



The University of Chicago  
Department of Statistics

Master's Seminar

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**The Weekend Effect of Return on Crude Oil Prices**

**THURSDAY, February 26, 2009 at 11:00 AM**  
**110 Eckhart Hall, 5734 S. University Avenue**

**ABSTRACT**

Crude oil prices experienced major economic and political events for the past two decades and marked the greatest price on record in 2008. However, despite the price process being sensitive to external conditions, 5-day periodic movements of WTI crude oil prices can be observed during the period from 1986 to 2008. Spectral analysis is mainly used to detect these periodic patterns, and simulated series (which follow the two hypotheses about returns: “trading time” hypothesis and “calendar time” hypothesis) are compared to the actual process. In addition, two samples, pre-2002 period and post-2002 period, are compared to exhibit the impact of drifting away from the historical mean on the weekend effect.