

Financial Self-Media, Emotional Contagion and the Dynamic Evolution of A-Share Thematic Premiums: A Multi-Case Study of the Post-September 2024 Market

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Abstract. China's A - share market has seen a record surge in new individual investors since September 2024. For these first - time market participants, non - traditional platforms like Douyin (TikTok China) and Xiaohongshu have replaced brokerage research reports as their primary source of financial information—a shift that has rewritten how information spreads across the market .Most existing studies focus on sentiment effects from traditional financial media, creating a significant gap in the authors' understanding of these emerging cross - platform influencers and the unique market dynamics driven by young, digitally native investors. Drawing on behavioral finance theories of limited attention, emotional contagion, and noise trading, this paper analyzes seven major thematic market cycles that unfolded after September 2024 to map how financial self - media shape thematic premiums across their entire lifecycle .The authors find that self - media have become the most powerful amplifiers of A - share thematic premiums in this new era. By directing investor attention and accelerating emotional spread, they now dominate price movements in speculative themes and sectors with high information asymmetry. Their role shifts systematically across the premium cycle: they build initial consensus during the launch phase, drive exponential growth during amplification, and accelerate sharp reversals when sentiment collapses .The strength of this effect depends on three key factors: sectors with stronger storytelling potential, weaker earnings verifiability, and higher retail trading participation see far greater self - media - driven price swings.

Keywords: Financial self-media, Emotional contagion, Thematic premium, A-share market, Behavioral finance

1. Introduction

Anyone who paid attention to the A - share market in late 2024 would have noticed a very clear, recurring pattern: nearly every short - term explosive rally was preceded by viral content on Douyin and Xiaohongshu, and live streaming room stock recommendations often led to sector - wide price increases within hours. Public data from East Money confirms that 6 million new investors opened accounts between September and December 2024, of whom over 70% were born between 1995 and 2010. More importantly, this cohort grew up with social media, so unlike previous generations of

investors, they seldom consult traditional financial research reports and instead make trading decisions based on short videos and influencer recommendations.

The recent shift has led to market dynamics that cannot easily be explained by traditional efficient market theories, and Changshan Beiming provides a very clear and striking example: between September and November 2024, the company's stock price rose nearly 300% in 48 trading days, solely because of viral content about Huawei Hongmeng and unfounded merger rumors on Douyin, which caused the company's shareholder base to explode from 190,000 to 630,000. An even more extreme case is Hytera, where retail investors stirred up by short videos on satellite communications pushed the stock up 8-fold, driving institutional holders completely out of the position. Thus, it is exceedingly important to study how new social media platforms are altering price formation in China's stock market.

Previous research has long established that investor sentiment significantly impacts A-share pricing, particularly in markets with low transparency and high retail participation [1,2]. As social media has grown in influence, Chinese scholars have begun to study its role as an information intermediary [3,4,5]. However, three critical gaps remain. First, most studies focus on traditional financial platforms rather than the short-video and lifestyle apps that now dominate young investors' information diets. Second, existing research tends to treat sentiment as a static variable rather than examining how it evolves across the full lifecycle of a thematic premium. Third, few studies have explored why self-media influence varies so dramatically across different sectors.

2. Research design

The authors employed a proper multi - case comparative approach in their study and clearly and logically specified the three criteria used to select the cases: first, the entire market cycle had to occur after September 24, 2024, so as to examine the post - new - investor - influx environment. Second, there had to be a well-defined, traceable process of self - media sentiment fermentation. Third, the selected cases were required to cover different sector types, namely pure speculative themes, early - stage emerging industries, and mature industries. From the given criteria it was natural to obtain seven final cases, which may properly be grouped into three categories as in Table 1.

Table 1. Overview of selected research cases [6]

Case Category	Thematic Topic	Market Cycle	Core Targets	Core Sector Characteristics	Maximum Interval Return	Peak Retail Trading Share	Primary Dissemination Platforms
Speculative Thematic	Huawei Hongmeng/M&A Theme	2024.09–2024.11	Changshan Beiming	No fundamental support, pure thematic speculation	297%	68%	Douyin, Guba
Speculative Thematic	Dragon-Character New Year Theme ¹	2024.10–2024.12	Shenglong Co., Ltd., Longzhou Co., Ltd.	No fundamental support, pure conceptual speculation	Shenglong: 428%; Longzhou: 187%	83%	Douyin, Xiaohongshu

Table 1. (continued)

Speculative Thematic	Micro-Drama/AI Application Theme	2024.09–2024.10	Zhidu Co., Ltd., Chinese Online	Low fundamental realization, high storytelling potential	Chinese Online: 213%; Zhidu: 112%	71%	Douyin
Formative-Stage Emerging Industry	Satellite Communications Theme	2024.09–2024.11	Hytera	Early industrial technology implementation, high information asymmetry	786%	76%	Douyin, Xiaohongshu
Formative-Stage Emerging Industry	Commercial Aerospace Theme	2024.12–2025.03	China Satellite, Opticomb Technology	Early industrial networking phase, strong policy-driven	Opticomb: 124%; China Satellite: 76%	68%	Douyin, Xiaohongshu
Formative-Stage Emerging Industry	Low-Altitude Economy Theme	2024.12–2025.02	CITIC Offshore Helicopter, Zongshen Power	Early industrial policy implementation, weak verifiability	CITIC Offshore Helicopter: 89%; Zongshen Power: 67%	65%	Xiaohongshu, Douyin
Mature Industry	CPO/Optical Module Theme	2024.09–2024.11	Innolight, Eoptolink	Mature industry, high information transparency	Innolight: 32%; Eoptolink: 38%	35%	Brokerage research reports, financial official accounts

Note: The "Dragon - Character New Year Theme" is a name given to the speculative A - share market trend in which stocks with the Chinese character "Long" (dragon) saw undue speculation preceding the 2024 Chinese Dragon New Year, and the speculation was based entirely on symbolism rather than on fundamentals.

The authors drew on three main data sources for this analysis. First, the authors crawled self-media text data related to each theme from Douyin, Xiaohongshu, and Guba. Second, the authors obtained daily trading data—including stock prices, volume, and retail trading share—from East Money. Third, the authors collected corporate announcements from the official websites of the Shanghai and Shenzhen Stock Exchanges.

3. Case analysis and pattern extraction

Speculative thematic cases share three defining features: no fundamental support, pure conceptual speculation, and high information asymmetry. Their lifecycle follows a consistent pattern: self-media content spreads, sentiment ferments, prices start to rise, sentiment reaches resonance, prices amplify, sentiment reverses, and the market collapses. Self-media are the central driving force at every stage of this cycle.

Changshan Beiming is a particularly clear example of this dynamic. The company showed no fundamental improvements during the entire period, and its price movements tracked almost perfectly with the volume of self-media content.

Trading data from the Dragon and Tiger List² tells a similar story. In the first five trading days of the rally, retail investors accounted for over 80% of purchases, while institutions sold more than 60% of their holdings. This pattern reflects a stark reality: many new investors lack basic financial literacy and cannot read financial statements. They trade based solely on what influencers tell them, buying stocks without considering whether the company is profitable or even solvent. The Dragon-Character and Micro-Drama themes followed almost identical trajectories, confirming that self-media fully control the lifecycle of speculative themes. Key data for these cases is presented in Table 2.

Table 2. Core Information of other cases' trends and self-media driving effects

Thematic Topic	Core Targets	Core Self-Media Driving Metrics	Maximum Interval Return	Maximum Retracement
Dragon-Character New Year Theme	Shenglong Co., Ltd., Longzhou Co., Ltd.	Combined views on Douyin and Xiaohongshu exceeded 2 billion	Shenglong: 428%; Longzhou: 187%	Shenglong: 62%; Longzhou: 57%
Micro-Drama/AI Application Theme	Zhidu Co., Ltd., Chinese Online	Douyin content views exceeded 1.2 billion	Chinese Online: 213%; Zhidu: 112%	Sector average: 42%
Commercial Aerospace Theme	China Satellite, Opticomb Technology	Douyin content volume increased 260% month-on-month; topic views exceeded 1.8 billion	Opticomb: 124%; China Satellite: 76%	Sector average: 28%
Low-Altitude Economy Theme	CITIC Offshore Helicopter, Zongshen Power	Single Xiaohongshu post received 100,000 likes; total platform views exceeded 700 million	CITIC Offshore Helicopter: 89%; Zongshen Power: 67%	Sector average: 22%
CPO/Optical Module Theme	Innolight, Eoptolink	Self-media only transmitted information without forming emotional resonance	Innolight: 32%; Eoptolink: 38%	Sector average: 18%

Note: The Dragon and Tiger List is the official daily disclosure system of China's stock market, through which the trading data of the most active securities firms and institutions involved in stocks with abnormal price fluctuations is published, hence it is a reliable source of large capital flow information.

Formative-stage emerging industries present a rather different and clearly discernible picture: they are in an early stage of development, are heavily supported by policy, have enormous growth potential, but also have little in the way of verifiable earnings. Therefore their lifecycle follows a more moderate and logical pattern: self-media explain the industry logic, build market consensus,

push prices higher, and then sentiment cools when expectations are not met. As a result, self-media in this context function mainly as educators and consensus builders, not as pure speculators.

Since Hytera's satellite communications rally demonstrates the point very clearly, it is natural and appropriate to analyze the link between self - media activity and price movements via Table 3.

Table 3. Full-cycle correspondence of hytera's satellite communication thematic trend

Market Phase	Time Interval	Key Self-Media Actions and Core Metrics	Core Events	Stock Price Performance
Premium Initiation	2024.09.01–2024.09.30	Douyin and Xiaohongshu anchors interpreted sector fundamentals; content views exceeded 500 million; search volume increased 182% in 3 days	China launched satellite IoT experimental missions	Rose from 3.5 to 7.8 yuan; 122.86% return
Premium Amplification	2024.10.01–2024.10.30	Rumor of "20 billion yuan Middle East order" fermented; content views exceeded 800 million; appeared on platform hot lists 12 times	No new fundamental announcements from the company	Reached peak of 31 yuan; 785.71% cumulative return
Premium Collapse	2024.10.31–2024.11.30	Anchors deleted content after company clarification; content volume dropped 92%; sentiment reversed sharply	Company issued clarification stating no relevant orders	Fell to 8.8 yuan; 71.61% decline

The Commercial Aerospace and Low-Altitude Economy themes followed similar paths. Industry policies and events only moved prices after they were widely disseminated by self-media. Importantly, when policy implementation fell short of expectations but the core industry logic remained intact, these sectors experienced only moderate pullbacks rather than the cliff-like collapses seen in pure speculative themes.

Since self-media have virtually no influence on mature industries such as CPO/Optical Modules, there is a very logical and clear reason: these industries have established technology paths, transparent competitive structures, and easily verifiable earnings. Therefore, self-media in this space simply repackage brokerage research reports without injecting emotional content, and hence do not lead market trends but rather follow them.

Table 4 summarizes the differences in self-media influence across sector types. Two key patterns emerge. First, self-media influence is positively correlated with a sector's storytelling potential and negatively correlated with earnings verifiability. Second, self-media play different roles at different stages of the premium cycle, as detailed in Table 5.

Table 4. Comparison of self-media impact intensity across different types of sectors

Comparison Dimension	Speculative Thematic	Formative-Stage Emerging Industry	Mature Industry
Sector Storytelling Potential	Extremely High	Relatively High	Extremely Low
Earnings Verifiability	Extremely Weak	Relatively Weak	Extremely Strong
Core Role of Self-Media	Full-cycle market dominator, core premium driver	Consensus builder and premium amplifier, important market driver	Information dissemination channel, market follower

Table 5. Dynamic roles and mechanism of self-media across the full cycle of premium

Premium Cycle Phase	Corresponding Sentiment Cycle	Core Self-Media Actions	Core Market Role	Primary Transmission Channel	Core Market Outcomes
Premium Initiation	Sentiment Onset-Fermentation	Concentrated content release, sector popularization, algorithmic targeting	Consensus Builder, Market Trigger	Investor Attention Channel	Increased search volume, amplified trading volume, price initiation
Premium Amplification	Sentiment Resonance-Peak	Emotional content output, optimism reinforcement, heat amplification	Market Driver, Premium Amplifier	Emotional Contagion, Belief Reinforcement	Positive feedback loop formation, retail herding, exponential premium growth
Premium Collapse	Sentiment Reversal-Dissipation	Reduced content output, increased risk warnings, core content removal	Emotional Reversal Accelerator, Decline Facilitator	Belief Collapse, Negative Contagion	Rapid sentiment dissipation, capital flight, sharp price declines

Retail trading share turned out to be the most important moderating variable, since in all the cases examined higher retail participation was reliably associated with greater self-media influence. The logic is clear and compelling: new investors lack financial knowledge and have no alternative sources of information, hence they are much more receptive to influencer messaging.

4. Transmission mechanism and boundary conditions

From the cross-case analysis presented by the authors, it is clearly established that self-media affect thematic premiums via three separate channels.

The first and most direct channel is investor attention, which functions as the trigger for premium initiation, and therefore self-media can use algorithmic distribution to send targeted content to millions of users within hours, swiftly raising awareness of a particular theme and bringing new capital into the market [7,8]. The data from the paper make this very clear: when cumulative views of a theme on Douyin exceed 100 million, the sector's average daily trading volume rises 3 – 5 times relative to baseline levels.

The second channel is emotional contagion, which naturally leads into the amplification phase, since the emotional tone of self-media content promotes market-wide optimism, thus encouraging herding behavior and creating positive feedback loops [9,10]. When emotionally charged content reaches a critical point, retail trading share in target stocks rises above 60%, and a self-reinforcing cycle is fully established: rising prices breed more optimism, which breeds more buying.

The third channel is called belief reinforcement, and it is the mechanism through which premiums are sustained over time: by repeatedly publishing content that reinforces optimistic stories, self-media reinforce investors' convictions and therefore prolong rallies [6]. A clear illustration is provided by an influencer who compared Hytera's rumored 20 billion yuan order to iHealth's pandemic-era windfall, making the case that the stock still had massive upside potential.

Prices rose accordingly until the fundamental logic was clearly falsified, at which point investor beliefs collapsed and the premiums vanished.

Self-media influence is not unlimited, however. The authors identified three key boundary conditions. First, it is stronger in sectors with higher information asymmetry [3]. Second, it is amplified by higher retail trading participation [9]. Third, it is more pronounced in sideways "stock game" markets where broad-market returns are limited [5].

5. Conclusion

The large-scale inflow of new investors in September 2024 has fundamentally changed the role of financial self-media in China's A-share market, turning what was once a secondary information channel into the main amplifier of thematic premiums, thus making self-media a decisive force in price movements across the entire cycle from formation to collapse. More importantly, self-media operates through three clearly connected channels: directing attention, spreading emotion, reinforcing beliefs, thereby driving the most dramatic market moves in speculative themes and early-stage emerging industries.

Because the strength of the effect varies systematically across sectors, it is clear and logical to conclude that sectors with strong storytelling potential, weak earnings verifiability, and high retail participation have the largest self-media-driven price swings. The 2024 cohort of young, digitally native investors is particularly vulnerable to this effect and hence acts as the main carrier of emotional contagion.

The conclusions drawn have very clear and important implications for market participants: individual investors ought to develop information literacy skills, learn to differentiate between factual analysis and emotional storytelling, avoid speculative themes lacking fundamental support, and use different investment strategies for different sector types, with particular caution toward valuation bubbles in high-information-asymmetry emerging industries. Therefore, regulators should establish robust oversight mechanisms for financial content on new platforms, standardize self-media practices, and actively expand investor education initiatives to empower new market participants.

Since the present study uses only seven representative case studies, it would be natural and worthwhile for future research to increase the sample size in order to test the generalizability of the authors' findings and to examine platform algorithm differences and influencer heterogeneity.

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