

[Applied Economics Letters](#) >
Volume 20, 2013 - Issue 4

921 | 31 | 0
Views | CrossRef citations to date | Altmetric

Original Articles

Price discovery in commodity markets

Massimo Peri , Lucia Baldi & Daniela Vandone

Pages 397-403 | Published online: 02 Aug 2012

 [Download citation](#)  <https://doi.org/10.1080/13504851.2012.709590>

Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

 [Full Article](#)  [Figures & data](#)  [References](#)  [Citations](#)  [Metrics](#)

 [Reprints & Permissions](#)

[Get access](#)

Abstract

This article investigates the long-run relationship between spot and futures prices for corn and soybean. We apply cointegration methodology, allowing for the presence of potentially unknown structural breaks and then study the causality relationships between spot and futures prices within each specific subperiod identified with the aim of analysing the price discovery. Empirical estimates highlight (i) multiple breaks exist in the cointegrating relationship between prices and (ii) subperiods consequently identified express different dynamics in the causal relationship between spot and futures prices and support the idea that fundamentals are important in explaining the 2007/08 food price increase.

 Keywords: [commodity](#) [futures markets](#) [price discovery](#) [cointegration](#) [structural breaks](#)

 JEL Classification: [C32](#) [G13](#) [G14](#) [Q11](#)

Acknowledgements

We are grateful for useful comments by the discussants Dirk Baur, Sambit Bhattacharyya, Matthieu Stigler and conference participants. Financial support from the Università degli Studi di Milano for research in finance is gratefully acknowledged.



Related research

People also read

Recommended articles

Cited by
31

[Price discovery in spot and futures markets: a reconsideration >](#)

Erik Theissen

The European Journal of Finance

Published online: 6 Nov 2012

[The lead-lag relationship between the spot and futures markets in China >](#)

Donghua Wang et al.

Quantitative Finance

Published online: 1 Feb 2017

[Price discovery and volatility spillover in spot and futures markets: evidences from steel-related commodities in China >](#)

Kyoungsu Kim et al.

Applied Economics Letters

Published online: 31 May 2018

[View more](#)

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



[Copyright © 2023 Informa UK Limited](#) [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)



Taylor & Francis Group
an **informa** business

Registered in England & Wales No. 3099067
5 Howick Place | London | SW1P 1WG