

In this thesis, we analyze volatility spillovers between crude oil and food commodities. The principal hypothesis assumes crude oil to behave as a production factor of the agricultural food commodities, thence we are looking for appropriate price effects. We mainly employ wavelet coherence and partial wavelet coherence, which provide us with valuable insight into the commodities nexus, without any strict restraints and assumptions levied on our data. Secondly, we build a DCC-GARCH model in order to model the presumed volatility spillovers. We also perform several simple benchmark analyses, in particular we test for Granger causality and we compute the Pearson correlation coefficients. Our data sample, including 10 commodities and 2 indices, covers the latest decade, significantly widening the existing contextual literature. Our results are mostly compliant with related literature, especially regarding the crude oil-fuels bundle and food commodities bundle, respectively. Considering the main research question of volatility spillovers between food commodities and crude oil, our results are indicating reasonably strong relationships with crude oil for soybeans and corn, leaving cotton and wheat rather on the verge of strong relationship and finding cattle to be completely unrelated. Main merits of the thesis arise from the complex and most recent data sample, combined with robust attitude to the problematics, providing reliable inference on the research topic; thence reasonably broadening the contextual literature.