

Possible Sovereign Debt Hedging with U.S. Agricultural or Oil and Gas Field Purchases

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February, 2011

Abstract. Is sovereign debt being hedged with real property purchases? A recent spike in agricultural and oil/has fields land purchases within the United States coincides with improving investment returns on property and a reduction in foreign purchases of U.S. Department of Treasury debt. The simultaneity of these events may suggest a hedging strategy.

While correlation is not causation, a preponderance of recent trends in agricultural land purchases coinciding with repositioning of foreign financial holds in the United States, may suggest a shift toward real property purchases to coincide with improving returns on agricultural lands along with diversifying asset portfolios to mitigate other perceived risks. The paper will address these concerns.