

THE ENERGY JOURNAL



INTERNATIONAL
ASSOCIATION *for*
ENERGY ECONOMICS

WWW.IAEE.ORG

FINANCIAL SPECULATION IN THE OIL MARKETS AND THE DETERMINANTS OF THE PRICE OF OIL

- Preface *Adonis Yatchew*
- Introduction *Matteo Manera*
- The Role of Speculation in Oil Markets: What Have We Learned So Far?
Bassam Fattouh, Lutz Kilian, and Lavan Mahadeva
- The Role of Financial Speculation in Driving the Price of Crude Oil
Ron Alquist and Olivier Gervais
- Financial Speculation in Energy and Agriculture Futures Markets: A
Multivariate GARCH Approach
Matteo Manera, Marcella Nicolini, and Ilaria Vignati
- Herding and Speculation in the Crude Oil Market
Celso Brunetti, Bahattin Büyükkşahin, and Jeffrey H. Harris
- Measuring Index Investment in Commodity Futures Markets
Dwight R. Sanders and Scott H. Irwin
- Physical Markets, Paper Markets and the WTI-Brent Spread
Bahattin Büyükkşahin, Thomas K. Lee, James T. Moser, and Michel A. Robe
- The Oil Price-Macroeconomy Relationship Since the Mid-1980s: A Global
Perspective *Claudio Morana*
- Oil Price Uncertainty and Industrial Production
Karl Pinno and Apostolos Serletis
- Jumps in Oil Prices: The Role of Economic News
John Elder, Hong Miao, and Sanjay Ramchander



INTERNATIONAL
ASSOCIATION *for*
ENERGY ECONOMICS

President
President-Elect
Immediate Past President
Past President
Vice President for Finance
Vice President for Communications
Vice President for Publications
Vice President for Business and Government Affairs
Vice President for Academic Affairs
Vice President for Conferences
Student Representative
Appointed Council Member
Appointed Council Member
Appointed Council Member
Appointed Council Member
Appointed Council Member
Appointed Council Member

David Newbery
Omowumi O. Iledare
Lars Bergman
Mine Yücel
Jurgis Vilemas
Peter R. Hartley
Jacques Percebois
Christophe Bonnery
Ricardo B. Raineri
Gürkan Kumbaroğlu
Patrick Narbel
Jacqueline Boucher
Ioannis N. Kessides
Jan Myslivec
Ronald Ripple
Lori Smith Schell
Christoph Weber

The Energy Journal is a publication of the Energy Economics Education Foundation, Inc., 28790 Chagrin Blvd., Suite 350, Cleveland, OH, 44122-4630, USA, a non-profit organization, in association with the International Association for Energy Economics.

Membership dues for the IAEE include subscriptions to *The Energy Journal* and the *IAEE Energy Forum*. Subscriber and Membership matters should be sent to IAEE, 28790 Chagrin Blvd., Suite 350, Cleveland, OH 44122; phone 216-464-5365, fax 216-464-2737. Non-member subscriptions to *The Energy Journal* are \$475 for institutions, libraries, and individuals. Postage and handling are paid by the publisher. Outside the United States and Canada, non-member subscriptions are \$500.

Articles appearing in *The Energy Journal* are listed in both *Envir. Per. Bibliography* and *The Journal of Economic Literature* and are indexed/abstracted in *ABI/Inform*, *EconLit*, *JEL on CD*, *ISI Journal Citation Reports*, *Web of Science*, *SciSearch*, *Research Alert*, *Ei COMPENDEX*, *Trade and Industry Index*, *PAIS International*, *DOE Energy*, *Energy/Environline*, and *Wilson Business Abstracts*, and the following EBSCO databases: *Academic Search Premier* and *Business Source Premier*.

Authorization to photocopy articles appearing in *The Energy Journal* for internal or personal use, or the internal or personal use of specific clients, is granted by IAEE provided that you first register with the Copyright Clearance Center. Please access www.copyright.com or contact the Copyright Clearance Center, Inc. (CCC), 222 Rosewood Drive, Danvers, MA 01923, 978-750-8400. CCC is a not-for-profit organization that provides licenses and registration for a variety of uses. *The Energy Journal* is available in reference systems (e.g., microfilm, CD-ROM, full text etc.) produced by the ProQuest Co. (*ProQuest* Information & Learning), the Gale Group (*Info Trac* databases) and the H.W. Wilson Company's *Business Periodicals Index*. For further information please contact ProQuest Company at 734-761-4700, www.proquestcompany.com, the Gale Group at 248-699-4253, www.galegroup.com, or H.W. Wilson Co., at 718-5888400, www.hwwilson.com, or EBSCOhost.

AUTHORS: Please see back pages for information on the proper style of submissions.

ADVERTISING INFORMATION: For a complete media kit, contact Marketing Department, IAEE Headquarters, 28790 Chagrin Blvd., Ste. 350, Cleveland, OH, 44122-4630. Phone: 216-464-5365, fax: 216-464-2737. E-mail: iaee@iaee.org. Homepage: <http://www.iaee.org>.

The Energy Journal (ISSN 0195-6574 / E-ISSN 1944-9089) is published quarterly by the Energy Economics Education Foundation, 28790 Chagrin Blvd., Ste 350, Cleveland, OH, 44122 and additional mailing offices. Subscription price \$475, U.S. and Canada; \$500 other countries. Application to mail at Periodicals Postage Price is Pending at Cleveland, OH 44101. POSTMASTER: Send address changes to EEEF, 28790 Chagrin Blvd., Ste 350, Cleveland, OH 44122.

Copyright © 2013 by the International Association for Energy Economics. All rights reserved.

The editors and publisher assume no responsibility for the views expressed by the authors of articles printed in *The Energy Journal*. Printed in the U.S.A.

Editor-in-Chief, Adonis Yatchew
Editors, Lester C. Hunt and James L. Smith
Associate Editor, Geoffrey Pearce
Book Review Editors, Carol Dahl, Maureen Crandall, and Frank Felder
European Book Review Editor, Peter J.G. Pearson

Board of Editors

Lars Bergman

Stockholm School
of Economics

Carol A. Dahl

Colorado School of
Mines, Golden, CO

Joy C. Dunkerley

Consulting Economist
Washington, DC

Massimo Filippini

University of Lugano
ETH Zurich CEPE

Jean-Michel Glachant

European University
Institute, Florence, Italy

Richard L. Gordon

Pennsylvania State
University

James M. Griffin

Texas A & M University
College Station, Texas

William W. Hogan

Harvard University
John F. Kennedy School
of Government

Einar Hope

Norwegian School
of Economics and
Business Administration

Mark K. Jaccard

Simon Fraser University
British Columbia, Canada

Edward Kahn

Analysis Group, Inc.
San Francisco, CA

J. Daniel Khazzoom

College of Business
San Jose State University

Kenichi Matsui

Institute of Energy
Economics, Tokyo

Mohan Munasinghe

Energy Advisor
Colombo, Sri Lanka

Rajendra K. Pachauri

Tata Energy Research
Institute, New Delhi

Francisco R. Parra

Consultant
F.R. Parra Inc.

Peter J.G. Pearson

Cardiff University, Wales
United Kingdom

André Plourde

Carleton University
Ottawa, Canada

Hossein Razavi

The World Bank
Washington, D.C.

Ali M. Reza

College of Business
San Jose State University

Adam Rose

University of Southern
California
Los Angeles, CA

Geoffrey Rothwell

Stanford University
USA

Dieter Schmitt

Universität Essen
Germany

Margaret F. Slade

The University of
Warwick
Coventry, UK

Thomas Sterner

Göteborg University
Sweden

Catherine Waddams

University of East Anglia
United Kingdom

W. David Walls

University of Calgary
Alberta, Canada

Leonard Waverman

University of Calgary
Alberta, Canada

John P. Weyant

Stanford University, CA

Franz Wirl

University of Vienna,
Department of Business
Studies, Austria

Catherine Wolfram

Haas School of Business
University of California
Berkeley, CA

Chi-Keung Woo

Energy and Environmental
Economics, Inc.,
San Francisco, CA