Discussion of
Martin T. Bohl, Christoph Sulewski
The Impact of Long-Short Speculators on Agricultural Commodity Futures Prices

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Comments

- Very interesting research of relatively unexplored market
- Clear explanation of aim, hypotheses, and methods

Comments

- More economic or statistical arguments in favor of data used: are L-S speculators identified correctly?
- More information about investigated markets and traders. Compare with other markets?
- Title missleading: impact of Long-Short (L-S) Speculators on Commodity Futures **Return Volatility**

Weekly frequency

- Immediate effects not verified
- What economic mechanism allows for such long-lasting (weekly) effects?
- Is Granger causality useful? Another type of immediate causality?
- Other methods: Event studies, identification through heteroskedasticity (or changes in mean)?

Methods

- Squares of exogenous variables in variance equations
- Exogenous variables with and without lags in all equations
- Asymmetric effects of long and short positions?

- Interpretation: possible effect of some exogenous factors on both variables?

Methods

- Use of VAR models not clear:
  - Estimates of volatility used as variables? MGARCH better?
  - What correlation of residuals? Immediate effects stronger than lagged effects?
  - Cumulated Impulse Responses?

- How much variance explained by the models?