

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Miroslav Duda
Advisor:	doc. PhDr. Ladislav Křištofuk Ph.D.
Title of the thesis:	The Profitability of Standard Trading Strategies in Cryptocurrency Markets

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

This thesis brings forth and evaluates four price-based trading strategies for four cryptocurrencies using the samples from the recent years. The author is clearly knowledgeable of the topic and is skilled in discussing the results. Still, the thesis seems a bit unfinished in a few regards and could use more polishing and elaboration as I argue in the individual sections.

Methods

In the Abstract, the author claims that strategies that he employs are used for forecasting and trading on forex and stock markets – some references could be useful to back up this claim. In my opinion, a more interesting (as well as comprehensive) dimension of the thesis – rather than having four price-based strategies – would be a comparison between price-based and those based on psychological factors. Also, Granger causality seems rather underused, especially compared to the other three methods. Further, no results at all reported in that section although at least one table would be certainly merited. I also wonder if the decision to impute Friday values for gold and stock time series to Saturday and Sunday is consistent with the literature or not. In general, more details on the technical implementation would be welcome – for instance, the very beginning of Chapter 4 is not very helpful in understanding how the estimations were conducted. Likewise, it is unclear how robust are the obtained results as there are e.g. no confidence intervals reported.

Literature

I found the lack of references in the introduction – which should typically motivate the entire research – unsatisfactory. Nevertheless, the literature review itself looks fine to me. Still, I believe that using the references in the form e.g. „Similarly to Křištofuk (2013)“ and not „Similarly to (Křištofuk, 2013)“ would be correct.

Manuscript form

Overall, the manuscript form is adequate and the thesis is written in a neat English. Still, a few things could have been improved. First, the introduction includes some very lengthy sentences (including the very first one). Second, the thesis contains a rather many figures – some of them could have been delegated to the appendix. Also, the format of the figures could be arguably taken better care of (better intervals of y axes, unification of x axis, etc.) and there are no references to figures in the main body of the thesis. In general, the inclusion of figures in the main body of the thesis inflates the length of the thesis – still I hope that it satisfies the faculty requirements as for the length of the thesis. Third, the list of references consists could be made more consistent (e.g. by inserting links to papers that were not published even as working papers).

Summary and suggested questions for the discussion during the defense

Overall, the thesis demonstrates the author's command of the topic although the execution might have been somewhat better. I recommend the thesis for defence with evaluation **B**. Suggested questions for the defense:

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- Could you please comment on the robustness of your results?
- Could you please summarize if there is any pattern suggesting which strategies are preferable in boom and which in bust periods?
- Could you please comment in more detail on the results of the Granger causality estimations?

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	25
<i>Methods</i> (max. 30 points)	20
<i>Literature</i> (max. 20 points)	19
<i>Manuscript Form</i> (max. 20 points)	17
TOTAL POINTS (max. 100 points)	81
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: *Mgr. Václav Brož*

DATE OF EVALUATION: 21. 05. 2019

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F