

Regime switching in oil markets

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Outline

- Motivation & Introduction to the data
- Time series plot for the data
- Proposed methods
- Reference

Motivation & Introduction to the data

- Motivation-

- The price of crude oil futures contract has the same volatility in the same market ?

- Price volatility

Government

Shocks

Market

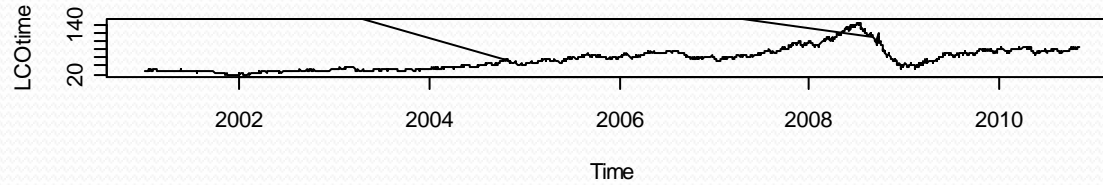
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Motivation & Introduction to the data

- NYM-LIGHT CRUDE OIL
 - 2001/01/01~2010/11/08
- NYM-MID EAST SOUR CRUDE
 - 2001/01/01~2001/08/01
- NYM-RUSSIAN EXPORT BLEND CRUDE OIL(REBCO)
 - 2008/11/24~2010/11/08
- NYM-EMINI LIGHT SWEET CRUDE
 - 2004/03/22~2010/11/8

Time series plot for the data

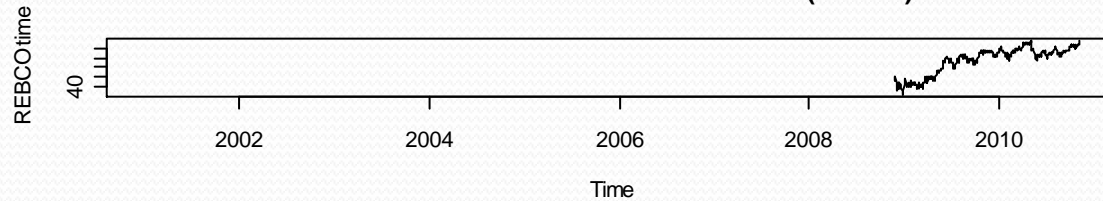
2001.01.01~2010.11.08 NYM-LIGHT CRUDE OIL



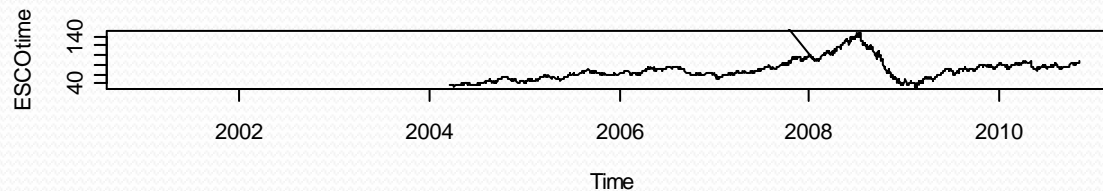
2001.01.01~2001.08.01 NYM-MID EAST SOUR CRUDE



2008.11.24~2010.11.08 NYM-CRUDE OIL (REBCO)

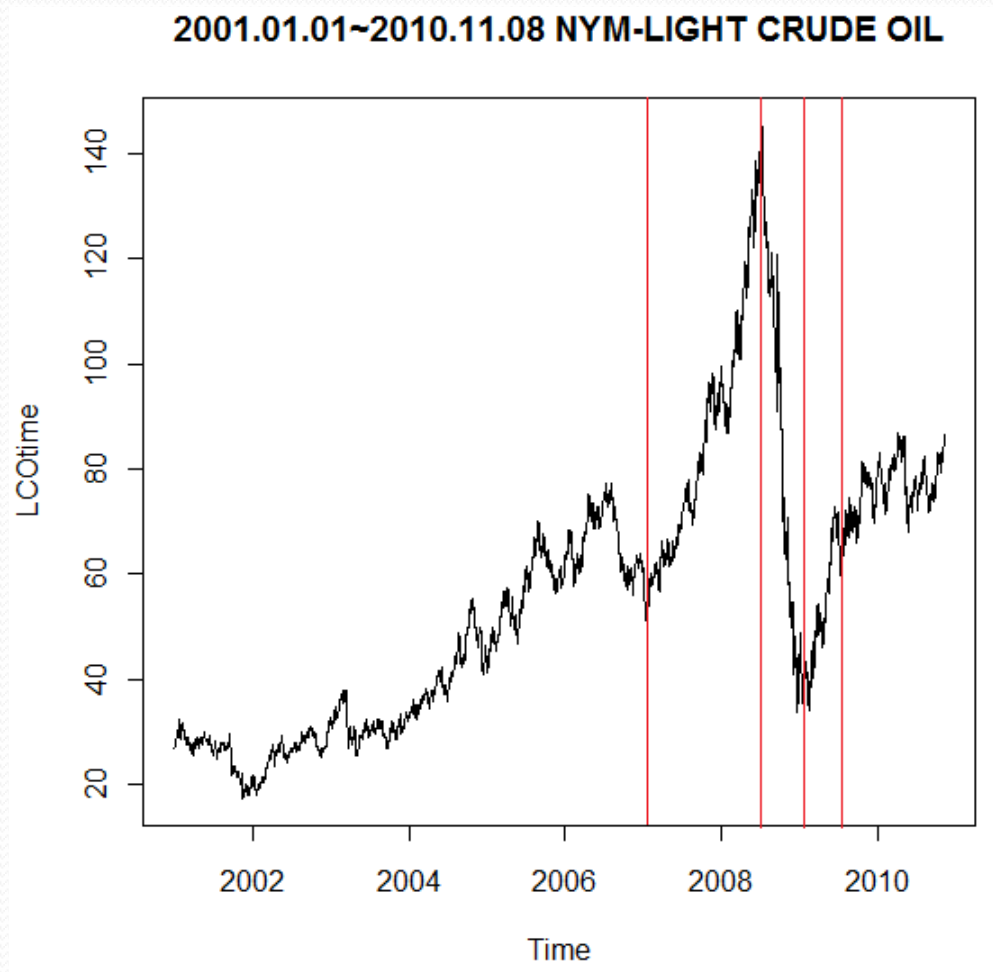


2004.03.22~2010.11.08 NYMEX-EMINI LIGHT SWEET CRUDE



Proposed methods

- Cutting
- Discussion Section



Reference

- Data
 - National Central University(Department of Finance)
- Some internet webpages
 - Markov Regime Switching Models