

## **Commodity Connectedness: Short-run Versus Long-run**

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The thesis contributes to empirical literature that studies volatility spillovers among the commodity and equity market, focusing on short-term and long-term linkages between them. Studying the persistence of volatility transmission is helpful for understanding the information flow, which is crucial for risk management and regulators. The persistence of volatility linkages represents how quickly information can be processed by markets. In this work, we explain the theoretical background of connectedness measures proposed by Diebold and Yilmaz (2012) and show the relationship with measures defined in the frequency domain by Baruník and Křehlík (2018), that allows us to distinguish between short and long persistent shocks in volatility of markets. We continue with the analysis of volatility transmission among stock market and key commodities which represents various sectors of the commodity market. Our first key finding is that in the period 1993-2015 spillovers among markets more than doubled and persistence of connections have increased. Using a rolling sample over 250 days, we evaluate rich dynamics of connections between equity and commodity sectors. The dynamic analysis reveals that the global financial crisis 2008-2009 led to unprecedented spillovers from equity to commodity markets with high persistence and that the collapse of Oil prices in 2014 led to strong and long persistent spillovers from the energy market to the equity market.