



ARE 415: Homework #7

- Using the dataset provided on class website (<https://are415.wordpress.ncsu.edu/assignments/>) in file “Jet_Fuel_Hw7.xlsx” and using the sheet “dataset”:
 1. Add the series provided for HO, RB, and CL to Figure 1 over the period 2012-2014.
 2. Calculate the correlation coefficients for Jet Fuel spot prices and HO, RB, and CL respectively for the years 2012, 2013, and 2014.
 3. Which is the futures contract (HO, RB, or CL) to cross-hedge jet fuel spot prices? Explain why?
 4. Print off Figure 1 and Table 1 and hand at hard copy at the start of class Tues 2/20 with your name clearly marked on the first page.