Supervisor’s diploma thesis assessment

Title: Examining the Presence of Weekend Effect Anomaly in Chinese Market

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The thesis is focused on the behaviour of stock returns which is a topic based on the efficient market hypothesis and the persistence of market anomalies. The main objective is to test the presence of the weekend anomaly in two Chinese stock exchanges, using the SSE and SZSE Composite Indexes. The aim is clearly defined in the introductory part and the content and results of the thesis are in line with this objective.

The structure of the thesis reflects the thesis assignment. The chapters are logically ordered according to the main objective of this work. The student divided the work into five main chapters. In chapter two, the student pays adequate attention to the description of market anomalies; she also provides review of recent studies and main conclusions with respect to selected countries. The methodology is described in the chapter three; the main focus is on statistical methods which are used in the analysis of the weekend effect. The student used several steps to examine the presence of the weekend effect in two Chinese stock exchanges. The core analysis is carried out by the means of binary logistic regression. The estimated models were used to predict the probability of positive or negative returns on each day of the week. The overall results and recommendations are summarized in the conclusion.

It is evident that the student is capable of original and independent work. The tables, figures and equations are appropriately included in the text and adequately commented. It should be appreciated that the student made an extensive review of recent research in this field of study which enabled to make comparisons to other results. To carry out the analysis, the student had to study and apply various methods, especially logistic regression, including work with categorical variables.

The work satisfies requirements for the elaboration and provides author’s original results. For the reasons above, I recommend the thesis for the oral defence.

Ostrava, May 4, 2015

Ing. Martina Novotná, Ph. D.