

## ECO764: Assignment 1

This is an individual assignment

**The last date for submission is August 8 by midnight!**

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Please go through the assignment and answer the following questions:

1. What distinguishes a futures contract from a spot contract? How does a futures contract work on the commodity exchange? What role does a commodity exchange play in enabling futures contract trading, settlement, and delivery?  
400 words
2. How should the Mentha oil futures market breadth and depth be calculated? What are the implications of this analysis in commodity futures contract management?  
500 words, including tables and figures
3. Is the Mentha oil futures contract efficient in price discovery compared to its spot market? Is there evidence of co-movement between the futures and spot prices?  
400 words, excluding tables and figures
4. What is the best course of action for Nathany to resurrect the dwindling Mentha oil futures? How should he evaluate each option? 500 words max
5. You have been given the data and can use it to explore anything related to future markets. 200 words

Please attach your Excel calculations with the submission.