Speculative Bubbles In Agricultural Commodities Evidence

Financial, Macro and Micro Econometrics Using R, Volume 42, provides state-of-the-art information on important topics in econometrics, including multivariate GARCH, stochastic frontiers, fractional responses, specification testing and model selection, exogeneity testing, causal analysis and forecasting, GMM models, asset bubbles and crises, corporate investments, classification, forecasting, nonstandard problems, cointegration, financial market jumps and co-jumps, among other topics. Presents chapters authored by distinguished, honored researchers who have received awards from the Journal of Econometrics or the Econometric Society Includes descriptions and links to resources and free open source R Gives readers what they need to jumpstart their understanding on the state-of-the-art

"The recent global financial crisis exposed the serious limitations of existing economic and financial models. Not only did macro models fail to predict the crisis, they seemed incapable of explaining what was happening to the economy. Policymakers felt abandoned by the conventional tools of the now obsolete Washington consensus and the World Trade Organization's oversimplified faith in free markets. The traditional models for agricultural commodities have so far failed to take into account the uncertain character of the global agricultural economy and its ferocious consequences in food price volatility, the worst in 300 years, yielding hunger riots throughout the world. This book explores the elements which could help to close this fundamental modeling gap. To what extent should traditional models be questioned regarding agricultural commodities? Are prices on these markets foreseeable? Can their evolution be either predicted or convincingly simulated, and if so, by which methods and models? Presenting contributions from acknowledged experts from several countries and backgrounds - professors at major international universities or researchers within specialized international organizations - the book concentrates on four issues: the role of expectations and capacity of prediction; policy issues related to development strategies and food security; the role of hoarding and speculation and finally, global modeling methods. The book offers a renewed wisdom on some of the core issues in the world economy today and puts forward important innovations in analyzing these core issues, among which the modular modeling design, the Momagri model being a seminal example of it. Reading this book should inspire fruitful revisions in policy-making to improve the welfare of populations worldwide."--Publisher's website.

"The conference was organized by the three editors of this book and took place on August 15-16, 2012 in Seattle."--Preface.

Revised edition of the author's Doing capitalism in the innovation economy, c2012.

Economists broadly define financial asset price bubbles as episodes in which prices rise with notable rapidity and depart from historically established asset valuation multiples and relationships. Financial economists have for decades attempted to study and interpret bubbles through the prisms of rational expectations, efficient markets, and equilibrium, arbitrage, and capital asset pricing models, but they have not made much if any progress toward a consistent and reliable theory that explains how and why bubbles (and crashes) evolve and can also be defined, measured, and compared. This book develops a new and different approach that is based on the central notion that bubbles and crashes reflect urgent short-side rationing, which means that, as such extreme conditions unfold, considerations of quantities owned or not owned begin to displace considerations of price.

Authoritative, up-to-date research and analysis that provides a dramatic new understanding of the rewards-and risks-of investing in CTAs Commodity Trading Advisors (CTAs) are an increasingly popular and potentially profitable investment alternative for institutional investors and high-net-worth individuals. Commodity Trading Advisors is one of the first books to study their performance in detail and analyze the "survivorship bias" present in CTA performance data. This book investigates the many benefits and risks associated with CTAs, examining the risk/return characteristics of a number of different strategies deployed by CTAs from a sophisticated investor's perspective. A contributed work, its editors and contributing authors are among today's leading voices on the topic of commodity trading advisors and a veritable "Who's Who" in hedge fund and CTA research. Greg N. Gregoriou (Plattsburgh, NY) is a Visiting Assistant Professor of Finance and Research Coordinator in the School of Business and Economics at the State University of New York. Vassilios N. Karavas (Amherst, MA) is Director of Research at Schneeweis Partners. Francois-Serge Lhabitant (Coppet, Switzerland) is a FAME Research Fellow, and a Professor of Finance at EDHEC (France) and at HEC University of Lausanne (Switzerland). Fabrice Rouah (Montreal, Quebec) is Institut de Finance Mathématique de Montréal Scholar in the finance program at McGill University.

Robert Flood and Peter Garber confess to a "fixation on understanding extreme events" such as speculative bubbles, currency reforms, and speculative attacks on fixed exchange rate regimes and metallic monetary standards—all markers of economic change. This book brings together their research in these areas during the 1980s and early 1990s, highlighting in particular the close relation of their work on bubbles to that of policy switching, or understanding the impact of prospective and past policy changes on individual economic behavior. Among the earliest contributors to the policy switching literature, Flood and Garber note that policy switching has become popular because the approach permits economists to come to grips with peculiar behavior that surrounds crises and other discrete events. The approach has also allowed economists to combine their understanding of economic behavior in times of crisis with observations of behavior during more normal times. The papers in the book are grouped into three sections: the first on price bubbles is primarily financial; the second on speculative attacks (on exchange rate regimes) is international in scope; and the third, on policy switching, is concerned with monetary policy.

The next bull market is here. It's not in stocks. It's not in bonds. It's in commodities - and some smart investors will be riding that bull to record returns in the next decade. Before Jim Rogers hit the road to write his best-selling books Investment Biker and Adventure Capitalist, he was one of the world's most successful investors. He co-founded the

Quantum Fund and made so much money that he never needed to work again. Yet despite his success, Rogers has never written a book of practical investment advice - until now. In Hot Commodities, Rogers offers the low-down on the most lucrative markets for today and tomorrow. In late 1998, gliding under the radar, a bull market in commodities began. Rogers thinks it’s going to continue for at least fifteen years - and he’s put his money where his mouth is: In 1998, he started his own commodities index fund. It’s up 165% since then, with more than $200 million invested, and it’s the single-best performing index fund in the world in any asset class. Less risky than stocks and less sluggish than bonds, commodities are where the money is - and will be in the years ahead. Rogers’s strategies are simple and straightforward. You can start small - a few thousand dollars will suffice. It’s all about putting your money into stuff you understand, the basic materials of everyday life, like copper, sugar, cotton, corn, or crude oil. Once you recognize the cyclical and historical trading patterns outlined here, you’ll be on your way. In language that is both colourful and accessible, Rogers explains why the world of commodity investing can be one of the simplest of all - and how commodities are the bases by which investors can value companies, markets, and whole economies. To be a truly great investor is to know something about commodities. For small investors and high rollers alike, Hot Commodities is as good as gold . . . or lead, or aluminium, which are some of the commodities Rogers says could be as rewarding for investors.
Stochastic volatility is the main concept used in the fields of financial economics and mathematical finance to deal with time-varying volatility in financial markets. This book brings together some of the main papers that have influenced the field of the econometrics of stochastic volatility, and shows that the development of this subject has been highly multidisciplinary, with results drawn from financial economics, probability theory, and econometrics, blending to produce methods and models that have aided our understanding of the realistic pricing of options, efficient asset allocation, and accurate risk assessment. A lengthy introduction by the editor connects the papers with the literature.
Since the mid 2000s, an increasing financialization of commodity futures markets is taking place. This has fueled an ongoing discussion about the effect of financial investments on the development of commodity prices. Against this background, the trading activities of financial speculators also come to the fore. There is the concern that such speculators can cause irrational overshootings of agricultural commodity prices, e.g. in the event of global production shocks. In such an event the decrease of total supply induces a price surge menacing food security in developing countries. Yet, the question emerges whether speculation aggravates this price increase, eventually inducing a price bubble. The relevance of this concern is reinforced by the fact that due to climate change an increased frequency and severity of global agricultural production shortfalls is at stake. If speculation evokes an additional threat to food security in the event of a production shock, the political agenda should not be confined to focus solely on the adaptation to climate change. Instead, it is then also necessary to address speculative activities on agricultural commodity markets. This book scrutinises whether speculative bubbles can be identified in the event of severe global production shocks. For this, a framework for tracing the transmission of the futures price's development on the spot market is developed. Using annual data from 1979-2012 for maize it is analysed whether production shock related price bubbles occurred.
There is by now no question among informed people that the Earth is undergoing severe climate change – soon to become catastrophic, if humans don’t take drastic measures to stop it. Heroically into the fray steps the biofuel industry, announcing to millions of anxious consumers that this eco-crisis can be averted if only they turn away from fossil fuels, to the saving power of synthetic bioproducts. But, although eliminating fossil fuels is essential, the manufacture of biofuels has far more to do with sating profit-hungry corporations than with saving the Earth. Combining meticulous scientific narrative with devastating economic analysis, The Biofuels Deception argues that the seemingly innovative, hopeful campaign for “green energy” is actually driven by bio-technology industries and global grain-trading corporations. These corporate players are motivated by a late-capitalist need to cope with a crisis of accumulation; they have no real interest in mitigating climate-change, alleviating poverty, or even creating “clean” energy. In fact, the manufacture of biochemical, bioplastics, and biomaterials, writes Okbazghi Yohannes, portends horrific contradictions and disastrous consequences for nature and society. Actually confronting climate change and the rampant inequality it engenders, Yohannes says, requires two steps. The first is to understand the driving socioeconomic forces behind the biofuels industry. The second is to unravel the tapestry of deceit itself. This book is a necessity for any scholar or environmental activist interested in seeing beyond corporate chimeras to actual environmental solutions.
Speculative Bubbles, Price Transmissions and Price Discovery in Agricultural Commodity MarketsSpeculative Bubbles and Volatility Drivers in Agricultural and Energy Commodity MarketsDoes speculation with agricultural commodity futures cause price bubbles in the event of negative production shocks?Logos Verlag Berlin GmbH
Policymakers, farmers, managers of agriculture and others look to agricultural economists for accurate estimates of the costs and returns of individual agricultural commodities. But there is great diversity and disagreement among practitioners about the best method for such analysis. The contributors to this volume explore how different uses of estimates determine different methods of estimation, as well as evaluating what the preferred methods are for similar uses.
This timely and authoritative set explores three centuries of good times and hard times in major economies throughout the world. More than 400 signed articles cover events from Tulipmania during the 1630s to the U.S. federal stimulus package of 2009, and introduce readers to underlying concepts, recurring themes, major institutions, and notable figures. Written in a clear, accessible style, "Booms and Busts" provides vital insight and perspective for students, teachers, librarians, and the general public - anyone interested in understanding the historical precedents, causes, and effects of the global economic crisis. Special features include a chronology of major booms and busts through history, a glossary of economic terms, a guide to further research, an appendix of primary documents, a topic finder, and a comprehensive index. It features 1,050 pages; three volumes; 8-1/2" X 11"; topic finder; photos; chronology; glossary; primary

documents; bibliography; and, index.

The jargon of economics and finance contains numerous colorful terms for market-asset prices at odds with any reasonable economic explanation. Examples include "bubble," "tulipmania," "chain letter," "Ponzi scheme," "panic," "crash," "herding," and "irrational exuberance." Although such a term suggests that an event is inexplicably crowd-driven, what it really means, claims Peter Garber, is that we have grasped a near-empty explanation rather than expend the effort to understand the event. In this book Garber offers market-fundamental explanations for the three most famous bubbles: the Dutch Tulipmania (1634-1637), the Mississippi Bubble (1719-1720), and the closely connected South Sea Bubble (1720). He focuses most closely on the Tulipmania because it is the event that most modern observers view as clearly crazy. Comparing the pattern of price declines for initially rare eighteenth-century bulbs to that of seventeenth-century bulbs, he concludes that the extremely high prices for rare bulbs and their rapid decline reflects normal pricing behavior. In the cases of the Mississippi and South Sea Bubbles, he describes the asset markets and financial manipulations involved in these episodes and casts them as market fundamentals.

Previous editions published under title: EC securities regulation.

This publication presents twenty papers delivered at an OECD conference on agricultural research. They highlight recent major progress in agricultural research outcomes and address the challenges that lie ahead.

This paper elalobrates on the question whether speculative capital invested on commodity futures markets has an effect on staple food, on corn in particular, between 2006 and 2008. Effects as such amount to increasing prices for this type of grain, which may be the cause for the worldwide hunger crisis. Diese Studie geht der Frage nach, inwiefern Finanzspekulationen an den Warenterminbörsen für Grundnahrungsmittel, respektive Mais (corn), die weltweite Hungersnot zwischen 2006 und 2008 ausgelöst haben, bzw. eine Mitschuld daran tragen.

Since the financial and food price crises of 2007, market instability has been a topic of major concern to agricultural economists and policy professionals. This volume provides an overview of the key issues surrounding food prices volatility, focusing primarily on drivers, long-term implications of volatility and its impacts on food chains and consumers. The book explores which factors and drivers are volatility-increasing and which others are price level-increasing, and whether these two distinctive effects can be identified and measured. It considers the extent to which increasing instability affects agents in the value chain, as well as the actual impacts on the most vulnerable households in the EU and in selected developing countries. It also analyses which policies are more effective to avert and mitigate the effects of instability. Developed from the work of the European-based ULYSSES project, the book synthesises the most recent literature on the topic and presents the views of practitioners, businesses, NGOs and farmers' organizations. It draws policy responses and recommendations for policy makers at both European and on international levels.

How relevant are the classic theories of agrarian change in the contemporary context? This volume explores this question by focusing upon the defining features of agrarian transformation in the 21st century: the financialization of food and agriculture, the blurring of rural and urban livelihoods through migration and other economic activities, forest transition, climate change, rural indebtedness, the co-evolution of social policy and moral economies, and changing property relations. Combined, the eleven contributions to this collection provide a broad overview of agrarian studies over the past four decades and identify the contemporary frontiers of agrarian political economy. In this path-breaking collection, the authors show how new iterations of long evident processes continue to catch peasants and smallholders in the crosshairs of crises and how many manage to face these challenges, developing new sources and sites of livelihood production. This volume was published as part one of the special double issue celebrating the 40th anniversary of the Journal of Peasant Studies.

The 2010s have been a dramatic period for most primary commodity markets. Producers suffered heavily as prices fell in response to new supply facilities going into production, juxtaposed against disappointing demand evolution from China in particular, marking the end of the most powerful and enduring commodity boom since the Second World War. This book is a guide to the primary commodity universe, an increasingly crucial part of the world economy. In this updated edition, Marian Radetzki and Linda Wårell introduce and explain pertinent issues surrounding international commodity markets, including the importance of fossil markets among commodities, price formation, price trends, the shift in primary commodity consumption towards Asia, the increasing reliance on commodity exchanges, new relaxed attitude towards depletion, cartel action, and the revival of nationalism and state ownership. This is an accessible read for graduates, academic researchers, and professionals in the mineral and energy sectors.

A timely publication as world leaders deliberate the causes of the latest bouts of food price volatility and search for solutions that address the recent velocity of financial, economic, political, demographic, and climatic change. As a collection compiled from a diverse group of economists, analysts, traders, institutions and policy formulators - comprising multiple methodologies and viewpoints - the book exposes the impact of volatility on global food security, with particular focus on the world's most vulnerable.

This book is a one-stop reference for practitioners and academics in finance, business and economics, providing a holistic reference to the international agriculture business. It takes a multidisciplinary approach, looking at the issues, opportunities and investable themes in the global agricultural space, combining research and practical tools.

Published continuously since 1972, Agricultural Product Prices has become the standard textbook and reference work for students in agricultural and applied economics, buyers and sellers of commodities, and policymakers, clearly explaining conceptual and empirical models applicable to agricultural product markets. The new fifth edition uses up-to-date information and models to explain the behavior of agricultural product prices. Topics include price differences over market levels (marketing margins), price differences over space (regionally and internationally) and by quality attributes, and price variability with the passage of time (seasonal and cyclical variations, trends, and random behavior). William G. Tomek and Harry M. Kaiser review and adapt microeconomic principles to the characteristics of agricultural commodity markets and then apply these principles to the various dimensions of price behavior. They also provide an in-depth discussion of prices established for futures contracts and their relationship to cash (spot) market prices; cover the

influential roles of price discovery institutions, such as auctions and negotiated contracts, and government policies regulating trade and farms; and discuss the specification, use, and evaluation of empirical models of agricultural prices, placing emphasis on the challenges of doing high-quality, useful analyses and interpreting results.
This book provides fresh insights into concepts, methods and new research findings on the causes of excessive food price volatility. It also discusses the implications for food security and policy responses to mitigate excessive volatility. The approaches applied by the contributors range from on-the-ground surveys, to panel econometrics and innovative high-frequency time series analysis as well as computational economics methods. It offers policy analysts and decision-makers guidance on dealing with extreme volatility.