

Report on Bachelor Thesis

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

Student:	Aleksandr Volkov
Advisor:	Ladislav Křištofuk
Title of the thesis:	Can Bitcoin serve as an inflation hedge asset in the US, Euro Area, and Czech markets?

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

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

Short summary

The thesis picks a very interesting topic of inflation hedge properties of Bitcoin. There has been a plethora of literature on Bitcoin as a hedge, a diversifier, or a safe haven with respect to various assets but the empirical literature on Bitcoin as an inflation hedge is surprisingly shallow which is likely given by the fact that inflation studies need to be undertaken over rather long periods of time and the Bitcoin's history is still rather short. Nevertheless, it is certainly worth it to properly analyze the topic. The thesis argues that empirically, Bitcoin does not serve as a good inflation hedge.

Contribution

The thesis contributes to the rather shallow literature on the topic and I believe that it could actually serve as a basis for a paper in a finance journal.

Methods

The applied methods quite strictly follow the "industry standards" of the referenced papers. There is only one thing that is not clear to me – are the returns of Bitcoin used in the equation monthly returns or annual returns? This is quite crucial because the expected inflation is, as I understand it from the text, y-o-y, not m-o-m, so the frequencies must check out.

Literature

The thesis covers the necessary literature on the topic, keeping in mind that the literature on the actual crypto-related inflation hedge topic is quite limited.

Manuscript form

The thesis follows the industry standard and it reads quite well. I see no systematic issues there.

Overall evaluation and suggested questions for the discussion during the defense

Turnitin has no found to systematic issues.

My overall evaluation is a positive one. The thesis covers a rather unexplored topic (even though it is publicly quite vocal, actual empirical studies are still mostly missing) and does so quite well. I see only one issue which is connected to frequencies of the data used and how these are controlled for. The thesis meets all criteria to be successfully defended at IES FSV UK. I suggest grade B.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	26
<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)	87
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: *Ladislav Kristoufek*

DATE OF EVALUATION: *19 January 2023*

Referee Signature