The relationship between Real Commodity Prices and Real Interest Rates

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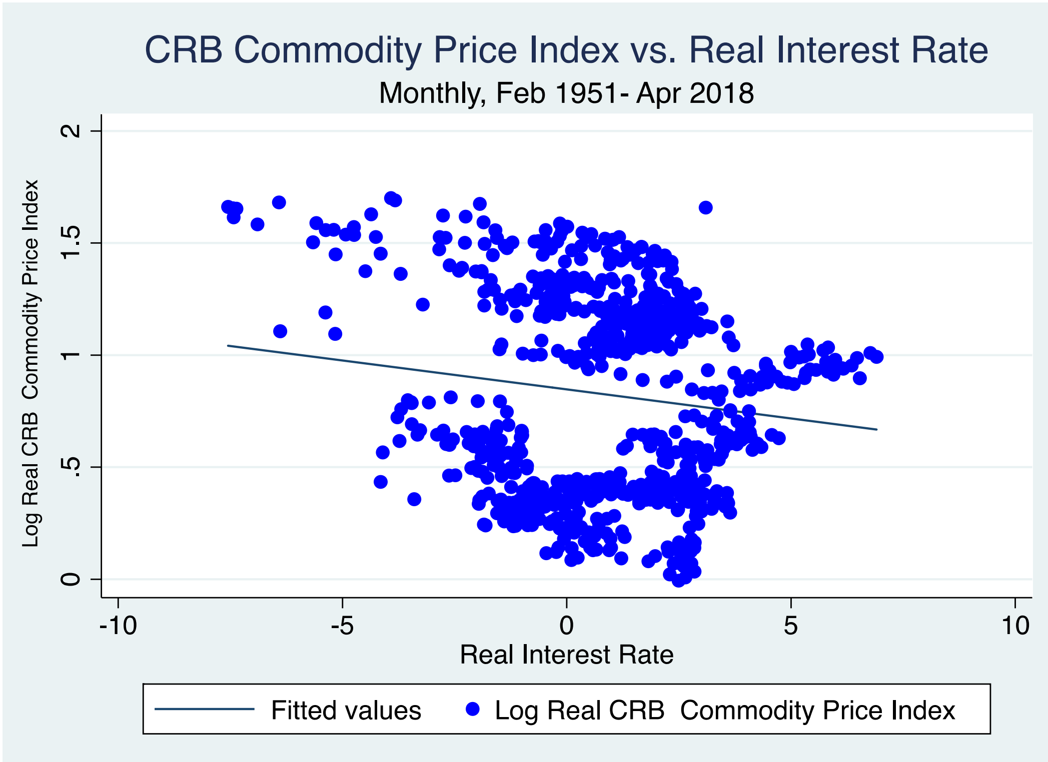
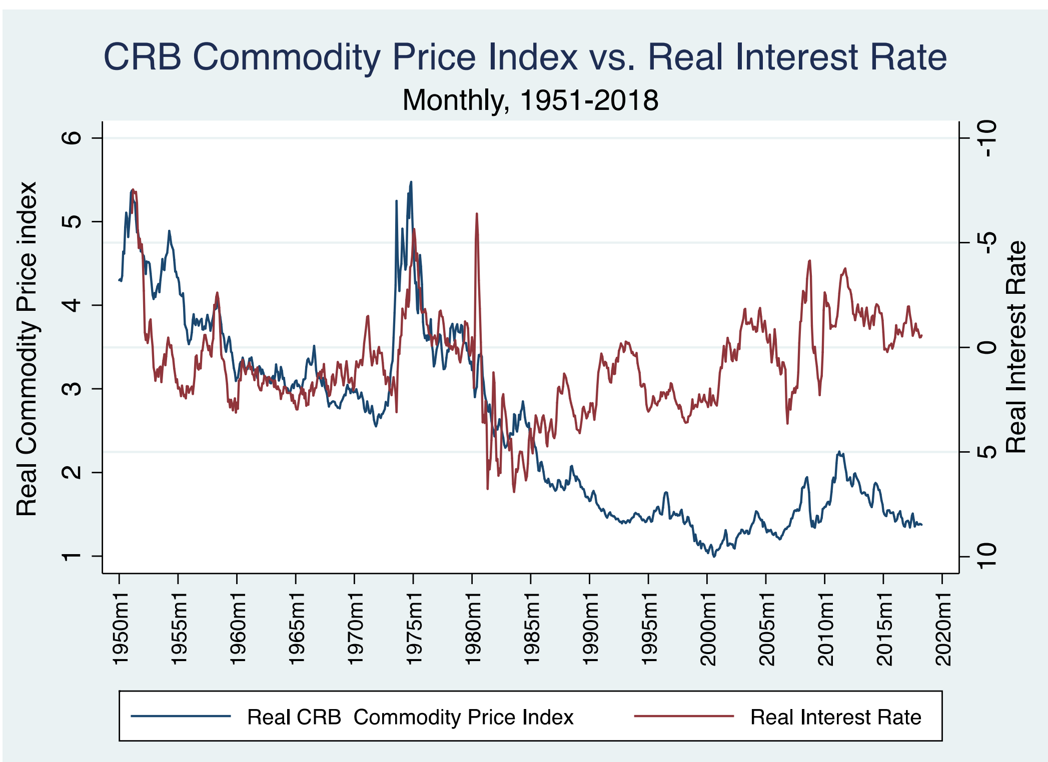
	Feb 1951-Apr 2018	Feb 1951- Feb 2014	Feb 1951-Apr 2018	Dec 1969-April 2018
	(1)	(2)	(3)	(4)
VARIABLES	Log Real CRB (BLS) Foods Price Index period average	Log Real Dow Jones-AIG Commodity Price Index period average	Log Real Moody's Commodity Price Index period average	Log Real Goldman Sachs Commodity Price Index period average
Real Interest Rate	-0.026***	-0.026***	-0.088***	-0.071***
	(0.007)	(0.007)	(0.005)	(0.006)
Constant	0.847***	0.043**	2.594***	0.713***
	(0.017)	(0.017)	(0.013)	(0.016)
Observations	807	757	807	581
R-squared	0.018	0.022	0.295	0.172

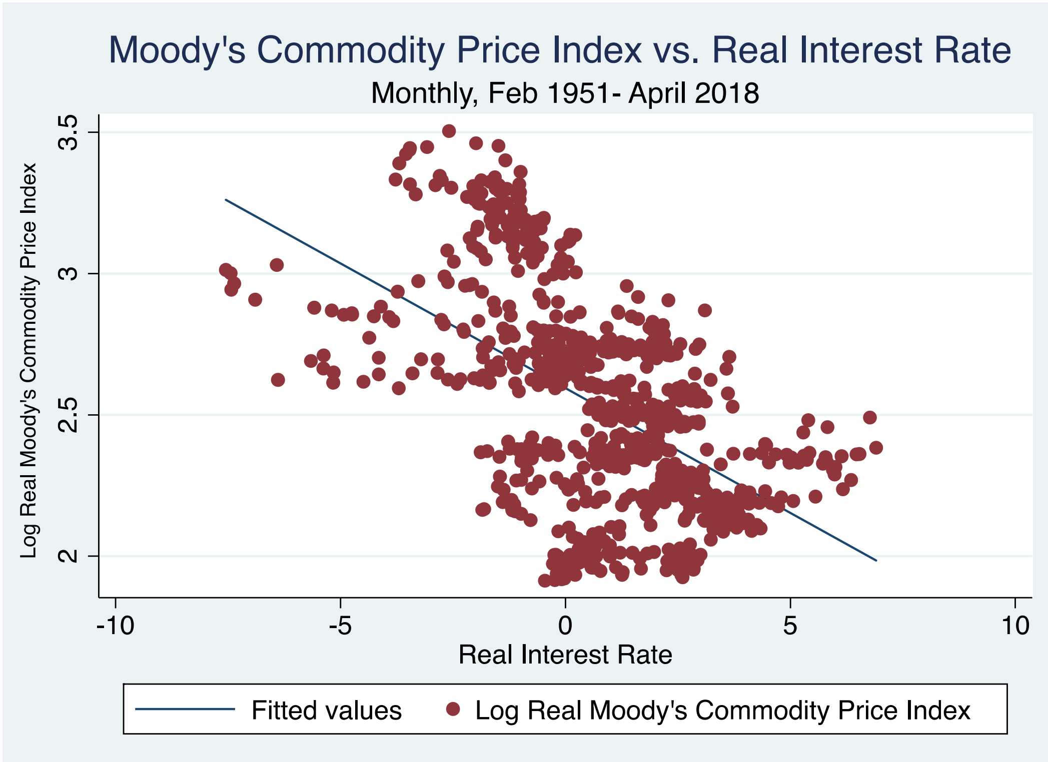
*** p<0.01, ** p<0.05, * p<0.1.   Heteroskedastic robust standard errors in parentheses.

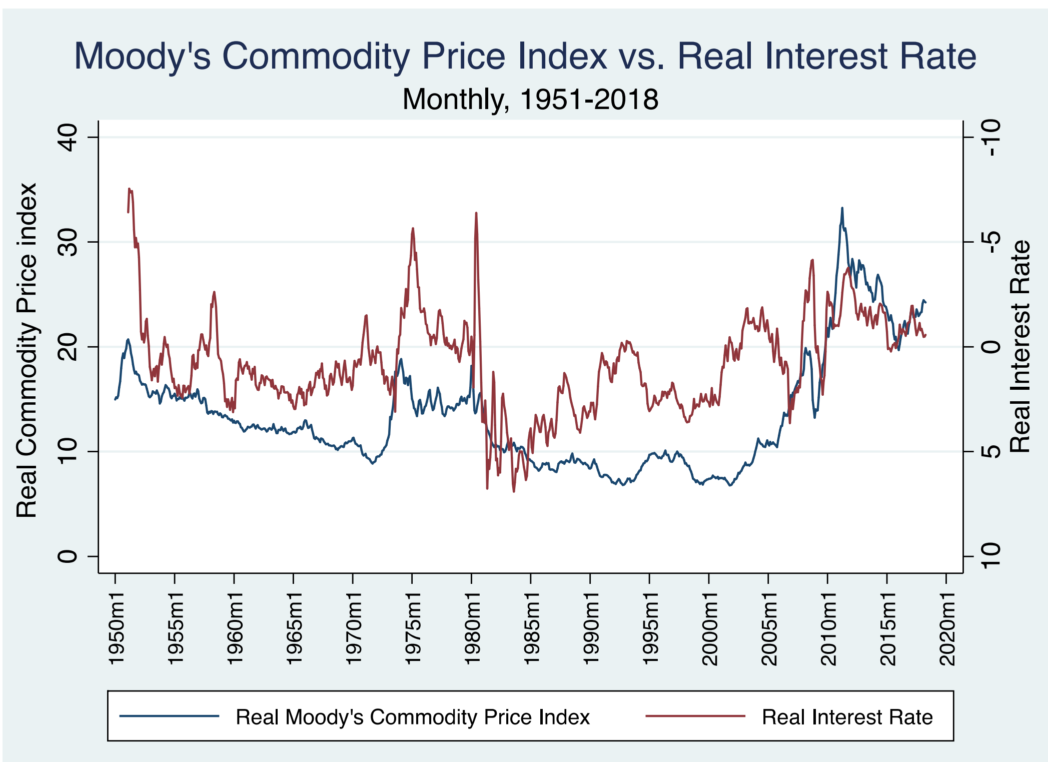
Notes:

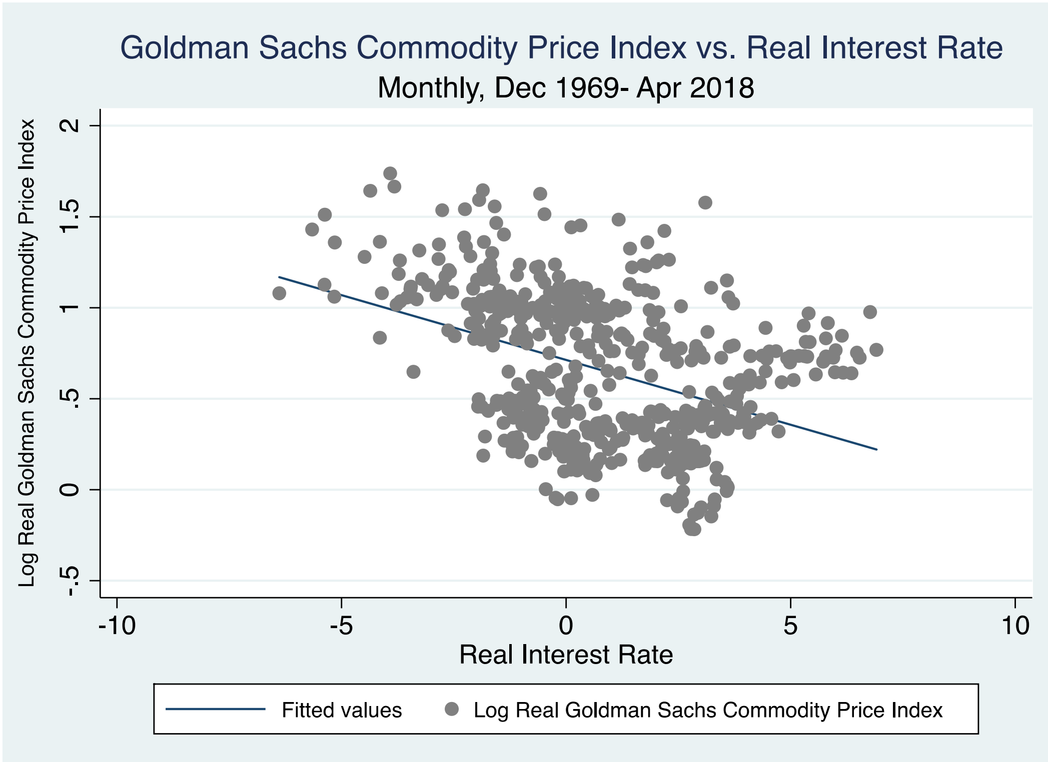
- INFLATION (Month X, Year T) =Log CPI (Month X, Year T) – Log CPI (Month X, Year T-1)
- REAL INTEREST RATE (Month X, YEAR T) = [3-TBILL(Month X, YEAR T)/100 - INFLATION (Month X-1, YEAR T)]*100 for months (Feb-Dec) ; for Jan we take INFLATION (Month X-1, YEAR T-1).
- Source for 3-month treasury bill rates: Federal Reserve Bank of St. Louis https://fred.stlouisfed.org/series/TB3MS, May 31, 2018. Source for Commodity Price Indexes: Global Financial Data


CRB Commodity Price Index vs. Real Interest Rate
Monthly, Feb 1951- Apr 2018
Log Real CRB Commodity Price Index
0
.5
1
1.5
2
-10
-5
0
5
10
Real Interest Rate
Fitted values
Log Real CRB Commodity Price Index

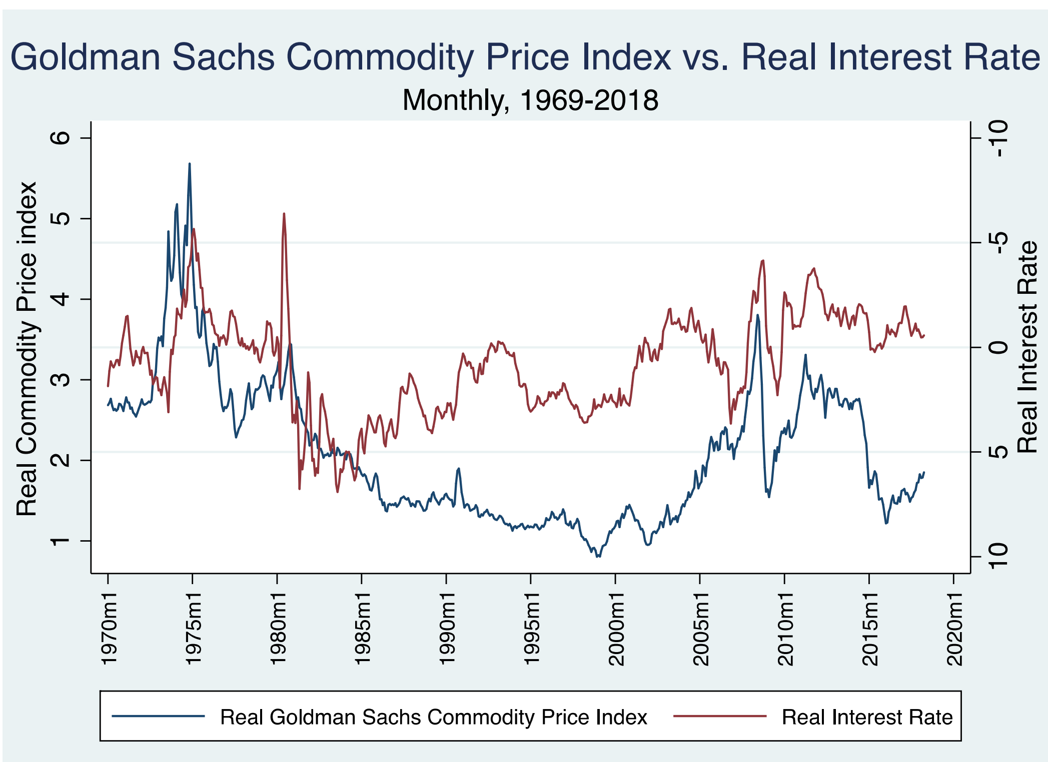

CRB Commodity Price Index vs. Real Interest Rate
Monthly, 1951-2018
Real Commodity Price index
1
2
3
4
5
6
Real Interest Rate
-10
-5
0
5
10
1950m1
1955m1
1960m1
1965m1
1970m1
1975m1
1980m1
1985m1
1990m1
1995m1
2000m1
2005m1
2010m1
2015m1
2020m1
Real CRB Commodity Price Index
Real Interest Rate


Moody's Commodity Price Index vs. Real Interest Rate
Monthly, Feb 1951- April 2018
Log Real Moody's Commodity Price Index
3.5
3
2.5
2
-10
-5
0
5
10
Real Interest Rate
Fitted values
Log Real Moody's Commodity Price Index


Moody's Commodity Price Index vs. Real Interest Rate
Monthly, 1951-2018
Real Commodity Price index
40
30
20
10
0
Real Interest Rate
-10
-5
0
5
10
1950m1
1955m1
1960m1
1965m1
1970m1
1975m1
1980m1
1985m1
1990m1
1995m1
2000m1
2005m1
2010m1
2015m1
2020m1
Real Moody's Commodity Price Index
Real Interest Rate



Goldman Sachs Commodity Price Index vs. Real Interest Rate
Monthly, Dec 1969- Apr 2018
Log Real Goldman Sachs Commodity Price Index
-.5
0
.5
1
1.5
2
-10
-5
0
5
10
Real Interest Rate
Fitted values
Log Real Goldman Sachs Commodity Price Index



Goldman Sachs Commodity Price Index vs. Real Interest Rate
Monthly, 1969-2018
Real Commodity Price index
1
2
3
4
5
6
Real Interest Rate
-10
-5
0
5
10
1970m1
1975m1
1980m1
1985m1
1990m1
1995m1
2000m1
2005m1
2010m1
2015m1
2020m1
Real Goldman Sachs Commodity Price Index
Real Interest Rate