

Institut ekonomických studií

Fakulta sociálních věd, Universita Karlova Praha

Referee report on the Bachelor/Master Thesis submitted to State Exam

Student Name:	Radovan Fišer
Thesis Supervisor Name:	Roman Horváth, M.A.
Thesis Title:	The Impact of Czech National Bank Communication on Exchange Rate: A GARCH Evidence

Overall Evaluation:

Radovan present highly innovative and original analysis of the impact of verbal communication of Czech central bank on exchange rate. There is indeed a value added in this thesis, as quantitative evidence on this phenomenon was missing for the Czech Republic. Radovan starts his thesis with presentation of some background econometric methods that are later employed to gauge the impact of central bank communication. This primarily includes ARIMA and GARCH models and the concepts of stationarity. Next, survey of related literature follows and it covers both theoretical and empirical studies of this topic. The literature is well-balanced and appropriately cited. The description of Czech monetary policy follows. The comprehensive empirical evidence on the effect of communication follows and it is confronted with existing studies in this stream of literature. The econometric model is competently exercised. The main result of the thesis is that Czech central bank communication reduces the exchange rate volatility.

Radovan has shown that he is able to undertake comprehensive empirical exercise independently, confront the results with related literature appropriately and his knowledge of econometrics is, in my opinion, well above the standards of typical BA student at our institute. Therefore, I strongly recommend the thesis for the defense and suggest grade A. I also suggest a distinction from the Dean of the Faculty of Social Sciences for an extraordinarily good masters diploma thesis.

SUMMARY OF POINTS AWARDED (for the explanation of categories and scale, please, see below):

CATEGORY	POINTS
Quality of Research	29
Clarity and Readability	8
Content/Quality of Ideas	40
Organization & Development	13
Manuscript Form	5
TOTAL POINTS	95
LETTER GRADE	A

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Evaluated on: **June 9, 2008**