

## Commodity futures: does the traded volume influence research interest?

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### Abstract

This paper analyzes the extent to which the research process is driven by market activity by looking at the relationship between commodity published academic research and commodity derivatives trading activity. The first decade 21st century witnessed an extraordinary boom in commodities futures trading. The increased popularity of commodities instruments as investment and hedging vehicles saw a parallel development in the commodities research literature. This paper exploits the results of *a search on title textual analysis* to explore interactions between the commodities aggregate futures trading activity and the number of commodities research articles. We find significant evidence of co-movement over the 2000-2018 period, which is illustrated by means of a cointegration framework using a VECM setting. We show that trading activity as measured by the dollar value of aggregate futures volumes traded drives the publishing process. We additionally explore the relationship between publications and futures volumes in the crude oil market. The number of publications found under a text search for “oil” turns out to be substantially higher than the number of papers found under the “commodity” text search. We also find strong cointegration between research activity and the dollar value of futures trading volumes in the oil market. Our paper therefore offers strong evidence demonstrating that academic researchers follow the market activity in their topic decision process.