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Highlights:

- China's financial markets are supposed to influence commodity price through "macro-economy reflection", financial market information transmission and market sentiment contagion channel.
- The impact of China's stock market on some industrial metals is significant while the stock market is insignificant before the GFC .
- The influence of China's financial market significantly increased after the GFC
- Chinese financial markets' impact is still weak.

Abstract: This study conducts a theoretical analysis about effects of China's financial markets on the global commodity prices, and employs ARDL model and SVAR model to test it empirically. Results illustrated that: CNY NDF rate has exerted impact on some industrial metals before the Global Financial Crisis of 2008, while impact of China's stock market on commodity prices is insignificant. We find the influence of China's stock market and CNY NDF market significantly increased after the crisis, which means the fluctuations of China's financial markets do influence the commodity prices. However, such effect is still weak comparing with US stock market and FX market.

Keywords: Global commodity price; Financial market; China factors

1. Introduction

China has been becoming the major importer and consumer of major commodities. According to the International Copper Study Group (ICSG) and the Energy Information Administration (EIA) of the U.S., China has accounted for 40%

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