Figure 5.13. Crude Oil: Rolling Estimates of the Model's Short-Run Parameters[1]

(Coefficients)

Spot Price Equation

1st Lag

Futures Price

Speculative Positions

2nd Lag

Futures Price

Speculative Positions

Futures Price Equation

1st Lag

Spot Price

Speculative Positions

2nd Lag

Spot Price

Speculative Positions

Speculative Positions Equation

1st Lag

Spot Price

Futures Price

2nd Lag

Spot Price

Futures Price
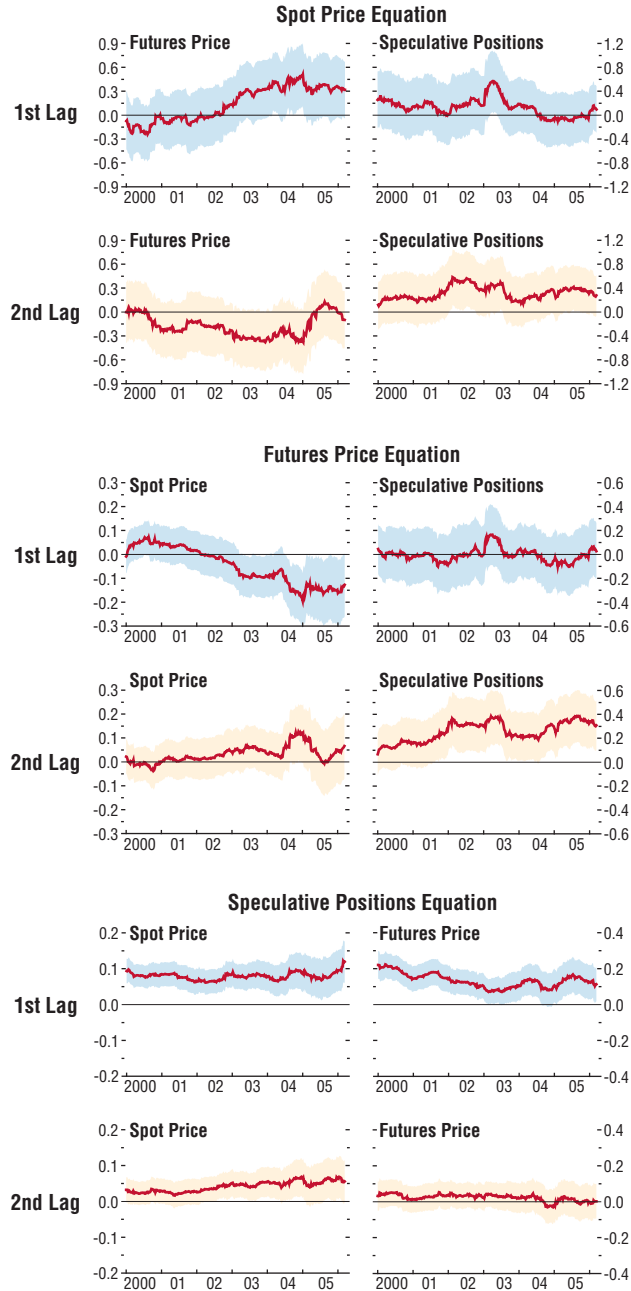
Source: IMF staff estimates.

[1]Shaded areas are 90 percent confidence bands. The Vector Error Correction Model is estimated with cointegration rank = 1, number of lags = 3, and a restricted trend. The cointegrating vector is estimated with the coefficient on the spot price set equal to 1. Rolling window length is 234 weeks. Dates on the x-axis correspond to period ending dates.