Structural Change and Co-Integration in Southern Timber Prices

by

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Abstract

The objective of this research is the empirical evaluation of factors influencing price linkages in Southern timber prices. The analysis focuses on the factors that affect cointegration. The results lead to a better understanding of Southern timber price relationships over time and space and across products.

The primary research methods are cointegration tests and minimum chi-squared analysis. Cointegration tests have been used to assess market efficiency and integration in timber markets. However, the relationship between price cointegration and market integration is generally unclear. Minimum chi-square analysis provides the basis for better understanding of the relationship between cointegration probabilities and variables describing market characteristics.

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