

# Report on Master Thesis

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

<b>Student:</b>	<b>Daniel Husek</b>
<b>Advisor:</b>	<b>Doc. Mgr. Tomáš Holub, Ph.D.</b>
<b>Title of the thesis:</b>	<b>ECB's Quantitative Easing – What Effects, Through Which Channels?</b>

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

The thesis analyzes the impact of the European Central Bank unconventional monetary policy represented by the ECB's asset purchase programmes, known as quantitative easing (QE), on the real economy. The channels of ECB quantitative easing are discussed. There are several measures used by the author to capture quantitative easing. Two types of VAR models (S-VAR, FA-VAR) are employed to analyze the effect of the quantitative easing on various real economy variables. The two models serve also as a cross check for the main results. Finally, the thesis provides quantification of the effect of the unconventional policy from the beginning of 2015 in the form of Expanded Asset Purchase Programme.

The author has chosen topic which is actual and overall processing of the thesis is nice. The structure of the thesis is clear and although it includes large number of outputs like graphs and tables they are well organized. I like that the author uses more measures to capture quantitative easing (both balance sheet measures and measures constructed by statistical models) as well as more than just one model. I have three comments to the thesis:

Firstly, the reader might be sometimes confused how the QE is exactly defined whether it is used as a synonym for the ECB Expanded Asset Purchase Programme (EAPP) from the beginning of 2015 which includes purchases of government bonds (as the market does) or whether QE also includes the previous asset purchase programmes by the ECB (as the construction of the QE indicators suggests). Also, on the page 3 the author uses ECB QE in the context of the sterilized phase until mid 2014.

Secondly, instead of refereeing explicitly to the EAPP in the thesis a more general wording is used like that in conclusion: "we quantified the effect of the balance sheet policies initiated at the beginning of 2015". Why it is not directly referred to the EAPP?

Thirdly, the author could more highlight his contribution compared to other existing researches, also with respect to the methodological approach he has applied, specifically in the parts like Abstract, Introduction and Conclusion. The discussion about the contributions of the thesis over the existing literature might be also a topic for the defense.

**In my view, the thesis is of a high quality, therefore I suggest evaluating the thesis as excellent with grade "1".**

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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)	27
Manuscript Form (max. 20 points)	20
<b>TOTAL POINTS</b> (max. 100 points)	<b>95</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:** PhDr. Jitka Lešánovská

**DATE OF EVALUATION:** 6.9.2016

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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	GRADE		
81 – 100	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě