Report on Bachelor / Master Thesis

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

Student:	Bc. Veronika Mertová
Advisor:	PhDr. František Čech, Ph.D.
Title of the thesis:	The Impact of News on Videogame Stock Market Prices and Volatility

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

Short summary
The submitted thesis examines the influence of social media and news sentiment on firms' stock prices in the gaming industry. The author collected data from Twitter and news headlines, aggregated them into daily sentiment measures, and used them as input for analysis of selected companies' returns and volatility series. The empirical analysis involved a vector autoregression model and testing Granger causality. The results of the analysis do not reveal significant differences between the gaming and non-gaming industries, although some slight differences were present.

Contribution
The presented thesis contributes to the literature studying the use of investor sentiment for asset pricing. To me, the main contribution of the thesis is the chosen industry, the gaming industry, as it was not studied "heavily" before. Although the time span of several months is not the ideal one, and the longer sample would be preferred, the author was still able to obtain results that have certain value added.

Methods
The methods used in the thesis, such as GARCH or vector autoregression, are adequate for the IES master thesis. The methods are described in a concise manner, 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 an adequate literature review, and all the papers mentioned in the thesis are highly relevant to the topic. The author shows a 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 author considered the majority of my comments on the previous version of the text; however, due to the time constraints, I had not seen some chapters before the thesis was submitted. Overall, the submitted thesis is nicely written and reads well, and I have just a few comments regarding the structure/format. It would be nice to have at least a brief description of results in the Introduction; the tables should have the same format throughout the whole thesis; the figures should be of the same size if they are displaying the same information; in the text of chapter 6 the author refers to tables from chapter 5, i.e., wrong numbering of tables; the visual representation of some tables such as 6.5 deserves to be improved, etc.

Overall evaluation and suggested questions for the discussion during the defense
Overall, I think that the presented thesis is a nice empirical exercise applied to the nonstandard industry sector. Although the time span for analysis is rather short, the results are valid and still present possible guidelines for investors considering their investment based on sentiment analysis. The student should explain the motivation for choosing the nonstandard gaming industry during the defence.

In my view, the thesis fulfills the requirements for a master thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade B. The results of the Turnitin analysis do not indicate significant text similarity with other available sources.

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	25
Methods	*(max. 30 points)*	25
Literature	*(max. 20 points)*	19
Manuscript Form	*(max. 20 points)*	15
TOTAL POINTS	*(max. 100 points)*	**84**
GRADE	*(A – B – C – D – E – F)*	**B**

NAME OF THE REFEREE: František Čech

DATE OF EVALUATION: 7.9.2023

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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