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

The aim of the thesis is to study the interconnectedness between the stock markets over the period 2003 to 2012. One part of the thesis is devoted to the analysis of correlation between the US and 33 stock markets before and during the crisis. The second part of the thesis focuses on the cointegration analysis between selected stock markets and the effect of the macroeconomic variables on the stock markets.

The results of the thesis indicate that the correlation between markets increased during the crisis period and that there was a structural break in September 2008. The stock markets with the highest and lowest correlation were identified. Further, the author concludes that markets show positive relationship with the exchange rate, trade and the industrial production while the interest rate does not reveal any specific relationship and that more indices respond to a shock in one index in a very similar way.

The aim of the thesis is clear, the author employs more advance econometric techniques (DCC-GARCH and VECM), the formatting of the thesis is nice. The difference from previous studies should lie in the fact that the thesis extends the sample of data in terms of number of countries and time; the author mentions that the previous studies do not cover long enough period after the crisis began (pp 1-2). With respect to the latter value added of the thesis I am not sure why even more recent data were not used in this thesis as it is already the year 2016 and the author uses daily stock market data. It would be also interesting to look at what happens with stock market correlations in the period after 2012.

The author chose three combinations of markets for the VECM analysis, i.e. United States and Euro Area, Euro Area and China and China and Japan. As the motivation for this choice the author mentions her believes that „this very combination of international stock markets may show some interesting results." (pp 40). From my perspective, this is a very general statement, the motivation might have been more specific regarding the value added the author expects.

Here I provide selected comments which might be useful for the author if she continues with her research in future:

- The hypotheses might have been clearly stated on one place in the theses (e.g. separated chapter).
- Instead of the long paragraph on pp. 12-14, a table might have been created.
- It is not clear why September, 2 is used to split the sample for the test of the structural break if subsequently the author defines the beginning of the crisis September, 15 (pp 33-34). Further, I have not found the results of the Chow test including the Chow test statistic in the thesis.
- If the whole period, i.e. 2003 to 2012, is used for the study of cointegration (the period is not written in the output tables A.7-A.9), is it appropriate to use this period in the VECM analysis if the structural break in the data was identified in September 2008?
- If the monthly data were used in the VECM analysis due to the fact that the macroeconomic variables have lower than daily frequency, i.e. monthly frequency (pp 18), how was the dataset of stock market returns converted into monthly data? Were the averages or end of the month data used for the stock market variables?

From my point of view, the thesis is more a technical analysis of the stock markets which is standardly done in the research literature rather than a research which bring new hypotheses. Therefore I suggest evaluating the thesis as „good" (grade 2).
Report on Master Thesis
Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

<table>
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<tr>
<th>Student:</th>
<th>Bc. Soňa Kocholová</th>
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<td>Advisor:</td>
<td>PhDr. Petr Gapko</td>
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<td>Title of the thesis:</td>
<td>Interconnectedness of capital markets during the financial crisis</td>
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**SUMMARY OF POINTS AWARDED** *(for details, see below):*

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<td>Contribution (max. 30 points)</td>
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**NAME OF THE REFEREE:** PhDr. Jitka Lešanovská

**DATE OF EVALUATION:** 14.6.2016

[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.

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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.

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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.

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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.

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Overall grading:

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