This bachelor thesis models the yield curves of three currencies, Euro (EUR), the British Pound (GBP) and the US Dollar (USD). The model is based on the Diebold and Li (2006) model and the parameter lambda is extracted/estimated from the data rather than using the suggested value of 0.0609. This consists also in the added value of the paper.

I have the following questions for the author:
- Why is the optimization (e.g. BFGS method) included in thesis? This is just a general optimization algorithm which is included in all modern econometrics softwares and is not related to the topic of this thesis, thus is redundant.
- In section 3.1 you mention two restrictions on data selection (which are different from the literature), what is the motivation for that?
- In Equations 5.2 and 5.3 what does the „(...)” represent?

Suggestions:
- Why is Data included in chapter 3 and why are you introducing before the model? In literature the data comes after model introduction.
- In figure 5.1 use the same scaling for y-axis to facilitate comparison.
- In the end of page 23 you are referring to Equation 5.4, however the 5.4 is not an Equation, correct it.
- The language and style needs improvement.

In case of successful defense I recommend grade 2 (good).

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

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature</td>
<td>(max. 20 points) 15</td>
</tr>
<tr>
<td>Methods</td>
<td>(max. 30 points) 20</td>
</tr>
<tr>
<td>Contribution</td>
<td>(max. 30 points) 20</td>
</tr>
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<td>Manuscript Form</td>
<td>(max. 20 points) 10</td>
</tr>
<tr>
<td>TOTAL POINTS</td>
<td>(max. 100 points) 65</td>
</tr>
<tr>
<td>GRADE</td>
<td>(1 – 2 – 3 – 4) 2</td>
</tr>
</tbody>
</table>

**NAME OF THE REFEREE:** Mgr. Krenar Avdulaj

**DATE OF EVALUATION:** 09.06.2015

**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**: 20
- **Average**: 10
- **Weak**: 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**: 30
- **Average**: 15
- **Weak**: 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**: 30
- **Average**: 15
- **Weak**: 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**: 20
- **Average**: 10
- **Weak**: 0

Overall grading:

<table>
<thead>
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<th>TOTAL POINTS</th>
<th>GRADE</th>
<th>= excellent</th>
<th>= výborně</th>
<th>= good</th>
<th>= velmi dobře</th>
<th>= satisfactory</th>
<th>= dobře</th>
<th>= fail</th>
<th>= nedoporučuji k obhajobě</th>
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