

**Abstract:** We study how textual information can be used as prior information in high-dimensional penalized estimation. Rather than including text as additional regressors, we use textual analysis to construct two types of priors: linkage priors, which capture the relative importance of covariates, and direction priors, which capture prior information on coefficient signs. We incorporate these priors through weighted and asymmetric LASSO procedures. We show that, when the priors are sufficiently informative, they can improve variable selection by relaxing the irrepresentable condition required for selection consistency of the standard LASSO, particularly in settings with strongly correlated covariates. We illustrate the approach in three applications based on Chinese financial news: cross-firm return prediction, large precision matrix estimation for portfolio construction, and high-dimensional text regression with sentiment-based sign restrictions. The results suggest that text can improve high-dimensional estimation not only as data, but also as a source of economically meaningful prior information.