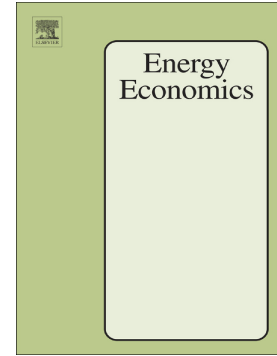


## Accepted Manuscript

Supply and demand driven oil price changes and their non-linear impact on precious metal returns: A Markov regime switching approach

GaziSalah Uddin, Md Lutfur Rahman, Syed Jawad Hussain Shahzad, Mobeen Ur Rehman



PII: S0140-9883(18)30191-9  
DOI: [doi:10.1016/j.eneco.2018.05.024](https://doi.org/10.1016/j.eneco.2018.05.024)  
Reference: ENEECO 4036

To appear in:

Received date: 9 January 2018  
Revised date: 19 April 2018  
Accepted date: 17 May 2018

Please cite this article as: GaziSalah Uddin, Md Lutfur Rahman, Syed Jawad Hussain Shahzad, Mobeen Ur Rehman , Supply and demand driven oil price changes and their non-linear impact on precious metal returns: A Markov regime switching approach. The address for the corresponding author was captured as affiliation for all authors. Please check if appropriate. Eneeco(2018), doi:[10.1016/j.eneco.2018.05.024](https://doi.org/10.1016/j.eneco.2018.05.024)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

## Supply and demand driven oil price changes and their non-linear impact on precious metal returns: A Markov regime switching approach

Gazi Salah Uddin

*Department of Management and Engineering, Linköping University, 581 83, Linköping, Sweden*

*E-mail : gazi.salah.uddin@liu.se*

Md Lutfur Rahman

*Newcastle Business School, The University of Newcastle, Australia*

*Email : mdlutfur.rahman@newcastle.edu.au*

Syed Jawad Hussain Shahzad

*Montpellier Business School, Montpellier France*

*E-mail : jawad.kazmi5@gmail.com; j.syed@montpellier-bs.com*

Mobeen Ur Rehman

*Shaheed Zulfiqar Ali Bhutto Institute of Science and Technology (SZABIST), Pakistan*

*Email: mobeen.rehman@szabist-isb.edu.pk*

*\*Corresponding author's contact details:*

Md Lutfur Rahman, Newcastle Business School, The University of Newcastle, 409 Hunter Street, Newcastle, NSW 2300, Australia. Phone : +61470669788

Email : mdlutfur.rahman@newcastle.edu.au

## Supply and demand driven oil price changes and their non-linear impact on precious metal returns: A Markov regime switching approach

### Abstract

This paper examines the nonlinear effect of oil price shocks on precious metal returns using Markov regime switching regression. We use Ready's (2018) approach to decompose oil price changes into supply, demand, and risk driven shocks. Results indicate a significant positive impact of demand and supply shocks and a negative impact of risk shocks on precious metal returns. Although we find evidence of switching between low and high volatility regimes, we do not find strong regime effect on supply or demand shocks' contemporaneous relationship with precious metal returns. However, risk shocks' influence on precious metal returns is strongly

Download English Version:

<https://daneshyari.com/en/article/7350425>

Download Persian Version:

<https://daneshyari.com/article/7350425>

[Daneshyari.com](https://daneshyari.com)