



546 | 26 | 0
Views | CrossRef citations to date | Altmetric

Research Papers

Cross-market soybean futures price discovery: does the Dalian Commodity Exchange affect the Chicago Board of Trade?

Liyan Han, Rong Liang & Ke Tang

Pages 613-626 | Received 20 Apr 2012, Accepted 04 Feb 2013, Published online: 10 Apr 2013

Cite this article <https://doi.org/10.1080/14697688.2013.775477>

Sample our
Mathematics & Statistics
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

Read this article

Share

Abstract

In this paper, we examine the role that the Dalian Commodity Exchange (DCE) plays in the global price discovery of soybean futures. We employ Structural Vector Autoregressive and Vector Error Correction models on the returns of the DCE and the Chicago Board of Trade (CBOT) soybean futures during trading and non-trading hours, and the result suggests that information transfers between DCE and CBOT in both directions, in particular that the DCE soybean futures prices influence price discovery in CBOT. Furthermore, the impulse response analysis and forecasted error variance decomposition show that the information transfer from DCE to CBOT is at a similar magnitude as that from CBOT to DCE. This shows that the DCE plays a prominent role in the global soybean futures price discovery. This conclusion differs from much of the

literature, which mainly shows that the DCE is a satellite market and is dominated by the CBOT.

Keywords:

- Commodity markets
- Commodity prices
- Information in capital markets
- Informational role of stock

JEL Classification:

- G1
- G12
- G13

Acknowledgements

We thank Shang Liu for his excellent research assistance with preliminary data analysis. Han acknowledges the support from the National Natural Sciences Foundation of China (NSFC), project No. 70831001. Tang acknowledges financial support from the National Natural Science Foundation of China (grant No. 71171194).

Notes

- ¹Note that bold letters denote a matrix or vector in this paper.
- ²In the empirical analysis, we allow a lag of order 2 in the SVAR; hence, α also influences the DCE returns. However, because its magnitude is quite small from our empirical results, we omit it when presenting the value of α .

Related Research Data

- Internationally cross-listed stock prices during overlapping trading hours: price discovery and exchange rate effects
Source: Journal of Empirical Finance
- Dominant and Satellite Markets: A Study of Dually-Traded Securities
Source: Review of Economics and Statistics

Information shares in international oil futures markets

Source: International Review of Economics & Finance

Cross-market linkages between U.S. and Japanese precious metals futures trading

Source: Journal of International Financial Markets Institutions and Money

Cointegration, Error Correction, and Price Discovery on Informationally Linked Security Markets

Source: Journal of Financial and Quantitative Analysis

The international transmission of information in Eurodollar futures markets: a continuously trading market hypothesis

Related research

People also read

Recommended articles

Cited by
26

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 © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 Taylor and Francis Group

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG