

FEEM International Workshop on

RECENT EVOLUTIONS OF OIL AND COMMODITY PRICES

Milan, 4-5 June 2015

Fondazione Eni Enrico Mattei
Corso Magenta 63

Between June and December 2014, the price of crude oil has fallen by nearly 50%, which represents one of the most dramatic declines in recent history. Within the same period, the average price reduction of coal, natural gas, agricultural commodities in general, metals, and food has been significantly less severe. Academic researchers, economists and policymakers have started to analyse the effects of relatively low oil prices on the economic and political stability of the oil-exporting countries, the sustainability of alternative forms of energy production, the international energy and non-energy commodity markets, and the new growth opportunities for the global economy. At the same time, efforts have been devoted to identify the causes of the recent oil price collapse, among which positive oil supply shocks originating from oil-producing countries and shocks to oil price expectations due to the end-of-last-year OPEC announcements. Finally, the “big” question on whether the decline of the price of oil is similar to past oil price drops, and, more important, if it is likely to continue or to stop soon, is still unanswered.

The 2015 FEEM International Workshop on “Recent Evolution of Oil and Commodity Prices” is the natural continuation of a series of events organized by the FEEM research programme “Energy: Resources and Markets” in the last three years, namely “Financial Speculation in the Oil Markets and the Determinants of the Oil Prices” (2012), “Oil Price Forecasts and Trends” (2013), and “Oil and Commodity Price Dynamics” (2014).

The aim of this year’s workshop is to provide participants with updated and high-quality perspectives on a number of issues which are crucial to understand oil price evolution and dynamics during the last months, the causes and the consequences of low oil prices, the challenges that rapid oil prices declines and increases offer to oil price forecasters, the complexity of the international oil and commodity markets, the financialization and the interconnections of energy and non-energy commodity derivatives markets.

This aim is accomplished by gathering together internationally distinguished scholars, renowned professionals from energy and financial institutions, as well as FEEM senior and junior researchers, who will present and discuss fresh results from their own research works.

Day 1. Thursday, 4 June 2015

h. 13.30 - Registration

14.00 Welcome address and introduction

Matteo **Manera** - Professor of Econometrics, University of Milano-Bicocca and FEEM

14.15 Session 1. Oil price dynamics

Chair: Matteo **Manera** - University of Milano-Bicocca and FEEM

Predicting oil prices - definitely a mug's game after the price collapse of 2014

Leo **Drollas** - Energy Consultant

Understanding the decline in the price of oil since June 2014

Lutz **Kilian** - Professor of Economics, University of Michigan

Discerning trends in commodity prices

Adonis **Yatchew** - Professor of Economics, University of Toronto

General discussion

h. 16.15 - 16.45 - Coffee break

16.45 Session 2. Oil and commodity volatilities

Chair: Anna **Creti** - Université Paris Dauphine

Volatility and liquidity in oil markets

Robert **Levin** - Managing Director Energy Research & Product Development, CME Group

Volatility and a century of energy markets dynamics

Apostolos **Serletis** - Professor of Economics and Finance, University of Calgary

Measuring uncertainty in the global oil market

Andrea **Bastianin** - Researcher, University of Milan and FEEM

General discussion

h. 18.45 Closure of the first day

Day 2. Friday, 5 June 2015

9.00 Session 3. Oil and gas markets

Chair: Adonis **Yatchew** - University of Toronto

Interactions between crude oil and natural gas markets: the US case study

Vincent **Kaminski** - Professor in the Practice of Executive Education, Rice University

U.S. shale oil boom - how much is too much?

Bahattin **Buyuksahin** - Research Adviser of Commodities, Bank of Canada

Oil and gas accidents in the United States: impact on energy companies and regional prices

Anna **Creti** - Professor of Economics, Université Paris Dauphine

General discussion

h.11.00 - 11.30 - Coffee break

11.30 Session 4. Oil and commodity prices

Chair: Leo **Drollas** - Energy Consultant

Oil benchmarks and price dynamics

Mike **Davis** - Director, Market Development, ICE Futures Europe

Price discontinuities in the market for RINs

Charles F. **Mason** - Professor of Economics, University of Wyoming

Oil options

John **Elder** - Professor of Finance, Colorado State University

General discussion

13.30 Conclusions

Matteo **Manera** - Professor of Econometrics, University of Milano-Bicocca and FEEM

Networking lunch and closure of the workshop