

Report on Master Thesis

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

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

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

The thesis assesses empirically the macroeconomic effects of unconventional monetary policy (UMP) carried by the ECB. This is a very relevant topic in modern monetary economics, which has already attracted a lot of attention by researchers, but further contributions are still welcome and needed.

The thesis has a logical structure. After an introduction in Chapter 1, an extensive literature review is provided in Chapter 2. Chapter 3 brings an overview of the ECB's UMP programmes and summarizes some stylised facts. Chapter 4 is called "Data and Methodology", but goes actually beyond the title in terms of generating alternative synthetic indicators of the ECB's UMP based on principal components analysis and a regression estimate of the shadow rate. Chapter 5 "Estimation results" is the core of the thesis, providing S-VAR and FA-VAR analyses of the macroeconomic effects of the ECB'S UMP. It includes robustness checks in terms using different balance sheet measures and synthetic indications of the UMP, as well as in terms of using different time periods. Chapter 6 interprets the empirical results in light of the functioning of various monetary policy transmission channels and Chapter 7 concludes.

As regards the obtained empirical outcomes, only some of them are in line with expectations (mainly a small positive effect of UMP on CPI, a downward effect on various interest rates and a depreciation impact on the exchange rate). At the same time, some other impulse responses are either statistically insignificant (effects on output, etc.), or even have a statistically significant counter-intuitive sign. This is not unusual for this type of analyses; nevertheless, the author could discuss at the defence, which of his findings may be considered robust, and which should be taken with caution.

Overall, the thesis has a high technical level, is written in decent English and fulfils all formal requirements. During his work, the author consulted with me its content of in several rounds, and has incorporated most of my major comments. Therefore, I have no further specific remarks.

I recommend the thesis to be accepted and graded "excellent" (1, výborně).

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	27
Contribution (max. 30 points)	27
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	92
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Tomáš Holub

DATE OF EVALUATION: 5 September 2016



Referee Signature