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## **HEDGE FUNDS AND MARKET TIMING: EVIDENCE FROM COMMODITY MARKETS**

### **Abstract:**

As an alternative investment vehicle that employ dynamic trading strategies hedge funds has been growing explosively both in terms of the number of hedge funds and the value of assets under management (AUM). This paper focuses on the ability of hedge fund managers to time commodity markets. We used both pooled and calendar single and multiple timing index models to measure if hedge funds can time the market. There is mixed evidence of market timing ability of hedge funds. The results over the entire sample period of 1996-2000 show that when we use DJUBS index for market timing ability of hedge funds in a pooled time models there is an evidence. But, in single index model of calendar time there is none. Even my GS index model shows that there is negative alpha at 5% significant level.

### **Keywords:**

Financial crises, hedge funds, market timing

**JEL Classification:** G01, G11