

# Opponent's Report on Dissertation Thesis

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Title of the Thesis:	Three Essays on Central European Foreign Exchange Markets
Type of Defense:	<b>DEFENSE</b>
Date of Pre-Defense:	November 14, 2018
Opponent:	<b>Doc. Ing. Eduard Baumöhl, PhD.</b>

Address the following questions in your report, please:

- Can you recognize an original contribution of the author?
- Is the thesis based on relevant references?
- Is the thesis defensible at your home institution or another respected institution where you gave lectures?
- Do the results of the thesis allow their publication in a respected economic journal?
- Are there any additional major comments on what should be improved?
- What is your overall assessment of the thesis? (a) I recommend the thesis for defense without substantial changes, (b) the thesis can be defended after revision indicated in my comments, (c) not-defensible in this form.

(Note: The report should be at least 2 pages long.)

**a) Can you recognize an original contribution of the author?**

The area under the study has been studied extensively, however, given the recent events (global financial crisis, European debt crisis) and what they brings (low interest rates and inflation, quantitative easing, etc.), it is indeed beneficial to provide new insights on forex market behavior in this new environment.

This dissertation thesis presents three essays on new EU forex markets (the Czech Koruna, Polish zloty, and Hungarian forint), all three utilizing the most recent data, so I believe the contribution is doubtless. All three essays bring significant new knowledge to the field. The first essay employ event study methodology to analyze the impact of specific information entering the forex market on the currencies of new EU members. It shows which macro variables have the biggest impact in terms of abnormal returns. The second essay analyses the impact of German macroeconomic news announcements and ECB meeting days on the conditional volatility of new EU members' currencies. In the third essay, the more recent methodology is applied to study time-varying exchange rate co-movements, hedging ratios, and volatility spillovers on the new EU forex markets. All three essays together provide a comprehensive view on a development, structure, and interconnectedness of forex markets in Central Europe.



**b) Is the thesis based on relevant references?**

All of the references are up-to-date and published in respected journals. Sometimes only working paper version is cited (as in the case of Baumöhl and Lyócsa, 2014), but all crucial references are included and properly cited.

**c) Is the thesis defensible at your home institution or another respected institution where you gave lectures?**

Given the current state of Slovak economic education, this thesis is defensible at any economic department in Slovakia without any doubt. I am also a PhD supervisor at the Faculty of Economics and Administration, Masaryk University in Brno and I believe that this thesis is defensible there as well.

**d) Do the results of the thesis allow their publication in a respected economic journal?**

All three essays are already published, first in Economic Systems, the second in Prague Economic Papers, and the third in Journal of International Financial Markets, Institutions & Money. All three journals could be considered as respected.

**e) Are there any additional major comments on what should be improved?**

I do not have any major comments. All points raised at the pre-defense have been acknowledged properly.

As in most of the empirical works, there are of course some details, which we could argue about. However, I would consider such discussion only as a debate exercise. Because all three essays are published, any further comments will not contribute to the overall quality of thesis, they will only appear as vicious remarks.

**f) What is your overall assessment of the thesis? (a) I recommend the thesis for defense without substantial changes, (b) the thesis can be defended after revision indicated in my comments, (c) not-defendable in this form.**

All comments that I have raised at the pre-defense stage were just in a form of the suggestions, perhaps suitable for a further discussion. It was not essential to implement all of them. There still few typos (such as AR(1)MA(X) – should be AR(I)MA(X), or IAC instead of AIC), but it is perfectly understandable that in longer text, such mistakes may occur. My overall assessment therefore is:

**“I recommend the thesis for defense without substantial changes”.**

Date:	10.9.2019
Opponent's Signature:	
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