

Report on Master Thesis

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

Student:	Richard Thoma
Advisor:	Jozef Barunik
Title of the thesis:	Understanding co-jumps in financial markets

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

The thesis studies impact of jumps and simultaneous jumps (or co-jumps) in asset prices on future volatility of assets. Understanding of the co-jumps in financial markets is lively topic in the literature with no consensus on proper measurement, hence the thesis is topical and interesting contribution to the discussion. Economically, understanding of the co-jumps is an important topic in asset pricing, and risk management, as co-jumps directly impact correlation structures. Despite the importance of the topic, co-jumps are widely understudied topic in the literature, hence the results provided by the author of this thesis constitute contribution to the discussion.

The thesis is well structured, provides all relevant links to the literature, text is logical, methodology well-described and most important, empirical results are presented carefully. Over the past year author used my advisory services on the very regular (and frequent as well) basis and we have discussed many methodological as well as empirical issues together with several revisions of text, thus I have no additional questions to the defence.

In conclusion, I believe that the thesis is a very solid piece of work in all aspects. Author shown strong quantitative skills while working with demanding methodologies and finally arrived to contributive empirical results intriguing the use of realized measures in the measurement of co-jumps. Thus I fully recommend the thesis of Richard Thoma to be defended with grade excellent – 1.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	30
<i>Contribution</i> (max. 30 points)	30
<i>Manuscript Form</i> (max. 20 points)	15
TOTAL POINTS (max. 100 points)	95
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Jozef Barunik

DATE OF EVALUATION: June 3, 2016

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	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě