

Accepted Manuscript

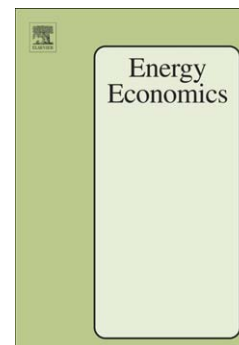
Crude Inventory Accounting and Speculation in the Physical Oil Market

Ivan Diaz-Rainey, Helen Roberts, David Lont

PII: S0140-9883(17)30115-9
DOI: doi:[10.1016/j.eneco.2017.03.029](https://doi.org/10.1016/j.eneco.2017.03.029)
Reference: ENEECO 3608

To appear in: *Energy Economics*

Received date: 15 August 2016
Revised date: 21 March 2017
Accepted date: 28 March 2017



Please cite this article as: Diaz-Rainey, Ivan, Roberts, Helen, Lont, David, Crude Inventory Accounting and Speculation in the Physical Oil Market, *Energy Economics* (2017), doi:[10.1016/j.eneco.2017.03.029](https://doi.org/10.1016/j.eneco.2017.03.029)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

Crude Inventory Accounting and Speculation in the Physical Oil Market

Ivan Diaz-Rainey[†]

*Otago Energy Research Centre (OERC) & Department of Accountancy and Finance,
University of Otago, New Zealand*

Helen Roberts

Department of Accountancy and Finance, University of Otago, New Zealand

David Lont

Department of Accountancy and Finance, University of Otago, New Zealand

March 20, 2017

Abstract: This paper uses inventory data from financial accounts to explore whether companies involved in the physical oil market were speculating in the run-up to 2008. Using quarterly inventory data over the period 1990Q4 to 2012Q1 and a sample of 15 of the largest listed oil companies in the world, we derive an Index of Scaled Physical Inventories (ISPI). We find declining ISPI up to the early 2000s is consistent with firms minimizing inventory for efficiency sake; then ISPI starts to increase, suggesting physical inventories could have contributed to the run-up in oil prices between 2003 and 2008. Highlighting heterogeneity in inventory behaviors amongst the large oil companies, the structural break test on the ratio of inventory to sales and the days to sales for individual companies shows that five companies had positive structural breaks during the speculation period, while the other companies had no or negative structural breaks. Contrary to declining inventory expectations due to a tightening oil market, the positive structural breaks suggest speculative behavior. We also examine the relationship between changes in profitability and changes in oil inventory over the pre-speculation and speculation period. Though some coefficients for inventory do switch from negative to positive over the two periods as hypothesized, they are only significant in a few cases. However, aggregate measures of inventory do switch and are significant, suggesting that, on average, inventory holdings negatively affected profitability in the pre-speculation period and positively affected profitability in the speculation period.

JEL Classification: D84; G12; G13; G18; M41; Q31; Q41

KEYWORDS: Speculation; Oil price; Inventories; Accounting information; Financialization; Positive-feedback trading

[†]Corresponding author: Tel. +64 3 479 8117; Email: ivan.diaz-rainey@otago.ac.nz

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات