In this session, we will cover the main issues in econometric analysis of commodity prices. I assume that you are comfortable with the content of the first-year econometrics sequence in a typical PhD program, and that you have some familiarity with time series analysis.

Below, I provide an outline of the session along with readings for each topic. In addition to the main reference(s) for each topic, I give some additional suggested readings. These are papers that will refer to during the class session.

For the most part, I tried to refer to useful and accessible papers, rather than the seminal papers on a topic. If you are interested, you will find the seminal papers referenced in the recommended readings.

Some references are to working papers, all of which you should be able to locate with a simple google search.

Outline

1. Introduction: Start with the data
   - References: Carter, Rausser, and Smith (2011)

2. Models
   - Structural (rational storage model estimated by ML)
     - Main references: Wright (2011) and Pirrong (2012)
Also see: Deaton and Laroque (1992) and Cafiero, Bobenrieth, Bobenrieth, and Wright (2011)

- Structural Time Series (linear VAR)
  - Main reference: Hamilton (1994, Ch 13),
  - Also see: Kilian (2009) and Kilian (2013)

- Financial Time Series (linear factor model)
  - Also see: Smith (2005) and Casassus and Collin-Dufresne (2005)

- Mostly Harmless (linear regressions with carefully chosen instruments)
  - Also see: your favorite econometrics textbook

3. Example: how much did financial speculation affect commodity prices?
  - Main references: Bobenrieth, Wright, and Zeng (2014), Carter, Rausser, and Smith (2013), and Roberts and Schlenker (2013),
  - Also see: Hausmann, Auffhammer, and Berck (2011) and Hendricks, Janzen, and Smith (2014)

4. Conclusion

References


