Report on **Rigorosus Thesis**

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

Student:	**Mgr. Ján Malega**
Advisor:	**Doc. Roman Horváth, Ph.D.**
Title of the thesis:	**Financial Stress in the Czech and Slovak Republic: Measurement and Effects on the Real Economy**

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

The author Ján Malega creates in this thesis a new version of a financial stress index for the Czech Republic and then he evaluates its applicability using VAR model. He creates it as a single-value characteristic of a situation in multiple sectors which is taylor-made to the Czech Republic and evaluates its connection with macroeconomic variables. Overall it looks very good, the author brings a new easily interpretable index of financial stress that can be used as an early warning indicator and shows that it can be applied well on the Czech Republic and Slovakia.

The thesis (or a paper that have come out of it) needs in my opinion a stronger motivation for why there is a need for a new index and then a clear comparison with its alternatives (the author presents only a horserace among three ways of aggregation of the variables). The literature review mentions many related papers but it is not clear why, except for the fact they are on the same topic; more clarity and connections between the mentioned papers would improve the thesis. Apart from that, I would prefer a clear statement of a scientific contribution of the thesis, and a clear evaluation of the performance and reliability of the index. Is the procedure that was used for the creation of the index generalizable to other countries as well, apart from Slovakia? Do other FSIs not perform well when predicting the spillover of a crisis from the financial to the real sector? What new insights do your findings of interconnection of the financial sector and the real sector bring? How can the policy makers make use of your measure and findings? I suggested similar improvements already for the previous, Master's level version of this work, with not much of response.

Overall, I am of the opinion that this thesis shows strong analytical and research skills and thus should be defended as a rigorous thesis, despite some small space for improvements as suggested above, which the author may consider during his further research career.

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

CATEGORY		POINTS
Literature	*(max. 20 points)*	15
Methods	*(max. 30 points)*	30
Contribution	*(max. 30 points)*	20
Manuscript Form	*(max. 20 points)*	18
TOTAL POINTS	*(max. 100 points)*	**83**
(doporučuji, nedoporučuji)		**doporučuji**

NAME OF THE REFEREE: **PhDr. Lubomír Cingl, Ph.D.**

DATE OF EVALUATION: **11. 10. 2016**

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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			
81 – 100		= excellent	
61 – 80		= good	
41 – 60		= satisfactory	
0 – 40		= fail	= nedoporučuji k obhajobě