

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Bc. Ksenia Pogodina</b>
<b>Advisor:</b>	<b>PhDr. Boril Sopov, MSc., LL.M.</b>
<b>Title of the thesis:</b>	<b>News Feed Classifications to Improve Volatility Predictions</b>

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

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

### **Contribution**

Ksenia's thesis analyses interesting multidisciplinary topic of how news affect volatility. The idea lies in the original notion behind (G)ARCH modeling, where random arrival of news is assumed. Ksenia takes improved approach and models for known news arrival explicitly using sentiment analysis. The thesis contributes with new analysis angle and new data set.

### **Methods**

The multidisciplinary nature of the thesis requires knowledge of two fields. Ksenia shows above average understanding of the how the sentiment analysis works: using common lexicon based approach and more advanced Naive Bayes classification; and further a very good understanding of GARCH modeling. The latter would be sufficient for an excellent thesis only a few years ago.

### **Literature**

The reviewed literature is exhausting in both fields of interest. Ksenia cites mostly relevant sources and importantly the seminal papers in the GARCH field. Given it is not a common field at IES, I would draw attention to a lucid section 2.3, which deals with natural language processing.

### **Manuscript form**

The manuscript form meets the standards, the thesis is well organized and easy to read. I appreciate some nice figures (3.3 & 3.4.). Yet those mentioned should have respected the line width.

### **Summary and suggested questions for the discussion during the defense**

To conclude, the thesis deals with interesting topic, it is well-written and meets the requirements, hence I award grade A.

Ksenia could further discuss the relevance of the thesis for less mature markets and whether the effects would be stronger.

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution</i> (max. 30 points)	27
<i>Methods</i> (max. 30 points)	29
<i>Literature</i> (max. 20 points)	17
<i>Manuscript Form</i> (max. 20 points)	18

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Title of the thesis:	News Feed Classifications to Improve Volatility Predictions

TOTAL POINTS	(max. 100 points)	
GRADE	(A - B - C - D - E - F)	A

**NAME OF THE REFEREE:** PhDr. Boril Šopov, MSc., LL.M.

**DATE OF EVALUATION:** 23rd January 2018



Referee Signature

**EXPLANATION OF CATEGORIES AND SCALE:**

**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

**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

**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

**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	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F

