

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Miloš Prágr</b>
<b>Advisor:</b>	<b>Ing. Michala Moravcová</b>
<b>Title of the thesis:</b>	<b>Impact of Macroeconomic News on Financial Markets: Sector-based Analysis</b>

## OVERALL ASSESSMENT

My main objection against the thesis is the inconsistency of results that are presented in the main body of the thesis and the numerical results that I see in the Appendix. Specifically, Chapter 5.3.2 states „The five investigated indices, ..., rejected the hypotheses of not ARCH style errors on a 5% level. Standardised residuals of the fitted models did not reject the hypotheses on a 5% level.“ I check these statements with table 6.1 in the Appendix (there is a wrong reference in the text to table 6.2. – and I am not sure whether this mistake was intentional or not). Results in table 6.1 are different – the pre-estimate null hypothesis is not rejected in case of XMI index (author claims it is rejected) and the post-estimate null hypothesis is rejected in case of most indices – DRG, HUI and XMI (author claims it is not rejected). In line with authors argumentation, these results would lead to a misspecification of the Size of Returns Models in 3 cases out of 5. Also, the fact that the results for the first three indices in Table 6.1 are exactly the same is suspicious.

Overall the Appendix is not well organized and the referencing to Appendix is wrong in several cases. There are page numbers only on some pages of the thesis. This complicates my referencing to the mistakes. Section 5.2: Table 5.2 instead of 5.1. Section 5.3.2: Table 6.1 instead of 6.2 in the second paragraph, Table 6.3 instead of 6.2 in the third paragraph. Section 5.4.2: Table 6.3 instead of 6.2 in the third paragraph. I did not check the whole document for referencing, so there may be other mistakes.

Otherwise the thesis looks very good and is at a first sight of higher standard than other bachelor theses. It is well structured, author uses good English and references often to literature and findings of other researchers. The topic is interesting and the author presents it very well. I only had an impression that different authors arrive at different results and therefore the results cannot be relied on (e.g. GDP section in section 3.2.4) and author could better explain what is the use of the results of his analysis.

Chapter 5 is overall quite confusing, very brief and it seems that the author did it in a hurry. I would welcome a better explanation of the analysis under table 5.1. E.g. how many and what (transformed?) observations are used after the good or bad news announcement for the standard deviation of returns calculation? I also miss better numerical description of the indices, which is quite standard in these theses – table with mean, variance, ... Also, I miss final specification of the main models with results in Table 5.2 and 5.3. Author uses returns of indices but how are the dependent variables transformed?

If the misinterpretation of the results was not intentional or Table 6.1 in the Appendix is wrong, **I recommend grade 3, dobře**. The author should make sure that the main outcomes of his analysis are well documented in the Appendix and he should final check the thesis so that the reader is not confused or upset when reading the thesis. If these mistakes were intentional I do not recommend the thesis for defense because it would constitute a fraudulent behavior.

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	5
<i>Contribution</i> (max. 30 points)	5
<i>Manuscript Form</i> (max. 20 points)	19
<b>TOTAL POINTS</b> (max. 100 points)	<b>49</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>3</b>

**NAME OF THE REFEREE:** *PhDr. Peta Buzková*

**DATE OF EVALUATION:** *4.9.2017*

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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	GRADE		
81 – 100	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě