

# Report on Master Thesis

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

<b>Student:</b>	<b>Bc. Viktória Mjartanová</b>
<b>Advisor:</b>	<b>Prof. PhDr. Ladislav Krištofuk, Ph.D.</b>
<b>Title of the thesis:</b>	<b>Liquidity and predictability of cryptoassets</b>

## **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.*

In the standard financial markets, we talk about (information) efficiency and predictability almost as synonyms. That is because in such markets, the implicit assumption of liquid markets almost assures that if we can find a statistical inefficiency, we can exploit it without disturbing the market dynamics. However, cryptomarkets (cryptoassets/cryptocurrencies markets) are very different. Apart from the most highly capitalized cryptoassets such as Bitcoin, Ethereum, XRP, probably down to the Top 10, assuming liquidity might prove troublesome. The fact is that for smaller cryptoassets, even as little as \$10k can such out the whole order book. Therefore, finding inefficient market statistically does not ensure that you can exploit such inefficiency for to make profit. That pretty much underlines what the main idea of the thesis is. In short, I believe Viktoria was able to deliver.

### **Contribution**

The topic of liquidity in the cryptomarkets has been discussed only scarcely so that in a way by itself, approaching the topic at all is contributive. However, the thesis delivers quite a complex analysis of the topic and I believe that after some further work, it can be published in a research journal.

### **Methods**

The thesis utilizes a plethora of advanced methods that are not a part of the standard IES curriculum. Even though the eventual analysis are “just” standard and panel regression, the preparation of the variables of interest (predictability and liquidity measures) and the data collection were rather complicated and delivering through these shows a high level of understanding of the methods.

### **Literature**

The thesis covers the necessary literature. As I said, there are not many papers on the cryptoassets' liquidity. I do not see any issue with the referencing style either.

### **Manuscript form**

The thesis is well-organized in logical blocks. There no presentational/graphical problems that I found.

The thesis shows an above-average score (22%) in Urkund which is, however, due to an earlier draft submitted to Urkund as a part of the Diploma Thesis Seminar. Otherwise, the overlap with other texts seems within the standard limits.

### **Summary and suggested questions for the discussion during the defense**

My overall summary of the thesis is A. One question for the defence:

- Can you think of some more advanced methods/approaches you could use to make the results more robust?

# Report on Master Thesis

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

<b>Student:</b>	<b>Bc. Viktória Mjartanová</b>
<b>Advisor:</b>	<b>Prof. PhDr. Ladislav Krištoufek, Ph.D.</b>
<b>Title of the thesis:</b>	<b>Liquidity and predictability of cryptoassets</b>

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution</i> (max. 30 points)	27
<i>Methods</i> (max. 30 points)	29
<i>Literature</i> (max. 20 points)	19
<i>Manuscript Form</i> (max. 20 points)	18
<b>TOTAL POINTS</b> (max. 100 points)	<b>93</b>
<b>GRADE</b> (A – B – C – D – E – F)	<b>A</b>

**NAME OF THE REFEREE:**

*prof. PhDr. Ladislav Krištoufek, Ph.D.*

**DATE OF EVALUATION: 29. 1. 2021**

*Digitálně podepsáno (29. 1. 2021):  
Ladislav Krištoufek*

---

**Referee Signature**