

**“The Influence of High Frequency News on
Commodity Prices”**

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Executive Summary

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The paper uses data from the Thompson Reuters NewsScope software to analyze the influence of news sentiment on commodity prices. Therefore one commodity for each subcategory of commodities was investigated. The examined commodities are oil (energy), gold (metals) and coffee (soft commodities). The aim of the paper is to reveal how the commodity prices depend from the news data and if the news data can be used for explanatory and forecasting models in the future. It could be shown that on the oil and gold market news sentiment data on a cumulated index level and on a daily basis (daily sentiment values and relative daily sentiment changes) can be used as significant variables for future empirical models. For the coffee market it was not able to find a significant variable on a daily basis. However the cumulated sentiment index has ability to predict long term developments on the coffee market.