



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

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Dr. Jeffrey Frankel, Ph.D., James W. Harpel Professor of Capital Formation and Growth in the Kennedy School at Harvard University, provided the keynote address during the second day of the JPMCC's 2nd International Commodities Symposium, which was held at the University of Colorado Denver Business School on August 14 through August 15, 2018. Dr. Frankel's keynote presentation was on the "Macroeconomic Determinants of International Commodity Prices." Dr. Frankel is also a member of the JPMCC's Research Council.

This issue's Research Director Report will cover both (a) the highlights of the [JPMCC's 2nd annual international symposium](#) and (b) additional international outreach activities by the JPMCC's research director. In addition, we will continue coverage of the symposium in future issues of the *GCARD*, which will include articles from the 2018 symposium presenters.



Highlights of the JPMCC's 2nd International Commodities Symposium

Building on the success of the previous year's inaugural conference, this year's symposium continued with the theme of "New Directions in Commodities Research." The conference program included 18 competitively selected, high-quality papers, all of which had both academic rigor and practical relevance. Like last year, we also included an industry panel with three distinguished practitioners, whom in turn discussed both trends and structural changes in the commodity markets. And new to this year, we added a session that featured "Commodity Research in China."



Dr. Jian Yang, Ph.D., CFA, J.P. Morgan Endowed Research Chair, JPMCC Research Director, and Professor of Finance and Risk Management at the University of Colorado Denver Business School, welcomed participants to the JPMCC's 2nd International Commodities Symposium during the conference's first day on August 14, 2018.

Among the many top commodities scholars at the symposium, we were very fortunate to have Dr. Jeffrey Frankel, Ph.D., deliver a keynote speech on the topic of "Macroeconomic Determinants of International Commodity Prices," which is very timely, given the expected further increases in U.S. interest rates. Dr. Frankel is the James W. Harpel Professor of Capital Formation and Growth at Harvard



University's Kennedy School and is a former Chief Economist in the U.S. President's Council of Economic Advisers. In addition, Dr. Robert Webb, Ph.D., provided a keynote address on "What Drives Success in Derivatives Markets?", a topic of renewed interest, given the expansion of futures trading and innovation in China. Dr. Webb is a Research Professor in Finance at the University of Virginia and also serves as the Editor of the *Journal of Futures Markets*, a leading academic journal focusing on derivative securities and markets. We are honored that both Dr. Frankel and Dr. Webb recently joined the JPMCC's Research Council.

Dr. James Hamilton, Ph.D., chaired the symposium's Best Paper Award Selection Committee. Dr. Hamilton is a Professor of Economics at the University of California, San Diego and is also Co-Chair of the JPMCC's Research Council in addition to serving as the JPMCC's first Distinguished Visiting Fellow. The Best Paper was awarded to both Dr. Andrei Kirilenko, Ph.D., of Imperial College Business School and Ms. Anna Kruglova of the University of Washington.



The winners of the Best Paper Award at the JPMCC's 2nd International Commodity Symposium were **Ms. Anna Kruglova**, Ph.D. student at the University of Washington, and **Dr. Andrei Kirilenko**, Ph.D., Senior Research Fellow at Imperial College Business School, who are flanked by **Dr. James Hamilton** (left), Ph.D., Professor of Economics at the University of California, San Diego and **Dr. Jian Yang** (right), Ph.D., CFA, J.P. Morgan Endowed Research Chair at the University of Colorado Denver Business School.



Dr. Kirilenko is the Director of the Centre for Global Finance and Technology at Imperial College Business School and is a past Chief Economist of the U.S. Commodity Futures Trading Commission. Kirilenko and Kruglova's winning paper was on "Speculative Floating Oil." In addition, Dr. Lutz Kilian, Ph.D., was selected to receive the Best Discussant Award. Dr. Kilian is a Professor of Economics at the University of Michigan at Ann Arbor and also serves on the JPMCC's Research Council. Congratulations to Dr. Kirilenko, Ms. Kruglova, and to Dr. Kilian!

Building on the visibility from last year's conference, we had substantially more registrants as compared to 2017's inaugural conference, contradicting the notion that commodities are not a hot area of research. Academics from the following seven countries, the U.S., China, U.K., Germany, Canada, Australia, and Poland, contributed to the conference program with first-time participation from colleagues based in Australia, China, and Germany. We were pleased with the attendance from additional countries such as Argentina. The symposium drew extensive participation from top institutions from around the world (e.g., Harvard, Yale, Cornell, UC-Berkeley, Imperial College London, University of British Columbia, and Peking University.) As can be surmised from this list, this year's conference included participants from Ivy League institutions. In addition, the symposium included presentations from researchers at policy-making institutions (e.g., the Federal Reserve Board, Bank of Canada, and the U.S. Energy Information Administration) as well as from leading industry practitioners (e.g., the chief economists from the CME Group, CoBank, and Newmont Mining.)

At this year's conference, we made a number of changes to further improve the symposium. (1) We created the "Applied Commodity Research Leaders Forum" to showcase research insights from industry. We were very fortunate to have both Dr. Bluford Putnam, Ph.D., Managing Director and Chief Economist of the CME Group (and JPMCC Research Council Member) and Dr. Terry Barr, Ph.D., Senior Director, Knowledge Exchange Division of CoBank, as our industry forum speakers. (2) For the first time, we will have a special issue for the symposium, sponsored by the *Journal of Futures Markets*, which will add to the academic reputation of the symposium. (3) We organized both domestic and international media coverage of the symposium, which has increased the visibility of the symposium and the brand awareness of the JPMCC to the business community. Thus far, there are five media articles covering the symposium already published in both English and Chinese, including in *Financial Advisor Magazine* (Reiner, 2018), *Futures Daily*, *Yicai*, and in *Yicai Global* (Hou, 2018) with another article scheduled to be published in *China Futures Magazine*. Accordingly, the viewpoints of many of the presenters at the JPMCC symposium were concisely summarized and shared to industry professionals internationally, and the acronym, JPMCC, and the symposium were featured in these media articles. In addition, *Yicai*, published by China's leading financial news conglomerate, the Shanghai Media Group (second only to state-owned, China Central TV), completed exclusive interviews with three distinguished speakers attending the symposium, and have already published two of them with plans to publish the remaining one in due course. Thus, we expect eight media articles in total featuring the symposium.

Our symposium's success is likely due to how relevant it is to the commodities space, as the conference brings together global thought leaders and prominent stakeholders to discuss critical thinking and new research related to commodities. Commodities matter to every kind of business. On the other hand, commodity markets are complex and constantly evolving, and thus there is generally a lack of understanding about these markets. With the support of many top commodities scholars attending the



conference, the 2018 JPMCC symposium provided a very useful platform for knowledge exchange in the commodities space.

Participants reported to us that the conference included a good mix of academics and practitioners that allowed unique and meaningful exchange of ideas among them. In addition, the conference was judged to be about the right size for close interactions among participants. Lastly, and of course not least, the JPMCC was blessed to have many top commodities research scholars (from both academia and industry) in attendance at the symposium.



Dr. Thomas K. Lee (left), Ph.D., Senior Economist in the Office of Energy Markets and Financial Analysis at the U.S. Energy Information Administration, confers with **Dr. Lutz Kilian** (right), Ph.D., University of Michigan at Ann Arbor, Professor of Economics, during the JPMCC's 2nd International Commodities Symposium, which was held on August 14 and August 15, 2018 at the University of Colorado Denver Business School. Dr. Lee is a member of the *GCARD*'s Editorial Advisory Board while Dr. Kilian is a member of the JPMCC's Research Council.



Additional Outreach Activities by the JPMCC Research Director

The success of this year's symposium also benefits from earlier research activities and media exposure of the JPMCC. During the past academic year (September 2017 through September 2018), the JPMCC Research Director entertained numerous media interviews about commodities (particularly on China's new oil futures contracts), which resulted in about 60 media articles in several dozen countries, written in multiple languages (e.g., English, Chinese, Italian, and in Indonesian.) Accordingly, the JPMCC was featured globally in many prominent media outlets such as in *Bloomberg*, *Forbes*, *China Daily* (U.S. edition), *China Daily European Weekly* (U.K.), *China Daily African Weekly* (Kenya), *World Finance* magazine (U.K.), *Australian Financial Review*, *The Business Times* (Singapore), and on RT, the Russian international television network. The JPMCC was also featured in the following major Chinese-language media outlets (among others): *Economic Daily*, *China National Radio*, and *China Securities Journal*. Of note is that two of these media articles in Chinese, featuring the JPMCC Research Director, were posted on the official websites of the Chinese Central Government and its National Energy Administration (in addition to the official websites of other national government agencies and many provincial governments in China.)

The JPMCC Research Director also delivered a keynote speech based on an ongoing research project at the Workshop on the Chinese Oil Futures and Energy Markets at Xiamen University in China on June 26, 2018, which was the first-ever academic workshop on this topic. The event attracted national media attention in China, resulting in (at least) 6 media articles in Chinese that featured the research findings of the JPMCC Research Director. During the conference, the research director worked closely with the workshop's organizer, which will be helpful as we co-organize an international workshop in China in the near future. These outreach activities have been very helpful in promoting the reputation of the JPMCC in China, which has become the world's largest consumer of commodities.

Conclusion: Next Year's International Commodities Symposium

Based on the feedback and suggestions that we received from many participants during the August 2018 JPMCC international commodities symposium, we look forward to delivering an even higher quality program at our next symposium, which is scheduled for August 12 and August 13, 2019 in Denver. We hope to see you there!

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

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