

Report on Master Thesis

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

Student:	Marek Fremunt
Advisor:	Jozef Barunik
Title of the thesis:	Predictability of security returns using Twitter sentiment

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

The diploma thesis explores influence of social networks on financial markets. In his work, Marek collects a unique high frequency data set about stock market sentiment from Twitter, and he investigates how investors are influenced by basic emotions, moods, and sentiment in their decisions. To address the hypothesis about the impact of social media on decisions of investors, Marek opts for the classical time series analysis of the data, which shows interesting results.

The thesis is well organized, during the course of the research, we have discussed many issues on frequent basis, Marek incorporated all my comment thoroughly into the text, and hence I have no other comments to the defence.

In conclusion, I believe the work is original and contributive to the literature, analysis is done rigorously, thus I fully recommend the thesis to be defended.

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

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

NAME OF THE REFEREE: Jozef Barunik

DATE OF EVALUATION: 28.5.2015

Referee Signature