Bibliographic note


Abstract

This work analyzes the influence of positive and negative macroeconomic news on the value of exchange rate and volatility. We have chosen EUR/USD, EUR/CZK and USD/CZK as our exchange rates. The influence of macroeconomic news published by Czech national bank and European central bank were analysed. For our purposes were used econometric models GARCH(1,1) and EGARCH(1,1) with both Normal and Student’s distribution of error terms. One of the major outcomes were the importance of macroeconomic news on value and volatility on the exchange rates. For each exchange rate has effect different macroeconomic index. The crucial are: Consumer price index and Harmonised Index of Consumer Pirces, unemployment rate and PRIBOR and EURIBOR. Another conclusion was that our financial dataset displays the main nature of volatility.

**JEL Classification**

C22, E00, E52, E58, F3, F4, F31, G1, G13, G14

**Key words**

financial market, exchange rate, ARCH model, GARCH model, volatility

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