

# Report on Bachelor / Master Thesis

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

Student:	Victoria Dobryashkina
Advisor:	Michala Moravcová
Title of the thesis:	Does the choice of method of forecast of index stock returns and the choice of investment strategy depend on index's industry affiliation?

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

Victoria contacted me and asked me for an advice with her bachelor thesis in April. She wanted to be innovative, so she chose the topic which is not frequently examined. She intended to find out, whether different trading strategies and techniques generating trading signals shall be used depending on the stock industry affiliation. We set up the basic structure of the bachelor thesis and propose the way for identifying trading signals mostly based on technical trading rules. After the meeting, Victoria asked me to be her new supervisor instead of the previous one.

Let me acknowledge, that from the time I started to work with Victoria, she was systematically working on the bachelor thesis and she regularly consulted with me her writing process. I have to admit, that Victoria ambitiously found more techniques for generating trading signals (Time-Series Forecast Method rules and combination its combination with Trading Rules) in order to have solid and broad paper.

Following contribution and concepts, Victoria did a broad data research using MS excel examining data of 10 stock indices, dating from 2001 to 2014 totally producing more than 3500 observations for one stock index. Moreover, using time-series prediction techniques she employed GARCH model, which is not the subject of Bachelor degree study program at IES.

Victoria not only used advanced econometric techniques and proved advanced work with broad data set in Excel, she came to some interesting conclusions following the 5 hypothesis in the final chapter. Moreover, I consider the chapter 4.2 very contributive. For example, it answers the questions if the choice of the method forecasting the stock index future price depends on the index industry affiliation (the core of the paper), compares the profitability of individual industries in the long run, compares profitability of trading strategies between industries and compares the trading signals techniques depending upon market turbulence.

Although, manuscript was written in English and LaTeX text editor there is the visible drawback in the last chapter, where graphs are print screened and worsen the overall impression of the text. I personally consider the results provided via these tables the most important part of the paper. The tables provide reader with the important takeaways of the whole paper and in some places I miss profound results interpretation. For this reason, I would suggest to pay more attention to the last part of the paper especially, to presentation of the final outcome of the before done research. I see the drawback in the absence of the linkage between individual results and some big picture about markets behavior. It makes me feel that the quantity and the robustness of the work goes at the expense of the quality. Furthermore, some tables miss abbreviation explanation. For this reason, I grade the manuscript form with lower points.

All in all, I consider this paper well – mannered and I suggest grade 1.

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	Victoria Dobryashkina
<b>Advisor:</b>	Michala Moravcová
<b>Title of the thesis:</b>	Does the choice of method of forecast of index stock returns and the choice of investment strategy depend on index's industry affiliation?

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

<b>CATEGORY</b>	<b>POINTS</b>
Literature (max. 20 points)	18
Methods (max. 30 points)	27
Contribution (max. 30 points)	27
Manuscript Form (max. 20 points)	10
<b>TOTAL POINTS</b> (max. 100 points)	<b>82</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:**

**DATE OF EVALUATION:** 31. 8. 2015

  
\_\_\_\_\_  
**Supervisor 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	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě