Report on Bachelor / Master Thesis

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

Student:	**Bc. Josef Bajzík**
Advisor:	**Doc. PhDr. Tomáš Havránek, Ph.D.**
Title of the thesis:	**Trading volume and expected stock returns: a meta-analysis**

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

The contribution of this thesis is clear. It is the first meta-analysis of the relation between trading volume and expected stock returns. 46 studies have produces estimations of this relationships, but their results vary widely. The exercise was laborious, as the author had to collect more than 26 000 data points (the product of 522 estimates of the volume-returns nexus and the 50 variables that the author collects to capture the context in which the estimates were obtained) by hand. The author shows clearly that, after correction for publication bias, trading volume is not useful in predicting stock returns. When published, a paper based on this thesis would become an important source for researchers in this area.

Methods

The author employs brand new techniques in meta-analysis: Andrews and Kasy (AER forthcoming), Furukawa (2019 MIT WP), Ioannidis et al. (2017, EJ), and also modern model averaging techniques (BMA and Mallows model averaging). These techniques are applied and interpreted correctly.

Literature

All the important papers are properly cited. Moreover, this is a meta-analysis, so the literature cover is broader than what typically is the case (in other words, focus on broad literature cover is part of the topic).

Manuscript form

The thesis is written competently in English and typeset in LaTeX (one issue: it's not "Andrews and Maximilian", it's "Andrews and Kasy". Maximilian is Kasy's first name). The only problem related to readability is resolution, but that is related to the regrettable requirement of our university to submit theses in pdf/a format. Unfortunately, this requirement creates many problems for documents written in LaTeX.

Summary and suggested questions for the discussion during the defense

This is a very good thesis. The author will, I hope, purse PhD studies and prepare a WP version out of this thesis. The WP can then be published in a good international journal.

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Question: there are many meta-analysis estimators employed in the thesis. Which one would you prefer and why?

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	28
Methods	*(max. 30 points)*	30
Literature	*(max. 20 points)*	20
Manuscript Form	*(max. 20 points)*	16
TOTAL POINTS	*(max. 100 points)*	**94**
GRADE	**(A – B – C – D – E – F)**	**A**

NAME OF THE REFEREE: Doc. PhDr. Tomáš Havránek, Ph.D.

DATE OF EVALUATION: 9.5.2019

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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