

## ABSTRACT

This dissertation is organized into five chapters. In chapter one, I introduce the dissertation. In chapter two, I provide a review of the literature on analysts' forecast properties that are relevant to this dissertation. In chapter three, I examine whether behavioral factors can explain analysts' tendency to underreact to inflation when they forecast earnings. The behavioral biases that I examine are salience, fatigue, multi-tasking, distraction, and competition. Using a sample of U.S. analysts for the years 1998 to 2016, I find that analysts do not fully incorporate inflation in their earnings forecasts when inflation is less salient. I also find that analysts' underreaction to inflation increases when they are fatigued, when they multitask, when they are distracted, and when they face more competition from other analysts.

In chapter four, I examine the effect of macro disagreement on analysts' forecast accuracy, timeliness, and informativeness. Using a sample of U.S. analysts for the years 1998 to 2015 and using macroeconomic dispersion measures from the Survey of Professional Forecasters database, I find that forecast accuracy is low when the macro disagreement is high. I also find that analyst forecasts are more timely and less informative when macro disagreement is high. In chapter five, I conclude the dissertation.