

Report on Master Thesis

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

Student:	Bc. Pavel Harnych
Advisor:	PhDr. Ladislav Křišťoufek, Ph.D.
Title of the thesis:	On the Link between Spot and Forward Power Prices

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

The presented master thesis studies the electricity markets of Germany and Hungary as examples of a developed and a developing market. The inclusion of the Hungarian market makes the thesis quite unique, as the dataset for this market has not been studied in the literature yet. On this dataset, the author tests three hypotheses connected to market efficiency. The results are only partially as expected (higher efficiency of the German market but lower risk premium for the Hungarian one).

The thesis is well structured and it reads well. The author presents his understanding of the topic in Section 2. From a methodological point of view, the thesis presents a basic analysis, which is, however, sufficient, or at least in the two out of three tested hypotheses. As long as the assumptions of OLS are met, there is no need to use more complicated techniques. Unfortunately, this is not the case for Section 5. There, the author has omitted a possibility of cointegration. The use of HAC standard errors does not help there.

For the above-mentioned reasons, **I suggest grade B for the defense**. However, I give the points on the edge between A and B for the case of a very good thesis defense.

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

CATEGORY	POINTS
Literature (max. 20 points)	18
Methods (max. 30 points)	18
Contribution (max. 30 points)	25
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	79
GRADE (1 – 2 – 3 – 4)	2

NAME OF THE REFEREE: PhDr. Ladislav Křišťoufek, Ph.D.

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Referee Signature