

# Report on Bachelor / Master Thesis

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

Student:	Dritan Gjika
Advisor:	Doc. Roman Horváth
Title of the thesis:	CEE stock market comovements: An assymmetric DCC analysis

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

Mr. Gjika devoted his diploma thesis to the investigation of the interdependence among three Central East European stock markets, which has been popular and widely studied topic in recent years.

For the purpose of testing his hypotheses Mr. Gjika employed dynamic conditional correlation (DCC) of MVGARCH model, and also its asymmetric version (ADCC). ADCC was applied for the chosen set of countries for the first time, and represents the main and own contribution of the author of the thesis.

The diploma thesis is nicely written and definitely worth reading. Mr. Gjika demonstrated high expertise in working with complex econometric models. He convincingly proved his knowledge in the given area, both in theory and practice. Econometric models that he employed are top-notch and meet the highest standards.

As to the possible improvements, I suggest paying closer attention to the chapter on hypothesis, chapter 4. Instead of formulating the testable hypothesis, the author rather put forward seven "research questions" that he wished to find answers to. E.g. "are correlations among stock markets high or low?" (p. 15) is not correctly formulated null hypothesis. The other alternative would be to rename the 4<sup>th</sup> chapter itself.

In my opinion the thesis is the work of excellent quality, I recommend it for defense and suggest grade **A (výborně)**.

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

CATEGORY	POINTS
Literature (max. 20 points)	18
Methods (max. 30 points)	30
Contribution (max. 30 points)	28
Manuscript Form (max. 20 points)	19
<b>TOTAL POINTS</b> (max. 100 points)	<b>95</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:**

**DATE OF EVALUATION:**

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**Referee Signature**

**EXPLANATION OF CATEGORIES AND SCALE:**

**LITERATURE REVIEW:** *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong                  Average                  Weak  
20                          10                          0

**METHODS:** *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong                  Average                  Weak  
30                          15                          0

**CONTRIBUTION:** *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong                  Average                  Weak  
30                          15                          0

**MANUSCRIPT FORM:** *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong                  Average                  Weak  
20                          10                          0

**Overall grading:**

TOTAL POINTS	GRADE		
81 – 100	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě