

Find topics, articles or authors...

Selected Topic: All topics

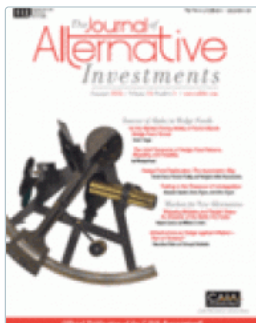
Shipping Markets and Freight Rates: *An Analysis of the Baltic Dry Index*

H  lyette Geman, William O. Smith

The Journal of Alternative Investments Summer 2012, 15 (1) 98 - 109

DOI: 10.3905/jai.2012.15.1.098

- Download PDF
- Add to Favorites
- Share
- Labels
- Cite
- Alerts



(/content/iijaltinv/15/1)

The Journal of Alternative Investments Vol 15 Issue 1

(/content/iijaltinv/15/1)

Volume 15, Issue 1

Summer 2012 (/content/iijaltinv/15/1)

Log in (/openid-connect/sams-sigma/login-redirect?

prompt=login&openid_connect_destination=/content/iijaltinv/15/1/98) to access this content or Request a Demo (/Request-Demo)



Log in (/openid-connect/sams-sigma/login-redirect?prompt=login&openid_connect_destination=/content/iijaltinv/15/1/98)

Request a Demo (/Request-Demo)

Focus (/highwire_display/entity_view/node/21477/content_tabs)

- Article
- Authors

Abstract

Shipping, although a crucial component of the transportation of commodities worldwide, is hardly present in the finance literature at this point. The first and foremost goal of this article is to describe and explain from an economic perspective the key features of shipping markets; the second one is to analyze the behavior of freight rates, which define the final cost of an imported commodity. The authors focus on the major index, the BDI (Baltic Dry Index), and propose some diffusion models able to capture the unique features of its trajectories, namely large swings and continuity. Their performance is exhibited on a database covering the period 1988–2010. Such spot models should facilitate the growth of the market of freight rates options, a safe hedging instrument for farmers and cooperatives that ship their grains to distant destinations.

Cooking Settings

Reject All

Accept All Cookies

TOPICS: [Commodities \(https://www.pm-research.com/topic/commodities\)](https://www.pm-research.com/topic/commodities), [mutual funds/passive investing/indexing \(https://www.pm-research.com/topic/mutual-funds-passive-investing-indexing\)](https://www.pm-research.com/topic/mutual-funds-passive-investing-indexing), [global \(https://www.pm-research.com/topic/global\)](https://www.pm-research.com/topic/global), [performance measurement \(https://www.pm-research.com/topic/performance-measurement\)](https://www.pm-research.com/topic/performance-measurement)

- Download PDF
- Add to Favorites
- Share
- Labels
- Cite
- Alerts

Previous (Https://Www.Pm-Research.Com/Content/Ijaltinv/15/1/85)

Next

Back to top 

Related Topics

- Portfolio Management in Theory and Practice
- Performance Measurement
- Regulation, Taxation, Governance, and Compliance
- Information Providers, Credit Ratings
- Asset Classes
- Mutual Funds and ETFs
- International Investment
- Alternative Investments
- Commodities



Part of the With Intelligence Group

About  (/about-us)

Contact  (/contact-us)

<https://www.pmc.com/company/pmresearch/>

By clicking "Accept All Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts.

[Cookies Settings](#)

Locations

New York

Reject All

Accept All Cookies

41 Madison Avenue
20th Floor
New York, NY 10010
646 931 9045

London

One London Wall
London, EC2Y 5EA
0207 139 1600

Hong Kong

21/F Cityplaza Three,
14 Taikoo Wan Road,
Taikoo

Explore our Research

By Topic

- Portfolio Management in Theory and Practice (/topic/portfolio-management-theory-and-practice)
- Quantitative Finance (/topic/quantitative-finance)
- Economics and Financial History (/topic/economics-and-financial-history)
- Risk Management in Theory and Practice (/topic/risk-management-theory-and-practice)
- Asset Classes (/topic/asset-classes)
- Regulation, Taxation, Governance, and Compliance (/topic/regulation-taxation-governance-and-compliance)

By Journal

- Portfolio Management (/content/iijpormgmt)
- Financial Data Science (/content/iijjfds)
- Impact & ESG Investing (/content/pmrjesg)
- Fixed Income (/content/iijfixinc)
- Investing (/content/iijinvest)
- Derivatives (/content/iijderiv)
- Alternative Investments (/content/iijaltinv)
- Retirement (/content/iijretire)
- Wealth Management (/content/iijwealthmgmt)
- Beta Investment Strategies (/content/iijindinv)
- Structured Finance (/content/iijstrfin)
- Trading (/content/iijtrade)
- Private Equity (/content/iijpriveq)

Practical Applications (/pa-reports)

By clicking "Accept All Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts.

[Cookies Settings](#)

Reject All

Accept All Cookies

[Code of ethics \(/code-of-ethics\)](#)

[Terms & conditions \(https://www.pageantmedia.com/terms/\)](https://www.pageantmedia.com/terms/)

[Privacy policy \(https://withintelligence.com/privacy/\)](https://withintelligence.com/privacy/)

By clicking "Accept All Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts.

[Cookies Settings](#)

Reject All

Accept All Cookies