

Econ. 437
Spring 2007

Required Texts

- Hull, John C. 2005. *Fundamentals of Futures and Options Markets*, (5th edn.). Prentice-Hall. (Hull).
- Catlett, Lowell B., and Libbin James D. 1999. *Investing in Futures and Options Markets*. Delmar Publishers: Albany, NY.
- Daily access to the *Wall Street Journal*.
- Weekly access to *Feedstuffs*, or another regular, good quality, commodity-oriented publication.
- You might try
- Agri News*: Published in Rochester, Minnesota by the Post-Bulletin Company, L.L.C.
- Agricultural Law Letter*: Provides information from legal specialists in the area of agriculture and agribusiness.
- Cattle Today On-Line*: Cattle Newspaper with sale reports, USDA market news, and other news for livestock breeders.
- Iowa Farmer Today Ag News*
- The Western Producer*: A Canadian agribusiness publication
- Markets menu at *Bloomberg.com*
- Petroleum Economist*: Subscription required.
- Platts* <http://www.platts.com/>
- Upstream*, <http://www.upstreamonline.com/>. Online stories on energy sector, subscription required.
- Exchange website homepages.

First Tier Useful Reference Materials

- Carter, Colin A. 2003. *Futures and Options Markets: An Introduction*. Prentice-Hall: Upper Saddle River, NJ.
- Lorton, Sherry and White, Don. 2002. *Merchant's Edge: A Complete Guide to Grain Merchandising*, 4th edn. Stipes Publishing Co.: Champaign, IL.
- Chicago Mercantile Exchange. 1992. *An Introduction to Futures and Options*. CME Education Department: Chicago.
- Hull, John C. 2006. *Options, Futures, and Other Derivatives*, (6th edn.). Prentice-Hall: Upper Saddle River, NJ (Hull B).
- Edwards, Franklin R. and Ma, Cindy W. 1992. *Futures and Options*. McGraw-Hill: New York.
- Ferris, John N. 1998. *Agricultural Prices and Commodity Market Analysis*. McGraw-Hill: New York.

Second Tier Useful Reference Materials

- Conrad, Jon M. and Clark, Colin W. 1987. *Natural Resource Economics: Notes and Problems*. Cambridge University Press: Cambridge, UK.
- Copeland, Thomas F. and Weston, J. Fred. 1988. *Financial Theory and Corporate Policy* (3rd edn.). Addison-Wesley Publishing Company: Reading, MA.
- Cox, J. C. and M. Rubinstein. 1985. *Options Markets*. Prentice-Hall: Englewood Cliffs, NJ.

- Fuller, Russell J. and Farrell, James L. 1987. *Modern Investment and Security Analysis*. McGraw-Hill: New York.
- Geman, Hélyette, 2005. *Commodities and Commodity Derivatives*. John Wiley & Sons: Chichester, England.
- McDonald, Robert L. 2006. *Derivatives Markets, 2nd edn.* Addison Wesley: Boston.
- Marshall, John F. 1989. *Futures and Option Contracting*. Southwestern Publishing Company, Cincinnati OH (out of print).
- Shleifer Andrei. 2000. *Inefficient Markets: An Introduction to Behavioral Markets*. Oxford University Press: Oxford, UK.
- Williams, Jeffrey. 1986. *The Economic Function of Futures Markets*. Cambridge University Press: Cambridge, MA.

Supplemental Readings

Materials will be given out in class as required.

Supplement, Selected Readings

Overview and General

- Carter, Colin A. "Commodity Futures Markets: A Survey." *Australian Journal of Agricultural and Resource Economics*, 43(June 1999):209–247.
- Deaton, Angus, and Guy Laroque. "A Model of Commodity Prices after Sir Arthur Lewis." *Journal of Development Economics*, 71(August 2003):289–310.
- Dow, J. C. R. "A Theoretical Account of Futures Markets." *Review of Economic Studies*, 7(June 1940):185–195.
- Goss, B. A., (Editor). *Futures Markets: Their Establishment and Performance* (London: Croom Helm, 1986)
- Hieronymous, Thomas A. *Economics of Futures Trading*. New York: Commodity Research Bureau, 1971.
- Kaldor, Nicholas. "Speculation and Economic Stability." *Review of Economic Studies*, 7(October 1939):1–27.
- Moschini, GianCarlo, and David A. Hennessy. "Uncertainty, Risk Aversion, and Risk Management for Agricultural Producers." In Vol. I of *Handbook of Agricultural Economics*, Bruce L. Gardner and Gordon C. Rausser (eds.). North-Holland: Amsterdam, 2001.
- Telser, Lester G., and Higinbotham, Harlow N. "Organized Future Markets: Costs and Benefits." *Journal of Political Economy*, 85(October 1977):969–1000.
- Williams, Jeffrey. *The Economic Function of Futures Markets*. Cambridge, UK: Cambridge University Press, 1986.
- Williams, Jeffrey. "The Origin of Futures Markets." *Agricultural History*, 56(1982):306–316.
- Williams, Jeffrey. "Commodity Futures and Options." In Vol. II of *Handbook of Agricultural Economics*, Bruce L. Gardner and Gordon C. Rausser (eds.). North-Holland: Amsterdam, 2001.
- Working, Holbrook. "Futures Trading and Hedging." *American Economic Review*, 43(June 1953):314–343.

- Spatial Arbitrage, Market Integration, Market Differentiation, and Changing Structure***
- Ardeni, Pier-Giorgio. "Does the Law of One Price Really Hold for Commodity Prices?" *American Journal of Agricultural Economics*, 71(August 1989):661-669.
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- Berwald, D., Carter Colin A., and Guillaume P. Gruère. "Rejecting New Technology: The Case of Genetically Modified Wheat." *American Journal of Agricultural Economics*, 88(May 2006):432-447.
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- Carter, Colin A. "Government Rail Car Regulation and the Price of Canola." *American Journal of Agricultural Economics*, 78(August 1996):677-686.
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- Goodwin, Barry K., Grennes, Thomas J., and Lee A. Craig. "Mechanical Refrigeration and the Integration of Perishable Commodity Markets." *Explorations in Economic History*, 39(April 2002):154-182.
- Goodwin, Barry K., and Thomas J. Grennes. "Testing the Law of One Price When Trade Takes Time." *Journal of International Money and Finance*, 9(March 1990):21-40.
- Holt, Matthew T., and Lee A. Craig. "Nonlinear Dynamics and Structural Change in the U.S. Hog-Corn Cycle." *American Journal of Agricultural Economics*, 88(February 2006):215-233.
- Lamont, Owen A., and Richard H. Thaler. "Anomalies: The Law of One Price in Financial Markets." *Journal of Economic Perspectives*, 17(Fall 2003):191-202.
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- Reikhof, Gina M., and Michael E. Sykuta. "Politics, Economics, and the Regulation of Direct Interstate Shipping in the Wine Industry." *American Journal of Agricultural Economics*, 87(May 2005):439-452.
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Term Structure of Volatility: Theory and Empirics

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Agricultural Income Support Policy with Commodity Market Dimensions

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Vertical Relations, Quality, and Incentives in Commodity Markets

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Storage

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Basis, the Margining System, and Settlement Issues

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Incomplete Markets and Price Stabilization

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