

## **The Study on the Relationship between Momentum Profits and Psychological Factors: Evidence from Taiwan**

**Authors :** Chih-Hsiang Chang

**Abstract :** This study provides insight into the effects of investor sentiment, excess optimism, overconfidence, the disposition effect, and herding formation on momentum profits. This study contributes to the field by providing a further examination of the relationship between psychological factors and momentum profits. The empirical results show that there is no evidence of significant momentum profits in Taiwan's stock market. Additionally, investor sentiment in Taiwan's stock market significantly influences its momentum profits.

**Keywords :** momentum profits, psychological factors, herding formation, investor sentiment

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