Comment 1
The paper investigates the impact of two very important international events such as Brexit and US presidential elections of exchange rate of Japanese yen, index of TOPIX and other sectoral indexes. The data visualization and estimation results show significant changes in exchange rate and stock indexes after each event.

Reply
Thank you!

Question No. 1
Could you please, explain simply what is the difference between causality in mean and variance and which is more important?

Reply
By causality in mean we estimate how changes in a variable affect the other variable. For example, an increase in exchange rate is associated with a decrease in stock price index. By causality in variance we estimate how higher volatility of variable (for example, exchange rate) affects the volatility of another variable (for example, the stock price). Both, information about causality in mean and variance are important for policy makes and investors.

Question No. 2
Is it possible to do similar calculations for the firms’ shares and options which are sold in the stock market?

Reply
Yes, it is. The calculations are done for exchange rate, TOPIX and sectoral indexes. Similar calculations can be done for the shares of the firms traded in the stock market.