

Report on Bachelor / Master Thesis

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

Student:	Petr Petras
Advisor:	Tomáš Křehlík
Title of the thesis:	Connectedness of high-frequency data

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

The goal of the thesis is to identify spillovers among following stocks: Apple, Microsoft and AT&T. The main contribution of the paper is the application of two different methodological approaches, continuous and discrete time and comparison of their performance on the same data set. Peter finds that continuous time methods provide very different estimates compare to discrete type methods.

Comments:

1. Motivation of why author picked Apple, Microsoft and AT&T is missing. What was his prior or economic intuition underlying this choice.
2. I would expect at least some formal attempt to explain why the continuous time results substantially differ from discrete time results.
3. The event study may be biased if the timing is not right. As author points out it is unexpected news which moves the prices. Thus, for instance the introduction of Apple watch could have been expected already months before the official introduction and thus reflected in the prices much earlier.
4. Author finds spillovers from Apple to Microsoft and AT&T but at the same time the model fails in the event analysis to predict the price changes. Could it be that these stocks are just driven by some common factor? Thus, the firm specific movement in the stock price does not translate into the movement in stock prices of remaining companies.

Petr demonstrates that he is familiar with the related literature. The methodology corresponds to the level of master thesis. The arguments in the thesis are clear and comprehensive. To wrap it up, I consider this thesis well written and fully satisfying the standards of master thesis at Charles University. In case of successful defense I recommend excellent.

Question: Do you have any theoretical explanation of why price of Apple should predict price of Microsoft and AT&T?

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

CATEGORY	POINTS
Literature (max. 20 points)	17
Methods (max. 30 points)	30
Contribution (max. 30 points)	21
Manuscript Form (max. 20 points)	17
TOTAL POINTS (max. 100 points)	85
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Aleš Maršál

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Referee Signature