

# **INVESTORS AWARENESS ABOUT INDIAN COMMODITIES MARKET WITH REFERENCE TO GOLD AND SILVER PRICE-MOTILAL**

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## **I. INTRODUCTION**

This project has been a great learning experience as well as it give enough scope to implement the analytical ability. The first part gives an insight about the basics of commodity market and their various aspects.

This project also describes about Indian commodity market and to find the different ways to attract the new customers by analysing the satisfaction of the customers.

Commodity markets are the market where raw or primary products are exchanged. These raw commodities are traded on regulated commodities exchanges, in which they are bought and sold in standardized contracts. Also, the project explains about different commodity exchanges that help in working of the commodity market.

## **II. NEED FOR THE STUDY**

One of the single best things you can do to further your education in trading commodities is to keep thorough records of your trades. Maintaining good records requires discipline, just like good trading. Unfortunately, many commodity traders don't take the time to track their trading history, which can offer a wealth of information to improve their odds of success. Most professional traders, and those who consistently make money from trading commodities, keep diligent records of their trading activity. The same cannot be said for the masses that consistently lose at trading commodities.

## **III. OBJECTIVES OF THE STUDY**

1. To study the perception of investors in commodities market.
2. To study about major exchanges trading in Indian commodity market.
3. To study the commodity trading practices in India.

## **IV. SCOPE OF THE STUDY**

The study mainly focuses on Indian commodity market, its history and latest developments in the country in commodities market. The study also keeps a birds-eye view on global commodity market and its development. The study vastly covered the aspects of commodity

trading (clearing and Settlement mechanisms in Indian commodity exchanges. The scope of the study is limited to Indian commodity market

### **HYPOTHESIS**

H0: There is no significance relationship between gold and silver prices.

H1: There is a significance relationship between gold and silver prices.

## **V. METHODOLOGY**

### **SOURCES OF DATA**

#### **Primary data**

Data was collected in systematic manner by meeting the existing investors in commodity market & other individuals.

Primary and secondary data were utilized for the purpose of the study by the researcher. The research is aimed to obtain the data mainly through primary sources. Survey method has been used to obtain information.

#### **Secondary data**

Secondary data was collected from companies and from commodities (Gold And Silver) trading websites.

## **VI. LIMITATIONS OF THE STUDY**

1. The survey was confirmed to the surroundings of twin cities Hyderabad & Secundrabad.
2. The size of sample was only 100 only.
3. The investor's response could have been biased

## **VII. REVIEW OF LITERATURE**

**Mohit Garg (2023)** Agricultural commodity markets are critical to the global economy. This study investigates the price discovery mechanism, lead-lag relationship, and volatility spillover between spot prices on the National Agriculture Market (E-NAM) and futures and spot prices on the National Commodity and Derivative Exchange (NCDEX) in the Indian agricultural commodity market.

**Upananda Pani (2022)** Price discovery function analyses the dynamics of futures and spot price behavior in an asset's intertemporal dimensions. The present study examines the price discovery function of the bullion, metal, and energy commodity futures and spot prices

through the Granger causality and Johansen–Juselius cointegration tests. The Granger causality test results show bidirectional causality between the spot and futures returns for gold, silver, aluminium, lead, nickel, and zinc.

**Siddhartha Chakrabarty (2022)** A higher order Markovian (HOM) model to capture the dynamics of commodity prices is proposed as an alternative to a Markovian model. In particular, the order of the former model, is taken to be the delay, in the response of the industry, to the market information.

**R. Sushma (2022)** This paper examines the relationship between spot and futures prices in the Indian commodity market from 2015-2019, considering copper as one of the base metals. In this study, the closing spot and future price data obtained from Multi commodity exchange of India are used to investigate price discovery.

**Dr. Arti Singh (2022)** India is an agricultural country, and agricultural goods and trade are vital to its economy. It has been decades since India's small and marginal farmers' pricing risk was reduced through better agricultural marketing

## VIII. DATA ANALYSIS & INTERPRETATION

### 1. What is the percentage of gender?

Gender	Response	percentage
Male	50	50%
Female	50	50%
Total	100	100%

**Interpretation:** The distribution of investors is evenly split between males and females, with each gender representing 50% of the total investor population surveyed.

### 2. What Age group of investors?

Age	Response	percentage
20-30	31	31%

30-40	33	33%
40-50	16	16%
50&above	21	21%
Total	100	100%

**Interpretation:** The largest age group of investors falls within the 30-40 age range (33%), followed closely by the 20-30 age range (31%). Investors aged 50 and above constitute 21%, and those in the 40-50 range make up 16% of the total.

### 3. Where would you like to invest?

Options	Response	Percentages
Equity	30	30%
Commodity	36	36%
Both	16	16%
None	18	18%
Total	100	100%

**Interpretation:** The majority of investors prefer to invest in commodities (36%), followed by equity investments (30%). A smaller proportion of investors prefer both equity and commodities (16%), while 18% do not prefer either.

### 4. In which category do you belong?

Options	Response	percentage
Short term Investor	50	50
Long term Investor	44	44
Dealer	6	6
Total	100	100%

**Interpretation:** Half of the investors are short-term investors (50%), with a significant number being long-term investors (44%). Dealers make up a small portion (6%).

### Hypothesis testing:

H<sub>0</sub>: There is no significance relationship between gold and silver prices.

YEARS	GOLD PRICE	SILVER PRICE
2019	35220	406
2020	48651	634.35
2021	48720	625.72
2022	52670	551
2023	65330	786
<b>average</b>	<b>50118.2</b>	<b>600.614</b>

**Interpretation:** The Gold price average is 50118.2 and The Silver price average is 600.614. so there is relationship between gold and silver prices. Hence it is proved that H0 is rejected. So alternative hypothesis H1 is accepted.

H0: There is no significance relationship between gold and silver prices.

### IX. FINDINGS

1. The distribution of investors is evenly split between males and females, with each gender representing 50% of the total investor population surveyed.
2. The largest age group of investors falls within the 30-40 age range (33%), followed closely by the 20-30 age range (31%). Investors aged 50 and above constitute 21%, and those in the 40-50 range make up 16% of the total.
3. The majority of investors prefer to invest in commodities (36%), followed by equity investments (30%). A smaller proportion of investors prefer both equity and commodities (16%), while 18% do not prefer either.

### X. SUGGESTIONS

1. Strengthen the regulatory environment to ensure transparency, reduce fraudulent activities, and protect investor interests.
2. Increase efforts to educate investors and traders about the commodities market. Workshops and online courses can help participants make informed decisions.
3. Invest in advanced technologies like blockchain for transaction transparency, artificial intelligence for predictive analytics, and machine learning for market trend analysis. This integration can improve efficiency and trust in the market.

### CONCLUSION

The Indian commodities market, a pivotal component of the country's economy, has shown substantial growth and diversification over the years. Its role in providing a platform for risk management and price discovery for various commodities, ranging from agricultural products to metals and energy

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