

Report on Bachelor Thesis

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

Student:	Miroslav Duda
Advisor:	Doc. PhDr. Ladislav Křišťoufek, 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.

The idea of the thesis is quite straightforward – try some standard trading/modeling strategies on selected cryptocurrencies. This has been motivated mainly by the widespread perception of the crypto-markets being inefficient and thus possibly predictable. As it turns out, or at least based on the results of the thesis, it is not that clear.

Contribution

The technical results are well reported and the overall contribution is thus fine. What I quite miss, however, is some more detailed discussion of the overall crypto-market dynamics in the analyzed period as this could have strongly influenced the results of the trading strategies. The important thing about studying cryptocurrencies (and tokens as e.g. BNB is one of the analyzed assets) is to realize that these are not standard financial assets and they have their own specificities that need to be kept in mind or at least discussed. Two examples:

- Liquidity issues are not discussed much or at all.
- Binance Coin has its burning events. This is mentioned in the text but there are no implications outlined.

Methods

The utilized methods are quite standard and within the bachelor's curriculum.

Literature

Covering literature for the cryptocurrencies research is not an easy task as there has been many publications following the 2017 boom, i.e. there are many papers in 2018 and 2019, some of them could have been covered. This is certainly not a big deal but it needs to be noted.

Manuscript form

The thesis is logically structured and it reads well. The figures could have been given a bit more work.

Summary and suggested questions for the discussion during the defense

Overall, this is a fine thesis. When I sum the points together, it gives a strong C, i.e. I suggest C but in the case of a strong defense, I would suggest ranking-up to B. A question for the defense: How do the strategies fare compared to simply buying-and-holding BTC during the same period (in USD terms)?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	18
<i>Methods</i> (max. 30 points)	25
<i>Literature</i> (max. 20 points)	18
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	79
GRADE (A – B – C – D – E – F)	C(+)

NAME OF THE REFEREE:

doc. PhDr. Ladislav Krištoftek, Ph.D.

DATE OF EVALUATION: 30.5.2019

Referee Signature