



Update from the Research Director of the J.P. Morgan Center for Commodities

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Dr. Jian Yang, Ph.D., CFA, J.P. Morgan Endowed Chair and JPMCC Research Director, introduced the Awards Ceremony at the JPMCC's 3rd Annual International Commodities Symposium. Dr. Yang was the Conference Organizer and Program Chair of the symposium.

In this report, the JPMCC research director will provide updates about recent research activities from October 2020 through February 2021 with the focus on recent academic and applied research in commodities. Due to COVID-19 precautions, other activities requiring in-person gatherings continue to be on hold.

Cover Story Articles in *China Futures Magazine*

During the last several months, we have made intensive efforts and enjoyed much success in sharing applied research insights with business-oriented publications based on recent and past academic research on commodities. This result may be partially prompted by the momentum from our earlier success in publishing cover stories in the October 2020 issue of the *China Futures* magazine of the China Futures Association, as mentioned in the last report. Thanks go to the authors of these articles, including JPMCC Advisory Council members (and their representatives) from J.P. Morgan (Chris Calger and Amar V. Singh),



the CME Group (Blu Putnam¹), and Morgan Stanley (Jodie M. Gunzberg²). Thanks also go to the JPMCC Research Council member from the World Bank (John Baffes³) for his article. I also want to thank many people in multiple countries (the U.S., China, and Singapore) for their assistance during the publication process, which took place over several months. In particular, Ms. Chunqing Wang (王春卿), the research department head of the China Futures Association, and the JPMCC executive director, Dr. Tom Brady, worked with me tirelessly to bring this project to fruition.

In my opinion, this effort is a good illustration of how to demonstrate the international impact and leadership of JPMCC research during a challenging time, which requires effective collaboration across countries, companies, and disciplines.

Applied Research Insights Cited in the Media

Through additional interactions with the international business media, we have continued to demonstrate the relevance and impact of our research with the global business community and policymakers.

Immediately after the article titled, “Price Discovery in Chinese Agricultural Futures Markets: A Comprehensive Look,” was accepted by the *Journal of Futures Markets (JFM)* in late November 2020, the JPMCC research director, as lead author, reached out to various media outlets in English and Chinese. On December 22, 2020, the JPMCC was featured by *Reuters* (2020) on research regarding price discovery of the palm oil futures contract in China. The piece was republished in at least 10 media outlets in 8 countries (the U.S., U.K., France, Canada, Malaysia, Singapore, Cyprus, and Namibia). These press outlets include the websites of (a) *Yahoo! Finance*, (b) *Successful Farming* (magazine) in the U.S., (c) *This is Money* (the financial section of *Daily Mail* in the U.K.), (d) *The Star* in Malaysia (the most popular paid English newspaper in the country with a circulation of several hundred thousand), and (e) the *Financial Post* in Canada. Furthermore, as Malaysia currently runs the international benchmark futures contract on palm oil (which is also listed at the CME as a dollar-denominated contract), the Malaysian national news agency, *BERNAMA*, wrote another piece, widely published in the country, as the follow-up to the above *Reuters’* story, further enhancing the visibility of the story featuring the JPMCC. The finding on palm oil futures in China was also featured in a Chinese national news outlet with a somewhat different perspective.

In late December 2020, to share the insights further from the *JFM* paper, the JPMCC research director also provided an exclusive interview for a major newspaper in China, *Farmers’ Daily* (农民日报). The interview covered the price discovery performance of all eleven actively traded agricultural futures contracts in China. The piece was published and then posted on the website of the Ministry of Agriculture and Rural Affairs in China, and was also included in the data lab of the Food and Agriculture Organization of the United Nations.

In early January 2021, based on his Ph.D. dissertation covering the live hog and lean hog futures contracts in the U.S., the JPMCC research director also provided comments to *Reuters*, the *Economic Daily* of the State Council of China, and the *China Securities Journal*, regarding the special challenges for the newly launched live hog futures in China, due to non-storability of the underlying asset. In particular, the news story highlighting the research director’s comments was published as the #2 headline on the *Economic*



Daily's website. This news story was then widely republished on the officially recognized leading news websites in more than a half of the provinces in China, in addition to the majority of national media websites in the country.

In late January 2021, following the earlier extensive interviews on China's oil futures contracts by the media including *Bloomberg*, the research director was able to share further research and analyses with the *Financial Times*, which was picked up by more than 10 media outlets in 6 countries (namely, in the U.S., U.K., China, France, India, and Indonesia), including on the websites of *Business Insider* and *Yahoo! Finance* in the U.S. and the *China Economic Review* magazine in the U.K. (edited in Hong Kong).

Finally, as a side note, the research director also published his first op-ed in English in the first issue of *Beijing Review* (China's only national news magazine in English) in 2021. Commenting on the prospects for financial sector development outlined in the 14th 5-year plan of China starting in 2021, the article is titled, "Progress Despite Problems," and was published as a cover story. It is closely related to extensive academic research on China's financial system that was conducted by the research director, part of which was also featured by *New York Times*, *Reuters*, and about three dozen international media outlets in 2017.

Planning for the 4th International Commodities Symposium in 2021 and Other Research Updates

The JPMCC is organizing the 4th annual international commodities symposium at the University of Colorado Denver Business School, which will take place virtually via Zoom from August 16 through August 17, 2021. The symposium will have a reduced number of sessions due to the new format. The 4th symposium was originally scheduled in 2020 but was cancelled due to COVID-19. The *Journal of Futures Markets* will continue to sponsor a special issue for the 2021 JPMCC symposium. We will consider paper submissions submitted in 2020 and new submissions in 2021. In 2020, we received paper submissions from researchers in (at least) fifteen countries (the highest number by that time and two more compared with 2019), including Argentina, Australia, Canada, Chile, China, the Czech Republic, France, Germany, India, Italy, Japan, New Zealand, Switzerland, the U.K., and the U.S., in alphabetical order. We have contacted each submitter in 2020 and are pleased to see that the majority of them would still like to have their papers under consideration for presentations in 2021. Nevertheless, some of them withdrew paper submissions, mainly because the papers were accepted for publications or were close to that stage. With additional new submissions by the deadline of early March, we now have the largest number of submissions yet for the symposium, coming from eleven countries (Canada, China, the Czech Republic, France, Germany, India, Italy, Japan, Switzerland, the U.K., and the U.S., in alphabetical order). It is the first time that submissions have been received from Japan and India. We will provide timely updates about the symposium on the website of JPMCC. We also posted a Call for Papers on the Wiley publishing website of the *JFM* with the submission deadline of March 5.

Starting with this symposium, while the research director will remain as *the organizer and program committee chair*, the executive director, Dr. Tom Brady, will serve as the *co-organizer and the program committee co-chair* of the symposium and will take the lead in organizing the program of industry panels. Dr. Brady⁴ is the former chief economist at Newmont Mining, the world's largest gold mining company. Erica Hyman, our new program manager, will serve as the coordinator for the symposium.



Regarding other research activities, the research director's co-written paper on the price discovery performance of Chinese agricultural futures was submitted (while it was still under a major revision for the *JFM*) and accepted for presentation at the annual NCR134/NCCC-134 conference in April 2021. The NCCC-134 Committee is a U.S. Department of Agriculture (USDA) Cooperative State Research, Education, and Extension Service (CSREES) regional committee that has been in existence for over 25 years. Their emphasis is highly consistent with the applied research mission of the JPMCC.

Conclusion

COVID-19 continues to have a significant impact on the economy, the society, and our own personal lives. But we are optimistic that the worst is behind us, and we hope to meet you virtually this summer at our symposium.

In the meantime, we wish everyone a healthy and safe summer!

Best Regards,

Jian Yang, Ph.D., CFA

Endnotes

We are grateful for the active involvement of the JPMCC's Advisory Council and Research Council in the Center's applied research activities.

1 Blu Putnam, Ph.D., has been a generous contributor to the JPMCC's *GCARD*. His [most recent article in the Winter 2020 GCARD](#) covered the differential impact of COVID-19 on the various commodity sectors. Dr. Putnam's other articles for the *GCARD* are available at the following link:

<http://www.jpmmc-gcard.com/digest-uploads/2021-summer/GCARD%20Index%20of%20Past%20Topics%20Putnam%20032521.pdf>.

2 Jodie Gunzberg, CFA, is featured in the "Interview with a Leading Innovator and Thought Leader" section of the current edition of the *GCARD*. She is also a past contributor of the *GCARD* on "[Chinese Growth and Commodity Performance](#)."

3 John Baffes, Ph.D., also graciously co-authored an article for the current issue of the *GCARD* on the "Persistence of Commodity Shocks."

4 In addition, Tom Brady, Ph.D., co-authored a paper on "Global Silver Supply Trends" for this issue of the *GCARD*.

Reference

Chow, E. and M.M. Chu, 2020, *Reuters*, "China's Bid to Establish Global Benchmark for Palm Oil Futures Seen an Uphill Battle," December 22. Accessed via website:

<https://www.reuters.com/article/china-derivatives-palmoil/chinas-bid-to-establish-global-benchmark-for-palm-oil-futures-seen-an-uphill-battle-idUSL4N2IR19H?edition-redirect=uk> on March 23, 2021.