# Report on Bachelor Thesis

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

| Student: | Marek Vareka |
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| Advisor: | PhDr. Ladislav Kristoufek Ph.D |
| Title of the thesis: | Can the Stock Market Predict Changes in Macroeconomic Variables? |

### *OVERALL ASSESSMENT*

This thesis analyzes the potential role of stock markets in predicting changes in macroeconomic variables.

The thesis contains 36 pages followed by the bibliography and appendix. Chapter 1-6 introduces the topic and present detailed literature and theoretical background of the subject. The background literature on the stock markets variations and macroeconomic variables provided in chapter 2-3 demonstrates the authors' clear understanding of the subject.

Chapter 4 presents the methods used in the thesis to analyze the role of stock market in predicting changes in macroeconomic variables. The time series methods used in the thesis are standard methods for this kind of research and the author seems well versed in the methods used here. Chapter 5 presents data and chapter 6 presents the analysis of the results and concludes the thesis. The conclusion answers all the questions raised in the introduction to the thesis.

**Suggested question for the defense:**
Things like financial news etc are expected to affect stock market a lot more than macroeconomic variables. What do you think are some of the factors that would affect the stock market but not necessary the macroeconomic variables in question? What kind of methodological issues that might raise for you? And do you think your conclusion?

This is a high quality work for a student writing bachelor thesis and the student used a very standard approach and econometric methods to answer the questions raised. In case of successful defense, I recommend "vyborne" (Excellent, 1)

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

| CATEGORY | | POINTS |
|---|---|---|
| *Literature* | *(max. 20 points)* | 20 |
| *Methods* | *(max. 30 points)* | 30 |
| *Contribution* | *(max. 30 points)* | 27 |
| *Manuscript Form* | *(max. 20 points)* | 18 |
| **TOTAL POINTS** | *(max. 100 points)* | **95** |
| **GRADE** | **(1 – 2 – 3 – 4)** | **1** |

*NAME OF THE REFEREE: Arshad Hayat*
*DATE OF EVALUATION:   21.05.2017*

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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 | **1** | = excellent | = výborně |
| 61 – 80 | **2** | = good | = velmi dobře |
| 41 – 60 | **3** | = satisfactory | = dobře |
| 0 – 40 | **4** | = fail | = nedoporučuji k obhajobě |