

Letter to reviewer #1

Firstly, we would like to express our gratitude for your useful comments and suggestions, which have helped us to reconsider some elements of the paper.

Now, we are going to answer the four comments you sent in the same order as you presented them.

*1. The paper needs to be language proven by a professional native English editor.*

We agree the referee's comments and thus the redaction is going to be revised by professional translators.

*2. In the data section you say that you use real GDP as a proxy for economic growth. If you want to talk about economic growth then you need to use real GDP growth, for example by first differencing the log of the real GDP. I guess that what you mean is that real GDP is a good proxy for the overall economic activity of a country. Please, correct this point.*

Thank you very much for the suggestion, we are going to clarify this point. As you said, we mean that real GDP is a good proxy for the overall economic activity of a country. We will review the text to clarify and remark when we talk about economic activity and when about economic growth.

*3. Please, rename the Czech Republic as Czechia.*

Thank you very much for the suggestion. We are going to change the name of the country in that sense.

*4. Why is Croatia not in the sample?*

Thank you very much for the suggestion. This paper analyses the relationship between stock market capitalization and real GDP in ten Central and Eastern European countries (CEECs) that joined the European Union in 2004 and 2007. Croatia joined in 2011, so it was not part of the scope of years that we initially established for the countries.