

Seminar Advanced Monetary Theory and Policy

Master in Economics

Winter Term 2016/2017

Financialization of Commodity Futures Markets

Selection of topics

1. Commodity Index Traders: Characterization and Effects on Agricultural Futures Returns (Bohl 2016)
2. Speculation in Commodity Markets: Trading Strategies and Effects on Futures Returns (Miffre 2016)
3. Spot and Futures Markets Linkages during Periods of Contango and Backwardation (Fernandez 2016)
4. Price Effects of Informed Hedgers in Illiquid Agricultural Futures Markets (Frino, Lepone, Mollica and Zhang 2016)
5. Measurement of Speculative Activities (Chan, Nguyen and Chan 2015)
6. Speculative Bubbles or Fundamentals as Drivers of Agricultural Prices (Brooks, Prokopczuk and Wu 2015)

Organization

- Each seminar participant has to choose one topic from the selection above. Credits points are granted for preparing a term paper, presenting the results in front of the class as well as for active participation during the seminar. Students are expected to critically analyze recent academic articles and to present and elaborate the findings contained therein. Emphasis should be placed on the theoretical and methodological aspects of the pertinent literature as well as on the empirical and econometric testing procedures.
- Topics will be assigned to students on a first-come, first-served basis. Students should send an e-mail to martin.bohl@wiwi.uni-muenster.de with a shortlist of three preferred topics. Joint work is possible, but only a maximum of three students can work on one single topic.
- Each student has to prepare and submit a term paper comprising no more than 10 to 15 pages. The term paper is supposed to contain a cover page, a table of contents, a reference list (bibliography) and – where applicable – an appendix. There are no style requirements, however, margins, font size, spacing and so forth should be chosen appropriately. Deadline for paper submission is October 6, 2016 (no later than 12:00 p.m.). Please turn in your seminar paper at the chair's office (Chair of Monetary Economics, room 102, Am Stadtgraben 9). Please turn in a print version of your seminar paper and send a PDF-version to martin.bohl@wiwi.uni-muenster.de.
- Each student needs to prepare his/her own seminar paper. However, since there will be only one presentation of the topic during the course, participants are supposed to work in groups of at most three students and deliver a joint presentation of their results. The presentation is supposed to last about 20 minutes and will be followed by a discussion, which should be animated and led by the presenters.
- The seminar will take place in the form of a block course on October 18, 2016 (8:15 - 15:45 p.m.) in room STA2. On this day presentations will be given and mutually discussed. Attendance is therefore mandatory.
- The final grade is based on the term paper (80%) and on the presentation/participation during the seminar (20%). Please be aware that enrollment for the class should be carried out at the examination office (Prüfungsamt) for the early deadline of the winter term 2016/2017 (vorgezogener Termin).
- 6 Credit points can be obtained for this class (Master, PO 2010 and 2012). Course language is English only.
- Topics will be supervised by Prof. Dr. Martin T. Bohl. Students should send the outline

and structure of the term paper before-hand via e-mail to martin.bohl@wiwi.uni-muenster.de so that the contents can be discussed.

Literature

The references below should be merely considered for orientation purposes and shall lay the foundations for the students' further research. Please note that a thorough literature review is an integral part of the grading. Emphasis should be placed on recent academic research published in top-ranked English-speaking journals.

Bohl, M.T. (2016), Treiben Indexfonds Agrarrohstoffpreise? Nein! Perspektiven der Wirtschaftspolitik 17 (2), 1-18.

Miffre, J. (2016), Long-short commodity investing: A review of the literature, Journal of Commodity Markets 1 (1), 3-13.

Fernandez, V. (2016), Spot and Futures Markets Linkages: Does Contango Differ from Backwardation? Journal of Futures Markets 36 (4), 375-396.

Frino, A., Lepone, A., Mollica, V. and Zhang, S. (2016), Are Hedgers Informed? An Examination of the Price Impact of Large Trades in Illiquid Agricultural Futures Markets, Journal of Futures Markets 36 (6), 612-622.

Chang, L.H., Nguyen, C.M. and Chan, K.C. (2015), A new approach to measure speculation in the oil futures market and some policy implications, Energy Policy 86, 133-141.

Brooks, C., Prokopczuk, M. and Wu, Y. (2015), Booms and Busts in Commodity Markets: Bubbles or Fundamentals? Journal of Futures Markets 35 (10), 916-938.