

Commodity Markets: Structure, Empirics & Models

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This is a short introduction to quantitative issues in commodity markets. Recognition of the physical aspect of commodities is essential for a proper understanding of this asset class. Concepts such as the possibility of storage, convenience yield, real supply/demand shocks and seasonality have a central role in the explanation of price dynamics, volatility, etc. Moreover, structural changes leading to the financialization of commodities had, in recent years, significant impact in commodity price dynamics.

In this course we will review the structure of commodity markets, the most recent empirical evidence on the topics mentioned above, and give an introduction to some quantitative models.