

# **Antecedents of Hindsight Bias of Investors As Seen Through the Eyes of the Stock Market's Brokers**

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## **Abstract**

What looks inevitable after the occurrence is usually far from obvious before. What causal factors contribute to this hindsight bias in stock market investment decisions? How does this bias affect investors? And how does it impact their further decision-making process? This study is conducted using semi-structured interviews to understand the antecedents of hindsight bias of stock market investors on their decision-making process. The Causal Model Theory (CMT) posits that causal reasoning processes reinforces the creeping determinism through causal attribution after an event outcome. Narrative analysis of the interview supports the earlier findings of research on hindsight bias. Current study shows that hindsight bias exists in investors and affects their investment decisions. As predicted, the outcomes affect their perception of the information available before the decision as well as the future decisions

## **Keywords**

Cognitive bias, hindsight, stock market investment, behavioral finance, causal reasoning