



UNIVERSITÀ
DEGLI STUDI
DI BERGAMO

Department
of Management

Research Seminars Series A.Y. 2025-2026 2nd Term

March 16, 2026 – 12:30 p.m. (CET)
In Lab 7, via dei Caniana 2
and online on Google Meet ([link](#))

Presenter: Prof. Luca Taschini

University of Edinburgh Business School
Grantham Research Institute, London School of Economics

TITLE - *The Effects of Volatile Temperatures on Equity Returns and Firm Performance*

We construct a measure of abnormal temperature variability, defined as deviations in intra-month temperature anomalies from a rolling historical baseline, to study its effects on firms and equity returns. Firms with higher exposure to variability experience lower revenues and fewer hours worked, driven by reductions in household spending and labor supply. An equity strategy based on cross-sectional variation in abnormal temperature variability yields a realized market-adjusted alpha of 4.9% annually. We find, however, pricing frictions in the form of greater return volatility and investor underreaction, stemming from uncertainty about firm-level impacts and disagreement over the materiality of temperature risks.

TYPE OF RESEARCH –Empirical

STAGE OF RESEARCH –First draft

For further information please refer to: seminars.dipsa@unibg.it

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