



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

Jian Yang, Ph.D., CFA

J.P. Morgan Endowed Research Chair, JPMCC Research Director, and Discipline Director and Professor of Finance and Risk Management, University of Colorado Denver Business School



Dr. Jian Yang, Ph.D., CFA, J.P. Morgan Endowed Chair and JPMCC Research Director, speaking at a JPMCC international commodities symposium.

In this report, the JPMCC’s Research Director will provide updates about recent research activities from April 2022 through September 2022.

Recent Research Updates

The research paper coauthored by the research director, which is entitled, “[Price Discovery in China’s Crude Oil Futures Markets: An Emerging Asian Benchmark?](#)”, has been accepted for the publication by the *Journal of Futures Markets*. Later versions of the paper were also presented by the coauthors at the 8th International Symposium on Energy and Finance Issues (ISEFI-2022) in Paris and at the 2022 Annual Conference of the Asia-Pacific Association of Derivatives (APAD) in Busan, Korea.



The updated analysis in the final version, with the data extended to March 2022, shows an intriguing time-varying price discovery pattern of China's INE crude oil futures, particularly around the COVID-19 pandemic shock. While the INE crude oil futures started to perform certain price discovery functions even at the early stage for almost all the deliverable spot crudes and some non-deliverable crudes, its price discovery performance was severely damaged around the period of COVID-19 pandemic shock intensification in China (January to April 2020) with the temporary cancellation of nighttime trading (February to May 2020). Then it improved to some extent after China started the recovery from the shock, and yet such improvement deteriorated drastically and even disappeared since early 2021 (until March 2022, the end of the sample). Another interesting aspect of the research is that it addresses the cross-border price discovery of commodity futures for spot prices in other countries, which, to our knowledge, has not yet been much examined.

The 5th International Commodities Symposium in 2022

The JPMCC organized the [5th annual international symposium](#) from August 15 to August 16, 2022 in a hybrid format, with over a hundred attendees joining us in Denver, Colorado and over Zoom from around the world.

Keeping its core strength on the interactions among academics, policy researchers and practitioners, the symposium included (a) five academic sessions (including a virtual poster session) representing presenters and discussants from twelve countries, and (b) two industry panels. The symposium included academic research from top universities (*e.g.*, Cambridge, Columbia, Yale, UC Berkeley, Toronto) and top policy institutions (*e.g.*, the Federal Reserve, IMF), and applied research insights from C-suite executives at commodity companies, hedge funds and experts at some of the largest law firms in the world. The keynote speakers were [Dr. Nikolai Roussanov](#), a chair professor at the Wharton School of the University of Pennsylvania, and [Robert Bryce](#), an author and journalist.

The symposium was well received. Dr. Andrei Kirilenko, a professor of finance and director of the doctoral program at the University of Cambridge's Judge Business School praised the symposium as "a top conference on commodities" based on "the quality of papers presented." There will be a special issue devoted to selected symposium papers in the core finance academic journal, the *Journal of Futures Markets*.

Congratulations to our best paper award and best discussant award winners! The best paper award was selected by a three-person committee co-chaired by Dr. Lutz Kilian of the Dallas Fed and Dr. K. Geert Rouwenhorst of Yale School of Management (with the JPMCC's Research Director, Dr. Jian Yang, CFA, as the third judge.) The best paper award this year was given to the authors of "[What Drives Variation in Corporate Hedging: Price Expectations or Risk?](#)" This paper was coauthored by Dr. Haibo Jiang (Université du Québec à Montréal), Dr. Nishad Kapadia (Tulane University), Dr. Yuhang Xing (Rice University), and Yifan Zhang (Rice University). The paper was formerly titled, "The Great Gold De-Hedging of the 2000s and Corporate Risk Management," when it was submitted to the symposium. The Best Discussant Award winners were [Dr. Xuhui "Nick" Pan](#) (University of Oklahoma), [Dr. Veronika Selezneva](#) (CERGE-EI, Czech) and [Dr. Brian Wright](#) (University of California, Berkeley) (in the alphabetical order of last names). Of note, Drs. Kilian, Rouwenhorst, and Wright are members of the [JPMCC's Research Council](#).



The symposium was co-organized by Dr. Jian Yang, J.P. Morgan Endowed Chair and Research Director, and Dr. Tom Brady, the CoBank Executive Director, of the J.P. Morgan Center for Commodities. Erica Hyman, the Assistant Director, ran all logistics and registration for the symposium. The symposium this year was co-sponsored by the Center for International Business Education and Research (CIBER) at CU Denver, one of only fifteen such centers in the United States.

Media Exposure around the 2022 Symposium

An international media publication in English, *Yicai Global* (based in Shanghai), featured the 2022 symposium before its launch with the article, "[World's Top Policy Researchers, Academics Gather at JPMCC to Discuss Commodities Research Trends.](#)" After the symposium, *Yicai Global* published two more news items, featuring research findings of many of the presenters at the symposium. One of the articles was entitled, "[Economic Impact of Commodities Is Not Yet Well Understood, Experts Tell JPMCC Symposium,](#)" and this article was also reposted on the website of the World Economic Forum.

These new pieces also noted that this is the tenth anniversary of JPMCC. For example, in both news stories above, they shared such background on the JPMCC as: "Now in its 10th year, [the] JPMCC is known for innovative research on commodities. Recent studies by [the] JPMCC have explored topics such as the rapidly growing commodity futures market in China, including the Shanghai International Energy Exchange's crude oil futures. The center's applied research has been featured by *Reuters*, the *Financial Times*, *Bloomberg News* and dozens of other international media outlets."

Conclusion

With COVID-19 (hopefully) almost behind us, we were grateful that we were able to resume the in-person component of the symposium successfully this year, after about two and half years of solely virtual experiences. This will likely pave the way for more in-person participation at next year's symposium. We look forward meeting more friends, old and new, at the 2023 JPMCC symposium!

Best Regards,

A handwritten signature in black ink, appearing to read "Jian Yang".

Jian Yang, Ph.D., CFA
Research Director, J.P. Morgan Center for Commodities

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