Report on **Rigorosus Thesis**

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

Student:	**Mgr. Radek Janhuba**
Advisor:	**Doc. Roman Horváth, Ph.D.**
Title of the thesis:	**Volatility Spillovers in New Member States: A Bayesian Model**

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

The thesis examines the volatility spillovers among Central European stock markets. This is a well-researched area but Radek is still able to contribute a lot to this stream of research. Unlike other researchers, various Bayesian vector autoregression models, including the time-varying Bayesian vector autoregression model to study the inter-linkages among stock markets in Central Europe. The use of the time-varying Bayesian vector autoregression model allows him to examine rigorously how the estimated linkages among stock markets change over time. I am not aware of any study examining the stock market interactions using this technique. This makes this study unique in comparison to previous literature.

I would like to emphasize that Bayesian econometrics is far from easy to learn (and not simple to apply, a good knowledge of Matlab or R is required). Definitively, Radek has chosen a difficult topic and has shown ability to undertake independently a large empirical project. The results provide some interesting results for economists. The results Radek presents question some commonly held views that investors do not differentiate among Central European currency markets. To the contrary, the Czech currency market is viewed as unique and according to his results, the investors understand that Czech Republic typically exhibits better fundamentals that, say, Hungary.

An earlier version of the thesis was submitted as a master thesis at IES FSV UK and obtained the distinction from the Dean of the Faculty of Social Sciences for an extraordinarily good masters diploma thesis.

I suggest the grade A.

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

CATEGORY		**POINTS**
Literature	*(max. 20 points)*	18
Methods	*(max. 30 points)*	30
Contribution	*(max. 30 points)*	29
Manuscript Form	*(max. 20 points)*	20
TOTAL POINTS	*(max. 100 points)*	**97**
(doporučuji, nedoporučuji)		**Doporučuji 1**

NAME OF THE REFEREE: Doc. Roman Horváth, Ph.D.

DATE OF EVALUATION: September 22, 2013

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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			
81 – 100		= excellent	
61 – 80		= good	
41 – 60		= satisfactory	
0 – 40		= fail	= nedoporučuji k obhajobě