Report on Bachelor / Master Thesis

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

Student:	Filip Rulíšek
Advisor:	PhDr. František Čech, Ph.D.
Title of the thesis:	Impact of Market Uncertainty on Stock-Bond Return Relation

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

Short summary
The submitted thesis examines the relationship between stock and bond returns in the U.S. market. The role of market uncertainty is studied in detail by applying the rolling window. The empirical results display a negative monthly and quarterly correlation, and the monthly correlations tend to be more volatile. The thesis's second finding is that the VIX index negatively affects the relationship between stock returns and bond yields. The author further breaks down the analysis to individual stock market sectors and, on average, finds similar results to the whole stock market, with few sectors being exceptions.

Contribution
The presented thesis contributes to the literature devoted to the stock-bonds decoupling effect. The thesis used well-established methods in literature and apply them to the recent dataset that includes important economic events. The thesis findings are relevant for investors considering diversification of their portfolios as well as central bankers. The thesis's contribution could be even higher if more sophisticated methods, such as DCC-GARCH are applied.

Methods
The methods used in the thesis are adequate for the IES bachelor thesis. The methods are applied correctly, and the assumptions, such as stationarity, have been tested. The results of the analysis are discussed in detail.

Literature
The submitted thesis contains nice literature review. All the papers mentioned in the thesis are highly relevant to the topic, and majority of them were published in respected economic journals. The author shows a very good knowledge of the literature, works with it properly and explains all the concepts used throughout the thesis in a concise manner.

Manuscript form
The submitted thesis is nicely written using proper language, and reads well. The author considered all of my comments on the previous version of the text.

Overall evaluation and suggested questions for the discussion during the defense
Overall, I think it is a nice bachelor thesis – it is well structured, reads well, and presents all methods and results carefully. During the last semester, the author consulted the thesis with me on a regular basis, and I can see a huge progress in the final version of the thesis. During the defense, the author should discuss in detail results presented in the Table 5.5 and explain why standard errors are adjusted by Newy-West method (as reported in Table 5.4). In my view, the thesis fulfils the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University. The results of the Urkund analysis do not indicate significant text similarity with other available sources. I have no additional questions to be answered during the defense. In case of a successful defense, I recommend a grade "B".

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

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CATEGORY	POINTS
Contribution *(max. 30 points)*	25
Methods *(max. 30 points)*	24
Literature *(max. 20 points)*	20
Manuscript Form *(max. 20 points)*	20
TOTAL POINTS *(max. 100 points)*	**89**
GRADE **(A – B – C – D – E – F)**	**B**

NAME OF THE REFEREE: Frantisek Cech

DATE OF EVALUATION: *29.8.2023*

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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.*

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.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

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.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F