

## EFFECTS OF INTANGIBLES ON FINANCIAL ANALYSTS' FORECAST

### GILMAR GOMES GAZZONI JUNIOR

Universidade Federal do Espírito Santo. **Address:** Av. Fernando Ferrari, 514  
| Goiabeiras | 29075-910 | Espírito Santo/ES | Brazil.

 <http://orcid.org/0000-0003-0396-8386>

[junior\\_gazoni@hotmail.com](mailto:junior_gazoni@hotmail.com)

### JOÃO JOSÉ FERREIRA SIMÕES

Universidade Federal de Minas Gerais. **Address:** Av. Antônio Carlos, 6627 |  
Pampulha | 31270-010 | Belo Horizonte/MG | Brazil.

 <http://orcid.org/0000-0002-0095-0458>

[simoes.joao@yahoo.com.br](mailto:simoes.joao@yahoo.com.br)

### MARCELO MOLL BRANDÃO

Universidade Federal do Espírito Santo. **Address:** Av. Fernando Ferrari, 514  
| Goiabeiras | 29075-910 | Espírito Santo/ES | Brazil.

 <http://orcid.org/0000-0002-8593-734X>

[mollmkt@gmail.com](mailto:mollmkt@gmail.com)

### ANTONIO ARTUR DE SOUZA

Universidade Federal de Minas Gerais. **Address:** Av. Antônio Carlos, 6627 |  
Pampulha | 31270-010 | Belo Horizonte/MG | Brazil.

 <http://orcid.org/0000-0002-4725-0758>

[artur@face.ufmg.br](mailto:artur@face.ufmg.br)

### ABSTRACT

*The purpose of this research was to verify the influence of intangibles on the accuracy and dispersion of profit forecasts made by financial analysts. This study was motivated by observing that the literature suggests that intangibles can influence analysts' forecasts; however, the results are divergent, and there is no consensus regarding the direction of this influence in the studies found that address this theme. To achieve the research objectives, a sample of American non-financial companies with shares traded on Nasdaq from 1995 to 2016 was used from the OLS (Ordinary Least Squares) method, as adopted by most of the literature on the subject. The choice of such sample was due to the greater availability of intangible data and analysts' coverage, comparability with results of previous research in the literature and also because the respective stock exchange concentrates companies with greater degree of intangibility. The main results indicated that investments in R&D and recognized intangible assets were capable of improving analysts' forecasts. However, Goodwill was negatively correlated with analysts' forecasts by reducing accuracy and widening forecast dispersion. The evidence suggested an association between intangible and analysts' forecasts, providing evidence that the direction of this influence cannot be generalized to all intangibles, depending on the level of uncertainty and information complexity of the intangible studied.*

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