

Report on Bachelor Thesis

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

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Title of the thesis:	Switzerland as a Safe Haven: Does the Foreign News Matter?

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

The thesis examine the impact of financial news reports on the exchange rate of Swiss franc. The thesis contain 54 pages followed by another 8 pages of bibliography and appendixes. Chapter 1 and 2 introduces the topic and reviews relevant literature. However, very little rationale and theoretical background is provided for correlation between news and exchange rate.

Chapter 3 shows the ARMA-GARCH model used to estimate the response of investors to the financial news. The methods used for the analysis is a standard methods used in many other similar studies. However, I would suggest for a further study, a Bivariate-GARCH model would greatly explain the flow of volatility from the financial news to the exchange rate.

Suggested question for the defense:

Recently the US FED announced the future tapering of QE program which lead the investors to expect a higher future US interest rates. Do you think that a higher US interest rate could damage the safe heaven status of the Swiss franc?

In case of successful defense, I recommend "Velmi Dobre"(Very Good, 2)

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

CATEGORY		POINTS
<i>Literature</i>	<i>(max. 20 points)</i>	16
<i>Methods</i>	<i>(max. 30 points)</i>	22
<i>Contribution</i>	<i>(max. 30 points)</i>	22
<i>Manuscript Form</i>	<i>(max. 20 points)</i>	16
TOTAL POINTS	<i>(max. 100 points)</i>	76
GRADE	(1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Arshad Hayat

DATE OF EVALUATION: 08.06.2015


Referee Signature