

# How to roll commodity-futures-contracts: an analysis of different methods optimizing the roll-return

Master Thesis  
at the Swiss Banking Institute

under the supervision of  
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April 2012

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## Abstract

This thesis showed that returns of commodity-investments can be improved if the choice of the futures is made dependent on the shape of the futures-term structure instead of investing mechanically into the respective front-month-contracts. In terms of volatility the examined strategy led to significant reductions for certain commodities and never raised the volatility-level above the volatility-level, which was achieved with front-month-rolling. The detailed examination of Mouakhar and Roberge's (2010) rolling method in this thesis showed furthermore that their strategy works during different market environments.

During all different time periods and with all commodities examined in this thesis the slope-optimizing-strategy of Mouakhar and Roberge led to steady positive roll-returns if a long-short investment in the respective commodities has been made. Furthermore the examination of its performance with different optimization-settings showed that the success of the slope-optimizing-strategy can be improved drastically by a clever choice of the optimization-settings.