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Indexing    View Papers    Aims & Scope    Editorial Board    Guideline    Article Processing Charges

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# Leading Indicators of Heating Coal Pricing in Turkey: A Coal Pricing Model (2003-2009)

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### ABSTRACT

In this study, a coal pricing model for Turkey is developed employing Granger causality and cointegration analysis by using monthly data between January 2003 and April 2009. Empirical results based on Granger causality tests indicate that foreign coal futures prices and domestic consumer price index for energy sector can be used as the leading indica- tors for domestic coal prices for Turkey. An error correction model for Turkish coal pricing is specified by taking into account the results of Granger causality. The forecast of the coal prices based on error correction model is giving very successful results. It is observed that the coal prices and forecasted coal prices values are almost moving together or very close to each other.

### KEYWORDS

### Cite this paper

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