

## Abstract

The aim of this thesis is to assess the effect of central bank communication on joint occurrence of extreme returns and on extreme movements shared by two stock markets. The research concentrates on the following aspects: predictability of increased share of countries experiencing extreme returns in the eurozone based on the nature of policymaker's statement and also a set of control variables, change in probability of extreme returns joint occurrence after president's speech, determinants of joint occurrence when non-standard measures were announced and finally, effect of crisis period. Additionally, determinants of shared extreme movements between particular countries are examined. The results suggest that communication nature or crisis are not significant predictors of extreme returns joint occurrence. Moreover, markets seem to react jointly to ECB president's speech only when they have extremely high returns. Furthermore, markets jointly react on days of nonstandard measures announcement differently. We also found that in the first quantile dovish statements tend to increase returns above their mean in case of Greece and Germany, and Greece and the UK. Rest of the pairs of countries have opposite reaction to dovish tone and communication is significant in the 95th quantile for the pair Germany-UK.

<b>JEL Classification</b>	C22, C25, E58, G15
<b>Keywords</b>	Financial crisis, contagion, interdependence, coexistence, central bank communication
<b>Author's e-mail</b>	julia.jonasova@gmail.com
<b>Supervisor's e-mail</b>	roman.horvath@fsv.cuni.cz