

## Derivatives and Risk Management in the Petroleum, Natural Gas, and Electricity Industries

**Table 16. Results of Various Studies on the Effects of Derivatives on Commodity Prices**

Author	Commodity	Effect on Volatility
Emergy (1896) . . . . .	Cotton, wheat	Lower, lower
Hooker (1901). . . . .	Wheat	Lower
Working (1960). . . . .	Onions	Lower
Gray (1963) . . . . .	Onions	Lower
Powers (1970) . . . . .	Pork bellies, cattle	Lower
Tomek (1971). . . . .	Wheat	Lower
Johnson (1973). . . . .	Onions	No effect
Taylor and Leuthold (1974) . . . . .	Cattle	Lower
Brorsen, Oellermann, and Farris (1989). . .	Cattle	Higher
Weaver and Banerjee (1990) . . . . .	Cattle	No effect
Antoniou and Foster (1992) . . . . .	Crude oil	No effect
Netz (1995). . . . .	Wheat	Lower
Kocagil (1997) . . . . .	Four metals	No effect
Fleming and Osydiek (1999) . . . . .	Brent crude oil	Higher

Source: Energy Information Administration.