

Impacts of Global Market Volatility and US Dollar on Agricultural Commodity Futures Prices: A Panel Cointegration Approach

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Abstract. This study examines impacts of global markets volatility and US dollar on selected agricultural commodity futures prices, namely corn, wheat, soybean and sugar. We employ panel cointegration and panel model estimation using FMOLS and DOLS estimation. Data set used in our study is weekly data from January 7, 2011 to December 30, 2016. The empirical results from panel cointegration test present that there is a long-run relationship among global markets volatility, US dollar and agricultural commodity futures prices. Both, FMOLS and DOLS estimation show that global markets volatility has a positive impact on agricultural commodity futures prices, while US dollar appreciation leads to a decrease in agricultural commodity futures prices.