

Abstract

The thesis examines the effects of geopolitical events on global crude oil, wheat and aluminum prices. Geopolitical events have the potential to disrupt the production and supply of commodities to markets, affecting prices. Path analysis models that mirror crude oil, wheat and aluminum markets are constructed using theories specific to each commodity to measure how substantial the impacts of different variables are upon prices. Vector error correction models are then employed to test if individual geopolitical events have long-term effects on prices. An analysis of production and exports of commodities in regions and countries affected by geopolitical events is conducted to determine how severely production is disrupted. A basic examination of prices before, during and after geopolitical events is conducted to understand how quickly drivers of commodity prices can shift between geopolitical events and supply and demand fundamentals. It also serves to show how quickly prices revert to pre-event levels following a geopolitical event.