior, this study advances the understanding of the informational role of narrative disclosures and the mechanisms driving stock return comovement, and provides new insights into the literature on financial reporting quality, investor cognition, and market efficiency.