University of Economics, Prague

Faculty of Finance and Accounting

Study programme "Finance and Accounting"

Master Thesis Evaluation

Supervisor form

Student name:	*Mariia Bondarenko*
Title of the thesis:	*The impact of FX exposure on the firm's stock market price*
Year of the defence:	*2019/2020*
Supervisor name and affiliation:	*Karel Brůna, University of Economics, Prague*
Reviewer name and affiliation:	*Žaneta Tesařová, University of Economics, Prague*

THESIS CONTENT SUMMARY:

The Thesis deals with an impact of company's FX exposure on the rate of return of the specific stocks. The Thesis contains three main parts, the first one deals with brief introduction to the stock price models, FX exposure and literature review. The second part states the main research questions, hypotheses and the data description. The last part provides results of the regressions, their discussion and tests. The theoretical part of the Thesis is based on standard approaches to the stock price modelling and the exposure to FX risk analysis. The empirical part analysed the data on European companies available in Amadeus and combines it with OECD and ECB databases and other financial market data providers.

OBJECTIONS AND REMARKS:

The Thesis provides very high level of the research, it is written as extended research paper with clear structure, strong theoretical part and very interesting empirical part. The author presents research on very relevant topic as many companies are currently exposed to FX risk due to their participation in large supply chains and their selling activities on foreign markets. The Thesis shows deep analysis of very specific problem which is not studied frequently. Therefore, it requires broad knowledge, reading many sources and having adequate analytical skills which all were clearly presented by the author. I especially want to highlight author's enthusiasm and deep interest in the topic.

QUESTIONS FOR THE DEFENCE:

1. You mentioned that FX risk hedging strategies are more popular in case of industrial companies comparing with service sector corporations. Do you have any explanation for this fact?

2. If you compare the response of the rate of return to FX risk factor and other variables, is FX risk highly relevant factor or just the minor one?

ASSESSMENT:

Criterion	Excellent	Very good	Good	Insufficient
Aim formulation and fulfilment	X	☐	☐	☐
Work with literature	X	☐	☐	☐
Methods and data used	X	☐	☐	☐
Results and their discussion	X	☐	☐	☐
Formal aspects	X	☐	☐	☐
Suggested overall grading: *1 - Excellent*				

Prague, June 2nd, 2020

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Signature