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“A study on Commodity Market at Religare”

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Introduction Commodity:

A commodity may be defined as an article, a product or material that is bought and sold. It can be classified as every kind of movable property, except Actionable Claims, Money & Securities. Commodities actually offer immense potential to become a separate asset class for market-savvy investors, arbitrageurs and speculators. Retail investors, who claim to understand the equity markets, may find commodities an unfathomable market. However, when it comes to the fundamentals of demand and supply, commodities are simple to comprehend. Before investing in commodities futures, retail investors should be aware of the risks and benefits. Commodity futures pricing has historically been less volatile than equity pricing, making them a good option for portfolio diversification.

Classifications of the Markets:

India's wide geographical area and large population are perfectly complemented by the size of her market. The commodity market and the bond market are the two broadest classifications of the Indian market.

In India, the commodities market includes all tangible markets that we encounter in our daily lives. Markets like this are social institutions that allow the trade of goods and services. The cost of commodities is calculated in the local currency. The Indian commodity market can be broken down into two categories:

- Market for Wholesale Goods
- Market for Retail

The original wholesale market in India dealt with whole sellers, who purchased items from farmers and manufacturers and then resold them to retailers after profiting. The shopkeepers were the ones who came up with the idea.

Whole merchants' importance began to wane with the passage of time for the following reasons:

- In most cases, entire sellers served as parasites, adding little value to the product while raising the price, which was subsequently borne by the customers.
- As transportation facilities improved, retailers were able to engage directly with producers.

Need of the study:

The commodities market can be divided into two types: over-the-counter (OTC) and exchange-based markets. There is also a spot and derivatives component, similar to equities. Spot markets are essentially over-the-counter marketplaces, with participation limited to those involved in the product, such as farmers, processors, wholesalers, and others. Derivative trading occurs on exchange-based platforms with standardized contracts, settlements, and other features.

Scope of the study:

The scope of this project is limited to the selected contracts of commodity markets.

Objectives of the study:

The main goal of completing this project was to:

1. To know about the commodities market.
2. To understand the various technical and statistical techniques used to evaluate the commodity contracts.
3. To study about the derivative contracts in commodity markets.
4. To analyse precious metals commodities contracts
5. To advise investors on how to decide whether or not to invest in the commodity market by the findings of the project.

Research Methodology:

Primary and secondary data collecting methods are included in the data collection procedures.

Primary data collecting methods: This method comprises data collection via personal conversations with authorized corporate members.

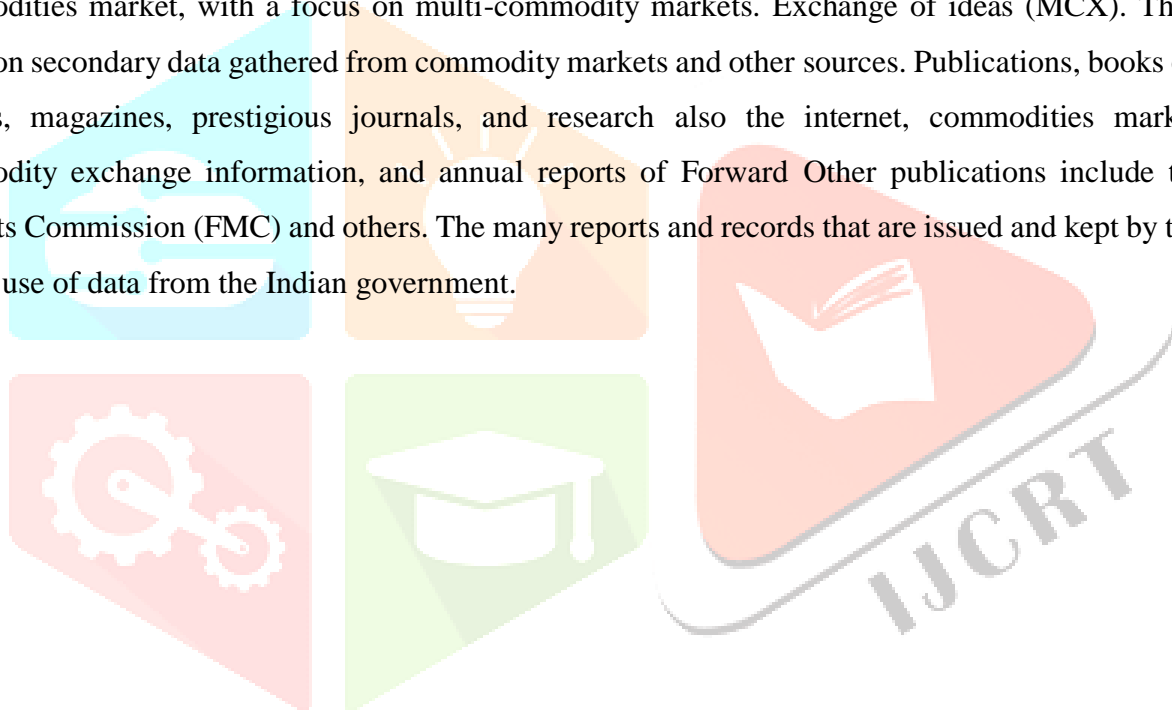
Secondary data gathering methods include the lectures of the market operations superintendent and the faculty of training, among other things, as well as data gathered for this study from numerous websites, periodicals, books, and literature published by the company's authorised training centre.

Limitations of the study:

1. The research is based on data from the past.
2. An attempt was made to forecast the market's future, which may or may not come true.
3. India's commodity market is still in its infancy.
4. The project's main constraint is the time factor.
5. Because the data used in this project came from a secondary source, the computed conclusion may or may not be accurate enough for an investor to make a choice.

Literature review:

S. Bhagwat and A. S. Maravi (2016). A Study of Commodity Market Vs Multi Commodity Trading. India's Stock Exchange (Indian Stock Exchange) Limited (MCX). The current research is focused on the Indian commodities market, with a focus on multi-commodity markets. Exchange of ideas (MCX). The research is based on secondary data gathered from commodity markets and other sources. Publications, books on connected themes, magazines, prestigious journals, and research also the internet, commodities market bulletins, commodity exchange information, and annual reports of Forward Other publications include the Financial Markets Commission (FMC) and others. The many reports and records that are issued and kept by the study also makes use of data from the Indian government.



Data Analysis and Interpretation:**Gold**

Date	Gold			MCX Index		
	Open Price	Close Price	Returns	Open Price	Close Price	Returns
1-Jan-21	50249.00	50403.00	0.31	15791.00	15812.00	0.13
4-Jan-21	50403.00	51669.00	2.51	15812.00	16197.00	2.43
5-Jan-21	51669.00	51753.00	0.16	16197.00	16311.00	0.70
6-Jan-21	51753.00	50647.00	-2.14	16311.00	15940.00	-2.27
7-Jan-21	50647.00	51014.00	0.72	15940.00	16064.00	0.78
8-Jan-21	51014.00	49105.00	-3.74	16064.00	15277.00	-4.90
11-Jan-21	49105.00	49285.00	0.37	15277.00	15460.00	1.20
12-Jan-21	49285.00	49011.00	-0.56	15460.00	15385.00	-0.49
13-Jan-21	49011.00	49243.00	0.47	15385.00	15452.00	0.44
14-Jan-21	49243.00	49245.00	0.00	15452.00	15468.00	0.10
15-Jan-21	49245.00	48741.00	-1.02	15468.00	15235.00	-1.51
18-Jan-21	48741.00	49071.00	0.68	15235.00	15314.00	0.52
19-Jan-21	49071.00	49194.00	0.25	15314.00	15388.00	0.48
20-Jan-21	49194.00	49862.00	1.36	15388.00	15552.00	1.07
21-Jan-21	49862.00	49902.00	0.08	15552.00	15548.00	-0.03
22-Jan-21	49902.00	49624.00	-0.56	15548.00	15436.00	-0.72
25-Jan-21	49624.00	49719.00	0.19	15436.00	15897.00	2.99
27-Jan-21	49719.00	49635.00	-0.17	15897.00	15370.00	-3.32
28-Jan-21	49635.00	49581.00	-0.11	15370.00	15020.00	-2.28
29-Jan-21	49581.00	49835.00	0.51	15020.00	15440.00	2.80
1-Feb-21	49835.00	49394.00	-0.88	15440.00	15595.00	1.00
2-Feb-21	49394.00	47978.00	-2.87	15595.00	15228.00	-2.35
3-Feb-21	47978.00	47952.00	-0.05	15228.00	15160.00	-0.45
4-Feb-21	47952.00	46198.00	-3.66	15160.00	14976.00	-1.21
5-Feb-21	46198.00	47414.00	2.63	14976.00	14980.00	0.03
8-Feb-21	47414.00	48054.00	1.35	14980.00	15187.00	1.38
9-Feb-21	48054.00	48175.00	0.25	15187.00	15230.00	0.28
10-Feb-21	48175.00	48261.00	0.18	15230.00	15239.00	0.06
11-Feb-21	48261.00	47833.00	-0.89	15239.00	15132.00	-0.70
12-Feb-21	47833.00	47710.00	-0.26	15132.00	15122.00	-0.07
15-Feb-21	47710.00	47527.00	-0.38	15122.00	15144.00	0.15
16-Feb-21	47527.00	47228.00	-0.63	15144.00	14996.00	-0.98
17-Feb-21	47228.00	46544.00	-1.45	14996.00	14851.00	-0.97
18-Feb-21	46544.00	46469.00	-0.16	14851.00	14760.00	-0.61
19-Feb-21	46469.00	46487.00	0.04	14760.00	14805.00	0.30
22-Feb-21	46487.00	47147.00	1.42	14805.00	15053.00	1.68
23-Feb-21	47147.00	47082.00	-0.14	15053.00	14945.00	-0.72
24-Feb-21	47082.00	46837.00	-0.52	14945.00	14888.00	-0.38
25-Feb-21	46837.00	46554.00	-0.60	14888.00	14808.00	-0.54
26-Feb-21	46554.00	46302.00	-0.54	14808.00	14570.00	-1.61

1-Mar-21	46302.00	45629.00	-1.45	14570.00	14495.00	-0.51
2-Mar-21	45629.00	45956.00	0.72	14495.00	14566.00	0.49
3-Mar-21	45956.00	45281.00	-1.47	14566.00	14350.00	-1.48
4-Mar-21	45281.00	45010.00	-0.60	14350.00	14141.00	-1.46
5-Mar-21	45010.00	45055.00	0.10	14141.00	14143.00	0.01
8-Mar-21	45055.00	45082.00	0.06	14143.00	14062.00	-0.57
9-Mar-21	45082.00	45367.00	0.63	14062.00	14294.00	1.65
10-Mar-21	45367.00	45402.00	0.08	14294.00	14276.00	-0.13
11-Mar-21	45402.00	45507.00	0.23	14276.00	14310.00	0.24
12-Mar-21	45507.00	44985.00	-1.15	14310.00	14228.00	-0.57
15-Mar-21	44985.00	45707.00	1.60	14228.00	14320.00	0.65
16-Mar-21	45707.00	45581.00	-0.28	14320.00	14252.00	-0.47
17-Mar-21	45581.00	45584.00	0.01	14252.00	14279.00	0.19
18-Mar-21	45584.00	45678.00	0.21	14279.00	14327.00	0.34
19-Mar-21	45678.00	45637.00	-0.09	14327.00	14334.00	0.05
22-Mar-21	45637.00	45525.00	-0.25	14334.00	14227.00	-0.75
23-Mar-21	45525.00	45410.00	-0.25	14227.00	14099.00	-0.90
24-Mar-21	45410.00	45705.00	0.65	14099.00	14143.00	0.31
25-Mar-21	45705.00	45542.00	-0.36	14163	14112	-0.36
26-Mar-21	45542.00	45374.00	-0.37	14112	14099	-0.09
29-Mar-21	45374.00	44953.00	-0.93	14099	13962	-0.97
30-Mar-21	44953.00	44655.00	-0.66	13962	13840	-0.87
31-Mar-21	44655.00	45234.00	1.30	13840	13996	1.13

Total -10.10
Average Return -0.16

$$\text{Returns} = \frac{P1 - P0}{P0} \times 100$$

Average return = Total return / No. of Observations

Average return = -10.10/63 = -0.16

Average Return = -0.16

Beta Calculations

Gold returns (X)	MCX Index (Y)	$X \times X = X^2$	$Y \times Y = Y^2$	XY
0.31	0.13	0.09	0.02	0.04
2.51	2.43	6.31	5.93	6.12
0.16	0.70	0.03	0.50	0.11
-2.14	-2.27	4.57	5.17	4.86
0.72	0.78	0.53	0.61	0.56
-3.74	-4.90	14.00	24.00	18.33
0.37	1.20	0.13	1.43	0.44
-0.56	-0.49	0.31	0.24	0.27
0.47	0.44	0.22	0.19	0.21
0.00	0.10	0.00	0.01	0.00
-1.02	-1.51	1.05	2.27	1.54
0.68	0.52	0.46	0.27	0.35
0.25	0.48	0.06	0.23	0.12
1.36	1.07	1.84	1.14	1.45
0.08	-0.03	0.01	0.00	0.00
-0.56	-0.72	0.31	0.52	0.40
0.19	2.99	0.04	8.92	0.57
-0.17	-3.32	0.03	10.99	0.56
-0.11	-2.28	0.01	5.19	0.25
0.51	2.80	0.26	7.82	1.43
-0.88	1.00	0.78	1.01	-0.89
-2.87	-2.35	8.22	5.54	6.75
-0.05	-0.45	0.00	0.20	0.02
-3.66	-1.21	13.38	1.47	4.44
2.63	0.03	6.93	0.00	0.07
1.35	1.38	1.82	1.91	1.87
0.25	0.28	0.06	0.08	0.07
0.18	0.06	0.03	0.00	0.01
-0.89	-0.70	0.79	0.49	0.62
-0.26	-0.07	0.07	0.00	0.02
-0.38	0.15	0.15	0.02	-0.06
-0.63	-0.98	0.40	0.96	0.61
-1.45	-0.97	2.10	0.93	1.40
-0.16	-0.61	0.03	0.38	0.10
0.04	0.30	0.00	0.09	0.01
1.42	1.68	2.02	2.81	2.38
-0.14	-0.72	0.02	0.51	0.10
-0.52	-0.38	0.27	0.15	0.20
-0.60	-0.54	0.37	0.29	0.32
-0.54	-1.61	0.29	2.58	0.87
-1.45	-0.51	2.11	0.26	0.75
0.72	0.49	0.51	0.24	0.35
-1.47	-1.48	2.16	2.20	2.18

-0.60	-1.46	0.36	2.12	0.87
0.10	0.01	0.01	0.00	0.00
0.06	-0.57	0.00	0.33	-0.03
0.63	1.65	0.40	2.72	1.04
0.08	-0.13	0.01	0.02	-0.01
0.23	0.24	0.05	0.06	0.06
-1.15	-0.57	1.32	0.33	0.66
1.60	0.65	2.58	0.42	1.04
-0.28	-0.47	0.08	0.23	0.13
0.01	0.19	0.00	0.04	0.00
0.21	0.34	0.04	0.11	0.07
-0.09	0.05	0.01	0.00	0.00
-0.25	-0.75	0.06	0.56	0.18
-0.25	-0.90	0.06	0.81	0.23
0.65	0.31	0.42	0.10	0.20
-0.36	-0.36	0.13	0.13	0.13
-0.37	-0.09	0.14	0.01	0.03
-0.93	-0.97	0.86	0.94	0.90
-0.66	-0.87	0.44	0.76	0.58
1.30	1.13	1.68	1.27	1.46
-10.10	-11.66	81.40	108.51	67.35

n = 63

Average Return = - 0.16

$$\sum X Y = 67.35$$

$$\sum X = -10.10,$$

$$\sum X^2 = 81.40,$$

$$\sum Y = -11.66$$

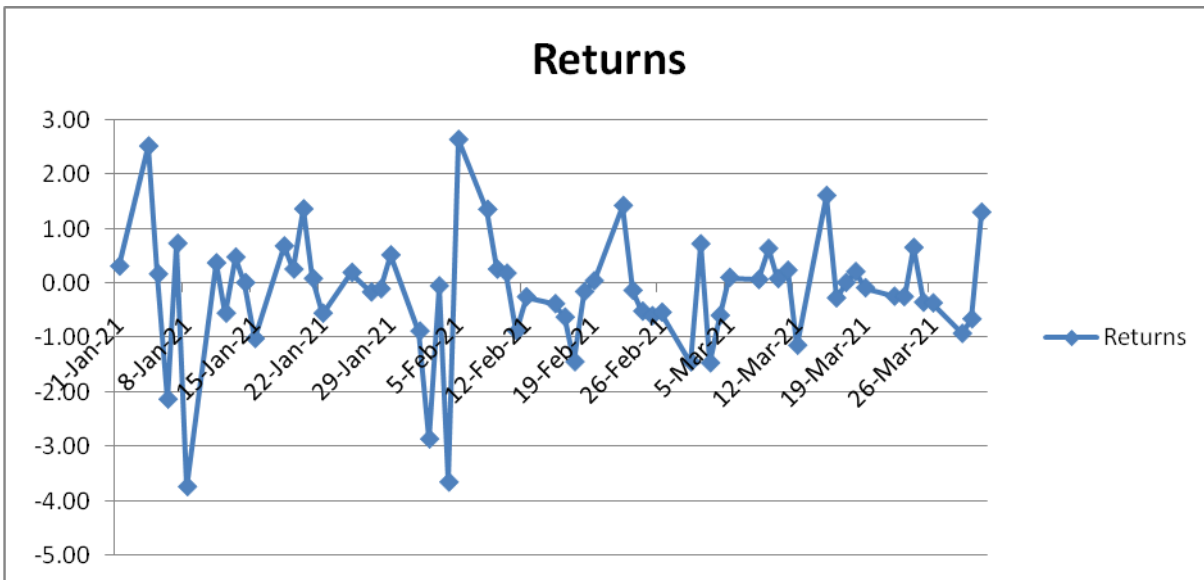
$$\sum Y^2 = 108.51$$

$$\beta = \{n \sum X Y - (\sum X \times \sum Y)\} / \{n \sum(X^2) - (\sum X)^2\}$$

$$\beta = \{63(67.35) - (-10.10 \times -11.66)\} / \{63(81.40) - (-10.10)^2\}$$

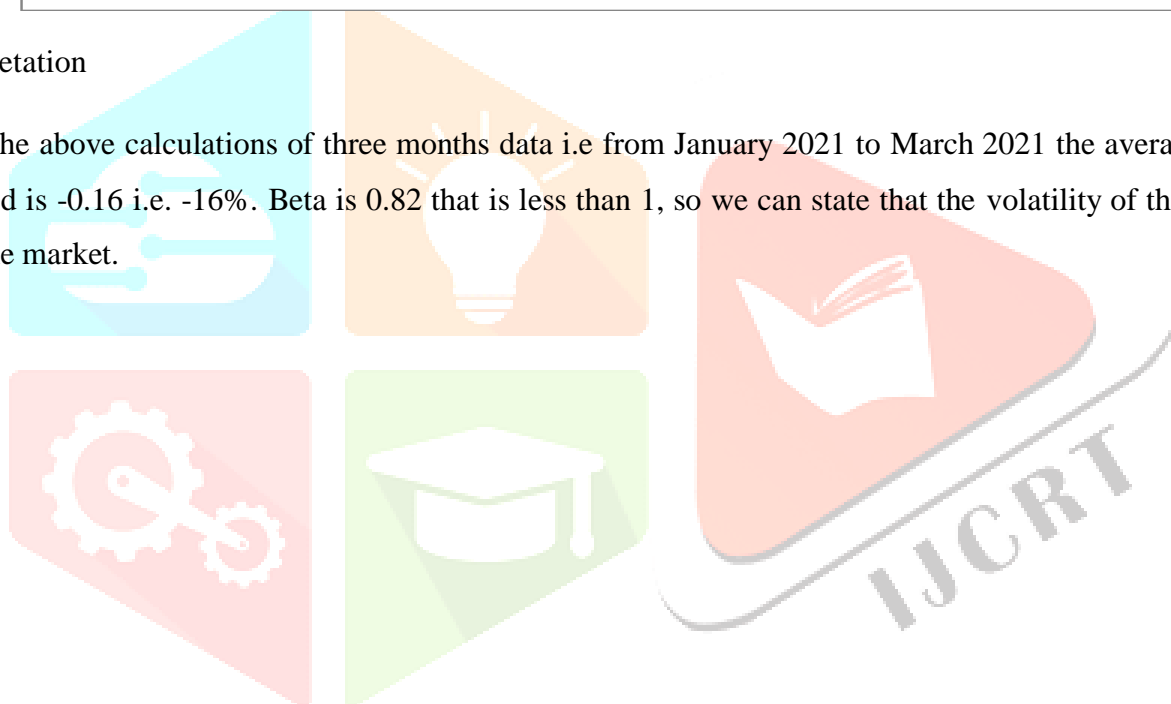
$$\beta = 0.82$$

Returns of Gold



Interpretation

From the above calculations of three months data i.e from January 2021 to March 2021 the average returns of the gold is -0.16 i.e. -16%. Beta is 0.82 that is less than 1, so we can state that the volatility of the gold is less than the market.



Silver

Date	Silver			MCXIndex		
	Open Price	Close Price	Returns	Open Price	Close Price	Returns
1-Jan-21	70978.00	70942.00	-0.05	15791.00	15812.00	0.13
4-Jan-21	70942.00	72968.00	2.86	15812.00	16197.00	2.43
5-Jan-21	72968.00	73734.00	1.05	16197.00	16311.00	0.70
6-Jan-21	73734.00	72155.00	-2.14	16311.00	15940.00	-2.27
7-Jan-21	72155.00	72999.00	1.17	15940.00	16064.00	0.78
8-Jan-21	72999.00	67128.00	-8.04	16064.00	15277.00	-4.90
11-Jan-21	67128.00	68452.00	1.97	15277.00	15460.00	1.20
12-Jan-21	68452.00	68227.00	-0.33	15460.00	15385.00	-0.49
13-Jan-21	68227.00	68470.00	0.36	15385.00	15452.00	0.44
14-Jan-21	68470.00	68437.00	-0.05	15452.00	15468.00	0.10
15-Jan-21	68437.00	67306.00	-1.65	15468.00	15235.00	-1.51
18-Jan-21	67306.00	67899.00	0.88	15235.00	15314.00	0.52
19-Jan-21	67899.00	68252.00	0.52	15314.00	15388.00	0.48
20-Jan-21	68252.00	69526.00	1.87	15388.00	15552.00	1.07
21-Jan-21	69526.00	69871.00	0.50	15552.00	15548.00	-0.03
22-Jan-21	69871.00	69348.00	-0.75	15548.00	15436.00	-0.72
25-Jan-21	69348.00	68730.00	-0.89	15436.00	15897.00	2.99
27-Jan-21	68730.00	69203.00	0.69	15897.00	15370.00	-3.32
28-Jan-21	69203.00	70480.00	1.85	15370.00	15020.00	-2.28
29-Jan-21	70480.00	72794.00	3.28	15020.00	15440.00	2.80
1-Feb-21	72794.00	77141.00	5.97	15440.00	15595.00	1.00
2-Feb-21	77141.00	70757.00	-8.28	15595.00	15228.00	-2.35
3-Feb-21	70757.00	71718.00	1.36	15228.00	15160.00	-0.45
4-Feb-21	71718.00	70347.00	-1.91	15160.00	14976.00	-1.21
5-Feb-21	70347.00	71909.00	2.22	14976.00	14980.00	0.03
8-Feb-21	71909.00	73234.00	1.84	14980.00	15187.00	1.38
9-Feb-21	73234.00	72924.00	-0.42	15187.00	15230.00	0.28
10-Feb-21	72924.00	72103.00	-1.13	15230.00	15239.00	0.06
11-Feb-21	72103.00	72069.00	-0.05	15239.00	15132.00	-0.70
12-Feb-21	72069.00	72333.00	0.37	15132.00	15122.00	-0.07
15-Feb-21	72333.00	73416.00	1.50	15122.00	15144.00	0.15
16-Feb-21	73416.00	72692.00	-0.99	15144.00	14996.00	-0.98
17-Feb-21	72692.00	72668.00	-0.03	14996.00	14851.00	-0.97
18-Feb-21	72668.00	71886.00	-1.08	14851.00	14760.00	-0.61
19-Feb-21	71886.00	72434.00	0.76	14760.00	14805.00	0.30
22-Feb-21	72434.00	73851.00	1.96	14805.00	15053.00	1.68
23-Feb-21	73851.00	73160.00	-0.94	15053.00	14945.00	-0.72
24-Feb-21	73160.00	73314.00	0.21	14945.00	14888.00	-0.38
25-Feb-21	73314.00	73453.00	0.19	14888.00	14808.00	-0.54
26-Feb-21	73453.00	71805.00	-2.24	14808.00	14570.00	-1.61
1-Mar-21	71805.00	71533.00	-0.38	14570.00	14495.00	-0.51
2-Mar-21	71533.00	72936.00	1.96	14495.00	14566.00	0.49

3-Mar-21	72936.00	71743.00	-1.64	14566.00	14350.00	-1.48
4-Mar-21	71743.00	66803.00	-6.89	14350.00	14141.00	-1.46
5-Mar-21	66803.00	67493.00	1.03	14141.00	14143.00	0.01
8-Mar-21	67493.00	67966.00	0.70	14143.00	14062.00	-0.57
9-Mar-21	67966.00	69435.00	2.16	14062.00	14294.00	1.65
10-Mar-21	69435.00	69480.00	0.06	14294.00	14276.00	-0.13
11-Mar-21	69480.00	69588.00	0.16	14276.00	14310.00	0.24
12-Mar-21	69588.00	68883.00	-1.01	14310.00	14228.00	-0.57
15-Mar-21	68883.00	69654.00	1.12	14228.00	14320.00	0.65
16-Mar-21	69654.00	69150.00	-0.72	14320.00	14252.00	-0.47
17-Mar-21	69150.00	69272.00	0.18	14252.00	14279.00	0.19
18-Mar-21	69272.00	69722.00	0.65	14279.00	14327.00	0.34
19-Mar-21	69722.00	69488.00	-0.34	14327.00	14334.00	0.05
22-Mar-21	69488.00	68320.00	-1.68	14334.00	14227.00	-0.75
23-Mar-21	68320.00	67098.00	-1.79	14227.00	14099.00	-0.90
24-Mar-21	67098.00	67472.00	0.56	14099.00	14143.00	0.31
25-Mar-21	67472.00	66886.00	-0.87	14163	14112	-0.36
26-Mar-21	66886.00	66544.00	-0.51	14112	14099	-0.09
29-Mar-21	66544.00	66042.00	-0.75	14099	13962	-0.97
30-Mar-21	66042.00	64885.00	-1.75	13962	13840	-0.87
31-Mar-21	64885.00	65593.00	1.09	13840	13996	1.13

Total = -6.26
Average Return = -0.10

$$\text{Returns} = \frac{P1 - P0}{P0} \times 100$$

Average return = Total return / No. of Observations

Average return = -6.26/63 = -0.10

Average Return = -0.10

Calculations of Beta

Silver returns (X)	MCX Index (Y)	X x X = X2	Y x Y = Y2	XY
-0.05	0.13	0.00	0.02	-0.01
2.86	2.43	8.16	5.93	6.95
1.05	0.70	1.10	0.50	0.74
-2.14	-2.27	4.59	5.17	4.87
1.17	0.78	1.37	0.61	0.91
-8.04	-4.90	64.68	24.00	39.40
1.97	1.20	3.89	1.43	2.36
-0.33	-0.49	0.11	0.24	0.16
0.36	0.44	0.13	0.19	0.16
-0.05	0.10	0.00	0.01	0.00
-1.65	-1.51	2.73	2.27	2.49
0.88	0.52	0.78	0.27	0.46
0.52	0.48	0.27	0.23	0.25
1.87	1.07	3.48	1.14	1.99
0.50	-0.03	0.25	0.00	-0.01
-0.75	-0.72	0.56	0.52	0.54
-0.89	2.99	0.79	8.92	-2.66
0.69	-3.32	0.47	10.99	-2.28
1.85	-2.28	3.41	5.19	-4.20
3.28	2.80	10.78	7.82	9.18
5.97	1.00	35.66	1.01	5.99
-8.28	-2.35	68.49	5.54	19.48
1.36	-0.45	1.84	0.20	-0.61
-1.91	-1.21	3.65	1.47	2.32
2.22	0.03	4.93	0.00	0.06
1.84	1.38	3.40	1.91	2.55
-0.42	0.28	0.18	0.08	-0.12
-1.13	0.06	1.27	0.00	-0.07
-0.05	-0.70	0.00	0.49	0.03
0.37	-0.07	0.13	0.00	-0.02
1.50	0.15	2.24	0.02	0.22
-0.99	-0.98	0.97	0.96	0.96
-0.03	-0.97	0.00	0.93	0.03
-1.08	-0.61	1.16	0.38	0.66
0.76	0.30	0.58	0.09	0.23
1.96	1.68	3.83	2.81	3.28
-0.94	-0.72	0.88	0.51	0.67
0.21	-0.38	0.04	0.15	-0.08
0.19	-0.54	0.04	0.29	-0.10
-2.24	-1.61	5.03	2.58	3.61
-0.38	-0.51	0.14	0.26	0.19
1.96	0.49	3.85	0.24	0.96
-1.64	-1.48	2.68	2.20	2.43

-6.89	-1.46	47.41	2.12	10.03
1.03	0.01	1.07	0.00	0.01
0.70	-0.57	0.49	0.33	-0.40
2.16	1.65	4.67	2.72	3.57
0.06	-0.13	0.00	0.02	-0.01
0.16	0.24	0.02	0.06	0.04
-1.01	-0.57	1.03	0.33	0.58
1.12	0.65	1.25	0.42	0.72
-0.72	-0.47	0.52	0.23	0.34
0.18	0.19	0.03	0.04	0.03
0.65	0.34	0.42	0.11	0.22
-0.34	0.05	0.11	0.00	-0.02
-1.68	-0.75	2.83	0.56	1.25
-1.79	-0.90	3.20	0.81	1.61
0.56	0.31	0.31	0.10	0.17
-0.87	-0.36	0.75	0.13	0.31
-0.51	-0.09	0.26	0.01	0.05
-0.75	-0.97	0.57	0.94	0.73
-1.75	-0.87	3.07	0.76	1.53
1.09	1.13	1.19	1.27	1.23
-6.26	-11.66	317.76	108.51	125.97

n = 63

Average Return = - 0.16

$$\sum X Y = 125.97$$

$$\sum X = -6.26,$$

$$\sum X^2 = 317.76$$

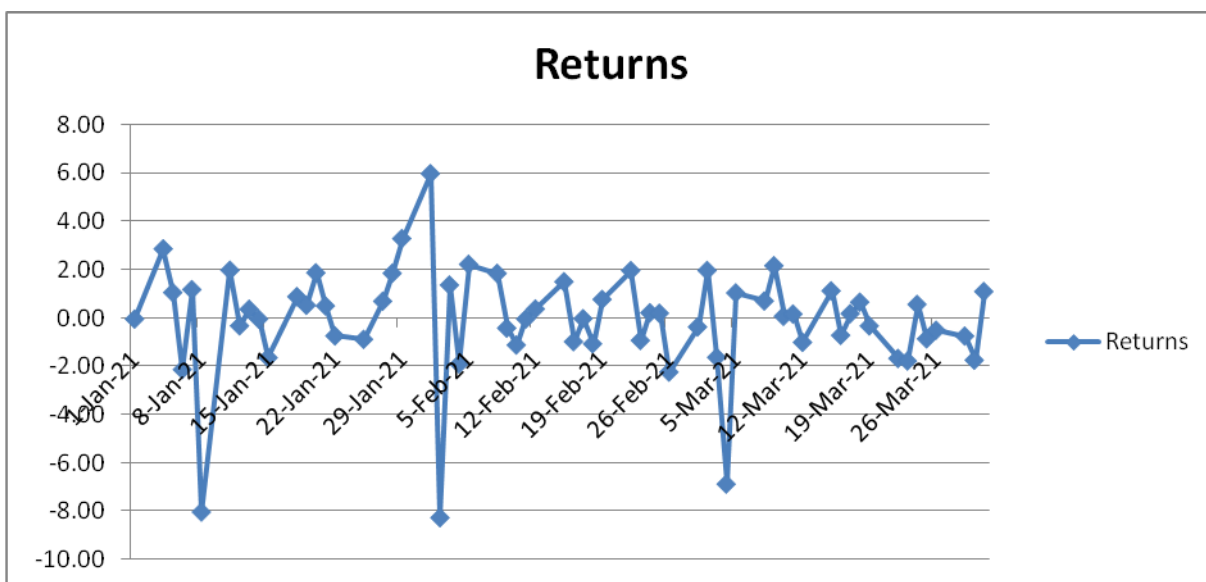
$$\sum Y = -11.66$$

$$\sum Y^2 = 108.51$$

$$\beta = \{n \sum X Y - (\sum X \times \sum Y)\} / \{n \sum(X^2) - (\sum X)^2\}$$

$$\beta = \{63(125.97) - (-6.26 \times -11.66)\} / \{63(108.51) - (-6.26)^2\}$$

$$\beta = 0.39$$



Interpretation

From the above calculations of three months data i.e from January 2021 to March 2021 the average returns of the Silver is -0.10 i.e. -10%. Beta is 0.39 that is less than 1, so we can state that the volatility of the Silver is less than the market.

Findings:

- The average returns of the gold for the period of three months i.e from January 2021 to March 2021 is -0.16 i.e. -16%. Beta is 0.82 that is less than 1, so we can state that the volatility of the gold is less than the market.
- The average returns of the Silver for the period of three months i.e from January 2021 to March 2021 -0.10 i.e. -10%. Beta is 0.39 that is less than 1, so we can state that the volatility of the Silver is less than the market.
- The average returns of the Copper for the period of three months i.e from January 2021 to March 2021 is 0.19 i.e. 19%. Beta is -0.01 that is less than 1, so we can state that the volatility of the Copper is less than the market.

Suggestions:

- There are many complexities in this industry, and most professionals learned on the job. You will have to dedicate a large part of your life to trading commodities.
- When more capital became allocated to commodities, it reduced the amount of currency depreciation. However, prices of commodity goods still fluctuate with the influence of the global market.
- These commodities are the risk management instruments which transfers the pricing risks to other parties.
- In this field, there are many complications, and most workers learn on the job. You will have to devote a significant portion of your life to commodity trading.

Conclusion:

The majority of Indian investors are unaware of the structured commodity market; they view it as a risky to extremely risky investment. Many of them have erroneous impressions about the commodity market. It makes them opportunistic in the commodity market. Concerned authorities must take action to make the commodity trading procedure simple and uncomplicated. Along with government initiatives, non-governmental organizations (NGOs) should step up to educate the public about commodity markets and urge them to invest. There is no doubt that, in the not-too-distant future, the commodities market, rather than the spot market, will become a hotspot for Indian farmers, with producers, traders, and consumers benefiting. However, in order for this to happen, someone must take steps to standardise and promote the commodity market.

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