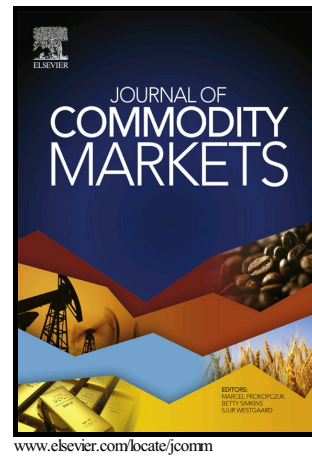


Author's Accepted Manuscript

Integrating Swaps and Futures: A New Direction
for Commodity Research

Scott Mixon, Esen Onur, Lynn Riggs



PII: S2405-8513(16)30058-7
DOI: <http://dx.doi.org/10.1016/j.jcomm.2017.06.001>
Reference: JCOMM33

To appear in: *Journal of Commodity Markets*

Received date: 22 June 2016
Revised date: 3 April 2017
Accepted date: 7 June 2017

Cite this article as: Scott Mixon, Esen Onur and Lynn Riggs, Integrating Swap and Futures: A New Direction for Commodity Research, *Journal of Commodity Markets*, <http://dx.doi.org/10.1016/j.jcomm.2017.06.001>

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 a review of the resulting galley proof before it is published in its final citable 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

Integrating Swaps and Futures: A New Direction for Commodity Research[☆]

Scott Mixon¹, Esen Onur², Lynn Riggs³

Office of the Chief Economist, Commodity Futures Trading Commission, 1155 21st Street, N.W.,
Washington, D.C. 20581.

smixon@cftc.gov

eonur@cftc.gov

triggs@cftc.gov

Abstract:

This paper introduces new regulatory data that provides unprecedented visibility into swaps positions of dealers and their counterparties. Our analysis suggests that, contrary to common perception, commercial end-users have a larger footprint in the WTI crude oil swaps space than financial end-users do. Commercial end-users' swaps exposure is larger than their futures exposure, and they are net short in both markets. Financial end-users are smaller in swaps than in futures and are net long in both. Dealers perform a substantial amount of intermediation among market participants. We conclude that joint examination of swaps and futures data facilitates many new directions for commodity research.

JEL Codes: G13, L71, Q41

Keywords: swaps market, futures market, WTI crude derivatives

[☆] We thank seminar participants at the CFTC, Summerhaven Investment Management, and at the 2016 NCCC-134 Conference on Applied Commodity Price Analysis, Forecasting, and Market Risk Management for helpful comments. We also thank two anonymous referees for suggestions that substantially improved the paper.

The research presented in this paper was authored by Scott Mixon, Esen Onur, and Lynn Riggs, CFTC employees who wrote this paper in their official capacities with the CFTC. The Office of the Chief Economist and CFTC economists produce original research on a broad range of topics relevant to the CFTC's mandate to regulate commodity future markets, commodity options markets, and the expanded mandate to regulate the swaps markets pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act. These papers are often presented at conferences and many of these papers are later published by peer-review and other scholarly outlets. The analyses and conclusions expressed in this paper are those of the author and do not reflect the views of other members of the Office of Chief Economist, other CFTC staff, or the CFTC itself.

¹ (202) 418-5771

² (202) 418-6146

³ (202) 418-5938.

Download English Version:

<https://daneshyari.com/en/article/7408843>

Download Persian Version:

<https://daneshyari.com/article/7408843>

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