Political Capital: Real-Time Electoral Probabilities and the Value of Corporate Political Alignment*

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Abstract

We trace partisan equity repricing during the 2024 U.S. presidential campaign using electoral probabilities and contribution records for 71 firms. A one-percentage-point increase in Trump's winning probability is associated with a Republican-minus-Democrat return differential of about 0.04% within 150 trading minutes. The intraday differential survives alternative probability sources, sector-by-time controls, and within-sector placebo reassignments, and it mainly reflects electoral news that arrives while markets are closed. Minute-level prices show most of the July 13 event-day gap forming after the open. Longer-horizon daily evidence is less conclusive. The estimates do not establish a causal return to political giving.

Keywords: Election Prediction Markets; Corporate Political Alignment; High-Frequency Returns; Political Risk; Partisan Networks; Electoral Uncertainty

JEL Classifications: D72; G12; G14; G38; P16

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1 Introduction

Electoral news reaches markets throughout a campaign, but daily closing prices cannot reveal whether firms reprice within minutes or only after several trading sessions. That distinction matters for understanding how political information enters the cross-section of stock prices. We study the 2024 U.S. presidential campaign using real-time electoral probabilities and firm-level partisan affiliation. The central finding is a Republican-minus-Democrat return differential that opens within minutes and remains detectable over the next trading days. Evidence of persistence over months is substantially weaker.

We combine electoral probabilities from PolyMarket with OpenSecrets contribution records and stock prices for 71 publicly traded firms. Local projections estimate cumulative return responses to changes in Donald Trump's winning probability at 5-minute, hourly, and daily frequencies. The main object is the Republican-minus-Democrat return differential. It appears within minutes: at the 5-minute frequency it is significant from the first twenty minutes and reaches about 0.04% by minute 150, and at the hourly frequency it is significant over most of the first two trading days, peaking near 0.08%. Single regressions on the average return over minutes 20–400 and hours 1–18 give differentials of 0.041% and 0.059%, significant at the 5% level with firm or two-way firm and trading-day clustering. At the daily frequency, the differential is positive at almost all horizons, but individual horizons are imprecisely estimated, so we summarize it with a single primary window-average test. Averaged over days 20–60, a one-percentage-point probability increase is associated with a differential of 0.14%, with a t-statistic of 1.7 under the benchmark standard errors and 3.3 under a wider bandwidth intended to span the overlap in cumulative returns.

A placebo test that randomly splits the firms into two groups sharpens this contrast: the intraday differential exceeds nearly all placebo estimates, whereas the daily differential does not stand out against random groupings. High-frequency observations reveal the onset and intraday evolution of the gap, features that daily closes cannot resolve. The hourly evidence becomes weaker when opening observations are excluded, and splitting daily probability changes at the equity open shows that the differential responds to changes that occur while equities are closed but not detectably to changes during the session. The pattern therefore reflects the processing of overnight electoral updates at the open rather than a response to news arriving during regular trading hours. They do not, by themselves, establish a more accurate estimate of a common effect: the specifications use different shock intervals, horizons, and samples. We therefore distinguish the measurement of rapid repricing from the less conclusive question of long-run persistence.

The July 13 assassination attempt provides a salient event against which to compare the campaign-wide estimates. Trump's winning probability rose by about 9 percentage points before the next trading session, and Republican-affiliated firms outperformed Democrat-affiliated firms by 1.2 percentage points that day. About one-fifth of the gap was present at the open, and minute-level prices show most of the remainder emerging

during the first ninety minutes of trading. The event supports the direction of the local projection results, although its magnitude and salience differ from those of the average probability change.

Three further sets of results characterize the differential. First, replacing binary affiliation with the Republican share of contributions yields a positive gradient in intraday return responses; at the daily frequency the continuous estimates are too imprecise to be informative. The sign and approximate magnitude of the differential are similar across six probability sources, with precision highest intraday. Second, the intraday pattern survives excluding discretionary affiliation labels, absorbing sector-by-interval movements, excluding macroeconomic release days, and reassigning partisan labels within sectors. The daily average is stable in magnitude under calendar-date fixed effects, lag controls, and the exclusion of Tesla, is smaller under sector-by-time fixed effects and size and book-to-market interactions, and depends for its precision on how standard errors treat overlapping returns. Adding 71 firms with low measured political activity leaves the differential largely unchanged and shows Republican-affiliated firms outperforming these controls at short horizons. Third, trading data provide little evidence of a corresponding increase in volume or realized variance among politically engaged firms relative to these controls, and signed order flow around the largest probability changes does not show a statistically detectable Republican-minus-Democrat increase in the first two trading hours; most of the daily differential accrues during trading sessions rather than overnight. These results describe how repricing accompanies trading activity; they do not establish that prices change without trading.

Our contribution is to trace campaign-wide partisan repricing at the timescale on which electoral news arrives, combining repeated probability updates with a cross-section of firm affiliations. Prior work establishes that political connections and election outcomes affect firm value (Jayachandran, 2006; Goldman et al., 2009; Akey, 2015), and that policy exposure helps explain cross-sectional election returns (Belo et al., 2013; Wagner et al., 2018). Prediction-market probabilities have been used to value firms' exposure to candidates' policy platforms (Knight, 2006) and to document rapid financial-market responses to electoral news (Snowberg et al., 2007), and firms connected to the winning candidate gained after the 2016 surprise (Child et al., 2021). We extend this high-frequency perspective from aggregate election-event responses to firm-level partisan response paths throughout a campaign. Binary and continuous measures of affiliation locate the return differential in the cross-section, while hourly and daily estimates show which conclusions survive at longer horizons. The contribution concerns the timing of electoral exposure, rather than the first use of intraday data or a causal return to political giving.

The interpretation is deliberately narrower than a causal return to political giving. Contributions may proxy for access to policymakers, exposure to announced policies, or both. Sector-by-week and sector-by-month fixed effects reduce concerns about broad industry movements, but do not isolate within-industry comparisons on each day. Moreover, the sample consists of large political contributors in one election, and the affili-

ation measure includes contributions made during that election cycle. We therefore interpret the estimates as differential electoral exposure associated with partisan affiliation. The valuation framework in Appendix A makes this distinction explicit: election-contingent value can reflect either general policy benefits or firm-specific political advantages.

Section 2 relates the design to prior research. Section 3 describes the sample and affiliation measures, and Section 4 sets out the specification and identifying assumptions. Section 5 presents the return responses, event evidence, and specification checks, followed by the control-firm and trading analyses. Section 6 concludes.

2 Related Literature

Political connections can affect firm value through access to policymakers, procurement, and regulation. Evidence spans personal ties to political leaders (Fisman, 2001; Faccio, 2006), connected boards (Goldman et al., 2009, 2013), and campaign contributions (Jayachandran, 2006; Cooper et al., 2010; Akey, 2015); after the 2016 election, firms with ties to the incoming administration outperformed (Child et al., 2021). Kempf and Tsoutsoura (2024) review the growing use of political donations to measure partisanship in finance. Of particular relevance, Akey (2015) uses close congressional elections to identify the value of changes in political networks. Hafeez et al. (2026) also studies firm valuations around a recent change in U.S. regulatory leadership. Our design addresses a different question: how return differences associated with partisan affiliation evolve as presidential election probabilities change throughout a campaign. It does not inherit the close-election design's identification of the value of a political connection.

Partisan return differences can also arise from policy exposure. Knight (2006) shows that prediction-market probabilities in the 2000 election priced firms' exposure to the candidates' platforms, Belo et al. (2013) links government exposure to returns across political cycles, Pástor and Veronesi (2020) relate stock returns to the political party in power, Addoum and Kumar (2016) studies political sentiment and industry returns, and Wagner et al. (2018) relates firm-level reactions to the 2016 election to tax and trade exposure. These studies provide an important alternative interpretation of contribution-based affiliation: firms may support the party whose policies benefit their operations. The sector and factor controls in our analysis address parts of this overlap, but cannot fully separate policy exposure from preferential access.

A related asset-pricing literature studies political uncertainty and its compensation in financial markets. Pástor and Veronesi (2012) and Pástor and Veronesi (2013) model the interaction between policy uncertainty and asset prices; Kelly et al. (2016) examines political uncertainty in option prices; and Hassan et al. (2019) measures firm-level political risk from earnings calls. Our outcome is a cumulative return response to a change in the relative likelihood of two administrations. It is therefore distinct from a political risk premium in expected returns, even though both may contribute to observed price changes.

Prediction markets provide a way to observe these changing electoral expectations. Wolfers and Zitzewitz (2008) and Snowberg et al. (2013) discuss their information-aggregation role, while Snowberg et al. (2007) uses intraday electoral odds to study partisan effects on financial markets. More recently, Flynn and Tarkom (2025) studies the relation between Trump's election odds and the returns of his media company during the 2024 election. We combine probability updates with a panel of firm affiliations to estimate response paths at several frequencies. Agreement across probability sources helps assess sensitivity to measurement, but the sources reflect many of the same events and are not independent natural experiments.

Finally, we examine cross-platform timing and equity trading activity. Our lead-lag correlations describe relative updating across betting venues; unlike the information-share approach of Hasbrouck (1995), they do not identify each venue's contribution to a common efficient price. The trading analysis draws on research linking heterogeneous interpretations of news to volume (Kim and Verrecchia, 1991; Kandel and Pearson, 1995) and documenting price adjustment around public announcements (Fleming and Remolona, 1999). We use these ideas to interpret volume, volatility, spread, and order-flow responses alongside the partisan return differential, without treating null trading responses as proof of a particular price-setting mechanism.

3 Data

We combine multiple high-frequency datasets covering January through November 2024, spanning the primary and general election campaigns.

3.1 Stock Price Data

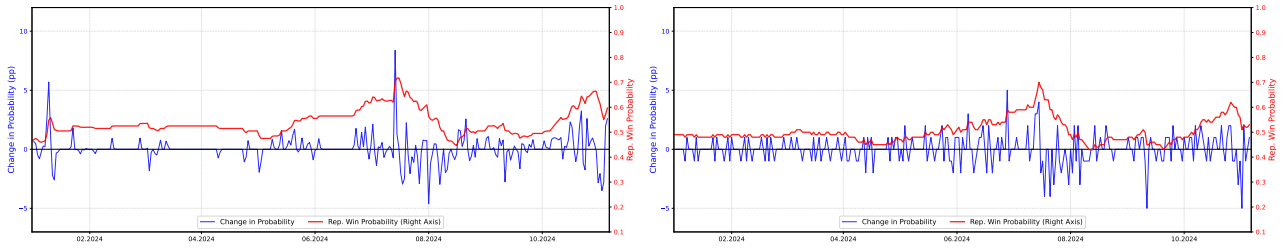
Daily closing prices come from Compustat's daily security files; hourly and 5-minute prices are assembled from the NYSE TAQ database, Bloomberg Terminal, and Yahoo Finance. We construct cumulative log returns from closing transaction prices at each frequency. Daily prices are adjusted for stock splits, which affect two sample firms (Walmart and Arista Networks) and two of the control firms introduced below. The daily sample includes 71 firms. Two firms, MDC Holdings (acquired in early 2024) and Chesapeake Energy (ticker change during the merger with Southwestern Energy), lack complete intraday records, so the hourly and 5-minute analyses use 69 firms. Over 2024, the average daily log return in the sample is 0.07% with a standard deviation of 1.98%.[1]

[1] Table B.1 presents summary statistics.

3.2 Electoral Probability Data

Our benchmark electoral probability series comes from PolyMarket, a blockchain-based prediction market with over $3.6 billion in trading volume for the 2024 presidential election.[2] The key shock variable ΔProb_t is the change in Trump's winning probability.[3] At the daily frequency, the probability for day t is the average of PolyMarket's 5-minute prices over that calendar day (UTC), and ΔProb_t is its change between consecutive trading days; averaging smooths thinly traded intervals but also spreads news arriving late in a day across two daily changes. Section 5.8 reports a robustness series sampled at 4:00 p.m. ET. This coincides with the regular close except on early-close days, when it can include post-close news. The processed daily shock has a standard deviation of about 1.25 percentage points, which differs from that of the unprocessed series because of the cutoff and outlier rules described in Section 4.

Figure 1: Political Shock Series by PolyMarket and PredictIt



(a) PolyMarket Shocks **(b)** PredictIt Shocks

Notes: This figure plots Donald Trump's predicted probability of winning the 2024 U.S. presidential election (red line, right axis) and its daily percentage-point change (blue line, left axis), as implied by PolyMarket prices (daily average of 5-minute prices) and PredictIt prices (last hourly price of each day). The daily changes in the PolyMarket series serve as the benchmark political shock variable throughout the analysis.

Because these markets operate continuously, we observe probability updates outside standard equity trading hours; the opening equity return combines these overnight developments. Figure 1 plots the daily level and percentage-point changes in Trump's winning probability from both platforms.[4]

3.3 Political Affiliation Data

The sample is constructed by hand from OpenSecrets' industry-level rankings of the largest organization contributors to federal campaigns: working through each industry's top-contributor list, we retain the publicly traded firms—many of the largest contributors are privately held—with available stock price records, which yields the 71 firms described above. Tesla enters with an assigned Republican label and intensity rather than a contribution ratio: its OpenSecrets organization totals mainly reflect employee giving, which leans Demo-

[2] Total trading volume reached $3,686,335,059, with $1,531,479,285 attributable to Donald Trump contracts and $1,037,039,118 to Kamala Harris contracts.

[3] We use the election prospects of the Republican nominee and Donald Trump interchangeably, as Trump's probability of securing the Republican nomination remained above 92.5% on PolyMarket from January 24, 2024, onward.

[4] The daily and intraday implementations suppress election-resolution changes under different cutoff rules, described in Section 4.

cratic, and do not include the 2024 political spending of its chief executive, which OpenSecrets records under another of his companies.[5]

We construct two measures of partisan affiliation from OpenSecrets contribution records. The primary measure is binary: firms are classified as Republican-leaning ($\text{PartyID}_i = 1$) if the majority of their recorded partisan contributions went to Republican candidates and committees or conservative outside groups, and Democrat-leaning ($\text{PartyID}_i = 0$) otherwise.[6] To test whether effects vary with the intensity of partisan ties, we also construct a continuous measure:

$$\text{RepublicanAffiliation}_i = \frac{\text{Rep}_i + \text{Cons}_i}{\text{Rep}_i + \text{Cons}_i + \text{Dem}_i + \text{Lib}_i}$$

where Rep_i and Dem_i are contributions to Republican and Democratic candidates and committees, and Cons_i and Lib_i are contributions to conservative and liberal outside groups. The binary label equals one exactly when this ratio exceeds one-half, apart from the Coinbase and Tesla assignments. This ratio ranges from 0 (exclusively Democrat-affiliated) to 1 (exclusively Republican-affiliated).[7] We set Tesla's ratio to one, so its value is an assigned override rather than a contribution share. Section 5.5 uses this measure to estimate the gradient in stock price sensitivity. Contribution totals were collected from the same industry lists and refer to a single election cycle for each firm: the 2024 cycle for most firms, recorded before that cycle's figures were final, and the 2022 cycle for the 16 firms whose industry list was consulted for that cycle.[8] Organization-level contribution records include giving attributed to affiliated individuals and do not measure corporate expenditure alone; for several firms, a few large donations to outside groups account for most of the partisan total. Twelve of the 71 firms have ratios within 0.05 of one-half, so their binary labels are close to the threshold; the continuous measure, used in Section 5.5, treats these firms as nearly balanced. Because most firms are classified from 2024-cycle giving, the classification is not predetermined relative to all returns in the estimation period. The sample consequently describes selected politically active firms rather than a representative cross-section of listed companies.

3.4 Betting Odds Data

We complement the PolyMarket series with high-frequency betting odds from four traditional venues: Betfair, Bovada, BetOnline, and Unibet. This dataset cross-validates our benchmark results against alternative probability sources and enables a characterization of how political information diffuses across platforms with

[5] Table B.2 in the Appendix lists all 71 firms by political affiliation, sector, and contribution intensity.

[6] One exception: Coinbase (COIN) is reclassified as Republican despite a contribution ratio of 0.42, reflecting its prominent pro-crypto advocacy and endorsement activities during the 2024 cycle that align it with the Republican platform.

[7] The one exception is Energy Transfer, whose net Democrat contributions are slightly negative after refunds, giving a ratio of 1.002.

[8] The 16 firms classified from 2022-cycle totals are Amgen, Centene, Chesapeake Energy, Deere, Walt Disney, Ford, General Dynamics, Honeywell, IBM, International Paper, Masimo, NextEra Energy, Norfolk Southern, Ryan Specialty, Charles Schwab, and Walmart.

different architectures. Betfair operates as a peer-to-peer exchange with continuous double-auction pricing, whereas Bovada, BetOnline, and Unibet are bookmakers that post fixed odds subject to periodic revision. Table 1 summarizes the key institutional features.

Table 1: Betting Market Platform Characteristics

Platform	Market form	Use in analysis
PolyMarket	Prediction market	Benchmark probability series
Betfair	Betting exchange	Alternative odds series
Bovada	Bookmaker	Alternative odds series
BetOnline	Bookmaker	Alternative odds series
Unibet	Bookmaker	Alternative odds series

Notes: The table lists the platforms in the cross-correlation analysis. PredictIt supplies an additional probability series for the return regressions. The market-form labels describe the venues and do not establish which venue originates information.

We convert decimal odds to implied probabilities by taking their reciprocals and synchronize the series to a 5-minute grid. We do not normalize bookmaker probabilities to remove the overround, so these series can differ from fair probabilities because of bookmaker margins as well as beliefs. Section 5.6 treats them as alternative measures and describes their relative timing.

3.5 Non-Partisan Control Firms

The baseline sample is selected for measured political activity or an assigned partisan affiliation. To benchmark their behavior against firms with low measured federal political activity, we construct a control group of 71 large- and mid-capitalization, U.S.-listed firms—matching the partisan sample size—satisfying three criteria: (i) no corporate political action committee with any reported activity in the 2023–2024 cycle registered with the Federal Election Commission; (ii) organization-level federal campaign contributions (including affiliates and employees, as compiled by OpenSecrets) below $150,000 in the 2024 election cycle; and (iii) a complete daily trading record over the sample period. Table B.3 in the Appendix lists the control firms. The mean 2024-cycle contribution total among control firms is approximately $50,000, versus a median of about $3.1 million among the partisan firms.

The control group spans health care, technology, finance, retail, consumer staples, industrial equipment, transportation, and construction, but is not matched to the partisan sample by sector or firm characteristics. Notably, among the politically inactive firms we were able to identify, only one (Heico, an aerospace parts supplier) operates in the defense sector and none operate in the energy sector, which limits comparability with the politically active sample in these sectors.

For the trading-process analysis in Section 5.10, we additionally obtain from Databento daily share volume (including extended-hours trading), one-minute price bars, minute-level best bid and offer snapshots, and

tick-level trade records with trade signs for the 141 panel firms covered by the consolidated feed (BAE Systems' over-the-counter ADR is not covered). From these we construct three daily measures per firm: log share volume, log realized variance (the sum of squared five-minute log returns during regular trading hours), and the log median relative quoted spread across one-minute snapshots.[9] Daily closing prices for the control firms are obtained from Databento's consolidated US equities feed (dataset `EQUS.MINI`). Because Databento's daily bars also include after-hours trades, we use each day's last regular-session trade, taken from the final hourly bar before the 4:00 p.m. close (1:00 p.m. on early-close days). For Apple and Microsoft, which appear in both datasets, these closes differ from COMPUSTAT official closes by a median of 0.015%, and daily returns computed from the two sources correlate at 0.999. Section 5.9 uses this control group as a market-based neutral benchmark.

4 Empirical Analysis

4.1 Identification Strategy

Electoral probabilities and stock prices can respond to the same economic news. Our interaction design asks whether these movements differ systematically across partisan groups, conditional on firm fixed effects, calendar controls, and lagged returns. The coefficient of interest, β_2^h, is the Republican-minus-Democrat return response. A shock that affects both groups equally does not generate this differential; a shock with different effects across the groups can.

A causal interpretation requires probability changes to be unrelated to omitted determinants of differential returns, conditional on the controls. This assumption is stronger than the absence of firm-specific news in prediction markets. Macroeconomic news or policy announcements could change both electoral odds and the relative prospects of industries represented unevenly across the partisan groups. Firm fixed effects absorb persistent differences, but do not remove such time-varying exposure. Calendar-date fixed effects and sector-by-week or sector-by-month effects provide useful checks at the daily frequency, and sector-by-interval fixed effects and the exclusion of scheduled macroeconomic release days do so intraday, with the scope and limits discussed in Sections 5.1–5.8.

The high-frequency estimates narrow the interval over which confounding news can arrive, and the July 13 event supplies an unexpected political development unrelated to individual firms' operating news. Neither feature by itself separates policy exposure from political connections. The event can affect both, while its weekend timing permits other information to arrive before equities reopen. Likewise, low political contributions do not make the control firms unexposed to policy. We use the event and control firms as complementary evidence

[9] Databento's consolidated mini feed covers a subset of trading venues, so volume and quotes are venue-subset measures rather than consolidated tape totals or the NBBO. Venue-subset log volume correlates at 0.975 with COMPUSTAT consolidated shares traded across the partisan-sample firm-days, and all specifications use within-firm variation only (firm fixed effects), so stable proportional venue coverage would be absorbed by the fixed effects. Time-varying coverage remains a measurement limitation.

on the estimated differential, rather than as substitutes for the identifying assumption. Throughout, "shock" denotes an observed probability change, not an independently identified structural innovation.

4.2 Local Projection Framework

We use the local projection framework of Jordà (2005) to estimate cumulative return responses separately at each horizon. This approach avoids specifying a joint dynamic system for electoral probabilities and all firm returns and accommodates an unbalanced panel. Its flexibility is useful for comparing intraday adjustment with longer-horizon responses, but does not remove the need for identifying assumptions or inference that accounts for overlapping returns.

The baseline specification is:

$$R^h_{i,t} = \alpha^h + \sum_{k=1}^{L} \phi^h_k r_{i,t-k} + \sum_{j=0}^{3} \beta^h_{1,j} \Delta\text{Prob}_{t-j}$$
$$+ \beta^h_2 (\Delta\text{Prob}_t \times \text{PartyID}_i) + \delta^h_t + \eta^h_i + \epsilon^h_{i,t+h}$$

We define $R^h_{i,t} = 100[\log(\text{TradeClose}_{i,t+h}) - \log(\text{TradeClose}_{i,t-1})]$. The dependent variable is the cumulative log return in percentage points from the close of period $t-1$ through period $t+h$; $h=0$ includes the shock-period return. We define $r_{it} = 100\Delta\log(\text{TradeClose}_{it})$ and use $L = 14$ return lags in the daily specification and $L = 40$ in the hourly and 5-minute specifications. ΔProb_t is the change in Trump's winning probability in percentage points, and PartyID_i equals one for Republican-affiliated firms and zero for Democrat-affiliated firms. The contemporaneous probability change and three lags enter separately. We abbreviate $\beta^h_{1,0}$ as β^h_1 in the figures. Firm fixed effects absorb the standalone affiliation indicator.

The coefficient β^h_1 measures the response of Democrat-affiliated firms to probability changes at horizon h. The interaction coefficient β^h_2 captures the differential response of Republican- relative to Democrat-affiliated firms, so $\beta^h_1 + \beta^h_2$ gives the total Republican response. The specification includes calendar fixed effects (δ^h_t) (month and year dummies) and firm fixed effects (η^h_i).

Estimating the regression separately for each $h = 0, 1, \ldots$ yields sequences of β^h_1 and β^h_2 that trace how responses evolve over time. Because each horizon is estimated independently, the resulting impulse response functions do not impose dynamic restrictions on the adjustment path.

At the daily frequency, we use Driscoll-Kraay standard errors with a 14-trading-day bandwidth to allow for cross-sectional dependence and serial correlation (Driscoll and Kraay, 1998). Section 5.8 examines wider bandwidths because the cumulative returns overlap at longer horizons. The baseline hourly and 5-minute estimates cluster standard errors by firm. This permits within-firm serial correlation but does not allow arbitrary dependence across firms. We therefore also report two-way clustering by firm and time for the hourly and 5-minute

specifications. Confidence bands are pointwise, not simultaneous across horizons. The inner and outer bands reflect 90% and 95% confidence, respectively, both conventional significance thresholds.

We estimate 91 daily, 25 hourly, and 121 five-minute responses, plotted starting at day 1, hour 1, and minute 5; the figures emphasize approximately 90 trading days, 24 trading hours, and 600 trading minutes. Intraday horizons count trading observations rather than elapsed clock time. Prices and probabilities are aligned in time: at the hourly frequency each price is paired with the latest probability observed before it, and at the 5-minute frequency with the last probability recorded in the same 5-minute interval. Cumulative returns run through $t+h$ from the close at $t-1$, figures plot the first estimated response at one trading period, and the horizons reported in the text follow this plotting convention. The intraday sample covers January–November 14, 2024. The daily implementation differs: for firms with full histories, it sets probability changes to zero from October 30 onward and admits shock-date observations through November 19; forward returns can use prices through December 31.[10] These differences in timing and sample construction matter when comparing frequencies.

5 Results

We begin with the highest-frequency estimates, which show how quickly the partisan differential appears, and then move to hourly and daily horizons to trace how long it persists. The July 13 assassination attempt provides an event-level comparison between the two. Subsequent sections examine continuous affiliation, alternative probability sources, sectoral confounding, inference, and sample composition. The final two analyses compare politically active firms with low-activity controls and examine trading outcomes.

5.1 5-Minute Frequency: Speed of Repricing

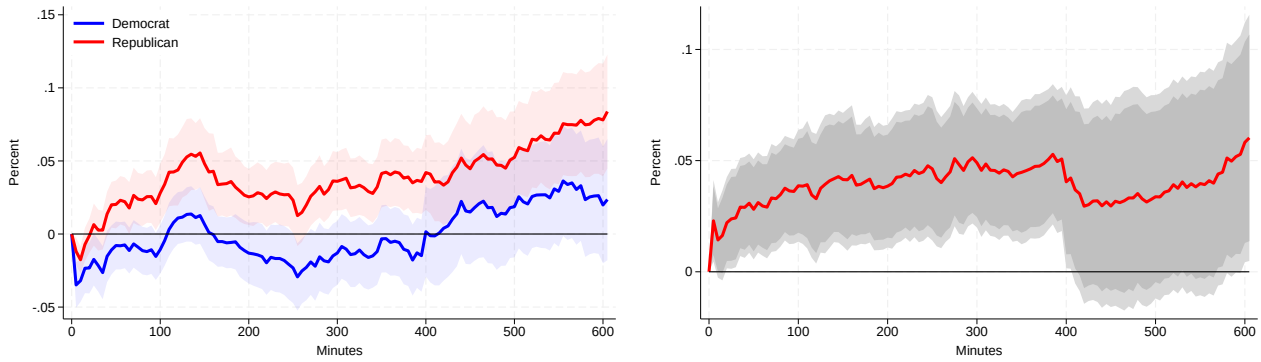
Figure 2 traces the response at 5-minute intervals. The differential β_2^h is positive at every horizon. It is statistically significant at the 90% level in the first ten minutes and continuously from minute 20 through minute 410 (at the 5% level through minute 405), reaches about 0.04% by minute 150, and remains positive through the full 600-minute window. A single regression on the average cumulative return over minutes 20–400 gives a differential of 0.041% (SE 0.013 with firm clusters and 0.017 with two-way firm and trading-day clusters; $t = 3.04$ and 2.45). The average is essentially unchanged when shock observations dated on days with CPI, Employment Situation, or FOMC releases are excluded (0.040%, $t = 2.38$) and when sector-by-interval fixed effects absorb every

[10] Operationally, the daily implementation counts trading days within each firm: shocks are set to zero after the 459th trading day of the price history and shock dates are restricted to 2024 observations through the 474th trading day of the price history. For the 70 firms with full histories, these correspond to October 29 and November 19. MDC Holdings' price history ends on April 19. Observations with current log returns below −40% are excluded, and probability changes between −99 and −20 percentage points are set to zero. At the intraday frequencies, probability changes on November 6 are set to zero.

common and sector-level movement in each 5-minute interval (0.040%, $t = 2.04$), both with two-way clusters. The differential therefore appears within minutes and keeps building over the following hours, consistent with the time required for market participants to detect probability shifts, assess their implications, and re-mark valuations; Section 5.10 examines the accompanying trading activity.

The two groups contribute differently. Republican-affiliated firms show a gradual positive response that becomes significant at the 90% level around minute 40, reaching about 0.04% by minute 120 and about 0.08% by minute 600. Democrat-affiliated firms initially decline by about 0.03%; their response is generally imprecise thereafter and changes sign at intermediate horizons.

Figure 2: Stock Price Response to 1pp Increase in Republican Winning Probability via PolyMarket (5-Minute Frequency)



(a) Republican vs Democrat Firm Responses

(b) Differential Response

Notes: This figure presents the impulse response functions of stock prices to a one-percentage-point increase in Donald Trump's winning probability during the 2024 presidential election, using 5-minute stock price data for 69 firms in 2024 under the sample rules in Section 4. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_2^h$) for Republican firms (red line) and Democrat firms (blue line), with 95% confidence intervals. Panel (b) shows the differential response (β_2^h), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors.

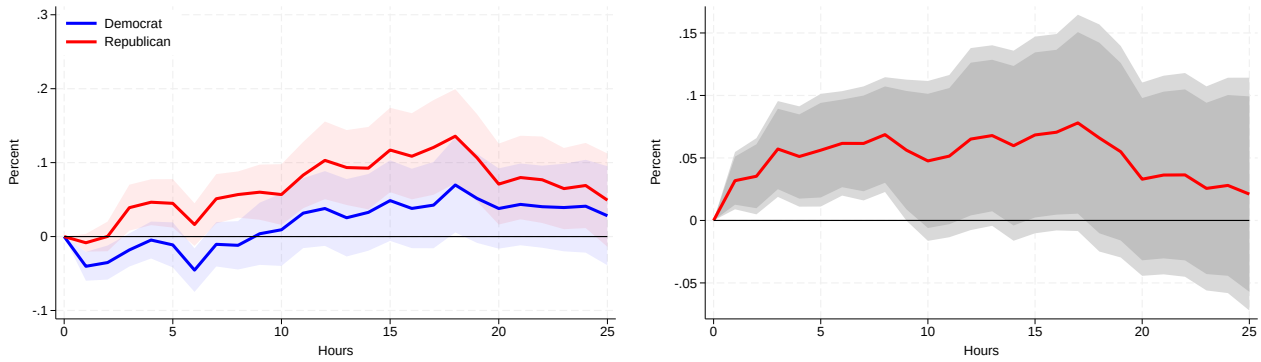
5.2 Hourly Frequency: Persistence Within Days

Figure 3 presents the hourly impulse responses. The differential β_2^h is positive at every horizon and significant at the 5% level over the first eight hours. As a single summary test, analogous to the daily window test in Section 5.4, we regress the average cumulative return over hours 1–18 on the same specification: the differential is 0.059% (SE 0.027 with firm clusters and 0.025 with two-way firm and trading-day clusters; $t = 2.16$ and 2.39). Under standard errors two-way clustered by firm and by time period (Section 5.8), it is significant at the 90% level at every horizon from hour 1 through hour 18 and peaks at 0.08% near hour 17 ($t = 2.36$). Republican-affiliated firms turn positive within the first three hours and peak near 0.14% at hour 18. Democrat-affiliated firms decline slightly in the first two hours (about −0.04%) and turn positive at longer horizons, suggesting that part of the response reflects an aggregate market effect of probability changes.[11] The partisan gap thus opens

[11] Figure B.1 in the Appendix presents the overall response estimated without the interaction term.

within the first hour and persists for more than two trading days of hourly observations. Appendix Figure B.2 confirms the pattern under PredictIt shocks: the differential is positive at every horizon and significant at the 90% level over most of the first 18 hours.

Figure 3: Stock Price Response to 1pp Increase in Republican Winning Probability via PolyMarket (Hourly Frequency)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure presents the impulse response functions of stock prices to a one-percentage-point increase in Donald Trump's winning probability during the 2024 presidential election, using hourly stock price data for 69 firms in 2024 under the sample rules in Section 4. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_2^h$) for Republican firms (red line) and Democrat firms (blue line), with 95% confidence intervals. Panel (b) shows the differential response (β_2^h), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors.

5.2.0.1 Affiliation overrides and within-sector comparisons. The intraday interpretation should not rest on discretionary labels or broad industry news. We therefore repeat the hourly analysis with standard errors clustered by firm and trading day, then exclude Tesla and Coinbase because their binary affiliations use explicit overrides. A third specification also absorbs sector-by-hour fixed effects. These controls compare firms within the same sector and hour and absorb arbitrary sector-level movements at that frequency, rather than only sector trends over weeks or months. Table 2 reports selected horizons; Appendix Figure B.27 shows all 25.

Excluding the two overrides reduces the average of the first 18 hourly coefficients from 0.059% to 0.045%, with positive estimates at every horizon. With sector-by-hour effects as well, the average is 0.057%, the differential is positive at 24 of 25 horizons, and the hour-17 estimate is 0.072% (SE 0.035). Precision varies by horizon, but the near-term pattern survives these checks. The window-average test gives the same conclusion: with sector-by-hour effects, the hours 1–18 average differential is 0.063% ($t = 2.35$), and excluding shock observations dated on days with CPI, Employment Situation, or FOMC releases leaves it at 0.058% ($t = 2.37$), both with two-way firm and trading-day clusters. The exclusion rule is based on how affiliations were assigned, not on the estimated returns. These exercises strengthen the evidence of partisan repricing measured intraday without making the contribution measure predetermined or eliminating heterogeneous policy exposure within sectors.

5.2.0.2 Overnight news and regular-session updates. An intraday observation need not correspond to news arriving during equity trading: the opening probability change can include overnight developments. We therefore retain only shock-date observations at 11:00 a.m. ET or later, so both endpoints of the hourly probability change lie within the regular session. This removes the opening observation and the first full-hour observation while retaining the original outcome horizons and controls. The impact differential falls from 0.032% (SE 0.008) to 0.005% (SE 0.013), and the average of the first 18 hourly coefficients falls from 0.059% to 0.022%. No individual horizon is significant at the 10% level in this subsample. The smaller sample and different set of probability changes also affect precision; this is not a formal test of equality between opening and later responses. The result limits the interpretation: the full-sample evidence concerns adjustment observed in trading time, including news accumulated while equities were closed, rather than a uniformly detectable response to probability changes originating within the session.

We examine this distinction directly at the daily frequency by splitting each trading day's PolyMarket change at the 9:30 a.m. ET open into an overnight component, from 4:00 p.m. on the previous trading day to the open, when equities are closed, and a session component, from the open to 4:00 p.m. Using official opening and closing prices for the 70 firms with an official open, and absorbing calendar-date as well as firm fixed effects so that every common daily movement is removed, the Republican-minus-Democrat overnight return rises by 0.033% per percentage-point overnight probability change (SE 0.014, clustered by date) and the same-day close-to-close differential by 0.065% (SE 0.030). The overnight-return estimate is similar when days with CPI, Employment Situation, or FOMC releases are excluded (0.029%, $t = 1.96$) and when July 15 is excluded (0.034%, $t = 1.83$); without July 15 the close-to-close estimate falls to 0.043% ($t = 1.31$). Session probability changes, whose standard deviation is 0.92 percentage points against 1.23 for overnight changes, show no detectable differential in session returns (-0.001%, SE 0.035). The partisan repricing we measure is therefore concentrated in the incorporation, at the open, of electoral news that arrives while equities are closed.

Table 2: Hourly Differential: Affiliation, Industry Controls, and News Timing

	Horizon (trading observations)			
Specification	1	6	12	18
Benchmark	0.032	0.062	0.065	0.066
(SE)	(0.008)	(0.025)	(0.032)	(0.037)
Exclude Tesla and Coinbase	0.031	0.053	0.047	0.043
(SE)	(0.012)	(0.022)	(0.029)	(0.030)
Also sector × hour effects	0.035	0.049	0.063	0.064
(SE)	(0.016)	(0.021)	(0.028)	(0.034)
Regular-session updates only	0.005	0.034	0.044	0.006
(SE)	(0.013)	(0.034)	(0.044)	(0.042)

Notes: Coefficients are Republican-minus-Democrat cumulative log return differences, in percentage points per one-percentage-point PolyMarket probability change. All rows use standard errors two-way clustered by firm and trading day. The benchmark retains firm and month effects and the lag controls in Section 4. The second row excludes the two firms with discretionary binary labels. The third row also replaces month effects with sector-by-hour effects; these absorb the common probability terms. The fourth row retains all firms but restricts shock dates to observations at 11:00 a.m. ET or later. Observation counts at the displayed horizons are 77,973, 76,488, 72,583, and 58,556, respectively; the third row drops singleton fixed-effect cells. The point estimates in the first row reproduce the baseline hourly estimates; its standard errors use trading-day rather than hour clusters. All rows use the affiliation measure of Section 3.

The hourly estimates link the minute-level response to longer horizons. The July 13 assassination attempt provides a single, salient instance of the same repricing.

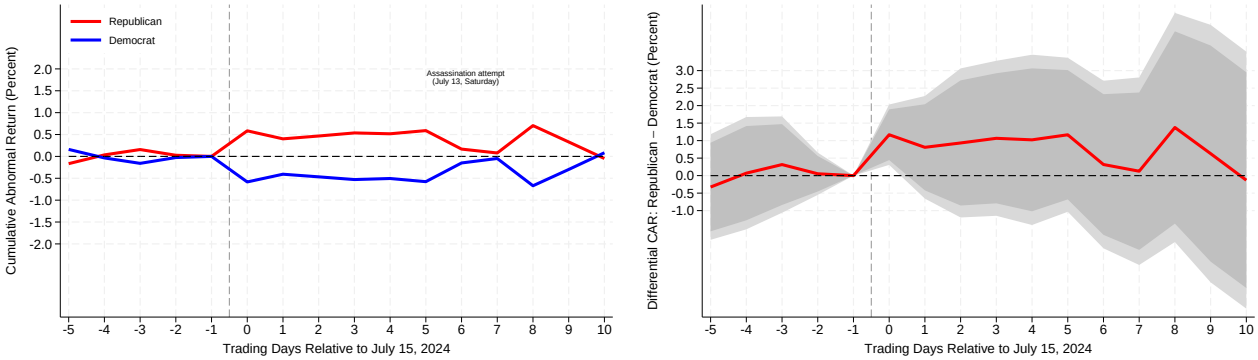
5.3 Event Study: The July 13 Assassination Attempt

The local projections identify the partisan differential from the full distribution of probability changes over the sample period. To compare these estimates with a single unexpected political event, we conduct a market-model event study around the assassination attempt on Donald Trump on July 13, 2024. The attack occurred on a Saturday evening (6:13 PM EDT), causing PolyMarket's Trump win probability to jump from about 62% to about 71% before markets reopened on Monday, July 15 (an 8.9 percentage-point change on the trading-day grid used in the daily analysis).

We estimate a market model for each firm over trading days $[-130, -11]$ and compute abnormal returns around the event and plot cumulative paths over $[-5, +10]$, relative to July 15.[12] Figure 4 plots the cumulative average abnormal returns (CAARs) separately for Republican- and Democrat-affiliated firms. The plotted pre-event paths are anchored at zero on the last pre-event trading day; their proximity to zero is descriptive and is not a formal test for the absence of pre-event differential returns. On July 15, the two series diverge sharply: Republican firms gain about 0.6% in abnormal returns while Democrat firms lose 0.6%, producing a 1.2 percentage-point differential on the event day alone ($t = 2.65$, $p \approx 0.01$). The gap persists through the first week. The reported cross-sectional test does not adjust for arbitrary correlation across firms during this common event, so its precision should be interpreted cautiously.

[12] The market return is the equal-weighted average across all 71 sample firms. The resulting abnormal returns are relative to this sample-based benchmark.

Figure 4: Event Study: Cumulative Abnormal Returns Around the July 13, 2024 Assassination Attempt



(a) Republican vs Democrat Firm CAARs **(b)** Differential CAAR (Republican − Democrat)

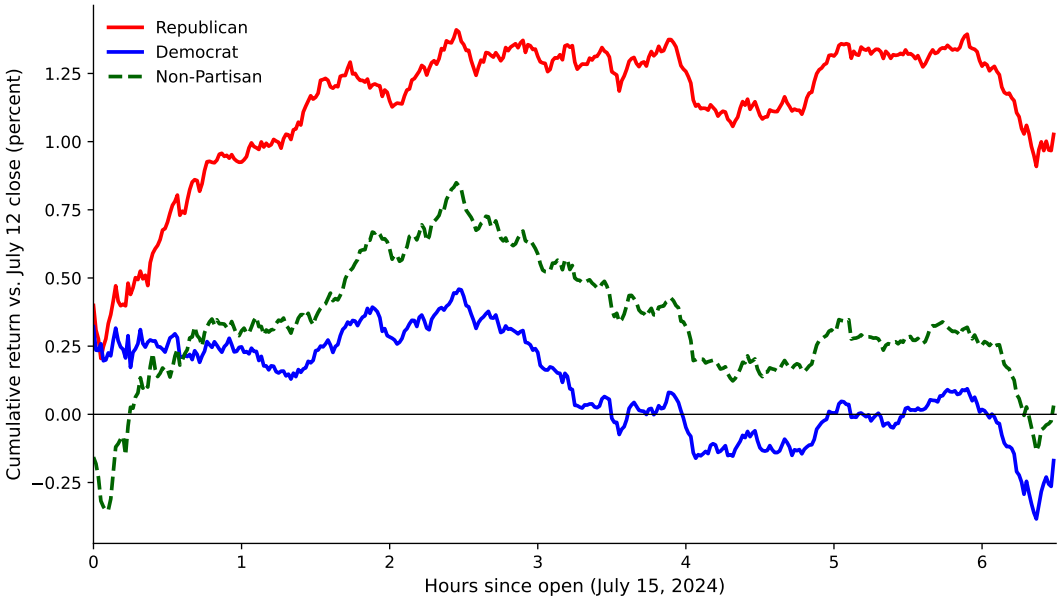
Notes: This figure presents cumulative average abnormal returns (CAARs) around the assassination attempt on Donald Trump on July 13, 2024 (Saturday). The event date ($t = 0$) is July 15, 2024, the first trading day following the attack. Abnormal returns are computed from a market model estimated over the 120-day pre-event window. Panel (a) shows CAARs for Republican-affiliated firms (red line) and Democrat-affiliated firms (blue line), anchored at $t = -1$, with shaded areas showing 95% cross-sectional confidence intervals. Panel (b) shows the Republican−Democrat differential with 95% (light gray) and 90% (dark gray) cross-sectional confidence intervals. The sample includes 70 firms (35 Republican, 35 Democrat) with non-missing price data on the event date.

The event-day differential has the same sign as the local projection estimates and is larger than a same-horizon linear prediction: the first-day daily coefficient of about 0.05% per percentage point implies roughly 0.5% for an 8.9-percentage-point change, compared with the event-day estimate of 1.2%. The average daily differential over days 20–60 (Section 5.4) would imply about 1.2%, but at a much longer horizon. These comparisons establish an economically substantial response of the expected sign, not a quantitative validation of the local projection path. Salience, nonlinear responses, other weekend news, and differences in return adjustment may contribute to the discrepancy.

Official opening and closing prices, together with minute-resolution prices from Databento, show when the event-day gap formed (Figure 5). Measured against the July 12 close, Republican-affiliated firms opened 0.50% higher and Democrat-affiliated firms 0.25% higher, so about one-fifth of the day's gap was present at the open. The Republican group's gain then accrued mainly during the first ninety minutes of continuous trading, by which point roughly three-quarters of the closing gap had opened; the remainder came from a decline among Democrat-affiliated firms later in the session. At the close, Republican firms were up 1.03% and Democrat firms down 0.20%, a gap close to the daily event-study estimate despite differences in sample coverage and return adjustment.[13] The politically inactive controls mostly move between the two partisan groups and close near zero, although this does not imply that individual control firms were unaffected.

[13] Opening and closing figures use official COMPUSTAT prices for the 68 partisan firms in the figure. The minute-level paths use Databento's venue-subset bars and therefore differ slightly from official prices at the open.

Figure 5: Minute-Resolution View of the First Trading Day After the Assassination Attempt



Notes: This figure plots the cross-sectional average cumulative log return, relative to the July 12, 2024 close, of Republican-affiliated firms (33 firms, red), Democrat-affiliated firms (35 firms, blue), and politically inactive control firms (71 firms, dashed green) at one-minute resolution through the July 15, 2024 trading session, the first after the assassination attempt on Donald Trump (PolyMarket shock: +8.9 percentage points on the trading-day grid). Prices are one-minute bars from Databento (`EQUS.MINI`), forward-filled within the session; Chesapeake/Expand Energy and MDC Holdings are excluded from the partisan groups owing to listing changes, and BAE Systems' over-the-counter ADR is not covered by the feed.

5.4 Daily Frequency: Longer-Horizon Evidence

Figure 6 presents the daily impulse responses using PolyMarket data. The differential β_2^h is positive at 93% of the 91 horizons and lies between 0.06% and 0.19% over days 30–70, but individual horizons are estimated imprecisely: it is significant at the 90% level only at days 29–31, 33–34, 60, and 64–67, and at the 5% level only at days 29 and 33. Pointwise significance at scattered horizons is not a reliable summary of a persistent response, so we evaluate the daily differential with a single primary summary: the average differential over days 20–60, one to three trading months after the probability change.[14] This average is 0.14% (Table 3, Panel B). Its t-statistic is 1.67 with the benchmark 14-day Driscoll-Kraay bandwidth and 3.34 with a 60-day bandwidth that spans the overlap in cumulative returns. The wider bandwidth is the natural choice for overlapping returns, but in this short daily sample wide-bandwidth standard errors can understate uncertainty. The point estimate is consistent with a positive longer-horizon differential, but its precision depends on the bandwidth and the daily placebo comparison does not distinguish the partisan split from random firm groupings. Persistence over months is therefore suggestive rather than an established extension of the intraday result.

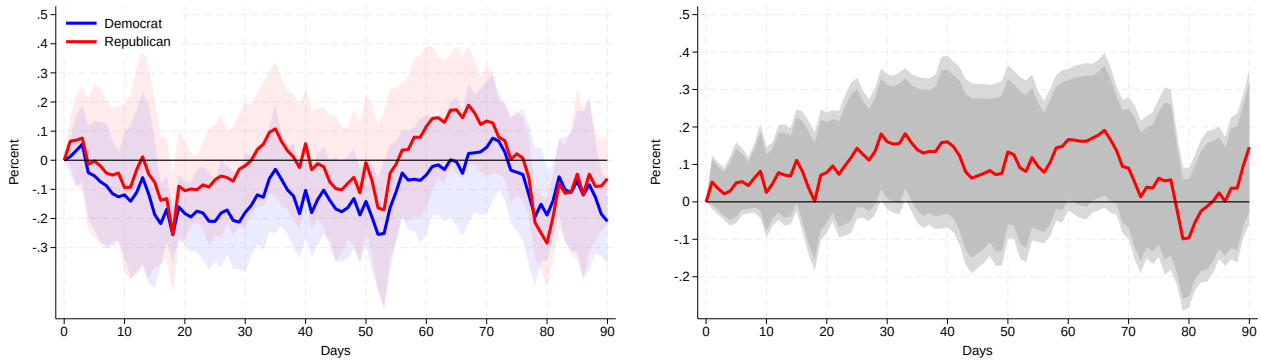
Within the partisan sample, the daily differential mainly reflects lower returns among Democrat-affiliated

[14] We designated this window during the September 2026 revision to summarize one to three trading months, after earlier horizon-specific results were available. It is not a preregistered test. The window is held fixed across the reported specifications; the replication output also reports days 28–52 and 1–90 for transparency.

firms, which decline by about 0.15% on average over days 20–60 and are significant at the 90% level over days 16–31 and at most horizons between days 39 and 53. Republican-affiliated firms show no systematic response; their estimates are significant only at isolated horizons and with mixed signs. Horizon-specific samples also change as forward returns become unavailable near the end of the price history, which makes the longest horizons the least informative. Replicating the analysis with PredictIt data (Figure B.3 in the Appendix) yields a similar path, with an average differential of 0.11% over days 20–60 and a peak near 0.18% around day 40.

The magnitude is economically meaningful. On days when prediction markets move by 5–10 percentage points, a linear scaling of the days 20–60 point estimate implies a valuation gap between Republican- and Democrat-affiliated firms of roughly 0.7–1.4%, compared with the sample's daily return standard deviation of 1.98%.

Figure 6: Stock Price Response to 1pp Increase in Republican Winning Probability via PolyMarket (Daily Frequency)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure presents the impulse response functions of stock prices to a one-percentage-point increase in Donald Trump's winning probability during the 2024 presidential election, using daily stock price data for 71 firms in 2024 under the sample rules in Section 4. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_2^h$) for Republican firms (red line) and Democrat firms (blue line), with 95% confidence intervals. Panel (b) shows the differential response (β_2^h), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors.

The components of the differential therefore differ across frequencies: Republican-affiliated firms account for most of the intraday gap, and Democrat-affiliated firms for most of the daily gap. Section 5.9 compares both groups with low-activity controls. The estimates use different shock intervals, return windows, and samples, so they should not be read as direct evidence of a single two-stage adjustment process.

5.5 Dose-Response: Intensity of Partisan Alignment

The baseline analysis classifies firms as either Republican or Democrat. This binary split is useful for identifying the direction of the partisan differential, but it treats a firm that gives 51% to Republicans identically to one that gives 99%. If the market prices partisan alignment as a continuous characteristic, as the theoretical framework in Appendix A predicts, then the magnitude of the stock price response should scale with the intensity of

partisan ties. To test this prediction, we replace the binary PartyID_i with the continuous $\text{RepublicanAffiliation}_i$ measure (ranging from 0 for fully Democrat-affiliated to 1 for fully Republican-affiliated) and estimate:

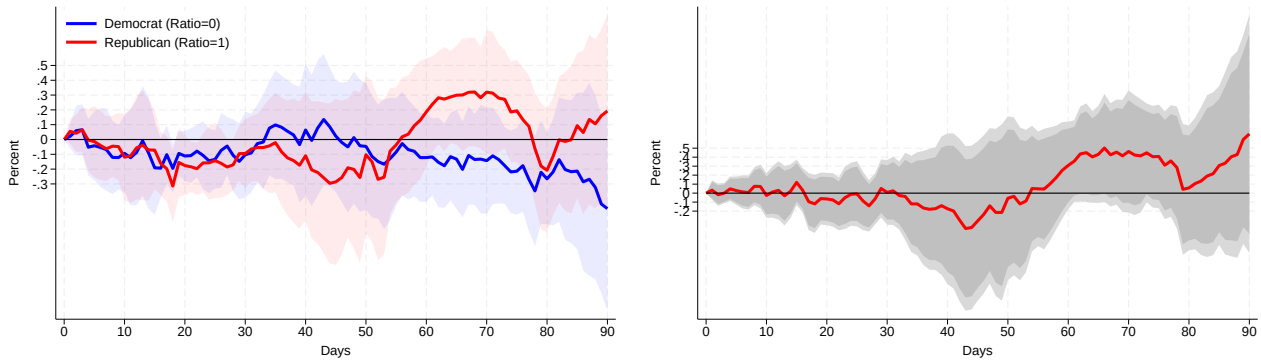
$$R^h_{i,t} = \alpha^h + \sum_{k=1}^{L} \phi^h_k r_{i,t-k} + \sum_{j=0}^{3} \beta^h_{1,j} \Delta\text{Prob}_{t-j}$$
$$+ \beta^h_2 (\Delta\text{Prob}_t \times \text{RepublicanAffiliation}_i) + \delta^h_t + \eta^h_i + \epsilon^h_{i,t+h}$$

The coefficient β^h_2 now measures the fitted response difference between affiliation ratios of one and zero. The specification retains the three lags of the probability change used in the baseline. This full-range contrast differs from the binary comparison of two groups whose members have heterogeneous contribution shares. Comparing the two coefficients therefore requires attention to the scale of affiliation, the linearity assumption, and measurement error; it is not a comparison of identical treatment contrasts.

Figures 7, 8, and 9 present the dose-response results. The gradient is clearest intraday. At the 5-minute frequency, the separation between fully Republican-affiliated firms (Ratio = 1) and fully Democrat-affiliated firms (Ratio = 0) is present from the first 5-minute interval, is significant at the 90% level over most of the first 400 minutes, and remains positive through minute 600, where it is about 0.04%. At the hourly frequency, the gap is significant at the 90% level over hours 1–3 and 5–8 and peaks near 0.07% at hour 6, a magnitude comparable to the 5-minute estimates. At the daily frequency, the continuous estimates are imprecise: the gradient is not significant at any horizon and changes sign across horizons, so the daily data neither confirm nor rule out a dose-response relationship at longer horizons.

A positive intraday gradient is consistent with affiliation carrying information about electoral exposure, but does not establish a causal effect of increasing contributions. Appendix Figures B.4, B.5, B.9–B.11, and B.12 report the corresponding estimates for the other probability sources. At the 5-minute frequency, the gradient is positive at most horizons for all four betting sources and is significant at the 90% level over much of the first 400 minutes for Unibet, within roughly the first 100 minutes for BetOnline, in the first 25 minutes for Betfair, and only at scattered horizons for Bovada. At the hourly frequency the gradients are positive at most horizons but significant only in the first few hours, and only for PredictIt, Betfair, and Unibet; at the daily frequency they are, like the PolyMarket estimates, too imprecise to be informative.

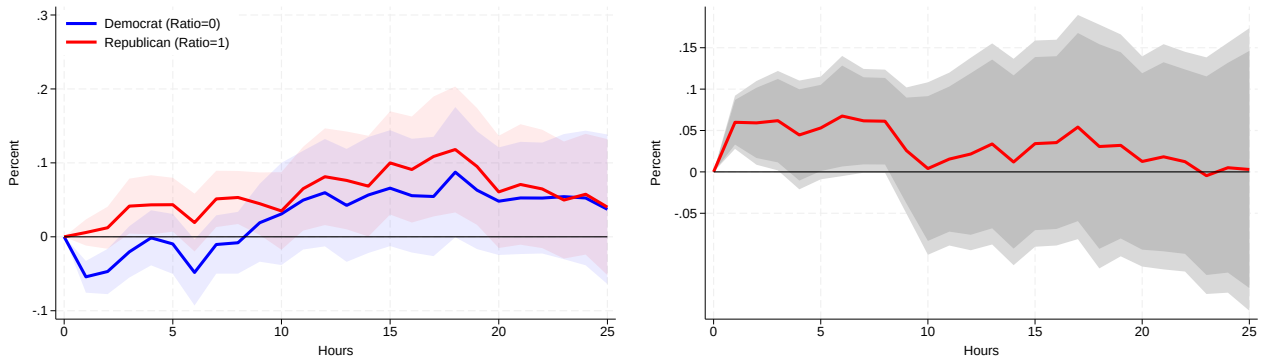
Figure 7: Stock Price Response to 1pp Increase in Republican Winning Probability via PolyMarket (Daily Frequency, Continuous Affiliation)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure presents the impulse response functions of stock prices to a one-percentage-point increase in Donald Trump's winning probability during the 2024 presidential election, using daily stock price data for 71 firms in 2024 under the sample rules in Section 4, with the continuous *RepublicanAffiliation* measure. Panel (a) shows the cumulative responses for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 95% confidence intervals. Panel (b) shows the differential response (β_2), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors.

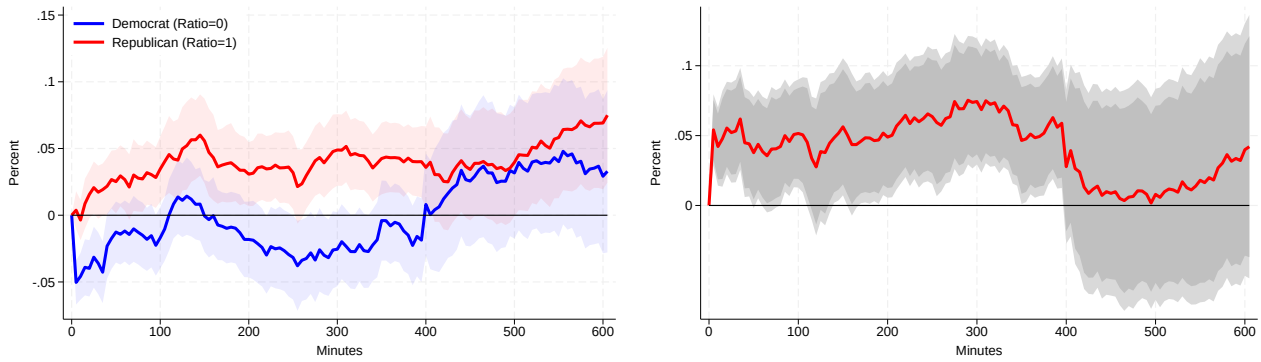
Figure 8: Stock Price Response to 1pp Increase in Republican Winning Probability via PolyMarket (Hourly Frequency, Continuous Affiliation)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure presents the impulse response functions of stock prices to a one-percentage-point increase in Donald Trump's winning probability during the 2024 presidential election, using hourly stock price data for 69 firms from January 1, 2024, to November 14, 2024, with the continuous *RepublicanAffiliation* measure. Panel (a) shows the cumulative responses for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 95% confidence intervals. Panel (b) shows the differential response (β_2), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors.

Figure 9: Stock Price Response to 1pp Increase in Republican Winning Probability via PolyMarket (5-Minute Frequency, Continuous Affiliation)



(a) Republican vs Democrat Firm Responses

(b) Differential Response

Notes: This figure presents the impulse response functions of stock prices to a one-percentage-point increase in Donald Trump's winning probability during the 2024 presidential election, using 5-minute stock price data for 69 firms from January 1, 2024, to November 14, 2024, with the continuous *RepublicanAffiliation* measure. Panel (a) shows the cumulative responses for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 95% confidence intervals. Panel (b) shows the differential response (β_2), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors.

5.6 Cross-Platform Probability Measurement

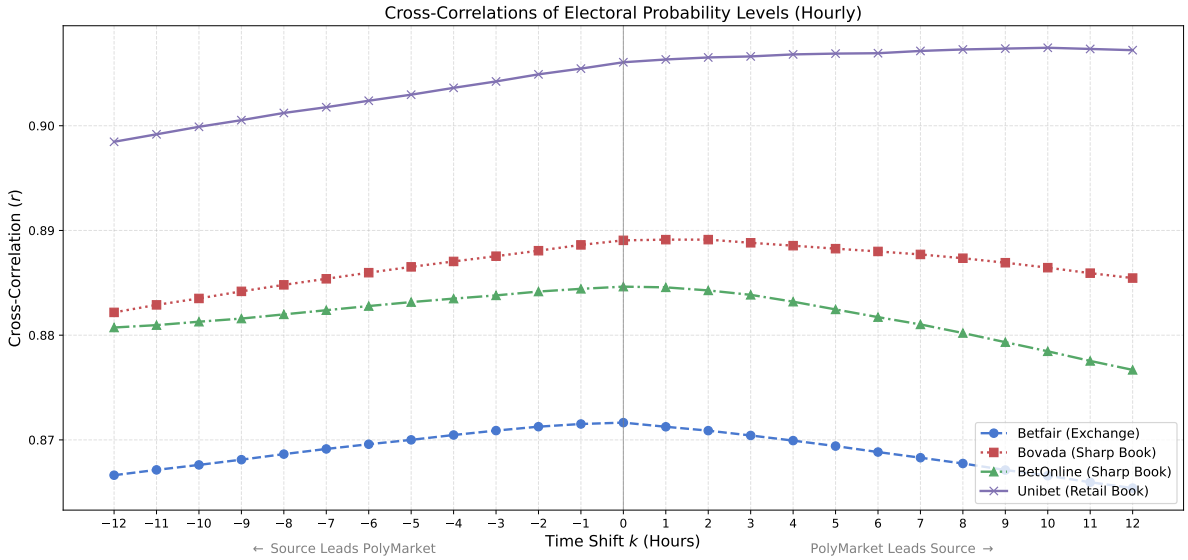
We now turn to the four traditional betting platforms introduced in Section 3.4 to cross-validate our benchmark results against alternative probability sources and to characterize how political information diffuses across platforms with different market architectures.

5.6.1 Relative Updating Across Betting Markets

Figures B.22 and B.28 in the Appendix show that all five platforms follow a common trend in implied probabilities, although the retail bookmakers visibly update with a delay. PolyMarket's contemporaneous correlations with the four alternative platforms range from 0.87 to 0.90; the alternative platforms are generally more closely correlated with one another, most strongly Betfair and Bovada (0.95).

We summarize relative timing using cross-correlations between probability levels at hourly lags from −12 to +12 hours (Figure 10). Betfair's correlation peaks near zero. Bovada's correlation peaks at two hours, BetOnline's near zero, and Unibet's at ten hours. The profiles are relatively flat around their maxima. These patterns are consistent with slower updating at some bookmakers. Because the series are persistent and reflect common news, level cross-correlations do not identify the origin of information or establish a precise transmission lag.

Figure 10: Cross-Correlations of Electoral Probability Levels (Hourly)



Notes: This figure plots the cross-correlation (r) between PolyMarket's implied probability at time t and the corresponding series for each alternative platform at time $t+k$, for integer lags $k \in [-12, +12]$ hours. A positive shift k on the horizontal axis indicates that PolyMarket *leads* the source platform by k hours; a negative shift indicates the converse. The curves summarize relative timing in probability levels; they do not estimate causal transmission or information shares. All series are constructed at hourly frequency from January 1, 2024, through November 5, 2024.

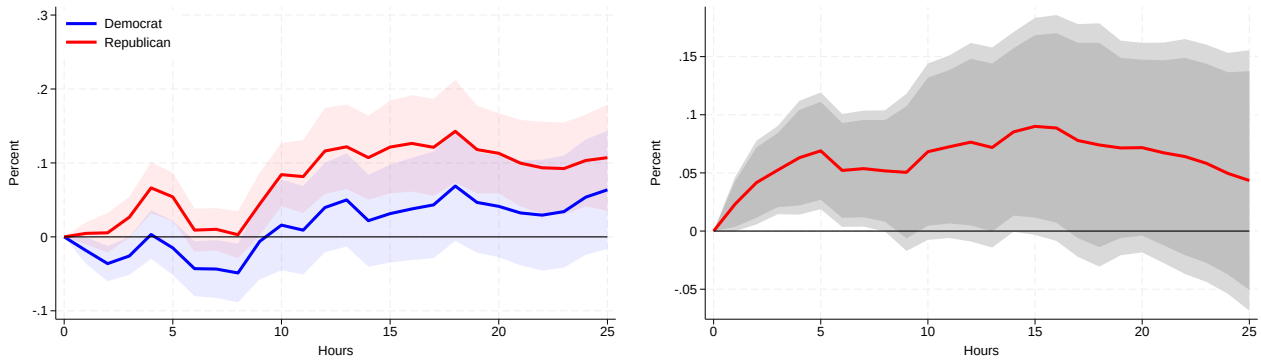
Because Betfair is the only exchange among the four betting venues—its prices, like PolyMarket's, are set by trading between participants rather than posted by a bookmaker—we use it as the primary alternative probability measure.

5.6.2 Asset Pricing Robustness via Betfair

Betfair provides a useful measurement check because it operates through a different trading venue. Agreement with PolyMarket would reduce concern about venue-specific measurement, although common news can drive both series.

Figure 11 replicates the hourly analysis using Betfair data. The differential is positive at every horizon and significant at the 90% level over most of the first 16 hours, closely mirroring the PolyMarket estimates. Republican-affiliated firms turn positive within the first three hours and reach 0.11–0.14% in the 15–20-hour window, while Democrat-affiliated firms show a small negative response (about −0.02 to −0.05%) that is significant at the 90% level at hours 1–3 and 6–8.

Figure 11: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (Hourly Frequency)

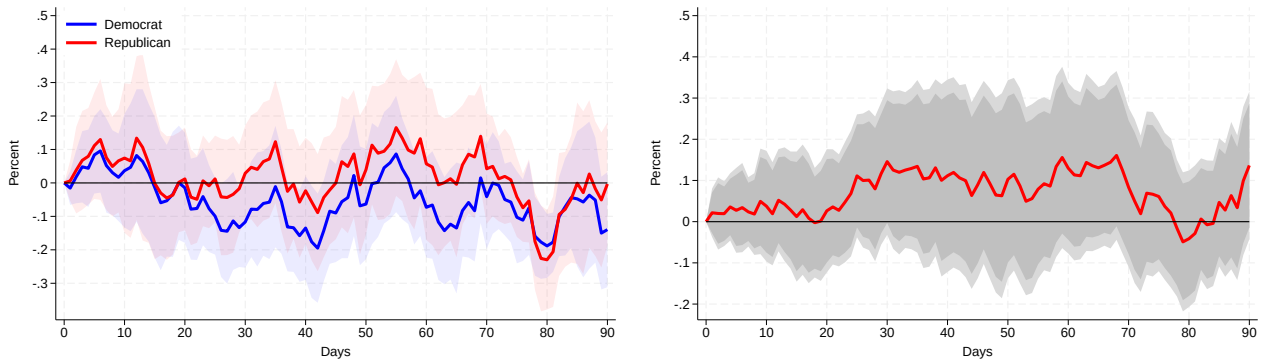


(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure presents the impulse response functions using hourly stock price data with electoral probabilities derived from Betfair. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_2^h$) for Republican firms (red line) and Democrat firms (blue line), with 95% confidence intervals. Panel (b) shows the differential response (β_2^h), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors. The sample covers 69 firms from January 1, 2024, through November 14, 2024.

Figure 12 presents the daily results. The Betfair differential follows a similar path, positive at 92% of horizons and averaging 0.10% over days 20–60, but it is not significant at the 90% level at any individual horizon. Appendix Figure B.7 extends this to the 5-minute frequency: as under PolyMarket, the Betfair-based differential is positive at every horizon and significant at the 90% level from the first 5-minute interval through minute 395.

Figure 12: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (Daily Frequency)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure presents the impulse response functions using daily stock price data with electoral probabilities derived from Betfair. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_2^h$) for Republican firms (red line) and Democrat firms (blue line), with 95% confidence intervals. Panel (b) shows the differential response (β_2^h), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors. The sample includes 71 firms under the daily sample rules in Section 4.

5.6.3 Robustness via Traditional Sportsbooks

Appendix Figure B.6 presents the differential responses using Bovada, BetOnline, and Unibet at all three frequencies. At the 5-minute frequency, the differential is positive at every horizon for all three sources and is significant at the 90% level from within the first 30 minutes through about minute 400 (through minute 605 for Unibet). At the hourly frequency, it is again positive at every horizon and peaks at 0.06–0.08% between hours 8 and 16; it is significant at the 90% level over hours 2–8 for Bovada and BetOnline and over hours 1–22 for Unibet. At the daily frequency, the average differential over days 20–60 ranges from 0.09% (BetOnline) to 0.13% (Bovada and Unibet), but precision varies: Unibet is significant at the 90% level over much of days 21–43, Bovada only at scattered horizons, and BetOnline only on the first day.

The agreement in sign and approximate magnitude across six probability sources suggests that the differential is not unique to PolyMarket. Precision varies across venues and is highest intraday. These comparisons are measurement checks on a shared set of electoral developments, rather than six independent replications of a causal experiment.

Polling averages, by contrast, are too smoothed to serve as a high-frequency shock. We reconstruct the RealClearPolitics national polling average—Trump versus Biden through July 21, 2024, Trump versus Harris thereafter—and re-estimate the daily specification using the daily change in the Trump-minus-Democrat polling margin as the shock.[15] On the trading-day grid used in the regressions, changes in the polling margin have a standard deviation of 0.26 percentage points, against about 1.25 for the processed PolyMarket shock, and they embed multi-day fielding lags. Consistent with markets pricing the underlying events days before they reach a poll average, the partisan differential under polling shocks appears only at a short horizon (0.26% per margin point at the two-day horizon, $t = 1.96$) and is statistically indistinguishable from zero at all other horizons (Appendix Figure B.8). Polling margins and winning probabilities measure different objects. The comparison illustrates the limits of smoothed polling averages for this timing exercise; it is not an additional robustness test of the probability-shock estimates.

5.7 Sectoral Robustness and Placebo Tests

To ensure that the partisan differential is not driven by a single industry, we conduct a leave-one-sector-out analysis at all three frequencies. Appendix Figures B.13, B.14, and B.15 re-estimate β_2^h after dropping each of the ten sectors one at a time. At the daily frequency, 903 of the 910 sector-horizon estimates lie within the benchmark's 95% confidence band. This is a descriptive comparison with a wide band, not a test of coefficient equality. Sector composition matters for magnitude: dropping technology firms roughly doubles the average

[15] The splice-day change on July 22, which spans the two races, is excluded, mirroring the election-day convention. Results are similar using the change in Trump's own polling share.

differential over days 20–60 (to 0.28%), whereas dropping financial firms halves it (to 0.07%). At the hourly frequency, all 250 sector-horizon estimates lie within the benchmark's 95% band and all are positive; averaged over the first 18 hours they range from 0.04% to 0.07% across dropped sectors. The 5-minute estimates are equally stable: all 1,210 sector-horizon estimates lie within the benchmark's 95% band and are positive, and their average over minutes 20–400 ranges from 0.03% to 0.05%. A complementary concern is that time-varying industry shocks correlated with electoral probabilities—an oil-price movement that lifts both energy stocks and Trump's odds, say—could masquerade as a partisan effect. Appendix Figure B.23 addresses this by adding sector-by-month and sector-by-week fixed effects, which absorb industry-level shocks at those frequencies. The horizon-by-horizon differential remains positive and peaks at 0.23–0.25% around day 40, while the days 20–60 average is 0.12% with sector-by-week effects and 0.08% with sector-by-month effects (t = 1.6 and 1.5; Table 3, Panel B). These controls absorb sector-level shifts at the week or month level, not sector-specific daily responses to news. They do not replace industry-by-date fixed effects, and leave-one-sector-out estimates do not isolate within-industry partisan variation. Thus, these checks limit the role of individual sectors and coarse sector trends without separating political connections from policy exposure.

As a further check, we conduct a Monte Carlo placebo test in which firms are randomly split into two groups of nearly equal size, and the full specification is re-estimated 500 times. Appendix Figures B.16, B.17, and B.18 show that the distribution of placebo β_2^h estimates is centered at zero at all horizons and frequencies. At the 5-minute frequency, the actual differential lies above the 95% placebo envelope continuously from minute 35 through minute 405, and its average over minutes 20–400 exceeds all 500 placebo averages. At the hourly frequency, it lies above the 95% envelope over the first nine hours and above the 90% envelope at most horizons through hour 17; averaged over the first 18 hours, it exceeds 497 of the 500 placebo averages. Random splits need not preserve the sectoral composition of the partisan groups, so we also permute the labels within sectors, holding each sector's number of Republican-affiliated firms fixed, and compare the window-average differentials with 2,000 such reassignments. The actual 5-minute average exceeds 99.3% of them and the hourly average 98.0%. Within-sector reassignments average 0.018% and 0.024%, respectively, so sector composition accounts for part of the raw differential, but the partisan split stands out against reassignments within the same sectors. At the daily frequency, by contrast, the actual differential lies inside the envelope at every horizon after the first day, and its average over days 20–60 exceeds only 79% of the placebo averages.[16] The dispersion of placebo estimates widens as returns cumulate over longer horizons, and at the daily frequency the partisan split is not distinguishable from random groupings of these firms. The placebo comparison therefore supports the intraday evidence but does not, on its own, support the daily evidence. Because actual partisan affiliation is not randomly assigned, these envelopes are descriptive benchmarks rather than design-based randomization

[16] Placebo-window comparisons average the separately estimated horizon coefficients, using the available sample at each horizon. The daily benchmark for this comparison is 0.120%, not the 0.136% common-sample outcome-average estimate in Table 3.

inference. They also do not rule out sectoral policy exposure.

5.8 Inference and Specification Robustness

Table 3: The Partisan Return Differential Across Horizons and Specifications

Panel A. Benchmark differential β_2^h by horizon (daily, PolyMarket)

Horizon (days)	1	10	20	30	40	50	60
β_2^h (%)	0.053	0.025	0.078	0.161	0.160	0.133	0.166
(SE)	(0.036)	(0.062)	(0.082)	(0.092)	(0.117)	(0.118)	(0.096)
t	1.45	0.41	0.96	1.74	1.37	1.13	1.73

Panel B. Average differential over days 20–60 across specifications

Specification	Estimate (%)	(SE)	t (14-day)	t (60-day)
Benchmark	0.136	(0.081)	1.67	3.34
Calendar-date fixed effects	0.138	(0.082)	1.69	3.39
Sector × week fixed effects	0.115	(0.071)	1.62	1.62
Sector × month fixed effects	0.081	(0.055)	1.46	1.56
Lagged shock × party controls	0.136	(0.072)	1.89	3.79
Exclude Tesla	0.131	(0.093)	1.41	2.47
Size and book-to-market interactions	0.094	(0.106)	0.89	1.37
Pre-August shock dates	0.098	(0.106)	0.93	1.40
PolyMarket sampled at the 4 p.m. close	0.103	(0.063)	1.63	3.02

Notes: Panel A reports the Republican-minus-Democrat differential β_2^h from the benchmark daily local projection (Figure 6) at selected horizons, with Driscoll-Kraay standard errors (14-day bandwidth) in parentheses. Panel B reports the primary summary test: the dependent variable is the average of the cumulative returns over horizons 20–60, observations must have all 41 horizons. The coefficient equals the average of horizon-specific coefficients estimated on this common sample, not necessarily the arithmetic mean of the plotted coefficients, whose samples vary by horizon. Standard errors in parentheses use the benchmark 14-day Driscoll-Kraay bandwidth; the last two columns report t-statistics under the 14-day bandwidth and under a 60-day bandwidth that spans the overlap in cumulative returns. Specifications: the benchmark; calendar-date fixed effects that absorb every common daily shock (so β_2 is identified purely from within-day cross-partisan variation); sector-by-week and sector-by-month fixed effects; three lags of the shock interacted with the party indicator; dropping Tesla (whose affiliation ratio is set to one by assignment); the shock interacted with fiscal-year 2024 log total assets and book-to-market (the latter unavailable for five foreign-listed firms); shock dates on or before July 31, 2024; and the PolyMarket probability sampled at the 4:00 p.m. ET equity close instead of averaged over the day. The daily sample and outcome windows are described in Section 4.

Table 3 summarizes the daily evidence: Panel A reports the benchmark differential at selected horizons, and Panel B reports the primary average over days 20–60 under alternative specifications. Four features of the design invite scrutiny: the differential is identified partly from a common, autocorrelated shock series; the benchmark 14-day bandwidth is shorter than the return horizons; an influential firm such as Tesla could drive the result; and the long-horizon path is identified from a progressively smaller set of early shocks. We address each in turn; Appendix Figure B.24 plots the full impulse responses.

Common shocks. The interaction design already differences out any shock that moves all firms equally, but only date-by-date fixed effects absorb *every* common daily movement—macroeconomic releases, rate surprises, and the aggregate market return—nonparametrically. Replacing the month and year dummies with a full set of calendar-date fixed effects, so that β_2^h is identified purely from within-day variation across the par-

tisan groups, leaves the average differential essentially unchanged at 0.14% (t = 1.69 and 3.39 under the two bandwidths). This check addresses common daily movements; heterogeneous exposure to those movements can still matter.

Shock autocorrelation and inference. Daily probability changes are mildly persistent (first-order autocorrelation 0.20 over the estimation window), partly because the daily probability averages intraday prices. Persistence could let follow-on shocks masquerade as a slow-building response to the initial one. Adding three lags of the shock interacted with the party indicator isolates the response to the contemporaneous shock and leaves the average at 0.14%, estimated somewhat more precisely (t = 1.89 and 3.79). It does not exclude the effects of subsequent news correlated with the initial probability change. The bandwidth matters more than these controls: with the benchmark 14-day bandwidth the average is marginally significant at the 10% level, whereas the 60-day bandwidth that spans the overlap in cumulative returns raises the benchmark t-statistic to 3.34, but the sector, firm-characteristic, and pre-August variants remain imprecise. A smaller estimated standard error under a wider bandwidth is not evidence that uncertainty has been resolved. Sampling PolyMarket at the 4:00 p.m. ET equity close instead of averaging over the day, which aligns the shock more closely with close-to-close returns, gives a smaller average of 0.10% with the same pattern of precision (t = 1.63 and 3.02).

Influential firms and factor exposures. Dropping Tesla, a firm with an unusually salient 2024 political profile, lowers the average slightly to 0.13% (t = 1.41 and 2.47): Tesla contributes to, but does not generate, the effect. Because partisan affiliation correlates with industry and hence with style exposures, we also add the probability shock interacted with each firm's log total assets and book-to-market ratio. The average falls to 0.09% in a reduced sample—book-to-market is unavailable for five foreign-listed firms—and is not significant under either bandwidth (t = 0.89 and 1.37). These characteristics are measured for fiscal year 2024 and are not predetermined relative to the campaign. The attenuation combines a change in controls with a smaller sample; it does not identify how much of the differential is explained by size or value exposure. This is a descriptive sensitivity check, not a test using pre-campaign factor loadings.

Persistence and sample composition. We restrict shock dates to July 31 or earlier and estimate horizons through 74 trading days. This restriction reduces changes in the set of available shock dates across horizons for firms with complete price histories; it does not restore observations for firms that exit the panel. The horizon-by-horizon differential remains positive at 92% of horizons, including 0.07–0.14% beyond day 55 (Appendix Figure B.24, Panel f), but the days 20–60 average of 0.10% is imprecise (t = 0.93 and 1.40). The subsample is consistent with a positive longer-horizon response but does not establish it.

Intraday inference. At the hourly frequency, the benchmark clusters standard errors by firm, which permits within-firm serial correlation but treats the 69 firms as independent—an assumption strained by a shock that is common across them. Re-estimating the hourly specification with standard errors two-way clustered by

firm and by time period, which additionally allow arbitrary cross-sectional correlation across firms within each hour, leaves the differential if anything *more* precisely estimated than under firm clustering: it is significant at the 90% level at every horizon from hour 1 through hour 18 and peaks at 0.08% near hour 17 ($t = 2.36$). The hourly result is therefore not weakened by allowing contemporaneous cross-firm dependence. This estimator does not allow unrestricted dependence between different firms at different hours, which may remain relevant with overlapping returns. Such dependence need not cancel in a partisan contrast, so we also check the 5-minute frequency directly: clustering by firm and by trading day, which allows arbitrary correlation across firms and across 5-minute intervals within each day, widens the standard errors by about 9% at the median horizon, and the differential remains significant at the 90% level from the first interval through minute 460. Appendix Figures B.25 and B.26 plot these inference checks.

5.9 Politically Inactive Firms: A Non-Partisan Benchmark

The placebo exercise compares affiliations within the politically active sample. We next add the 71 low-activity firms described in Section 3.5 to compare the partisan groups with an external benchmark. These firms form the omitted category, so the coefficient on the probability change measures their response and the partisan interactions measure deviations from it. Low measured giving does not imply zero electoral exposure; this exercise tests the stability of the differential and describes group responses without imposing that restriction.

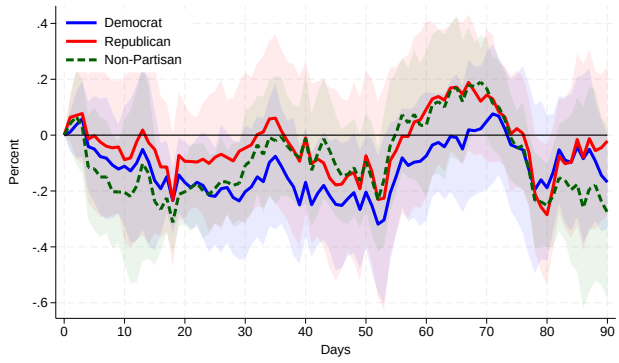
Figure 13 reports the expanded-panel estimates. First, the Republican-minus-Democrat differential in the 142-firm panel (Panel b) closely matches the 71-firm benchmark (Figure 6): its horizon-by-horizon estimates average 0.12% over days 20–60, matching the 0.12% arithmetic mean of the benchmark plotted coefficients over the same window, and are significant at the 90% level at days 29–30, 33–34, 60, and 64–67, essentially the same horizons as in the benchmark. Adding these firms does not materially change the estimated contrast between the original partisan groups. Second, the control group shows common, market-wide movements rather than a one-sided drift of its own (Panel a). Its cumulative response ranges from −0.31% to +0.19%; it is significantly negative at the 95% level over days 15–29 and at a few longer horizons—a decline that the partisan groups share over the same days and that the interaction design differences out—and significantly positive only at days 68–69. The Democrat group sits below the Republican group at 85 of the 91 horizons.

Third, the pairwise contrasts against the controls locate part of the differential. Republican-affiliated firms outperform the controls at short horizons (significant at the 90% level at days 4–6, 11–12, and 15), echoing the Republican-side repricing documented at the hourly and 5-minute frequencies. Democrat-affiliated firms, by contrast, show no systematic underperformance relative to the controls: their contrast is significant only at isolated horizons, positive at day 4 and negative at day 69 (Appendix Figure B.19). The external benchmark therefore confirms the Republican side of the short-horizon repricing but, given the precision of the daily esti-

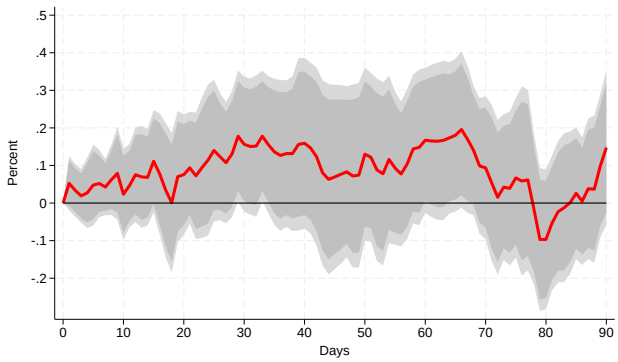
mates, does not isolate which group drives the longer-horizon differential.

A remaining concern is that heterogeneous risk exposure contaminates these comparisons: politically aligned firms might simply carry different systematic risk (Pástor and Veronesi, 2012). To address it, we re-estimate the specification adding interactions of the shock with each firm's market beta, estimated on pre-sample 2023 daily returns against the equal-weighted panel market (group mean betas are 0.93, 1.11, and 0.98 for Democrat, non-partisan, and Republican firms, respectively). The beta-adjusted results (Appendix Figure B.20) are similar: the partisan differential averages 0.10% over days 20–60 and is significant at the 90% level at days 15, 29–30, 33, 60–61, and 64–68, and Democrat-affiliated firms underperform the controls at days 64–70. These results reduce concern about differences in measured pre-sample market betas, while leaving other dimensions of policy and risk exposure unresolved. Under PredictIt and Betfair shocks, the expanded-panel differential averages 0.11% and 0.10% over days 20–60; it is significant at the 90% level mainly at early horizons and around days 30–40 under PredictIt and at no individual horizon under Betfair.[17]

Figure 13: Politically Inactive Control Firms: Group Responses and the Partisan Differential (Daily Frequency)



(a) Republican, Democrat, and Non-Partisan Responses



(b) Differential Response, Expanded Panel

Notes: This figure presents impulse response functions of stock prices to a one-percentage-point increase in Donald Trump's winning probability (PolyMarket), estimated on an expanded daily panel of 142 firms: the 71 partisan-sample firms plus the 71 politically inactive control firms listed in Table B.3, whose prices are obtained from Databento (`EQUS.MINI`). Panel (a) shows cumulative responses for Republican-affiliated firms (red line), Democrat-affiliated firms (blue line), and non-partisan control firms (dashed green line), with 95% confidence intervals. Panel (b) shows the Republican-minus-Democrat differential re-estimated in the expanded panel, with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively. All specifications include the same controls as Figure 6 and use Driscoll-Kraay standard errors. Sample and outcome windows follow Section 4.

5.10 Quiet Repricing: Trading Activity Around Electoral News

The price responses documented so far raise a question about process: does partisan repricing arrive through trading-intensive portfolio rebalancing—which would imply surges in volume, elevated volatility, and wider spreads in politically engaged names around political news—or through quiet quote revision? Microstructure theory ties the two channels to different observables: disagreement-driven trading generates abnormal volume

[17] Full impulse response estimates for all sources and specifications are available from the authors. We restrict the control-firm analysis to the daily frequency.

(Kim and Verrecchia, 1991; Kandel and Pearson, 1995), while adverse selection around informed trading widens bid-ask spreads (Glosten and Milgrom, 1985; Kyle, 1985). Using the Databento intraday measures described in Section 3.5, we estimate the local projection design of Section 4 with three new outcomes (log volume, log realized variance, and log relative quoted spread), replacing the signed shock with the electoral news intensity $|\Delta\text{Prob}_t|$ and interacting it with an indicator for politically engaged firms (Republican or Democrat), so that the non-partisan controls again serve as the baseline.[18]

Electoral news moves the whole market: a one-percentage-point change in $|\Delta\text{Prob}_t|$ raises same-day trading volume among the politically inactive controls by about 1.3% (significant at the 5% level). The politically engaged differentials in volume and realized variance are statistically indistinguishable from zero across the reported horizons; spread responses are also generally imprecise (Figure 14). For volume, the differential at impact is −0.64% with a pointwise 90% confidence interval of $[-1.31\%, +0.04\%]$. Under the linear specification, the upper endpoint corresponds to about a 0.33% differential volume increase for an 8.9-percentage-point shock. This bound concerns the pooled politically engaged group on impact, not every firm, horizon, or measure of trading activity. The realized variance differential at impact is +0.2% with a 90% interval of $[-0.6\%, +1.0\%]$. Quoted spread differentials are positive at the shortest horizons (0.2–0.4%) but reach 90% significance at only one of sixteen horizons and are unstable in sign.

Signed order flow provides a complementary measure of trading direction. Using tick-level trade records for ±2-trading-day windows around the twenty largest daily probability shocks of 2024 (72 trading days in total, including the assassination attempt, the June debate aftermath, and the post-Biden-withdrawal repricing), we sign each regular-hours trade with the tick rule and compute each firm's daily order flow imbalance: buyer-initiated minus seller-initiated volume over total volume.[19] If partisan repricing were driven by directional rebalancing, a pro-Trump shock should tilt aggressive flow toward Republican-affiliated names and away from Democrat-affiliated names relative to the controls. In a specification with firm and day fixed effects and standard errors clustered by day, the Republican-minus-Democrat differential in first-two-hour order flow imbalance is 0.16 percentage points per percentage-point shock with a standard error of 0.16—statistically indistinguishable from zero, but not estimated precisely enough to establish the absence of directional rebalancing. Over the full session the differential is small and, if anything, *negative* (−0.18 percentage points, $t = -2.0$): measured aggressive flow leans modestly against the price move. The trade records alone do not identify the investors or motives behind this pattern.

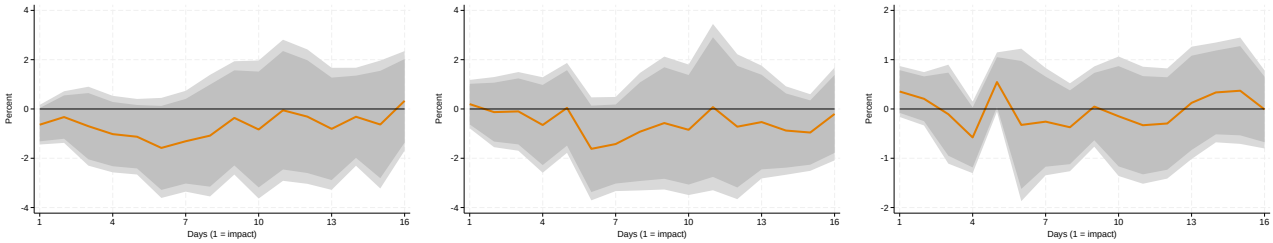
[18] Each specification includes ten lags of the outcome, the contemporaneous news-intensity term and three lags, and firm, month, and day-of-week fixed effects, with Driscoll-Kraay standard errors (14-day bandwidth). News intensity has no directional prediction for second moments, which is why the two partisan groups are pooled; results split by party are similar and available from the authors.

[19] The tick rule is validated intraday: on the largest event day, the correlation between five-minute tick-signed order flow imbalance and five-minute returns averages 0.45 across firms and is positive for every firm. Databento's native aggressor-side flag yields similar intraday validation. We compute imbalances over both the full regular session and the first two trading hours (09:30–11:30 ET), since the probability shocks accrue mostly outside market hours and should be incorporated at the open.

A final decomposition asks *when* the differential accrues. Using official opening and closing prices from COMPUSTAT, we split the cumulative return from $t-1$ to $t+h$ into the sum of its overnight (close-to-open) and intraday (open-to-close) components and re-estimate the benchmark specification on each (Appendix Figure B.21).[20] Averaged over days 20–60, about one-third of the partisan differential accrues overnight and two-thirds during regular trading sessions (0.04 and 0.09 percentage points of a 0.13-point total). Both components contribute, but most of the differential is realized while markets are open. This decomposition locates returns in trading time but does not identify the mechanism of price adjustment or rule out measurement effects at the open.

Together, these measures show little evidence of a systematic increase in trading intensity among politically active firms relative to the controls when electoral probabilities move. This is consistent with public information entering prices without unusually large differential trading responses (Fleming and Remolona, 1999). It does not establish "price discovery without trading": trades occur, the signed-flow measure is noisy, and the data cover a subset of venues. Nor do the estimates directly identify quote revision by liquidity providers. We view the trading evidence as a description of the repricing process, not a test that selects uniquely among microstructure mechanisms.

Figure 14: Politically Engaged Minus Non-Partisan Differentials in Trading Outcomes After Electoral News



(a) Log Volume **(b)** Log Realized Variance **(c)** Log Relative Spread

Notes: This figure plots the differential response of politically engaged firms (the 70 covered partisan-sample firms) relative to the 71 politically inactive controls, for three daily trading outcomes, to a one-percentage-point increase in electoral news intensity $|\Delta \text{Prob}_t|$ (PolyMarket). Outcomes are constructed from Databento intraday data as described in Section 3.5; responses are in percent. Each panel plots the interaction coefficient for the future level of the daily outcome, rather than a cumulative outcome, at plotted days 1–16 (day 1 is the impact response, $h = 0$), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors. All specifications include ten lags of the outcome, contemporaneous and three lagged news-intensity terms, and firm, month, and day-of-week fixed effects. Sample and outcome windows follow Section 4.

6 Conclusion

High-frequency observations reveal how electoral exposure enters the cross-section of stock returns during a campaign. A one-percentage-point increase in Trump's winning probability is associated with a Republican-minus-Democrat differential of about 0.04% by minute 150 and a peak hourly differential near 0.08%. The

[20] The decomposition uses the 70 partisan-sample firms with official opening prices (BAESY's over-the-counter ADR has none), so the two components sum exactly to the cumulative return in the same sample.

intraday pattern appears across probability sources, rises with contribution-based Republican affiliation, and stands out against random groupings of the same firms. Minute-level prices around July 13 also show that most of the event-day gap formed after the opening trade. Yet excluding opening observations weakens the hourly campaign-wide estimates, and at the daily frequency the differential responds to probability changes that occur while equities are closed rather than to changes during the session: the measured repricing is chiefly the incorporation of overnight electoral news at the open.

The evidence is strongest about the onset and near-term evolution of repricing. Daily data cannot recover this within-session path, while our longer-horizon estimates do not establish persistence over months: the primary daily average is positive but sensitive to inference choices and indistinguishable from the daily placebo distribution. The frequency comparison is informative about timing, not a controlled demonstration that more observations necessarily improve identification or precision.

These findings describe electoral exposure associated with partisan affiliation. They do not identify the payoff to political giving or separate policy exposure from access to policymakers. Predetermined affiliation measures and richer within-industry comparisons would help distinguish those channels; replication across elections would establish the generality of the intraday pattern.

Data Availability Statement

The data underlying this article are drawn from the following sources. Electoral probability series were obtained from PolyMarket and PredictIt, and betting odds from Betfair, Bovada, BetOnline, and Unibet; the RealClearPolitics national polling averages used in Section 5.6 were retrieved from RealClearPolitics' public historical records. Stock price data for the 71 partisan-sample firms were obtained from S&P Global's COMPUSTAT daily security files (daily frequency) and from the NYSE TAQ database, Bloomberg Terminal, and Yahoo Finance (intraday frequencies), with firm fundamentals from COMPUSTAT. Daily price data for the non-partisan control firms in Section 5.9, as well as the validation series used in Section 3.5, were obtained from Databento (US Equities Mini dataset, `EQUS.MINI`), whose data services we gratefully acknowledge. Campaign contribution records are from OpenSecrets, and corporate political action committee registrations from the Federal Election Commission. Replication code and the derived datasets will be made publicly available with the article's replication materials; data obtained from commercial providers (NYSE TAQ, Bloomberg, COMPUSTAT, Databento) are subject to the providers' licensing terms and are not redistributed, and the replication materials document how to obtain them.

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Appendix

A Theoretical Framework

This appendix provides a valuation benchmark for interpreting the partisan differential. It illustrates how affiliation can proxy for election-contingent cash flows; it does not identify the source of those cash flows or estimate the return to political contributions.

A.1 Election-contingent value

Let M_i denote a fixed reference equity value and $\alpha_i \in [0,1]$ a measure of Republican alignment. Suppose the election-contingent payoff is $R_i = \rho M_i \alpha_i$ under a Republican administration and $D_i = \rho M_i(1-\alpha_i)$ under a Democratic administration. The common parameter $\rho > 0$ measures payoff exposure relative to reference equity value. This proportionality and the symmetry between parties are assumptions, not empirical findings. The payoffs can reflect broad tax, trade, or regulatory policies as well as firm-specific political advantages.

With a fixed discount factor $1/(1+r)$ and a probability p_t applicable to pricing, the political component of firm value is

$$V_{it}^{\text{pol}} = \frac{\rho M_i}{1+r}\big[p_t\alpha_i + (1-p_t)(1-\alpha_i)\big]. \tag{1}$$

Consequently,

$$\frac{1}{M_i}\frac{\partial V_{it}^{\text{pol}}}{\partial p_t} = \frac{\rho}{1+r}(2\alpha_i - 1). \tag{2}$$

Mapping this expression to observed returns requires the prediction-market probability to be an appropriate pricing probability and changes in nonpolitical value and discount rates not to confound the differential. We use a local return approximation around M_i.

A.2 Implications and limits

The model predicts a positive relation between Republican alignment and return sensitivity. For a one-percentage-point increase in p_t, the approximate return difference in percentage points between firms i and j is $2\rho(\alpha_i - \alpha_j)/(1+r)$. Under the same exposure and linearity assumptions, a binary group comparison scales with the difference in the groups' mean alignment. A continuous coefficient instead measures a full-unit alignment contrast. The empirical specifications need not obey this mapping exactly because affiliation is measured imperfectly and cash-flow exposure need not be linear or symmetric.

If p_t is a martingale and the payoff exposures and discount factor are fixed, the expected political value does not reverse following a probability innovation. This is an expected-path statement, not a claim that realized

prices cannot reverse. Time-varying exposures, discount rates, subsequent news, and estimation uncertainty can all change an empirical response path. Persistence alone therefore does not distinguish policy fundamentals from sentiment, and the model does not predict that firms with low measured contributions have zero policy exposure.

Gradual adjustment can be represented descriptively by nonnegative response weights whose sum is one. Such weights would need additional assumptions about information arrival, attention, or trading to follow from an equilibrium model. In particular, differences in signal precision alone do not establish a monotone relationship between precision and the peak of a cross-correlogram. We therefore treat the cross-platform timing evidence separately from this valuation benchmark.

A.3 A conditional dollar-value illustration

The binary specification's average differential over days 20–60 is about 0.14% per one-percentage-point probability change (Table 3, Panel B). In percentage-point return units, let this estimate be $b^{\text{bin}} \approx 0.136$. Under the symmetric benchmark, a binary comparison scales with the difference in the groups' mean alignment (Appendix A.2). Using the sample means of the Republican-affiliation ratio, $\bar{\alpha}_R \approx 0.74$ and $\bar{\alpha}_D \approx 0.27$,

$$b^{\text{bin}} = \frac{2\rho}{1+r}\,(\bar{\alpha}_R - \bar{\alpha}_D), \qquad \frac{\rho}{1+r} \approx \frac{0.136}{2 \times 0.47} \approx 0.14. \tag{3}$$

For a fully Republican-aligned firm, a one-percentage-point probability change would then imply a local value change of

$$\Delta V_i^{\text{pol}} \approx M_i \times 0.01 \times 0.14 = 0.0014 M_i. \tag{4}$$

For a reference equity value of $50 billion, this is about $70 million; the fitted difference relative to an equally sized, fully Democrat-aligned firm is twice as large. Because the daily estimate is the least reliable in the paper, we also scale the hours 1–18 window estimate of 0.059, which the placebo comparison supports: it gives $\rho/(1+r) \approx 0.062$ and about $31 million per percentage point for the same firm. The daily-based figure is therefore best read as an upper, less precisely estimated variant. Assigning half of the difference to each firm requires the symmetry assumption and is not identified by the differential alone.

This calculation is an illustrative valuation sensitivity, not a structural estimate of political rents or a benefit-cost ratio for lobbying. It rests on a daily estimate whose precision is sensitive to inference choices (Section 5.4) and on linearity in alignment, which the daily continuous estimates are too imprecise to confirm. A linear extrapolation across the entire probability range would imply a 14% change in reference equity value for a fully aligned firm and a 28% difference between the two endpoints. Such an extrapolation is far outside the local probability changes underlying the estimate and is not an established upper bound. The data do not separate

general policy benefits, preferential treatment, and discount-rate changes.

B Additional Tables and Figures

Table B.1: Descriptive Statistics by Party Affiliation

	Republican			Democrat		
Variable	Mean	SD	*N*	Mean	SD	*N*
Daily log return (%)	0.07	2.02	8,896	0.07	1.93	8,820
Republican affiliation ratio	0.74	0.20	36	0.27	0.17	35
Log total assets	10.83	1.17	36	11.30	1.55	35
Book-to-market equity	0.31	0.28	33	0.33	0.36	33

Notes: Daily returns are split-adjusted log price changes in percent over calendar year 2024; *N* counts firm-days for returns and firms for the other rows. The sample contains 36 Republican- and 35 Democrat-affiliated firms. The affiliation ratio is Republican and conservative-group giving divided by total Republican, Democratic, conservative-group, and liberal-group giving in each firm's classification cycle (2024 for most firms, 2022 for 16; Section 3), with the Tesla assignment described in Section 3. Total assets are in millions of dollars before taking natural logs. Assets and book-to-market equity are fiscal-year 2024 characteristics used in the sensitivity analysis, not predetermined controls. Book-to-market equity is unavailable for five foreign-listed firms. Figures are computed from the replication data; no economy-wide representativeness is implied.

Table B.2: List of Firms by Political Affiliation and Sector

Contributor	Ticker	Political Affiliation	Intensity	Sector
Blackstone Group	BX	Republican	0.89	Finance
Ryan Specialty Group	RYAN	Republican	0.98	Finance
Charles Schwab Corp	SCHW	Republican	1.00	Finance
Coinbase	COIN	Republican†	0.42	Finance
Home Depot	HD	Republican	0.66	Misc
Walmart Inc	WMT	Republican	0.55	Misc
Honeywell International	HON	Democrat	0.46	Misc
Abbott Laboratories	ABT	Republican	0.88	Health
UnitedHealth Group	UNH	Democrat	0.48	Health
Pfizer Inc	PFE	Democrat	0.37	Health
Merck & Co	MRK	Democrat	0.24	Health
Centene Corp	CNC	Democrat	0.34	Health
Masimo Corp	MASI	Democrat	0.01	Health
AstraZeneca PLC	AZN	Democrat	0.27	Health
Amgen Inc	AMGN	Republican	0.63	Health
Asana	ASAN	Democrat	0.00	Tech
Netflix Inc	NFLX	Democrat	0.00	Tech
Alphabet Inc	GOOG	Democrat	0.09	Tech
Microsoft Corp	MSFT	Democrat	0.14	Tech
Amazon.com	AMZN	Democrat	0.16	Tech
Twilio Inc	TWLO	Democrat	0.00	Tech
Meta	META	Democrat	0.17	Tech
Apple Inc	AAPL	Democrat	0.05	Tech
AT&T Inc	T	Democrat	0.40	Tech
Oracle Corp	ORCL	Democrat	0.27	Tech
Comcast Corp	CMCSA	Democrat	0.38	Tech
Arista Networks	ANET	Democrat	0.00	Tech
Palantir Technologies	PLTR	Republican	0.66	Tech
Warner Bros Discovery	WBD	Democrat	0.01	Tech
Walt Disney Co	DIS	Democrat	0.09	Tech
IBM Corp	IBM	Democrat	0.24	Tech
Tesla Inc	TSLA	Republican	1.00	Tech
Boeing Co	BA	Democrat	0.43	Transport
United Parcel Service	UPS	Republican	0.54	Transport
Delta Air Lines	DAL	Republican	0.54	Transport
FedEx Corp	FDX	Republican	0.69	Transport
United Airlines Holdings	UAL	Democrat	0.34	Transport
American Airlines Group	AAL	Republican	0.51	Transport
General Motors	GM	Democrat	0.39	Transport
Union Pacific Corp	UNP	Republican	0.71	Transport
Southwest Airlines	LUV	Republican	0.58	Transport
Transdigm Group	TDG	Republican	0.78	Transport
Ford Motor Co	F	Democrat	0.43	Transport
Norfolk Southern	NSC	Democrat	0.42	Transport
Toyota Motor Corp	TM	Republican	0.51	Transport
WPP plc	WPP	Democrat	0.38	Law
Energy Transfer LP	ET	Republican	1.00	Energy
Chevron Corp	CVX	Republican	0.93	Energy
Occidental Petroleum	OXY	Republican	0.99	Energy
ConocoPhillips	COP	Republican	0.93	Energy
Devon Energy	DVN	Republican	0.99	Energy
Chesapeake Energy	EXE	Republican	0.99	Energy
NextEra Energy	NEE	Democrat	0.43	Energy
MDC Holdings	MDC	Republican	0.98	Construction
AECOM Global	ACM	Democrat	0.20	Construction
British American Tobacco	BTI	Republican	1.00	Agribusiness
Altria Group	MO	Republican	0.92	Agribusiness
Tyson Foods	TSN	Republican	0.76	Agribusiness
Deere & Co	DE	Republican	0.67	Agribusiness
International Paper	IP	Republican	0.58	Agribusiness
Lockheed Martin	LMT	Democrat	0.45	Defense
Northrop Grumman	NOC	Democrat	0.42	Defense
RTX Corp	RTX	Democrat	0.46	Defense
L3Harris Technologies	LHX	Republican	0.54	Defense
General Dynamics	GD	Republican	0.50	Defense
Leidos Inc	LDOS	Democrat	0.44	Defense
Booz Allen Hamilton	BAH	Democrat	0.42	Defense
BAE Systems	BAESY	Republican	0.53	Defense
Huntington Ingalls	HII	Republican	0.53	Defense
CACI International	CACI	Republican	0.72	Defense
Parsons Corp	PSN	Republican	0.57	Defense

Notes: This table lists the 71 firms in the sample, categorized by political affiliation (Republican or Democrat) based on campaign contributions in a single election cycle per firm (2024 for most firms, 2022 for 16; see Section 3), and their primary industry sector. *Intensity* refers to the continuous *RepublicanAffiliation* measure of Section 3: contributions to Republican candidates and committees and conservative outside groups, divided by the sum of contributions to both parties' candidates and committees and to conservative and liberal outside groups. †Coinbase is reclassified as Republican based on its 2024 pro-crypto advocacy activities despite a contribution ratio below 0.50. Tesla's reported intensity is set to one by assignment rather than taken from a contribution ratio. The sample includes 36 Republican-affiliated and 35 Democrat-affiliated firms after this reclassification.

Table B.3: Non-Partisan Control Firms

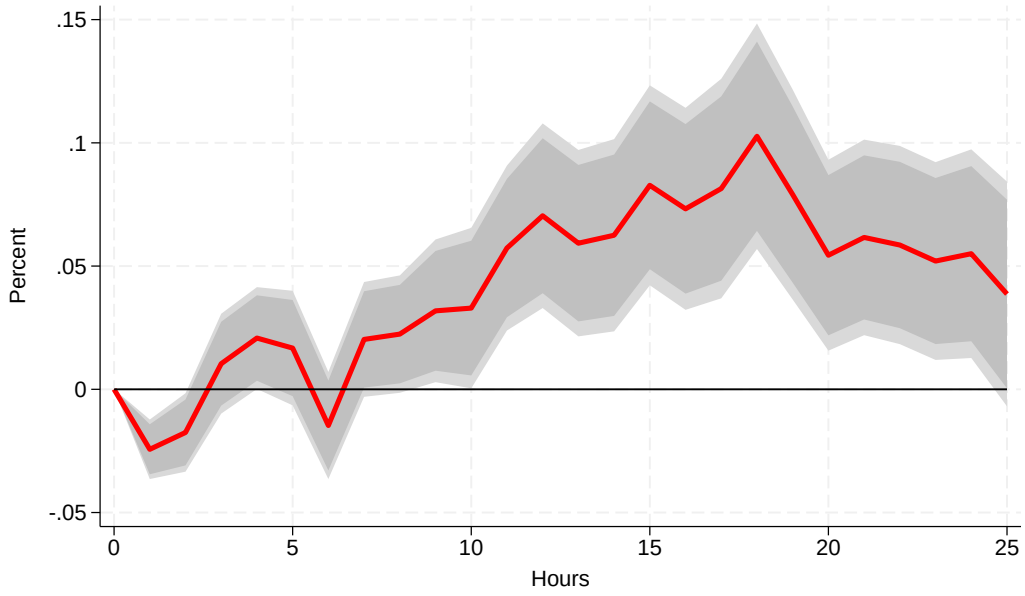
Firm (Ticker)	Sector	Contrib. ($)	Firm (Ticker)	Sector	Contrib. ($)
IDEXX Laboratories (IDXX)	Health	50,882	Williams-Sonoma (WSM)	Misc	88,847
Mettler-Toledo Intl (MTD)	Health	18,365	O'Reilly Auto Parts (ORLY)	Misc	83,161
Waters Corp (WAT)	Health	50,047	Graco Inc (GGG)	Misc	4,806
Align Technology (ALGN)	Health	12,894	Lincoln Electric (LECO)	Misc	11,410
Insulet Corp (PODD)	Health	35,773	Toro Co (TTC)	Misc	21,809
Intuitive Surgical (ISRG)†	Health	128,119	Nordson Corp (NDSN)	Misc	22,843
Medpace Holdings (MEDP)	Health	19,865	AMETEK Inc (AME)	Misc	56,598
Cadence Design Systems (CDNS)	Tech	145,713	IDEX Corp (IEX)	Misc	19,298
Ansys Inc (ANSS)	Tech	78,958	Snap-on Inc (SNA)	Misc	14,297
Fortinet Inc (FTNT)	Tech	76,449	Dover Corp (DOV)	Misc	9,125
Datadog Inc (DDOG)	Tech	148,733	Carlisle Companies (CSL)	Misc	55,548
Tyler Technologies (TYL)	Tech	102,216	Burlington Stores (BURL)	Misc	31,256
Roper Technologies (ROP)	Tech	11,053	Five Below (FIVE)	Misc	4,447
HubSpot Inc (HUBS)	Tech	107,592	Crocs Inc (CROX)	Misc	8,197
EPAM Systems (EPAM)	Tech	10,500	Domino's Pizza (DPZ)†	Misc	135,069
F5 Inc (FFIV)	Tech	52,455	Cheesecake Factory (CAKE)	Misc	26,830
GoDaddy Inc (GDDY)†	Tech	89,173	Abercrombie & Fitch (ANF)	Misc	48,653
VeriSign Inc (VRSN)	Tech	38,466	Tapestry Inc (TPR)	Misc	12,383
SS&C Technologies (SSNC)	Tech	73,178	Ralph Lauren Corp (RL)	Misc	60,058
DocuSign Inc (DOCU)	Tech	118,185	Skechers USA (SKX)	Misc	13,808
Zoom Communications (ZM)	Tech	43,714	Genuine Parts Co (GPC)	Misc	21,995
Paylocity Holding (PCTY)	Tech	33,404	ITT Inc (ITT)	Misc	3,722
Paycom Software (PAYC)	Tech	33,556	Monster Beverage (MNST)	Agribusiness	132,512
Monolithic Power Systems (MPWR)	Tech	83,335	McCormick & Co (MKC)	Agribusiness	19,960
Teradyne Inc (TER)	Tech	64,291	Church & Dwight (CHD)	Agribusiness	21,879
Logitech International (LOGI)	Tech	26,042	Hormel Foods (HRL)	Agribusiness	7,279
Markel Group (MKL)	Finance	111,368	Clorox Co (CLX)	Agribusiness	113,457
FactSet Research Systems (FDS)	Finance	9,011	Expeditors International (EXPD)	Transport	41,687
Morningstar Inc (MORN)	Finance	70,114	J.B. Hunt Transport (JBHT)	Transport	120,199
Cincinnati Financial (CINF)	Finance	35,721	XPO Inc (XPO)	Transport	76,638
SEI Investments (SEIC)	Finance	12,359	U-Haul Holding (UHAL)	Transport	26,444
Ross Stores (ROST)	Misc	42,018	NVR Inc (NVR)	Construction	120,469
Ulta Beauty (ULTA)	Misc	27,469	Builders FirstSource (BLDR)	Construction	26,609
Lululemon Athletica (LULU)	Misc	42,398	Simpson Manufacturing (SSD)	Construction	19,661
Deckers Outdoor (DECK)	Misc	14,492	Heico Corp (HEI)	Defense	30,858
Fastenal Co (FAST)	Misc	38,427			

Notes: This table lists the 71 politically inactive control firms used in Section 5.9, matching the size of the partisan sample. Firms are selected to satisfy three criteria: no corporate political action committee with any reported activity in the 2023–2024 cycle at the Federal Election Commission; organization-level federal campaign contributions (including affiliates and employees, as reported by OpenSecrets) below $150,000 in the 2024 election cycle; and a complete daily trading record over the sample period. †Firm sponsored a corporate PAC in the past that has reported no activity since 2014 (Intuitive Surgical), 2010 (GoDaddy), or 2008 (Domino's Pizza). Contribution figures are OpenSecrets organization totals for the 2024 cycle, retrieved June 2026. For comparison, the least politically active firm in the partisan sample (Parsons Corp) contributed $470,067 in its classification cycle (2024), and the partisan-sample median is about $3.1 million; partisan-sample totals come from the industry contributor lists described in Section 3 rather than from final organization totals, so the comparison is indicative. Daily closing prices for control firms are obtained from Databento (dataset `EQUS.MINI`).

The following restricted specification, which omits the partisan interaction term, is used to estimate the average stock price response to a one-percentage-point increase in Donald Trump's winning probability:

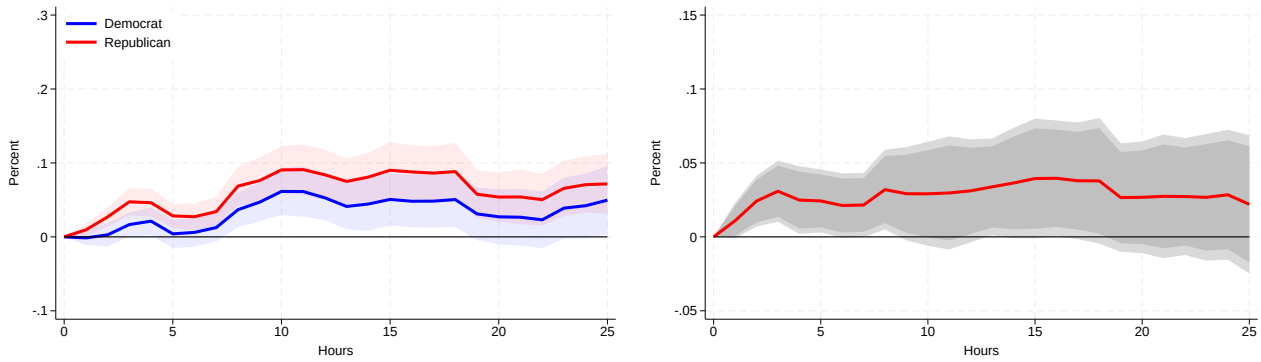
$$R_{i,t}^{h} = \alpha^{h} + \sum_{k=1}^{L} \phi_{k}^{h} r_{i,t-k} + \sum_{j=0}^{3} \beta_{1,j}^{h} \Delta \text{Prob}_{t-j} + \delta_{t}^{h} + \eta_{i}^{h} + \epsilon_{i,t+h}^{h}$$

Figure B.1: Overall Stock Price Response to a 1 Percentage Point Increase in Republican Winning Probability (Hourly, No Interaction)



Notes: This figure presents the hourly impulse responses of the average stock price to a one-percentage-point increase in Donald Trump's winning probability during the 2024 presidential election, estimated from the restricted specification without the partisan interaction term. The dataset includes 69 firms with complete intraday records (see Table B.2). Dark and light gray shaded areas represent 90% and 95% confidence intervals, respectively, using clustered standard errors.

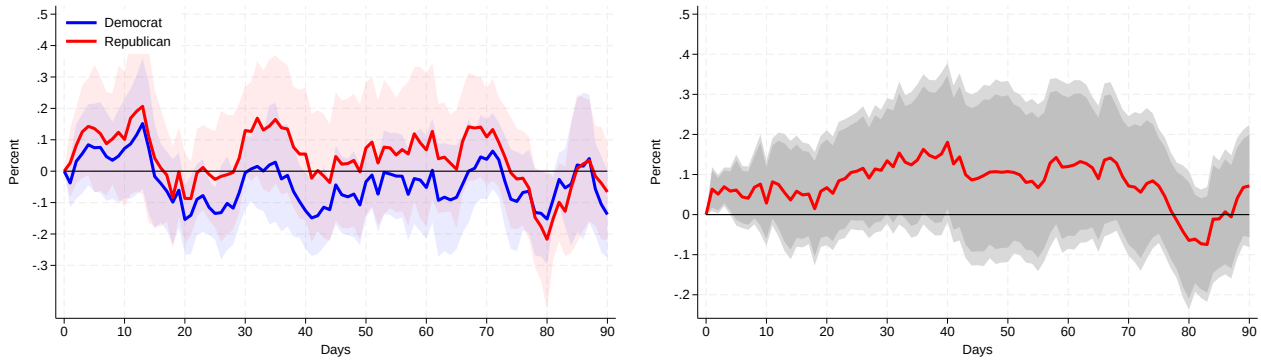
Figure B.2: Stock Price Response to 1pp Increase in Republican Winning Probability via PredictIt (Hourly Frequency)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure replicates Figure 3 using PredictIt-derived probability shocks at hourly frequency. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_2^h$) for Republican firms (red line) and Democrat firms (blue line), with 95% confidence intervals. Panel (b) shows the interaction term coefficient β_2^h, with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors.

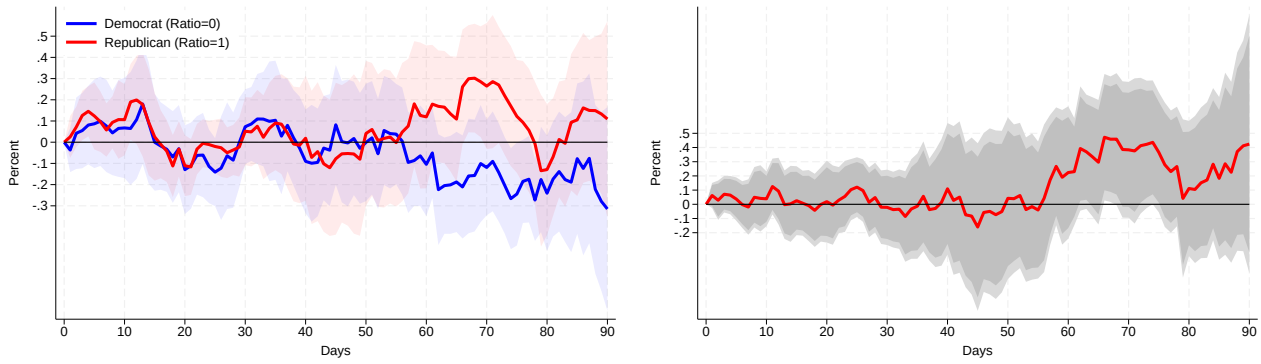
Figure B.3: Stock Price Response to 1pp Increase in Republican Winning Probability via PredictIt (Daily Frequency, Binary Affiliation)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure replicates Figure 6 using PredictIt-derived probability shocks and the binary party affiliation measure. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_2^h$) for Republican firms (red line) and Democrat firms (blue line), with 95% confidence intervals. Panel (b) shows the interaction term coefficient β_2^h, with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors. All specifications include the same set of controls as in Figure 6.

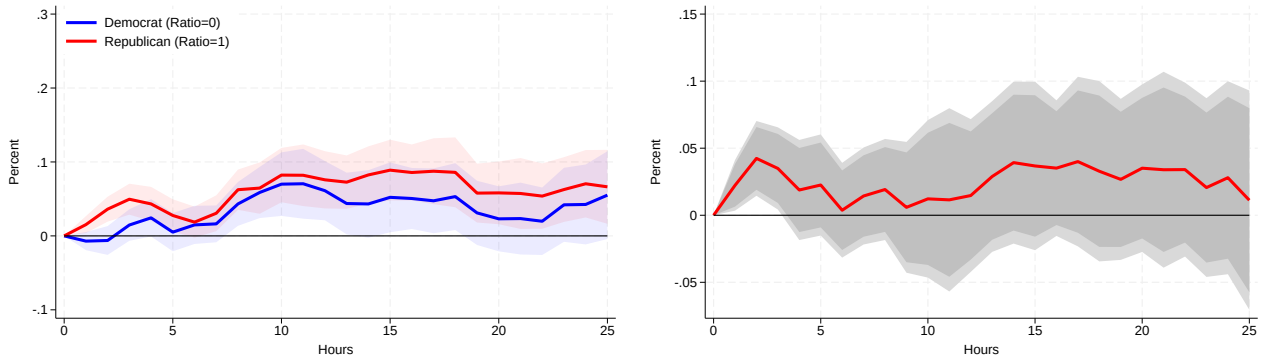
Figure B.4: Stock Price Response to 1pp Increase in Republican Winning Probability via PredictIt (Daily Frequency, Continuous Affiliation)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure replicates Figure 7 using PredictIt-derived probability shocks and the continuous *RepublicanAffiliation* measure. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_2^h$) for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 95% confidence intervals. Panel (b) shows the interaction term coefficient β_2^h, with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors.

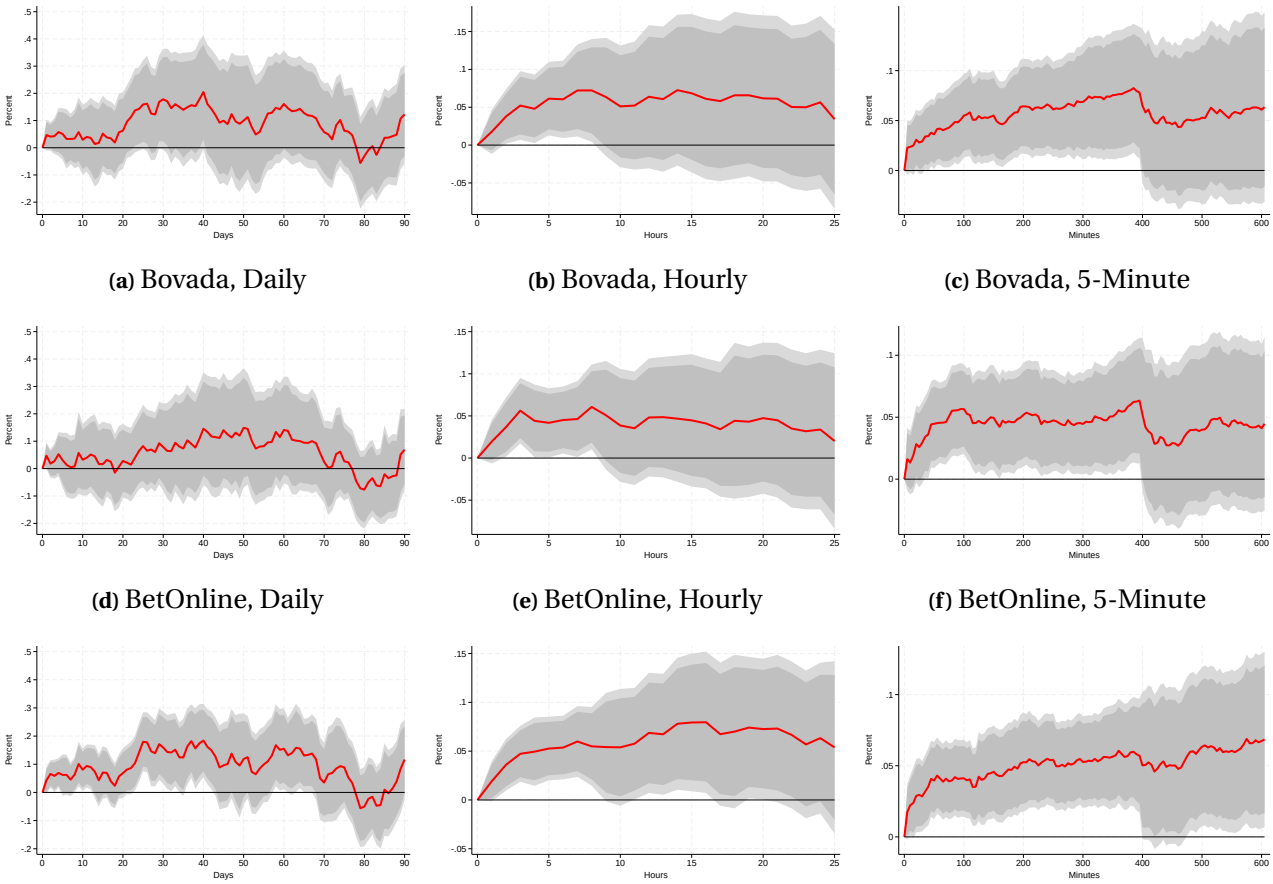
Figure B.5: Stock Price Response to 1pp Increase in Republican Winning Probability via PredictIt (Hourly Frequency, Continuous Affiliation)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure replicates Figure 8 using PredictIt-derived probability shocks and the continuous *RepublicanAffiliation* measure at hourly frequency. Panel (a) shows the cumulative responses for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 95% confidence intervals. Panel (b) shows the interaction term coefficient β_2^h, with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors.

Figure B.6: Differential Stock Price Responses via Traditional Sportsbooks



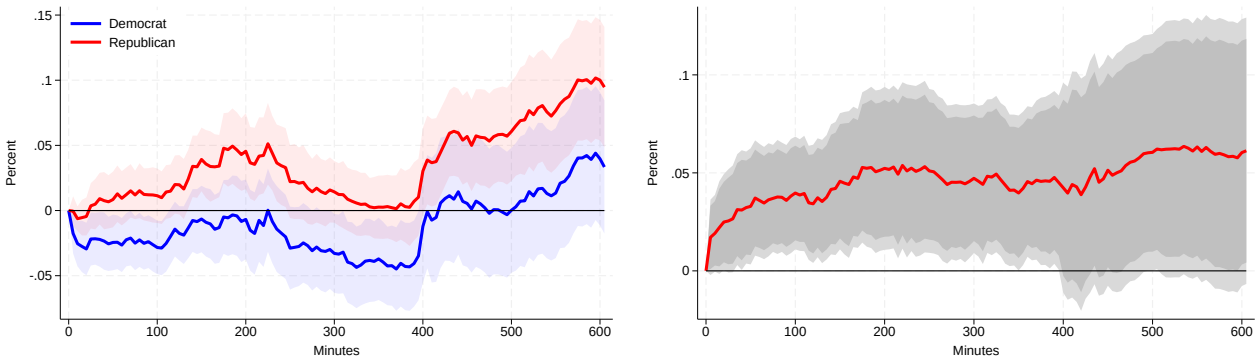
(a) Bovada, Daily **(b)** Bovada, Hourly **(c)** Bovada, 5-Minute

(d) BetOnline, Daily **(e)** BetOnline, Hourly **(f)** BetOnline, 5-Minute

(g) Unibet, Daily **(h)** Unibet, Hourly **(i)** Unibet, 5-Minute

Notes: Each panel plots the Republican-minus-Democrat differential response β_2^h to a one-percentage-point increase in Donald Trump's winning probability implied by the indicated sportsbook, at the indicated frequency, replicating the specification of Figure 6. Dark and light gray shaded areas represent 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors at the daily frequency and firm-clustered standard errors at the hourly and 5-minute frequencies. The sample contains 71 firms at the daily frequency and 69 intraday; frequency-specific windows follow Section 4.

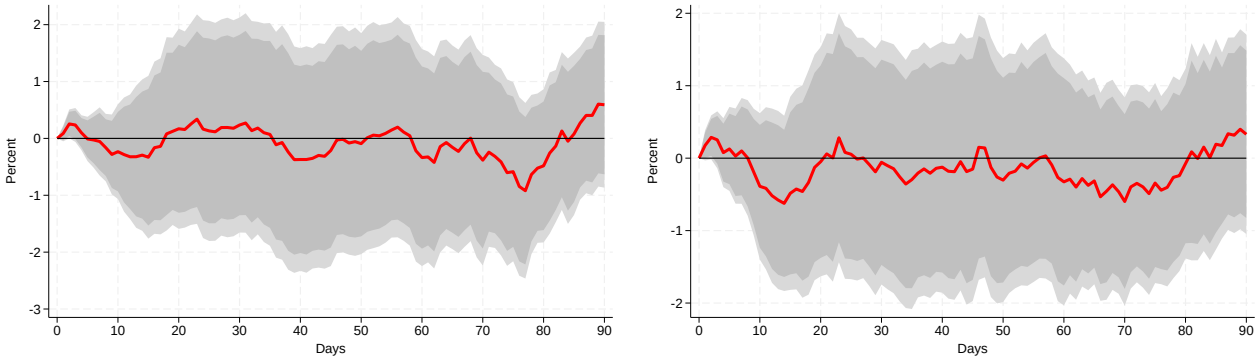
Figure B.7: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (5-Minute Frequency)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure presents the impulse response functions using 5-minute stock price data with electoral probabilities derived from Betfair. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_2^h$) for Republican firms (red line) and Democrat firms (blue line), with 95% confidence intervals. Panel (b) shows the differential response (β_2^h), with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors. The sample covers 69 firms from January 1, 2024, through November 14, 2024.

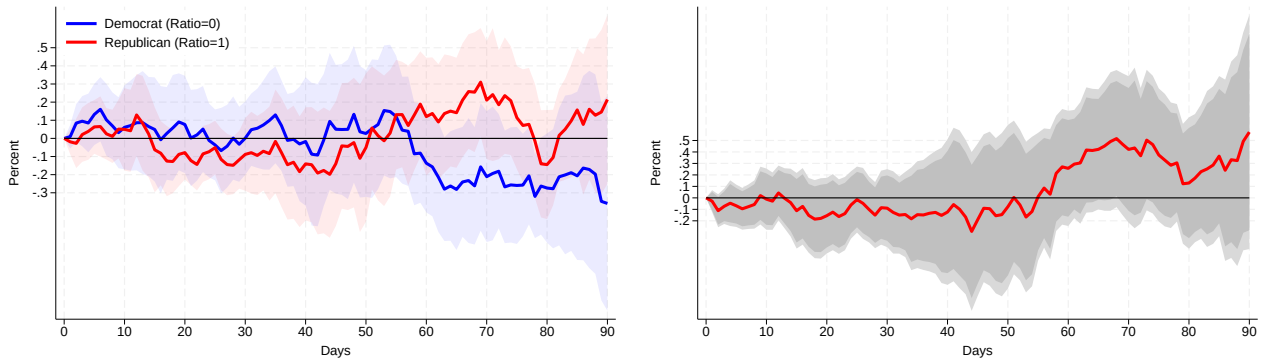
Figure B.8: Partisan Differential Under RealClearPolitics Polling-Average Shocks (Daily Frequency)



(a) Trump − Democrat Polling Margin **(b)** Trump Polling Share

Notes: This figure plots the Republican-minus-Democrat differential response β_2^h to a one-percentage-point increase in the RealClearPolitics national polling average, replicating the specification of Figure 6 with the polling series in place of a market-based probability. The polling average splices the Trump–Biden race through July 21, 2024 with the Trump–Harris race thereafter; the July 22 splice-day change, which spans the two races, is excluded, mirroring the election-day convention. Panel (a) uses the daily change in the Trump-minus-Democrat polling margin as the shock; Panel (b) uses the daily change in Trump's own polling share. Dark and light gray shaded areas represent 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors. The sample includes 71 firms under the daily sample rules in Section 4.

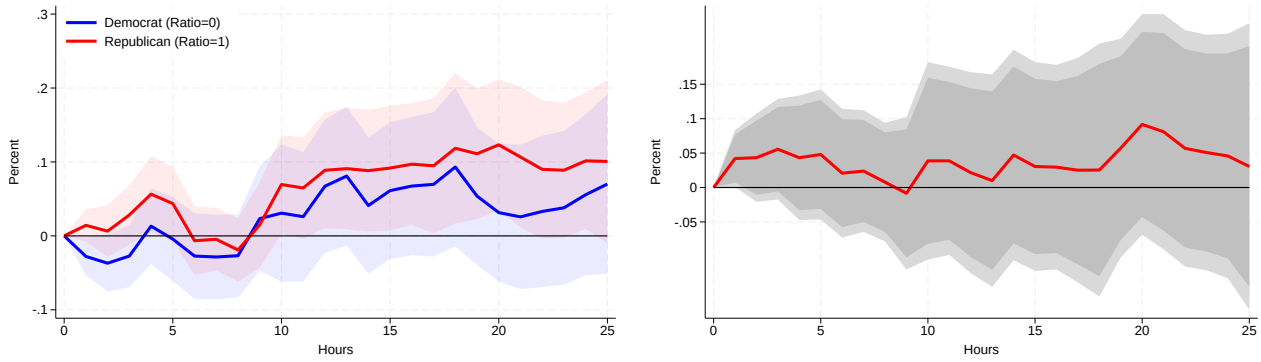
Figure B.9: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (Daily Frequency, Continuous Affiliation)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure replicates Figure 7 using Betfair-derived probability shocks and the continuous *RepublicanAffiliation* measure at daily frequency. Panel (a) shows the cumulative responses for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 95% confidence intervals. Panel (b) shows the interaction term coefficient β_2^h, with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors.

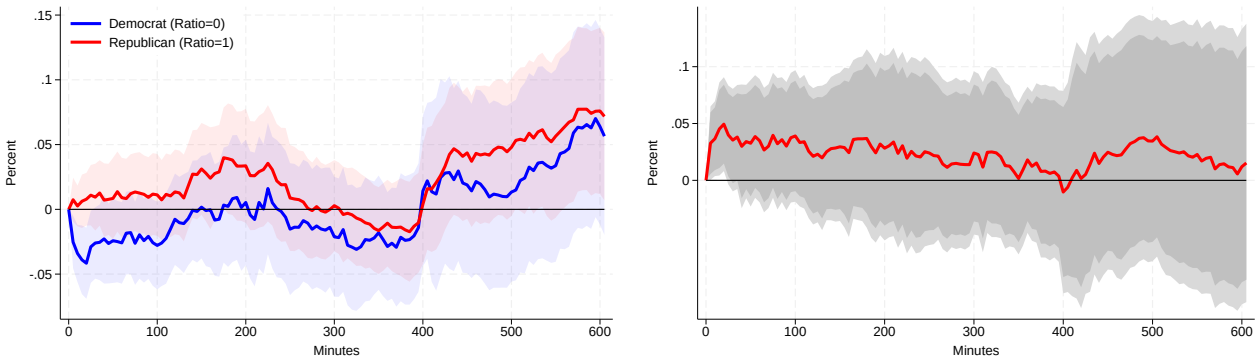
Figure B.10: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (Hourly Frequency, Continuous Affiliation)



(a) Republican vs Democrat Firm Responses **(b)** Differential Response

Notes: This figure replicates Figure 8 using Betfair-derived probability shocks and the continuous *RepublicanAffiliation* measure at hourly frequency. Panel (a) shows the cumulative responses for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 95% confidence intervals. Panel (b) shows the interaction term coefficient β_2^h, with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors.

Figure B.11: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (5-Minute Frequency, Continuous Affiliation)

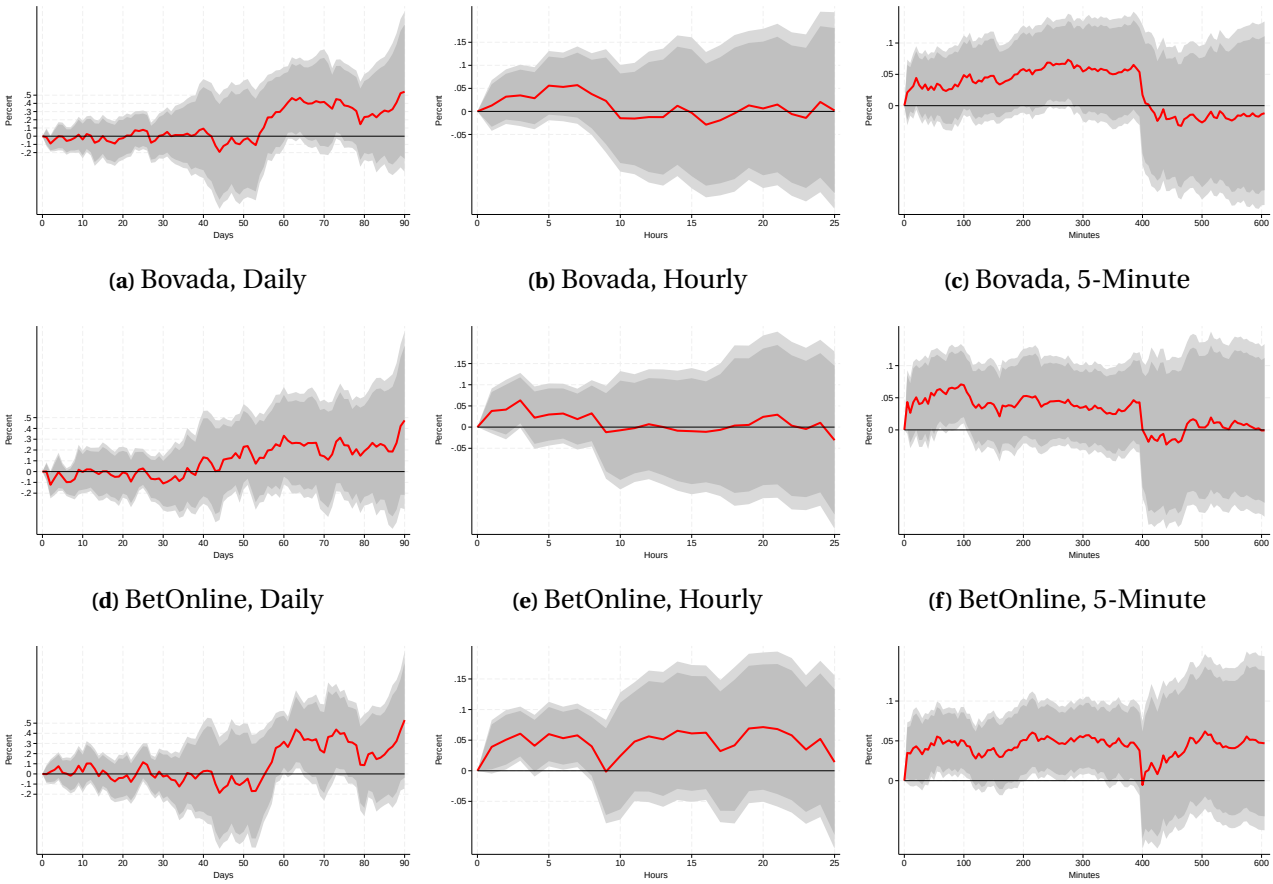


(a) Republican vs Democrat Firm Responses

(b) Differential Response

Notes: This figure replicates Figure 9 using Betfair-derived probability shocks and the continuous *RepublicanAffiliation* measure at 5-minute frequency. Panel (a) shows the cumulative responses for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 95% confidence intervals. Panel (b) shows the interaction term coefficient β_2^h, with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using clustered standard errors.

Figure B.12: Dose-Response Differentials via Traditional Sportsbooks (Continuous Affiliation)



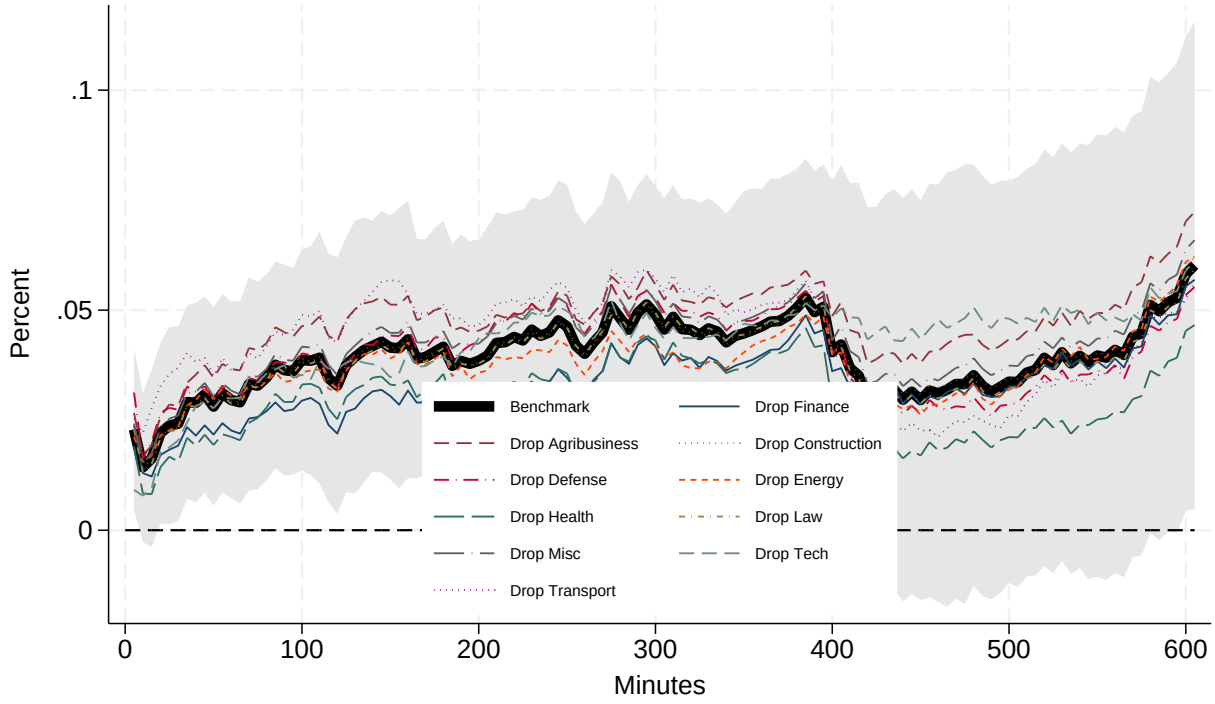
(a) Bovada, Daily **(b)** Bovada, Hourly **(c)** Bovada, 5-Minute

(d) BetOnline, Daily **(e)** BetOnline, Hourly **(f)** BetOnline, 5-Minute

(g) Unibet, Daily **(h)** Unibet, Hourly **(i)** Unibet, 5-Minute

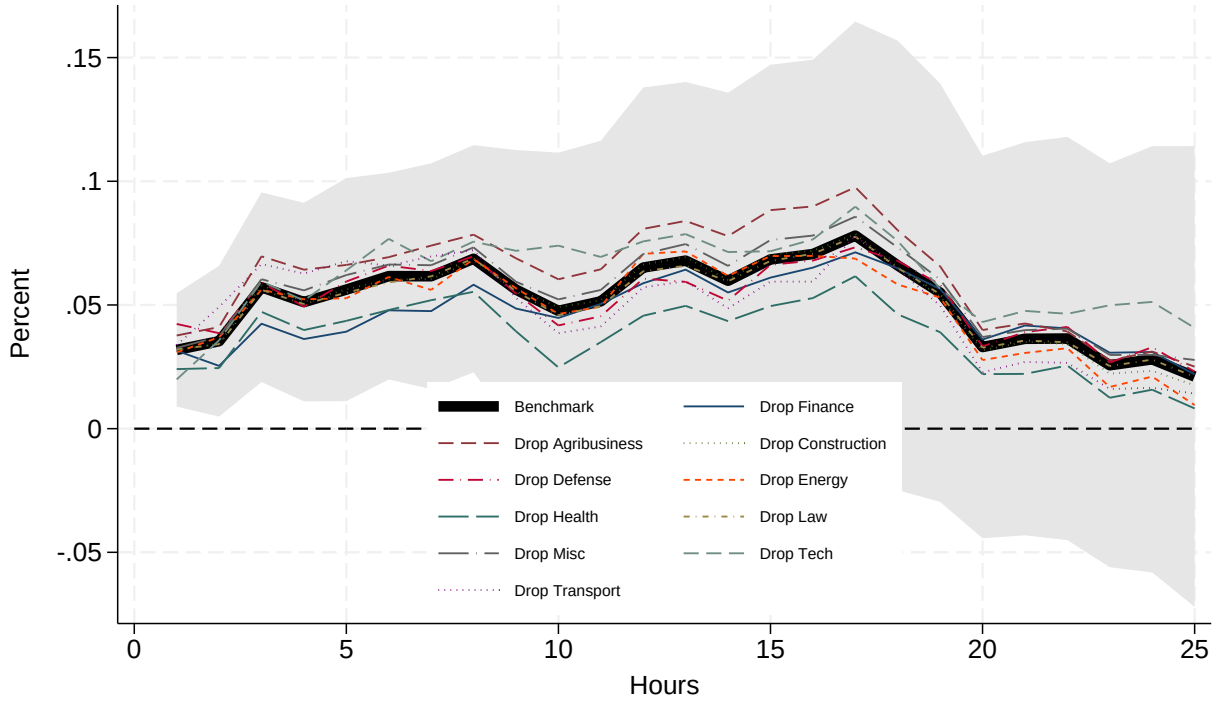
Notes: Each panel plots the differential response β_2^h between fully Republican-affiliated firms (Ratio = 1) and fully Democrat-affiliated firms (Ratio = 0) under the continuous *RepublicanAffiliation* measure, to a one-percentage-point increase in Donald Trump's winning probability implied by the indicated sportsbook, replicating the specification of Figure 7. Dark and light gray shaded areas represent 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors at the daily frequency and firm-clustered standard errors at the hourly and 5-minute frequencies. The sample contains 71 firms at the daily frequency and 69 intraday; frequency-specific windows follow Section 4.

Figure B.13: Leave-One-Sector-Out Robustness: Differential Response β_2^h (5-Minute Frequency)



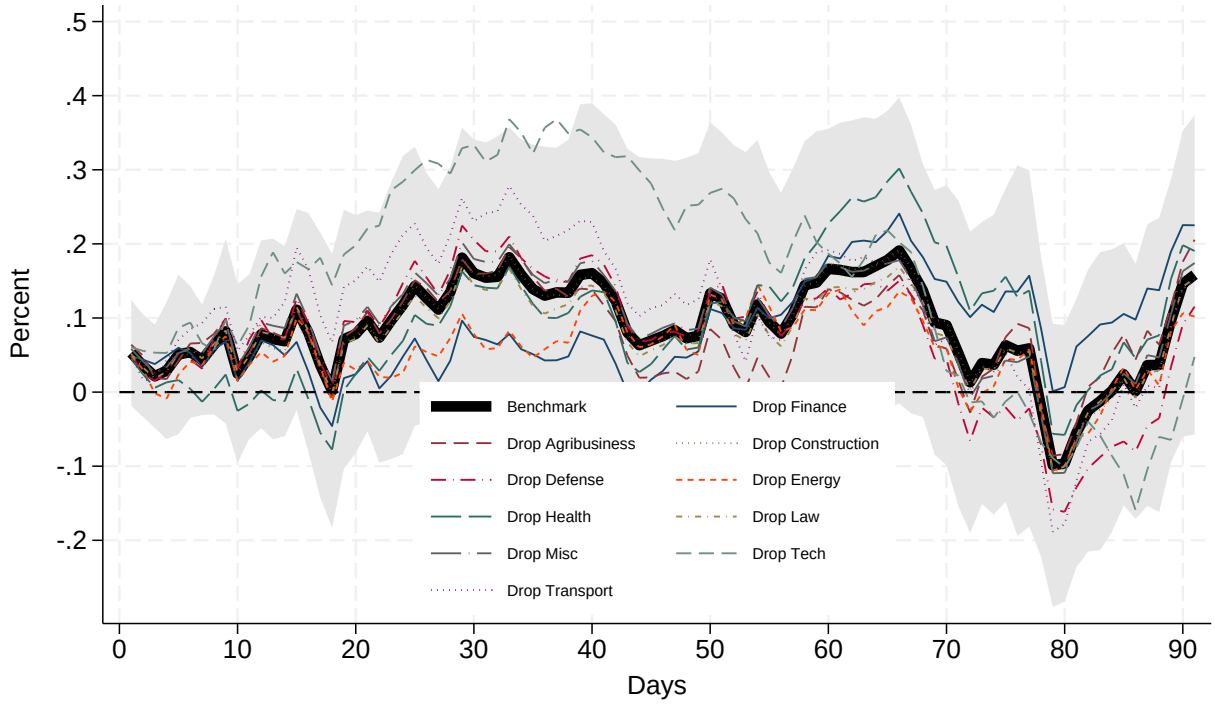
Notes: This figure presents the leave-one-sector-out robustness check for the 5-minute differential response β_2^h. The thick black line shows the benchmark estimate using all 69 firms, with the gray shaded area representing the 95% confidence interval. Each colored line re-estimates the specification after dropping all firms in the indicated sector. The sample covers January 1, 2024, through November 14, 2024, using PolyMarket probability shocks and clustered standard errors.

Figure B.14: Leave-One-Sector-Out Robustness: Differential Response β_2^h (Hourly Frequency)



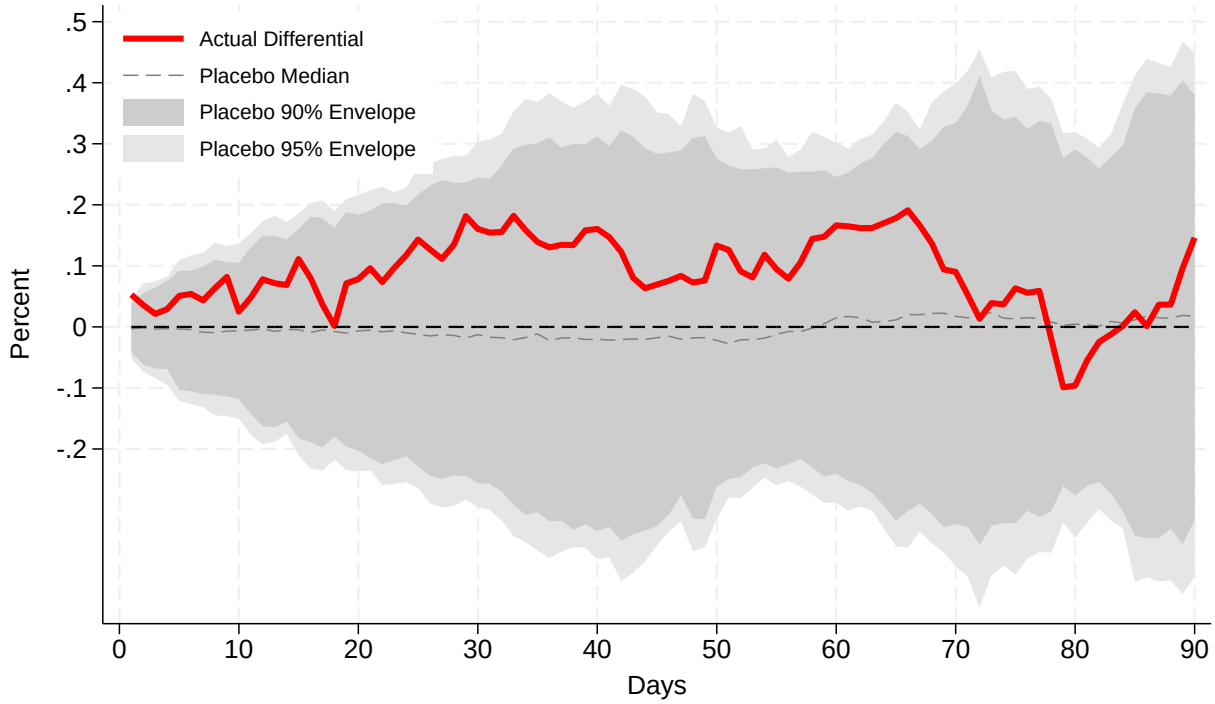
Notes: This figure presents the leave-one-sector-out robustness check for the hourly differential response β_2^h. The thick black line shows the benchmark estimate using all 69 firms, with the gray shaded area representing the 95% confidence interval. Each colored line re-estimates the specification after dropping all firms in the indicated sector. The sample covers January 1, 2024, through November 14, 2024, using PolyMarket probability shocks and clustered standard errors.

Figure B.15: Leave-One-Sector-Out Robustness: Differential Response β_2^h (Daily Frequency)



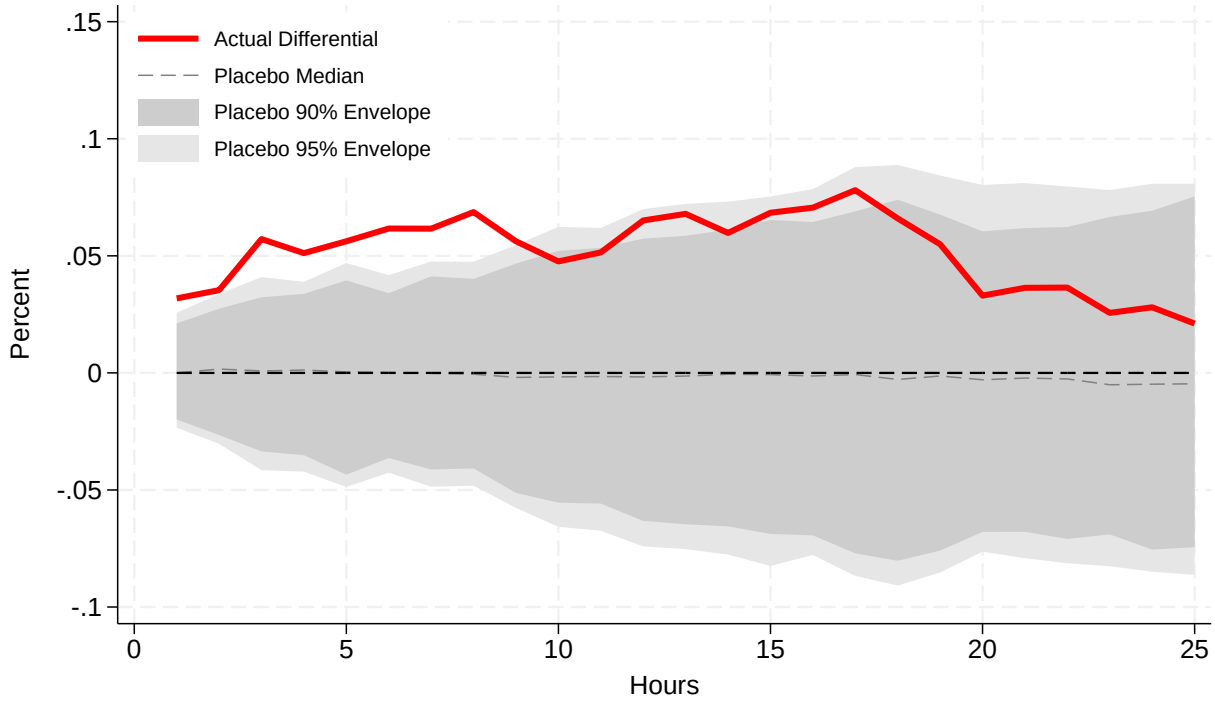
Notes: This figure presents the leave-one-sector-out robustness check for the daily differential response β_2^h. The thick black line shows the benchmark estimate using all 71 firms, with the gray shaded area representing the 95% confidence interval. Each colored line re-estimates the specification after dropping all firms in the indicated sector. The daily sample follows Section 4, using PolyMarket probability shocks and Driscoll-Kraay standard errors.

Figure B.16: Monte Carlo Placebo Test: Distribution of β_2^h Under Random Partisan Assignment (Daily Frequency)



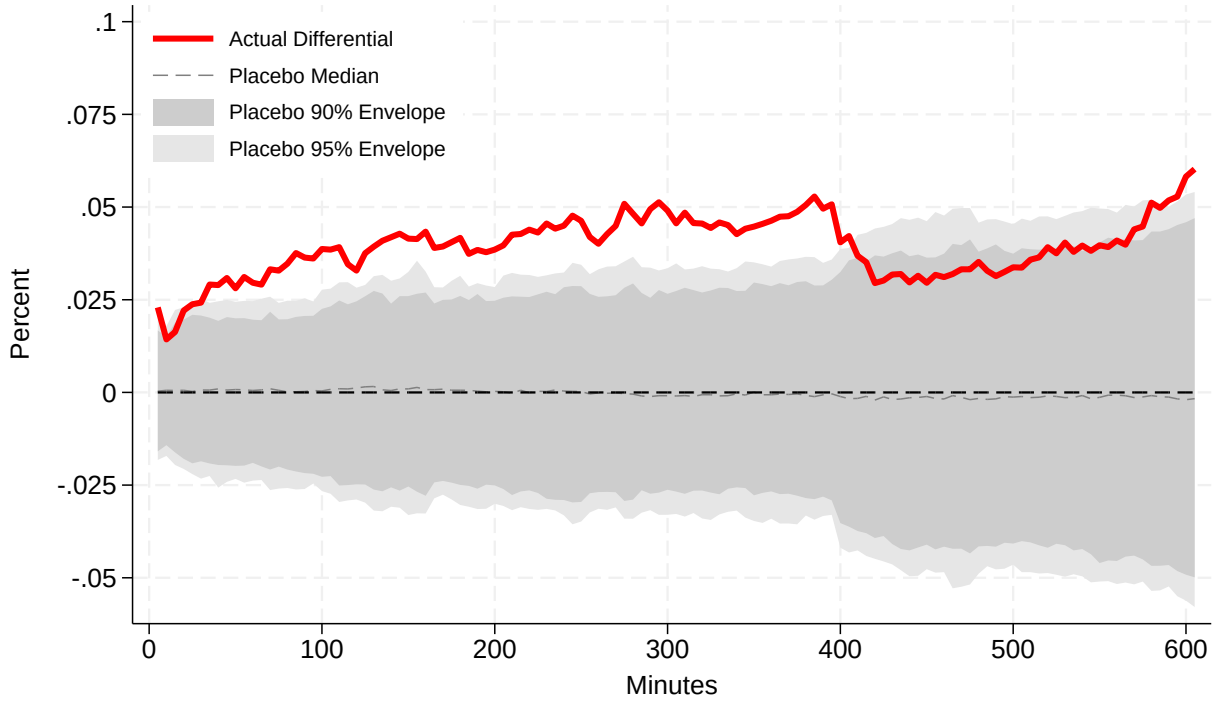
Notes: This figure presents the results of a Monte Carlo placebo test. In each of 500 iterations, firms are randomly split into two groups of nearly equal size, and the full daily local projection specification is re-estimated. The light and dark gray shaded areas represent the 95% and 90% placebo envelopes, respectively; the dashed gray line shows the placebo median; the solid red line shows the benchmark estimate from the actual partisan classification. The daily sample follows Section 4, using PolyMarket probability shocks and Driscoll-Kraay standard errors.

Figure B.17: Monte Carlo Placebo Test: Distribution of β_2^h Under Random Partisan Assignment (Hourly Frequency)



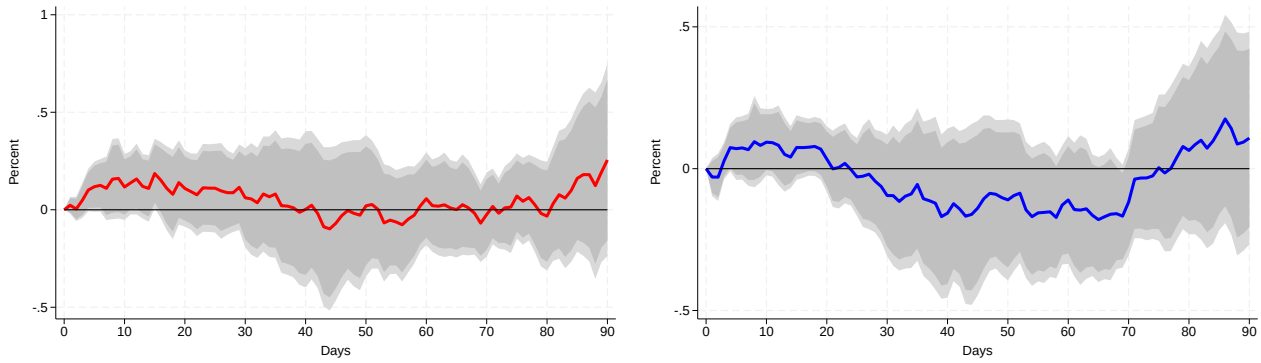
Notes: This figure presents the results of a Monte Carlo placebo test at hourly frequency. In each of 500 iterations, firms are randomly split into two groups of nearly equal size, and the full hourly local projection specification is re-estimated. The light and dark gray shaded areas represent the 95% and 90% placebo envelopes, respectively; the dashed gray line shows the placebo median; the solid red line shows the benchmark estimate from the actual partisan classification. The sample covers January 1, 2024, through November 14, 2024, using PolyMarket probability shocks and clustered standard errors.

Figure B.18: Monte Carlo Placebo Test: Distribution of β_2^h Under Random Partisan Assignment (5-Minute Frequency)



Notes: This figure presents the results of a Monte Carlo placebo test at 5-minute frequency. In each of 500 iterations, firms are randomly split into two groups of nearly equal size, and the full 5-minute local projection specification is re-estimated. The light and dark gray shaded areas represent the 95% and 90% placebo envelopes, respectively; the dashed gray line shows the placebo median; the solid red line shows the benchmark estimate from the actual partisan classification. The sample covers January 1, 2024, through November 14, 2024, using PolyMarket probability shocks and clustered standard errors.

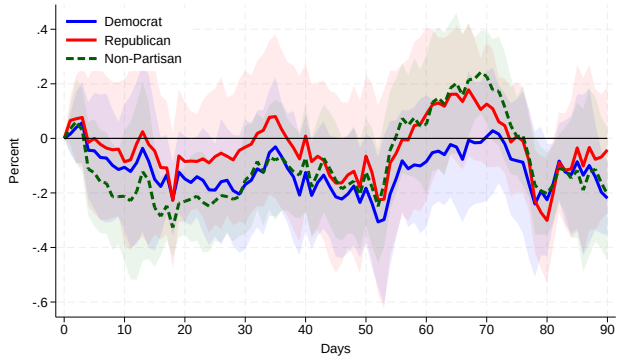
Figure B.19: Partisan Groups Relative to the Non-Partisan Benchmark (Daily Frequency)



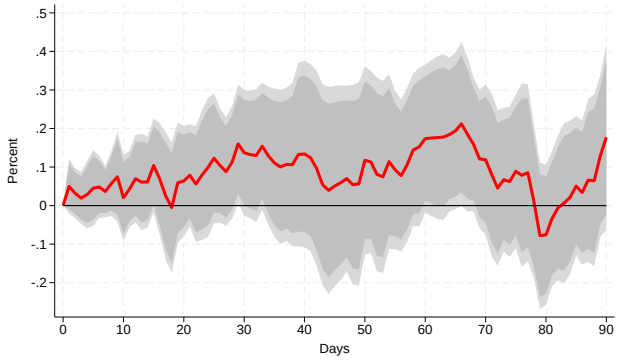
(a) Republican − Non-Partisan **(b)** Democrat − Non-Partisan

Notes: This figure plots the differential cumulative responses of Republican-affiliated firms (Panel a) and Democrat-affiliated firms (Panel b) relative to the 71 politically inactive control firms of Table B.3, estimated on the expanded 142-firm daily panel of Figure 13 with PolyMarket probability shocks. Dark and light gray shaded areas represent 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors. The Republican-minus-control contrast is positive and significant at the 90% level at days 4–6, 11–12, and 15, while the Democrat-minus-control contrast is significant only at isolated horizons (positive at day 4, negative at day 69). Sample and outcome windows follow Section 4.

Figure B.20: Non-Partisan Benchmark with Market-Beta Adjustment (Daily Frequency)



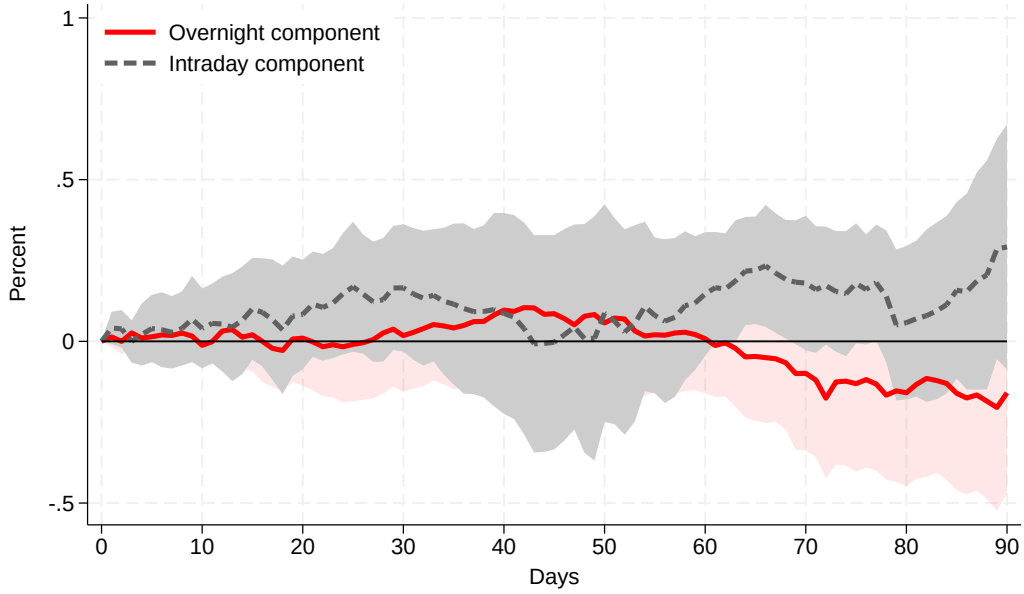
(a) Republican, Democrat, and Non-Partisan Responses



(b) Differential Response, Beta-Adjusted

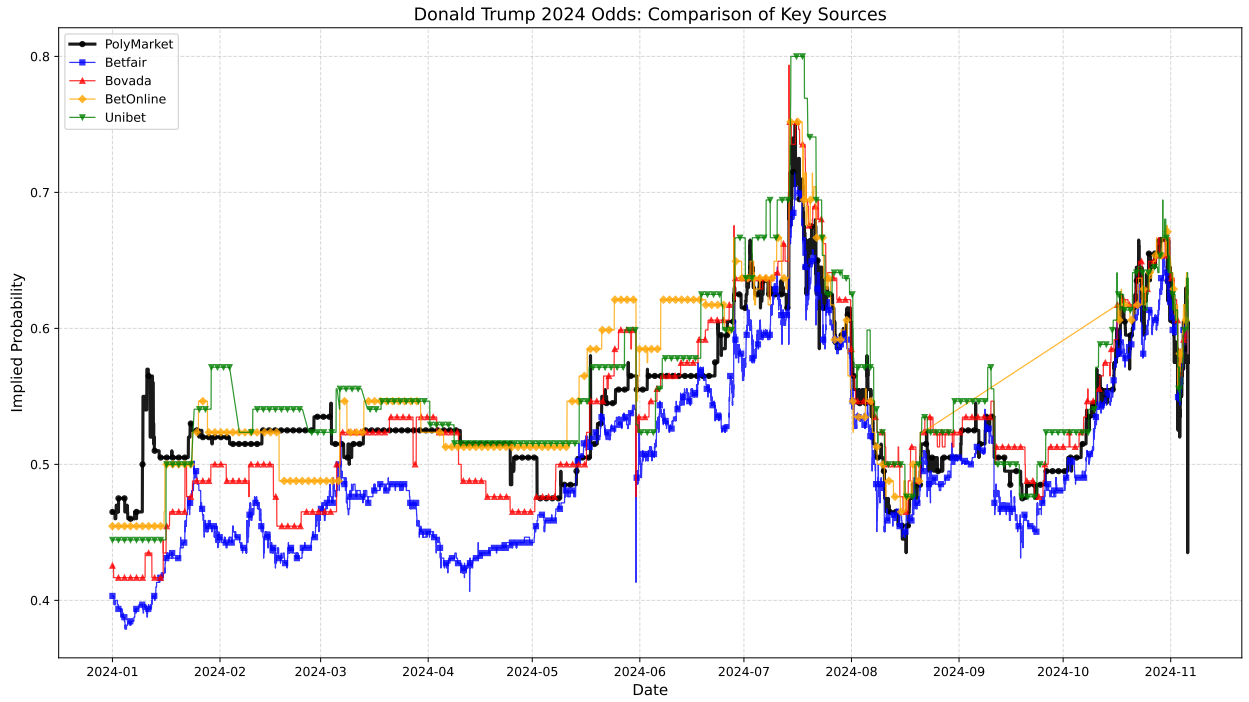
Notes: This figure replicates Figure 13 adding interactions of the probability shock (contemporaneous and three lags) with each firm's market beta, centered at one. Betas are estimated firm-by-firm from pre-sample 2023 daily returns regressed on the equal-weighted average return of all 142 panel firms. Panel (a) shows cumulative responses for Republican-affiliated firms (red line), Democrat-affiliated firms (blue line), and non-partisan control firms (dashed green line, evaluated at $\beta = 1$), with 95% confidence intervals. Panel (b) shows the beta-adjusted Republican-minus-Democrat differential, with dark and light gray shaded areas representing 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors. Sample and outcome windows follow Section 4.

Figure B.21: Overnight Versus Intraday Components of the Partisan Differential (Daily Frequency)



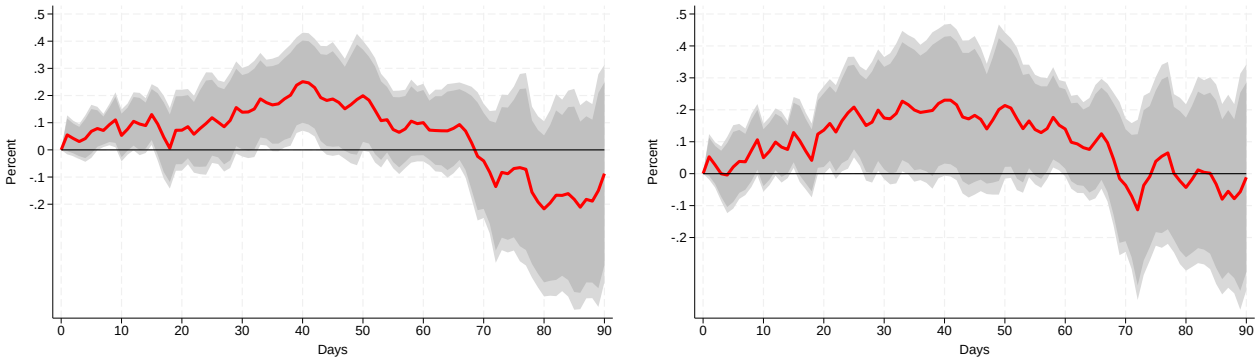
Notes: This figure decomposes the Republican-minus-Democrat differential response to a one-percentage-point increase in Donald Trump's winning probability (PolyMarket) into its overnight (close-to-open, solid red) and intraday (open-to-close, dashed gray) components. The cumulative return from the close of $t-1$ through the close of $t+h$ is the sum of the two components; each is used as the dependent variable in the benchmark specification of Figure 6, estimated on the 70 partisan-sample firms with official opening and closing prices (COMPUSTAT). Shaded areas are 95% confidence intervals using Driscoll-Kraay standard errors. Sample and outcome windows follow Section 4.

Figure B.22: High-Frequency (5-Minutes) Co-Movement of Implied Probabilities Across Betting Platforms



Notes: This figure compares the 5-minute interval implied probabilities for Donald Trump's 2024 presidential election victory across PolyMarket (Benchmark), Betfair (Exchange), and three bookmakers (Bovada, BetOnline, and Unibet). Implied probabilities are computed as the inverse of decimal odds (1/price) for betting platforms. Distinct markers are placed at regular intervals to facilitate readability in black-and-white formats. The figure covers January 1, 2024, through November 5, 2024.

Figure B.23: Daily Differential Stock Price Response with Sector-Time Fixed Effects

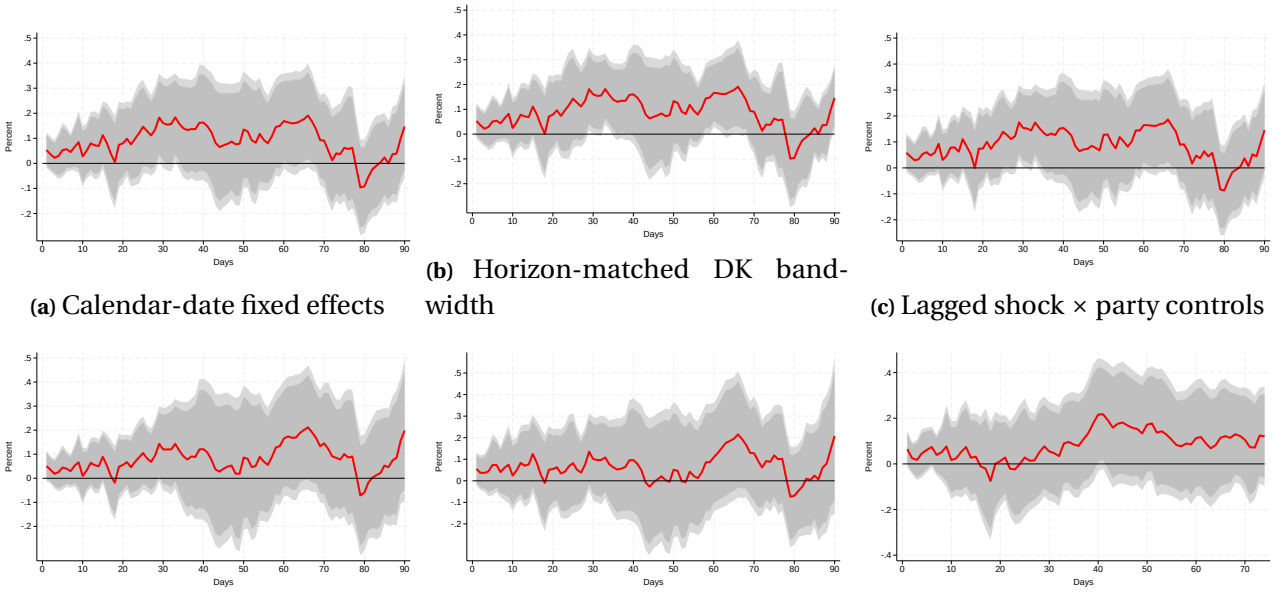


(a) Sector × Month FE

(b) Sector × Week FE

Notes: This figure replicates the differential-response panel of Figure 6 after adding sector-by-month fixed effects in Panel (a) and sector-by-week fixed effects in Panel (b). Both panels show the Republican-minus-Democrat differential response, β_2^h, to a one-percentage-point increase in Donald Trump's winning probability on PolyMarket. Dark and light gray shaded areas represent 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors.

Figure B.24: Robustness of the Daily Partisan Differential β_2^h



(a) Calendar-date fixed effects

(b) Horizon-matched DK bandwidth

(c) Lagged shock × party controls

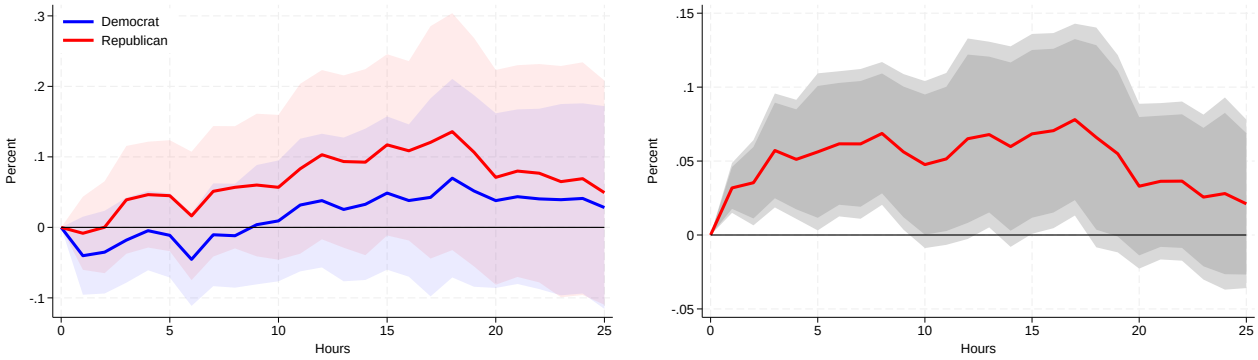
(d) Excluding Tesla

(e) Size and B/M interactions

(f) Pre-August shock dates

Notes: Each panel re-estimates the daily Republican-minus-Democrat differential β_2^h to a one-percentage-point PolyMarket probability shock under a robustness variant described in Section 5.8 and Table 3, Panel B. Panel (f) restricts shock dates to on or before July 31, 2024 and reports horizons 1–75, to reduce horizon-specific changes in shock-date coverage among firms with complete price histories. Dark and light gray shaded areas represent 90% and 95% confidence intervals, respectively, using Driscoll-Kraay standard errors. The daily sample and outcome windows are described in Section 4.

Figure B.25: Hourly Partisan Differential with Two-Way Clustered Standard Errors

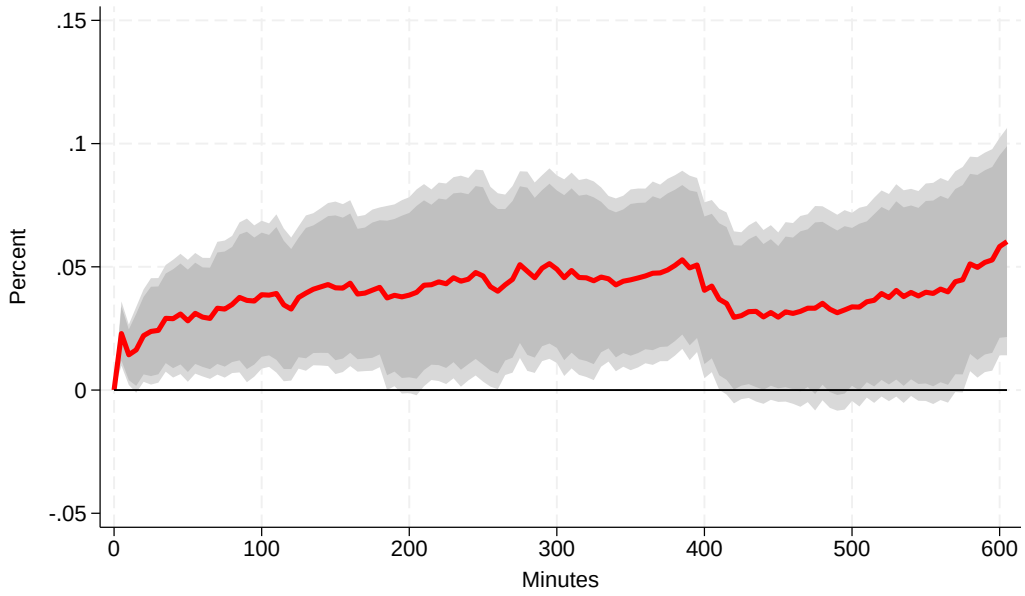


(a) Republican vs Democrat Firm Responses

(b) Differential Response

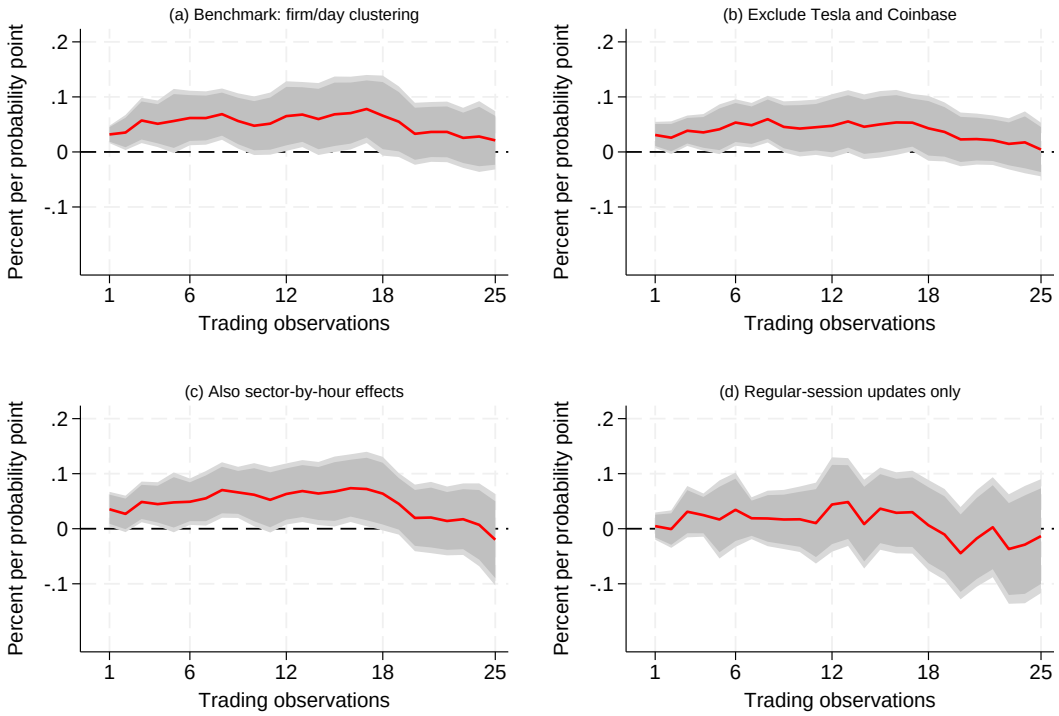
Notes: This figure replicates the hourly PolyMarket specification of Figure 3 using standard errors two-way clustered by firm and by time period, in place of firm-level clustering. Two-way clustering allows arbitrary cross-sectional correlation across firms within each hour as well as within-firm serial correlation. Panel (a) shows the cumulative Republican (red) and Democrat (blue) responses; Panel (b) shows the differential β_2^h, with dark and light gray areas representing 90% and 95% confidence intervals. The sample covers 69 firms from January 1 through November 14, 2024.

Figure B.26: 5-Minute Partisan Differential with Firm and Trading-Day Clustering



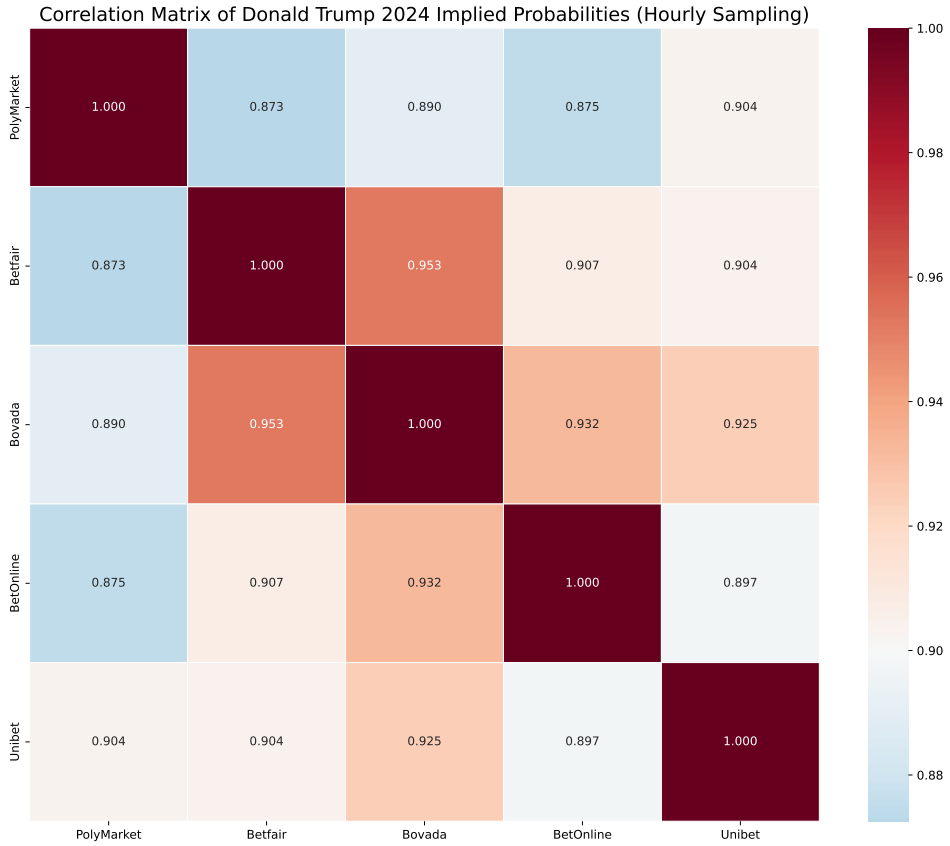
Notes: This figure reports the Republican-minus-Democrat response per one-percentage-point increase in Trump's winning probability, using the specification and sample of Figure 2. Standard errors are two-way clustered by firm and trading day, allowing within-firm serial dependence and cross-firm dependence across intervals within a day. Dark and light gray areas represent pointwise 90% and 95% confidence intervals, respectively. This does not allow unrestricted dependence between different firms on different days.

Figure B.27: Hourly Sensitivity to Affiliation, Industry Controls, and News Timing



Notes: Each panel shows all 25 hourly Republican-minus-Democrat differential estimates for the indicated specification in Table 2. Dark and light gray bands represent pointwise 90% and 95% confidence intervals, respectively, based on standard errors two-way clustered by firm and trading day using normal critical values, as in the other impulse-response figures. Panel (b) excludes Tesla and Coinbase. Panel (c) additionally absorbs sector-by-hour fixed effects. Panel (d) retains all firms but includes only regular-session probability changes, as defined in the text. Positive estimates at most horizons do not imply joint significance of the full path.

Figure B.28: Contemporaneous Correlation Matrix of Implied Probabilities Across Betting Platforms (Hourly Sampling)



Notes: This heatmap presents the Pearson correlation coefficients for the implied-probability series across all five platforms, sampled at each hour mark (most recent observation at or before it). Implied probabilities are computed as the inverse of decimal odds for betting platforms. PolyMarket's correlations with the four alternative platforms range from 0.87 (Betfair) to 0.90 (Unibet); the highest inter-platform correlation is between Betfair and Bovada ($r = 0.95$). Lower off-diagonal values indicate less contemporaneous co-movement; they do not by themselves establish information leadership. The sample covers January 1, 2024, through November 5, 2024.