Report on Master Thesis

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

Student:	**Nguyen Quang Dung**
Advisor:	**Jozef Barunik**
Title of the thesis:	**Modeling Liquidity Adjusted Value at Risk Using Quantile Regression Analysis**

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

Author aims to explore the role of liquidity measures in explaining the conditional quantiles of return distribution. Adapting the framework recently proposed by Zikes and Barunik (2014), author conveniently explores the effect of liquidity measures on conditional quantiles of returns, and hence Value-at-Risk (VaR). Thus the thesis contributes by proposing a new approach to modeling VaR in the framework of models proposed earlier by Zikes and Barunik (2014), which reveals interesting results.

The project is well executed, and author discussed the results with me on regular basis. I only wish author would have elaborated more deeply on economic intuition behind the interesting results he obtained. The results section is instead described rather briefly, and stays silent about economic conclusions from the analysis. Therefore I suggest author to elaborate on this side during the defence.

In conclusion, I believe the thesis is an interesting and original work, which is executed competently enough to guarantee the successful defence. In case author will be able to discuss economic intuitions behind his findings, the thesis may be defended with grade 1.

References:
Zikes, F. and Barunik, J. (2014): Semi-parametric conditional quantile models for financial returns and realized volatility, Journal of Financial Econometrics, forthcoming

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

CATEGORY		**POINTS**
Literature	*(max. 20 points)*	20
Methods	*(max. 30 points)*	30
Contribution	*(max. 30 points)*	25
Manuscript Form	*(max. 20 points)*	14
TOTAL POINTS	*(max. 100 points)*	**89**
GRADE	**(1 – 2 – 3 – 4)**	**1**

NAME OF THE REFEREE: Jozef Barunik

DATE OF EVALUATION: 29.5.2014

Digitally signed by Jozef Baruník
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Date: 2015.05.29 11:50:32 +02'00'

Referee Signature