Assessment of Master Thesis – Academic Consultant

Study programme: **Economics of Globalisation and European Integration**
Field of study:
Academic year: **2014/2015**
Master Thesis Topic: **Investigating Risk-On Risk-Off Patterns in Global Financial Markets**
Author's name: **Bc. Jan Typočil**
Ac. Consultant's Name: **doc. Ing. Anna Klosová, CSc.**
Opponent: **Dr. Steven Vanduffel**

	Criterion	Mark (1–4)
1.	Overall objective achievement	**1**
2.	Logical structure	**1**
3.	Using of literature, citations	**1**
4.	Adequacy of methods used	**2**
5.	Depth of analysis	**2**
6.	Self-reliance of author	**1**
7.	Formal requirements: text, graphs, tables	**3**
8.	Language and stylistics	**2**

Comments and Questions:

Motivation: In his thesis, Mr Trocil investigates the phenomenon of risk-on risk-off patterns which emerged particularly strong during the recent financial crisis and its aftermath. He has tackled a relatively recent area of research, provides an empirical analysis to his main question as to whether the markets are still in an risk-on risk-off environment, and to address this sets up a considerably large data set. Taking an average of the above subgrades (which are motivated below), the thesis falls between a 3 and 4 for the final grade. Having supervized Mr Trocil in his thesis and knowing that he put considerable effort in not only compiling a large data set but also familiarizing himself with programming and several statistical techniques which allowed him to carry out this very interesting analysis, I choose to take the higher mark. He therefore fulfils the thesis requirements, however, there could be improvements on several accounts. In particular: i) The thesis contains several typos and grammar mistakes, acronyms are used before they are introduced (e.g. on p. 18 use of word 'matric' instead of 'matrix'). Some figures contain errors (e.g. figure 6.2 the tickmark on the horizontal axis). ii) On a technical point, the author does not sufficiently motivate as to why he chose specific breakpoints in his breakpoint tests. Other/additional breakpoints could have been tested (p. 24 et seq.). Also, the confidence and prediction intervals on the figures (p. 26, figures 5.2 et seq) seem to be linear, although the distance of the intervals should be closer to the trend around the mean of the explanatory variable. This might however be a visual issue with driven by the relatively small size of the figures. iii) The author could have carved out more carefully as to what are explanations for the emergence of a risk-on risk-off environment. Though he provides some background, I would like to have seen a bit more on this count. Furthermore, the author could have provided a bit more motivation as to why he chose specific variables and could have given more economic interpretation to his average absolute correlation numbers at peaks. However, since he already exceeded the word count it would have been difficult to address these points this without sacrificing at other parts of the thesis.

Supervisor´s cooperation: dr. Marcel Bluhm, Xiamen University, P.R.China

Conclusion: The Master Thesis is recommended for the defence.

Suggested Grade: **2**

Date: 06. 01. 2015

doc. Ing. Anna Klosová, CSc.
Academic Consultant