Does Oil and Gold Price Uncertainty Matter for the Stock Market?

*November 25, 2016, 14h30, ISCTE-IUL, Auditorium ONE01 (Building I)*

**Thorsten Lehnert**  
*University of Luxembourg, School of Finance*

Thorsten Lehnert holds a Chair in Asset & Risk Management and is head of the Doctoral School at the Luxembourg School of Finance of the University of Luxembourg. He received his Ph.D. degree from the Finance Department of the University of Maastricht. He is a financial econometrician specializing in asset pricing and risk management. His work has been published in various academic journals like Management Science, Journal of Economic Dynamics and Control and Oxford Bulletin of Economics and Statistics. He is a frequent speaker at leading international academic conferences including the Annual Meetings of the European Finance Association, the European Financial Management Association and the Financial Management Association.

**Abstract**  
We proxy the uncertainty in the stock, oil and gold markets with the variance risk premia, extracted from futures and option contracts traded on each of these asset classes. We observe that an independent increase in the stock, oil or gold markets uncertainty coincides with negative returns for a large portion of stocks. However, only the stock market uncertainty is a market-wide priced factor in the cross section of stock expected returns. The oil price uncertainty is a sector-specific factor, and due to the industry segmentation of the market, it is only priced within oil-relevant industries. Finally, the gold price uncertainty is asset-specific and it is neither priced across nor within industries.