POLITICAL CAPITAL: REAL-TIME ELECTORAL PROBABILITIES AND THE VALUE OF CORPORATE POLITICAL ALIGNMENT*

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Abstract

Partisan alignment is continuously priced in equity markets. Combining 5-minute prediction market probabilities with campaign contribution records for 71 firms, we show that a one-percentage-point increase in Trump's 2024 winning probability opens a 0.25% return gap between Republican- and Democrat-affiliated firms—detectable within the first hour and persistent for 60 trading days. The effect scales with contribution intensity: replacing the binary partisan indicator with a continuous affiliation measure reveals a dose-response pattern that replicates across six independent probability sources spanning prediction markets, betting exchanges, and sportsbooks. An event study around the July 13 assassination attempt produces a 1.2% partisan differential on the first trading day, validating the estimates against a single clearly exogenous shock. Cross-platform analysis reveals a three-tier informational hierarchy: peer-to-peer exchanges lead, sharp sportsbooks follow within hours, and the retail bookmaker lags by at least 12 hours. A structural estimate implies that the market values full partisan alignment at approximately $125 million per percentage-point probability shift for a $50 billion firm.

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

On July 13, 2024, a bullet grazed Donald Trump at a campaign rally in Butler, Pennsylvania. By Monday morning, PolyMarket's Trump win probability had jumped 7.5 percentage points, and Republican-affiliated stocks outperformed Democrat-affiliated stocks by 1.2%. This differential is not an anomaly. We document that partisan alignment is continuously and rapidly priced in U.S. equity markets: the repricing begins within minutes of a probability shift, scales with the intensity of firms' political commitments, and implies policy rents an order of magnitude larger than what firms spend on lobbying.

We combine 5-minute electoral probabilities from PolyMarket ($3.6 billion in 2024 trading volume) with campaign contribution records from OpenSecrets and stock prices at 5-minute, hourly, and daily frequencies for 71 publicly traded firms. Local projections trace the impulse response of each firm's stock price to a one-percentage-point increase in Trump's winning probability,[1] exploiting the continuous flow of probability updates that prediction markets generate, providing a shock series with far higher resolution than the discrete election outcomes (Jayachandran, 2006; Goldman et al., 2009) or coarse polling data (Snowberg et al., 2007) on which prior work has relied.

Markets begin repricing within minutes. A one-percentage-point probability shock opens a 0.25% return gap between Republican- and Democrat-affiliated firms, statistically significant within the first hour at the 5-minute frequency, peaking around day 20, and persisting without mean reversion for approximately 60 trading days. The speed of onset rules out slow-moving fundamentals; the persistence rules out noise trading. The multi-frequency impulse responses trace the complete dynamic path of partisan repricing, from onset within minutes to persistence over months, at a granularity the literature on political risk in asset pricing has not achieved (Pástor and Veronesi, 2012, 2013; Kelly et al., 2016; Hassan et al., 2019).

The repricing scales with political commitment. Replacing the binary partisan classification with a continuous contribution-intensity measure reveals a dose-response pattern across all six probability sources we examine, spanning prediction markets, a betting exchange, and three sportsbooks in three regulatory jurisdictions. If the market treated campaign contributions as uninformative about firms' true political exposure, as the small-stakes view of Ansolabehere et al. (2003) might predict—contribution intensity should not predict the magnitude of stock price responses. That it does implies the market reads contributions as a credible signal of deeper partisan alignment, and prices these ties continuously as electoral probabilities evolve, not only when uncertainty resolves (Cooper et al., 2010; Akey, 2015; Belo et al., 2013).

A cross-platform analysis reveals how political information propagates across betting venues. Lead-lag cross-correlations across five platforms uncover a three-tier hierarchy: peer-to-peer exchanges (PolyMarket, Betfair) incorporate new information simultaneously; sharp sportsbooks (Bovada, BetOnline) replicate within hours; and the retail bookmaker (Unibet) lags by at least 12 hours, mirroring the price-discovery structure documented in equity and derivative markets (Hasbrouck, 1995) and validating prediction market prices as high-frequency shock variables for asset pricing research.

A simple model in which election outcomes determine policy rents proportional to firms' partisan alignment generates three testable predictions (a return differential, dose-response scaling, and persistence), all

[1] A 1 pp probability shock is close to a one-standard-deviation shock at the daily frequency.

confirmed by the data. The structural estimate implies a policy rent of approximately $125 million per percentage-point probability shift for a fully aligned $50 billion firm, an order of magnitude larger than annual lobbying expenditures (Ansolabehere et al., 2003). The true returns to political alignment, it appears, flow through channels that campaign contributions only partially reveal.

The remainder of the paper proceeds as follows. Section 2 reviews the related literature. Section 3 describes the data. Section 4 presents the empirical framework. Section 5 reports the results. Section 6 concludes. The theoretical framework is developed in Appendix A.

2 Related Literature

Our paper connects four strands of research: partisan effects in aggregate financial markets, the asset-pricing implications of corporate political connections, prediction markets as sources of real-time political information, and cross-market price discovery.

An established literature documents that presidential administrations correlate with aggregate equity returns. Santa-Clara and Valkanov (2003) find that U.S. stock returns are higher under Democratic presidents, a pattern corroborated across multiple samples and countries (Huang, 1985; Hensel and Ziemba, 1995; Pástor and Veronesi, 2020). The central identification challenge is separating genuine policy effects from endogenously shifting economic conditions (Snowberg et al., 2007; Baker et al., 2020). Pástor and Veronesi (2012) and Pástor and Veronesi (2013) develop general equilibrium models in which government policy uncertainty is priced: stock prices fall at the announcement of policy changes, and the associated risk premium is larger in weak economic conditions. Kelly et al. (2016) extend this framework to the option market, showing that political uncertainty is reflected in the pricing of index options around elections and policy announcements. Hassan et al. (2019) construct firm-level measures of political risk from earnings call transcripts and document that exposure to political risk varies substantially across firms and over time.

This aggregate literature establishes that political events move markets but does not examine *which* firms move more and how quickly the repricing occurs. Our paper fills this gap by estimating the cross-sectional heterogeneity in political repricing at high frequency, using continuous probability updates rather than discrete election outcomes.

A second strand examines how firm-level political ties generate value. Fisman (2001) estimates the value of connections to Suharto in Indonesia; Faccio (2006) documents that politically connected firms are widespread and receive preferential treatment including bailout priority (Faccio et al., 2006; Duchin and Sosyura, 2012). In the U.S. context, campaign contributions and lobbying correlate with subsequent returns and regulatory outcomes (Ansolabehere et al., 2003; Cooper et al., 2010; Ovtchinnikov and Pantaleoni, 2012; Correia, 2014). Connected boards affect firm value (Goldman et al., 2009) and government procurement (Goldman et al., 2013). Personal connections to policymakers generate abnormal returns following appointments (Acemoglu et al., 2016) or political transitions (Fisman et al., 2012).

The most closely related work in this strand uses contribution records to measure partisan alignment. Jayachandran (2006) documents a 0.8% market capitalization loss per $250,000 in Republican donations following Senator Jeffords's party switch, a result based on a single discrete event. Cooper et al. (2010) and Akey

(2015) show that campaign contributions predict future stock returns around elections. Belo et al. (2013) and Kim et al. (2012) find that firms with political exposure to the party in power earn higher returns. Hafeez et al. (2026) document a 2.5% market capitalization gain for Republican-leaning firms following a partisan shift at the SEC in March 2025. Intangible networks between executives and officeholders further amplify valuation sensitivity (Lee et al., 2014; Kempf and Tsoutsoura, 2024; Bertrand et al., 2018). The broader trend toward political polarization in corporate America is reviewed by Kempf and Tsoutsoura (2024).

Our paper differs from this body of work in three respects. First, we study *continuous* shifts in electoral probabilities rather than discrete electoral outcomes, which allows us to estimate the full impulse response function of partisan repricing. Second, our multi-frequency design (5-minute, hourly, daily) pins down the *speed* at which political information enters prices, which event studies around elections or party switches cannot reveal. Third, the dose-response specification using a continuous contribution-intensity measure tests whether the market treats partisan alignment as a graded or binary characteristic.

A third strand uses prediction markets to measure real-time political expectations. Wolfers and Zitzewitz (2008) review the theoretical foundations and empirical performance of prediction markets, documenting that they aggregate dispersed information efficiently and generally outperform polls. Snowberg et al. (2007) combine intraday trading data with prediction-market odds from the Iowa Electronic Markets and show that sudden changes in the perceived winner move equity and bond prices within hours. Snowberg et al. (2013) extend this work to economic forecasting more broadly. Abolghasemi and Dimitrov (2020) connect prediction market data to global equity performance within VAR frameworks, and Flynn and Tarkom (2025) document information processing frictions between betting and equity markets during the 2024 election. The broader literature finds that markets incorporate real-time political signals from polls efficiently (Funke et al., 2023; Chen et al., 2023), though transient mispricings arise around surprising or polarized events (Pástor and Veronesi, 2012, 2020).

We build on this work by using PolyMarket's 5-minute probability updates as a continuously varying treatment in a panel local projection framework. Unlike prior studies that use prediction market prices to measure aggregate market reactions to elections, we exploit the cross-sectional heterogeneity in firms' partisan exposure to estimate differential effects at frequencies not previously examined.

Finally, our cross-platform analysis connects to the market microstructure literature on price discovery across venues. Hasbrouck (1995) develops the information share methodology for measuring which of several markets trading the same security contributes most to price discovery. This framework has been applied extensively to equity markets, but not to the transmission of political information across betting platforms. Our lead-lag analysis reveals a three-tier hierarchy in which exchange-based prediction markets lead, sharp sportsbooks follow, and retail bookmakers lag, a structure consistent with the theoretical prediction that venues with lower information frictions should incorporate new information first. This finding extends the price-discovery literature to a novel setting and provides institutional validation for using PolyMarket as the benchmark shock series.

3 Data

We combine multiple high-frequency datasets covering January to December 2024, encompassing both primary and general election cycles.

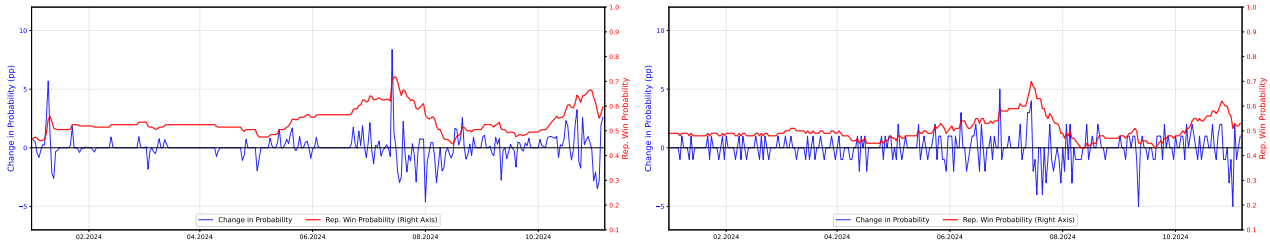
3.1 Stock Price Data

High-frequency stock prices come from the NYSE TAQ database, Bloomberg Terminal, and Yahoo Finance. The dependent variable is $\log(\text{TradeClose}_{it})$ measured at daily, hourly, and 5-minute frequencies. The daily sample includes 71 firms, yielding 15,754 observations. 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, yielding approximately 83,500 hourly observations and over one million 5-minute observations after panel reshape. The average daily return is 0.06% with a standard deviation of 1.94%.[2]

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.[3] The key shock variable ΔProb_t is the change in Trump's winning probability.[4] Daily changes range from −4.6 to 32.7 percentage points (the latter on election day), with a standard deviation of approximately 1.1 percentage points.

Figure 1: Political Shock Series by PolyMarket and PredictIt



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

Notes: This figure plots the series of political shocks derived from PolyMarket and PredictIt, defined as daily percentage-point changes in Donald Trump's predicted probability of winning the 2024 U.S. presidential election. The data from PolyMarket serve as the benchmark political shock variable throughout the analysis.

Because these markets operate continuously, we can capture real-time reactions to political developments outside standard trading hours. Robustness checks using PredictIt confirm the reliability of the approach. Figure 1 plots the daily level and percentage-point changes in Trump's winning probability from both platforms.[5]

[2] Table B.1 presents summary statistics.

[3] 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.

[4] 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.

[5] We set the change on election day to zero because the probability had already reached approximately 70% the prior day, making the remaining 30-percentage-point jump mechanically determined.

3.3 Political Affiliation Data

The sample consists of 71 publicly traded firms with sufficient political contribution activity during 2020–2024 (as reported by OpenSecrets) and complete high-frequency trading data throughout the sample period.[6]

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 2020–2024 contributions favored Republican candidates or committees, and Democrat-leaning ($\text{PartyID}_i = 0$) otherwise.[7] To test whether effects vary with the intensity of partisan ties, we also construct a continuous measure:

$$\text{RepublicanAffiliation}_i = \frac{\text{Republican Donations}_i}{\text{Democrat Donations}_i + \text{Republican Donations}_i}$$

This ratio ranges from 0 (exclusively Democrat-affiliated) to 1 (exclusively Republican-affiliated). Section 5.5 uses this measure to test for dose-response relationships between alignment strength and stock price sensitivity.

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 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	Type	Price Discovery	Regulatory Jurisdiction	Role in Analysis
PolyMarket	Blockchain exchange	Continuous (P2P)	Decentralized (crypto)	Discovery layer (Benchmark)
Betfair	Exchange	Continuous (P2P)	UK (FCA regulated)	Discovery layer
Bovada	Sharp sportsbook	Periodic (market-maker)	Offshore (Curaçao)	Passive layer
BetOnline	Sharp sportsbook	Rapid periodic	Offshore (Panama)	Passive layer
Unibet	Retail sportsbook	Periodic (market-maker)	EU (Malta, MGA)	Passive layer

Notes: This table summarizes the institutional features of the five platforms used in our analysis. All platforms operate 24/7. "Discovery layer" platforms aggregate user beliefs in a continuous peer-to-peer mechanism, while "passive layer" platforms are market-makers that periodically revise their posted odds in response to signals from more liquid venues. P2P denotes peer-to-peer. FCA denotes the UK Financial Conduct Authority. MGA denotes the Malta Gaming Authority.

Implied probabilities are constructed by inverting decimal odds and applying a standard overround correction.[8] All series are synchronized to a 5-minute frequency. Section 5.6 uses this dataset to distinguish between genuine price discovery (exchanges) and passive replication of established odds (retail bookmakers).

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

[7] 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. Results are robust to excluding Coinbase entirely.

[8] For bookmaker platforms (Bovada, BetOnline, Unibet), we apply the normalization $p_i^* = p_i / \sum_j p_j$, where p_i is the raw implied probability before margin removal.

4 Empirical Analysis

4.1 Identification Strategy

The central identification challenge in estimating the effect of political events on stock prices is that both electoral probabilities and asset prices respond simultaneously to macroeconomic conditions, policy announcements, and other aggregate shocks (Snowberg et al., 2007; Pástor and Veronesi, 2020). We address this in two ways. First, the interaction design differences out any aggregate effect of probability changes: the coefficient of interest, β_3^h, measures the *differential* response between Republican- and Democrat-affiliated firms, so any common shock that moves all stocks equally cancels out. Second, the inclusion of firm fixed effects, calendar fixed effects, and lagged returns absorbs persistent firm-level heterogeneity, seasonal patterns, and short-run return momentum that might otherwise confound the estimates.

The remaining identification assumption is that, conditional on the controls, changes in electoral probabilities are orthogonal to firm-specific shocks that differentially affect Republican- and Democrat-affiliated firms. This assumption would be violated if, for example, a positive earnings surprise at a Republican-leaning firm simultaneously raised Trump's winning probability and the firm's stock price. While we cannot rule out such confounding at any single observation, three features of the data mitigate this concern. First, prediction market probabilities aggregate information from thousands of traders and reflect national political developments (debates, polling releases, endorsements) rather than firm-specific news. Second, the 5-minute frequency analysis exploits variation at timescales over which individual firm announcements are unlikely to systematically correlate with probability movements. Third, the event study around the July 13 assassination attempt provides a shock that is unambiguously exogenous to any firm characteristic, and it produces a partisan differential consistent with the LP estimates.

4.2 Local Projection Framework

We estimate the effect of electoral probability changes on stock returns using the local projection framework of Jordà (2005).[9] We choose local projections over vector autoregressions (VARs) for three reasons. First, LPs do not require specifying the full dynamic system, avoiding misspecification bias from imposing incorrect lag structures on a 71-firm panel. Second, LPs accommodate the unbalanced panel structure that arises from missing observations at the 5-minute frequency without requiring imputation. Third, the horizon-by-horizon estimation naturally produces the impulse response function and its standard errors at each horizon without the need for bootstrap-based inference.

The baseline specification is:

$$\log(\text{TradeClose}_{i,t+h}) - \log(\text{TradeClose}_{i,t}) = \alpha^h + \sum_{k=1}^{14} \phi_k^h \Delta \log(\text{TradeClose}_{i,t-k}) + \beta_1^h \Delta\text{Prob}_t + \beta_2^h \text{PartyID}_i + \beta_3^h (\Delta\text{Prob}_t \times \text{PartyID}_i) + \delta_t^h + \eta_i^h + \epsilon_{i,t+h}^h$$

[9] Local projections are robust to misspecification, accommodate non-linearities, and estimate impulse responses at each horizon independently without imposing dynamic restrictions (Plagborg-Møller and Wolf, 2021).

The dependent variable measures the cumulative log return of firm i from t to $t+h$, expressed in percentage points (i.e., $100 \times \log$). $\Delta \log(\text{TradeClose}_{i,t-k})$ captures lagged returns (14 lags for daily, 40 for hourly and 5-minute frequencies).[10] ΔProb_t is the change in Trump's winning probability, measured in percentage points, and PartyID_i indicates Republican-leaning firms.

The coefficient β_1^h measures the response of Democrat-affiliated firms to probability changes at horizon h. The interaction coefficient β_3^h captures the differential response of Republican- relative to Democrat-affiliated firms, so $\beta_1^h + \beta_3^h$ gives the total Republican response. The specification includes calendar fixed effects (δ_t^h) (month and year dummies) and firm fixed effects (η_i^h).

Estimating the regression separately for each $h = 0, 1, \ldots$ yields sequences of β_1^h and β_3^h 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.

The error structure differs across frequencies, and we tailor inference accordingly. At the daily frequency, serial correlation in the overlapping dependent variable $\log(\text{TradeClose}_{i,t+h}) - \log(\text{TradeClose}_{i,t})$ is a first-order concern. We use Driscoll-Kraay standard errors with a bandwidth of 14 trading days, which are robust to both cross-sectional dependence and heteroskedasticity (Driscoll and Kraay, 1998). At the hourly and 5-minute frequencies, the shorter estimation window and higher observation density make firm-level clustering the natural choice: we cluster standard errors at the firm level, allowing for arbitrary within-firm serial correlation.[11]

The estimation horizons are 90 trading days (daily), 24 hours (hourly), and 120 periods or 600 minutes (5-minute). These windows are chosen to be long enough to capture the full adjustment path while avoiding the mechanical decline in precision that arises at very long LP horizons. The sample covers January 1 through November 14, 2024, at all frequencies; post-election observations are excluded to prevent the mechanical final probability jump from contaminating the estimates.

5 Results

Throughout, the key object of interest is β_3^h, the differential response of Republican-affiliated firms relative to Democrat-affiliated firms at horizon h. We organize the results by frequency, beginning with daily data where the effect is largest and most persistent, then progressively zooming in to hourly and 5-minute frequencies to characterize the speed of adjustment. We then validate the LP estimates against a single exogenous event (the July 13 assassination attempt), test whether the differential scales with partisan intensity (dose-response), and cross-validate using five alternative probability sources.

[10] Results are robust to alternative lag lengths (21 for daily, 15 for hourly).

[11] At the daily frequency, we exclude observations with log returns below -40% and set probability changes exceeding 20 percentage points in absolute value to zero to prevent extreme outliers from influencing the estimates. The hourly and 5-minute specifications do not require such trimming. Election-day probability changes are also set to zero at all frequencies, as the final jump to certainty is mechanically determined.

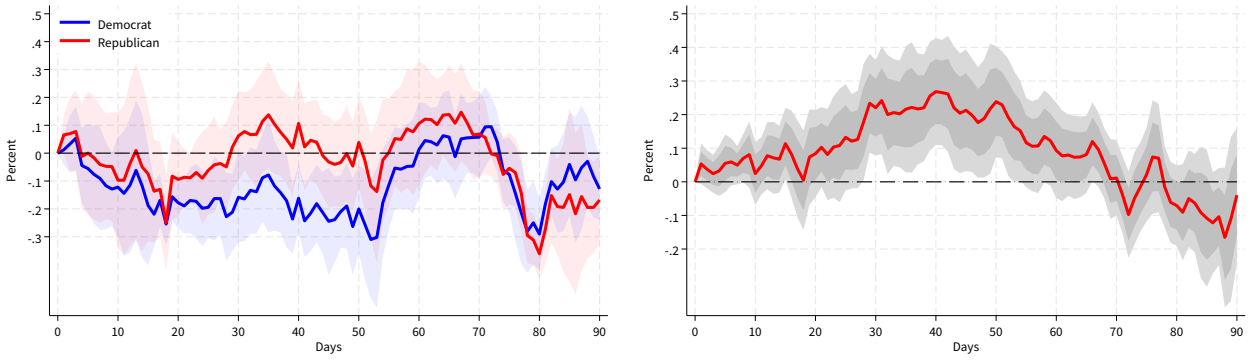
5.1 Daily Frequency: Persistent Partisan Differential

Figure 2 presents the daily impulse responses using PolyMarket data. Democrat-affiliated firms experience a cumulative decline of 0.2–0.3% following a one-percentage-point increase in Trump's winning probability, with the effect becoming statistically significant around day 10–15 and persisting through a two-month horizon.

Republican-affiliated firms show no statistically significant response at any horizon. The differential β_3^h becomes significant around day 15–20 and remains so until day 60–65, peaking at roughly 0.25%. On days when prediction markets move by 5–10 percentage points, the implied valuation gap between Republican- and Democrat-affiliated firms would widen by 1.25–2.5%, an economically meaningful magnitude relative to the average daily return standard deviation of 1.94%.

Replicating the analysis with PredictIt data (Figure B.3 in the Appendix) yields qualitatively identical results, with the differential peaking near 0.2% on day 45. The consistency across prediction markets confirms that the effects reflect genuine market responses to electoral probability changes rather than platform-specific noise.

Figure 2: 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 from January 1, 2024, to November 14, 2024. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

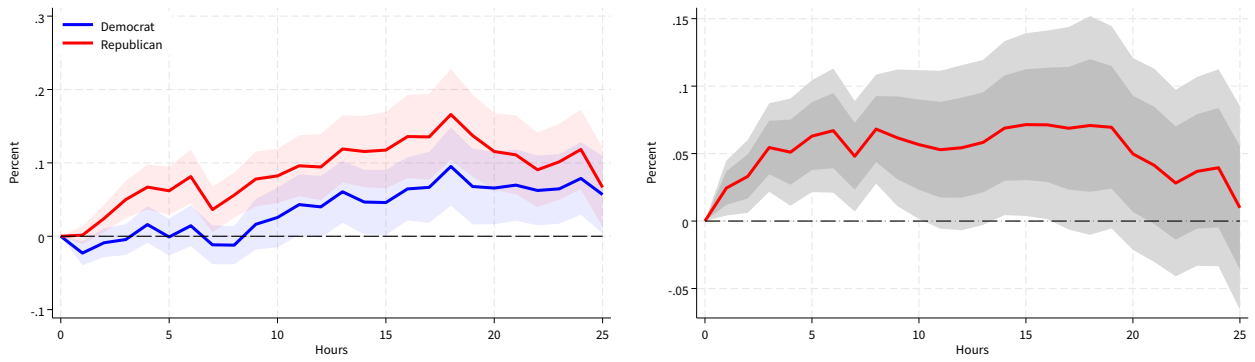
The daily results establish the benchmark effect size and its persistence. We now zoom in to characterize how quickly this differential emerges.

5.2 Hourly Frequency: Intraday Dynamics

Figure 3 presents the hourly impulse responses. Republican-affiliated firms begin to exhibit positive cumulative returns almost immediately, reaching about 0.06% by hour 3 and peaking near 0.17% at hour 18. Democrat-affiliated firms remain near zero for the first 10 hours, then also turn positive at longer horizons,

suggesting that part of the response reflects an aggregate market effect of probability changes.[12] The differential β_3^h isolates the partisan-specific component: it is positive from hour 1 onward and statistically significant at the 68% level through hour 20, indicating that the partisan gap opens immediately and persists for the better part of a trading day.

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 from January 1, 2024, to November 14, 2024. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

That the differential accumulates rather than reverses over several trading hours is consistent with fundamental repricing of expected policy differences rather than transient sentiment. To pinpoint when this repricing begins, we turn to the highest-frequency data.

5.3 5-Minute Frequency: Speed of Price Discovery

Figure 4 traces the response at 5-minute intervals, revealing the granular dynamics of political information incorporation.

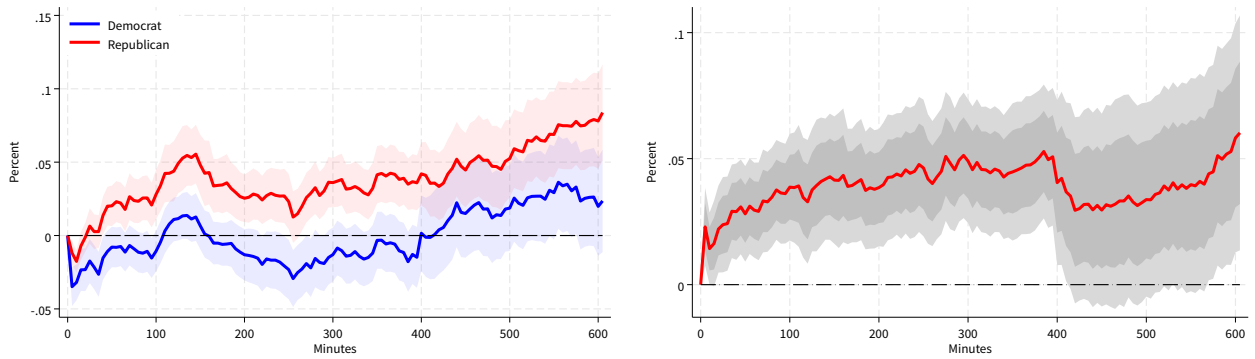
Republican-affiliated firms show a gradual positive response beginning around minute 30, reaching about 0.05% by minute 120 and continuing to rise through minute 600. Democrat-affiliated firms show an initial small negative response (near −0.03%) that persists through the first 400 minutes before turning slightly positive. The differential β_3 becomes statistically significant around minute 50–100, reaches 0.04–0.05% by minute 150, and remains positive through the full 600-minute window. The gradual emergence of the differential is consistent with the time required for institutional investors to detect probability shifts, assess their implications, and execute portfolio rebalancing. Once the differential opens, it persists and accumulates, bridging into the hourly and daily patterns documented above.

Comparing across frequencies reveals a compositional shift in how the differential is generated. At the 5-minute and hourly frequencies, Republican firms drive the gap through positive returns while Democrat firms

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

remain near zero or slightly negative. At the daily frequency, the pattern reverses: Democrat firms decline while Republican firms stay flat. This is consistent with a two-stage adjustment process in which Republican-affiliated firms reprice rapidly (within hours) in response to probability shocks, while the Democrat-affiliated response accumulates more slowly, becoming statistically detectable only over multiple trading days. The differential β_3^h, the object of primary interest, is positive and significant at all three frequencies, confirming that the partisan gap is robust regardless of which side drives it.

Figure 4: 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 from January 1, 2024, to November 14, 2024. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

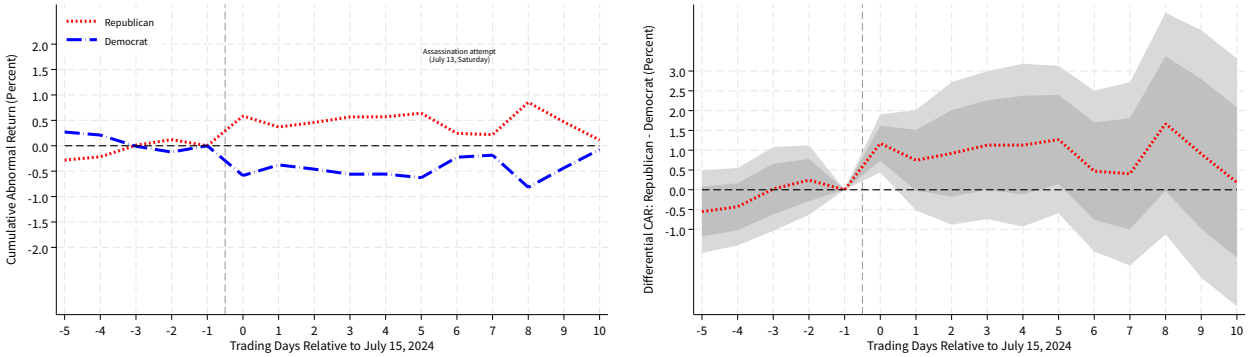
5.4 Event Study: The July 13 Assassination Attempt

The local projection framework identifies the partisan differential from the full distribution of probability shocks over the sample period. To validate these estimates against a single, clearly exogenous 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 62.5% to approximately 70% (a 7.5 percentage-point shock) before markets reopened on Monday, July 15.

We estimate a standard market model for each firm over a 120-day pre-event window and compute abnormal returns in the event window $[-5, +10]$ trading days relative to July 15.[13] Figure 5 plots the cumulative average abnormal returns (CAARs) separately for Republican- and Democrat-affiliated firms. Prior to the event, both groups track near zero, confirming that the market model adequately captures normal return dynamics. 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 ($t = 2.64$, $p < 0.01$). The gap persists through the first week.

[13] The market return is the equal-weighted average across all 71 sample firms. Results are robust to alternative estimation windows and value-weighted market proxies.

Figure 5: 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 $t = -1$. Panel (b) shows the Republican−Democrat differential with 90% (light gray) and 68% (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 magnitude is consistent with the LP estimates. The daily specification predicts a differential of roughly 0.25% per percentage-point shock; a 7.5 pp shock therefore implies an expected differential of $7.5 \times 0.25\% \approx 1.9\%$. The observed event-day differential of 1.2% falls within the range of this prediction, with the gap between prediction and observation likely reflecting the market model's absorption of common variation and the single-event nature of the cross-sectional test.

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:

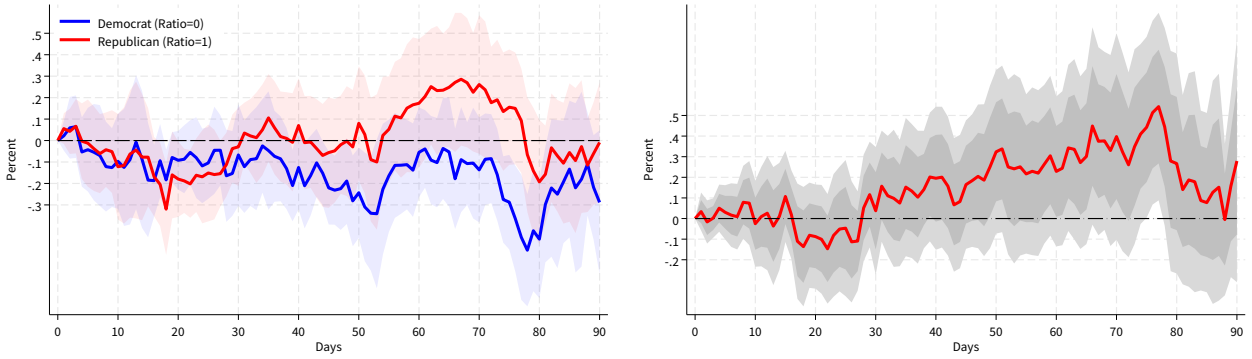
$$\log(\text{TradeClose}_{i,t+h}) - \log(\text{TradeClose}_{i,t}) = \alpha^h + \sum_k \phi_k^h \Delta\log(\text{TradeClose}_{i,t-k}) + \beta_1^h \Delta\text{Prob}_t + \beta_3^h (\Delta\text{Prob}_t \times \text{RepublicanAffiliation}_i) + \delta_t^h + \eta_i^h + \epsilon_{i,t+h}^h$$

The coefficient β_3^h now measures the additional response per unit increase in the affiliation ratio. The full differential between a firm with $\text{RepublicanAffiliation}_i = 1$ and one with $\text{RepublicanAffiliation}_i = 0$ is given by β_3^h itself, which is directly comparable to, but conceptually distinct from, β_3^h in the binary specification. The binary specification compares the average Republican-leaning firm (mean affiliation ratio ≈ 0.65) to the average Democrat-leaning firm (mean ratio ≈ 0.35), compressing the contrast to approximately 0.30 units of affiliation intensity. The continuous specification spans the full 0-to-1 range, so point estimates are mechanically larger.

Figures 6, 7, and 8 present the dose-response results at daily, hourly, and 5-minute frequencies. At the daily frequency, the differential between fully Republican-affiliated firms (Ratio = 1) and fully Democrat-affiliated firms (Ratio = 0) rises gradually, reaching about 0.5% by day 75. At the hourly frequency, the dose-response differential emerges within the first several hours, with the fully Republican versus fully Democrat gap reaching roughly 0.1% by hour 15. At the 5-minute frequency, the separation appears within the first 100 minutes and persists through 600 minutes, with magnitudes consistent with the hourly estimates once accumulated over comparable time windows.

The continuous measure yields somewhat less precise estimates than the binary classification, which is expected: the continuous specification imposes linearity in α_i, while the binary specification estimates separate group means that can absorb nonlinearities. The wider confidence bands reflect both this functional form restriction and the fact that the continuous measure spreads the identifying variation across the full $[0, 1]$ range rather than concentrating it in two discrete groups. Despite this, the dose-response differential is positive and significant at all three frequencies, confirming the theoretical prediction that the market treats partisan alignment as a graded characteristic. Appendix Figures B.4–B.28 replicate this analysis using PredictIt and the four sportsbook platforms, confirming that the dose-response relationship holds across all probability sources.[14]

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



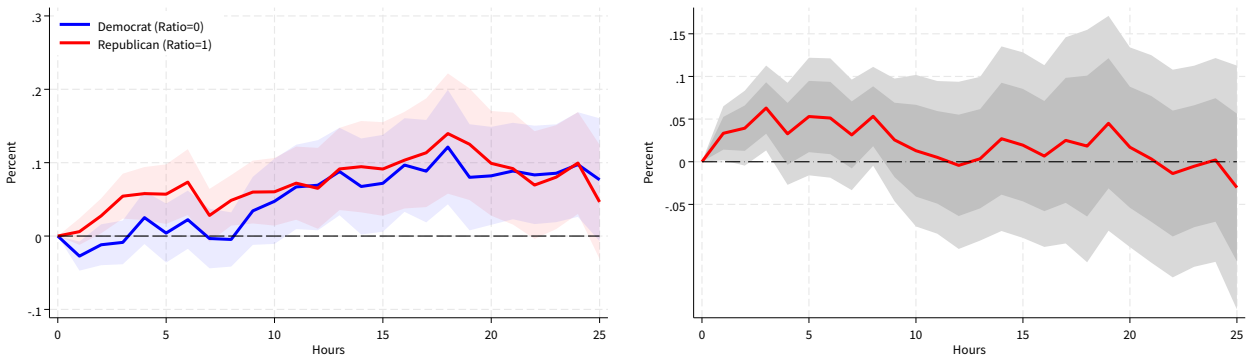
(a) Republican vs Democrat Firm Responses

(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 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 90% confidence intervals. Panel (b) shows the differential response (β_3), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

[14] Results remain robust to additional controls including market capitalization, book-to-market ratio, and trading volume, as well as alternative affiliation measures.

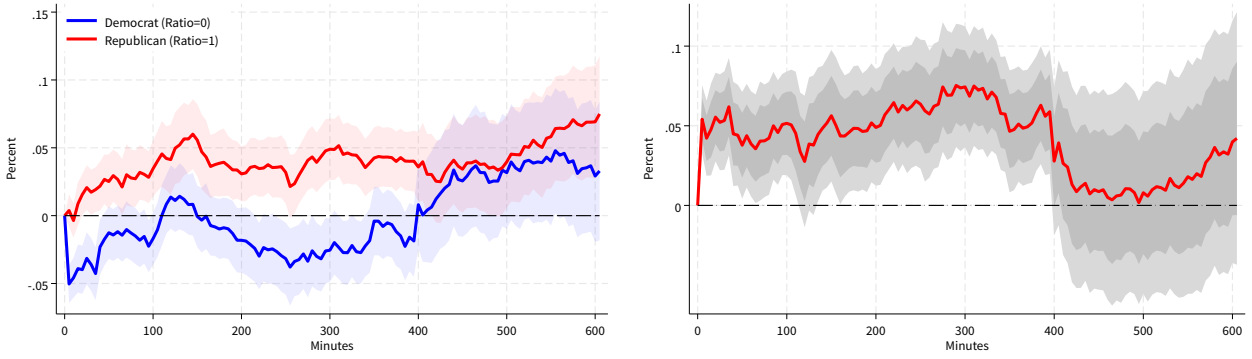
Figure 7: Stock Price Response to 1pp Increase in Republican Winning Probability via PolyMarket (Hourly Frequency, Continuous Affiliation)



(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 90% confidence intervals. Panel (b) shows the differential response (β_3), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

Figure 8: 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 90% confidence intervals. Panel (b) shows the differential response (β_3), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

5.6 Cross-Platform Analysis and Information Cascade

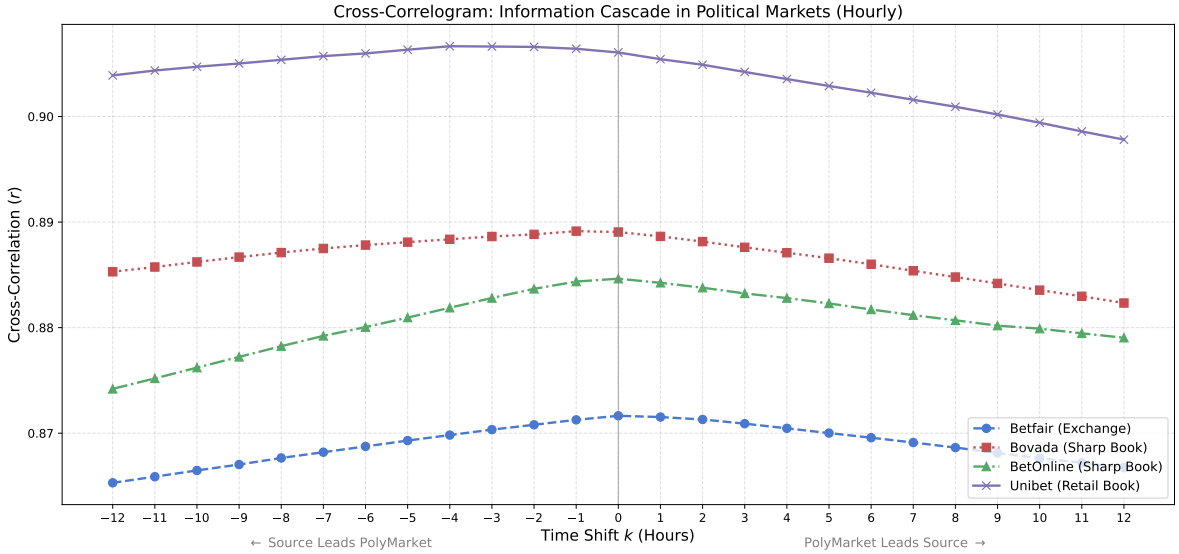
We now turn to the four traditional betting platforms introduced in Section 3.4 to cross-validate our benchmark results against independent probability sources and to characterize how political information diffuses across platforms with different market architectures.

5.6.1 Information Hierarchy Across Betting Markets

Figures B.35 and B.36 in the Appendix show that all five platforms share a common macro-trend in 5-minute implied probabilities, with PolyMarket and Betfair exhibiting the highest contemporaneous correlation ($r = 0.87$), while retail bookmakers display visibly delayed updates.

To formalize this, we estimate lead-lag cross-correlations between each platform pair at hourly lags from -12 to $+12$ hours. Figure 9 reveals a three-tier structure. Betfair peaks symmetrically at lag zero, confirming near-simultaneous price discovery with PolyMarket. Bovada and BetOnline peak close to $k = 0$ but with flatter, right-skewed correlograms, indicating that they track the discovery layer closely but do not independently generate political price signals. Unibet exhibits a monotone increase across the entire positive-lag region, with the peak lying beyond the 12-hour estimation window, implying an operational lag of at least 12 hours.

Figure 9: Cross-Correlogram: Information Cascade in Political Markets (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. Betfair (exchange) peaks symmetrically near $k = 0$, confirming near-simultaneous price discovery between the two exchange-based platforms. Bovada and BetOnline (sharp sportsbooks) also peak close to $k = 0$ but with flatter, right-skewed correlograms, indicating rapid replication of exchange signals rather than independent price discovery. Unibet (retail book) exhibits a pronounced monotone increase throughout the positive-lag region, with the peak correlation lying beyond the 12-hour estimation window, indicating an operational lag of at least 12 hours relative to PolyMarket. All series are constructed at hourly frequency from January 1, 2024, through November 5, 2024.

This ordering (exchange discovery, rapid sharp-book replication, slow retail-book dissemination) confirms that PolyMarket captures the earliest signal of new political information.

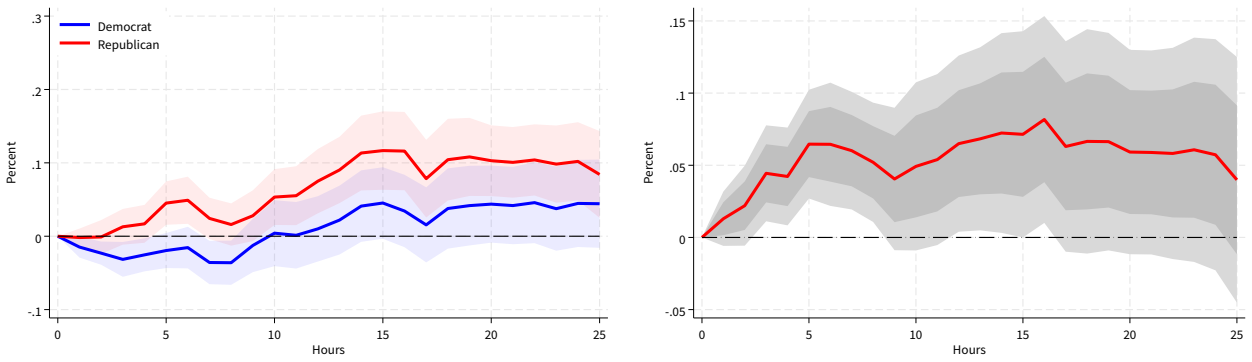
5.6.2 Asset Pricing Robustness via Betfair

Betfair resides in the same discovery layer as PolyMarket, providing a natural robustness check: if the baseline results were driven by idiosyncratic features of PolyMarket (trader composition, smart-contract architecture), they should not replicate under Betfair shocks.

Figure 10 replicates the hourly analysis using Betfair data. The patterns closely mirror those obtained

under PolyMarket: Republican-affiliated firms exhibit positive returns beginning around hour 3, peaking near 0.12–0.14% in the 15–20 hour window, while Democrat-affiliated firms show no significant response.

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

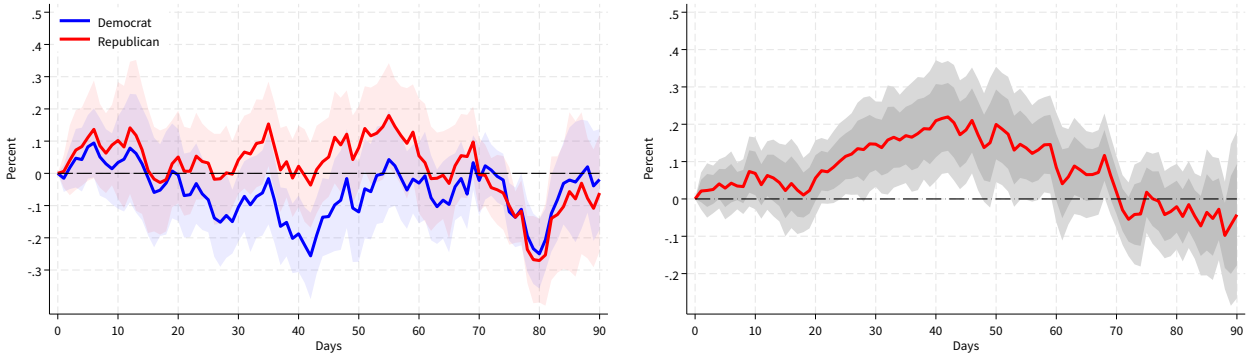


(a) Republican vs Democrat Firm Responses **(b)** Differential Response

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 ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors. The sample covers 69 firms from January 1, 2024, through November 14, 2024.

Figure 11 presents the daily results. The partisan differential peaks near 0.2%, with significance emerging around day 20 and persisting through day 60, closely mirroring the PolyMarket benchmark. Appendix Figure B.12 extends this to the 5-minute frequency, confirming that the Betfair-based differential also emerges within the first 100–200 minutes.

Figure 11: 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 ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors. The sample covers 71 firms from January 1, 2024, through November 14, 2024.

5.6.3 Robustness via Traditional Sportsbooks

Figures B.6–B.15 in the Appendix present results using Bovada, BetOnline, and Unibet at all three frequencies. All three replicate the core pattern. At the 5-minute frequency, the differential emerges within the first 100–200 minutes and persists through the 600-minute window. At the hourly frequency, it peaks at 0.05–0.08% between hours 5 and 15. At the daily frequency, it peaks at 0.17–0.29% between days 30 and 45. Bovada produces the largest point estimates, consistent with its position as a sharp sportsbook, while BetOnline yields the most attenuated estimates with wider confidence bands.

The qualitative consistency across all six probability sources (two prediction markets, one betting exchange, and three sportsbooks spanning three regulatory jurisdictions) at all available frequencies indicates that the baseline findings reflect a real economic relationship rather than a platform artifact. Appendix Figure B.16 further shows that the partisan differential also obtains when using the RealClearPolitics polling average as the shock variable, confirming that the result does not depend on market-based probability measures. The ordering of statistical precision maps directly onto the informational hierarchy: platforms that incorporate political information more rapidly generate tighter estimates, while Unibet produces the widest confidence intervals, consistent with measurement error attenuation from a noisier shock series.

5.6.4 Leave-One-Sector-Out 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.29, B.30, and B.31 re-estimate β_3^h after dropping each of the ten sectors one at a time. At every frequency, the leave-one-out estimates cluster tightly around the benchmark, confirming that no single sector drives the result.

As a further check, we conduct a Monte Carlo placebo test in which firms are randomly reassigned to Republican and Democrat groups with equal probability, and the full specification is re-estimated 500 times. Appendix Figures B.32, B.33, and B.34 show that the distribution of placebo β_3^h estimates is centered at zero at all horizons at the daily, hourly, and 5-minute frequencies, with the benchmark estimate lying far outside the placebo distribution.

6 Conclusion

The findings, taken together, establish that partisan alignment is not merely a label but a priced characteristic of firms: one that markets monitor in real time, value proportionally to its intensity, and reprice within minutes of new political information. The multi-frequency evidence rules out competing explanations in sequence. The speed of onset (within the first hour) is inconsistent with slow-moving channels such as regulatory implementation or fiscal policy adjustment; the persistence over two months is inconsistent with sentiment-driven overshooting or noise trading; and the dose-response pattern is inconsistent with binary partisan sorting or spurious correlation. What remains is a market that continuously assesses the expected policy rents associated with each firm's political position, updating those assessments as electoral probabilities evolve.

The structural estimate puts a dollar figure on this assessment. A fully aligned firm with $50 billion in mar-

ket capitalization holds a contingent claim on policy rents worth approximately $125 million per percentage-point shift in electoral probability. This figure dwarfs the observable costs of political engagement: even the most politically active U.S. corporations spend less than $20 million annually on lobbying and campaign contributions combined (Ansolabehere et al., 2003). The gap implies that the economic returns to political alignment are mediated primarily by channels that do not appear in disclosure filings, including regulatory treatment, procurement decisions, and informal access to policymakers. The cross-platform analysis reinforces this conclusion from a different angle: the three-tier informational hierarchy across betting venues mirrors the price-discovery structure of financial markets (Hasbrouck, 1995), confirming that political probability signals are processed with the same speed and institutional stratification as conventional asset price information.

Two limitations bound the interpretation. The 71-firm sample covers only companies with identifiable partisan contributions during a single, unusually polarized election cycle; whether the repricing mechanism generalizes to broader cross-sections, midterm elections, or international settings remains open. And while we document the return differential, we do not observe the portfolio rebalancing that produces it; combining the probability shock series developed here with institutional trading or order-flow data would clarify whether the repricing is driven by informed specialists or by broad-based portfolio adjustment.

Political capital, as the title of this paper suggests, is real capital. It has a measurable market value, it responds to information at the speed of financial markets, and its returns appear to far exceed its observable costs.

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Appendix

A Theoretical Framework

This appendix presents the formal model underlying the structural estimate reported in the main text. The goal is minimal: to derive the three empirical predictions (partisan return differential, dose-response scaling, and persistence) as closed-form results from a simple framework, and to recover the implied policy rent $\hat{\rho}$ from the estimated coefficient $\hat{\beta}_3$.

A.1 Environment

There is a continuum of firms indexed by i, each characterized by a *partisan alignment* parameter $\alpha_i \in [0,1]$ measured by the *RepublicanAffiliation* share from OpenSecrets. Two mutually exclusive election outcomes are possible: a Republican win (probability $p_t \in (0,1)$, evolving as a martingale) or a Democrat win (probability $1-p_t$). Under a Republican administration, firm i receives a policy rent $R_i = \rho\,\alpha_i$, where $\rho > 0$ is the aggregate value of Republican policy rents to a fully aligned firm ($\alpha_i = 1$). Under a Democratic administration, firm i receives $D_i = \rho\,(1-\alpha_i)$. The parameter ρ is common across firms; α_i determines the share of rents captured by each firm under each outcome. Policy rents represent the present discounted value of regulatory advantages, preferential procurement, or tax treatment expected from the administration.

A.2 Equilibrium Pricing and Testable Predictions

Under risk-neutral pricing with discount rate r, the political component of firm i's value is:

$$V_{it} = \frac{p_t \cdot R_i + (1-p_t)\cdot D_i}{1+r} = \frac{\rho}{1+r}\left[p_t\,\alpha_i + (1-p_t)(1-\alpha_i)\right]. \tag{1}$$

Differentiating with respect to p_t yields the *political sensitivity* of firm i:

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

This expression generates three closed-form predictions that map directly onto the empirical design.

Proposition 1 (Partisan return differential)**.** *A unit increase in p_t raises the value of Republican-leaning firms ($\alpha_i > 0.5$) and lowers the value of Democrat-leaning firms ($\alpha_i < 0.5$). For any two firms with $\alpha_i > \alpha_j$, the return differential equals $\frac{2\rho}{1+r}(\alpha_i - \alpha_j)$. In the limiting binary classification ($\alpha_i = 1$ vs. $\alpha_j = 0$), the theoretical maximum differential is $\frac{2\rho}{1+r}$; the empirical binary specification estimates a compressed version of this quantity, as Proposition 2 clarifies.*

Proposition 2 (Dose-response)**.** *The sensitivity $\partial V_{it}/\partial p_t$ is linear in α_i. Replacing the binary PartyID_i with the continuous $\text{RepublicanAffiliation}_i$ in the local projection should therefore recover a coefficient proportional to $2\rho/(1+r)$. Because the binary specification compares mean Republican alignment ($\bar{\alpha} \approx 0.65$) to mean Democrat*

alignment ($\bar{\alpha} \approx 0.35$), compressing the effective contrast to approximately 0.30 units, the full-range continuous differential (comparing $\alpha_i = 1$ to $\alpha_i = 0$) should be roughly $1/0.30 \approx 3.3$ times larger than the binary estimate.

Proposition 3 (Persistence)**.** *Because p_t is a martingale, V_{it} inherits that property. A shock to p_t produces a* permanent *shift in V_{it}: the impulse response should be non-reverting. Mean reversion in the estimated $\hat{\beta}_3^h$ over long horizons would indicate sentiment or noise trading rather than fundamental repricing of policy rents.*

A.3 Information Frictions and Gradual Adjustment

To rationalize the gradual price adjustment documented at the 5-minute and hourly frequencies, we extend the baseline model with heterogeneous investor precision. Each investor j observes a noisy signal $s_{jt} = \Delta p_t + \eta_{jt}$, where $\eta_{jt} \sim \mathcal{N}(0, \tau_j^2)$. Investors with lower τ_j^2 (more precise signals) update immediately; less precise investors enter sequentially over subsequent periods. Under standard Bayesian updating, the aggregate price adjustment follows a distributed lag:

$$\hat{V}_{it} = V_{i,t-1} + \sum_{k=0}^{K} \lambda_k \cdot \frac{\rho}{1+r}(2\alpha_i - 1) \cdot \Delta p_{t-k}, \tag{3}$$

where $\lambda_k \geq 0$ and $\sum_k \lambda_k = 1$. The resulting impulse response function is hump-shaped, rising initially as more investors update and then flattening once the full information set is incorporated, consistent with the 5-minute and hourly patterns in Section 5. The same precision parameter τ_j^2 governs the information cascade across betting platforms: venues with lower τ_j^2 (exchanges) adjust instantly while retail bookmakers with higher τ_j^2 lag by at least 12 hours, connecting the cascade finding in Section 5.6 to the main return results under a single mechanism.

Corollary 1 (Cascade ordering)**.** *The peak of the cross-correlogram between PolyMarket and platform j is monotone in τ_j^2. Exchanges ($\tau_j^2 \approx 0$) peak at lag zero; retail bookmakers (τ_j^2 large) peak at positive lags. The observed three-tier ordering in Figure 9 is therefore a testable implication of the same information-friction parameter that governs gradual stock price adjustment.*

A.4 Structural Estimate

The dose-response specification directly estimates the return differential between fully Republican-aligned ($\alpha_i = 1$) and fully Democrat-aligned ($\alpha_i = 0$) firms, which the model maps to $\frac{2\rho}{1+r}$. The daily dose-response estimate $\hat{\beta}_3^{\text{cont}} \approx 0.005$ (a 0.5% full-range differential per percentage-point shock) and a standard daily discount rate $r \approx 0.0002$ imply:

$$\hat{\rho} = \frac{\hat{\beta}_3^{\text{cont}}(1+r)}{2} \approx 0.0025. \tag{4}$$

A firm with market capitalization M and full Republican alignment ($\alpha_i = 1$) holds a contingent policy-rent claim worth approximately $0.0025 \times M$ per percentage-point shift in electoral probability relative to a fully Democrat-aligned peer. For $M = \$50$ billion, this amounts to approximately \$125 million per percentage-point shift. This figure is an order of magnitude larger than the annual lobbying expenditure of even the most

politically active U.S. firms (Ansolabehere et al., 2003), suggesting that campaign contribution data capture only a fraction of the economic stakes of political alignment.

B Additional Tables and Figures

Table B.1: Descriptive Statistics by Party Affiliation

	Republicans		**Democrats**		**Full Sample**	
Variable	*Mean*	*SD*	*Mean*	*SD*	*Mean*	*SD*
Δ Stock Price (daily)	0.06	1.96	0.06	1.92	0.06	1.94
Log(Assets)	10.81	1.24	11.25	1.52	9.49	1.55
Log(Sales)	10.21	1.34	10.77	1.49	8.86	1.18
Employment	153	256	150	362	35.7	89.07
Log(Capital Stock)	9.71	2.01	9.90	2.03	8.25	1.73
Leverage (%)	52.42	28.26	53.47	26.04	51.46	68.47
Profitability (%)	13.21	7.75	11.76	9.89	11.25	8.69
Cash Holding (%)	10.64	14.30	13.86	12.70	10.88	12.45
Net Worth (%)	33.91	22.75	33.64	19.64	34.10	24.36
Credit Rating (A share)	0.47	0.50	0.40	0.50	0.49	4.50
No. of Obs.	36		35		2048	

Notes: Assets (*at*), sales (*sale*), and capital stock (*ppegt*) are reported in millions of dollars (from COMPUSTAT). Leverage (book leverage) is the ratio of total debt (*dlc* + *dltt*) to the sum of total debt and the book value of equity. Profitability is operating income before depreciation (*oibdp*) expressed as a percentage of total assets. Cash holding (*che*) is cash and equivalents as a percentage of total assets. Net worth is total assets minus total liabilities (*at* - *lt*), expressed as a percentage of total assets. Credit rating represents the share of firms with a credit rating of A- or higher. The full sample includes all publicly listed firms from COMPUSTAT with total assets exceeding $1 billion.

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

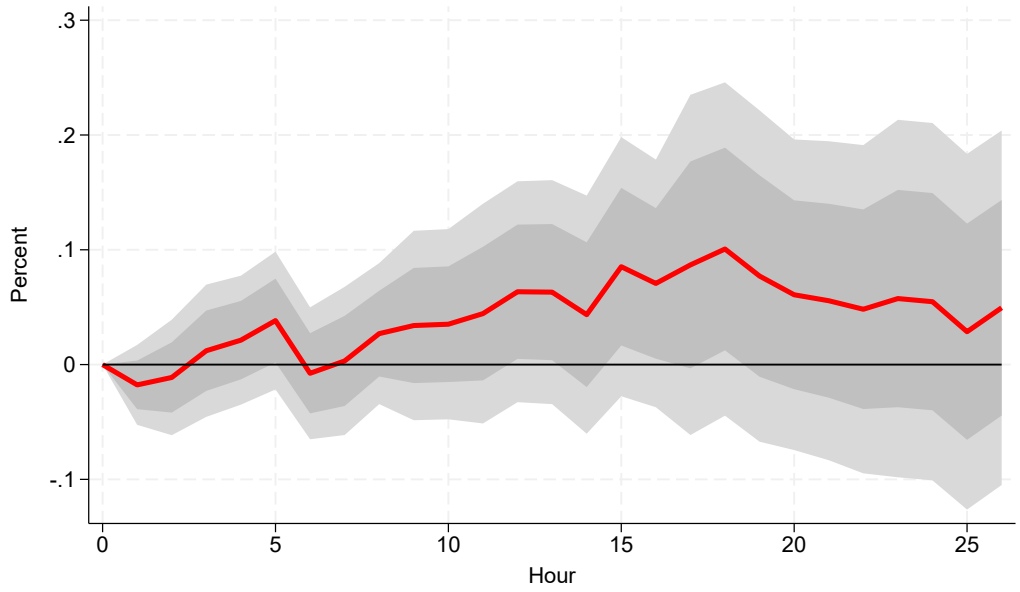
Contributor	Ticker	Political Affiliation	Intensity	Sector
Blackstone Group	BX	Republican	0.89	Finance
Ryan Specialty Group	RYAN	Republican	0.98	Finance
Charles Schwab Corp	SCHW	Republican	1.00	Finance
Coinbase	COIN	Republican†	0.42	Finance
Home Depot	HD	Republican	0.66	Misc
Walmart Inc	WMT	Republican	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	0.00	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
Google 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	0.44	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	0.38	Transport
Union Pacific Corp	UNP	Republican	0.71	Transport
Southwest Airlines	LUV	Republican	0.58	Transport
Transdigm Group	TDG	Republican	0.79	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	0.75	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	0.71	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 from 2020 to 2024, and their primary industry sector. *Intensity* refers to the continuous *RepublicanAffiliation* measure defined as $\text{RepublicanAffiliation}_i = \frac{\text{Republican Donations}_i}{\text{Democrat Donations}_i + \text{Republican Donations}_i}$. †Coinbase is reclassified as Republican based on its 2024 pro-crypto advocacy activities despite a contribution ratio below 0.50. The sample includes 36 Republican-affiliated and 35 Democrat-affiliated firms after this reclassification.

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:

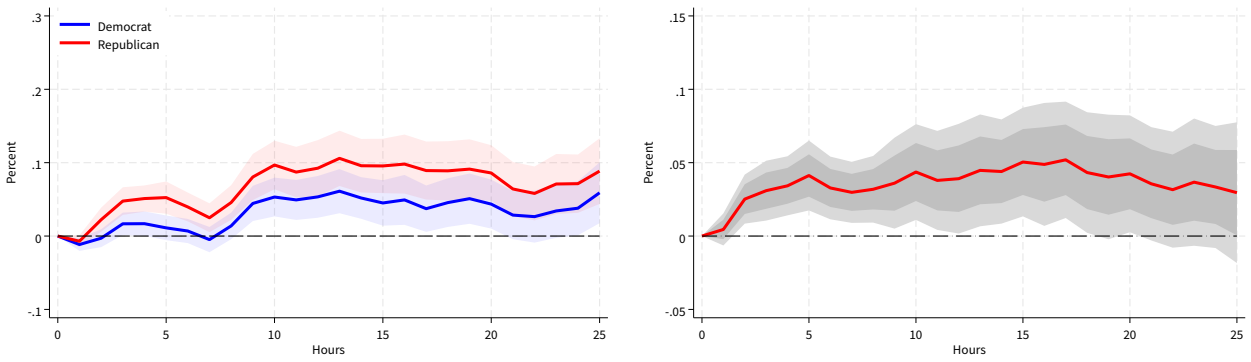
$$\log(\text{TradeClose}_{i,t+h}) - \log(\text{TradeClose}_{i,t}) = \alpha^h + \sum_{k=1}^{14} \phi_k^h \Delta \log(\text{TradeClose}_{i,t-k}) + \beta_1^h \Delta \text{Prob}_t + \beta_2^h \text{PartyID}_i + \delta_t^h + \eta_i^h + \epsilon_{i,t+h}^h$$

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 68% confidence intervals, respectively, using clustered standard errors.

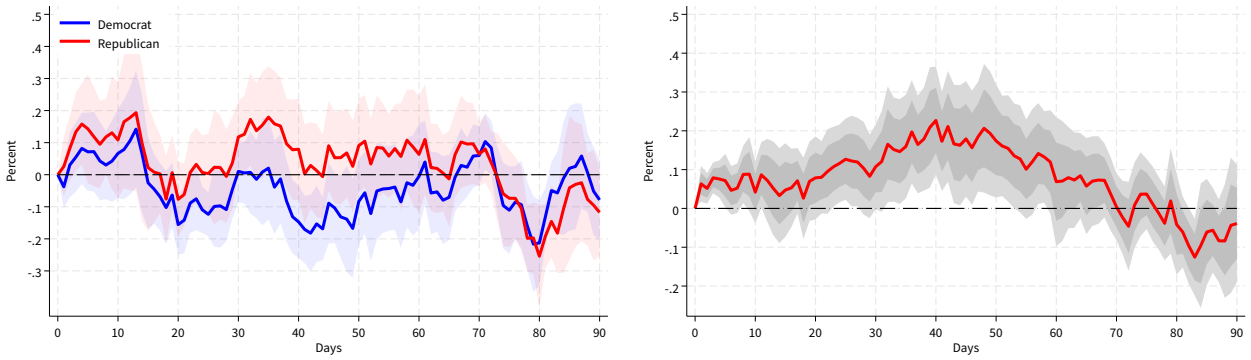
Figure B.2: Stock Price Response to 1pp Increase in Republican Winning Probability via PredictIt (Hourly Frequency)



(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 ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

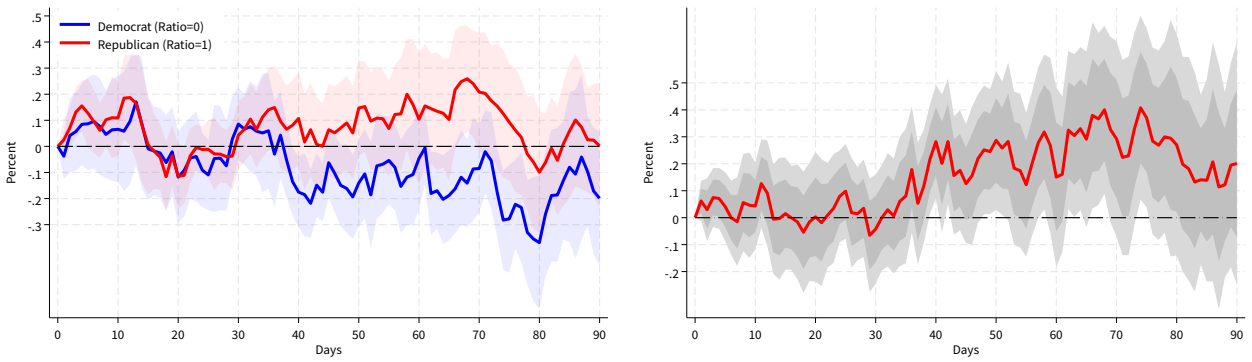
Figure B.3: Stock Price Response to 1pp Increase in Republican Winning Probability via PredictIt (Daily Frequency, Binary Affiliation)



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

Notes: This figure replicates Figure 2 using PredictIt-derived probability shocks and the binary party affiliation measure. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors. All specifications include the same set of controls as in Figure 2.

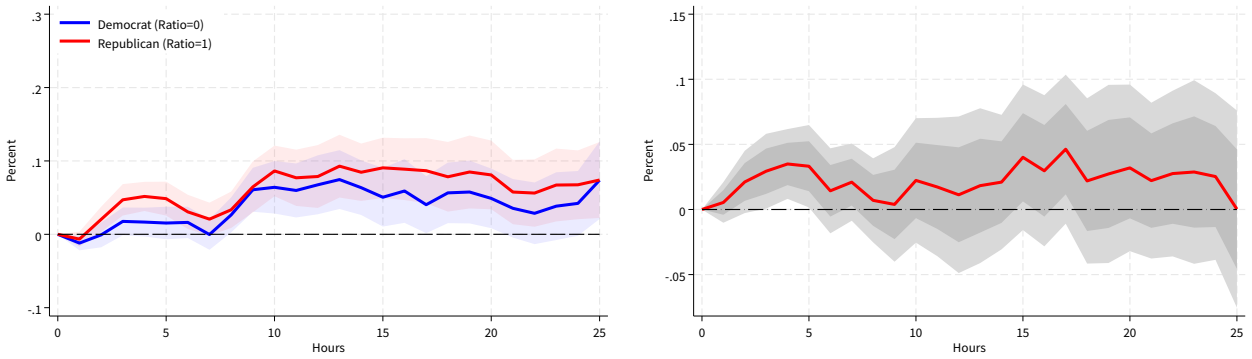
Figure B.4: Stock Price Response to 1pp Increase in Republican Winning Probability via PredictIt (Daily Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 6 using PredictIt-derived probability shocks and the continuous *RepublicanAffiliation* measure. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

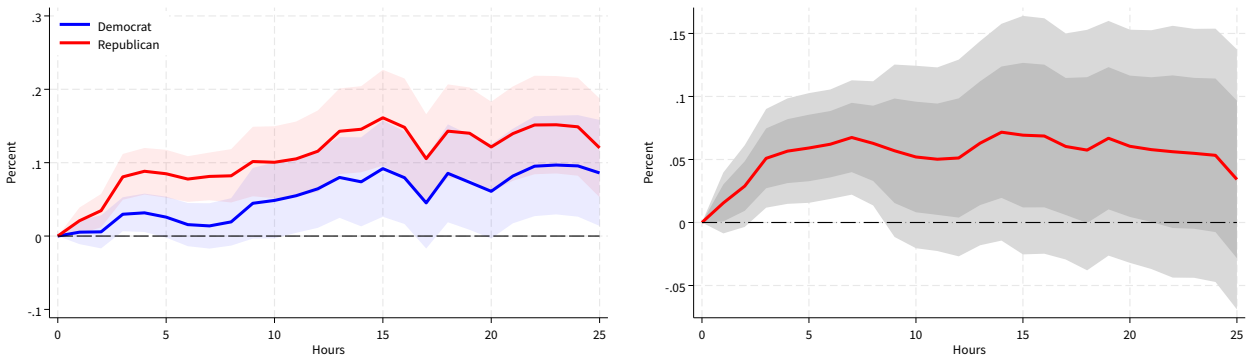
Figure B.5: Stock Price Response to 1pp Increase in Republican Winning Probability via PredictIt (Hourly Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 7 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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

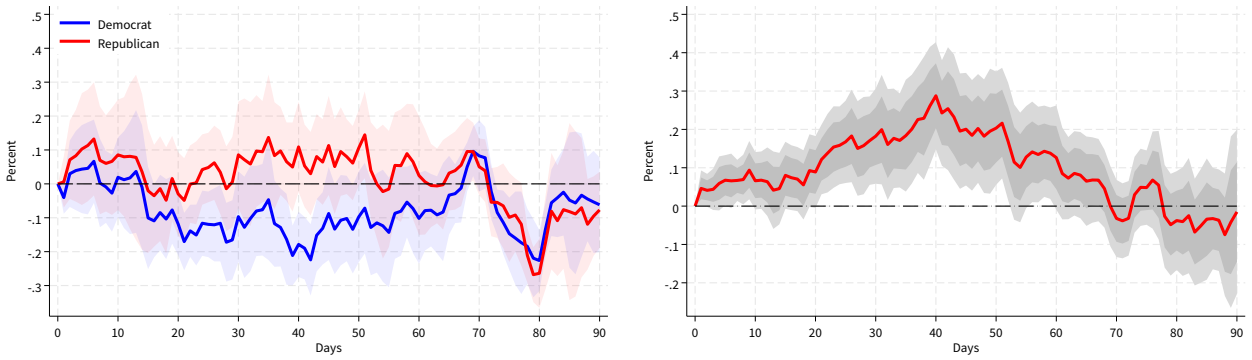
Figure B.6: Stock Price Response to 1pp Increase in Republican Winning Probability via Bovada (Hourly Frequency)



(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 Bovada. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively.

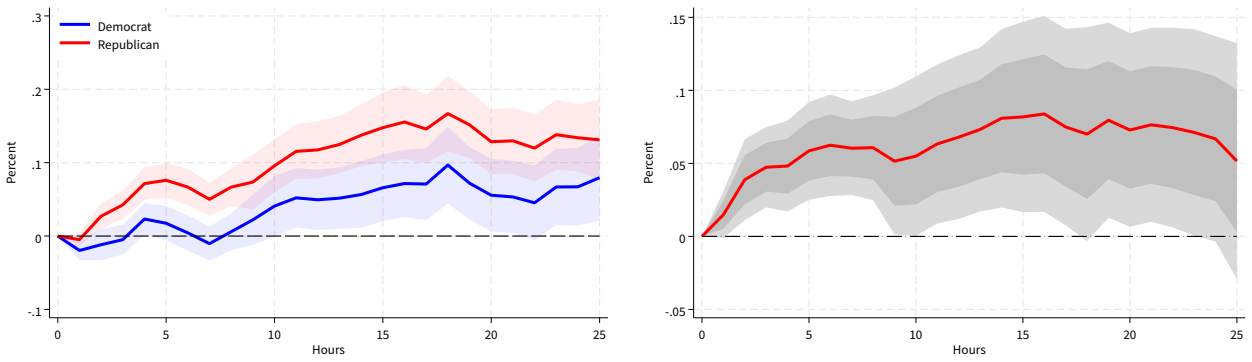
Figure B.7: Stock Price Response to 1pp Increase in Republican Winning Probability via Bovada (Daily Frequency)



(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 Bovada. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

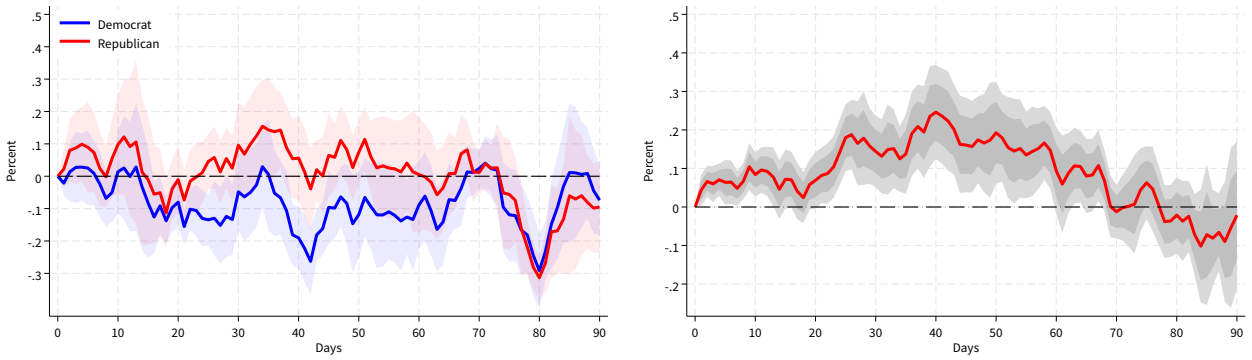
Figure B.8: Stock Price Response to 1pp Increase in Republican Winning Probability via Unibet (Hourly Frequency)



(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 Unibet. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively.

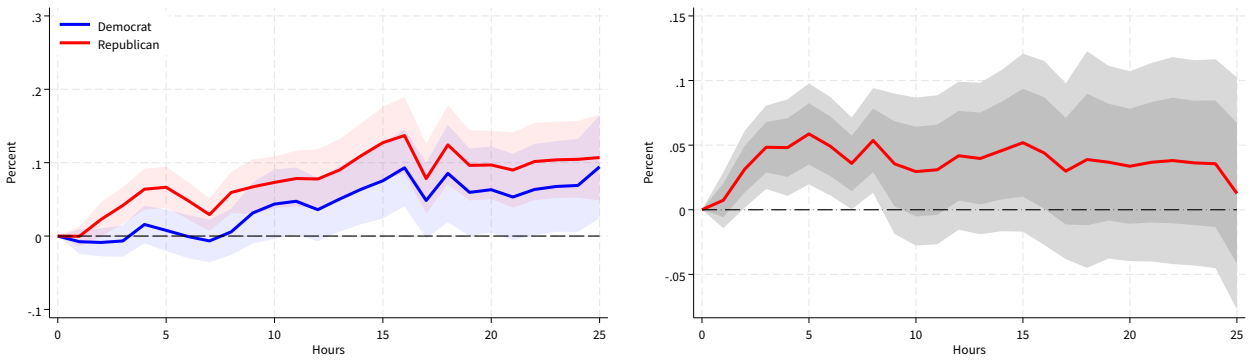
Figure B.9: Stock Price Response to 1pp Increase in Republican Winning Probability via Unibet (Daily Frequency)



(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 Unibet. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

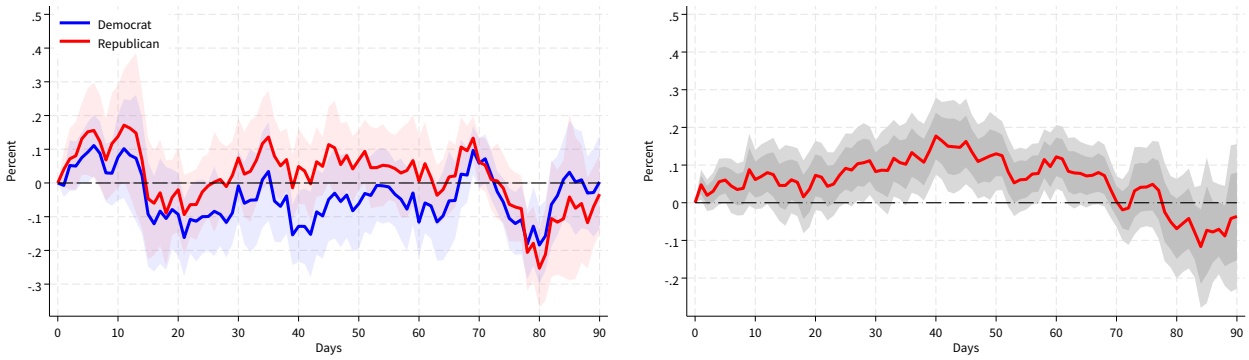
Figure B.10: Stock Price Response to 1pp Increase in Republican Winning Probability via BetOnline (Hourly Frequency)



(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 BetOnline. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively.

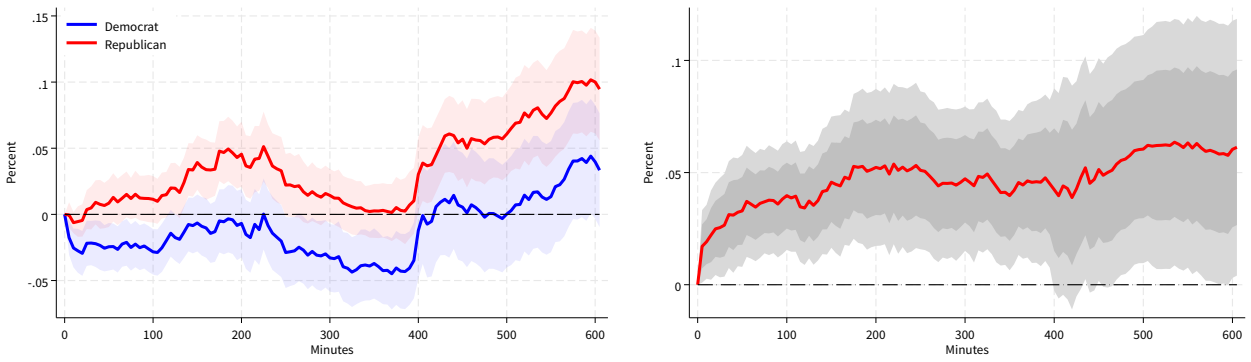
Figure B.11: Stock Price Response to 1pp Increase in Republican Winning Probability via BetOnline (Daily Frequency)



(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 BetOnline. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

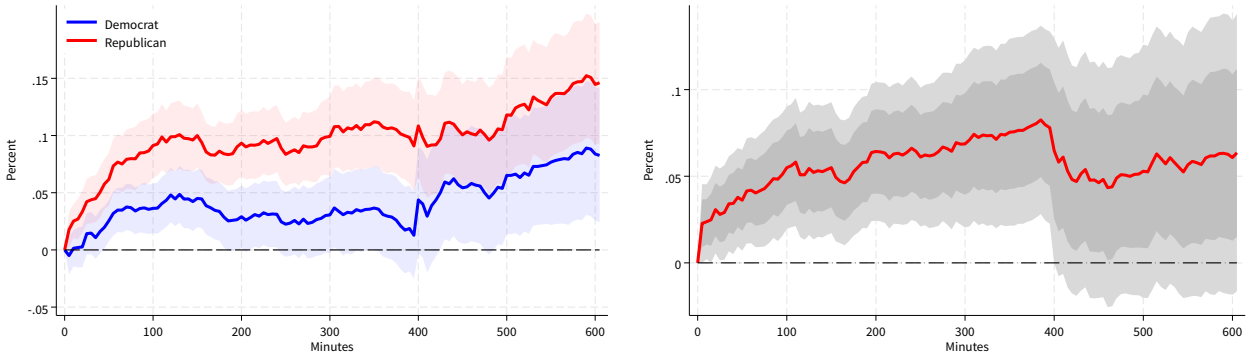
Figure B.12: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (5-Minute Frequency)



(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 ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors. The sample covers 69 firms from January 1, 2024, through November 14, 2024.

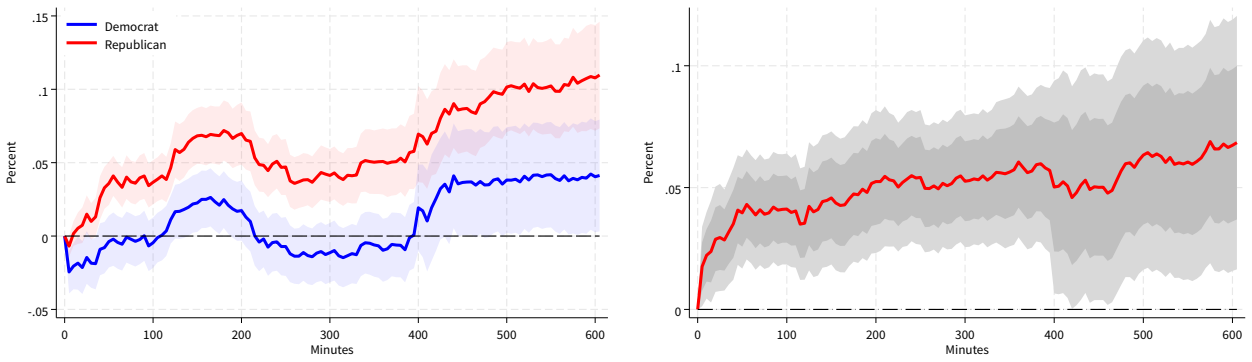
Figure B.13: Stock Price Response to 1pp Increase in Republican Winning Probability via Bovada (5-Minute Frequency)



(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 Bovada. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

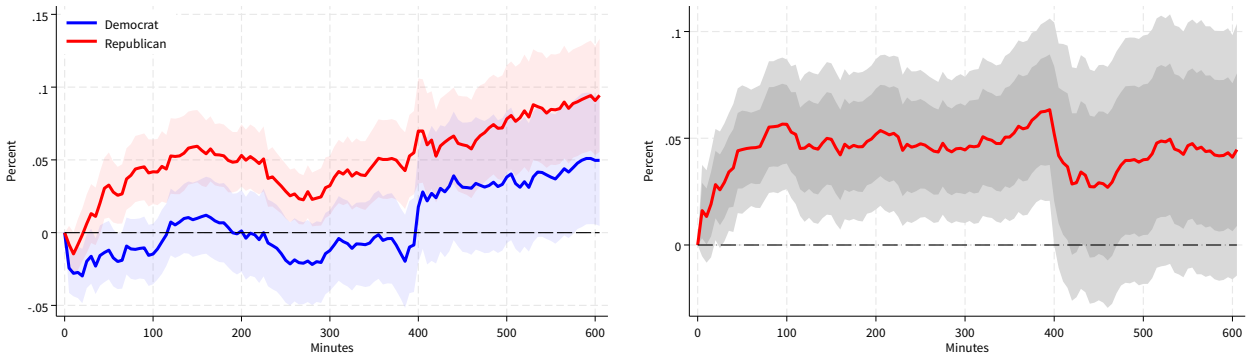
Figure B.14: Stock Price Response to 1pp Increase in Republican Winning Probability via Unibet (5-Minute Frequency)



(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 Unibet. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

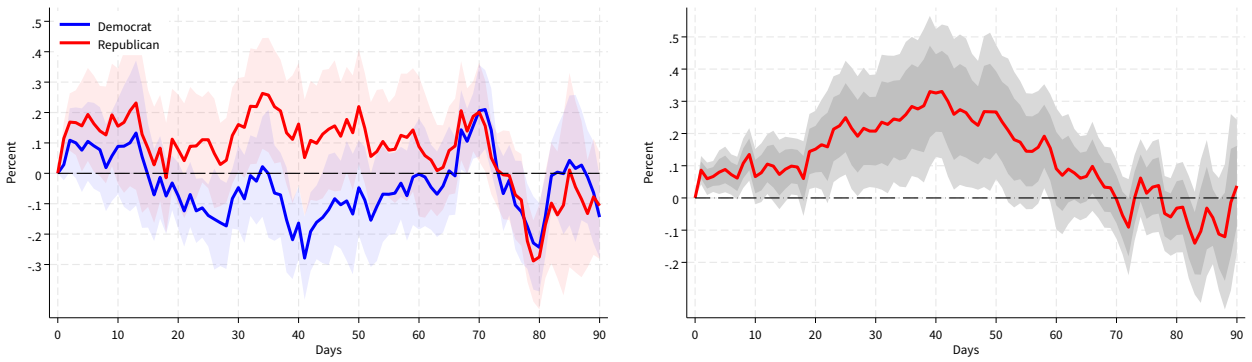
Figure B.15: Stock Price Response to 1pp Increase in Republican Winning Probability via BetOnline (5-Minute Frequency)



(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 BetOnline. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

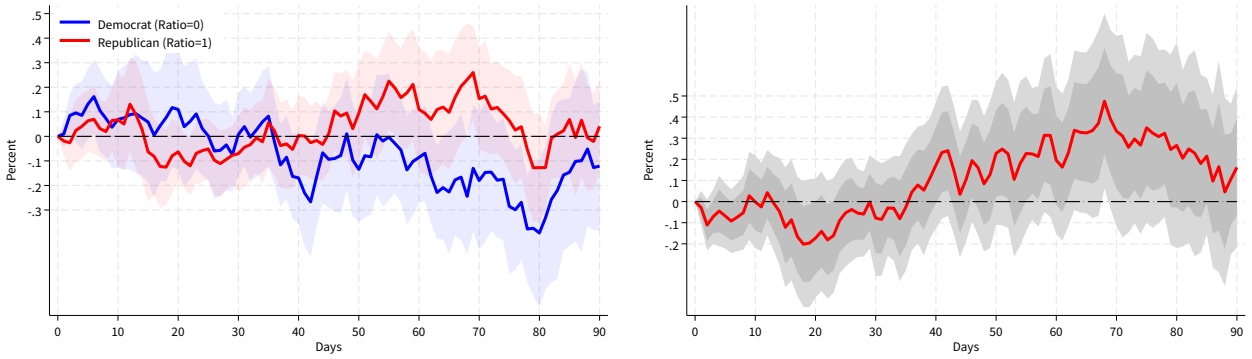
Figure B.16: Stock Price Response to 1pp Increase in Republican Winning Probability via RealClearPolitics Polling Average (Daily Frequency)



(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 the RealClearPolitics polling average. Unlike the market-based measures used elsewhere, this shock series reflects aggregated survey data. Panel (a) shows the cumulative responses ($\beta_1^h + \beta_3^h$) for Republican firms (red line) and Democrat firms (blue line), with 90% confidence intervals. Panel (b) shows the differential response (β_3^h), with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

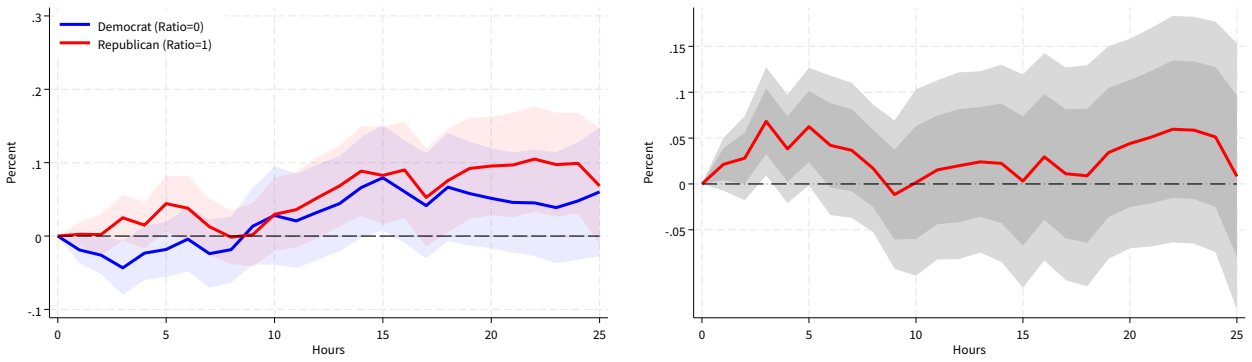
Figure B.17: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (Daily Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 6 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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

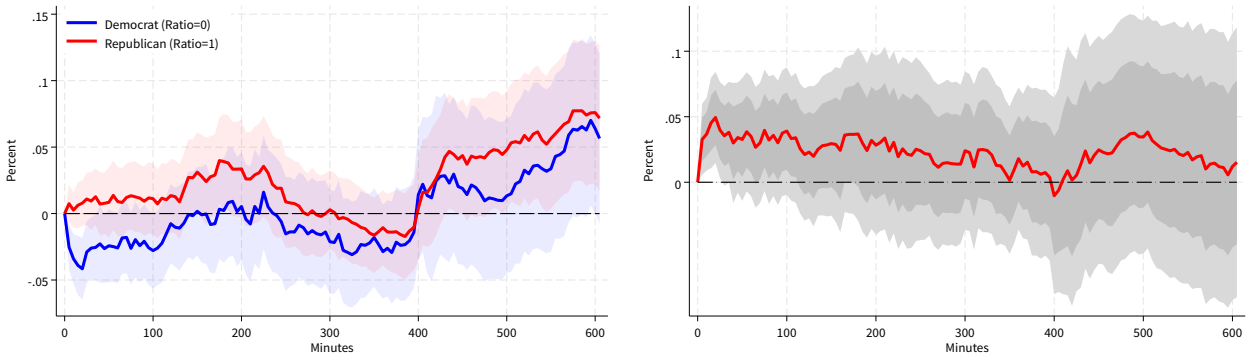
Figure B.18: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (Hourly Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 7 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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

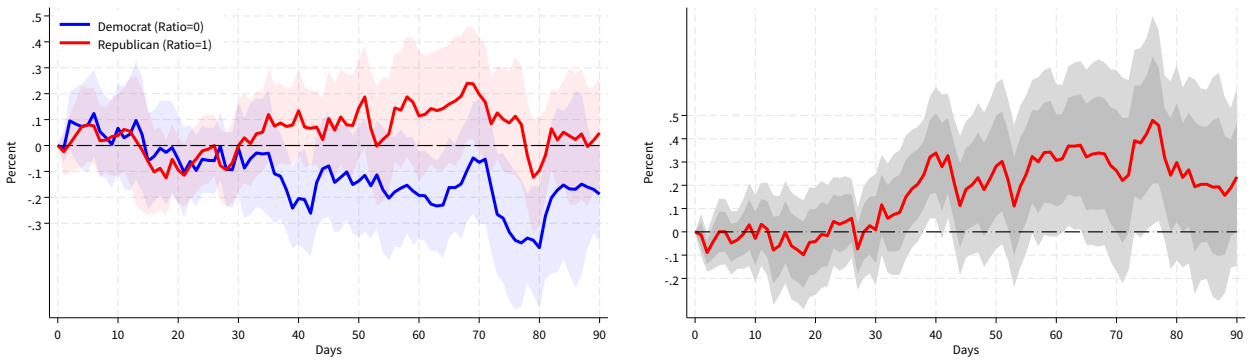
Figure B.19: Stock Price Response to 1pp Increase in Republican Winning Probability via Betfair (5-Minute Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 8 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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

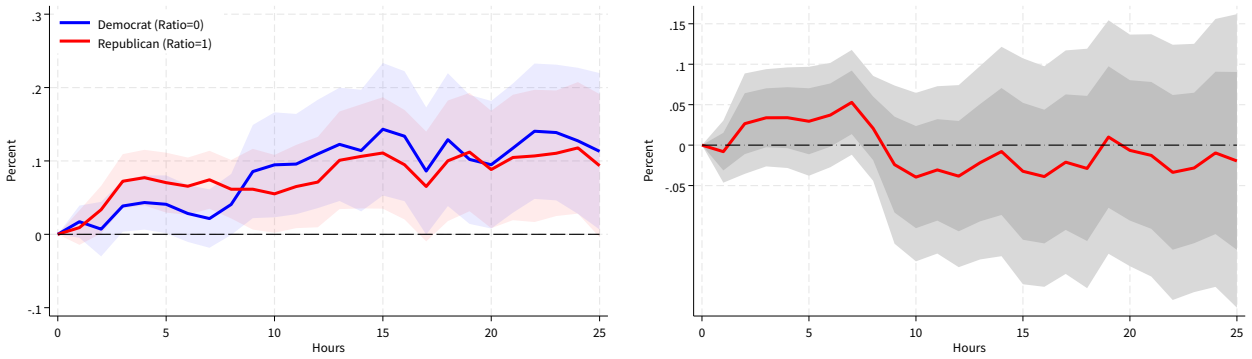
Figure B.20: Stock Price Response to 1pp Increase in Republican Winning Probability via Bovada (Daily Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 6 using Bovada-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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

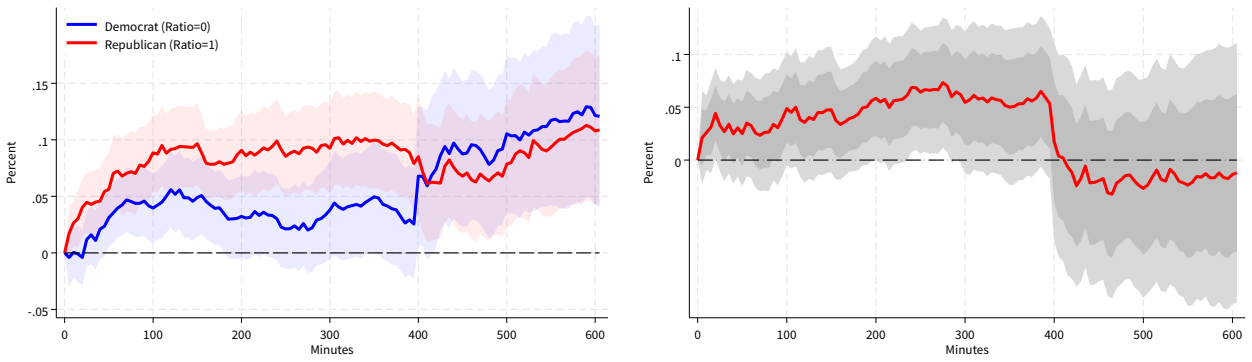
Figure B.21: Stock Price Response to 1pp Increase in Republican Winning Probability via Bovada (Hourly Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 7 using Bovada-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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

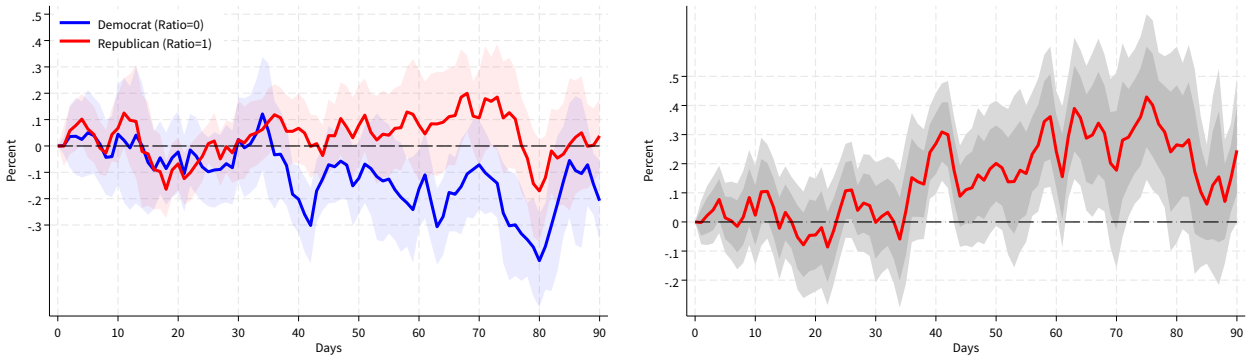
Figure B.22: Stock Price Response to 1pp Increase in Republican Winning Probability via Bovada (5-Minute Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 8 using Bovada-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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

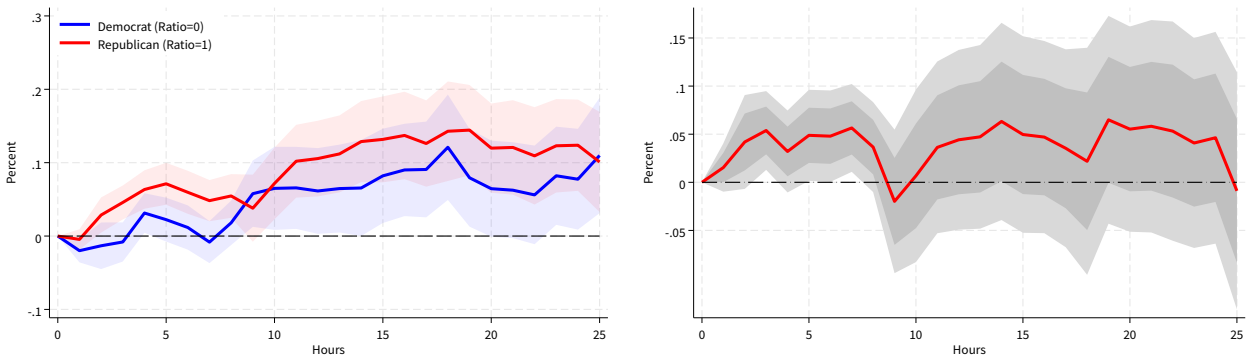
Figure B.23: Stock Price Response to 1pp Increase in Republican Winning Probability via Unibet (Daily Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 6 using Unibet-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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

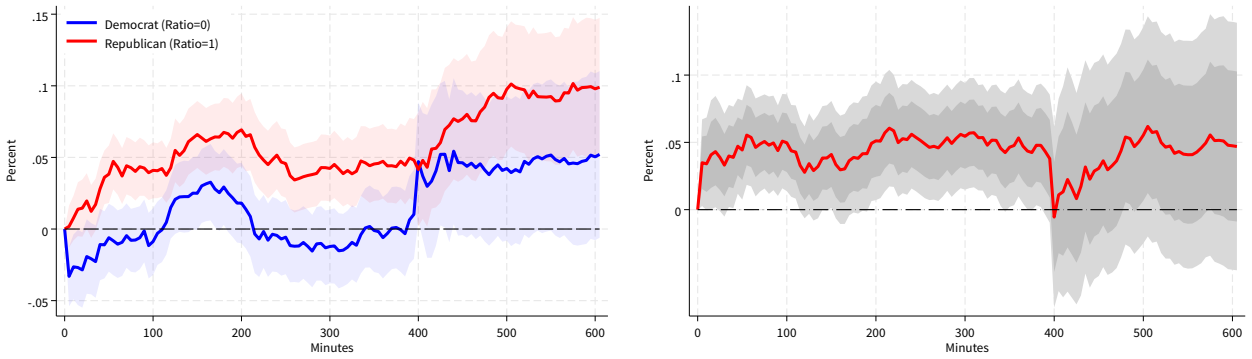
Figure B.24: Stock Price Response to 1pp Increase in Republican Winning Probability via Unibet (Hourly Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 7 using Unibet-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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

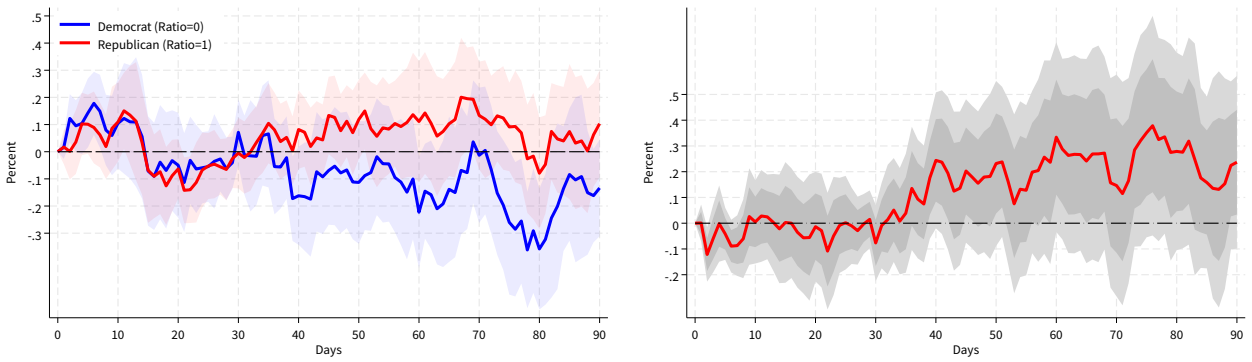
Figure B.25: Stock Price Response to 1pp Increase in Republican Winning Probability via Unibet (5-Minute Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 8 using Unibet-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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

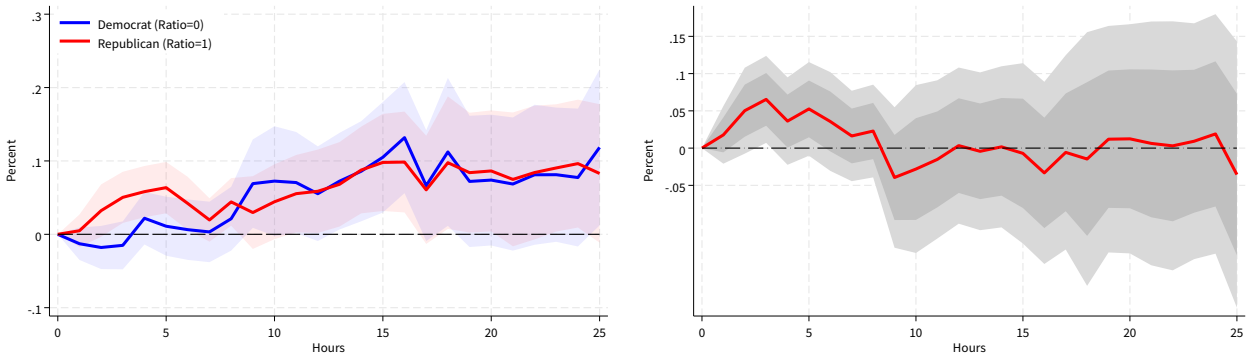
Figure B.26: Stock Price Response to 1pp Increase in Republican Winning Probability via BetOnline (Daily Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 6 using BetOnline-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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using Driscoll-Kraay standard errors.

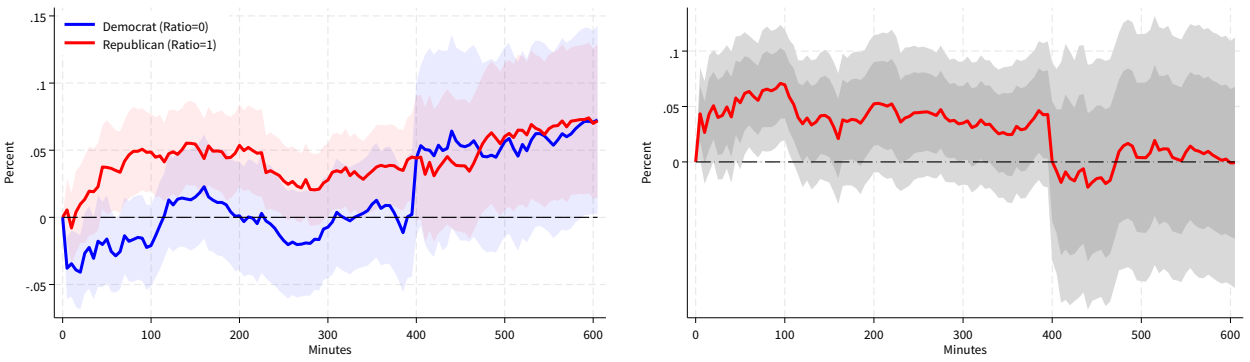
Figure B.27: Stock Price Response to 1pp Increase in Republican Winning Probability via BetOnline (Hourly Frequency, Continuous Affiliation)



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

Notes: This figure replicates Figure 7 using BetOnline-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 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

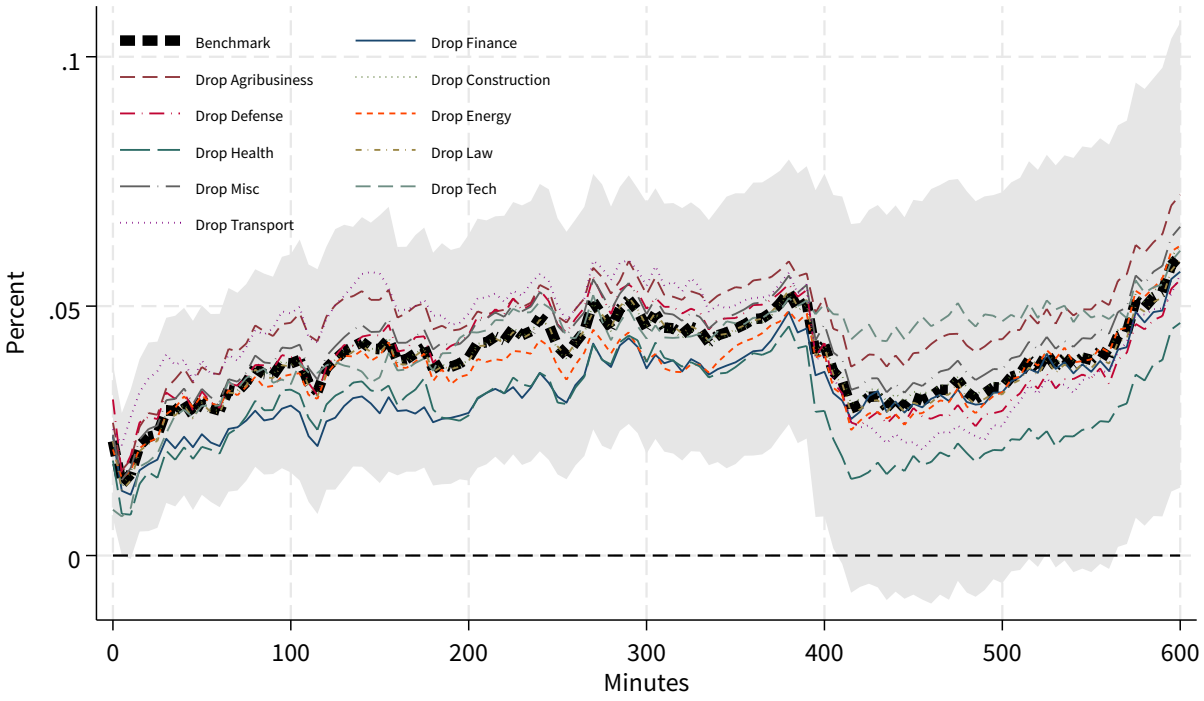
Figure B.28: Stock Price Response to 1pp Increase in Republican Winning Probability via BetOnline (5-Minute Frequency, Continuous Affiliation)



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

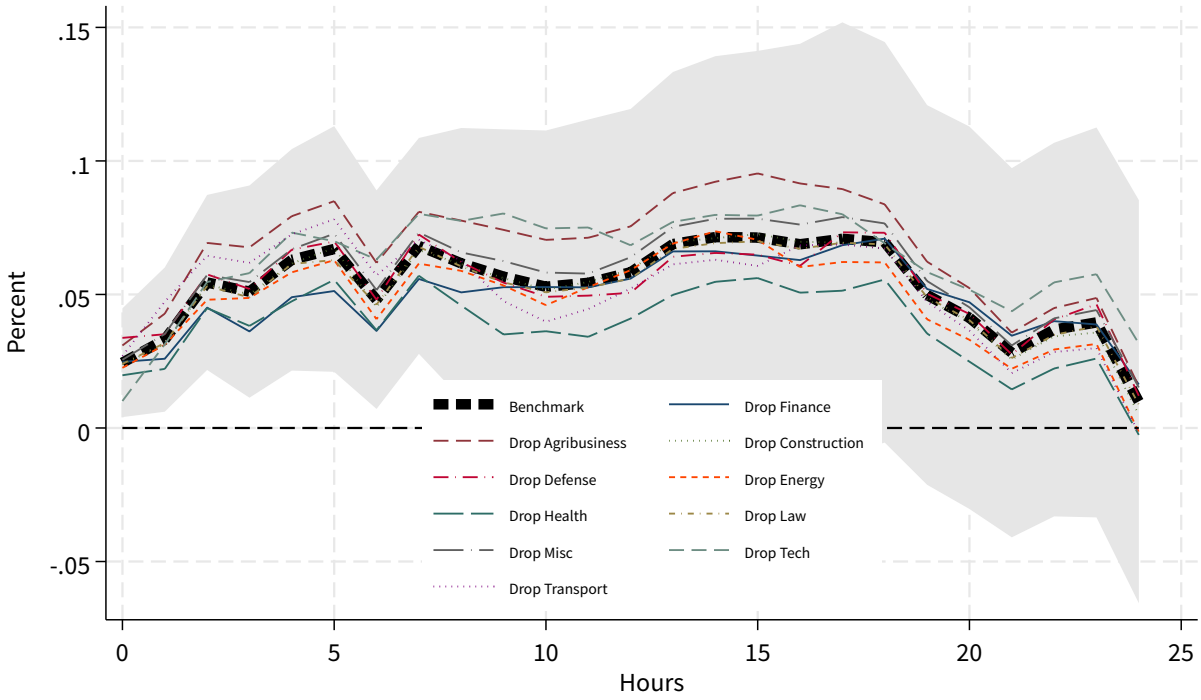
Notes: This figure replicates Figure 8 using BetOnline-derived probability shocks and the continuous *RepublicanAffiliation* measure at 5-minute frequency. Panel (a) shows the cumulative responses for fully Republican-affiliated firms (Ratio = 1, red line) and fully Democrat-affiliated firms (Ratio = 0, blue line), with 90% confidence intervals. Panel (b) shows the interaction term coefficient β_3^h, with dark and light gray shaded areas representing 90% and 68% confidence intervals, respectively, using clustered standard errors.

Figure B.29: Leave-One-Sector-Out Robustness: Differential Response β_3^h (5-Minute Frequency)



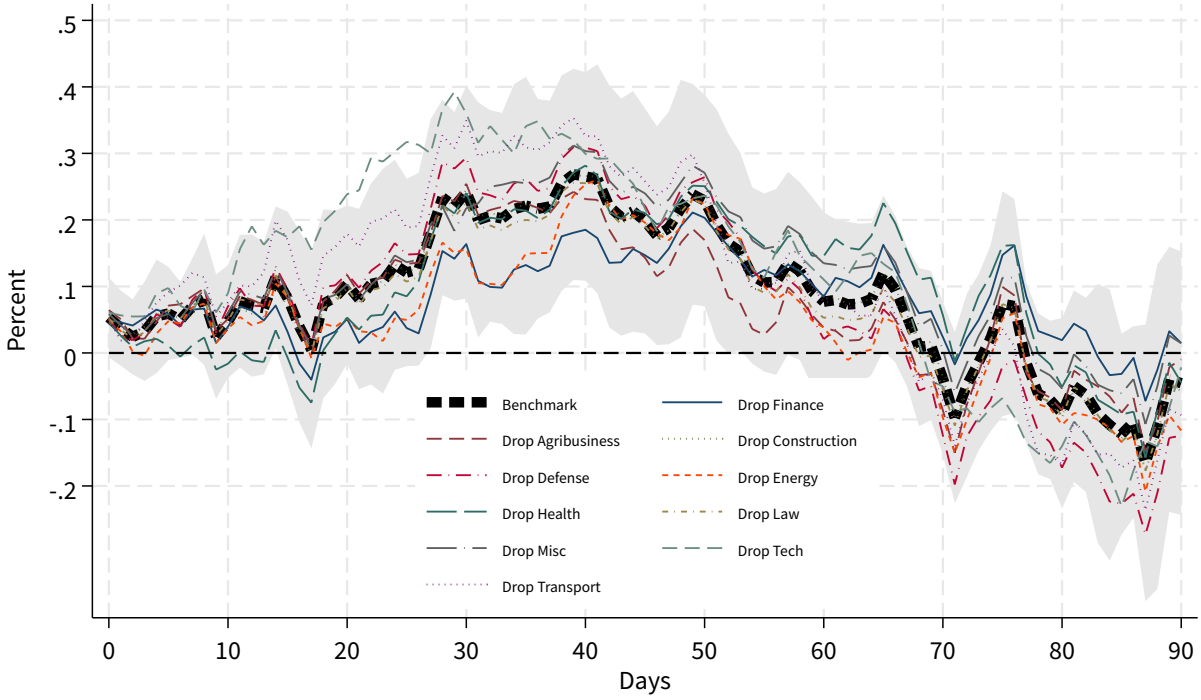
Notes: This figure presents the leave-one-sector-out robustness check for the 5-minute differential response β_3^h. The thick black line shows the benchmark estimate using all 69 firms, with the gray shaded area representing the 90% confidence interval. Each colored line re-estimates the specification 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.30: Leave-One-Sector-Out Robustness: Differential Response β_3^h (Hourly Frequency)



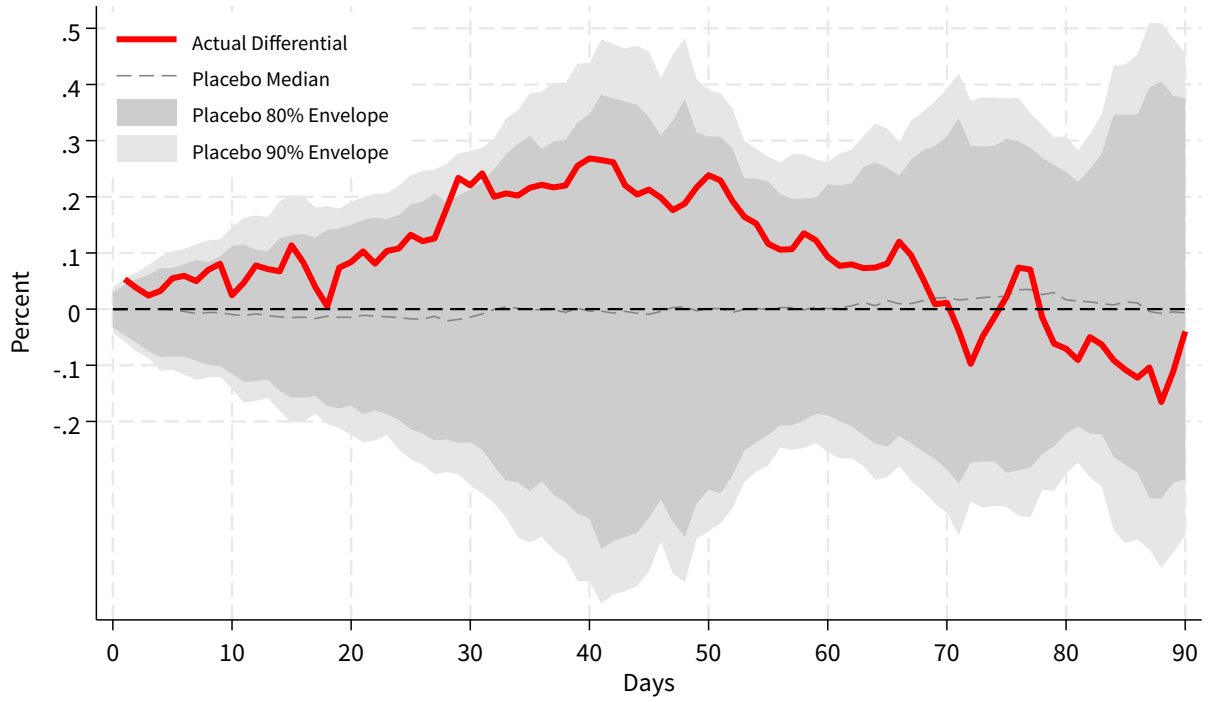
Notes: This figure presents the leave-one-sector-out robustness check for the hourly differential response β_3^h. The thick black line shows the benchmark estimate using all 69 firms, with the gray shaded area representing the 90% confidence interval. Each colored line re-estimates the specification 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.31: Leave-One-Sector-Out Robustness: Differential Response β_3^h (Daily Frequency)



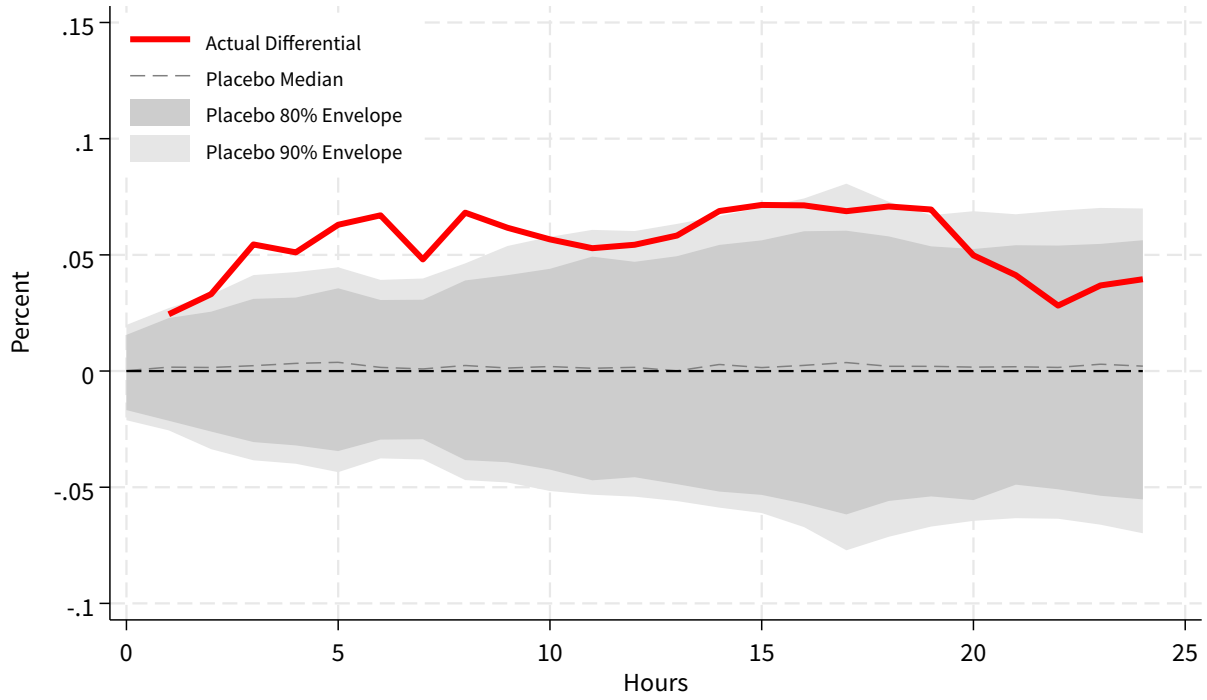
Notes: This figure presents the leave-one-sector-out robustness check for the daily differential response β_3^h. The thick black line shows the benchmark estimate using all 71 firms, with the gray shaded area representing the 90% confidence interval. Each colored line re-estimates the specification after dropping all firms in the indicated sector. The sample covers January 1, 2024, through November 14, 2024, using PolyMarket probability shocks and Driscoll-Kraay standard errors.

Figure B.32: Monte Carlo Placebo Test: Distribution of β_3^h Under Random Partisan Assignment (Daily Frequency)



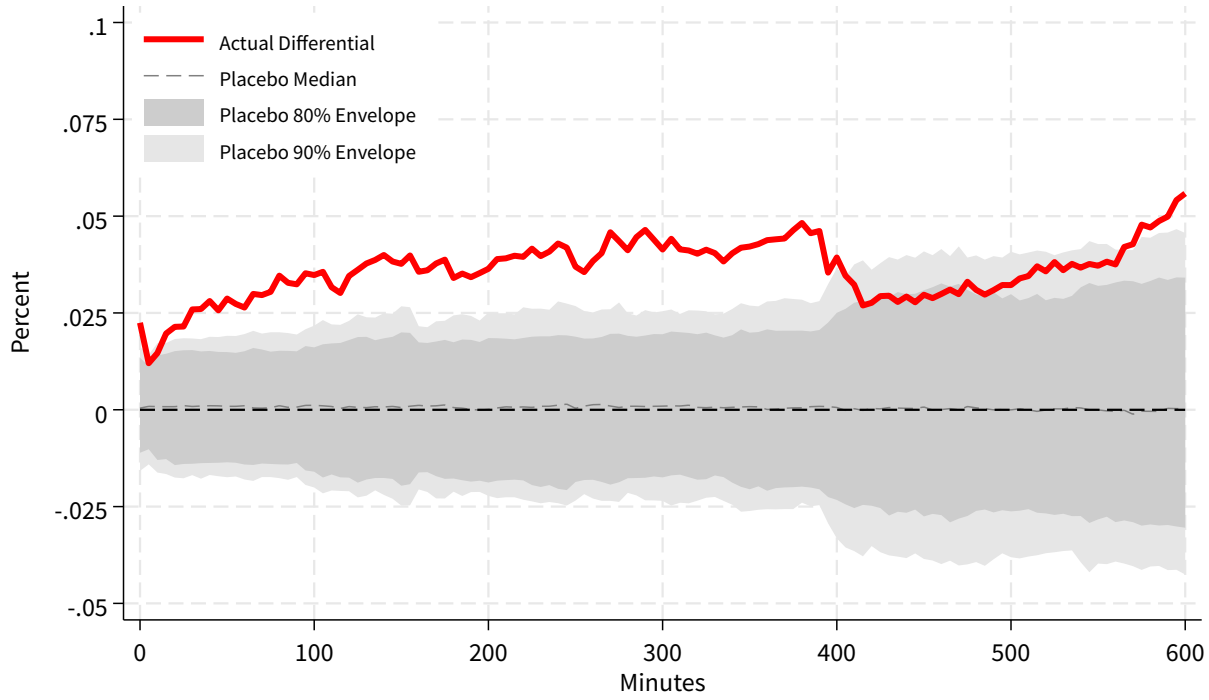
Notes: This figure presents the results of a Monte Carlo placebo test. In each of 500 iterations, firms are randomly reassigned to Republican and Democrat groups with equal probability, and the full daily local projection specification is re-estimated. The gray lines show the distribution of placebo β_3^h estimates; the black 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 Driscoll-Kraay standard errors.

Figure B.33: Monte Carlo Placebo Test: Distribution of β_3^h Under Random Partisan Assignment (Hourly Frequency)



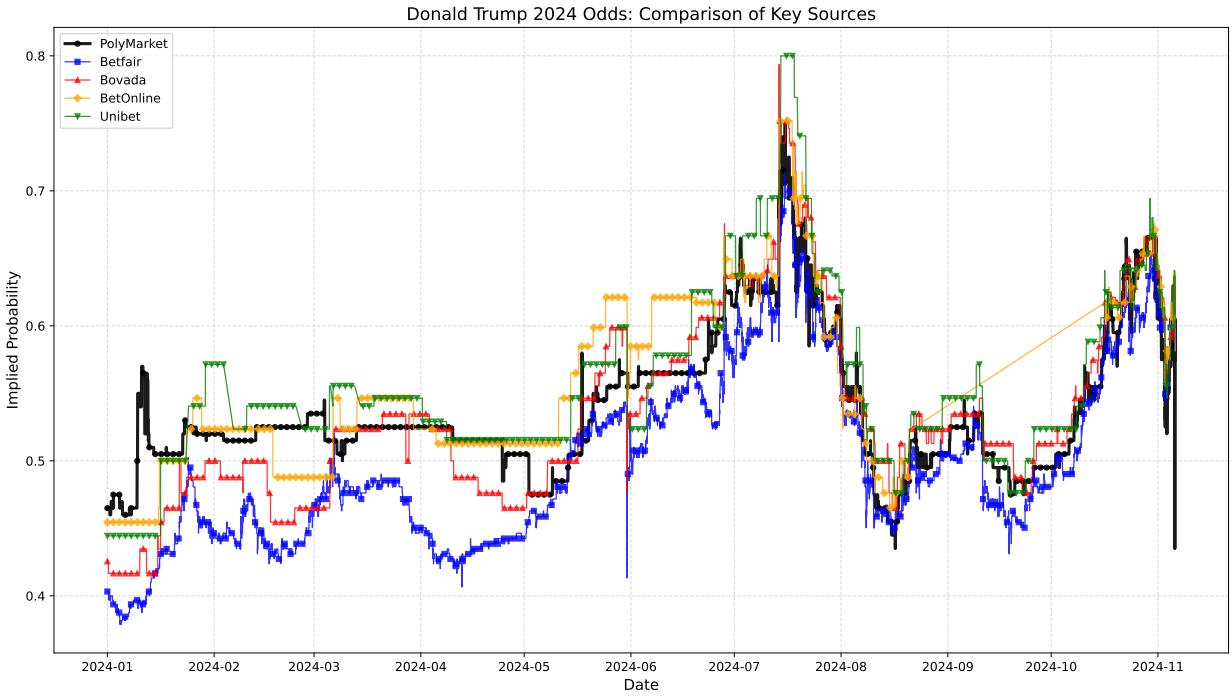
Notes: This figure presents the results of a Monte Carlo placebo test at hourly frequency. In each of 500 iterations, firms are randomly reassigned to Republican and Democrat groups with equal probability, and the full hourly local projection specification is re-estimated. The light and dark gray shaded areas represent the 90% and 80% 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.34: Monte Carlo Placebo Test: Distribution of β_3^h Under Random Partisan Assignment (5-Minute Frequency)



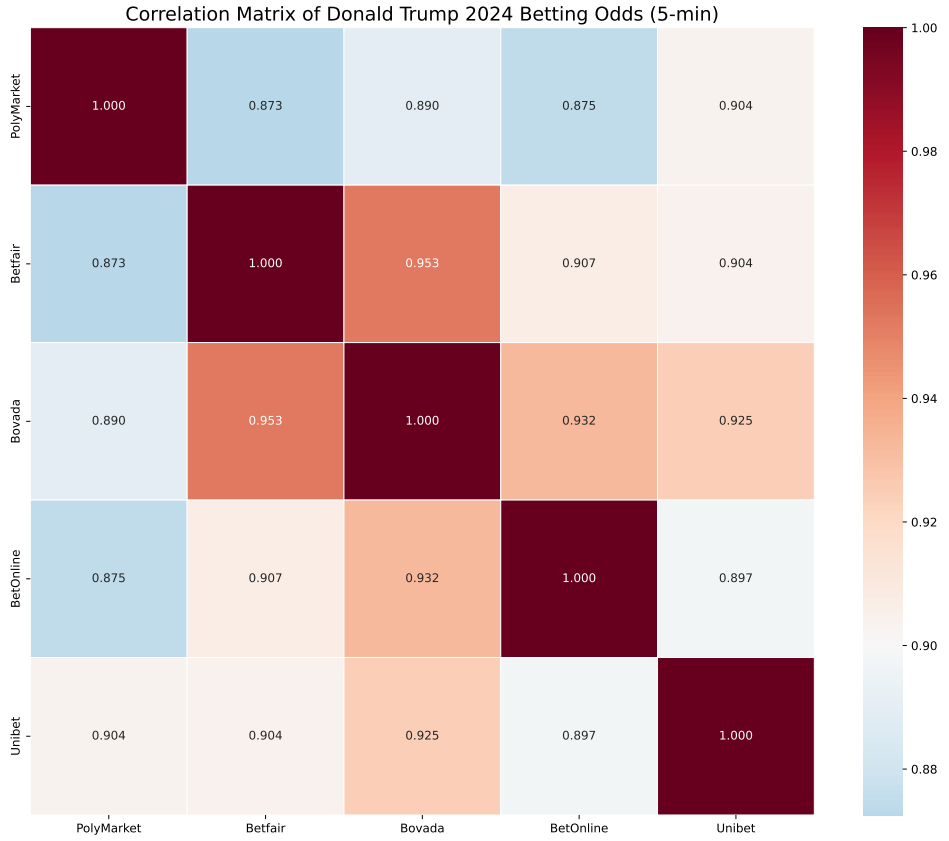
Notes: This figure presents the results of a Monte Carlo placebo test at 5-minute frequency. In each of 500 iterations, firms are randomly reassigned to Republican and Democrat groups with equal probability, and the full 5-minute local projection specification is re-estimated. The light and dark gray shaded areas represent the 90% and 80% 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.35: 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.36: High-Frequency (5-Minute) Contemporaneous Correlation Matrix Across Betting Platforms



Notes: This heatmap presents the Pearson correlation coefficients for the 5-minute interval implied-probability series across all five platforms. Implied probabilities are computed as the inverse of decimal odds for betting platforms. PolyMarket and Betfair exhibit the highest contemporaneous inter-platform correlation ($r = 0.87$), consistent with their shared exchange architecture. Lower off-diagonal values for retail bookmakers reflect their role as lagging followers of exchange-based price discovery. The sample covers January 1, 2024, through November 5, 2024.