Report on **Bachelor / Master Thesis**

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

Student:	Bc. Jan Kutman
Advisor:	prof. PhDr. Tomas Havranek, Ph.D.
Title of the thesis:	GDPNow for the Czech Republic

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

Short summary

Jan Kutman started to write the thesis when no publicly available nowcast existed for the Czech Republic. The title is an allusion to the „GDPnow" website maintained by the Atlanta Fed, and the original purpose was to develop a similar website. In the meantime, researchers from the Czech National Bank developed a similar nowcast, called "Rushin". This was disheartening to Mr. Kutman, and I appreciate his swift reaction and re-focus on the testing of the performance of several different nowcasting exercises. Thus he is still able to present substantial value added on top of the existing techniques.

Contribution

The main contribution is the comparison of several nowcasting techniques with a model averaging approach. Model averaging is important because in economics (and especially in forecasting) it is unclear which model, or which explanatory variables, best capture the underlying structural relationship: in many cases, the theory can provide only limited guidance. Model averaging techniques provide a discipline way how to weight individual models and obtain a more robust overall estimator. While the main difference between this thesis and the rushin model is explained in the thesis, I believe the author should spend some additional time on this issue during his thesis defense (see below).

Methods

The thesis uses advanced techniques including dynamic factor models, MIDAS models, and several machine learning methods. Most of them go well beyond the level of econometrics taught at MA classes.

Literature

As far as I can tell all the relevant sources are properly cited.

Manuscript form

The thesis is typeset nicely in LaTeX and written in good English. Some of the figures are not as beautiful as they could possibly have been (created probably in MS Excel), but that's a very minor thing.

Overall evaluation and suggested questions for the discussion during the defense

In my view, the thesis fulfills the requirements for a master's thesis at the Institute of Economic Studies, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade A. The results of the Urkund analysis do not indicate significant text similarity with other available sources.

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Question for thesis defense: you discuss it in the thesis, but it would be useful if you explained to the committee in detail the difference between your approach and the new "rushin" index of the Czech National Bank.

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	26
Methods	*(max. 30 points)*	28
Literature	*(max. 20 points)*	19
Manuscript Form	*(max. 20 points)*	18
TOTAL POINTS	*(max. 100 points)*	**91**
GRADE	**(A – B – C – D – E – F)**	**A**

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

DATE OF EVALUATION: *January 10, 2022*

digitally signed
Tomas Havranek
_____
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.*

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.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

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.*

Overall grading:

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