

Contents

Abstract	1
Chapter 1: Introduction	11
1.1 Background of Study	12
1.2 Problem Statement	15
1.3 Research Objectives	16
1.4 Use of the Study	16
1.5 Overview of the Study	17
Chapter 2: Literature Review	19
2.1 Key Concepts and Terminologies	19
2.1.1 Futures Contracts	19
2.1.2 Agricultural Commodities	20
2.1.3 Financial Speculation	21
2.1.4 Impact of Speculation on Agricultural Commodities	22
2.2 Hypothesis Development	23
2.2.1 Speculation and Coffee Futures	23
2.2.2 Speculation and Rice Futures	24
2.2.3 Speculation and Orange Juice Futures	25
2.2.4 Hypothesis Development	26
Chapter 3: Data and Methods	28
3.1 Data	28
3.2 Conceptual Definition	28
3.2.1 Financial Speculation	28
3.2.2 Return Volatility	29
3.2.3 Speculation Index	29
3.2.4 GARCH and TGARCH Models	29
3.3 Methods and Research Models	30
3.3.1 Variables Used in the Study	30
3.3.2 Test for Unit-Root	32
3.3.3 Month Selection Model	33
3.3.4 TGARCH Models	35
3.3.5 Seasonality and Model Selection	37
Chapter 4: Empirical Results	38

Chapter 5: Conclusion	52
References	54
Appendix	60
Appendix A: Commodity Futures Graph.....	60
Appendix B: Test Results	63

