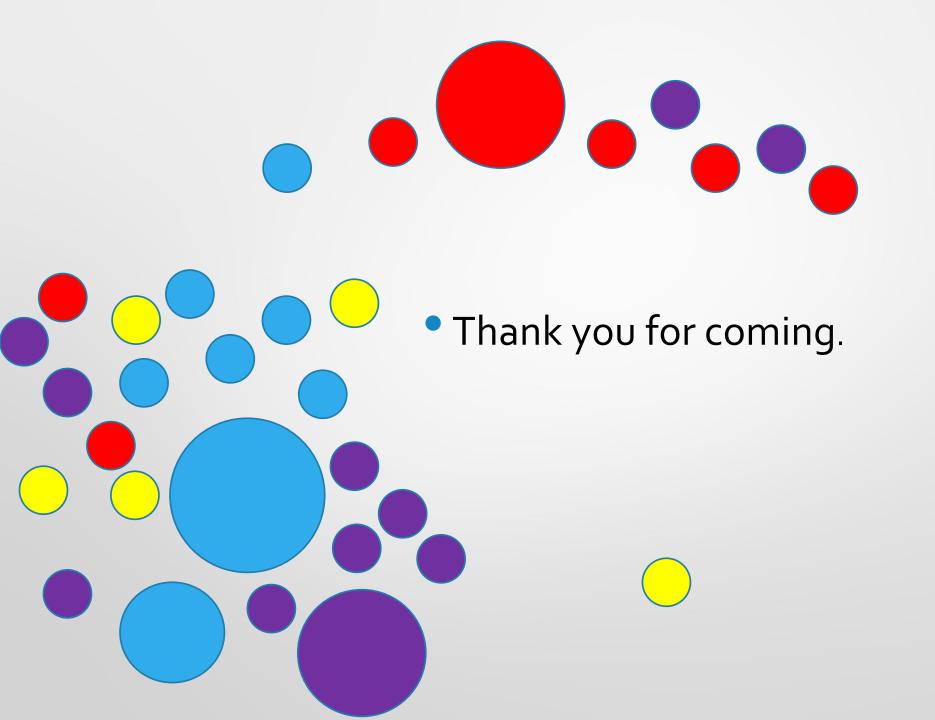
Term Structure Estimation with Missing Data: Application for Emerging Markets Authors: Krisztina Nagy

Discussant: Ludwig B. Chincarini, Ph.D., CFA
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1. General Comments

- Interesting application to Hungarian market to estimate Term Structure of interest rates
- Paper is very preliminary, so I assume authors are going to do much more work

2. Specific Comments

- Need to motivate paper better. What is NEW?
 What is already known. Is the problem that
 you have little data in Hungary and want to use
 the US bond market estimation to help with
 Hungarian missing data? If so, state clearly.
- I think you use US data for mapping between zero method and coupon method and then apply to Hungary. Is this ok? What are the pitfalls?

2. Specific Comments

- Table 9 needs to be explained more and slower. What is the "missing" pieces and explain in more detail. Is it Hungary issues?
- "Comparable" is mentioned, but there is not quantitative method to say, "yes it's comparable". Perhaps find such a method, rather than just looking at how close estimate are.
- I like Table 15 and 16 a lot, since they highlight some of the issues in Hungary

2. Specific Comments

- Generally, I like the Hungary bit more, because it's different, new and perhaps interesting.
- I would focus the paper on starting with Hungary immediately. Then in an Appendix, and/or a methodology section, you can explain what you do to estimate Hungary.
- I also don't think you need so much explanation of standard models. You can just say "We are using this model and then we do this, and then we do that." It will make paper clearer.

Summary

Interesting to learn about Hungarian market, but paper needs to be cleaned up a lot and MORE FOCUS on Hungary and what we are really learning from that.

Thank you

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