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Causes and Implications of Shifts in Financial Participation in Commodity Markets

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We assess the causes and implications of the greater nancial participation in commodity markets post-2003. Focusing on crude oil, we build a calibrated macro-nance model of oil prices and quantities that also determines consumer welfare. We show that shifts in the preferences and constraints of nancial speculators cannot explain the observed movement in the futures spread and so are unlikely to expose consumer welfare to shocks, even in the presence of belief disagreements. Shifts in the supply and demand for spot oil can better explain many of the features often attributed to nancialization including nancial participation itself.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/node/32955