Opponent's Report on Dissertation Thesis

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Author:	**PhDr. Marek Rusnák, M.A.**
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Title of the Thesis:	Essays on monetary policy transmission
Type of Defense:	**DEFENSE**
Date of Pre-Defense:	February 22, 2017
Opponent:	**PhDr. Jaromír Baxa, Ph.D.**

Address the following questions in your report, please:

a) Can you recognize an original contribution of the author?
b) Is the thesis based on relevant references?
c) Is the thesis defendable at your home institution or another respected institution where you gave lectures?
d) Do the results of the thesis allow their publication in a respected economic journal?
e) Are there any additional major comments on what should be improved?
f) What is your overall assessment of the thesis? (a) I recommend the thesis for defense without substantial changes, (b) the thesis can be defended after revision indicated in my comments, (c) not-defendable in this form.

(Note: The report should be at least 2 pages long.)

I'm honoured to have the opportunity to read and to review the dissertation submitted by Marek Rusnak for the defence. It's an extraordinary piece, consisting of five original papers, each of them providing insights into important aspects of monetary policy and its modelling. I've already provided some more detailed comments during the pre-defence, but with a clear statement that the thesis is superb, that all papers were published and I don't suggest any changes to the thesis. Thus, to me as a reviewer, it is difficult to meet the requirement that the report should be at least two pages long.

a) Can you recognise an original contribution of the author?

The thesis contains five papers, three of them are co-authored, and the author specified his contribution during the pre-defence. The first three chapters rely on meta-analysis, the last two are devoted to the analysis of real-time data, prediction and nowcasting. In all cases, the studies have brought new contributions in the respective fields and extended our existing knowledge.

First of all, the papers contributed to the methodology of a meta-analysis by showing that the problem of selection of relevant variables can be alleviated by utilisation of the Bayesian model averaging.

Then, the first two individual papers shed some light on monetary transmission mechanism. First, it is shown that the price puzzle could arise very much as a consequence of possibly inappropriate identification of the structural shocks in VAR models.

The second paper\ estimates the transmission lag of monetary policy and it shows that with monthly data, the models usually tend to point to much shorter transmission mechanism than quarterly data would suggest. Also, there seems to be a difference between the developed and the emerging countries. My own takeaway is that the transmission lag is also country-specific, and this fact shall be reflected in structural macroeconomic models used for policy-making. The similar implication can be derived from the third paper on habit formation. The dispersion among the estimated coefficients is quite surprising when considering the importance of habit formation in the current DSGE models.

The last two papers utilise the newly-developed methodologies for nowcasting and assessment of data revisions in the context of the Czech Republic. First, it is being shown that the dynamic factor model can be successfully used for nowcasting and that its performance is comparable to official central bank predictions. Second, the analysis of revisions of the national accounts implies that the revisions of the GDP, although rather sizable, cannot be predicted and are not systematic.

b) Is the thesis based on relevant references?

For sure it is. During the pre-defence, I've provided a couple of hints to additional papers relevant for the first chapter to provide a little bit broader context to the results, and I'm pleased those appear in the final version of the thesis.

c) Is the thesis defendable at your home institution or another respected institution where you gave lectures?

I believe this thesis would have been praised and highly regarded anywhere.

d) Do the results of the thesis allow their publication in a respected economic journal?

All papers were already published, even in highly respected journals, i.e. the Journal of Money, Credit and Banking, and the International Journal of Central Banking.

e) Are there any additional major comments on what should be improved?

No.

f) What is your overall assessment of the thesis? (a) I recommend the thesis for defence without substantial changes, (b) the thesis can be defended after revision indicated in my comments, (c) not-defendable in this form.

My overall assessment cannot be different from (a). Hence, I recommend the thesis for defence as it is. Let me congratulate Marek Rusnak to this excellent work, and I believe his thesis shall be nominated for some award.

Date:	May 3, 2018
Opponent's Signature:	
Opponent's Affiliation:	PhDr. Jaromír Baxa, Ph.D. IES FSV UK