

Report on Bachelor / Master Thesis

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

Student:	Bc. Anažka Fialová
Advisor:	Doc. Roman Horváth, MA, PhD.
Title of the thesis:	Asian Financial Linkages: The Case of Japan

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

The aim of the thesis is: a) to review the issue of empirical analysis of financial linkages in general, including an overview of main methodological approaches to measure it; b) to use the spillover index introduced by Diebold and Yilmaz (2009) to examine the degree of stock market linkages in East Asia with special attention being paid to the position of Japan.

The thesis, written in English, has 87 pages and the author quotes 35 titles of relevant references, mostly articles from high quality international journals. The text is illustrated by 18 tables 21 figures.

In the first part the author presents a review of the topic of financial linkage and its empirical measurement. It introduces theoretical definitions of the terms financial contagion and financial linkage, mentions main channels through which the financial markets influence each other, provides an outline of existing literature dealing with financial linkages and also offers to the reader an overview of main methodological approaches of measuring them. The second part introduces the international relations of Japanese financial markets with special attention being paid to the stock market. Moreover it also provides a literature review of empirical studies dealing with East Asian financial linkage. The third part concentrates on the empirical analysis of Japanese stock market linkages. For the purpose of the empirical analysis, the time series of daily stock price indices of 16 countries, consisting of the East Asian countries and major world economies in the time span 1995-2012 are analyzed.

The main findings of the thesis suggest that while Japanese stock market has been opening towards predominantly western impacts, it has been exercising growing influence on East Asian countries. Moreover, even though the driving force behind regional stock market movements has stem from the US, it is Japan and not China that intensifies its position of regional financial leader.

The text is well structured, uses relevant econometric methodology and has a format of a good quality research paper. I believe that major findings of the thesis should be submitted for publication in an international economic journal.

Considering high quality of the thesis I recommend grade A.

Report on Bachelor / Master Thesis

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

Student:	Bc. Anážka Fialová
Advisor:	Doc. Roman Horváth, MA, PhD.
Title of the thesis:	Asian Financial Linkages: The Case of Japan

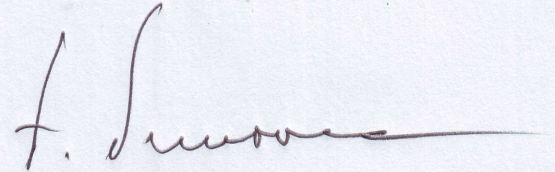
SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	30
Contribution (max. 30 points)	30
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	100
GRADE (1 – 2 – 3 – 4)	1 (A)

NAME OF THE REFEREE:

Prof. RNDr. Ing. František Turnovec, CSc.

DATE OF EVALUATION: September 2, 2013



Referee Signature