

Searching for Signal

What Google searches say about risk appetite, volatility and markets around the world, and whether they lead or lag

FinzData Research · October 2026

Google Trends in six countries, a five-year US lead/lag study, and FinzData prices. finzdata.com

Executive summary

Lags

Searches follow the market. A bad week for stocks lifts next week's searches (Holm-adjusted $p < 0.001$); no search term forecasts the direction of returns.

Vol

Searches add to volatility forecasts, even beyond the VIX and out of sample, but the gain is small (under one point of R^2), and trading on it would have lowered the Sharpe ratio.

Low

Attention is low. Index searches are 8% to 41% below their 12-month averages in all six core markets, and AI-investing searches have collapsed.

France

France's unrest shows up clearly: protest searches peaked on October 17 and fuel-price searches flagged stress in February. Search confirmed the unrest; it did not predict it.

The numbers that matter

Six-country snapshot (last 4 weeks vs 12-month average) and five-year US tests

Finding	Number	What it means
Past SPY returns predict searches	$p < 0.001$	Attention reacts to price (Holm-adjusted, six terms)
Searches predict SPY returns	Not significant	No term passes, before or after correction
Search → next-week vol, beyond the VIX	$t +2.4$ to $+2.9$	Real but small: R^2 rises by under 1 point
Out-of-sample vol forecast gain	+2.4%, CW t 2.5	Survives real-time testing, June 2024 onward
Stress weeks flagged a week ahead	8 of 49	Poor early warning; 12 of 26 spikes were false alarms
Halving exposure after fear spikes	Sharpe 0.64 → 0.57	Acting on the signal would have cost money
'Unemployment' searches → jobless claims	$t +2.4$	Adds explanatory power about 5 days before release
French 'manifestation' searches	Peak Oct 17	Visible in real time; confirms, does not predict

How we measured it

53 wks

Six-country snapshot: weekly Google Trends, 20 local-language terms per country in four themes, last 4 weeks vs 12-month average

253 wks

Lead/lag study: US weekly searches Oct 2021-Oct 2026 vs FinzData SPY, VIX, realized volatility and first-release jobless claims

ASVI

Abnormal search = log search minus log of its 8-week median (Da, Engelberg & Gao); regressions control for recent returns and VIX, Newey-West errors

Checks

Granger tests both ways, Holm correction, 2,000-draw permutation tests, split samples, alignment shifts, 22 years of monthly data

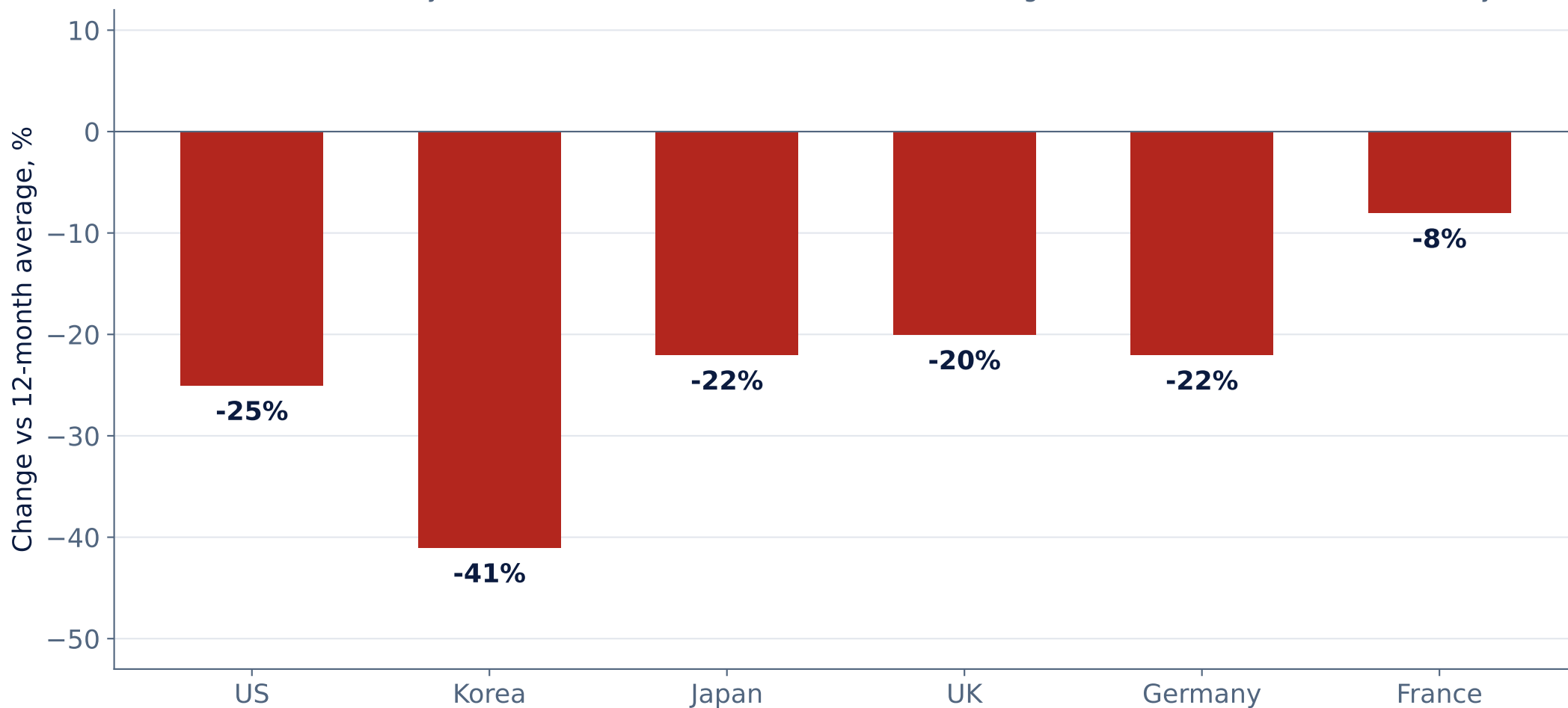
01

The global picture

What investors search in the US, Korea, Japan, the UK, Germany and France, and whether France's unrest showed up

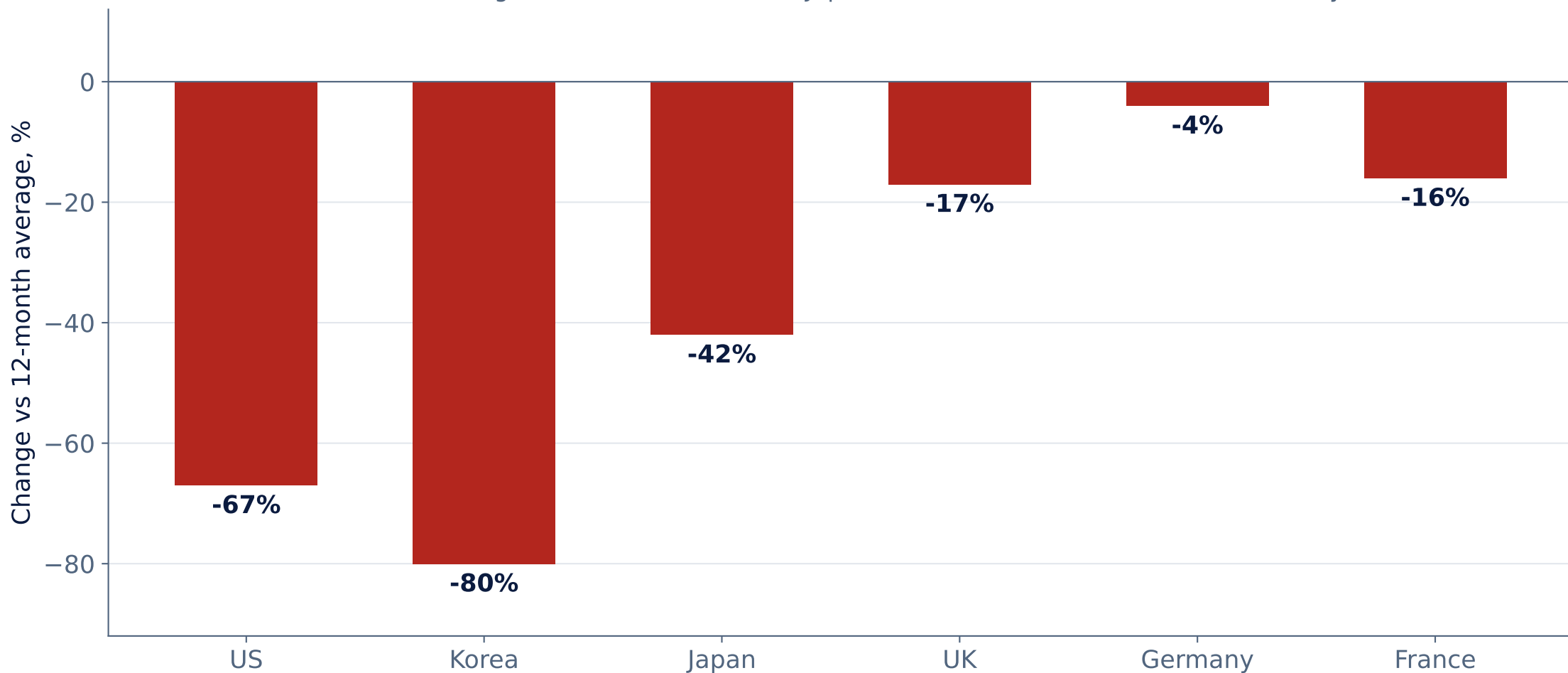
Attention to stock markets is below normal everywhere

Searches for each country's main index, last 4 weeks vs 12-month average: Korea -41%, US -25%, France only -8%



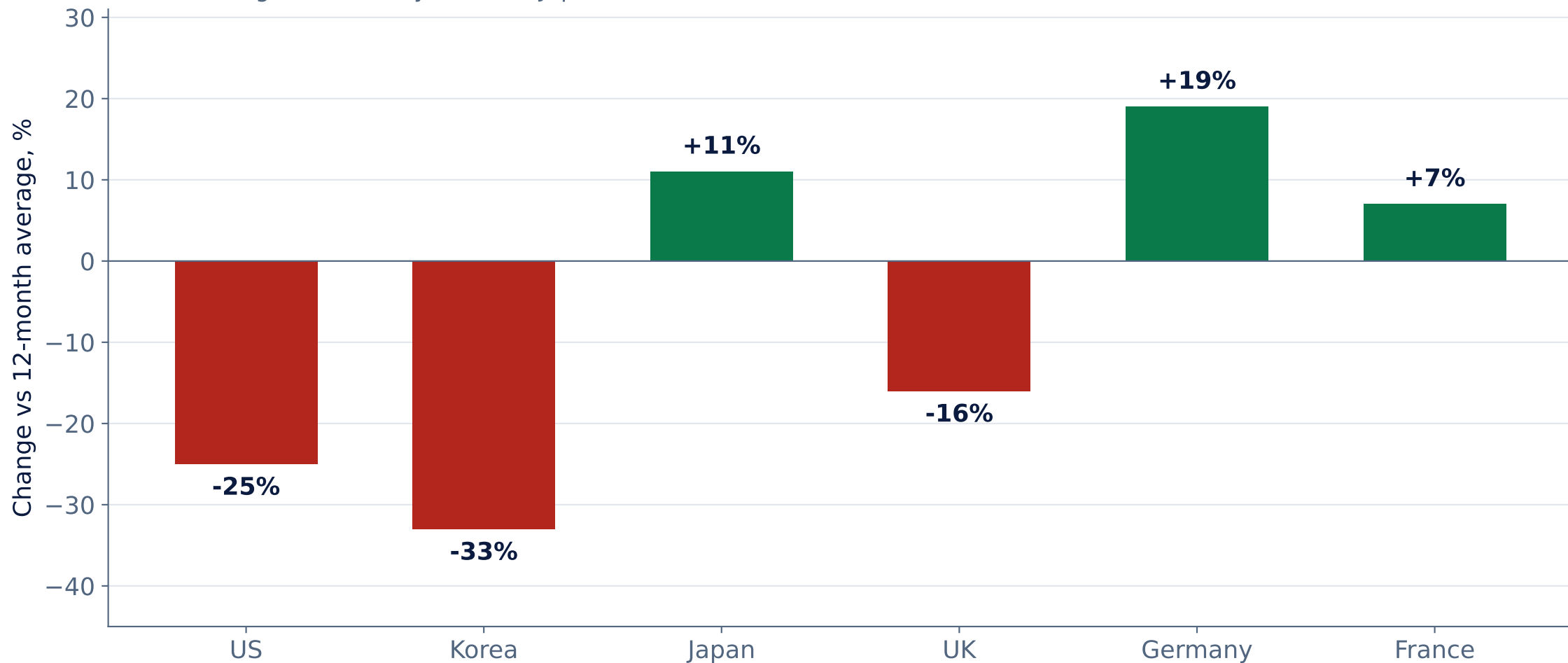
The AI-investing search boom has faded everywhere

Last 4 weeks vs 12-month average: Korea -80%, US -67%, Japan -42%, UK -17%, France -16%, Germany -4%



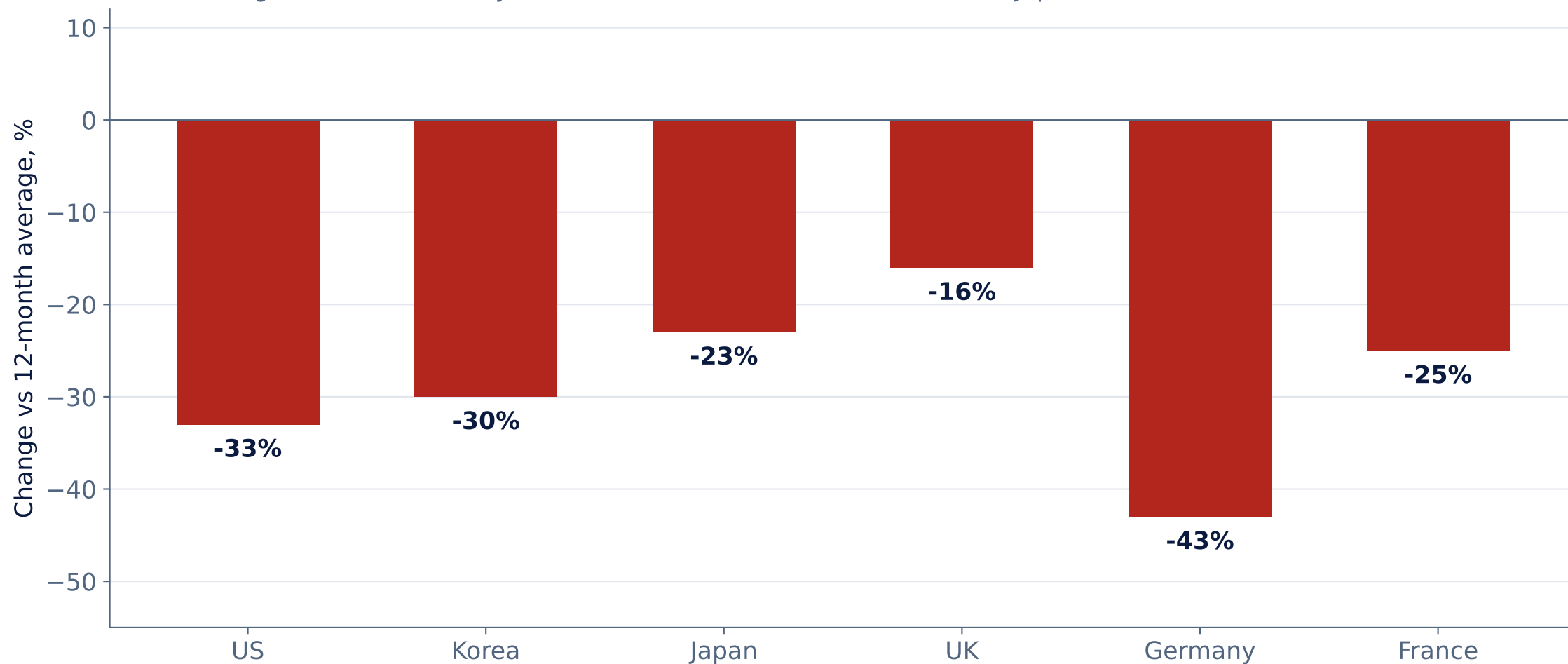
Germany, Japan and France are googling rates more

Above average in Germany (+19%), Japan (+11%) and France (+7%); below in the US, UK and Korea



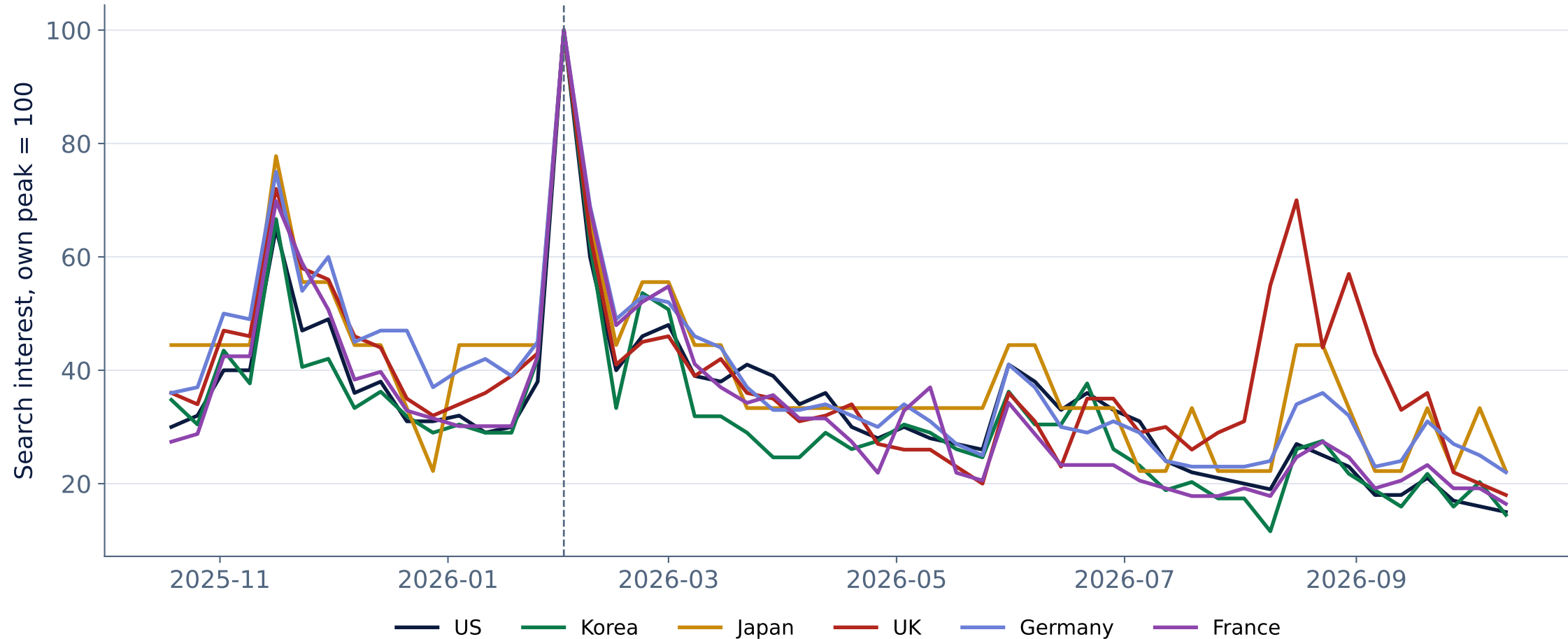
Inflation has dropped down the list of worries

Below average in all six: Germany -43%, US -33%, Korea -30%, France -25%, Japan -23%, UK -16%



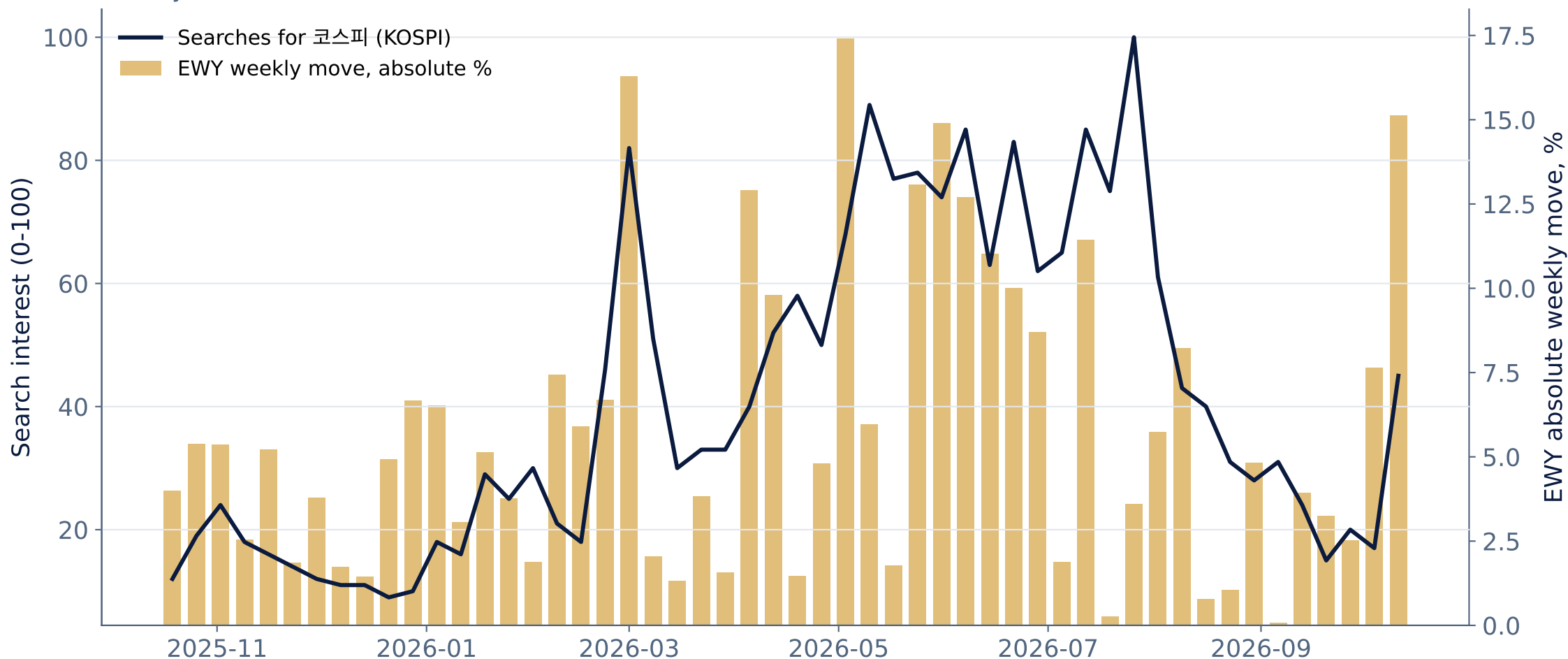
Bitcoin searches peaked in the same week in all six countries

The week starting February 1, 2026; every country is now 29% to 49% below its 12-month average



Searches spike when markets move hard

Weekly correlation with EWY's absolute move: 0.45. Busiest search week: 2026-07-26 (EWY -3.6%)



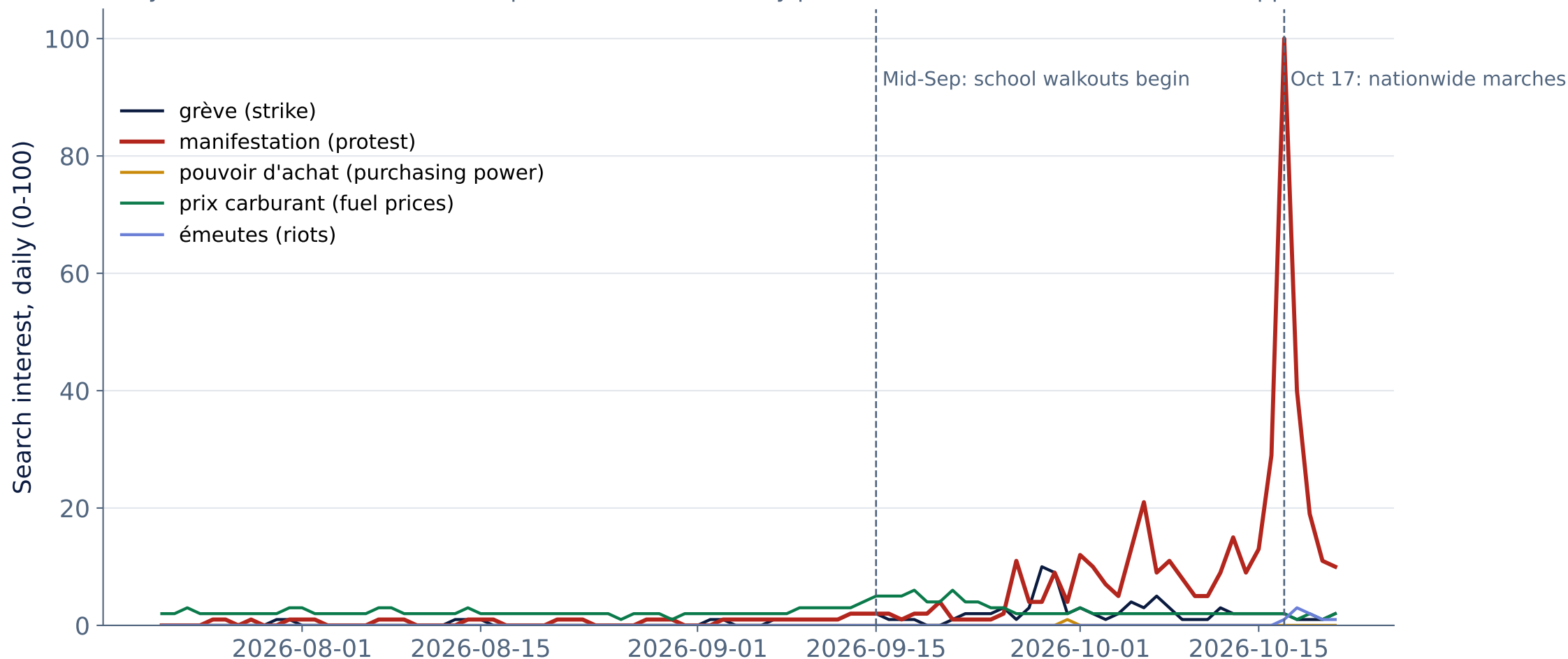
Country by country

Most-searched economic and trading terms (share of each 5-term group), index search vs average, and search-volatility link

Country	Top economic search	Top trading search	Index searches	Corr. with move size
US	unemployment (43%)	gold price (89%)	-25%	0.40
Korea	exchange rate (48%)	ETF (75%)	-41%	0.45
Japan	interest rates (74%)	futures (59%)	-22%	0.39
UK	budget (63%)	gold price (77%)	-20%	0.39
Germany	interest rates (55%)	gold price (67%)	-22%	0.48
France	inflation (41%)	trading (34%)	-8%	0.51

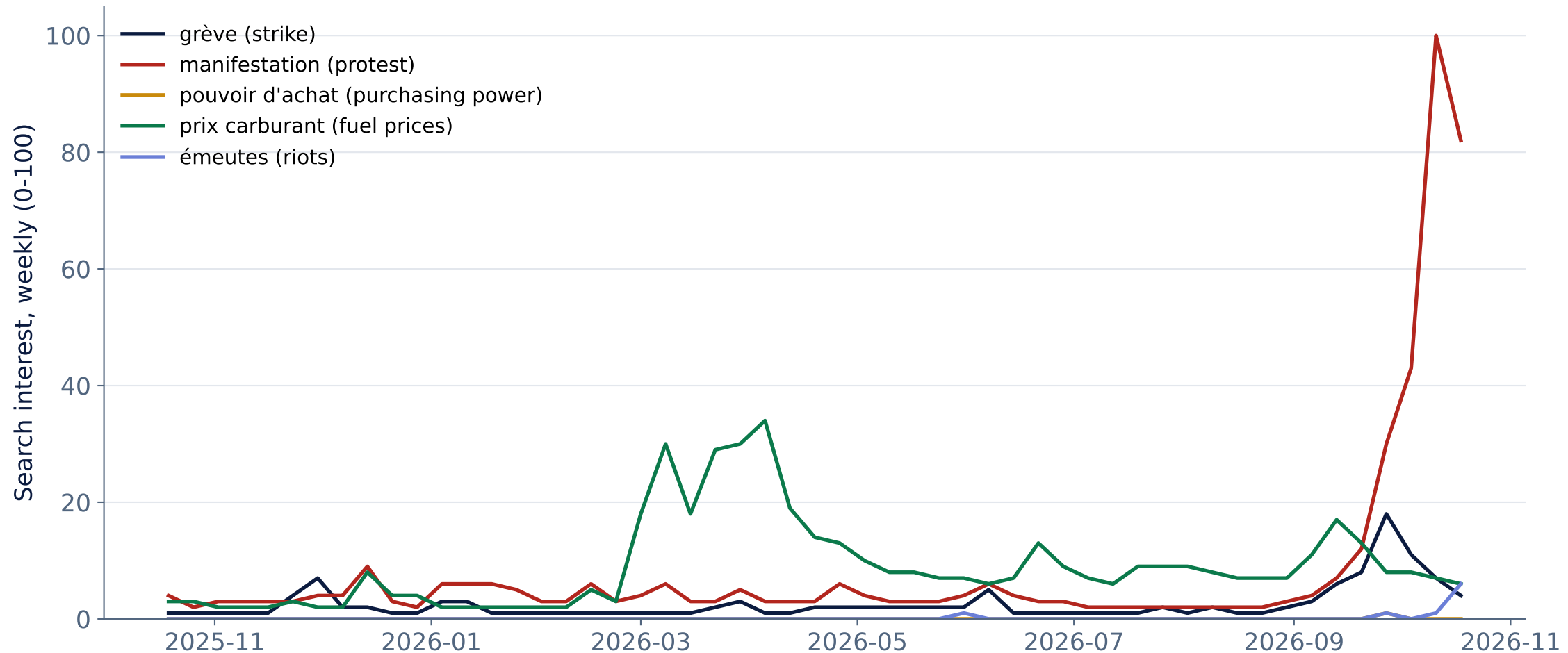
Yes: France's unrest is unmistakable in search

Daily searches for 'manifestation' (protest) hit their 90-day peak on October 17; 'émeutes' (riots) appeared that week



The cost-of-living anger was visible in February

Fuel-price searches surged from February to April; protest and strike searches took off from mid-September



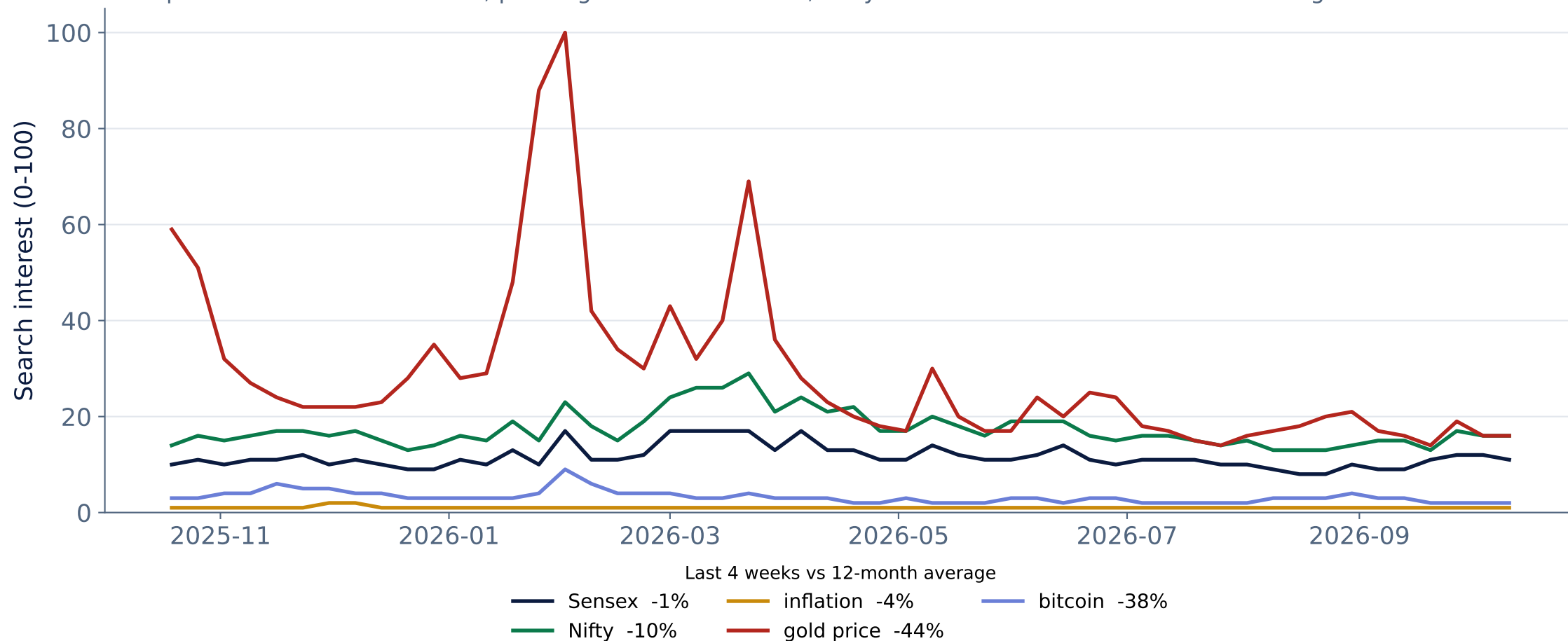
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Asia, the Middle East and Africa

11 more markets: what investors search beyond the big six

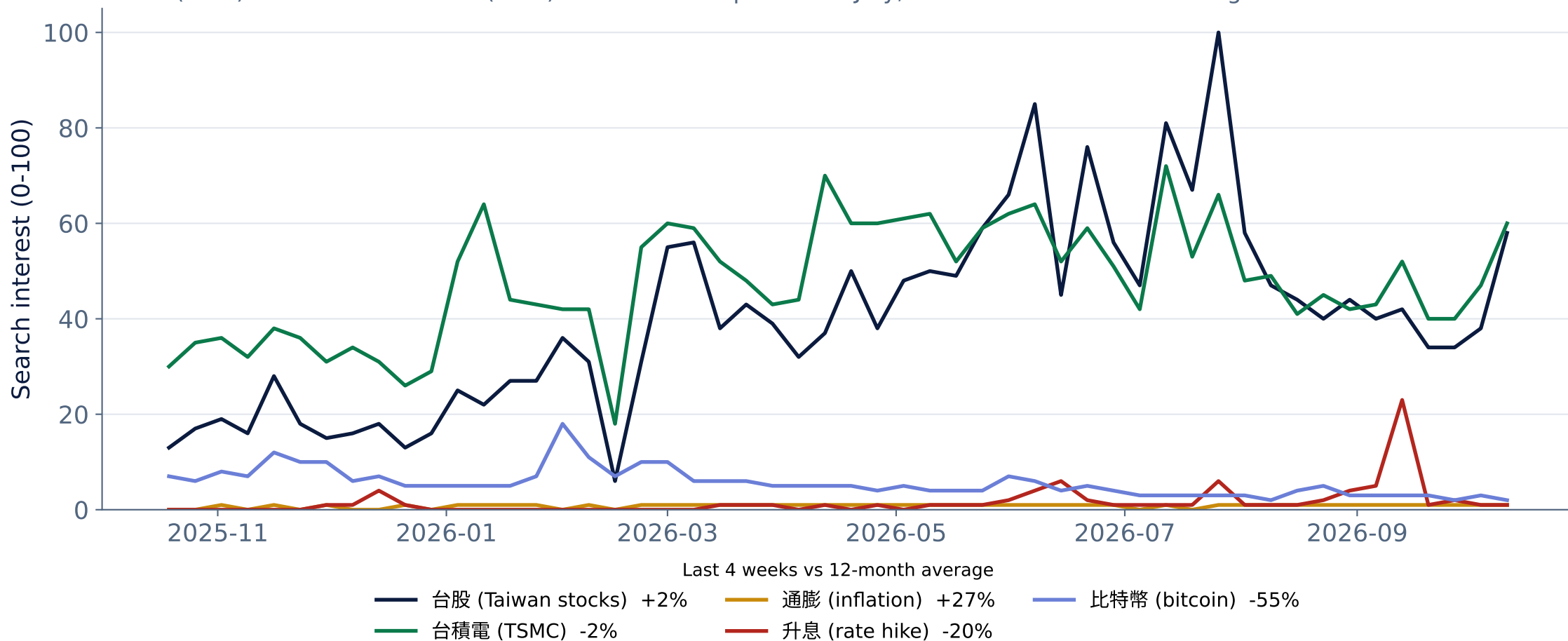
India: gold outsearched the stock indexes

Gold price took 47% of searches, peaking the week of Feb 1; Nifty is 10% and bitcoin 38% below average



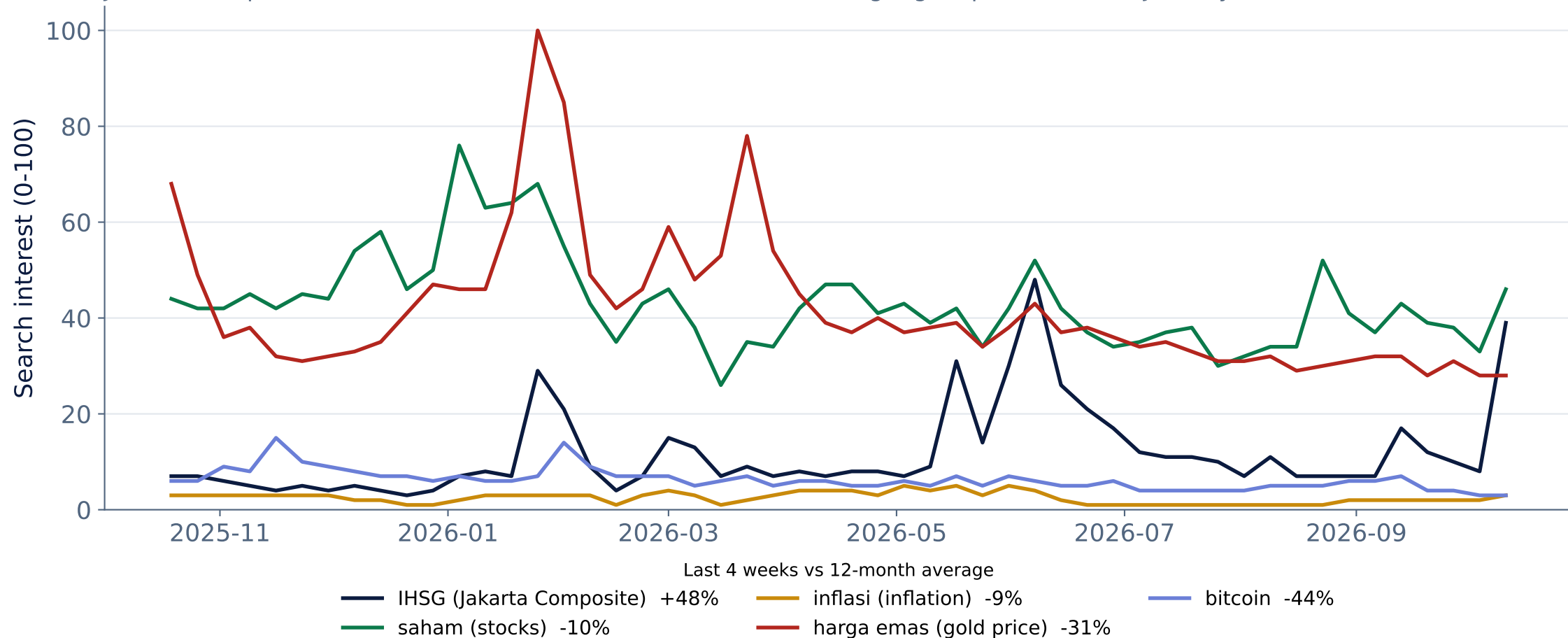
Taiwan: TSMC and the market are one search

TSMC (50%) and 'Taiwan stocks' (42%) dominate and peaked in July; bitcoin is 55% below average



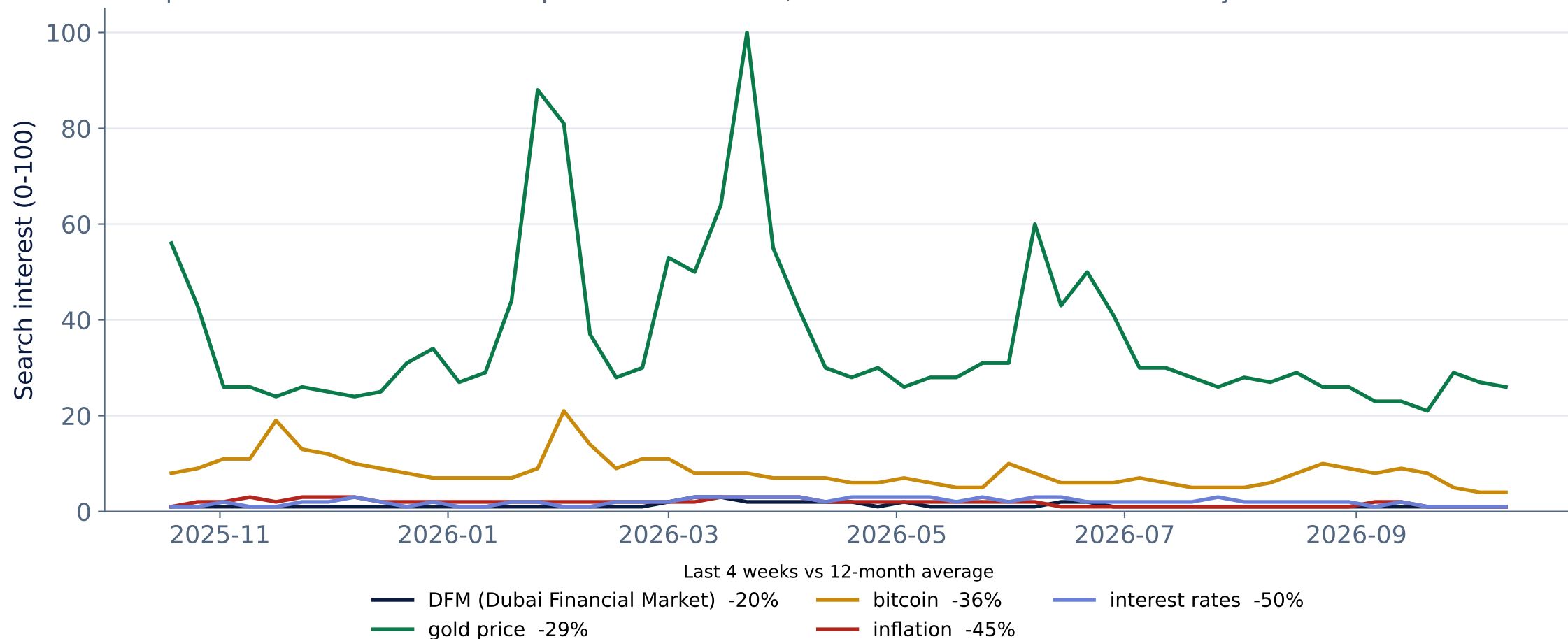
Indonesia: the Jakarta index is back in focus

Jakarta Composite searches are 48% above their 12-month average; gold peaked in late January



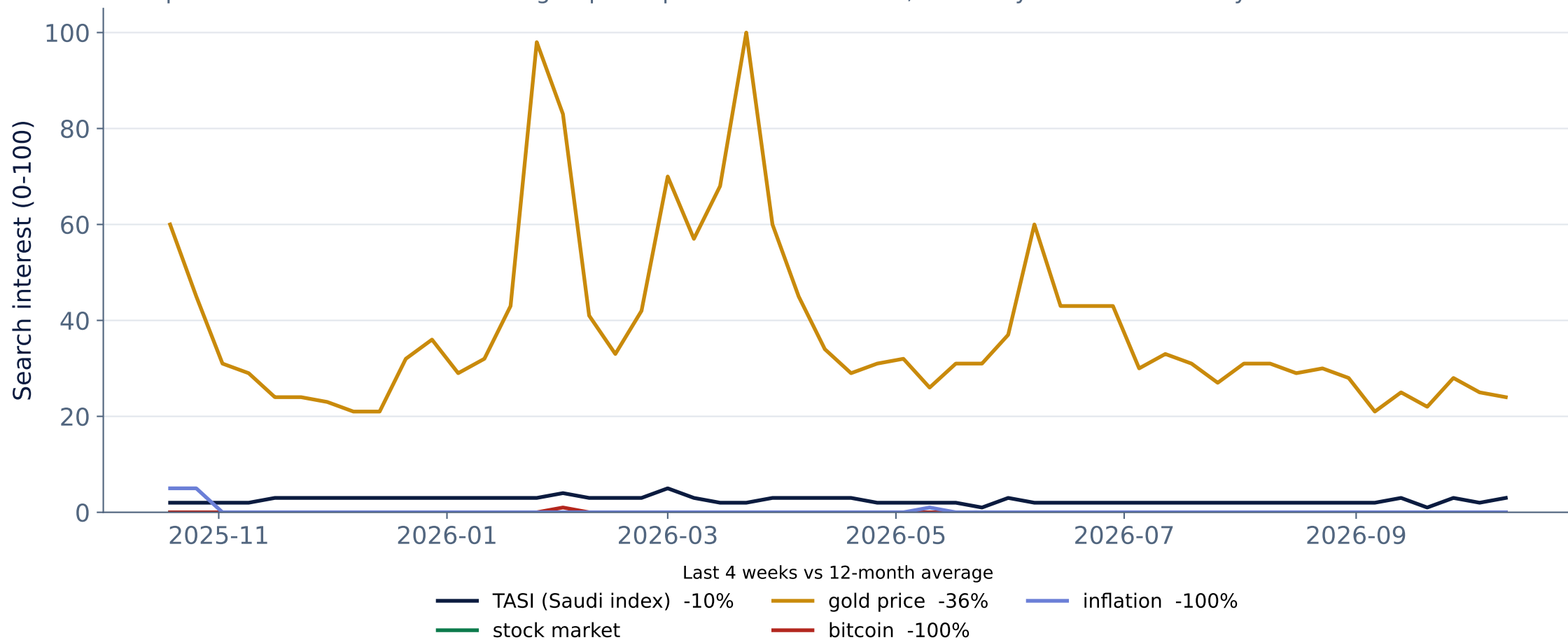
UAE: gold is the market people search

Gold price took 73% of searches and peaked in late March; Dubai Financial Market searches stay small



Saudi Arabia: gold eclipses everything else

Gold-price searches took 93% of the group and peaked in late March; TASI stays small and steady



Last 4 weeks vs 12-month average

TASI (Saudi index) -10%

gold price -36%

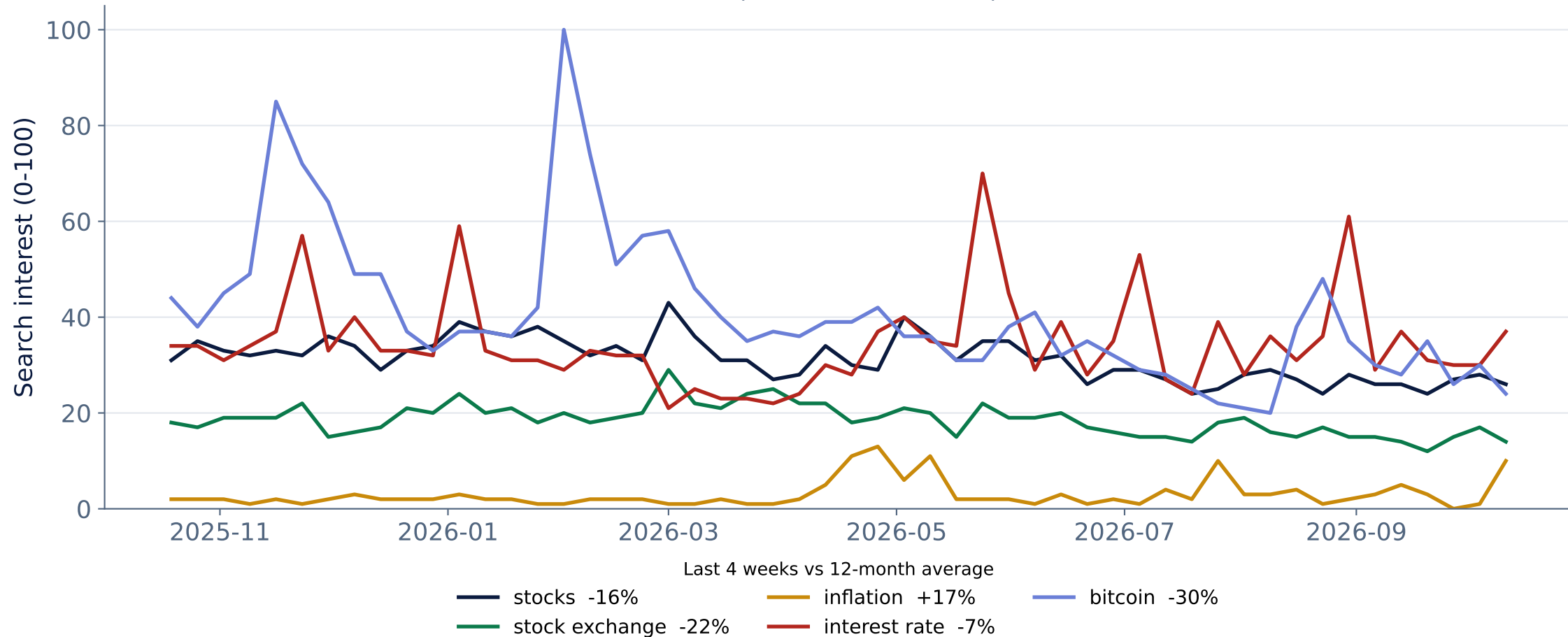
inflation -100%

stock market

bitcoin -100%

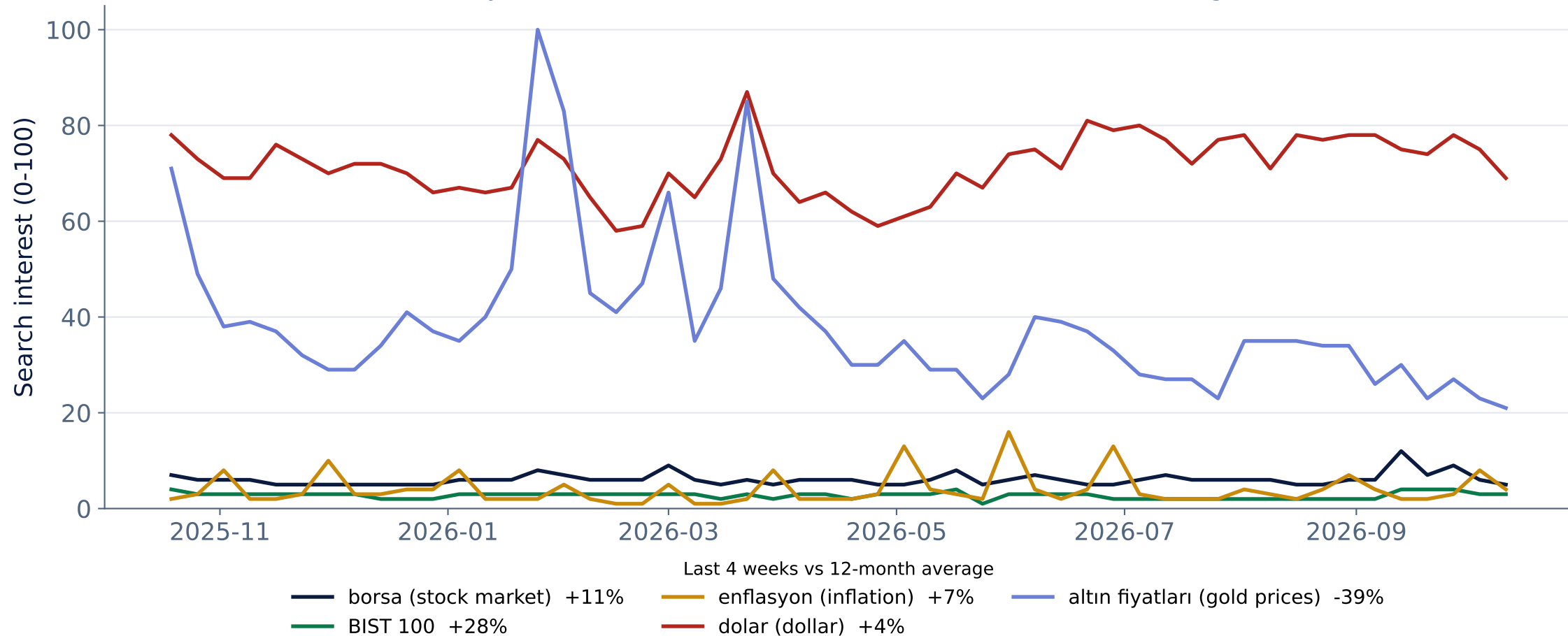
Israel: bitcoin, rates and stocks share attention

Bitcoin (32%), interest rates (27%) and stocks (24%) split searches; bitcoin peaked the week of Feb 1



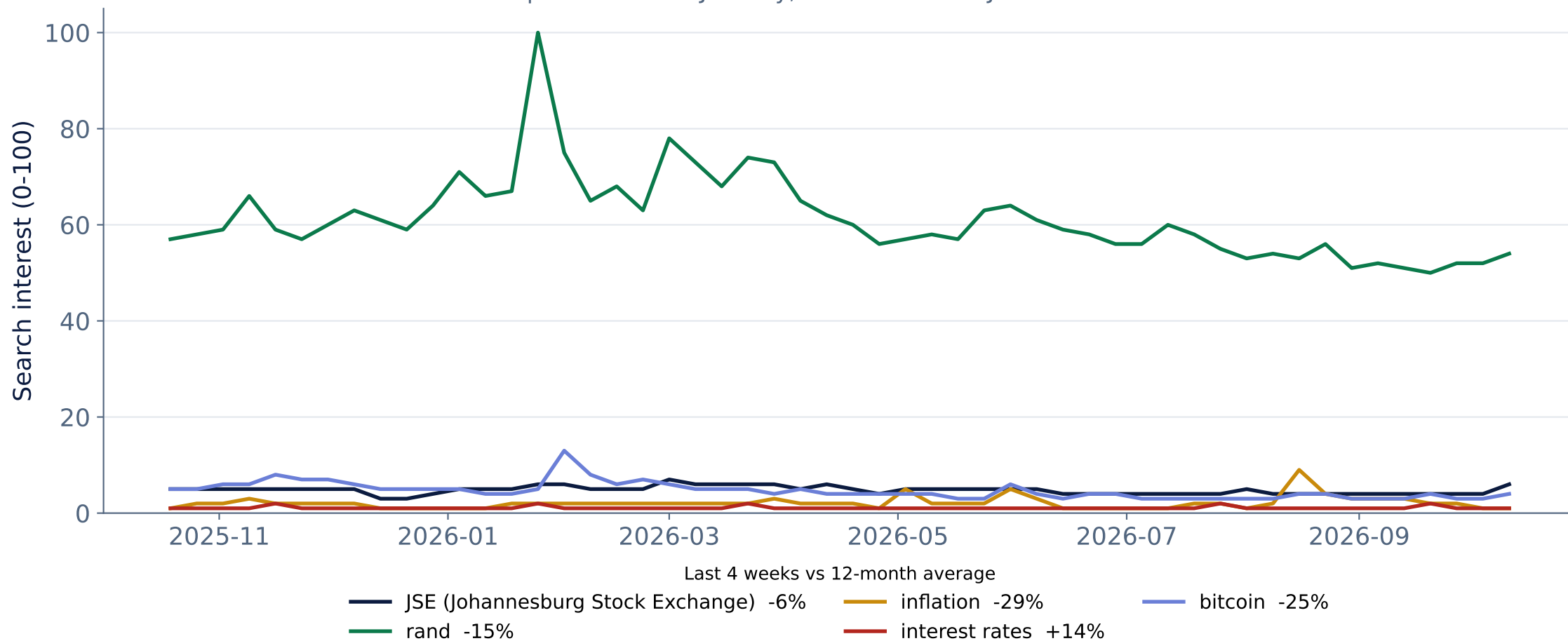
Turkey: the dollar never leaves the search bar

'Dollar' took 58% of searches all year; BIST 100 searches are 28% above their 12-month average



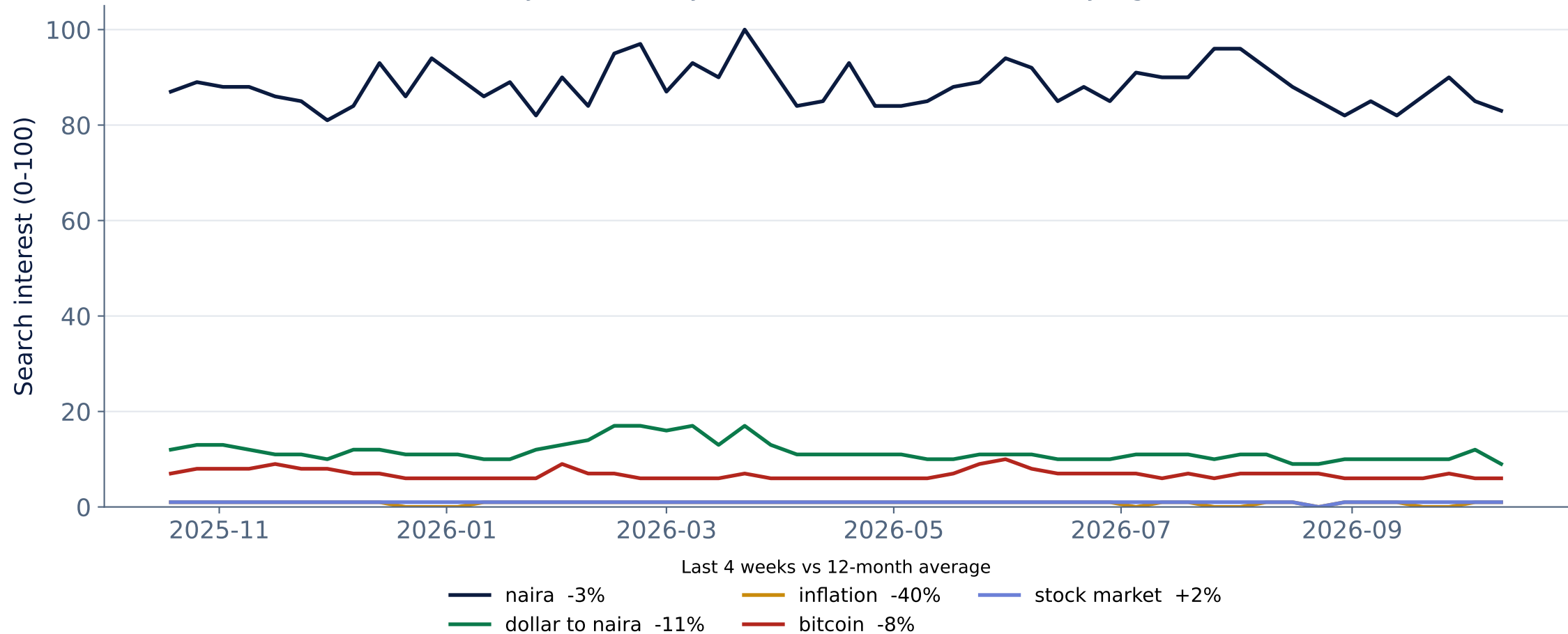
South Africa: the rand is the market

The rand took 83% of searches and peaked in late January; bitcoin and the JSE trail far behind



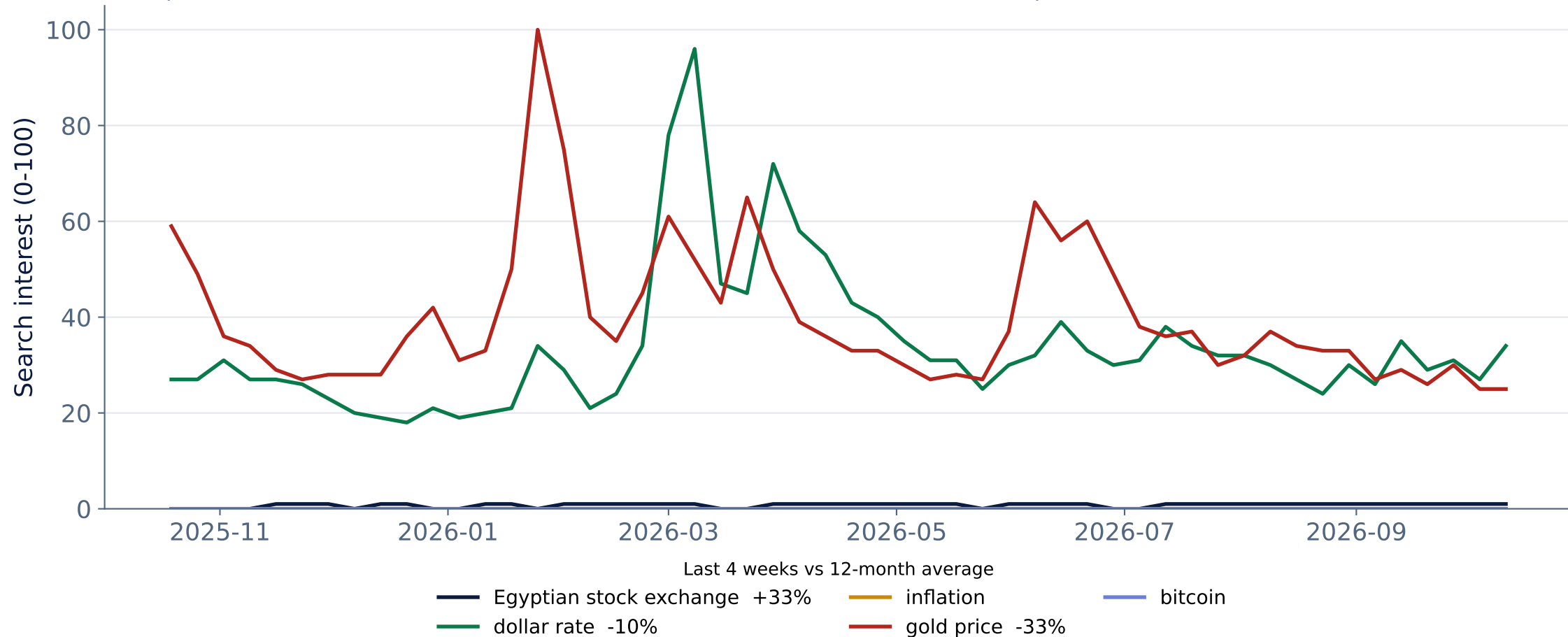
Nigeria: the naira is the only number that matters

'Naira' took 81% of searches in every week of the year; stock-market searches barely register



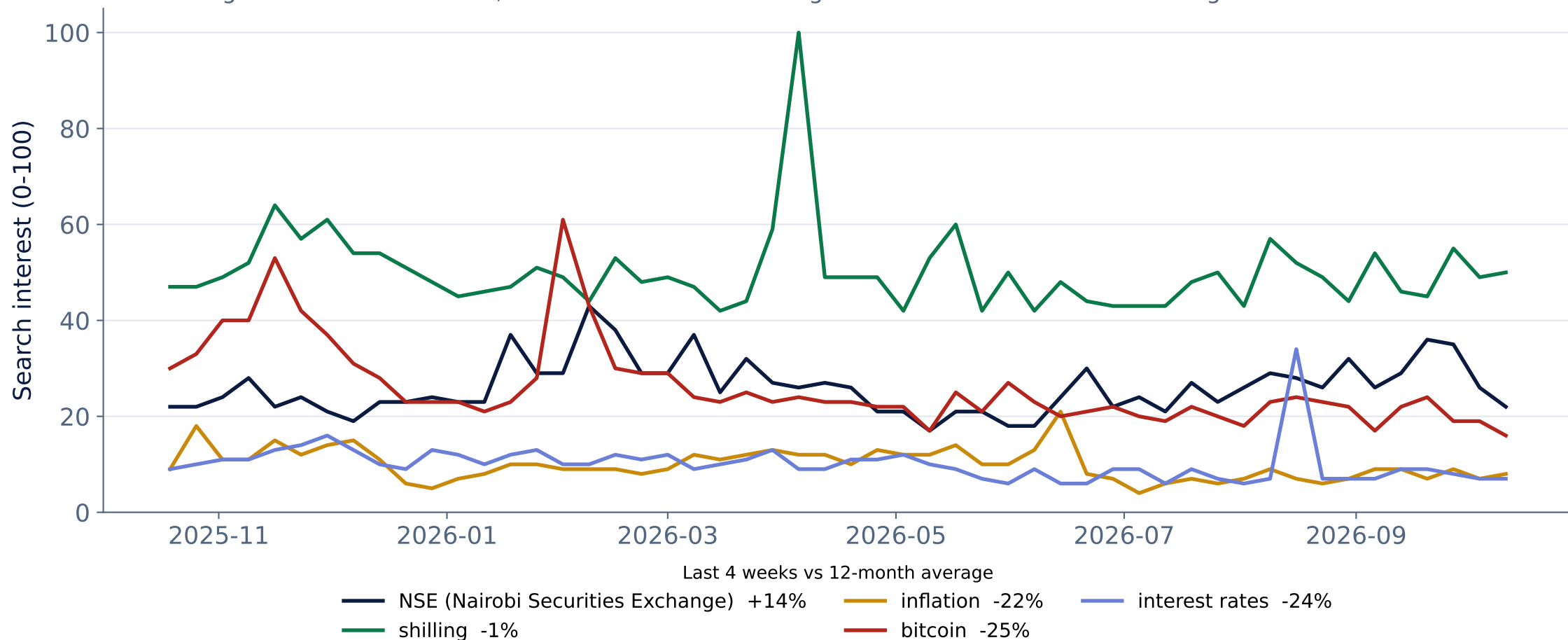
Egypt: the dollar rate and gold, not stocks

Gold price (54%) and the dollar rate (45%) dominate searches; the dollar rate spiked in March



Kenya: the shilling leads, the exchange is rising

The shilling took 41% of searches; Nairobi Securities Exchange searches are 14% above average



Beyond the big six: currency and gold, not stocks

9 of 11 top searches are a currency, gold or TSMC; bitcoin peaked the week of Feb 1 in 7 of 10

Market	Most searched	Biggest riser	ETF, 3 months
India	gold price (47%)	Sensex -1%	INDA -0.9%
Taiwan	TSMC (50%)	inflation +27%	EWT +5.6%
Indonesia	stocks (41%)	Jakarta Composite +48%	EIDO -18.7%
UAE	gold price (73%)	Dubai Financial Market -20%	UAE +4.6%
Saudi Arabia	gold price (93%)	TASI (Saudi index) -10%	KSA -6.3%
Israel	bitcoin (32%)	inflation +17%	EIS +1.1%
Turkey	dollar (58%)	BIST 100 +28%	TUR -18.0%
South Africa	rand (83%)	interest rates +14%	EZA +3.9%
Nigeria	naira (81%)	stock market +2%	-
Egypt	gold price (54%)	Egyptian stock exchange +33%	-
Kenya	shilling (41%)	Nairobi Securities Exchange +14%	-

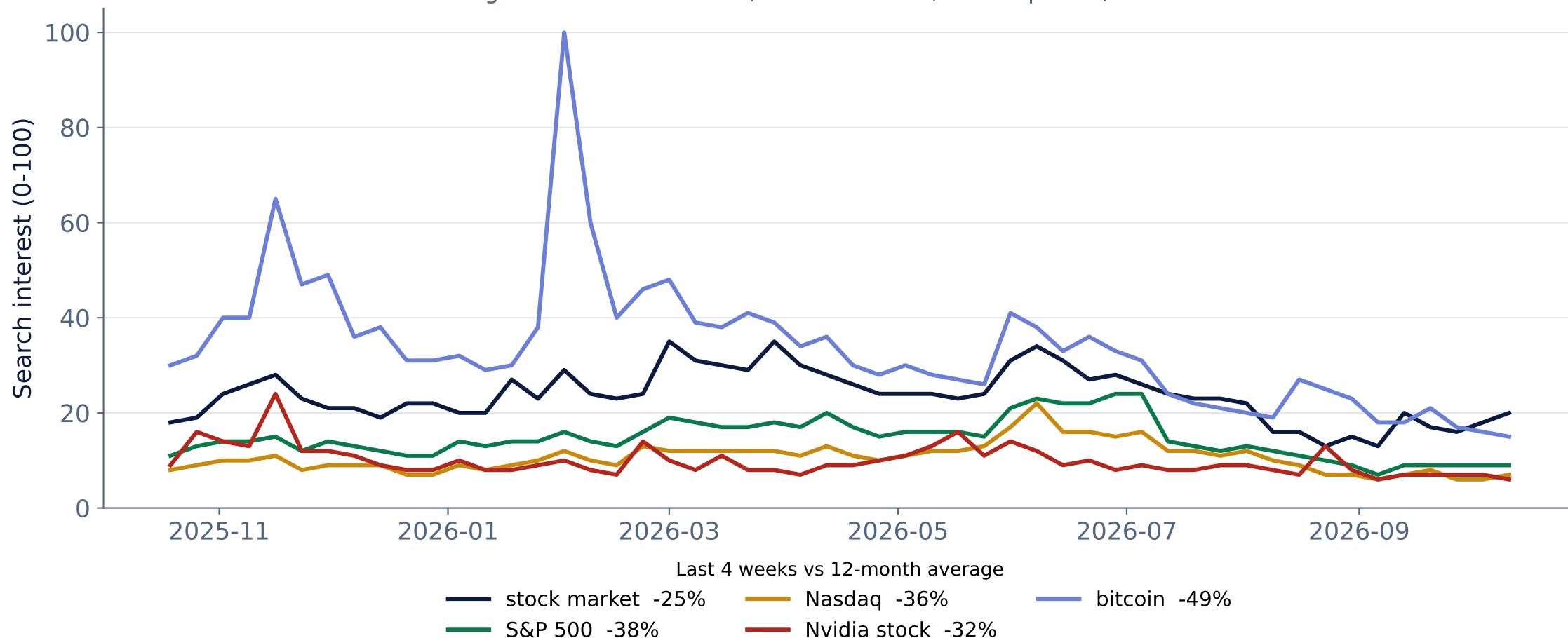
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Country detail

Every chart from the US, Korea, Japan and Europe decks

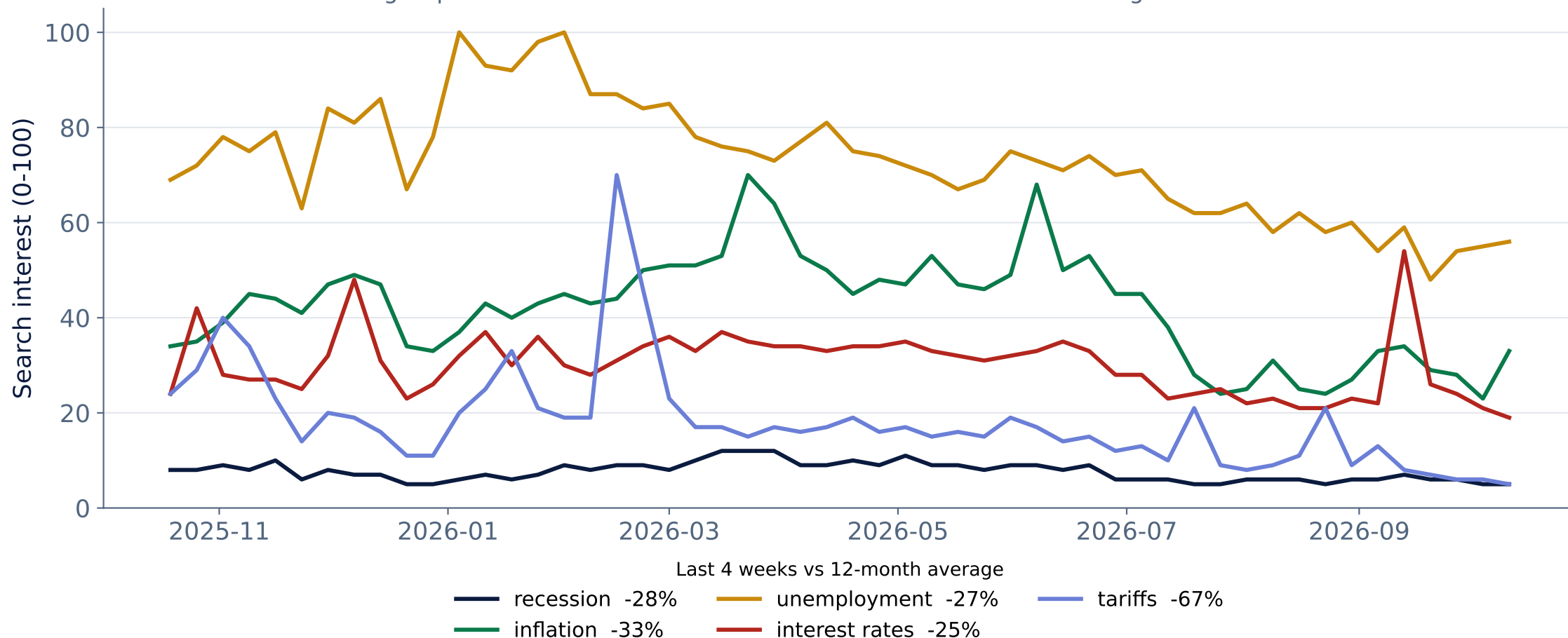
Americans are searching less for stocks and bitcoin

Last 4 weeks vs 12-month average: stock market -25%, S&P 500 -38%, Nasdaq -36%, bitcoin -49%



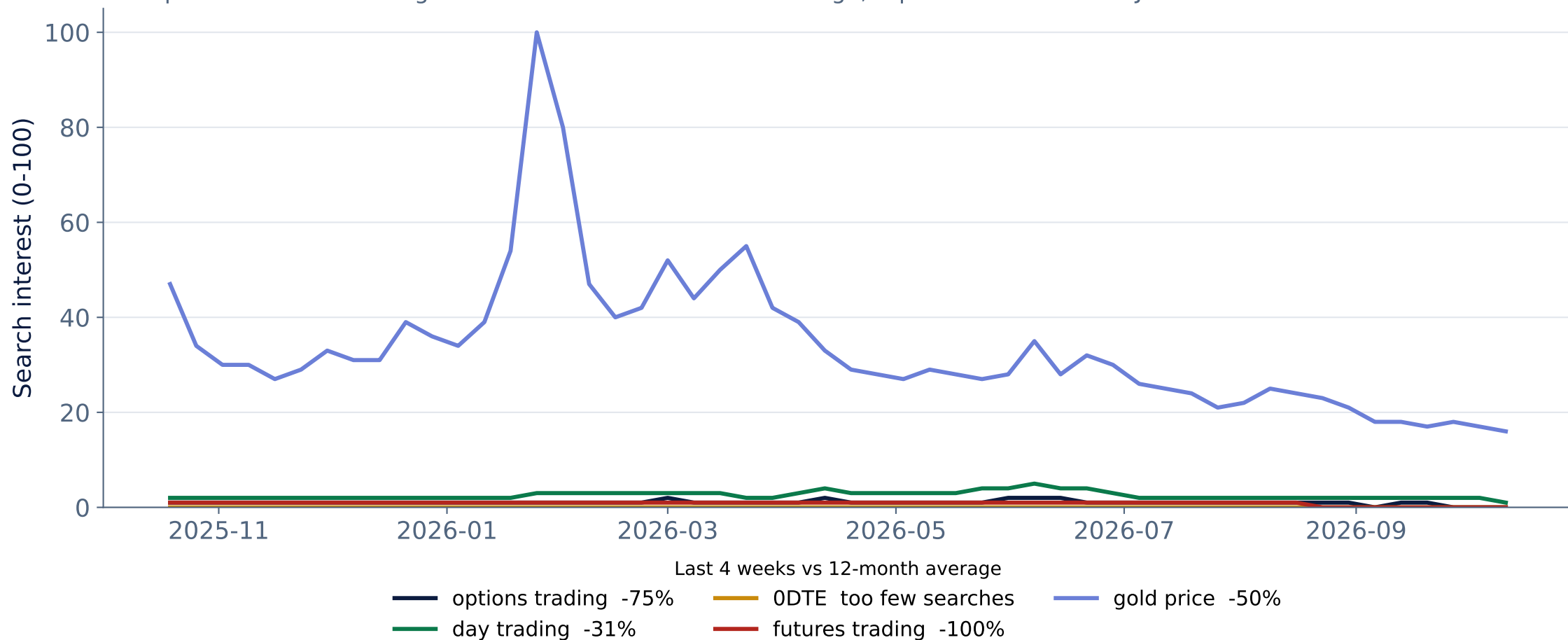
Unemployment is the economic worry Americans google most

43% of searches in this group. Tariff searches are down 67% from their 12-month average



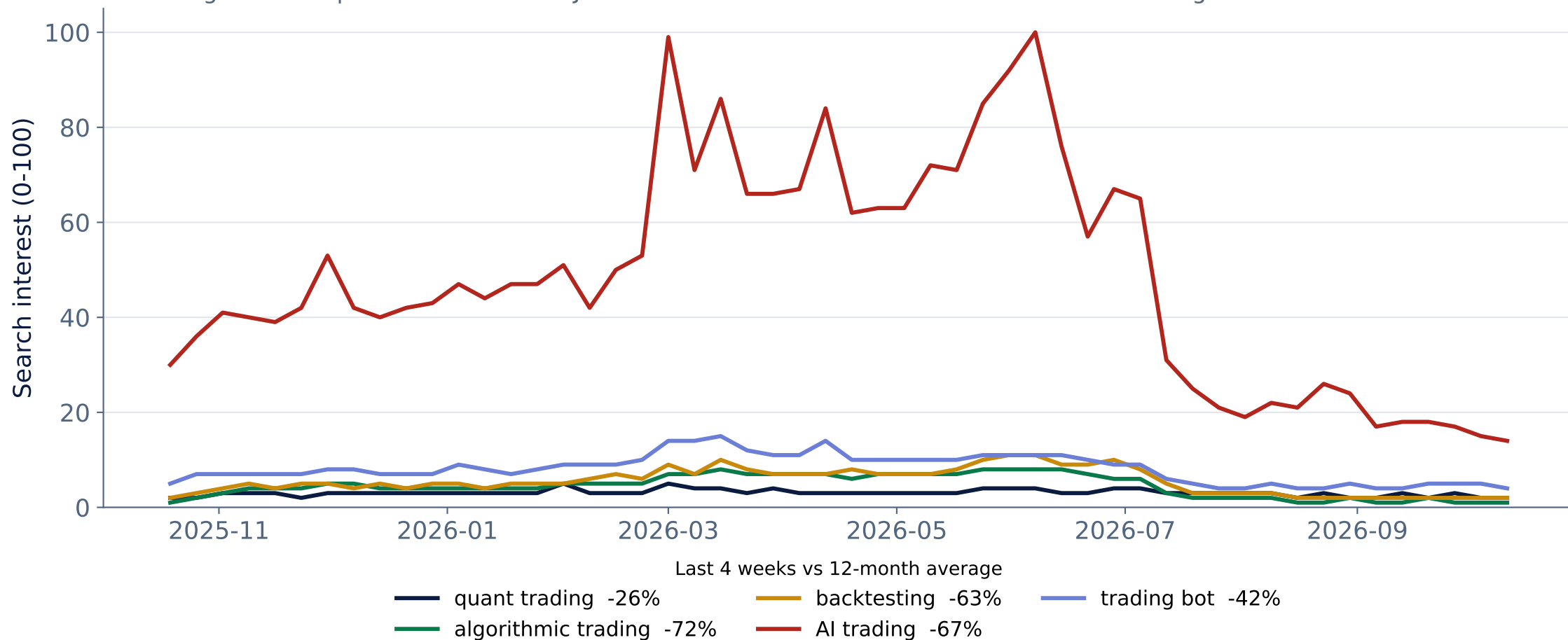
Gold is the trade Americans google, not options

Gold price is 89% of trading searches but 50% below its average; it peaked the week of Jan 25



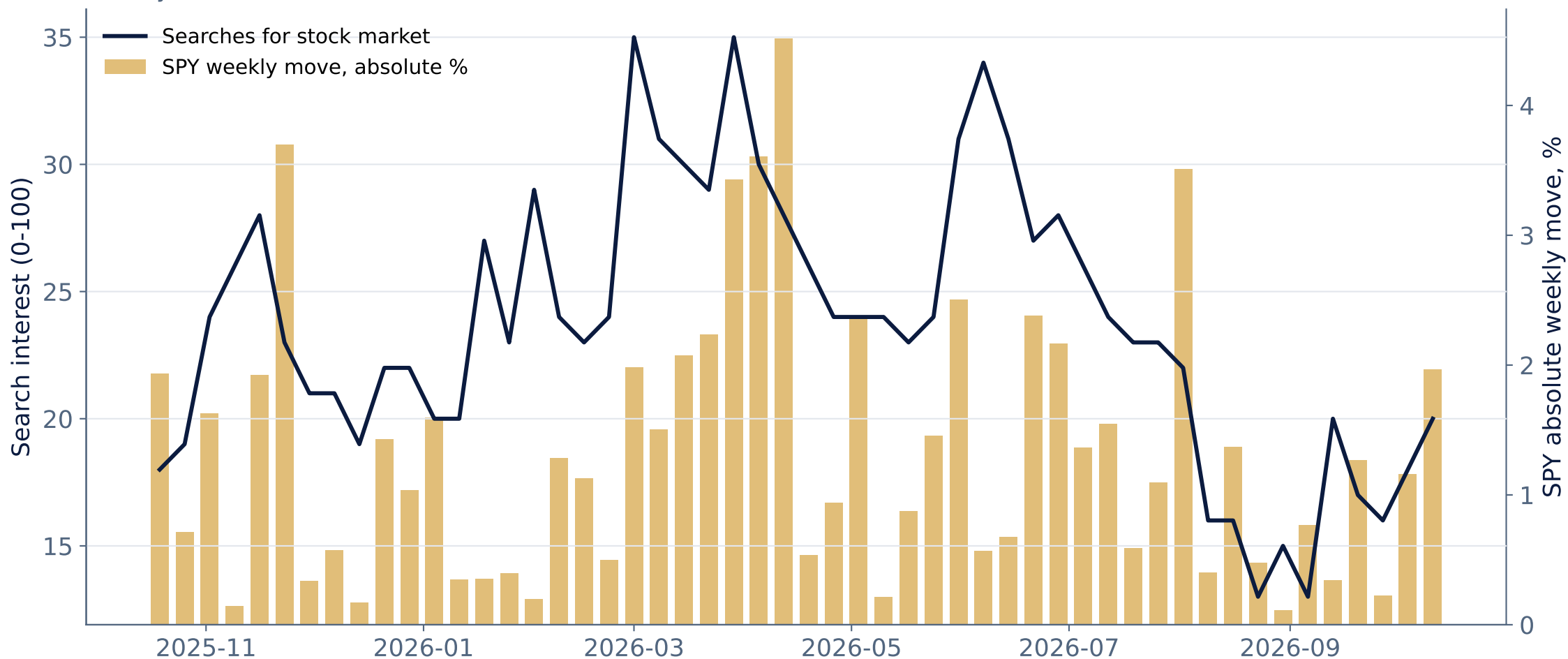
The AI-trading search boom has faded

AI trading searches peaked the week of June 7 and are now 67% below their 12-month average



Searches spike when markets move hard

Weekly correlation with SPY's absolute move: 0.40. Busiest search week: 2026-03-01 (SPY -2.0%)



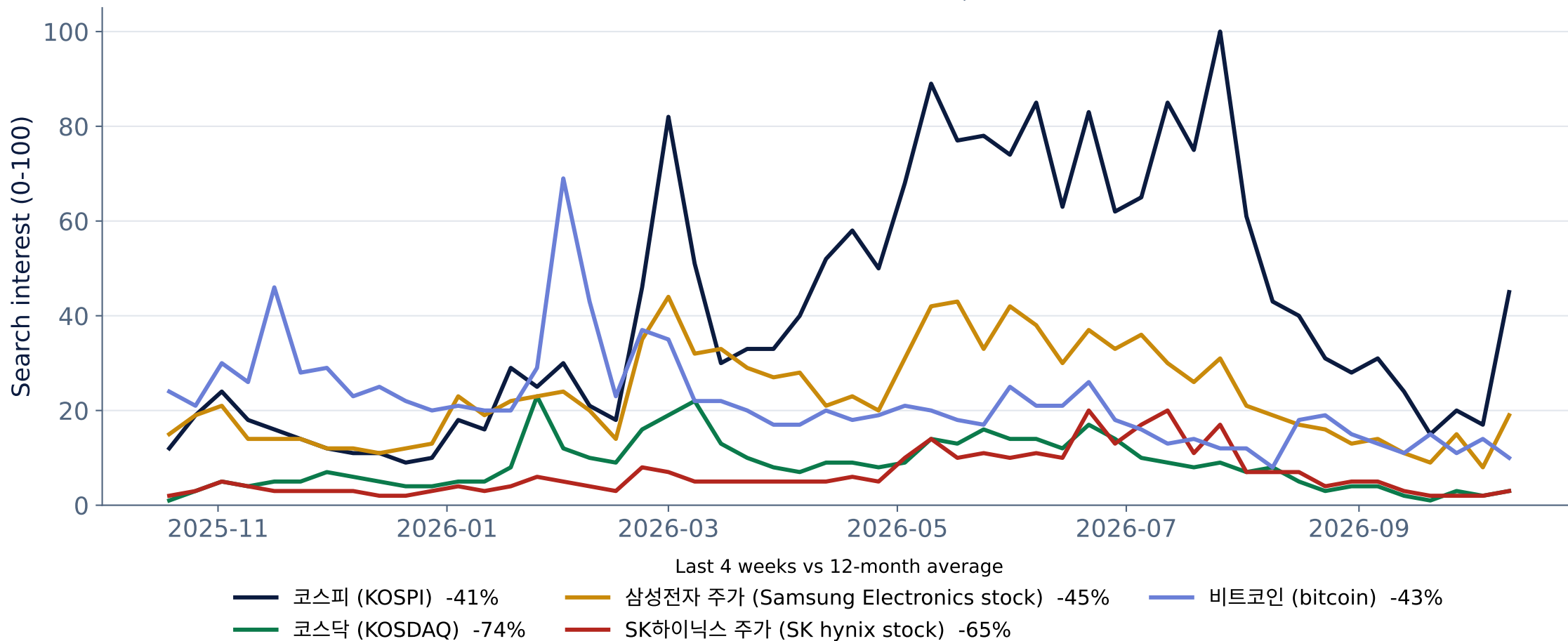
What the US searched alongside 'stock market'

Fastest-rising related searches, last 3 months, filtered to markets and money by our NIM agents

Search	Growth
is the stock market open on columbus day	Breakout
trump stock market claims ai images	Breakout
warren buffett cnbc stock market	+4,700%
is the stock market open on labor day	+4,100%
yahoo finance stock market live quotes	+650%

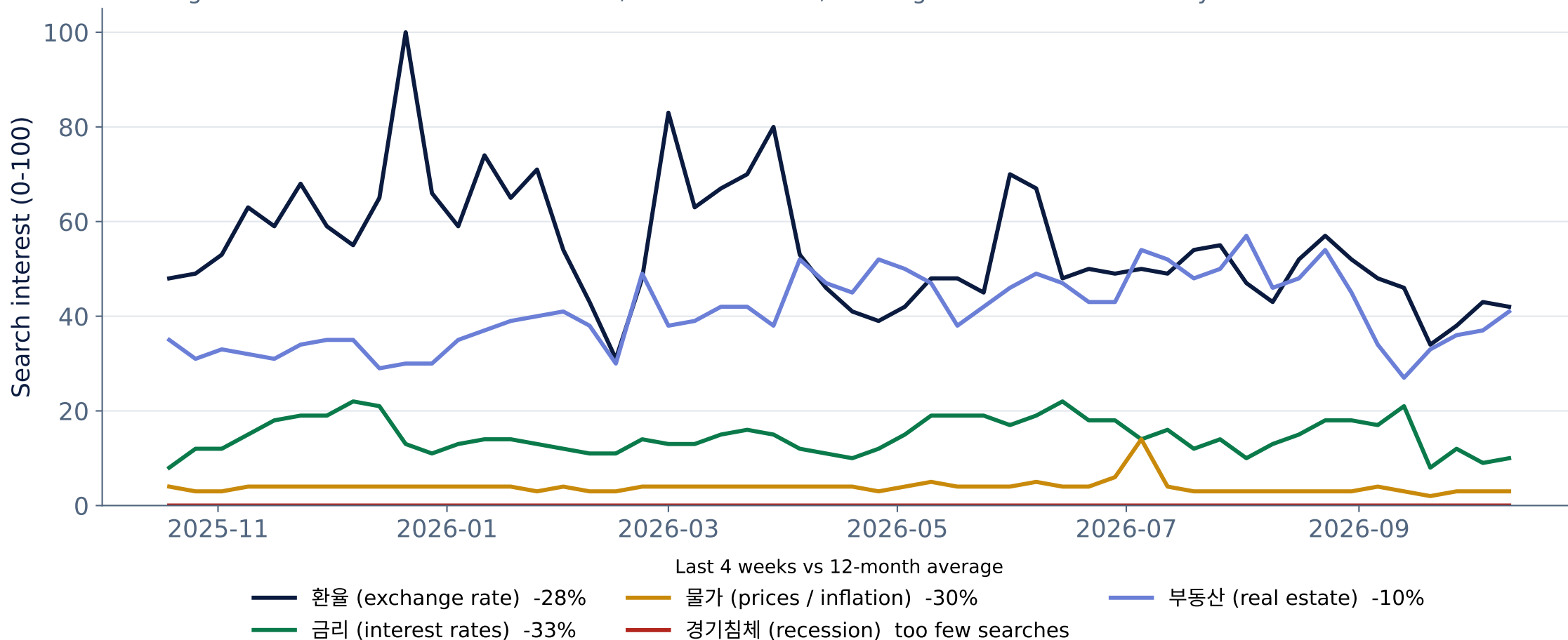
KOSPI searches jumped as Korean stocks fell

KOSPI searches rose from 17 to 45 in the week of Oct 11 as EWY fell 15%; 12-month view: -41%



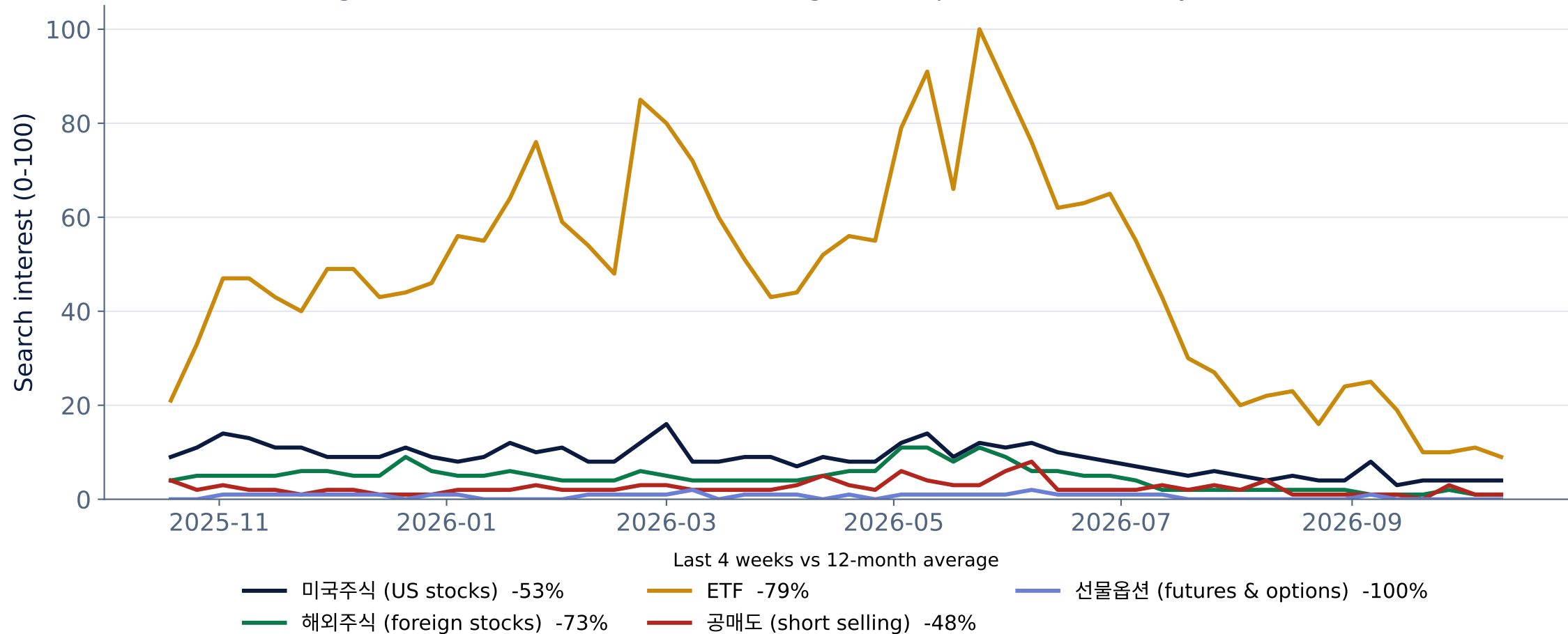
The won and housing are what Koreans google

Exchange rate is 48% of economic searches, real estate 36%; housing searches are down only 10%



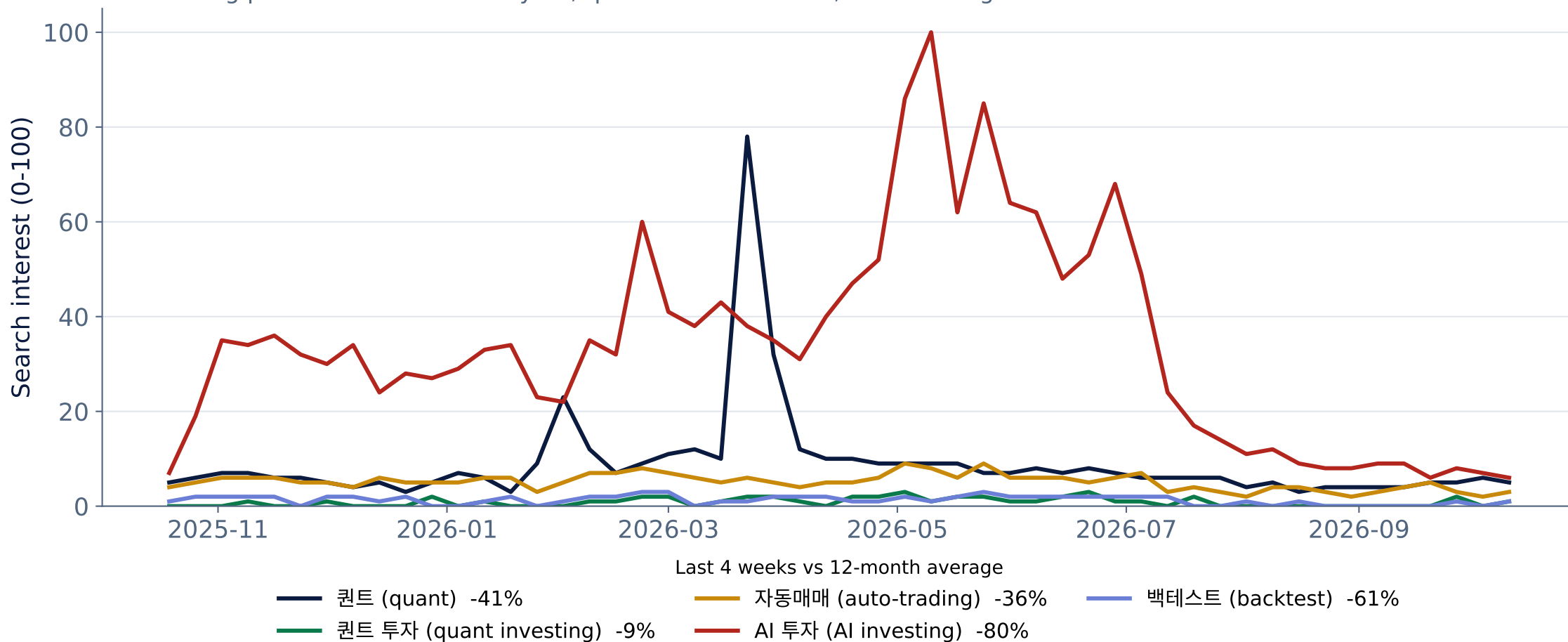
Korea's ETF search boom has burst

ETF is 75% of trading searches but now 79% below its average, after a peak the week of May 24



AI investing searches are down 80% from their average

AI investing peaked the week of May 10; quant searches -41%, auto-trading -36%



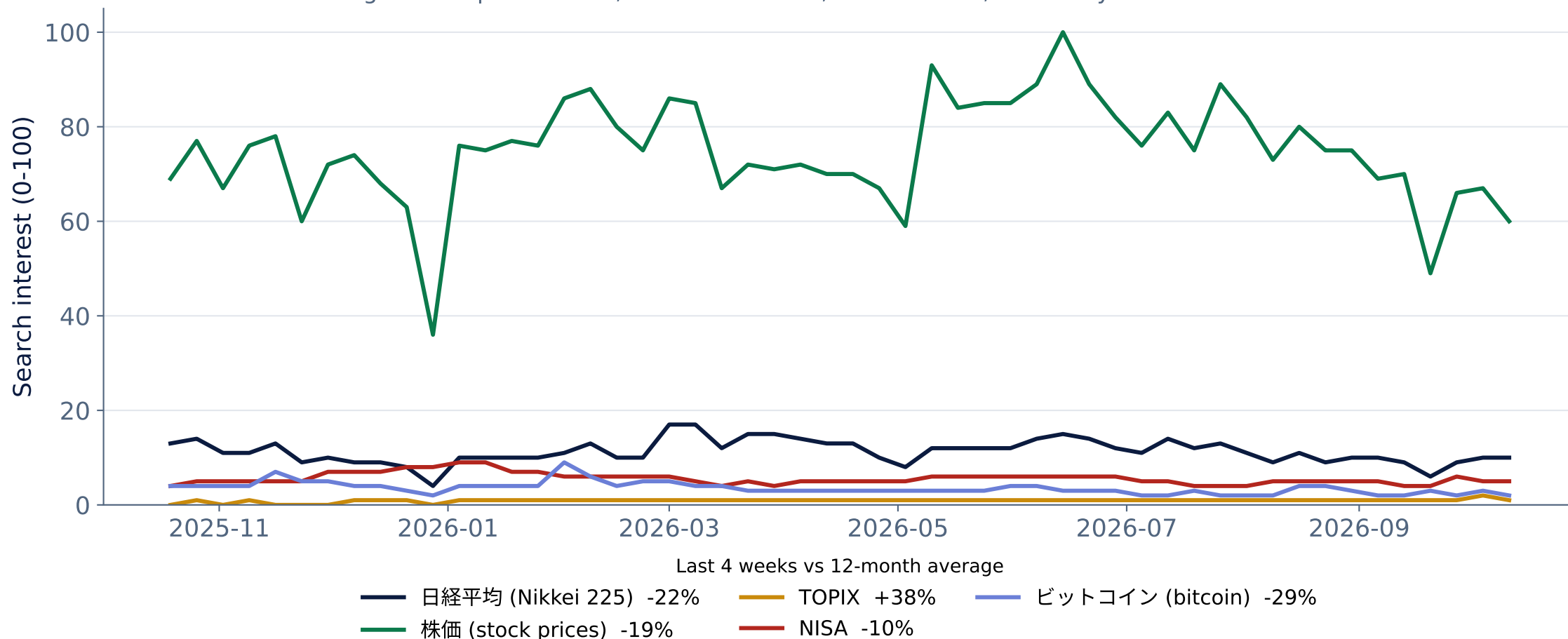
What Korea searched alongside 'stocks'

Fastest-rising related searches, last 3 months, filtered to markets and money by our NIM agents

Search	Growth
주식 원샷 (stocks 'one shot')	+1,500%
모더나 주식 (Moderna stock)	+1,000%
코카콜라 주식 (Coca-Cola stock)	+120%
로블록스 주식 (Roblox stock)	+100%
주식 분할 (stock split)	+50%

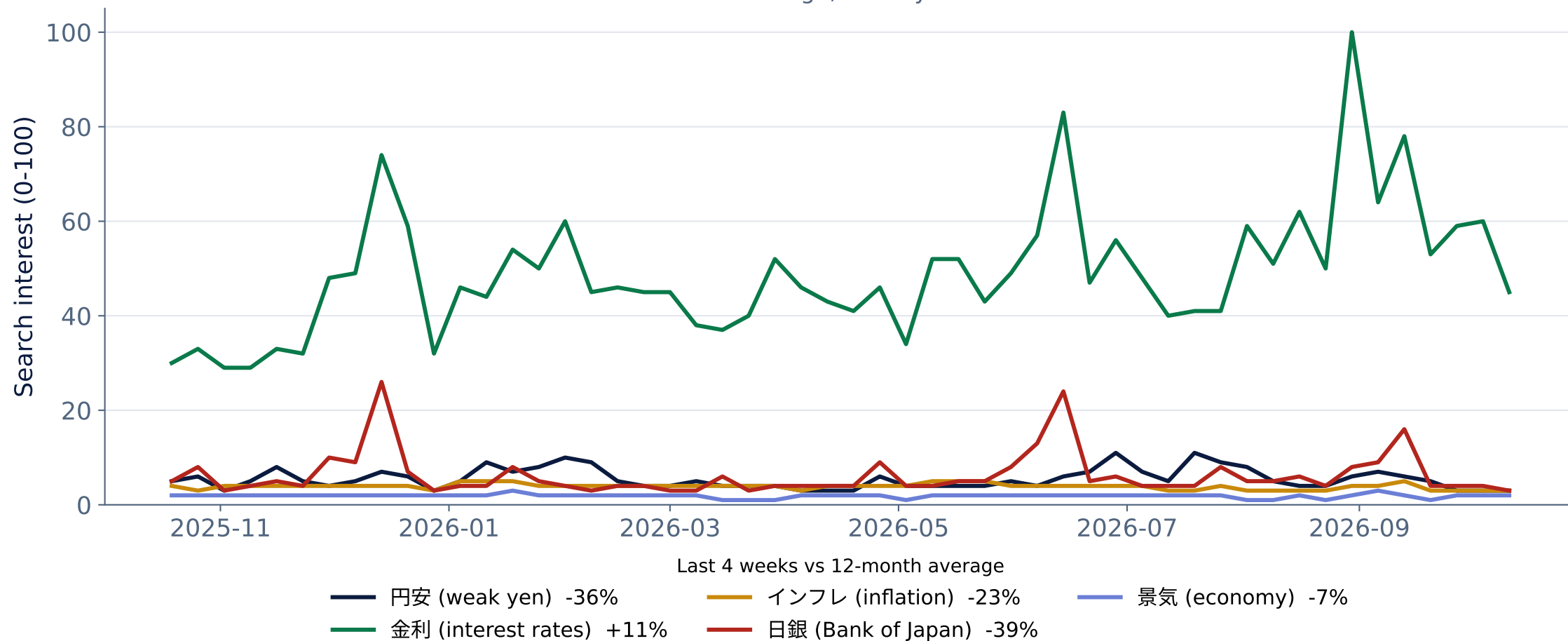
Japanese stock searches have cooled, but less than in the US

Last 4 weeks vs average: stock prices -19%, Nikkei 225 -22%, bitcoin -29%; NISA only -10%



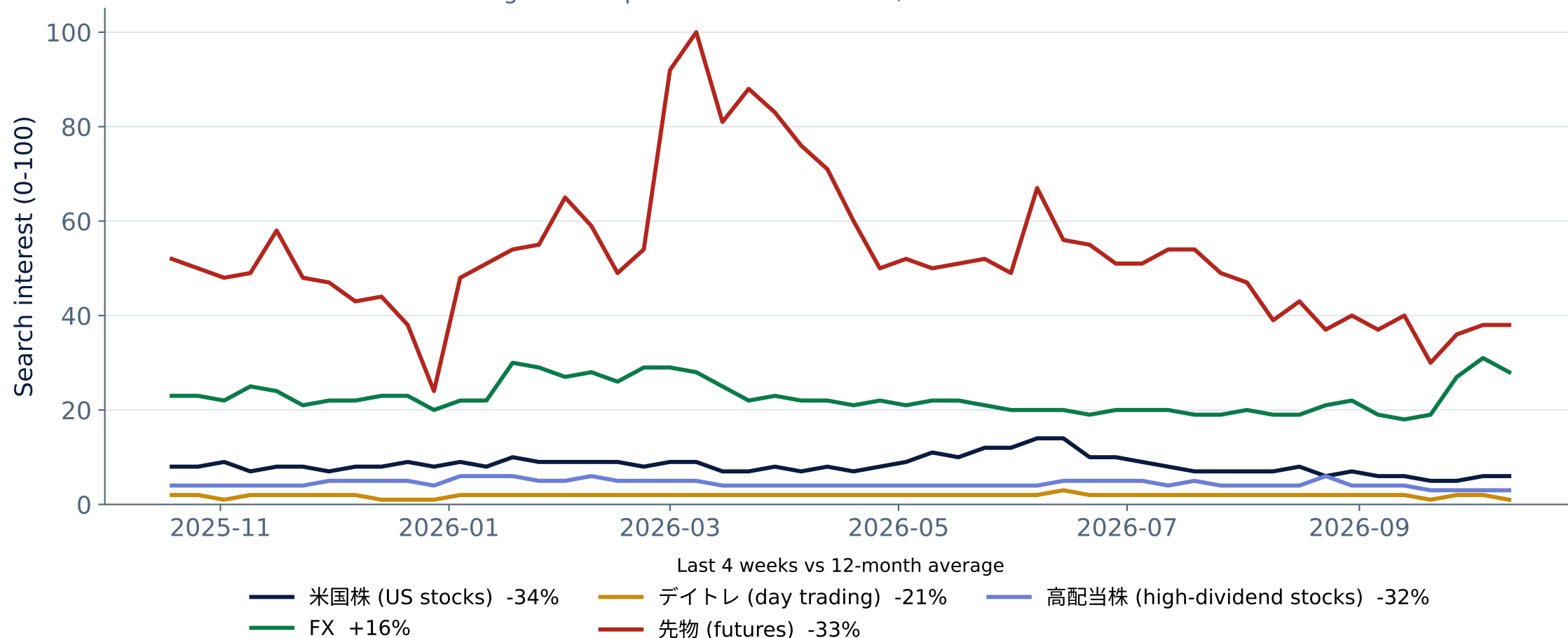
Interest rates are Japan's economic search, and rising

Rates are 74% of economic searches and 11% above average; weak-yen searches are down 36%



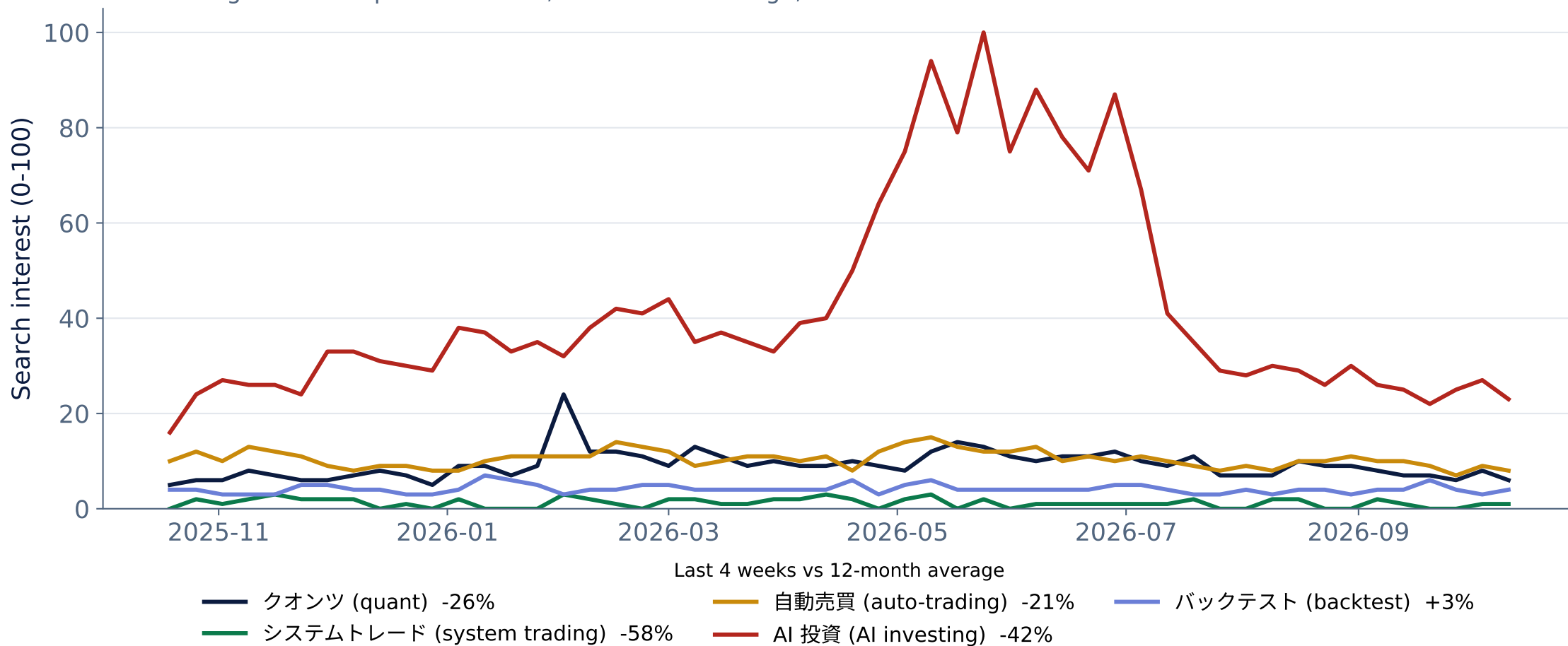
FX trading searches are climbing in Japan

FX searches are 16% above average after a peak the week of Oct 4; futures searches -33%



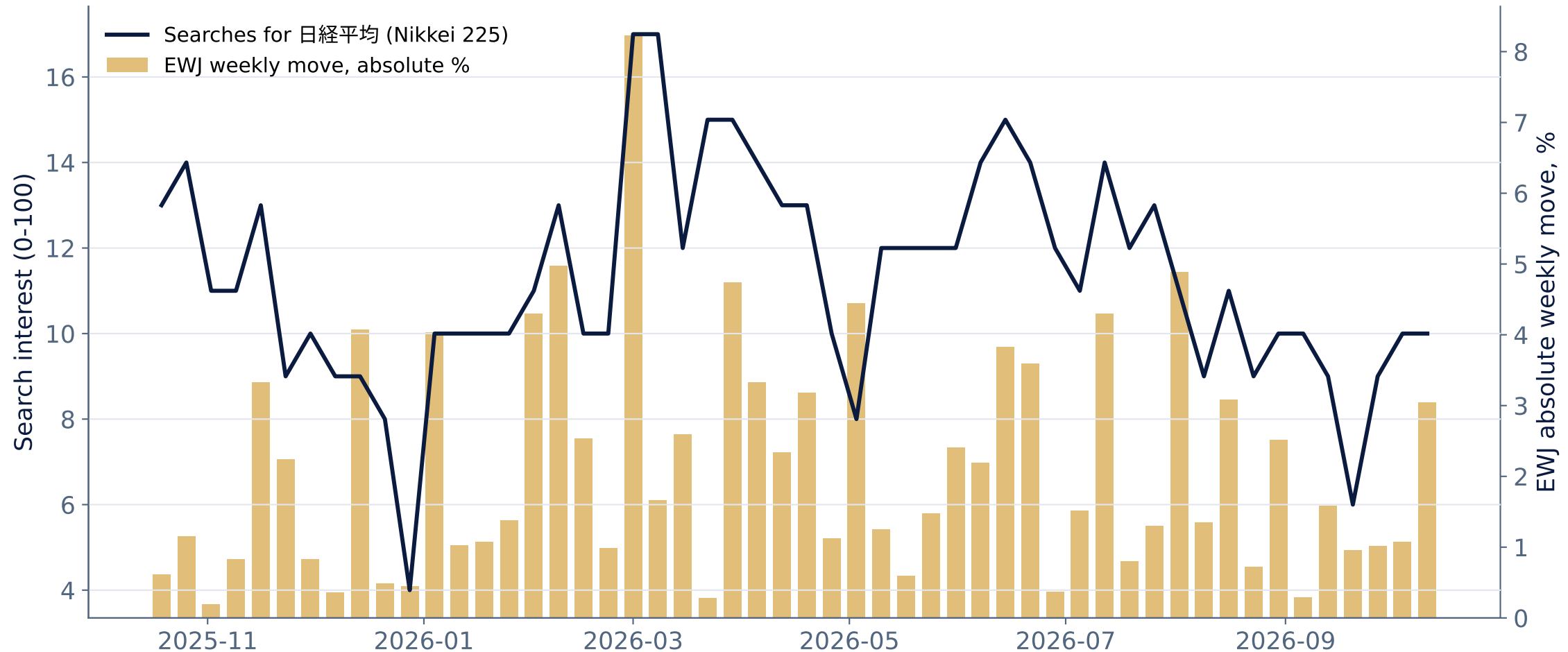
Japan's AI-investing interest is down, but holding up

AI investing is 63% of quant searches, 42% below average; backtest searches +3%



Searches spike when markets move hard

Weekly correlation with EWJ's absolute move: 0.39. Busiest search week: 2026-03-01 (EWJ -8.2%)



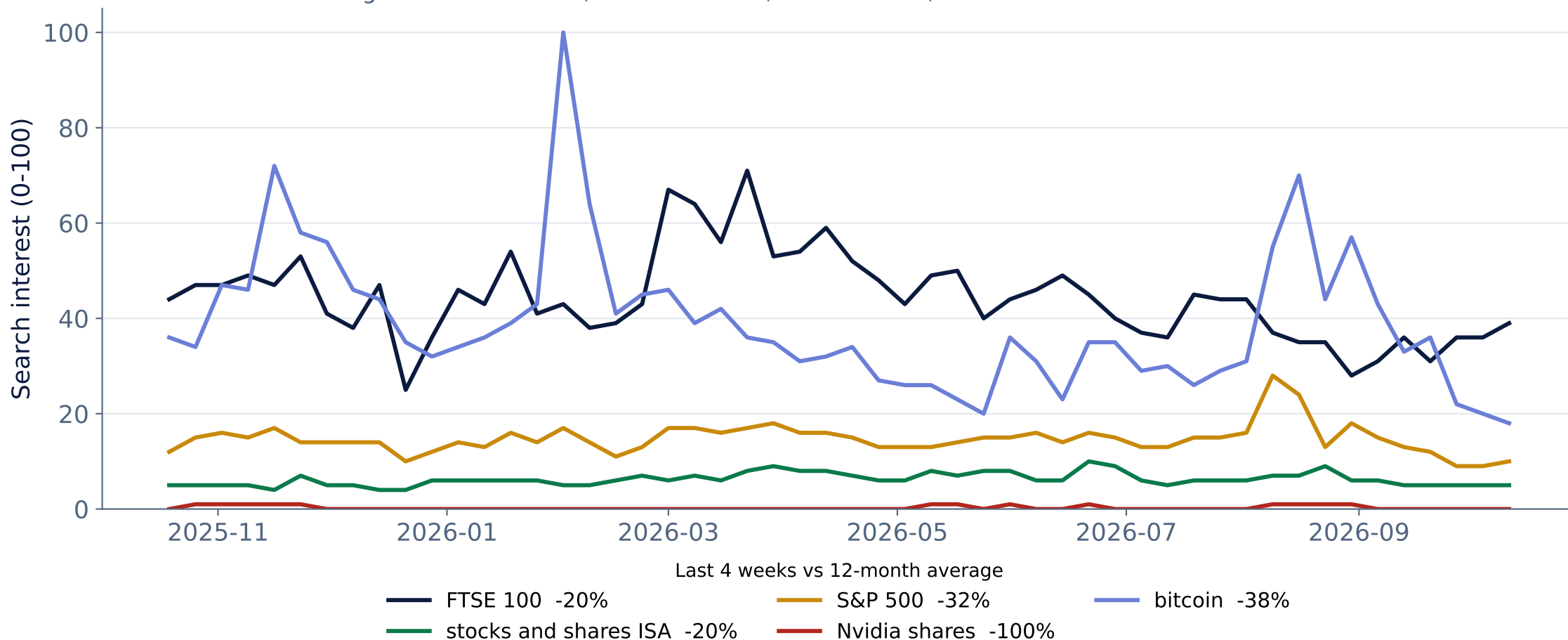
What Japan searched alongside 'stocks'

Fastest-rising related searches, last 3 months, filtered to markets and money by our NIM agents

Search	Growth
野村 構造 変化 日本 株 ファンド (Nomura Japan structural-change fund)	+3,150%
田中 貴金属 工業 株 (Tanaka Kikinzoku stock)	+1,450%
オルカン 高 配当 株 (all-world index vs high-dividend stocks)	+350%
レアアース 株 (rare-earth stocks)	+150%
東京 海上 株価 (Tokio Marine share price)	+110%
レアアース 関連 株 (rare-earth related stocks)	+90%
jt 株 (Japan Tobacco stock)	+40%
三井 住友 銀行 株価 (SMBC share price)	+40%

British investors search the FTSE less, and bitcoin far less

Last 4 weeks vs average: FTSE 100 -20%, S&P 500 -32%, bitcoin -38%; the ISA holds at -20%



Last 4 weeks vs 12-month average

FTSE 100 -20%

S&P 500 -32%

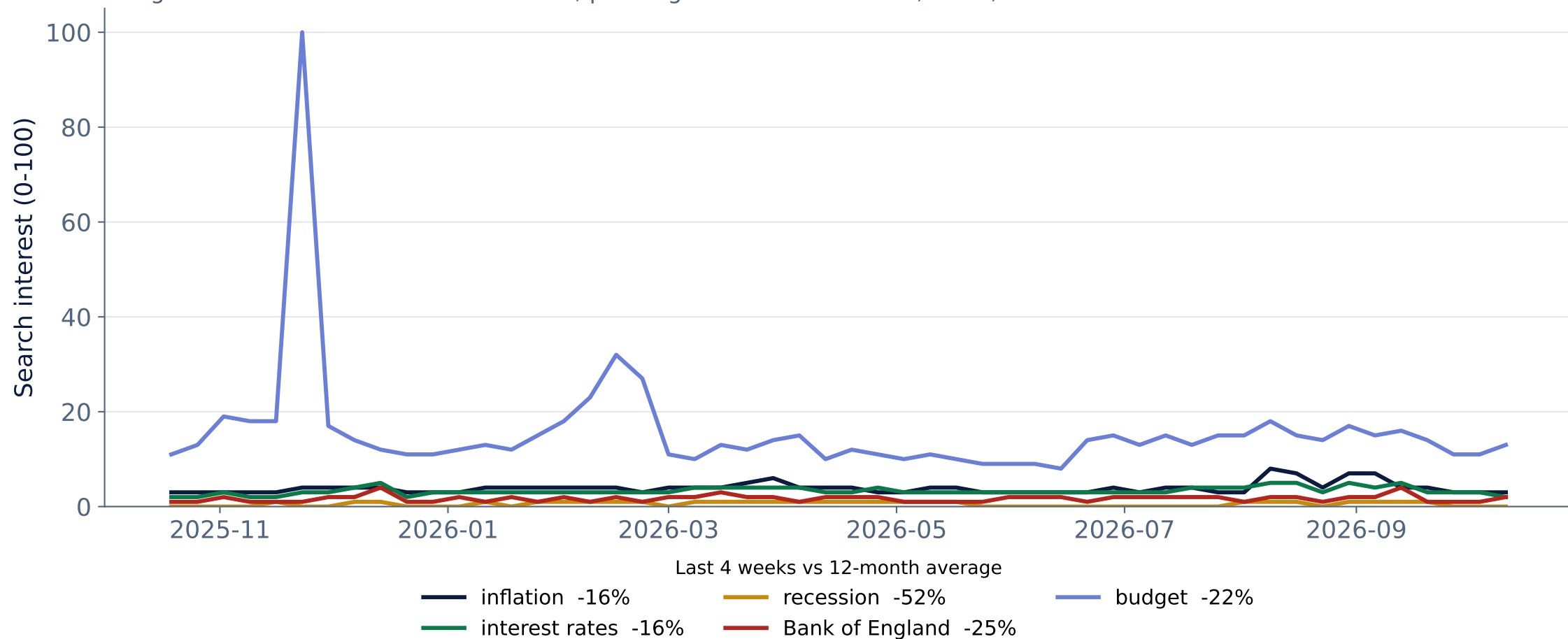
bitcoin -38%

stocks and shares ISA -20%

Nvidia shares -100%

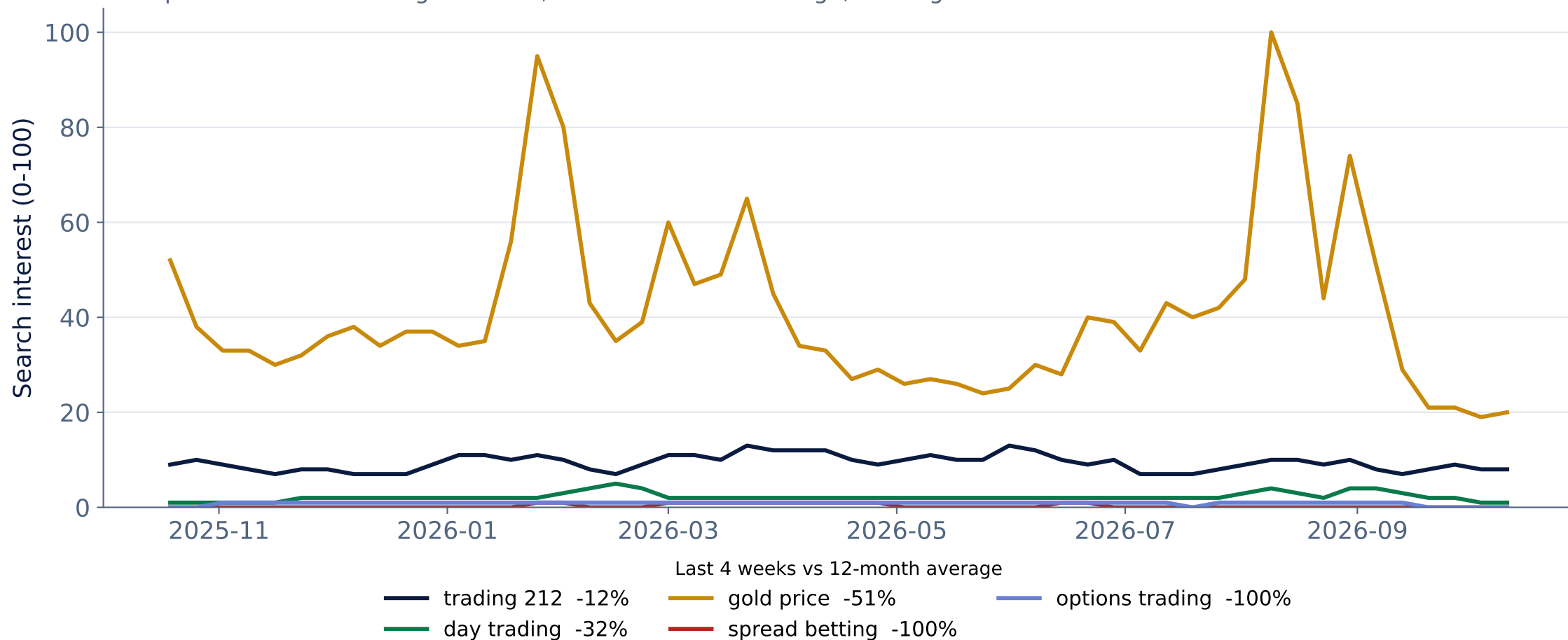
The Budget is Britain's biggest economic search

Budget is 63% of UK economic searches, peaking the week of Nov 23, 2025; recession searches -52%



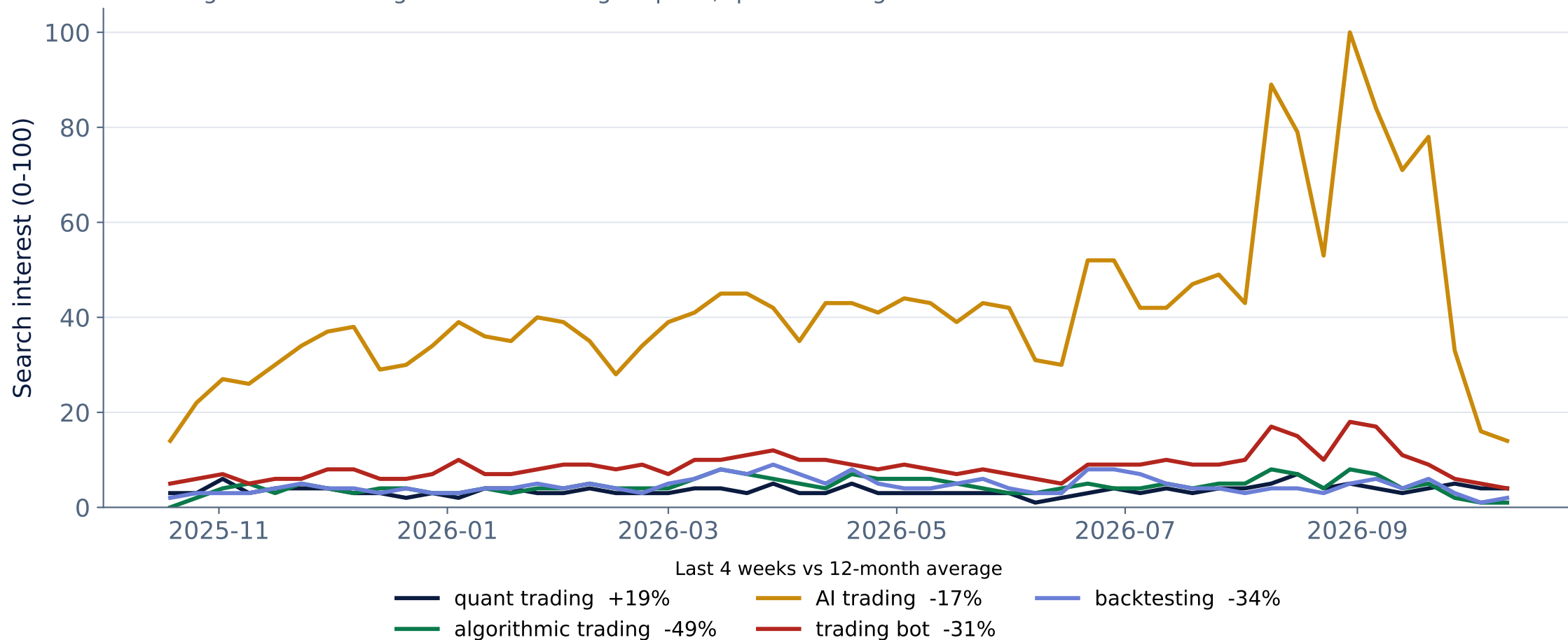
Gold dominates UK trading searches too

Gold price is 77% of trading searches, now 51% below average; Trading 212 holds at -12%



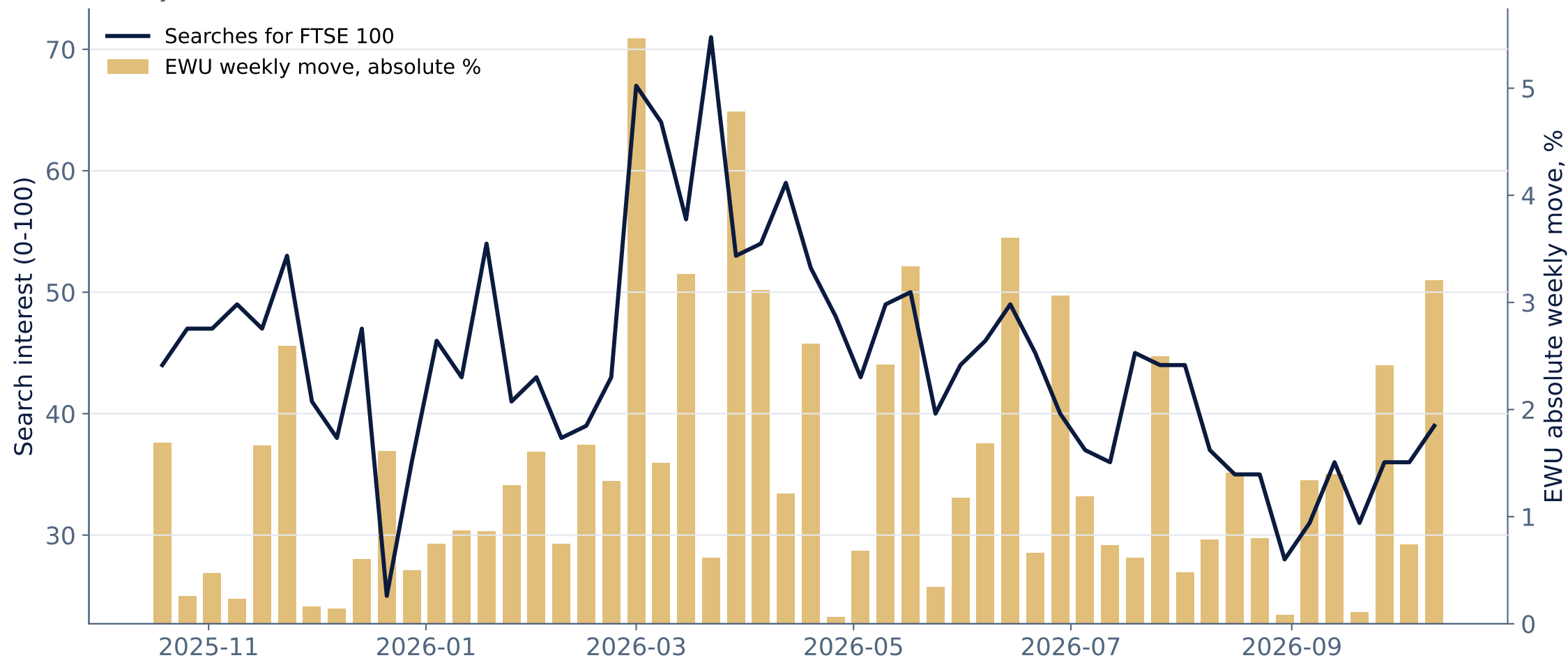
UK AI-trading interest has held up better than in the US

AI trading -17% vs average after a late-August peak; quant trading +19%



Searches spike when markets move hard

Weekly correlation with EWU's absolute move: 0.39. Busiest search week: 2026-03-22 (EWU +0.6%)



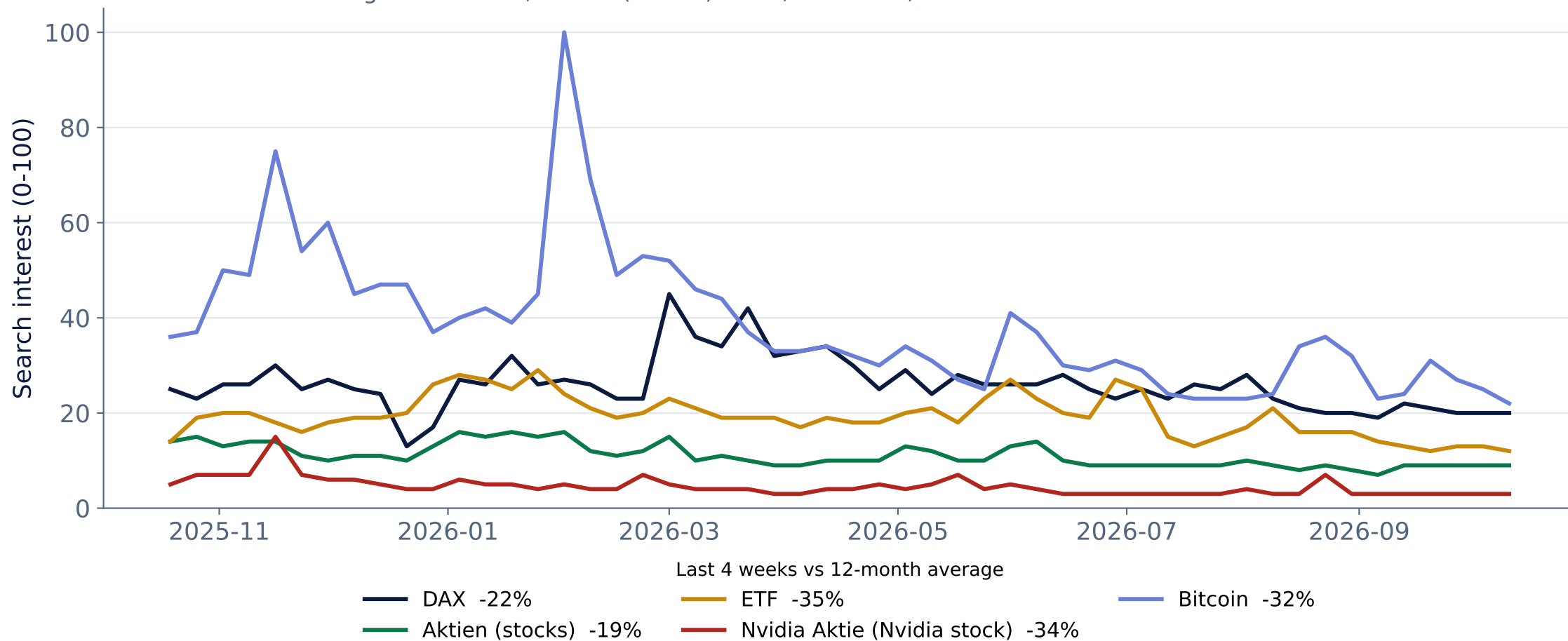
What UK searched alongside 'shares'

Fastest-rising related searches, last 3 months, filtered to markets and money by our NIM agents

Search	Growth
openai uk wages and shares	Breakout
hmrc stocks and shares isa charge	+4,100%
mitie shares	+90%
lloyds banking group shares	+50%

German stock searches are down a fifth

Last 4 weeks vs average: DAX -22%, Aktien (stocks) -19%, ETF -35%, bitcoin -32%



Last 4 weeks vs 12-month average

— DAX -22%

— ETF -35%

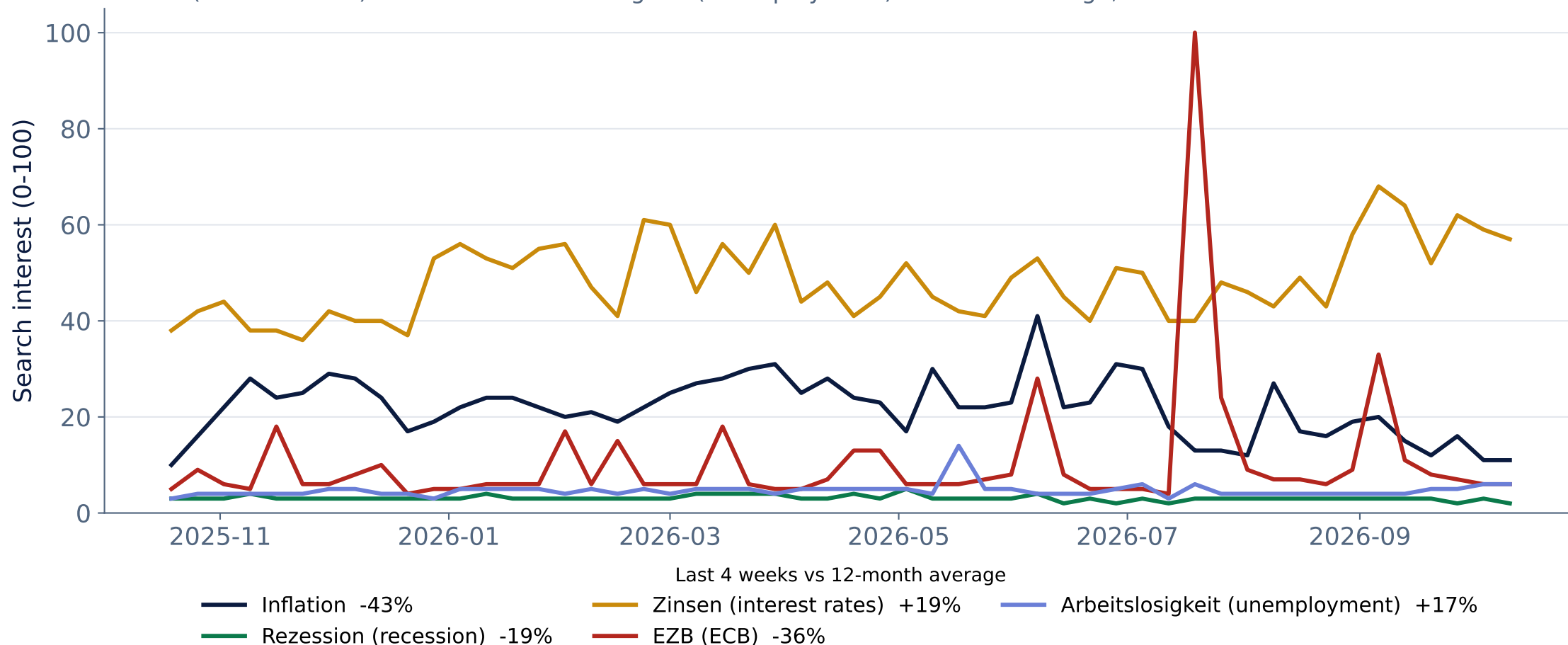
— Bitcoin -32%

— Aktien (stocks) -19%

— Nvidia Aktie (Nvidia stock) -34%

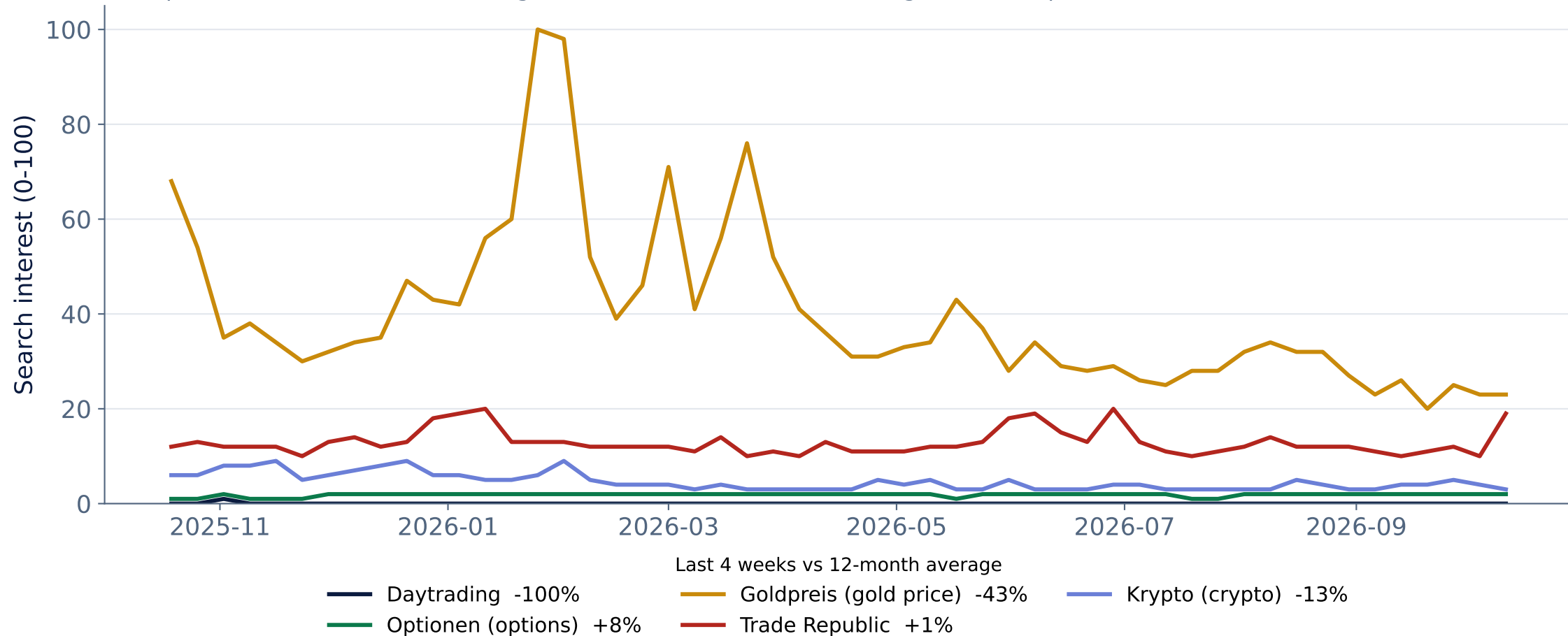
Germans are googling interest rates and jobs more

Zinsen (interest rates) +19% and Arbeitslosigkeit (unemployment) +17% vs average; inflation -43%



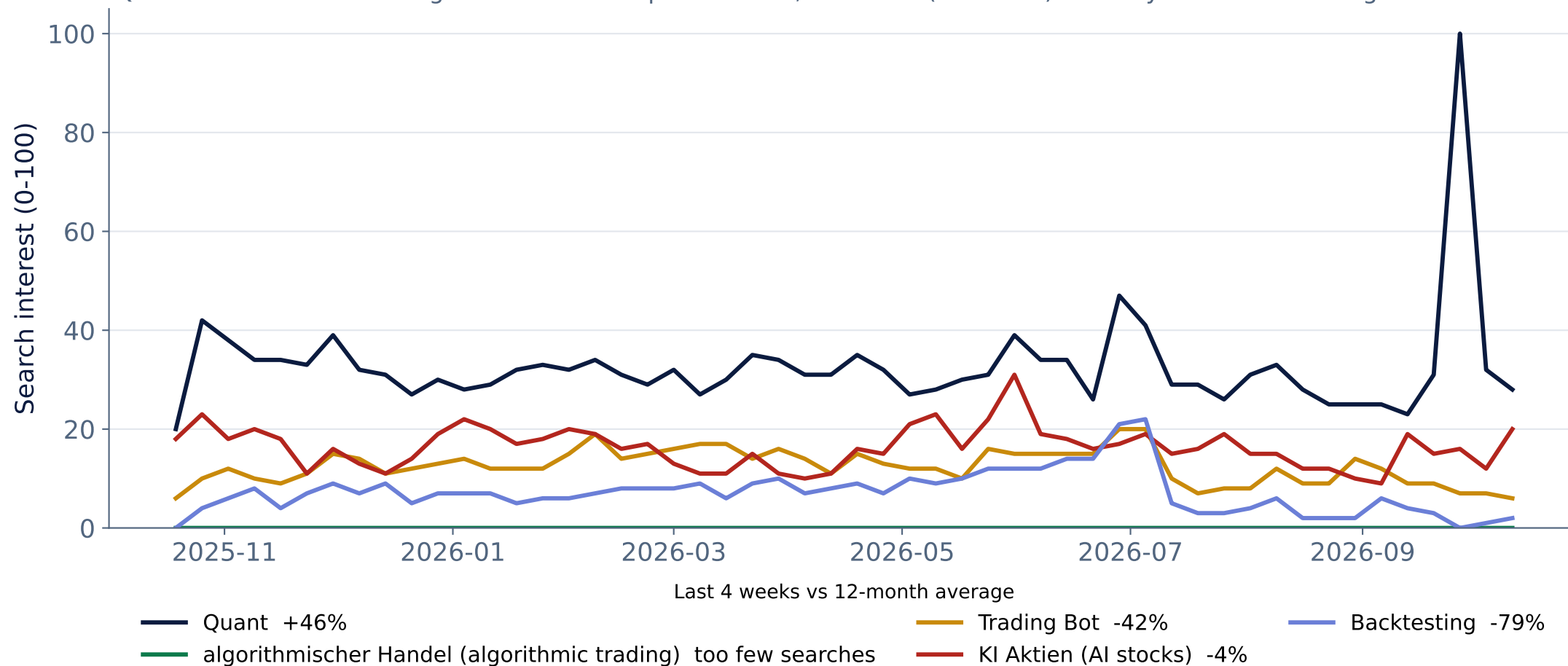
Trade Republic searches are steady while gold fades

Gold price is 67% of German trading searches and 43% below average; Trade Republic +1%



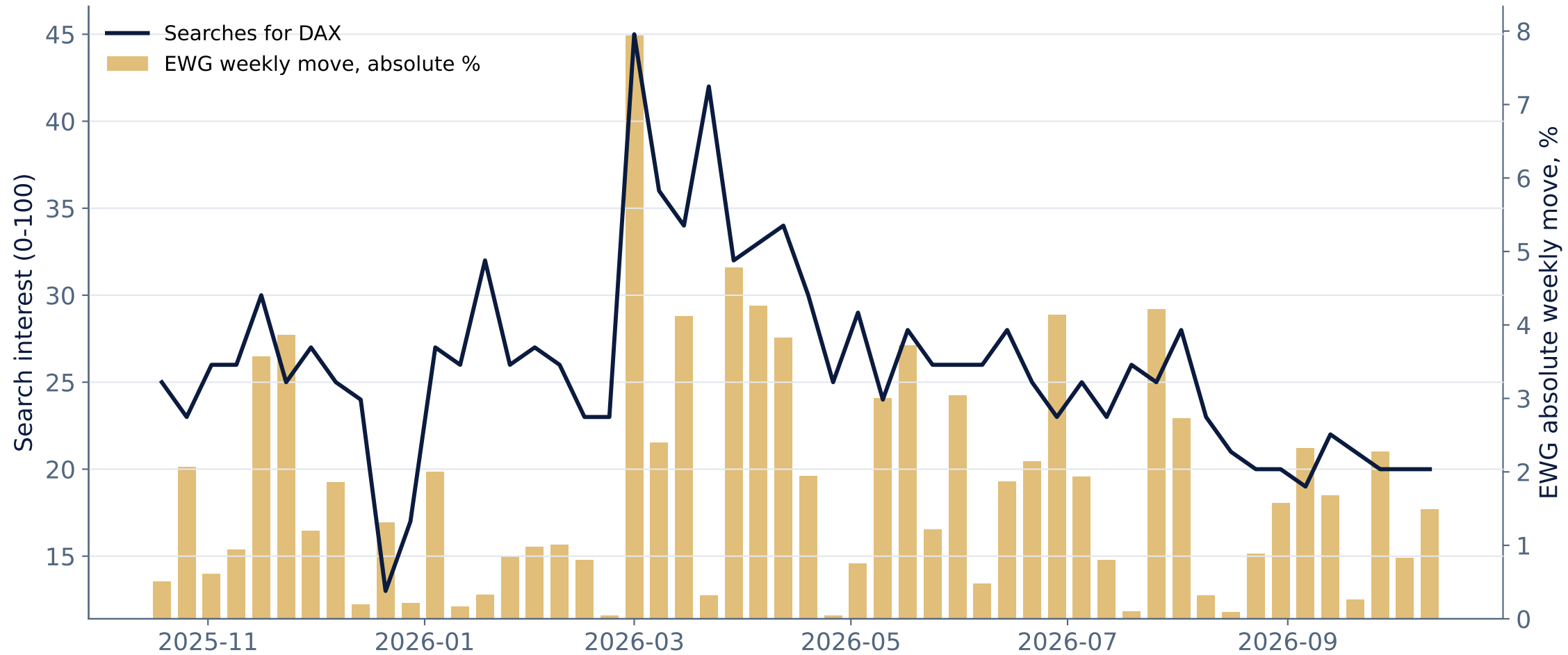
'Quant' spiked in Germany and France in the same week

'Quant' hit its 12-month high the week of Sep 27 in both; AI stocks (KI Aktien) are only 4% below average



Searches spike when markets move hard

Weekly correlation with EWG's absolute move: 0.48. Busiest search week: 2026-03-01 (EWG -7.9%)



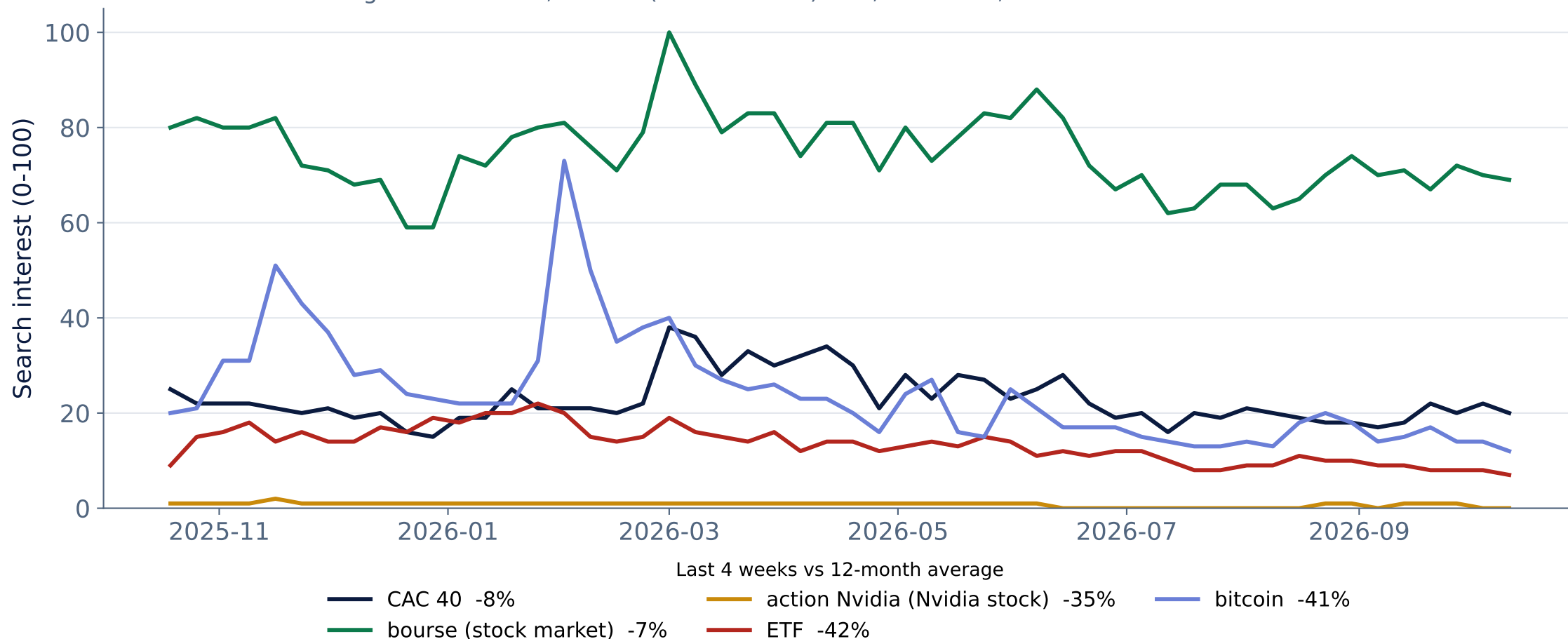
What Germany searched alongside 'stocks'

Fastest-rising related searches, last 3 months, filtered to markets and money by our NIM agents

Search	Growth
fed zinsentscheidung (Fed rate decision)	Breakout
drohnenabwehr aktien (drone-defence stocks)	+800%
zalando aktien (Zalando stock)	+400%
in welche aktien sollte man jetzt investieren (which stocks to buy now)	+110%
microsoft aktien (Microsoft stock)	+50%

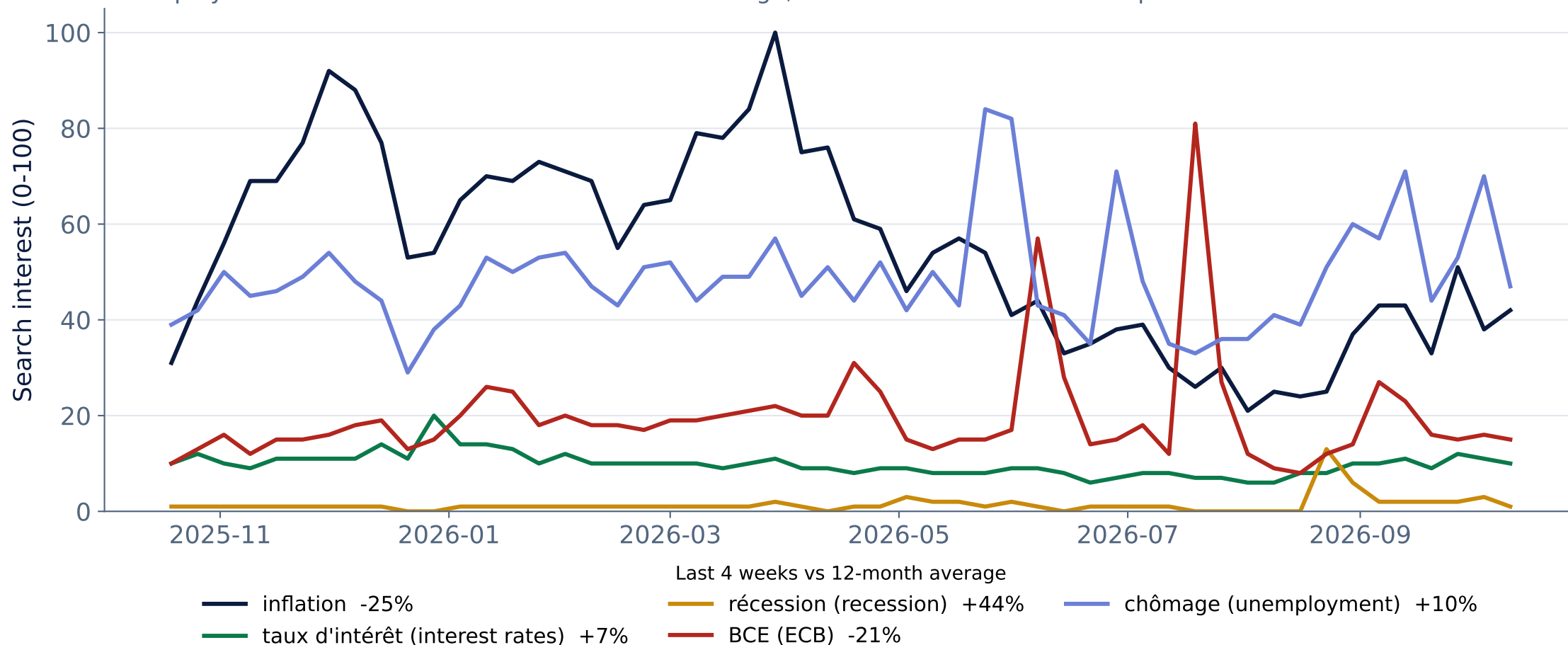
French market searches have held up best in Europe

Last 4 weeks vs average: CAC 40 -8%, bourse (stock market) -7%, ETF -42%, bitcoin -41%



France worries about jobs more than inflation now

Unemployment +10% and interest rates +7% vs average; inflation -25% after a March peak



Last 4 weeks vs 12-month average

inflation -25%

récession (recession) +44%

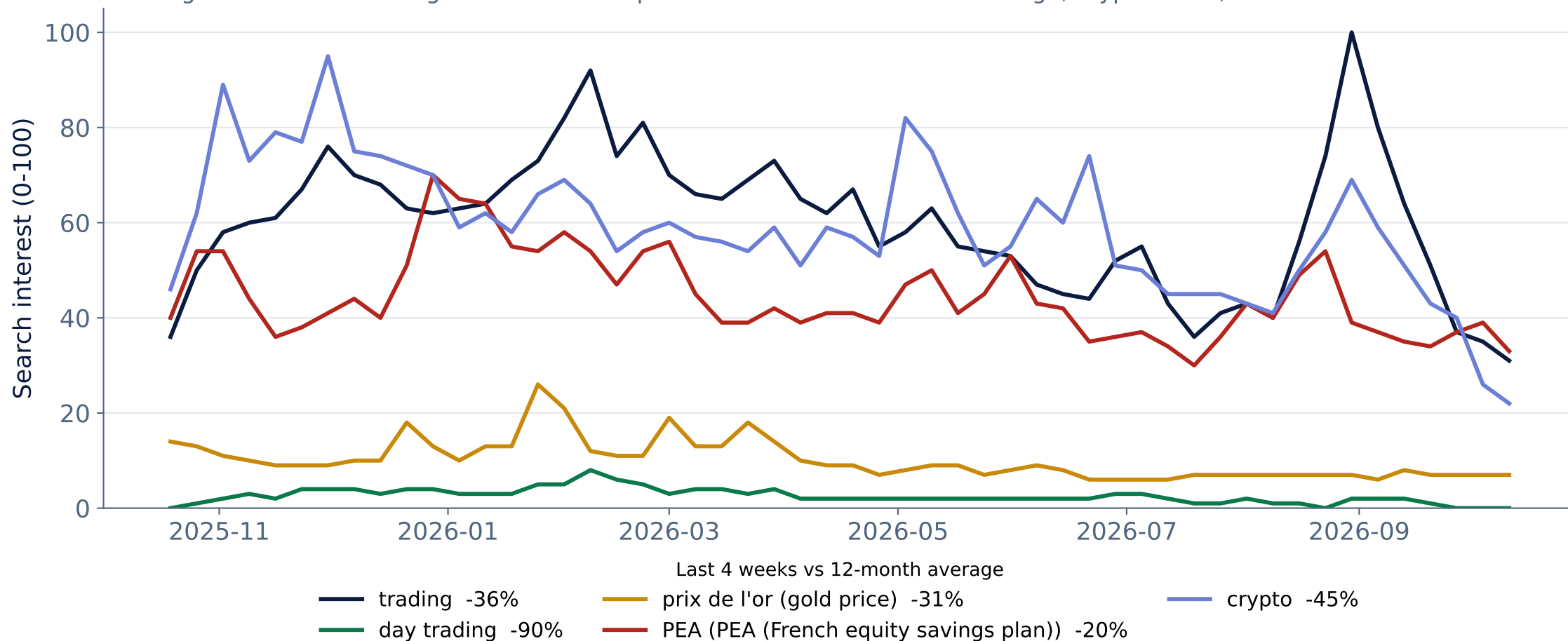
chômage (unemployment) +10%

taux d'intérêt (interest rates) +7%

BCE (ECB) -21%

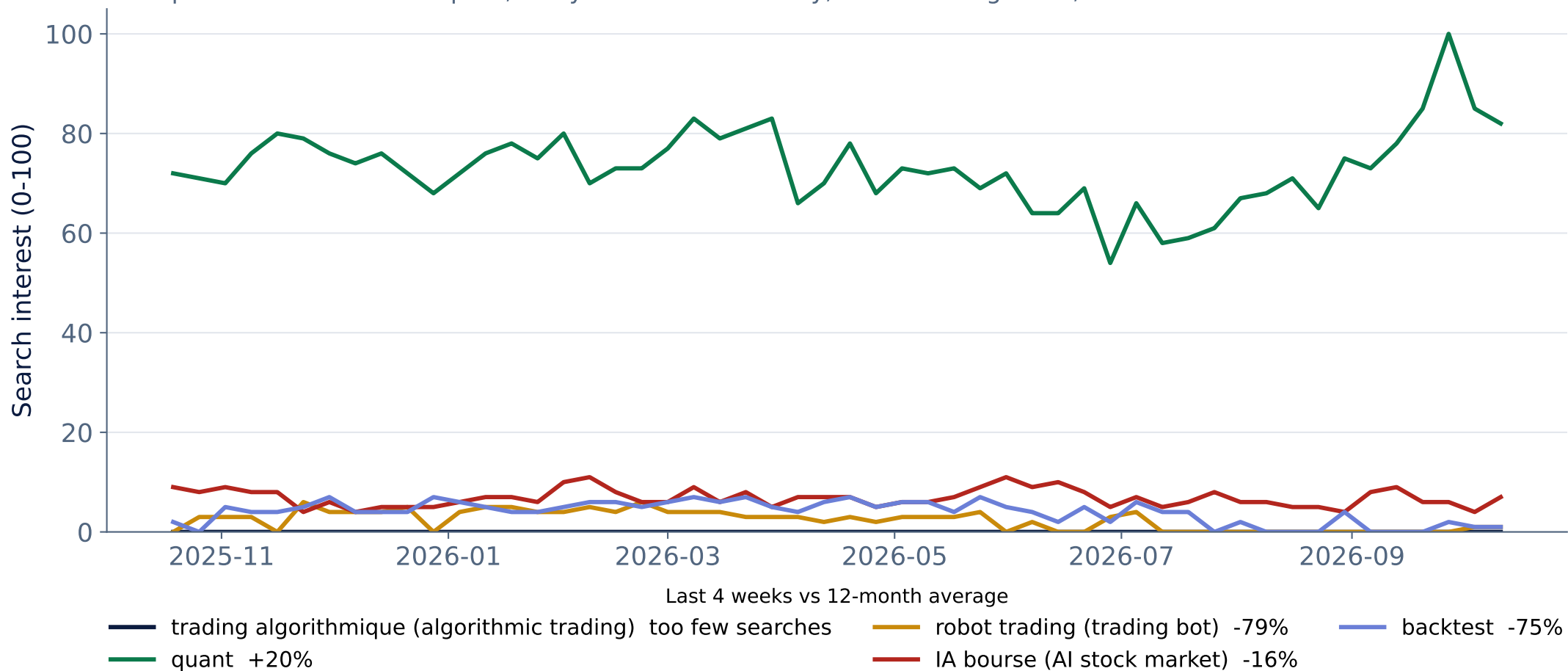
French trading searches peaked in late September

'Trading' hit its 12-month high the week of Sep 27 and is now 36% below average; crypto -45%, PEA -20%



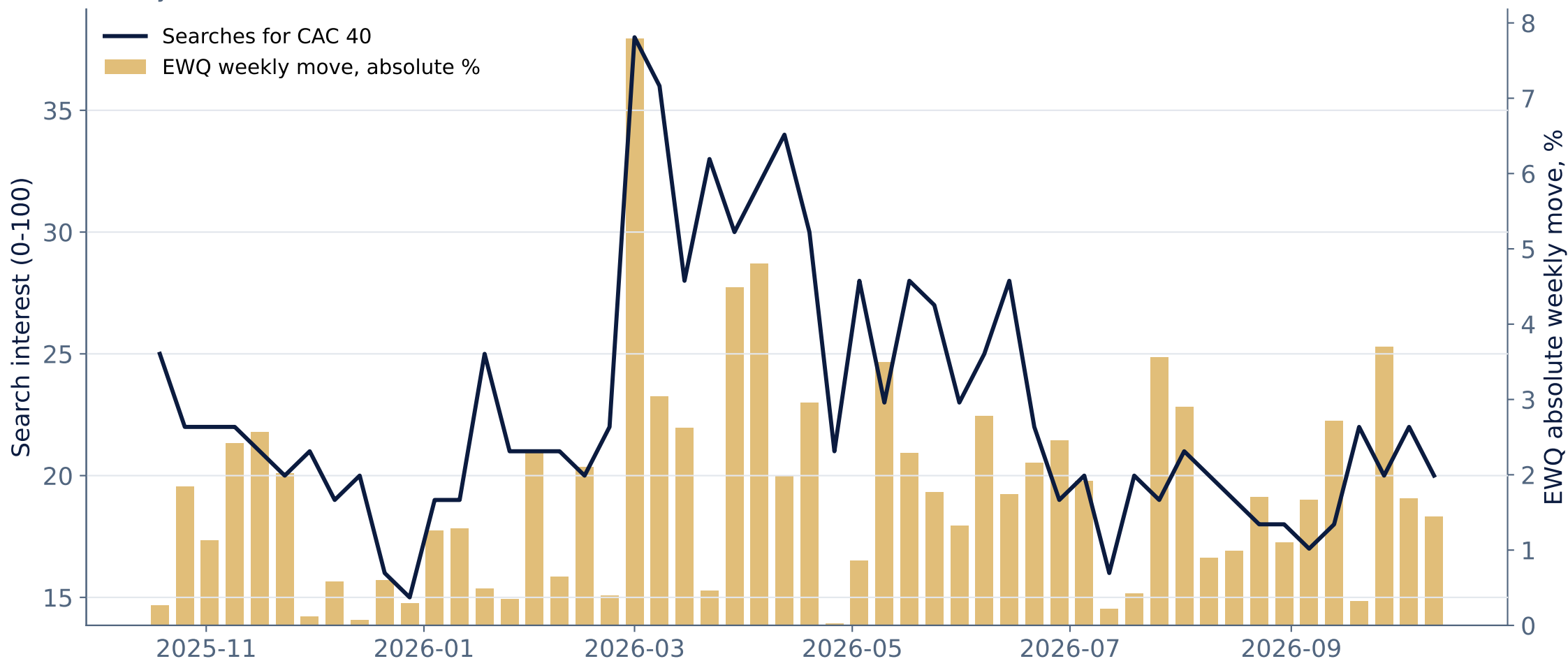
'Quant' spiked in France and Germany in the same week

Both peaked the week of Sep 27, likely a non-market story; robot trading -79%, AI stock market -16%



Searches spike when markets move hard

Weekly correlation with EWQ's absolute move: 0.51. Busiest search week: 2026-03-01 (EWQ -7.8%)



What France searched alongside 'stock market'

Fastest-rising related searches, last 3 months, filtered to markets and money by our NIM agents

Search	Growth
biophytis bourse	+450%
moderna bourse	+250%
aton bourse	+120%
haffner energy bourse	+60%
legrand bourse	+60%
fonds négocié en bourse (ETF)	+40%
schneider electric bourse	+40%

04

Do searches lead or lag markets?

Five years of weekly US data, 22 years of monthly data, and six markets

What the research already says

Peer-reviewed and working-paper evidence on search attention and asset prices

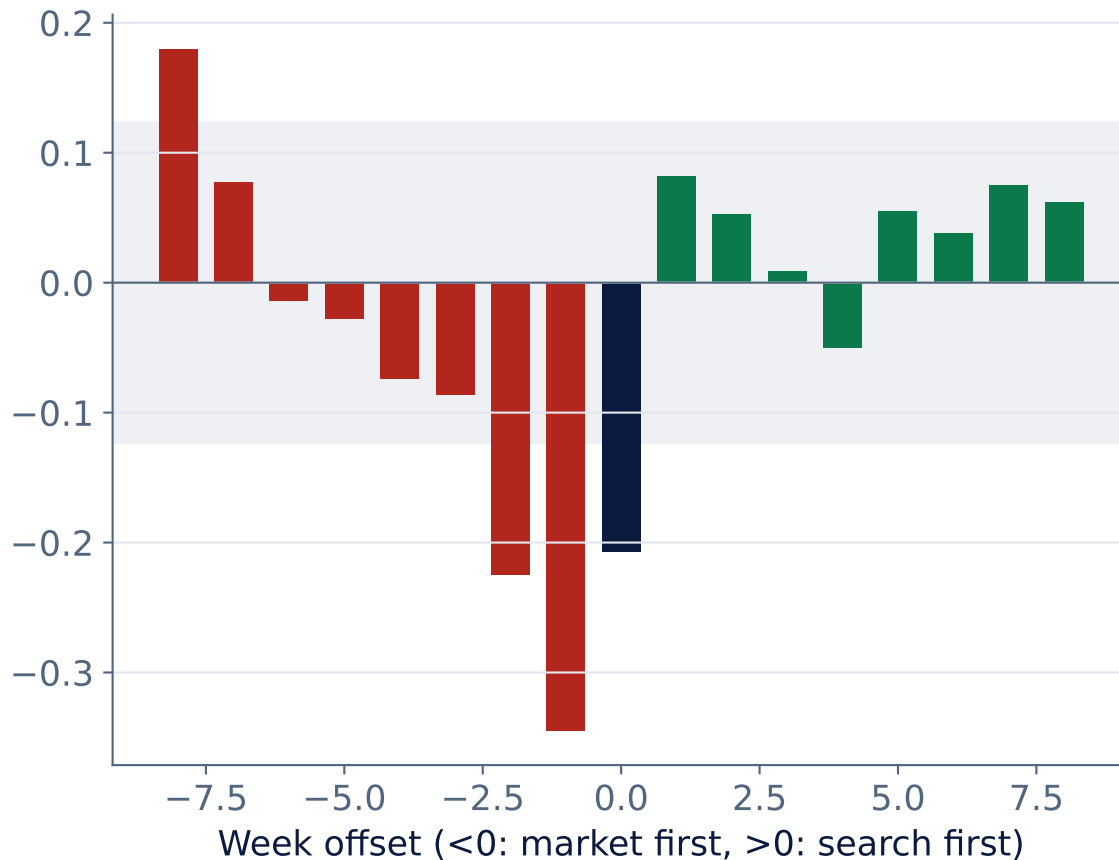
Study	Data	Finding
Da, Engelberg & Gao (2011), Journal of Finance	Ticker searches, Russell 3000, 2004-08	Abnormal searches capture retail attention and predict higher prices over the next two weeks, then a reversal within the year.
Da, Engelberg & Gao (2015), Review of Financial Studies	'FEARS' index of economic-worry searches, 2004-11	Fear searches predict short-term return reversals, temporary rises in volatility and flows from equity to bond funds.
Preis, Moat & Stanley (2013), Scientific Reports	98 search terms vs the Dow, 2004-11	Rising searches for 'debt' preceded falls; the strategy returned 326% before costs, which later work treats as data-mined.
Challet & Bel Hadj Ayed (2013), working paper	Finance vs unrelated random keywords	Finance keywords did no better than random ones at predicting index returns.
Choi & Varian (2012), Economic Record	Searches vs jobless claims and other data	Search data improves real-time 'nowcasts' of initial jobless claims.

Searches react to falling markets; they don't forecast them

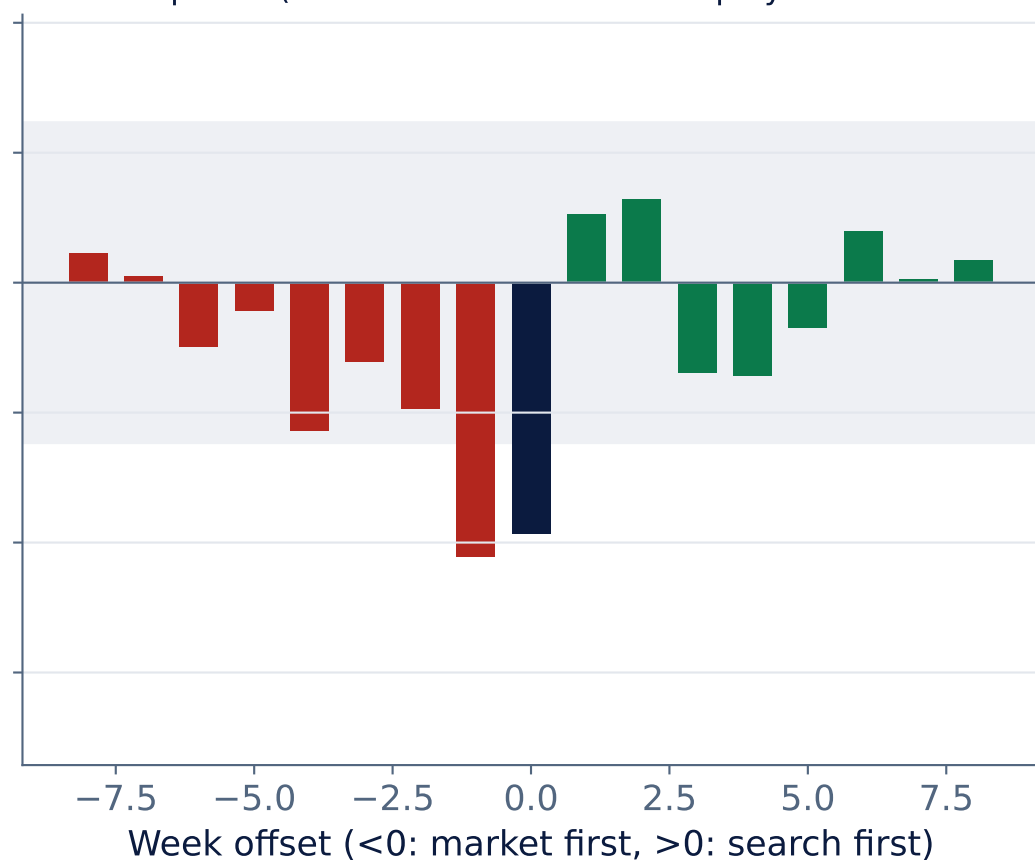
The strongest link is with the previous week's return (left of zero); bars right of zero sit inside the noise band

Correlation of abnormal searches with SPY weekly return

Searches for 'stock market'



Fear composite (crash + recession + unemployment + inflation)



Searches forecast volatility, not direction

Effect of a one-unit rise in abnormal search, controlling for the last two weeks' returns and the VIX change

Search term	SPY next week, %	SPY next 4 wks, %	Realized vol, next week	VIX change, 13 wks	Past return t-stat
stock market crash	+0.34 (t +1.0)	-1.33 (t -1.9)	+0.90 (t +2.3)	-2.79 (t -2.9)	-1.7
recession	+0.32 (t +0.7)	-0.77 (t -0.4)	+0.71 (t +1.4)	-2.98 (t -2.2)	-3.3
stock market	+0.84 (t +1.4)	+0.90 (t +0.6)	+2.35 (t +2.7)	-6.16 (t -3.7)	-2.9
unemployment	+2.16 (t +1.6)	+6.29 (t +1.4)	+0.80 (t +0.5)	+17.67 (t +3.0)	+1.3
inflation	-0.76 (t -1.3)	-0.34 (t -0.2)	+0.66 (t +1.1)	-2.68 (t -1.1)	-0.8
buy stocks	+0.81 (t +1.4)	+2.78 (t +1.6)	+2.66 (t +2.4)	-4.22 (t -1.4)	-0.4
Fear composite	+0.20 (t +0.9)	-0.15 (t -0.2)	+0.55 (t +3.2)	-0.61 (t -0.9)	-1.9

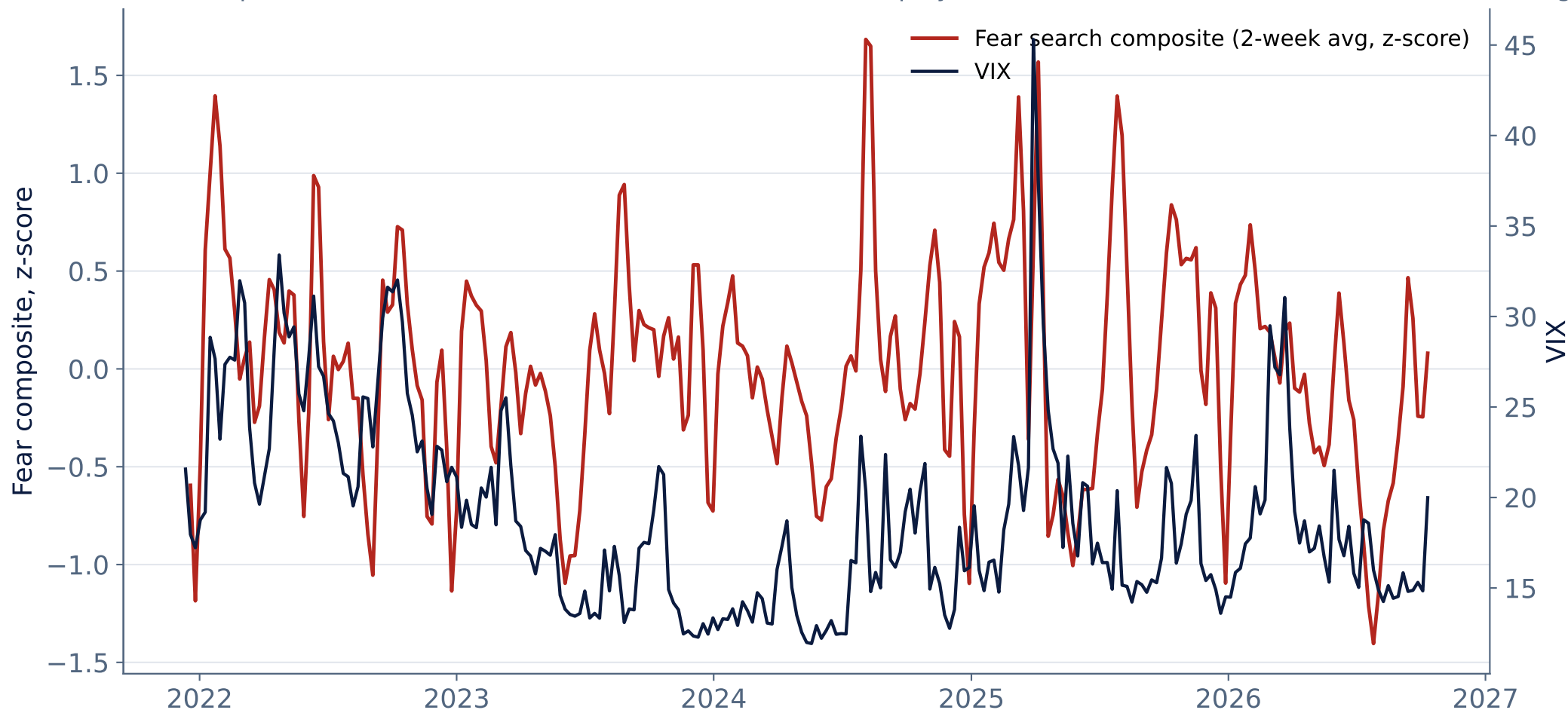
Markets drive searches far more than searches drive markets

Granger causality p-values, 4 weekly lags; below 0.05 is significant

Search term	Search → SPY returns	SPY returns → search	Search → VIX	VIX → search
stock market crash	0.053	0.241	0.035	0.001
recession	0.123	0.001	0.046	0.001
stock market	0.444	0.000	0.082	0.000
unemployment	0.711	0.639	0.946	0.500
inflation	0.126	0.340	0.181	0.454
buy stocks	0.425	0.228	0.297	0.001
VIX	0.994	0.040	0.610	0.000

Fear searches spike with the VIX

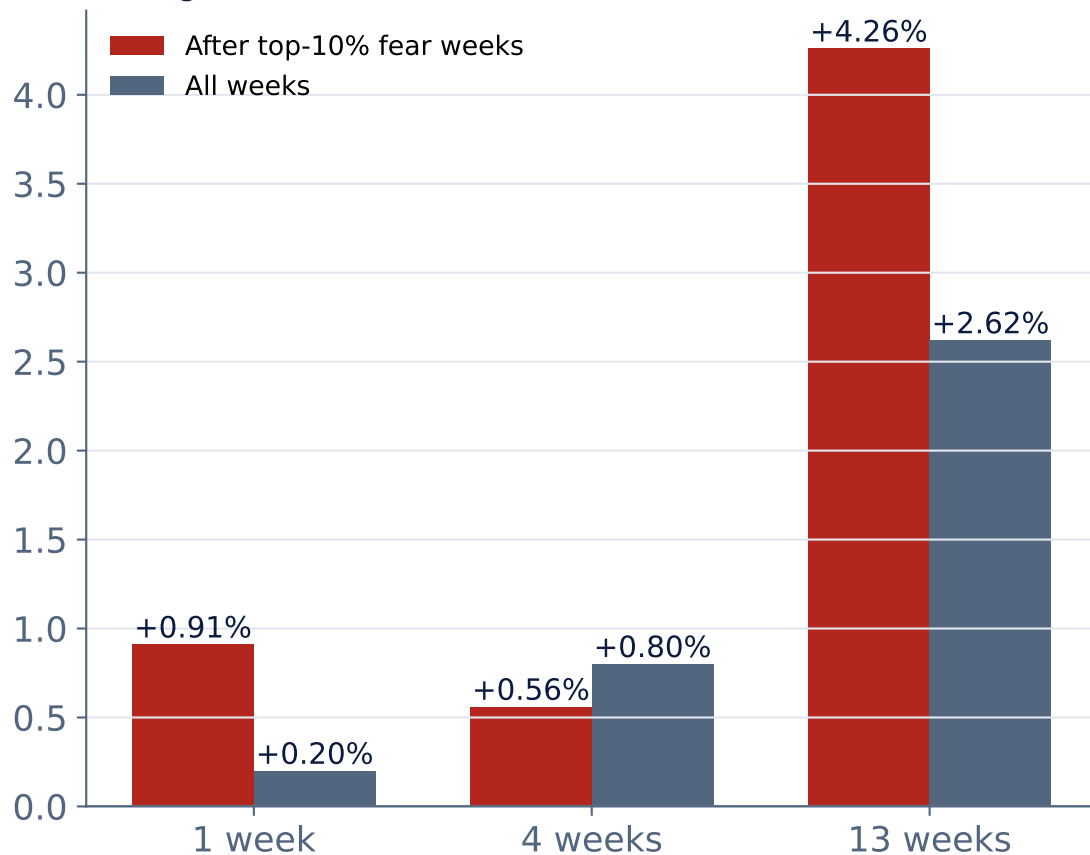
Fear composite = 'stock market crash', 'recession' and 'unemployment'; same-week correlation with the VIX change +0.21



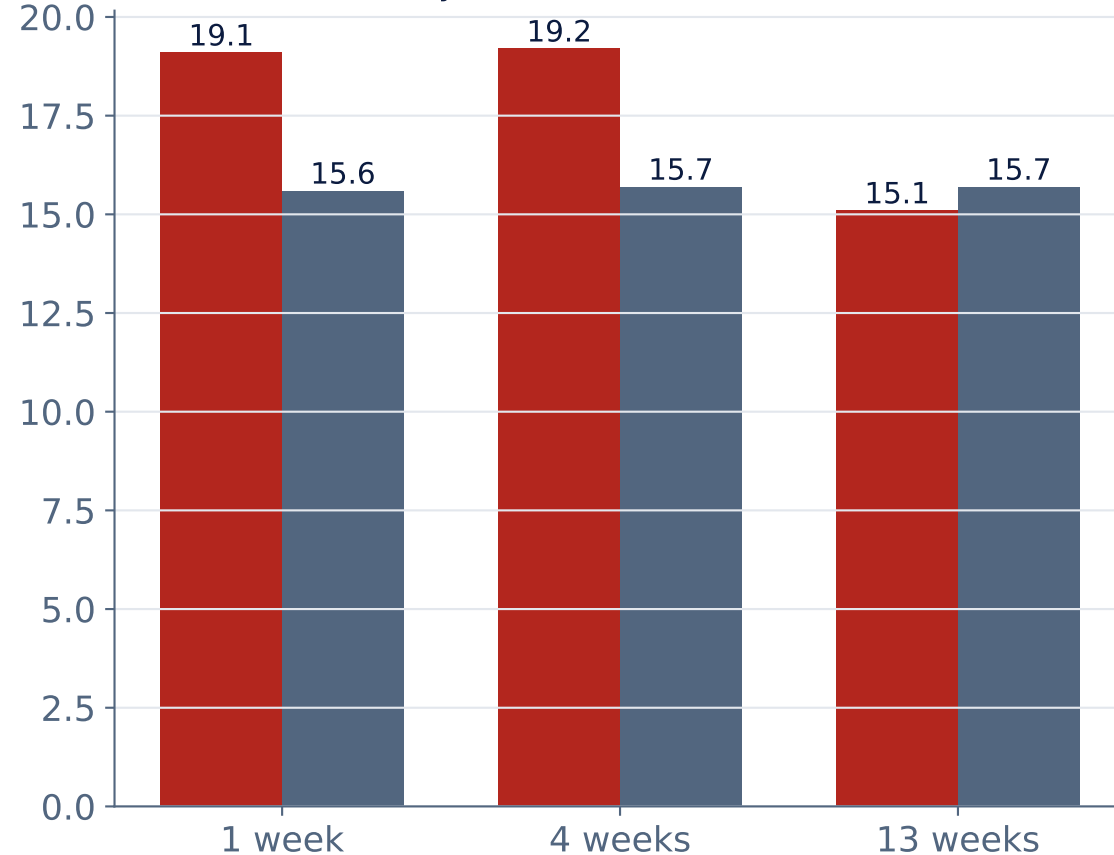
After fear spikes: more volatility, no reliable direction

26 top-10% fear weeks: SPY +0.57% the next week vs +0.20% (permutation p = 0.10), but volatility is clearly higher

Average SPY return afterwards

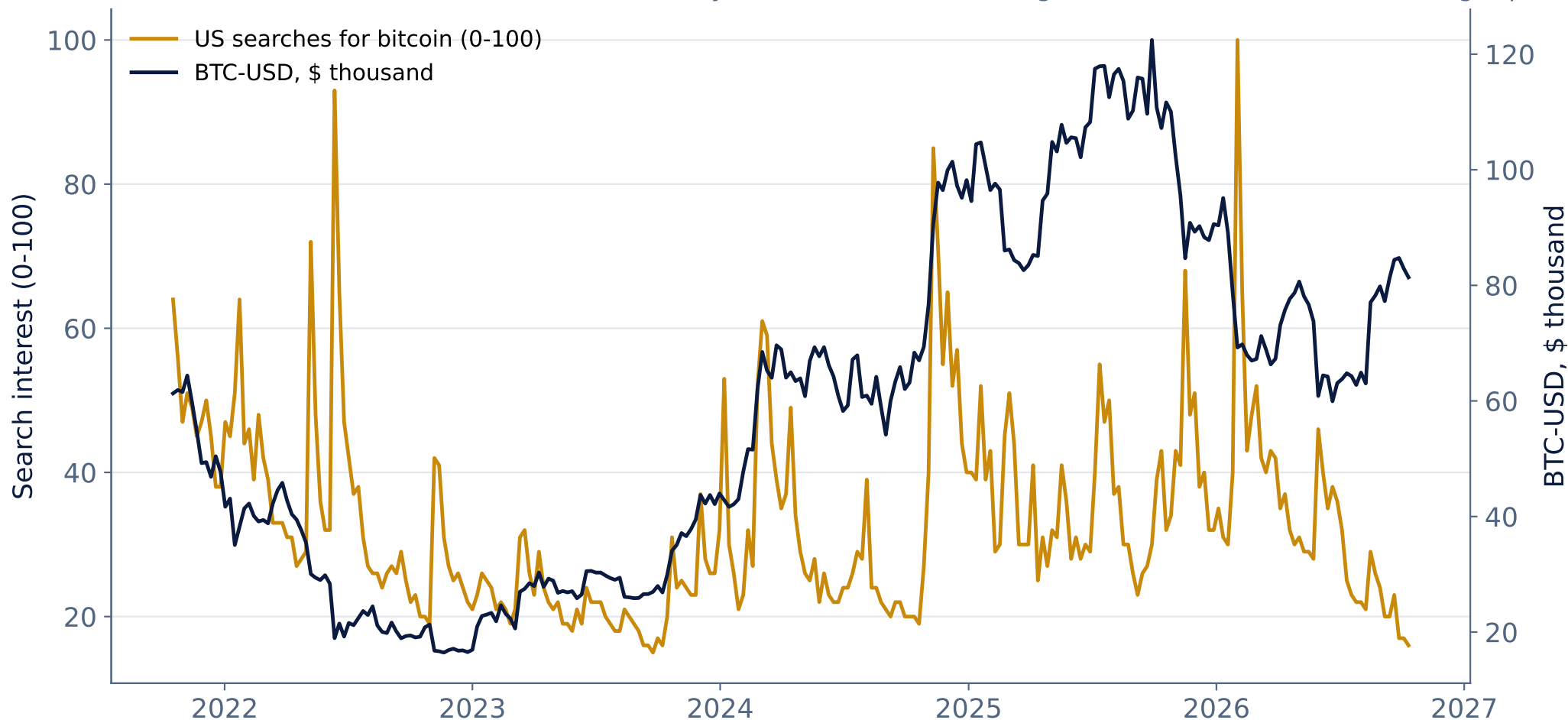


SPY realized volatility afterwards, % annualized



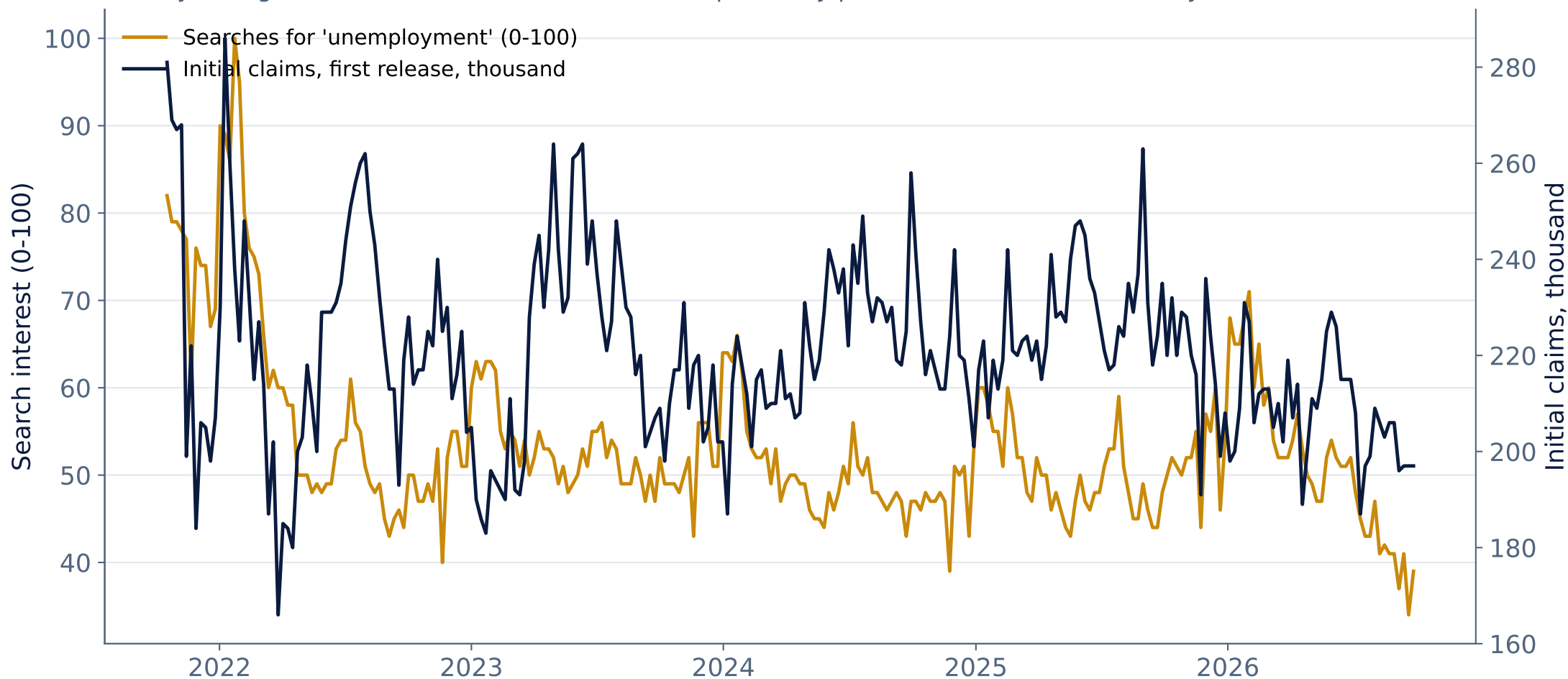
Bitcoin attention follows big moves, in either direction

Searches correlate with the size of BTC's weekly move (+0.38), not its sign; neither leads the other (Granger p 0.39 and 0.97)



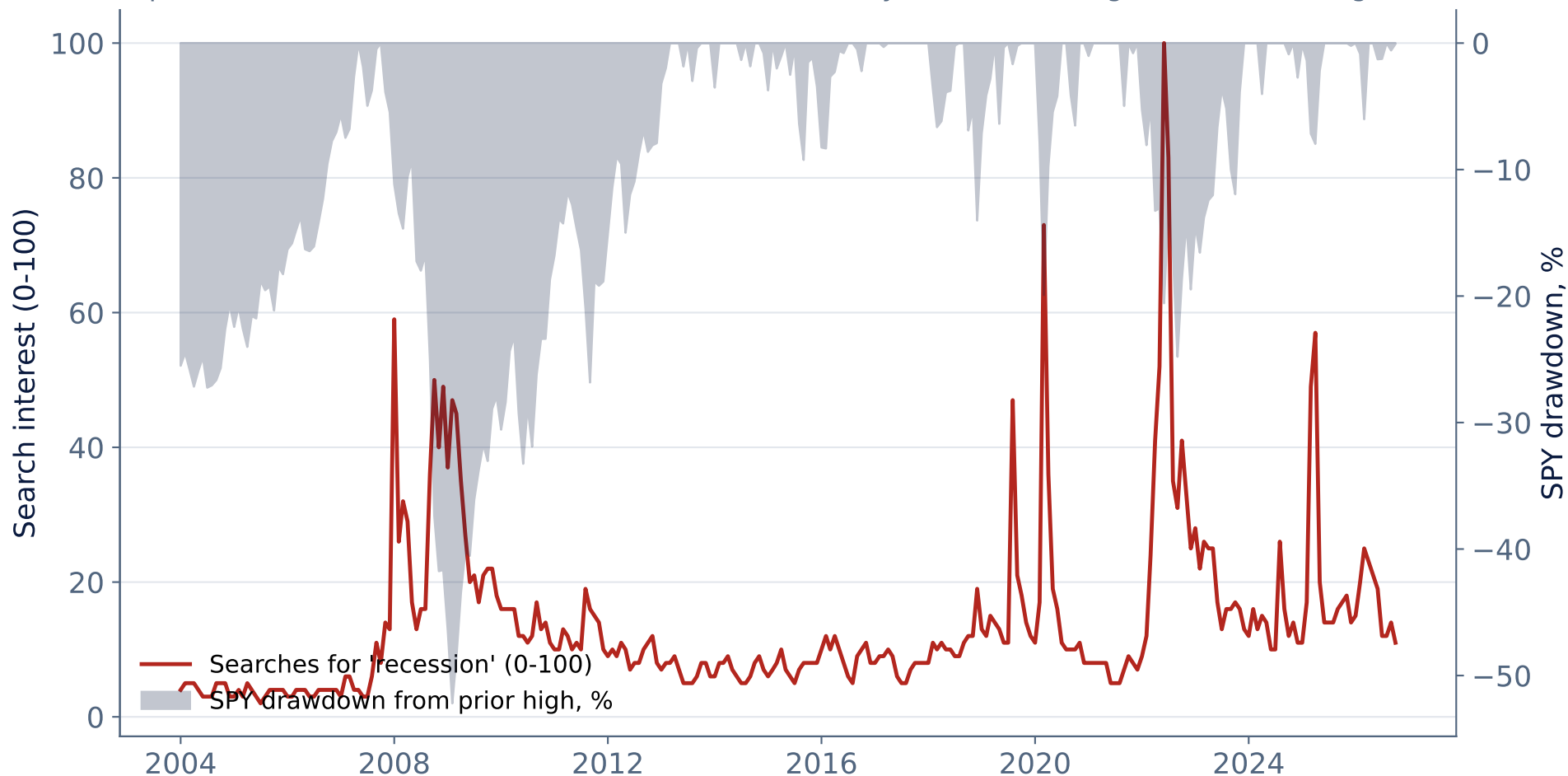
Job searches are a real-time read on jobless claims

Weekly change correlation +0.17; searches add explanatory power ($t + 2.4$), about five days before the official release



Twenty-two years: fear searches peak inside sell-offs

Top-decile 'stock market crash' months were followed by a 13.6% average 12-month SPY gain vs 8.5% (10.3% vs 7.5% excluding



In every market, attention follows volatility

Abnormal index searches correlate with the ETF's move in the previous week and the same week; the link to next week is weaker

Country	Search term	ETF	Move last wk	Same wk	Move next wk	Move → search p	Search → move p
US	stock market	SPY	+0.14	+0.22	+0.12	0.000	0.099
Korea	코스피 (KOSPI)	EWY	+0.24	+0.27	+0.09	0.156	0.685
Japan	日経平均 (Nikkei 225)	EWJ	+0.30	+0.34	+0.11	0.008	0.064
UK	FTSE 100	EWU	+0.22	+0.22	+0.17	0.054	0.058
Germany	DAX	EWG	+0.31	+0.34	+0.21	0.003	0.007
France	CAC 40	EWQ	+0.34	+0.36	+0.18	0.013	0.022

We asked an AI referee to attack our method

The NIM red-team's main objections and what we did about them

Objection	Severity	What we did / result
Testing many terms inflates false positives	High	Holm-adjusted p-values: returns → search survives (p 0.0006 and 0.0035); search → returns fails for every term
Results may depend on one regime (2022 bear market, 2024 yen unwind, 2025 tariff crash)	High	Split 2021-23 vs 2024-26: the lag correlation is -0.23 to -0.40 in both halves
Fear-spike threshold could be cherry-picked	High	Tested top 5%, 10%, 15% and 20%: volatility is higher after spikes every time; the return effect is not robust
Google weeks may not line up with market weeks	Med	Shifting searches a week changes the lag correlation only modestly (e.g. -0.25 to -0.24 for 'stock market crash')
The long-history result may be driven by 2020	Med	Excluding 2020: 10.3% vs 7.5% next-12-month SPY return after top-decile fear months (26 months)
Granger is not causation	Med	We describe precedence only; news and volatility drive both prices and searches

The verdict: leading or lagging?

What search attention can and cannot tell you

Question	Answer	Evidence
Do searches lead stock returns?	No	No term predicts next-week or next-month SPY returns after correction; Granger search → returns p 0.27-1.0 (Holm)
Do searches lag stock returns?	Yes	Falling markets raise next week's searches (correlation -0.25 to -0.35; Holm p 0.0006), in both halves of the sample
Do searches lead volatility?	Yes, but barely	Significant beyond the VIX (t +2.4 to +2.9) and out of sample (Clark-West t 2.5), but R ² rises by under 1 point
Do they work as an early warning?	No	Only 8 of 49 stress weeks were preceded by a fear spike; 12 of 26 spikes were false alarms
Can you trade on them?	Not this way	Halving exposure after spikes lowered the Sharpe ratio from 0.64 to 0.57
Do searches nowcast the economy?	Yes, for jobs	'Unemployment' searches add explanatory power for jobless claims (t +2.4), days before the release
Do economic-worry searches lead fear?	Possibly	'Unemployment' searches were followed by a higher VIX 13 weeks later (t +3.0); one result, unconfirmed out of sample

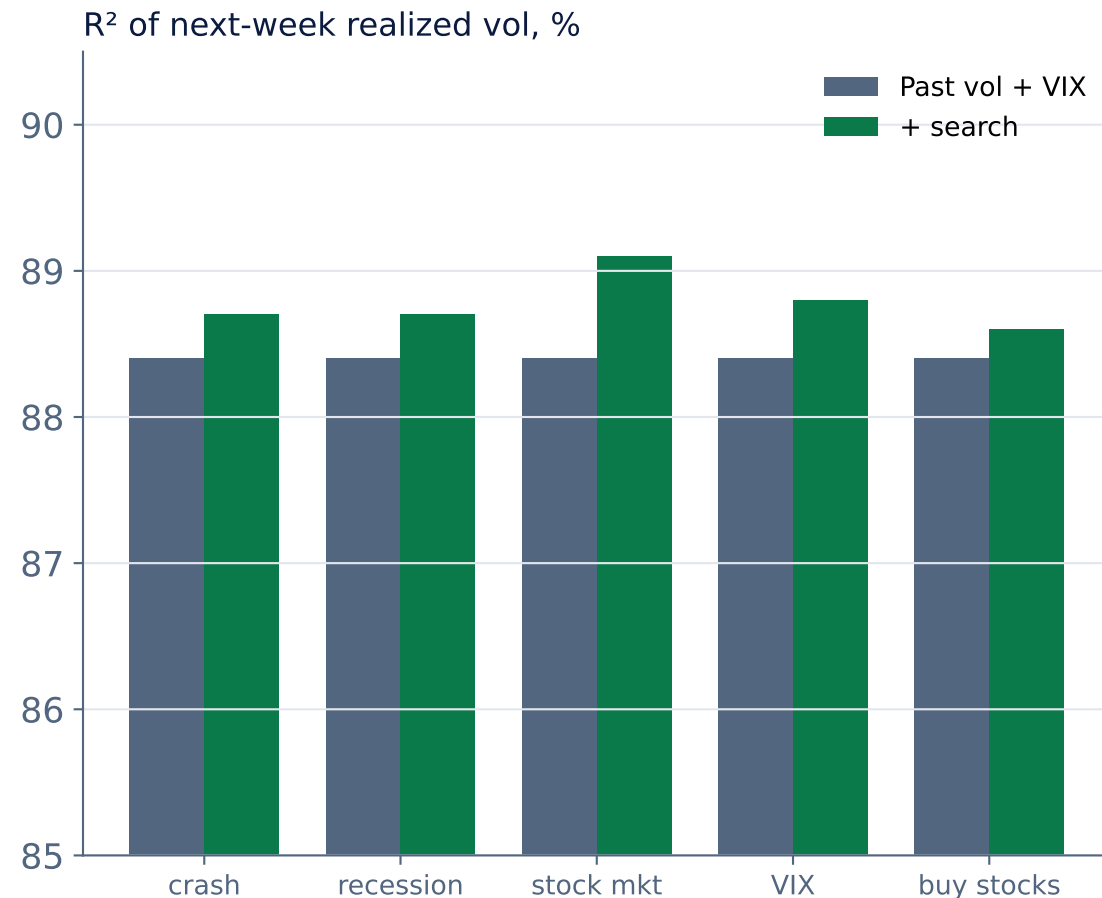
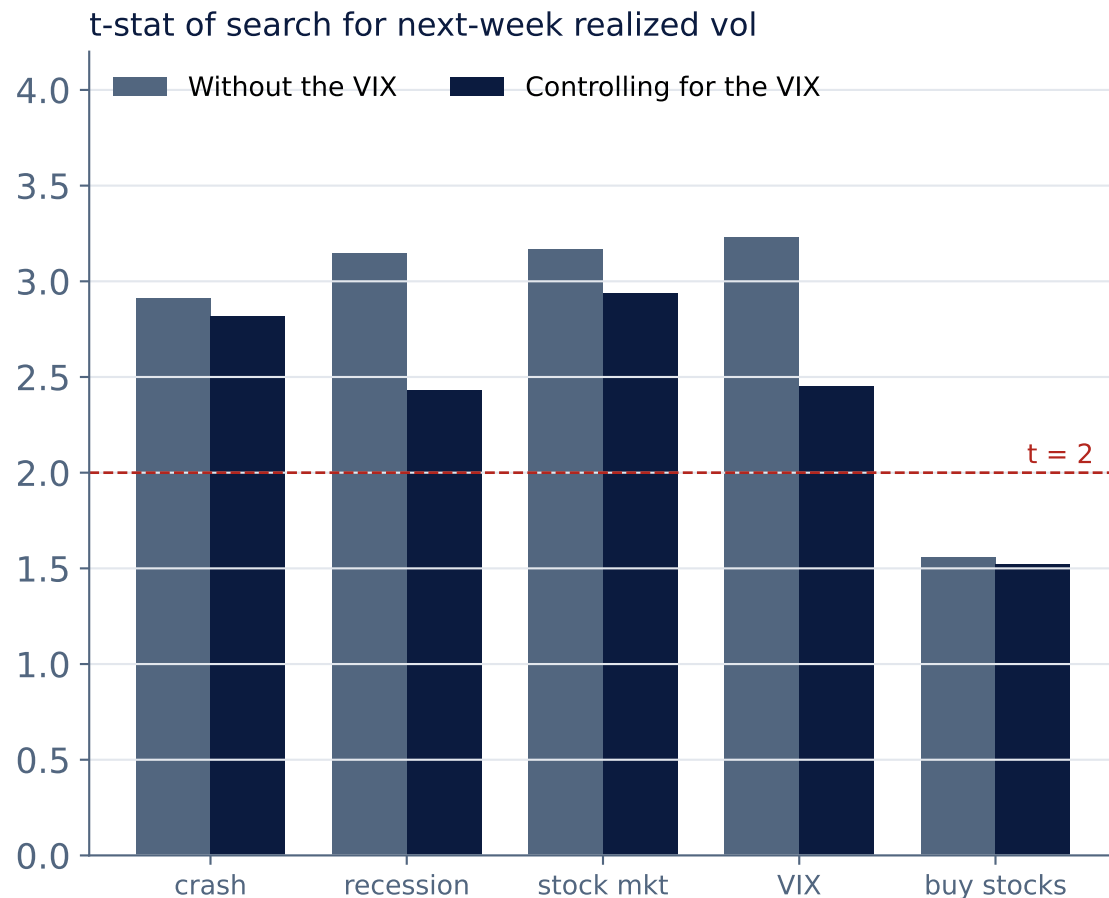
05

Stress-testing our own conclusions

Does search add anything beyond the VIX? Does it survive out of sample? Would acting on it pay?

Search adds to the VIX, but only a little

Search stays significant after controlling for past volatility and the VIX (t +2.4 to +2.9), yet lifts R² by under one point



Out of sample, the volatility signal survives

Forecasting next-week realized volatility in real time, June 2024 to October 2026

Test	Result	Meaning
Forecast period	2024-06-02 to Oct 2026 (123 weeks)	Expanding window; every forecast uses only data available at the time
Mean squared error, past vol + VIX	12.14	Benchmark model
Mean squared error, + fear composite	12.03	Lower is better
Out-of-sample R ² gain	+0.9%	Share of benchmark error removed
Clark-West test	t +1.58	Above 1.65 = the gain is significant at 5%

Falls raise attention; rallies quiet it

Change in next week's abnormal search per 1% SPY move, in down weeks and up weeks

Search term	After a 1% fall	After a 1% rise
stock market crash	+1.60 (t +0.6)	-3.44 (t -1.9)
recession	+3.30 (t +2.6)	-2.06 (t -2.0)
stock market	+4.09 (t +2.0)	-1.93 (t -2.0)
VIX	+2.15 (t +1.1)	-1.43 (t -2.0)

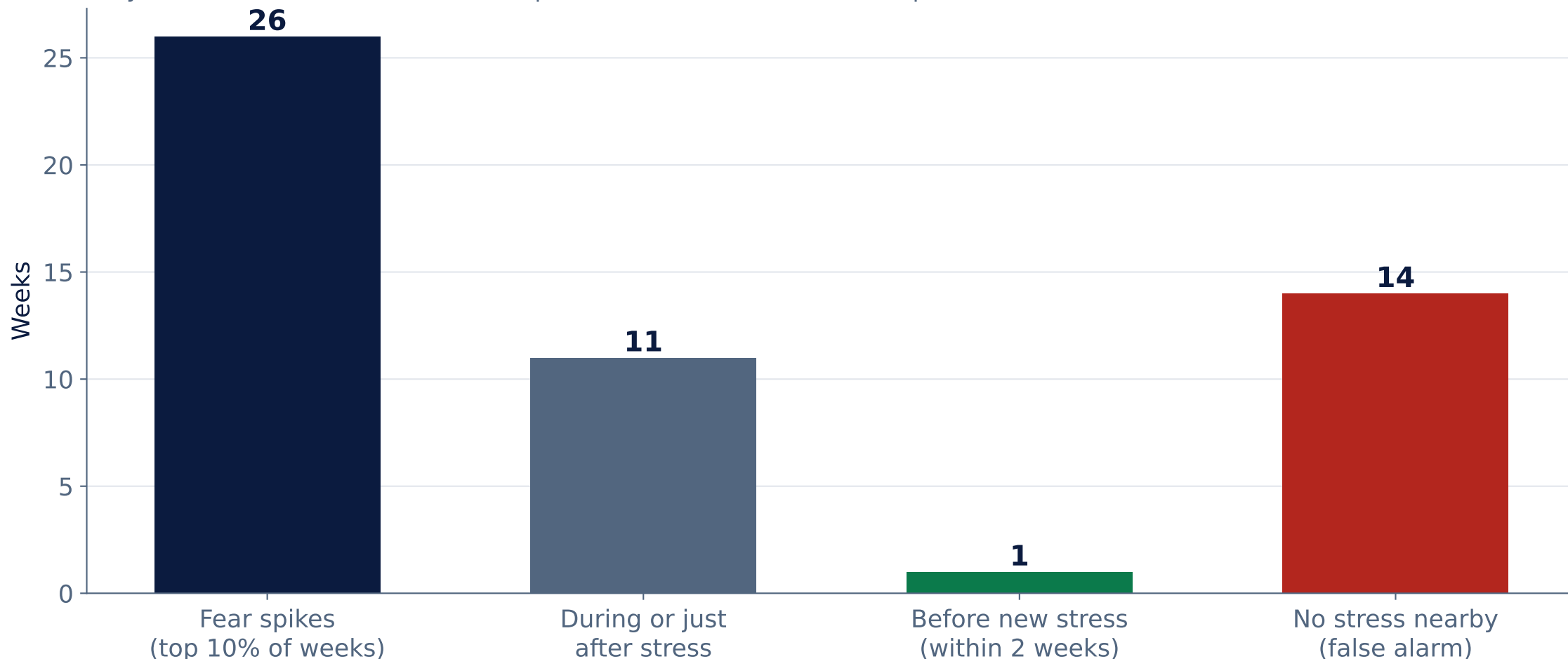
Google's numbers are consistent for busy terms

The same term pulled twice, independently: alone over five years, and with four other terms over one year

Search term	Overlapping weeks	Correlation of levels	Correlation of weekly changes
stock market	52	0.994	0.976
recession	52	0.976	0.905
bitcoin	52	0.997	0.988
unemployment	52	0.986	0.929
inflation	52	0.995	0.976

As an early warning, search mostly fails

Only 8 of 49 stress weeks had a fear spike the week before; 12 of 26 spikes were false alarms



Acting on fear spikes would have cost money

Halving SPY exposure after fear spikes cut volatility slightly but lowered returns and the Sharpe ratio

Strategy, Oct 2021-Oct 2026	Annual return	Annual volatility	Sharpe	Max drawdown
Buy and hold SPY	+10.4%	16.3%	0.64	-26.4%
Half exposure the week after a fear spike	+7.9%	15.3%	0.52	-26.8%

The devil's advocate

An AI critic's strongest objection to each claim, and what evidence would settle it

Claim	Strongest alternative explanation	What would settle it
Searches lag returns	News coverage of falling markets may drive the searches, so search measures media attention as much as investor attention.	Control for news volume; repeat with a pre-registered term list and a second data source
Searches forecast volatility beyond the VIX	The R^2 gain is tiny and the 123-week test window is one regime; news may drive both searches and volatility.	More out-of-sample periods, pre-registered terms, and a risk-model test net of costs
Searches don't forecast direction	Five years of weekly data may lack the power to detect a small effect; a null result is not proof of none.	A formal power analysis and longer daily data
Job searches nowcast claims	Seasonal and calendar effects, and news of layoffs, may drive both series.	Control for seasonality and release-week news; test other job-related terms
Attention is low	Search may be migrating to AI chatbots, apps and social media, so falling Google searches may overstate falling attention.	Cross-check with app downloads, broker activity and chatbot usage data
France's unrest showed up in search	One episode is anecdote, not evidence; searches confirmed the unrest rather than predicting it.	An event study across many unrest episodes with pre-set dates
Bitcoin peaked the same week everywhere	A single global news event explains a common peak; it says little about a 'global retail cycle'.	Test synchronization across many assets and randomly chosen weeks

What we don't know

Platforms

Investors increasingly ask AI chatbots, apps and social media; Google captures a shrinking and possibly different slice of attention

Sample

Five years of weekly data covers few independent stress episodes (2022, Aug 2024, Apr 2025); results can change with the next crisis

Causation

Granger tests show precedence, not cause: news, prices and searches move together and we cannot separate them fully

$n = 1$

France is one episode; we show that search confirms unrest in real time, not that it predicts it

06

What it means: first, second and third-order

How to use search attention, and what to watch next

First, second and third-order effects

What today's search picture implies, from weeks to a year and more

Area	First order (weeks)	Second order (months)	Third order (a year+)
Equity risk appetite	Retail attention is 8-41% below normal across six markets, so moves are driven by institutions and systematic flows.	Low attention means a sharp fall would trigger a burst of searches and retail selling, as Korea showed in October.	Retail participation is shifting from stock-picking toward funds and savings accounts (ISA, NISA, PEA held up best).
Volatility and options	Fear-search spikes come with higher realized volatility the next week (17.5-23% vs 15.6%).	Implied volatility tends to be lower 13 weeks after spikes: search spikes mark peaks in fear, not the start of trends.	Search attention can be built into volatility forecasts and position sizing as a real-time, free input.
Rates and sovereign credit	Searches for interest rates are above average in Germany (+19%), Japan (+11%) and France (+7%).	Public attention to rates in Europe and Japan raises the political cost of higher borrowing costs, as France's unrest shows.	Where savers watch rates, fiscal tightening and bond-market discipline become political flashpoints.
France	Protest searches peaked on October 17; riot searches appeared; fuel-price searches had spiked in February-April.	Unrest turns cost-of-living stress into fiscal and political risk ahead of the 2027 presidential election.	Visible social stress raises the risk premium investors demand on French debt relative to Germany.

First, second and third-order effects (continued)

What today's search picture implies, from weeks to a year and more

Area	First order (weeks)	Second order (months)	Third order (a year+)
Crypto	Bitcoin searches are 29-49% below average and peaked in the same week everywhere.	Searches track the size of BTC moves, not their direction: attention returns only with volatility.	One synchronized global retail cycle implies retail crypto flows are driven by global, not local, events.
Gold	Gold is the most-searched trade in the US (89%), UK (77%) and Germany (67%), but searches are down 43-51%.	The retail rush into gold peaked in January; renewed searches would signal a new leg of safe-haven demand.	Gold has replaced options and day trading as the trade the public watches.
Brokers and fintech	Searches for trading apps held up best (Trading 212 -12%, Trade Republic +1%) while broad market searches fell.	Platforms with savings products can grow through quiet markets; activity-driven revenue waits for volatility.	Retail engagement is concentrating in a few apps, which raises their influence on flows.
AI-investing products	AI-investing searches are down 4% to 80% from their averages; the peak came in May-June.	Products marketed on AI need performance, not novelty, to keep attracting money.	The AI-investing theme is moving from a retail fad to an institutional tool.

How a quant can use search data

Six honest uses, the evidence behind each and the main pitfall

Use	Signal and horizon	Evidence	Pitfall
Volatility forecasting	Fear composite (abnormal searches for crash, recession, unemployment); next 1-4 weeks	Realized vol after top-10% spikes 19.3% vs 15.6%; next-week vol $t + 3.4$	Spikes are rare (26 in 5 years) and partly coincident with the VIX
Position sizing	Scale exposure with forecast volatility, using search as one input; 1-4 weeks	Search adds to vol forecasts beyond the VIX; mechanically halving exposure after spikes lowered the Sharpe ratio (0.64 $\rightarrow$ 0.57)	Using spikes as a timing signal cuts exposure into rebounds
Jobless-claims nowcast	Weekly 'unemployment' searches; the Thursday release	Adds explanatory power ($t + 2.4$; R^2 0.07 $\rightarrow$ 0.10)	Search behaviour changes with benefit rules and media coverage
Retail-attention regime	Index searches vs their 12-month average, by country; weeks	Searches respond to big moves in every market (same-week corr +0.22 to +0.36)	Descriptive, not predictive of direction
Contrarian context	Top-decile monthly fear searches; 12 months	Followed by 10.3% vs 7.5% average SPY returns since 2004 (ex-2020)	Small sample: 26 months; not a timing tool
Social and political risk	Local searches for strikes, protests, fuel prices; days	France: 'manifestation' peaked on the day of the marches	Coincident: confirms events, rarely anticipates them

Signposts that would change our view

Falsifiable markers to watch

Signpost	What it would mean
US 'stock market' searches back above their 12-month average for four weeks	Retail attention returning: expect higher volatility and retail flows
Fear composite in its top 10% without a rise in realized volatility	The search-volatility link would be breaking down
French fuel-price and protest searches rising together again	A second wave of cost-of-living unrest, with fiscal risk
German and Japanese interest-rate searches still above average after the ECB (Oct 29) and BoJ (Oct 30)	Rates remain the public's main economic worry in both countries
Bitcoin searches rising in all countries in the same week	A new global retail crypto cycle
Korean KOSPI searches staying high while EWY recovers	Retail investors re-entering after the sell-off

Our read

Lag

Treat search data as a thermometer, not a forecast: it measures how the public reacts to what markets just did.

Vol

It belongs in risk models as a small, real addition to volatility forecasts, not in return or timing models.

Low

Low attention today means the next sharp move will draw retail back fast, as Korea showed in October.

Caveat

Some of the fall in searches may be people asking AI chatbots instead of Google; levels need care, changes are more reliable.

What to watch

Oct 22

Bank of Korea decision, after a 22% two-week fall in Korean stocks.

Oct 28

Fed decision; US 30-year yields reached 5.69% this month.

Oct 29

ECB decision, with German and French rate searches above average.

Oct 30

Bank of Japan decision, with Japanese rate searches 11% above average.

The data behind this deck

170+

local-language search terms across 17 markets in Asia, Europe, the Middle East, Africa and the Americas

5 yrs

weekly US searches tested against FinzData prices, the VIX, realized volatility and first-release jobless claims

22 yrs

monthly US searches for 'stock market crash', 'recession' and 'unemployment' since 2004

API

FinzData prices, point-in-time macro and licensed series via Python, REST and MCP for AI agents

Sources

Academic studies cited

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Preis, T., Moat, H. S. and Stanley, H. E. (2013), 'Quantifying Trading Behavior in Financial Markets Using Google Trends', Scientific Reports 3	nih.gov (PMC3635219)
Challet, D. and Bel Hadj Ayed, A. (2013), 'Predicting financial markets with Google Trends and not so random keywords'	arxiv.org/abs/1307.4643
Choi, H. and Varian, H. (2012), 'Predicting the Present with Google Trends', Economic Record 88	Google Research
French unrest: AP via ABC News and CBS News (Oct 18, 2026); Fortune (Oct 19, 2026); central-bank calendars	abcnews.com, cbsnews.com, fortune.com