



Graduate Seminar

Department of
Economics and Finance

College of Business
and Economics

Di Ge

MA Candidate

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Second Reader: Thanasis Stengos



US natural gas market reacts to shocks in the crude oil market

Crude oil and natural gas are some of the most important resources on earth. In this paper, with monthly data from 1997:1 to 2017:2, the relationship between demand, supply shocks in global crude oil market and prices of natural gas in US market is discovered by considered a structural VAR model and estimating with the detrend equation to discover. Assuming that the spot price of crude oil is predetermined for the natural gas market in the model and analyzing the relationship, the conclusion is that about 40.34% of the variation in the US crude oil spot price can be attributed to the structural supply and aggregate demand shocks in the global crude oil market. This study suggests that fundamentals of crude oil market are an important determinant of natural gas spot prices.

Date: Monday August 14th 2017

Time: 2:00pm

Room: Mackinnon 720

