

Report on Bachelor Thesis

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

Student:	Bohdan Hukovych
Advisor:	doc. PhDr. Jozef Baruník, Ph.D.
Title of the thesis:	Technical Analysis Profitability Across Different Classes of Assets

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

Short summary

This thesis examines the profitability of a large number of technical trading rules in different asset classes - equities, currencies, commodities and cryptocurrencies - over the period 2014-2024. Thus, it provides a comprehensive analysis of the profitability of technical analysis and attempts to answer the question of whether technical analysis is a beneficial tool for forecasting. The thesis finds marginal value in risk-adjusted returns and also addresses the issue of market efficiency. The thesis is rigorous, the author has created a large dataset consisting of different combinations of technical rules and tested it rigorously.

Contribution

The thesis contributes to the long-standing debate on the usefulness of technical analysis and market efficiency. The main contribution lies in the comprehensive empirical results, which look at a large number of technical indicators and a wide range of asset classes, and comprehensively compare the performance of technical analysis across asset classes. At the same time results are bit descriptive and lack deeper discussion about its usefulness in addition to a comprehensive descriptive analysis.

Methods

The methods used in the thesis are standard and appropriate for an empirical analysis. The main work is based on an extensive dataset of technical indicators that are created and then tested.

Literature

Bohdan has demonstrated a deep understanding of the literature and gives credit to all important and relevant studies. He works properly with the relevant literature and adapts his own original ideas based on a proper understanding of the previous literature. In this respect, Bohdan has produced an excellent piece of work.

Manuscript form

The text is well written, motivates the problem clearly, and connects the results well to the existing literature. At the same time results are often purely descriptive, and would benefit from bit more general summary and takeaway.

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Overall evaluation and suggested questions for the discussion during the defense

In conclusion, I believe the thesis is a solid piece of work that brings empirical insights to the literature exploring the usefulness of technical analysis with a fresh new empirical look at a wide range of asset classes and indicators.

A general area of discussion during the defence could be the economic value of the work. Bohdan could provide a high level summary of the usefulness of the results from an economic perspective. It would also be interesting to discuss the main takeaways.

The thesis deserves to be defended without reservation. If Bohdan is confident in presenting the details of the work, I suggest awarding an A. Finally, the results of the documentary analysis do not indicate any significant similarity of the text to other available sources.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	25
<i>Methods</i> (max. 30 points)	28
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	16
TOTAL POINTS (max. 100 points)	89
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: Jozef Baruník

DATE OF EVALUATION: 16.8.2024

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