

**Did you know?** By making a gift to AgEcon Search, you are helping ensure that our small non-profit continues to provide free full-text access to 15,000 visitors a day from 170+ countries. Give to AgEcon Search ([https://makingagift.umn.edu/give/yourgift.html?&cart=2313&desc\\_source=UWXXFANAESBN](https://makingagift.umn.edu/give/yourgift.html?&cart=2313&desc_source=UWXXFANAESBN))



**AgEcon** SEARCH (/?  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

In=en)

## The Price Impact of Index Funds in Commodity Futures Markets: Evidence from the CFTC's Daily Large Trader Reporting System

 Aulerich, Nicole M. (/search?f1=author&as=1&sf=title&so=a&rm=&m1=e&p1=Aulerich%2C%20Nicole%20...

 2009

Request Remediation  
(mailto:aesearch@umn.edu)



Download  
(<https://ageconsearch.umn.edu/record/285243/files/confp19-09.pdf>)



Formats



Add to Basket (/yourbaskets/add?recid=285243)

Cite

Files



Abstract



This paper analyzes the price impact of long-only index funds in commodity futures markets for the January 2004 through July 2008 period. Daily positions of index traders in 12 markets are drawn from the internal large trader reporting system used by the CFTC. Granger causality test results provide negligible evidence that index traders impact commodity future returns regardless of the measure of market participation considered. The signs of the relatively few significant coefficients are as likely to be negative as positive and the magnitudes of the economic effects are very small. Some evidence is found that volatility has been influenced by the presence of index traders in several markets, but only using one of the measures of index position changes. These effects appear to be small in economic magnitude, except in several traditionally less liquid markets. While the overall balance between significant positive and negative signs is nearly equal, index positions appear to have had a dampening effect on volatility during 2004-2005 particularly in the soft commodity contracts, followed by a heightening effect during 2006-2008 in deferred contracts.

## Details



<b>Title</b>	The Price Impact of Index Funds in Commodity Futures Markets: Evidence from the CFTC's Daily Large Trader Reporting System
<b>Keywords</b>	commodities ( <a href="https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=commodities&amp;ln=en">https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=commodities&amp;ln=en</a> ); futures markets ( <a href="https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=futures%20markets&amp;ln=en">https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=futures%20markets&amp;ln=en</a> ); index funds ( <a href="https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=index%20funds&amp;ln=en">https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=index%20funds&amp;ln=en</a> ); large trader reporting system ( <a href="https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=large%20trader%20reporting%20system&amp;ln=en">https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=large%20trader%20reporting%20system&amp;ln=en</a> ); returns ( <a href="https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=returns&amp;ln=en">https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=returns&amp;ln=en</a> ); speculator ( <a href="https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=speculator&amp;ln=en">https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=speculator&amp;ln=en</a> ); volatility ( <a href="https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=volatility&amp;ln=en">https://ageconsearch.umn.edu/search?f1=keyword&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=volatility&amp;ln=en</a> )
<b>Author(s)</b>	Aulerich, Nicole M. ( <a href="/search?f1=author&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=e&amp;p1=Aulerich%2C%20Nicole%20M.&amp;ln=en">/search?f1=author&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=e&amp;p1=Aulerich%2C%20Nicole%20M.&amp;ln=en</a> ) Irwin, Scott H. ( <a href="/search?f1=author&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=e&amp;p1=Irwin%2C%20Scott%20H.&amp;ln=en">/search?f1=author&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=e&amp;p1=Irwin%2C%20Scott%20H.&amp;ln=en</a> ) Garcia, Philip ( <a href="/search?f1=author&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=e&amp;p1=Garcia%2C%20Philip&amp;ln=en">/search?f1=author&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=e&amp;p1=Garcia%2C%20Philip&amp;ln=en</a> )
<b>Subject(s)</b>	Agricultural Finance ( <a href="https://ageconsearch.umn.edu/search?f1=subject&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=Agricultural%20Finance&amp;ln=en">https://ageconsearch.umn.edu/search?f1=subject&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=Agricultural%20Finance&amp;ln=en</a> ) Financial Economics ( <a href="https://ageconsearch.umn.edu/search?f1=subject&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=Financial%20Economics&amp;ln=en">https://ageconsearch.umn.edu/search?f1=subject&amp;as=1&amp;sf=title&amp;so=a&amp;rm=&amp;m1=p&amp;p1=Financial%20Economics&amp;ln=en</a> )
<b>Issue Date</b>	2009-04
<b>Publication Type</b>	Conference Paper/ Presentation
<b>Digital Object Identifier</b>	<a href="https://doi.org/10.22004/ag.econ.285243">https://doi.org/10.22004/ag.econ.285243</a> ( <a href="https://doi.org/10.22004/ag.econ.285243">https://doi.org/10.22004/ag.econ.285243</a> )
<b>Record Identifier</b>	<a href="https://ageconsearch.umn.edu/record/285243">https://ageconsearch.umn.edu/record/285243</a>
<b>Language</b>	English
<b>Total Pages</b>	30
<b>Record Appears in</b>	Regional Research Projects ( <a href="/collection/177?ln=en">/collection/177?ln=en</a> ) > NCR-134/ NCCC-134 Applied Commodity Price Analysis, Forecasting, and Market Risk Management ( <a href="/collection/1249?ln=en">/collection/1249?ln=en</a> ) > 2009 Conference, April 20-21, 2009, St. Louis, Missouri ( <a href="/collection/1315?ln=en">/collection/1315?ln=en</a> )


## PDF



## Statistics



Metric	Downloads	▼	From		To	
Interval	By Months	▼	Update	Export		

 [Download Full History \(/tindstats/bibdoc\\_downloads\\_dl?recid=285243&download=csv\)](/tindstats/bibdoc_downloads_dl?recid=285243&download=csv)