

Report on Bachelor / Master Thesis

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

Student:	Mária Partelová
Advisor:	PhDr. Boril Šopov, MSc., LL.M.
Title of the thesis:	Presidential rhetoric, sentiment and their relation to stock market

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

Mária's thesis deals with very interesting topic of the influence of Twitter social media network on stock exchange behaviour. The work focuses on most influential persons on the planet: former president of the USA Barack Obama and the current one Donald Trump. One would obviously expect these presidents to have significant impact, yet the magnitude is unknown. This thesis endeavours to quantify it rigorously.

The goal of this thesis required advanced techniques, not all of which are taught at our Institute. I would praise Mária for using natural language processing techniques, which are not trivial; especially not at bachelor's level. The cross-disciplinary combination of methods executed in programming language Python is what makes this thesis stand out.

The structure of the thesis follows common practice. The introduction nicely presents the aim of thesis following by literature review, which could have been slightly more extensive in areas of natural language processing and recent studies; though we have to bear in mind this is an economics thesis. The methodology is straight forward and it is clear why author uses respective methods. The choice of the VADER methodology is well explained and it works nice in the context of this thesis.

By contrast, the financial econometrics would require a bit more diligence and polishing to match the quality of the rest of the thesis. To be fair though, these topics are in master curriculum.

The most interesting part of the thesis—the results—presents additionally extensive analysis of the presidents' tweets. I would especially draw attention to figures 3.7 and 3.8, which—to the trained eye—raise question of fat tails of Obama's compound sentiment. This could be a topic of either Mária's master thesis or other student's thesis: extreme value distribution of Obama's sentiment.

Mária present the econometric results in concise form diligently carrying out all necessary analyses. The conclusion shows that the Obama's sentiment 'Granger' affects the stock prices, the Trump's surprisingly not.

In conclusion, this is a well written thesis on an attractive topic, hence I'm suggesting grade A.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	17
<i>Methods</i> (max. 30 points)	28
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	88
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: PhDr. Boril Šopov, MSc., LL.M.

DATE OF EVALUATION: 4th June 2017



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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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