



D-2449



**A STUDY OF INVESTORS' PREFERENCE IN
COMMODITIES MARKET WITH SPECIAL REFERENCE
TO KARVY COM TRADE LIMITED, COIMBATORE**

By

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Of

**DEPARTMENT OF MANAGEMENT STUDIES
KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE – 641 006.**

A PROJECT REPORT

Submitted to the

FACULTY OF MANAGEMENT SCIENCES

In partial fulfillment of the requirements

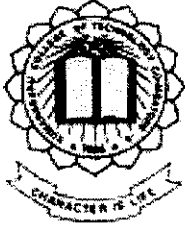
for the award of the degree

Of

MASTER OF BUSINESS ADMINISTRATION

May, 2008


ℵ **CERTIFICATE** *ℵ*

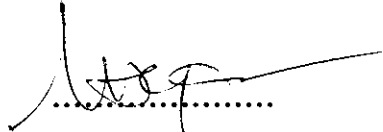


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Kumaraguru College of Technology
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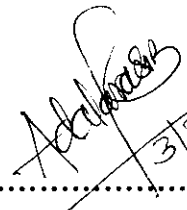
Certified that this project titled **A STUDY OF INVESTORS' PREFERENCE IN COMMODITIES MARKET WITH SPECIAL REFERENCE TO KARVY COM TRADE LIMITED, COIMBATORE** is the bonafide work of Ms. **LOGESHWARI.K (Reg. No: 71206631023)**, who carried out this research under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.


.....
Project Guide


.....
Director

Evaluated and Viva-voce held on.....3/7/2008.....


.....
Examiner I


.....
Examiner II

Date:

PROJECT COMPLETION CERTIFICATE

This is to certify that **Ms. K. Logeshwari (Roll No: 71206631023)** a student of KCT Business School, Kumaraguru College of Technology, had undergone a project between **10th of January 2008 to 24th of March 2008** titled **"A STUDY OF INVESTORS' PREFERENCE IN COMMODITIES MARKET WITH SPECIAL REFERENCE TO KARVY COM TRADE LIMITED.**


During the tenure her performance was very good.

Name and designation of the
Organization Guide : Mr.M.Jayaprakash

Postal address : Jaya Enclave, Avinashi Road,

Phone No : 0422-4291000

Email-Id : kcbccoimbatore@karvy.com



Signature of the
Organization Guide

≈ **DECLARATION** *≈*

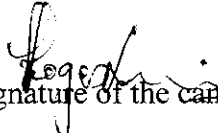
DECLARATION

I here by declare that this project entitled as “**A study of Investors’ preference in commodities market with reference to karvy com trade Limited, Coimbatore**”, has been under taken for academic purpose submitted to Anna University in partial fulfillment of the requirements for the award of the degree of Master of Business Administration. The project report is the record of the original work done by me under the guidance of Lecturer Mr.A.Senthilkumar during the academic year 2007-08.

I, also declare hereby, that the information given in this report is correct to best of my knowledge and belief.

Place: Coimbatore

Date:


Signature of the candidate
K.LOGESHWARI

z EXECUTIVE SUMMARY *z*

EXECUTIVE SUMMARY

The study entitled “Investors preference in commodities market” was conducted in Coimbatore **KARVY STOCK BROKING LIMITED**. The study was undertaken to know the preference of the investors towards various Investment avenues in relation to commodity market. The sample size taken for the study is 150. The sample from the population is taken based on regular customers to the Coimbatore Karvy. The tools used for the analysis are percentage analysis and Chi-square tests. Many have not invested in commodity market, so proper steps should be taken to improve the awareness of investment options available in the market. The respondents have mostly invested in share market and not in the commodity market due to lack of awareness to trade in commodity market.

The expectations of the investors are quite high. Many expect high rate of return for further investment through commodity market. The study also examines the phenomenal growth in commodity market which is ten times greater than the share market. The study reveals that the commodity market is in a nascent stage in Coimbatore.

The investment avenues of individual investors depend mainly on annual income as well as risk taking capacity of the individuals. Investors prefer the advice of others also. Regularity in investing, percentage of savings also has a major impact in choosing the investments. The sample from the population is taken based on regular customers. The study on investor’s preference in commodity market also gives an idea of the investor’s choice based on returns, risk and their awareness in choosing the market particularly in conducting appropriate training sessions and seminars frequently to the clients of Karvy Commodity market in Coimbatore at Karvy Commodity Trade Limited.

ACKNOWLEDGEMENT

ACKNOWLEDGEMENT

I express my sincere gratitude to our beloved correspondent **Prof. Dr.K.Arumugam, B.E, M.S, M.I.E** the prime guiding spirit of Kumaraguru College of Technology.

I sincerely thank our college principal **Dr.Joseph V.Thanikal, M.E,Ph.D** ,**PDF,CEPIT** for providing facilities to do this project successfully.

I express my sincere thanks to our beloved Director **Prof. Dr.S.V.Devanathan , Ph.D** for giving me an opportunity to undergo the project and earn valuable knowledge out of it.

I am deeply indebted to Lecturer **Mr.A.Senthil Kumar, M.B.A., PGDCA, M.PHIL.,** for extending his co-operation and guidance for the study and for the preparation of this project report. I also thank all my faculty members who have guided me and helped me in completing the report.

I extend my hearty gratitude to **Mr. M. Jayaprakash**, Commodity Dealer, Karvy Com Trade Limited, Coimbatore for having given me the utmost co-operation, guidance and enthusiastic inspiration in completing this project.

Lastly I thank all the employees and the clients of Karvy who were involved knowingly or unknowingly to make this project work successful.

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≈ INTRODUCTION *≈*

CHAPTER 1

INTRODUCTION

1.1 BACK GROUND

A commodity futures contract is a type of derivative, or financial contract, in which two parties agree to transact a set of financial instruments or physical commodities for delivery at a particular price at later date. But participating in the commodity market does not necessarily means that you will be responsible for receiving or delivering large inventories of physical commodities. Buyers and sellers in the futures market primarily enter into futures contracts to hedge risk or speculate rather than delivery (which is the primary activity of the cash/spot market). That is the reason commodities are used as financial instruments by not only producers and consumers but also speculators.

Commodity market is extremely liquid, risky and complex by nature. Futures market is centralized market place for buyers and sellers from around the world who meet and enter into commodity futures contracts. Pricing is mostly is based on an open cry system, or bids and offers that can be matched electronically. The commodity contract will state the price that will be paid and the date of delivery. Almost all futures contracts end without the actual physical delivery of commodity.

Commodity prices are generally less volatile than the stocks. Therefore it's relatively safer to trade in commodities. But the volume being traded in commodities is much less than the stock market. This is because of the two reasons that the investors are less aware about the commodities market and their risk perception. Hence many studies are conducted to know the investors' preference in commodities market.

1.2 REVIEW OF LITERATURE

H Bessembinder¹, examined the uniformity of preference in futures and asset markets. Tests against a general alternative do not reflect complete integration of futures and asset markets. As predicted, estimates of the 'zero-beta' rate for futures are close to zero, and premiums for systematic risk do not differ significantly across assets and futures. There is, however, evidence consistent with a specific alternative model presented by Hirshleifer (1988). Returns in foreign currency and agricultural futures vary with the net holdings of hedgers, after controlling and support hedging pressure as a determinant of futures premiums.

Stephen Craig Pirrong²-The paper deals with Price dissemination that every mandy becomes a monopoly to the local producers, especially once they come to the market. Farmers typically face a short period between the time that they harvest and the time that they can sell the crop.

K.G. Sahadevan, ph.d, associate professor³ Commodity derivatives have a crucial role to play in managing price risk especially in agriculture-dominated economies. However, they have been utilized in a very limited scale in India. As long as prices of many commodities are restrained to certain extent by Government intervention in production, supply and distribution, forwards and futures markets for hedging price risk in those commodities have only limited practical relevance. A review of the nature of institutional and policy level constraints facing this segment calls for more focused and pragmatic approach from government, the regulator and the exchanges for making the agricultural futures markets a vibrant segment for risk management.

¹ h bessembinder, Professor, college of Business, Arizona State University, Tempe, AZ 85287-3906, USA

² stephen craig pirrong-"The Self-Regulation of Commodity Exchanges, The Case of Market Manipulation." *The Journal of Law and Economics*, April, 1995

³ The sagging agricultural commodity exchanges, Growth Constraints and Revival Policy Options
Published in Economic and Political Weekly, vol xxxvii no. 30, July 27-Aug. 02

Commodity Derivatives and Futures Trading⁴ The lack of standards and certification Prices can be quoted and compared across the country once there is a good standardization of commodities. Once commodities can be clearly categorized as one standard as opposed to the other, then prices become more meaningful for comparison at one Mandy versus another. These standards should be applicable equally across all states.

Futures Trading and Investor Returns⁵ The long-standing controversy over whether speculators in a futures market earn a risk premium is analyzed within the context of the capital asset pricing model recently developed by Sharpe, Lintner, and others. Under that approach the risk premium required on a futures contract should depend not on the variability of prices but on the extent to which the variations in prices are systematically related to variations in the return on total wealth. The systematic risk was estimated for a sample of wheat, corn, and soybean futures contracts over the period 1952 to 1967 and found to be close to zero in all three cases. Average realized holding period returns on the contracts over the same period were close to zero.

Agricultural commodity markets in India⁶ Strengthening institutions in spot and derivative markets for commodities is a necessary ingredient of the liberalization process in agriculture, and can impact upon the lives of millions. In this paper, we describe the existing market design prevalent on both the spot and the futures markets. We show some evidence on the role played by the nascent futures markets in price discovery. We document the problems of both the spot and the futures markets. We offer three policy proposals: using reference rates for strengthening transparency, exploring a greater role for cash settlement, and treating warehouse receipts as securities.

⁴ A Study of the Sources of Market Failure and the Policy Options for its Revival, Report of consulting assignment for Forward Markets Commission, Mumbai, August 2003.

⁵ An Investigation of Commodity Market Risk Premiums, Katherine Dusak, *Journal of Political Economy*, Vol. 81, No. 6 (Nov.-Dec., 1973), pp. 1387-1406

⁶ Policy issues for growth
Susan Thomas_ ,http://www.igidr.ac.in/_susant,susant@mayin.org, May 21 2003

1.3 STATEMENT OF THE PROBLEM

Commodity market has been established for the benefit of small and large investors. But the level of investment in this trading is far lesser than the other modes of investors. The need of the hour is the proper guidelines and education to all investors.. An investment in commodity market is though less risky than that of the stock market. This is because, the investors are less aware about commodities market. Hence the purpose of the study is to assess the knowledge and preference of the investors in the commodity trading.

1.4 OBJECTIVES OF THE STUDY

1.4.1 PRIMARY OBJECTIVE

- ❖ To study the investors' preference towards commodities market.

1.4.2 SECONDARY OBJECTIVE

- ❖ To identify the investment patterns of investors.
- ❖ To know whether the investor's opinion about international commodities market affects the national trading activity.
- ❖ To identify the source of information about commodities market.
- ❖ To profile the commodities investors.

1.5 SCOPE OF THE STUDY

- ❖ Understanding the investor's risk towards commodity market.
- ❖ The study helps us to know about the Investor's preference towards commodity market.

1.6 RESEARCH METHODOLOGY

Research Design	: Descriptive Research
Data Source	: Primary and Secondary Data
Primary Data Collection	: Survey Method
Primary Data Collection Instrument	: Questionnaire
Sampling Methods & Technique	: Non-Probability Method, Convenience Sampling Technique
Sample size	: 150 respondents
Pilot study	: 10 respondents

1.6.1 TOOLS USED

1.6.6.1 PERCENTAGE ANALYSIS

- The tool used for the sampling technique is percentage analysis.
- It is used to determine the percentage of the samples to be selected from the entire population.

1.6.6.2 CHISQUARE TEST

The chi-square test is an important test amongst the several tests of significance. Chi-Square, symbolically written as χ^2 (Pronounced as Ki-Square), is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance.

$$\chi^2 = \sum \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

where

O_{ij} = Observed frequency of the cell in i^{th} row and j^{th} column.

E_{ij} = Expected frequency of the cell in i^{th} row and j^{th} column.

- The statistical tool is used for the analysis part of the study is chi-square test. It is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance.
- It can be used in calculations to test for statistical significance of estimated parameters and to measure goodness of fit of individual equations in a model.

1.7 LIMITATIONS OF THE STUDY

Though utmost care was taken to do the research, some of limitations viz.,

- ❖ The study is limited to Coimbatore city.
- ❖ It is conducted only with the investors of KAVRY com trade private limited.
- ❖ The data collected from the samples might not be completely appropriate.
- ❖ The respondents were less interested in answering the questionnaire, as they felt that it was an interruption to their regular work.
- ❖ All respondents were not very much open in giving their details. As the questionnaire contains details of the trader's income the trader might not have given the correct information for their own savings (for tax problem).

1.8 CHAPTER SCHEME

1.8.1 Chapter 1: Introduction

The first chapter deals with the background, objectives, scope of the study, methodology used in data collection, limitations of the study and a brief introduction to all the chapters.

1.8.2 Chapter 2: Organization Profile

Organization profile includes details on history of the organization, management and organization structure, product profile and market potential, competitive strength of the company and a brief description of various functional areas of the organization.

1.8.3 Chapter 3: Industry Profile

Industry profile deals with the prevailing scenario of the organization with respect its respective industry in the country and compares it with all players in the market.

1.8.4 Chapter 4: Data Analysis and Interpretation

This chapter data analysis and interpretation mainly deals with performing percentage analysis and chi-square analysis and to interpret the results thereof.

1.8.5 Chapter 5: Conclusion

Conclusion includes the result and the discussions put forth from the data analyzed and the recommendations are given to improve the investor's awareness towards commodity markets.

z ORGANIZATION PROFILE *z*

CHAPTER 2

ORGANIZATIONAL PROFILE

2.1 HISTORY OF THE ORGANIZATION

The birth of karvy was on a modest scale in 1981. It began with the vision and enterprise of a small group of practicing Chartered Accountants who founded the flagship Company Karvy Consultants Limited. It started with consulting and financial accounting automation, and carved inroads into the field of registry and share accounting by 1985. By now, karvy has evolved as one of India's premier integrated financial service enterprise, offering a wide spectrum of services.

Karvy , is a premier integrated financial services provider, and ranked among the top five in the country in all business segments, services over 16 million individual investors in various capacities, and provides investors services to over 300 corporate, comprising the who of corporate India.

Karvy covers the entire spectrum of financial services such as stock Broking, Depository participants, Distribution of financial products- Mutual Funds, Bonds, Fixed Deposit, Equities, Insurance Broking, Commodities Broking, Personal Finance Advisory Services , Merchant Banking & Corporate Finance, Placement of equity, IPO's , among others. Karvy has a professional management team and ranks among the best in technology, operations and research of various industrial segments.

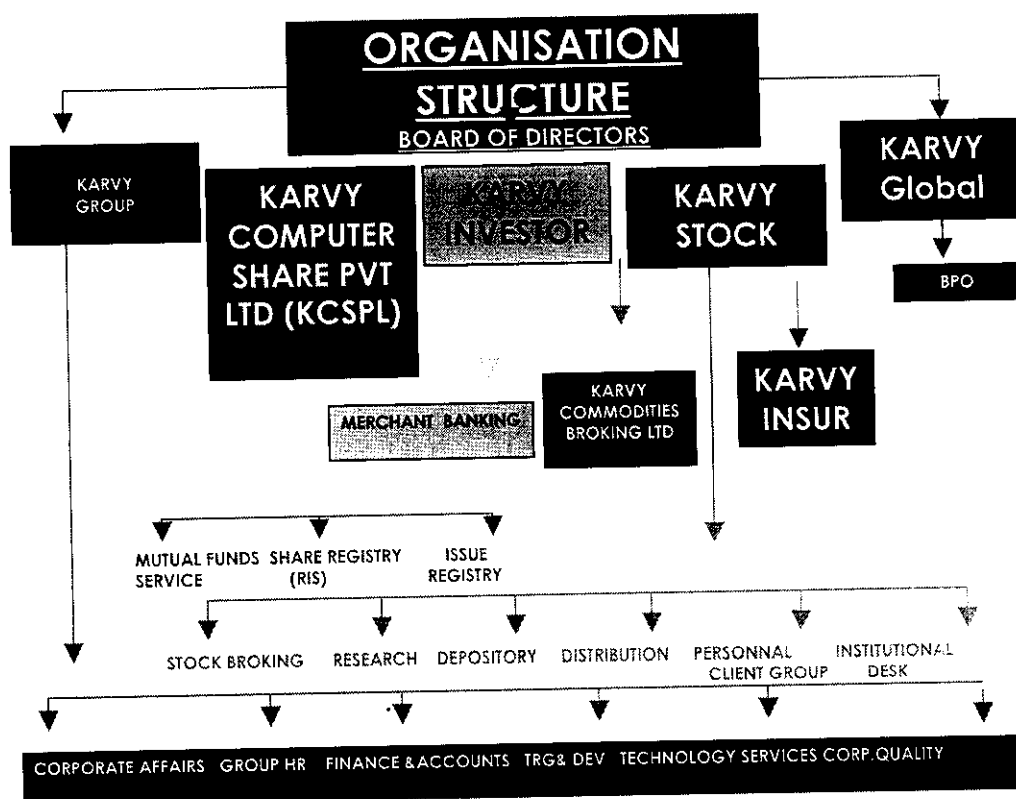
2.2 MANAGEMENT

BOARD OF DIRECTORS – KAVRY COMTRADE LIMITED:

- Mr. C Parthasarathy
- Mr. M. Yugandhar
- Mr. M S Ramakrishna

1.1 EXHIBITS. NO. ORGANIZATION CHART

2.3 ORGANIZATIONAL STRUCTURE



2.4 PRODUCTS PROFILE AND MARKET PONTENTIAL STOCK BROKING SERVICES

The stock Broking Services offer services that are beyond just a medium for buying and selling stocks and shares. It provides in-depth knowledge of market functioning and changing trends and that multi dimensional and multi focused in their scope. It offers trading on a vast platform ie., National Stock Exchange, Bombay Stock Exchange and Hyderabad Stock Exchange.

Karvy makes trading safe to the maximum possible extent, by accounting for several risk factors and planning accordingly. Karvy is assist in this task by its in –depth research team with constant feedback and sound advisory facilities. The highly skilled research team, comprising of technical analyst as well as fundamental specialists, secure result-oriented information on market trends, market analysis and market predictions. This crucial information is given as a constant feedback to the customers, through daily report delivered thrice daily; The pre-session Report, where report market scenario for the day is predicted, The Mid-session Report, timed to arrive during lunch break, where the market forecast for the day, where the market and the report itself is reviewed. To add to this repository of information, a monthly magazine;

The Finapolis, is also published which analyzes the stock market trends and takes a close look at the various investment options, and products available in the market, while a weekly report called, Karvy Bazaar Bulletin, keeps more informed on the immediate trends in the stock market.

Karvy Stock Broking services are widely networked across India, with the number of trading terminals providing retail stock broking facilities. Its services have increasingly offered customer oriented convenience, which provides to a spectrum of investors, high – network with equal dedication and competence. Its foray into commodities broking has also been path breaking.

MERCHANT BANKING

Recognized as a leading merchant banker in the country, Karvy is registered with SEBI as a Category I merchant banker. Its reputation was built by capitalizing on opportunities in corporate consolidation, mergers and acquisition and corporate restructuring, which have earned it the reputation of a merchant banker. Raising resources for corporate or Government Undertaking successfully over the past two decades have given Karvy the confidence to renew its focus in Merchant Banking Sector too.

The clients of karvy includes leading corporates, State Governments, foreign institutional investors, public and private sector companies and banks, in India and global markets. Its financial advice and assistance in restructuring, divestitures, acquisitions, demergers, spin-off, joint ventures, privatization and takeover defense mechanisms have elevated their relationship with the client to one, based on unshakable trust and confidence.

MUTUAL FUND SERVICES

Nearly 40% of the top-notch AMCs including prestigious clients like Deutsche AMC and UTI swear by the quality and range of service that Karvy offers. Besides providing the entire back office processing, it also provides the link between various Mutual Fund and the investor, including services to the distributor, the prime channel in this operation. Carrying the 'limitless' ideology forward, Karvy has explored new dimensions in every aspect of Mutual Fund servicing right from volume management, cost effective pricing, delivery in the least turnaround time, efficient back-office and front-office operation to customized service. Karvy has emerged as the largest transaction-processing house for the Indian Corporate sector. With an experience of handling over 700 issues, karvy today, has the ability to execute voluminous transactions and hard-core expertise in technology applications have gained the No.1 slot in the business. Karvy is

the first Registry Company to receive ISO 9002 certification in India that stands testimony to its stature.

Karvy has the backing of skilled human resources complemented by requisite technological packages to ensure a faster processing capability karvy has the benefit of a good synergy between depositories and registry that enables faster resolution to related customer queries. Apart from its unique investor servicing presence in all the phases of a public Issues, it is actively coordinating with both the main depositories to develop special models to enable the customer to assess depository (NSDL,CDSL) services during an IPO.

Karvy has been a customer centric company since its inception. Karvy offers a single platform servicing multiple financial instrument in its bid to offer complete financial solution to the varying needs of both corporate and retail investor where an extensive range of services are provided with great volume-management capability.

2.5 COMPETITIVE STRENGTHS OF THE COMPANY

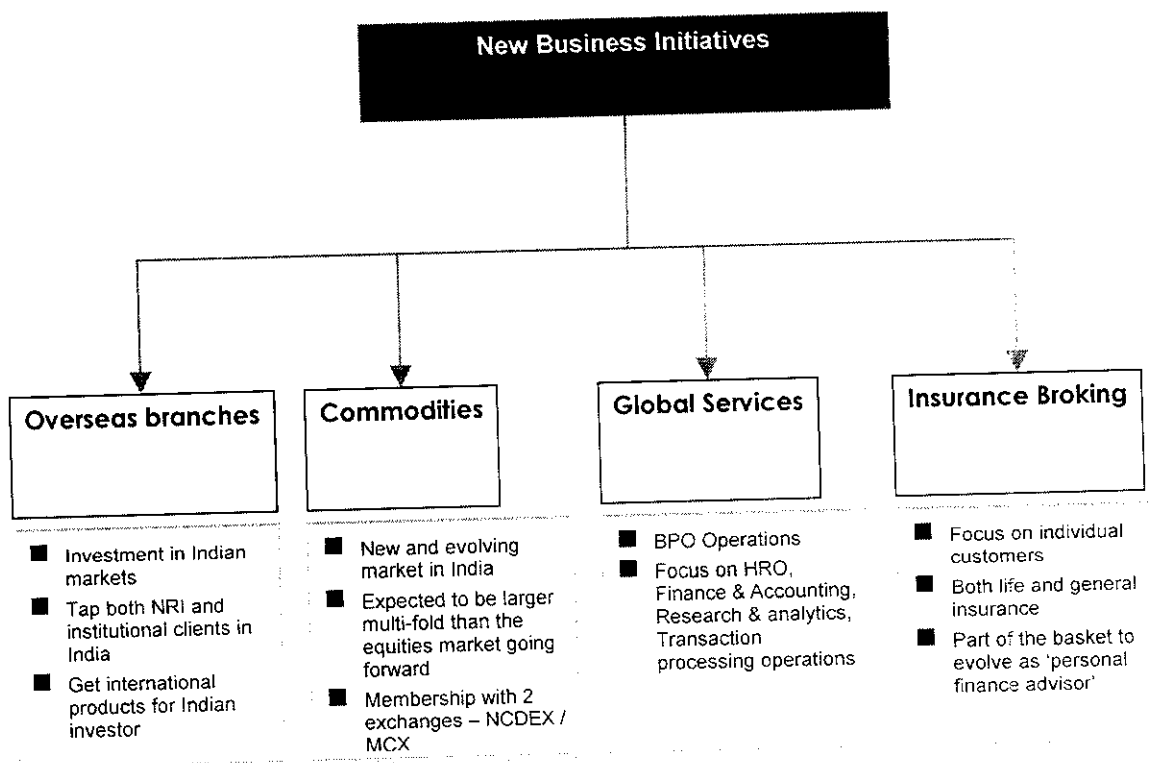
- ❖ Among the top 5 stock brokers in India
- ❖ India's No.1 Registrar & Securities Transfer Agents.
- ❖ Largest Network of Branches & Business Associates.
- ❖ ISO 9002 certified operations by DNV.
- ❖ Among top 10 Investment bankers.
- ❖ Largest Distributor of Financial Products.
- ❖ Adjudged as one of the top 50 IT users in India by MIS Asia.
- ❖ Full Fledged IT driven operations.

2.6 FUTURES PLANS

- ❖ To double the F & O cash volumes.
- ❖ Establish specialized Commodity branches.

- ❖ To increase the network from 640 branches to 750 branches.
- ❖ Activate BSE so as to reach 5% share.
- ❖ To achieve over 2, 50,000 applicants per month.
- ❖ Achieve over Rs. 10,000 cr of equity.
- ❖ Reach top 10 institutional brokers in the country.
- ❖ Maximize earnings for each relationship built both domestic and international.
- ❖ Evolve as a top research house for mid cap securities.
- ❖ Internet based service delivery- broking, MF, IPO etc.
- ❖ To improve Customer Relationship Management.
- ❖ Continuous training – over 150 hour per year training for every employee.

1.2 EXHIBITS .NO.NEW BUSINESS INITIATIVES



2.7 DESCRIPTION OF VARIOUS FUNCTIONAL AREAS

2.7.1 KAVRY CONSULTANTS LIMITED

Karvy Consultants Limited has remained always at the helm of organizational affairs, pioneering business policies, work ethic and channels of progress. Having emerged as a ledger in the registry business, the first of the business that Karvy ventured into, it has now transferred its business into a joint venture with Computer share Limited of Australia, the world's largest registrar. With the advent of depositories in the Indian Capital Market and the relationships that it has created in the registry business, they were best positioned to venture into this activity as a Depository Participant.

They were one of the early entrants registered as Depository Participant with NSDL (National Securities Depository Limited), the first Depository in the country and then with CDSL(Central Depository Services Limited). Today, they serve 6 lakhs customer accounts in this business spread across over 250 cities/towns in India and are ranked amongst the largest Depository Participants in the country. With a growing secondary market presence, it has transferred its business to Karvy Stock Broking Limited (KSBL), the associated and a member of NSE,BSE and HSE.

IT ENABLED SERVICES

The technology services division forms the ideal platform to unleash its technology initiatives and make its presence feel on the Internet. Karvy' s past achievements include many quality websites designed, developed and deployed by them. They also possess their own web hosting facilities with dedicated bandwidth and a state-of-the-art server farm(data center) with services functioning on a variety of operating platforms such as Windows, Solaris, Linux and Unix.

The corporate websites of the company, www.karvy.com , gives access to in-depth information on financial matters including Mutual Funds, IPO's , Fixed Income Schemes, Insurance, Stock Market and much more. A link called 'Resource Center'

devoted solely to research conducted by their team of experts on various financial aspects like 'Sector Research', deals exclusively with in –depth analysis of the key sectors of the Indian economy. Besides, a host of other links like 'My portfolio' which acts as a personalized and customized financial measure, makes this site extremely informative about investment options, market trends, news as also about the company and each of the services offered there.

2.7.2 KAVRY GLOBAL SERVICES LIMITED

The Karvy Group also includes the specialist Business Process Outsourcing unit. Karvy offers several delivery models on the understanding that business needs are unique and therefore only a customized service could possibly fit the bill. Be it in re-engineering and managing processes or delivering new efficiencies, their service meets up to the most stringent of international standards.

Karvy operates in the core market segments that have emerging requirements for specialized services. Their wide vertical market coverage includes Banking, Financial and Insurance Services (BFIS), Retail and Merchandising, Leisure and Entertainment, Energy and Healthcare.

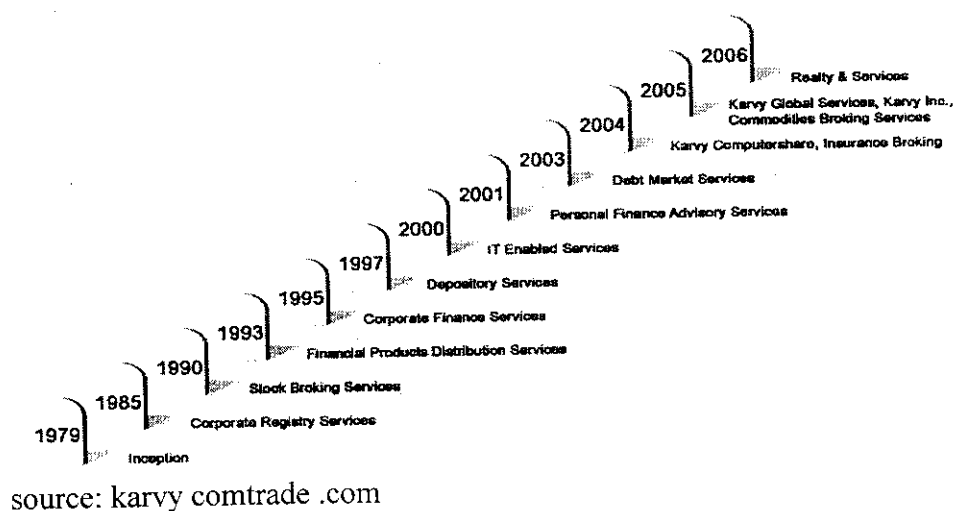
2.7.3 KAVRY COMTRADE LIMITED

Karvy Commodities are focused on taking commodities trading to new dimensions of reliability and profitability. It enables trade in all goods and products of agricultural and mineral origin that include lucrative commodities like gold and silver and popular items like oil, pulses, and cotton through a well – systematized trading platform. Regular trading workshops and seminars are conducted to hone trading strategies to perfection. Every trade made is a calculated one, based on reliable research that is converted into valuable information through daily, weekly, and monthly newsletters, calls and intraday alerts. A dedicated team committed to giving hassle-free service while the brokerage rates offered are extremely competitive provides further, personalized service.

2.7.4 KAVRY INSURANCE BROKING PRIVATE LIMITED

Karvy Insurance Broking Private Limited., provides both life and non-life Insurance products to retail individuals, high net-worth clients and corporate. With the opening up of the insurance sector and with a large number of private players in the business, they are in a position to provide tailor made policies for different segments of customers. With Indian markets seeing a sea change , both in terms of investment pattern and attitude of investors, insurance is no more seen as only a tax saving product but also as an investment product. Further, personalized service is provided in karvy by a dedicated team committed in giving hassle-free service to the client.

1.3 EXHIBITS .NO KARVY CONSULTANCY GROWTH 1979-2006



ii MACRO & MICRO ANALYSIS *ii*

CHAPTER 3

MACRO-MICRO ANALYSIS

3.1 COMMODITY MARKET

Commodity Market is an organized traders' exchange in which standardized, graded products are bought and sold. Worldwide, there are 48 major commodity exchanges that trade over 96 commodities, ranging from wheat and cotton to silver and oil. Most trading is done in futures contracts, that is, agreements to deliver goods at a set time in the future for a price established at the time of the agreement.

Futures' trading allows both hedging to protect against serious losses in a declining market and speculation for gain in a rising market. For example, a seller may sign a contract agreeing to deliver grain in two months at a set price. If the grain market declines at the end of two months, the seller will still get the higher price quoted in the futures contract. If the market rises, however, speculators buying grain stand to profit by paying the lower contract price for the grain and reselling it at the higher market price. Spot contracts, a less widely used form of trading, call for immediate delivery of a specified commodity and are often used to obtain the goods necessary to fulfill a futures contract. An independent U.S. regulatory agency, the Commodity Futures Trading Commission was established in 1974 to regulate commodity markets. In 1982, the Chicago Mercantile Exchange introduced a futures contract for Standard & Poor's 500 U.S. companies that allow investors to speculate on the future prices of those stocks. Trading of S&P 500 and other financial futures has broken down some of the barriers that once separated stock, bond, and commodity markets and made it easier for investors to hedge their stock investments. Critics charge that the future trading at the commodity markets in Chicago has made stock prices more volatile. The Chicago Board of Trade is the largest future and options exchange in the United States, the largest in the world is Eurex, an electronic European exchange.

3.2 Overview of commodities exchanges in India

Forward Markets Commission (FMC) headquartered at Mumbai is a regulatory authority, which is overseen by the Ministry of Consumer Affairs and Public Distribution, Govt. of India. It is a statutory body set up in 1953 under the Forward Contracts (Regulation) Act, 1952.

"The Act Provides that the Commission shall consist of not less than two but not exceeding four members appointed by the Central Government out of them being nominated by the Central Government to be the Chairman thereof. Currently Commission comprises three members among whom Dr. Kewal Ram, IES, is acting as Chairman and Smt. Padma Swaminathan, CSS and Dr. (Smt.) Jayashree Gupta, CSS, are the Members of the Commission."

3.3 The functions of the Forward Markets Commission are as follows:

- (a) To advise the Central Government in respect of the recognition or the withdrawal of recognition from any association or in respect of any other matter arising out of the administration of the Forward Contracts (Regulation) Act 1952.
- (b) To keep forward markets under observation and to take such action in relation to them, as it may consider necessary, in exercise of the powers assigned to it by or under the Act.
- (c) To collect and whenever the Commission thinks it necessary, to publish information regarding the trading conditions in respect of goods to which any of the provisions of the act is made applicable, including information regarding supply, demand and prices, and to submit to the Central Government, periodical reports on the working of forward markets relating to such goods;

(d) To make recommendations generally with a view to improving the organization and working of forward markets;

(e) To undertake the inspection of the accounts and other documents of any recognized association or registered association or any member of such association whenever it considers it necessary.

3.4 The list of exchanges that has been allowed to trade in commodities are

1. Bhatinda Om & Oil Exchange Ltd., Batinda.
2. The Bombay Commodity Exchange Ltd. Mumbai
3. The Rajkot Seeds oil & Bullion Merchants' Association Ltd
4. The Kanpur Commodity Exchange Ltd., Kanpur
5. The Meerut Agro Commodities Exchange Co. Ltd., Meerut
6. The Spices and Oilseeds Exchange Ltd.
7. Ahmedabad Commodity Exchange Ltd.
8. Vijay Beopar Chamber Ltd., Muzaffarnagar
9. India Pepper & Spice Trade Association. Kochi
10. Rajdhani Oils and Oilseeds Exchange Ltd. , Delhi
11. National Board of Trade. Indore.
12. The Chamber Of Commerce, Hapur

13. The East India Cotton Association Mumbai.
14. The Central India Commercial Exchange Ltd, Gwalior
15. The East India Jute & Hessian Exchange Ltd,
16. First Commodity Exchange of India Ltd, Kochi
17. Bikaner Commodity Exchange Ltd., Bikaner
18. The Coffee Futures Exchange India Ltd, Bangalore.
19. Esugarindia Limited.
20. National Multi Commodity Exchange of India Limited.
21. Surendranagar Cotton oil & Oilseeds Association Ltd,
22. Multi Commodity Exchange of India Ltd.
23. National Commodity & Derivatives Exchange Ltd.
24. Haryana Commodities Ltd., Hissar
25. e-Commodities Ltd.

3.5 Multi Commodity Exchange (MCX):

MCX is an independent and de-mutualised Multi Commodity Exchange. It was inaugurated on November 10, 2003 by Mr. Mukesh Ambani, Chairman and Managing Director, Reliance Industries Ltd.; and has permanent recognition from the Government of India for facilitating online trading, clearing and settlement operations for commodities futures market across the country. Today, MCX features amongst the world's top three bullion exchanges and top four energy exchanges.

MCX offers a wide spectrum of opportunities to a large cross section of participants including producers/ processors, traders, corporate, regional trading centre, importers, exporters, co-operatives and industry associations amongst others. Headquartered in the financial capital of India, Mumbai, MCX is led by an expert management team with deep domain knowledge of the commodities futures market

Presently, the average daily turnover of MCX is around USD1.55 bn (Rs.7,000 crore - April 2006), with a record peak turnover of USD3.98 bn (Rs.17,987 crore) on April 20, 2006. In the first calendar quarter of 2006, MCX holds more than 55% market share of the total trading volume of all the domestic commodity exchanges. The exchange has also affected large deliveries in domestic commodities, signifying the efficiency of price discovery. Being a nation-wide commodity exchange having state-of-the-art infrastructure, offering multiple commodities for trading with wide reach and penetration, MCX is well placed to tap the vast potential poised by the commodities market.

3.6 National Commodity & Derivatives Exchange Limited (NCDEX)

National Commodity & Derivatives Exchange Limited (NCDEX) is a professionally managed online multi commodity exchange promoted by ICICI Bank Limited (ICICI Bank), Life Insurance Corporation of India (LIC), National Bank for Agriculture and Rural Development (NABARD) and National Stock Exchange of India Limited (NSE). Punjab National Bank (PNB), CRISIL Limited (formerly the Credit Rating Information Services of India Limited), Indian Farmers Fertiliser Cooperative Limited (IFFCO) and Canara Bank by subscribing to the equity shares have joined the initial promoters as shareholders of the Exchange. NCDEX is the only commodity exchange in the country promoted by national level institutions. This unique parentage enables it to offer a bouquet of benefits, which are currently in short supply in the commodity markets. The institutional promoters of NCDEX are prominent players in their respective fields and bring with them institutional building experience, trust, nationwide reach, technology and risk management skills.

NCDEX is a public limited company incorporated on April 23, 2003 under the Companies Act, 1956. It obtained its Certificate for Commencement of Business on May 9, 2003. It has commenced its operations on December 15, 2003.

NCDEX is a nation-level, technology driven de-mutualized on-line commodity exchange with an independent Board of Directors and professionals not having any vested interest in commodity markets. It is committed to provide a world-class commodity exchange platform for market participants to trade in a wide spectrum of commodity derivatives driven by best global practices, professionalism and transparency.

NCDEX is regulated by Forward Market Commission in respect of futures trading in commodities. Besides, NCDEX is subjected to various laws of the land like the Companies Act, Stamp Act, Contracts Act, Forward Commission (Regulation) Act and various other legislations, which impinge on its working.

NCDEX is located in Mumbai and offers facilities to its members in more than 550 centres throughout India. The reach will gradually be expanded to more centres.

NCDEX currently facilitates trading in 45 commodities - Cashew, Castor Seed, Channa, Chilli, Coffee - Arabica, Coffee - Robusta, Common Parboiled Rice, Common Raw Rice, Cotton Seed Oilcake, Crude Palm Oil, Expeller Mustard Oil, Groundnut (with shell), Groundnut Expeller Oil, Grade A Parboiled Rice, Grade A Raw Rice, Guar gum, Guar Seeds, Gur, Jeera, Jute sacking bags, Indian 28 mm Cotton , Indian 31 mm Cotton, Lemon Tur, Maharashtra Lal Tur, Masoor Grain Bold, Medium Staple Cotton, Mentha Oil , Mulberry Green Cocoons , Mulberry Raw Silk , Rapeseed - Mustard Seed, Pepper, Raw Jute, RBD Palmolein, Refined Soy Oil , Rubber, Sesame Seeds, Soy Bean, Sponge Iron, Sugar, Turmeric, Urad (Black Matpe), V-797 Kapas, Wheat, Yellow Peas, Yellow Red Maize, Yellow Soybean Meal, Electrolytic Copper Cathode, Mild Steel Ingots, Sponge Iron, Gold, Silver, Brent Crude Oil, Furnace Oil. At subsequent phases trading in more commodities would be facilitated.

3.7 Wheat Futures

Wheat is a cereal grain grown and consumed worldwide. Recent projections by the International Food Policy Research Institute (IFPRI) indicate that, by 2020, two-thirds of the world's wheat consumption will occur in developing countries, where wheat imports are estimated to double by 2020. Wheat demand worldwide is calculated to rise by 40% from 1993 to 2020 to reach 775 million tons. The expected increase in demand is partly motivated by population growth but also results from substitution out of rice and coarse grain cereals as incomes rise and populations become increasingly based in urban areas.

3.7.1 Indian Scenario

India produces about 70 million tonnes of wheat per year or about 12 per cent of world production. It is now the second largest producer of wheat in the world. Being the second largest in population, it is also the second largest in wheat consumption after China, with a huge and growing wheat demand. Food grain production occupies the most dominant position in India's agriculture, covering over 65 per cent of the gross cropped area.

Exhibits.No.4 Wheat Trade by India

India's Trade in Wheat ('000 tonnes)

Year	Imports	Exports
1990/91	64	140
1991/92	-	660
1992/93	1364	38
1993/94	242	4
1994/95	1	92
1995/96	9	1092
1996/97	616	1848
1997/98	1345	2

source:mcxindia.com

3.7.3 Futures in Wheat:

Wheat spot market is well developed in India that is a precondition for any commodity to be successful in Future trading. Market has well developed breadth and depth with the presence of general consumer to wheat based industries that includes Wheat flourmills, Biscuits manufacturers etc.

3.8 Rice Futures

3.8.1 Futures trading in Rice

Recent development in the government policy is well set to provide ideal platform for future trading in the rice to happen. First is that in last years i.e. in the year 2003-04 government did not increase the MSP Minimum Support Price which had been distorting the market. Second is that Government has allow private party to purchase from the farmers directly. This would bring transparency and efficiency in the market place. All the pre requisite condition for successful future trading is inherent with rice. Well-developed physical market coupled with presence of large number of market participants ranging from export house, corporate bodies, and traders to farmers already exists. India has been a traditional exporter of high quality rice (Basmati or Super Fine Parmal) but since 2001, it released about 13 million tonnes of common rice/parboiled rice for exports. Exports contribution was about 8 million tonnes during 2002-03. There are over 100 varieties of aromatic rice, of which Basmati is the costliest. There are 11 varieties grown in India, of which 4-5 is exported all over the world.

3.9 Maize Futures

3.9.1 India Import and Export of Maize

India negligibly imports maize however in recent years there is sign of export. This is due to the fact of increase in production coupled with meeting domestic requirement.

3.9.2 Future in Maize

- Spot Market of Maize is well developed
- Market depth is there with the presence of industry such as Starch, Poultry feed sector
- Price volatility is present which impress upon the fact of need of hedging

3.10 Red Chilly Futures

India is the world's largest producer, consumer and exporter of chillies in the world. India also has the largest area under chillies in the world. Chillies are the most common spice cultivated in India. It is grown nearly in all parts of the country, hills and plains

3.10.1 Futures Trading

The commodity has well established spot markets. The trade channel involves several members viz., a village level trader, commission agent, wholesaler, retailer, agents for exporters and exporters. The commodity changes hands several times, exposing all these members to price risk.

The commodity displays high volatility, with the prices heavily dependent on season, production in different producing tracts spread across the country, demand from exporters and the stock available at the cold storages. There are several grades and varieties of chillies grown across India. If this single variety is offered for futures trading, it will be possible to offer a relatively homogenous product for futures trading.

The prices of the major chilly varieties sold in the country are correlated with each other. As a result, the players in other varieties can also hedge their risks through this single variety.

3.11 Gold Futures

India is the world's largest consumer of gold. According to Gold Field Minerals Service, in 2001 it absorbed around 700 tons from the world market, compared to just 320 tons in 1994. Development of gold futures would help in efficient price discovery and emergence of healthy and transparent practices in the market. The basic framework for such an exchange already exists with 13 banks active in import of precious metals. Five of them have launched the Gold Deposit Scheme also.

They can also enter into forward contracts in a limited way. To begin with the banks can start trading among themselves and also with big traders according to the demand/supply dynamics. Futures in gold apart from offering jewellery manufacturers and exporters the chance of hedging their inventories would provide many other investors or speculators with a cheap and highly efficient way of getting into gold.

Exhibits .No.5 India in World Gold Industry

(Rounded Figures)	India (In Tons)	World (In Tons)	% Share
Total Stocks	13000	145000	9
Central Bank holding	400	28000	1.4
Annual Production	2	2600	0.08
Annual Recycling	100-300	1100-1200	13

Source: mxcindia.com

3.12 Silver Futures

Suitability of Silver Futures

Uncertain Supply & Demand Factors

World mine production is more a function of the prices of other metals. Often a faster growth in demand against supply leads to drop in stocks with government and investors. Economically viable primary silver mine is a function of the world silver price level.

Silver demand stands on three pillars – jewellery & silverware, industrial and photography, which are in turn factors of monsoon & agricultural output, overall industrial growth and performance of the tourism & services industry at large, respectively. In India the real industrial demand occupies a small share in the total industrial demand of silver in sharp contrast to most developed economy's like Japan and US.

In India like Gold the Silver demand is also determined to a large extent by its price level and volatility. In recent years India has seen increased imports from China both in the legal and illegal route via Hong Kong.

In India the real industrial demand occupies a small share in the total industrial demand of silver in sharp contrast to most developed economy's like Japan and US. In India like Gold the Silver demand is also determined to a large extent by its price level and volatility.

3.13 Sponge Iron

Sponge iron is a metallic product produced through direct reduction of iron and iron ore pellets in the solid state. It is a substitute for scrap and is mainly used in making steel

3.13.1 Need for Sponge Iron Futures

Although the sponge iron prices have appreciated by 100% from the previous years' level, on back of favorable business dynamics, a firm trend in realization per unit can be expected.

Mounting cost of basic inputs and high price volatility in the raw material prices increases the need for price risk management. However, going forward helps to decrease the cost. Thus steel production is likely to grow at 6%-7%, the demand for sponge iron is likely to grow at more than 10 percent till the year 2007 and then expected to stabilize at 8 percent after than. Domestic industry is shows improved performance on back of higher volume, increased operating efficiency and financial restructuring.

3.14 Crude oil futures

The Indian government has now permitted oil companies in India to hedge against commodity price risks while importing crude and petroleum products. This initiative has been taken by the Indian government in a bid to protect the economy from the volatility of international crude prices. All oil companies having underlying exposures in crude and petroleum products will now be allowed to import and hedge future prices against the drastic volatility of the prices in the hydrocarbon sector. This has almost become a necessity for a country like India, which imports 70 percent of its petroleum requirement and needs to be protected against such price movements in the International oil markets.

Oil companies such as the Indian Oil Corporation (IOC), Reliance Petroleum and MRPL are expected to be the beneficiaries of this move from the government. The hedging facility is to be subjected to detailed guidelines to be issued by the RBI and is expected to make Indian producers more efficient and enable them to compete in the International markets.

The hedging mechanism is based on a benchmark crude for which price quotes are available. Each of the above exchanges that trade in oil futures has their own crude benchmarks. In the oil futures market, the quotes are usually for a period of about six months and the buyer of the future needs to take a position for a particular quantity to be physically delivered at a particular point of time. The advantage for the buyer would be that if prices moved up by the time that the physical delivery of the product takes place.

The buyer is compensated with an adjustment and a settlement with the difference being paid back. The buyer thus is able to hedge against an increase in the prices of crude and petroleum products. In the case wherein there is a fall in the prices of crude and petroleum products then the sellers interest is protected as the delivery is made on the agreed price by the buyer.

3.15 Rubber Futures

Worldwide, the automobile industry is the single largest consumer of natural rubber in the form of auto tyres and tubes and certain other parts and accessories. Economic recession anywhere first hits this industry before any other industry. Therefore, the world price of rubber goes through a cycle of few years of boom followed by a few years of busts with the state of world economy. In 2001, India was the third largest producer and fourth largest consumer of natural rubber in the world. India produces about 6 lakh tons of rubber (worth around Rs. 3000 crore) annually and over 90 percent of the production is in the southern state of Kerala.

3.15.1 Economic reasons for futures trading

1. Volatile prices
2. Global impacts on prices are significant because cost of production of natural rubber in India is on the higher side compared with other major producers.
3. Diffused consumption; concentrated production
4. Numerous growers and growers cooperatives
5. Consumption majors are tyre manufactures who are few in number: futures may provide a price level playing field for growers
6. Volatile global production and consumption tendencies
7. Storability is on the higher side

3.16 Pepper Futures

Pepper is known for its price volatility and is among the highest in agricultural commodities. From the levels of Rs. 8000 per quintal in late 1996, the prices have touched Rs. 22000 in early 1998, Rs. 25000 in late 1999 and currently back at Rs. 8000 levels. The period April 1998 – April 2003 have seen more price decreases on a monthly basis than price increases. Generally around 75% of production of pepper is exported. India has fairly successful story in black pepper futures and is the only country to have an exchange for pepper futures. Attempts for internationalising pepper futures markets have not succeeded.

3.16.1 Factors that favor futures trading

- ❖ Significant price volatility
- ❖ High degree of storability
- ❖ Fairly standardized quality
- ❖ More of an internationalized commodity
- ❖ Numerous stakeholders in the supply chain including small growers, traders (exporters and importers) and processors

3.17 Futures in Sugar

Since Sugar industry is being slowly decontrolled by the government, market force would be putting its impact on the price behavior of the commodity. India is the only country in the world where sugar price goes against the sugarcane price. It indicates too much interference of the government in the industry. For the industry to become competitive allowing future trading would lead to revivals of real market forces which will be for good health of the industry in the long term. All the factors for success of future trading such as organized and developed spot market, large number of participants, and active traders are very much present in the Indian sugar industry. By products of sugar cane industry is getting a lot of attention and it would add depth in the market. Sugar based new industry such as ethanol and its use as fuel that has been mooted by government would constantly strengthen the scope of sugar future trading.

3.18 Copper

A ductile malleable reddish-brown corrosion-resistant diamagnetic metallic element; occurs in various minerals but is the only metal that occurs abundantly in large masses; used as an electrical and thermal conductor.

World Copper Markets

- LME
- NYMEX

The eight leading refining nations, viz., United States, Japan, Chile, Canada, Zambia, Belgium, and the Federal Republic of Germany account for 67% of total refined metal production.

Steel

An alloy of iron with small amounts of carbon; widely used in construction; mechanical properties can be varied over a wide range.

Exports from India

The iron and steel sector in India was set up to meet her domestic needs and support infrastructure development of the nation. Iron and steel exports from India started after 1964, the first time India's supply dominated her domestic needs. Though the Indian exports are quite vulnerable to domestic demand conditions, the export market has been doing reasonably well in the past few years, with FY03 seeing an increase of more than 100% over the previous year. The increase in exports to Asia (approx. 227%) and America (105%) has contributed to this massive growth. In spite of the fact that India has done well, it still faces stiff competition, holding the twenty-fifth rank in the global export markets for iron and steel and the twentieth position for iron and steel articles in FY03. Also, the share of India is very low in most of its major markets (around 3%).

∩ DATA ANALYSIS & INTERPRETATION *∩*

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

TABLE 4.1 GENDER OF THE RESPONDENTS

Sl.No	Gender of the Respondents	No. of Respondents	Percentage (%)
1.	Male	129	86
2.	Female	21	14
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 86 % of the respondents are male and the remaining 14 % of the respondents are female.

INFERENCE

From the above table it is inferred that more than three fourth of the respondents i.e., 86% are male.

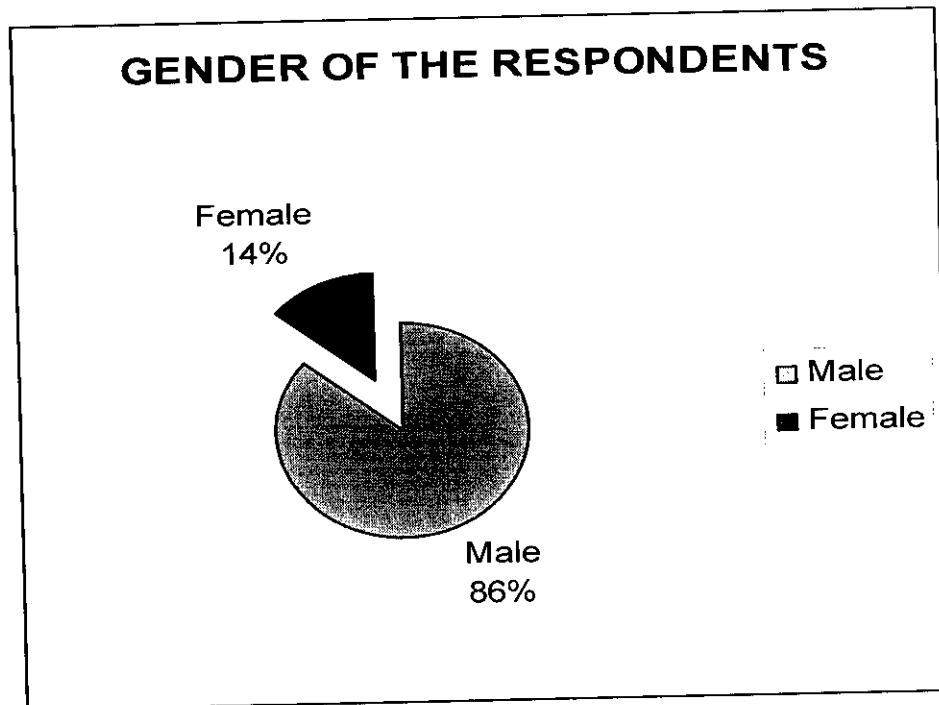
CHART NO 4.1 GENDER OF THE RESPONDENTS

TABLE 4.2 MARITAL STATUS OF THE RESPONDENTS

Sl.No	Status of the Respondents	No. of Respondents	Percentage (%)
1.	Married	102	68
2.	Unmarried	48	32
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 68 % of the respondents are married and the remaining 32% of the respondents are unmarried.

INFERENCE

From the above table it is inferred that 68 % of the respondents are married.

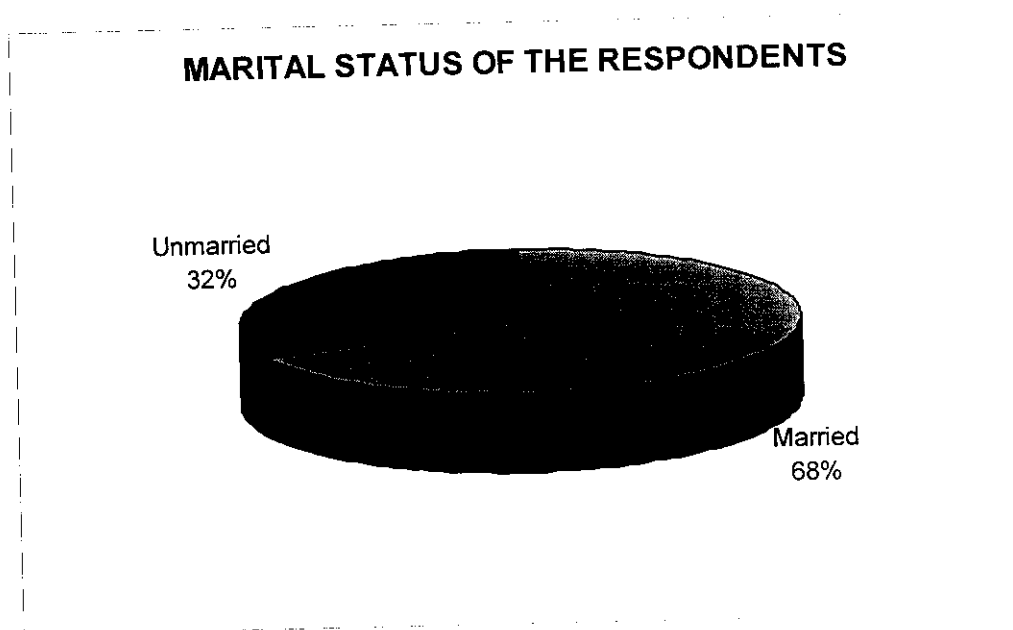
CHART NO. 4.2 MARITAL STATUS OF THE RESPONDENTS

TABLE 4.3 AGE GROUP OF THE RESPONDENTS

Sl.No	Age Group of the Respondents	No. of Respondents	Percentage (%)
1.	Below 25 Years	42	28
2.	26 – 50 Years	60	40
3.	51 – 75 Years	30	20
4.	Above 75 Years	18	12
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 28 % of the respondents are below 25 years and 40% are between the age group 26 to 50 and 20 % are between the age group 51 to 75 and 12 % belongs to the age group above 75 years.

INFERENCE

From the above table it is inferred that 40%of the respondents belong to the age group of 26 years to 50 years and 12% of the respondents belong to the age group above 75 years.

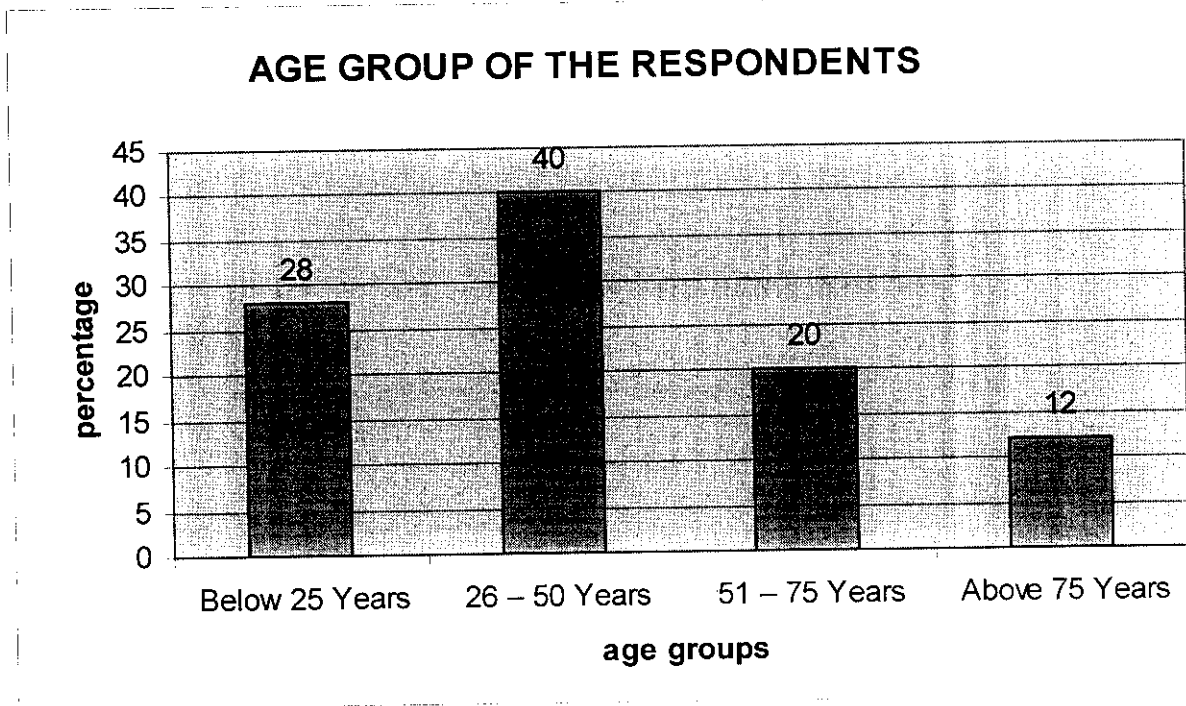
CHART 4.3 AGE GROUP OF THE RESPONDENTS

TABLE 4.4 EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

Sl.No	Educational qualification of the Respondents	No. of Respondents	Percentage (%)
1.	Under graduate	57	38
2.	Post graduate	72	48
3.	Professionals	12	8
4.	Others	9	6
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 38% of the respondents are educated up to under - graduates and 48% of the respondents are post-graduates and 8% of the respondents are of professionals. The remaining 6% belongs to other category.

INFERENCE

From the above table it is inferred that 38% and 48% of the respondents are under-graduates and post-graduates respectively. Hence it is clear that well educated people are the majority of the clients of the karvy commodity trade limited.

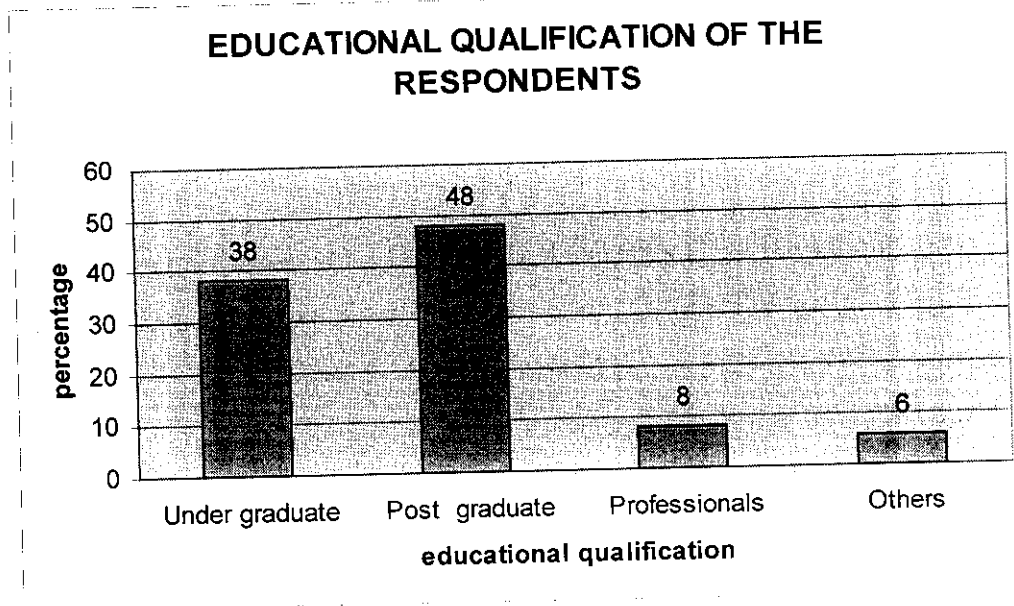
CHART 4.4 EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

TABLE 4.5 OCCUPATION STATUS OF THE RESPONDENTS

Sl.No	Occupation of the Respondents	No. of Respondents	Percentage (%)
1.	Salaried	69	46
2.	Self – employed	54	36
3.	Retired	12	8
4.	Others	15	10
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 46% of the respondents are salaried and 36% are self-employed and 8% are retired and the remaining 10% belongs to other categories.

INFERENCE

From the above table it is inferred that 46% of the respondents are salaried and only 8% of respondents are retired.

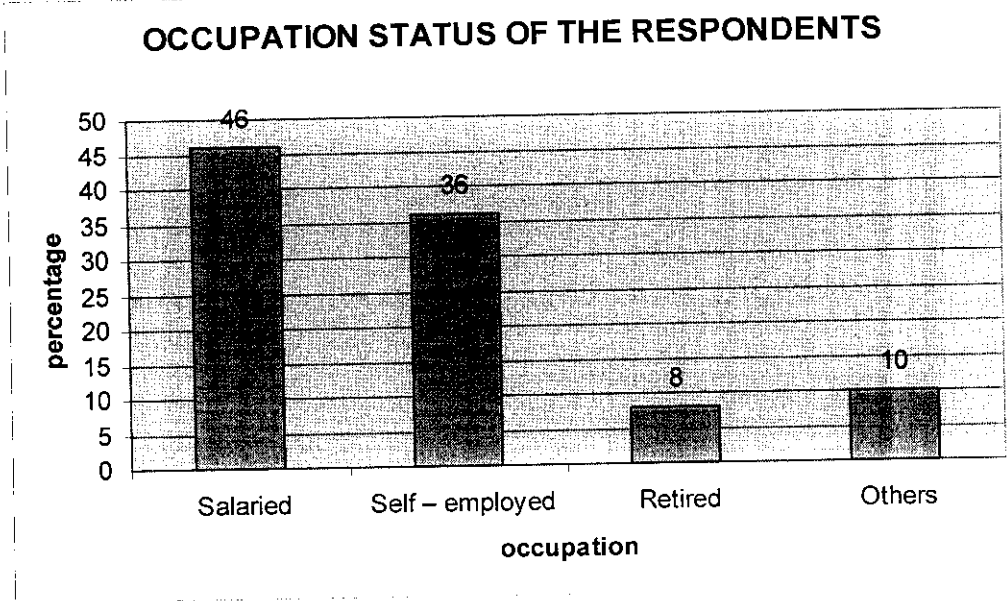
CHART 4.5 OCCUPATION STATUS OF THE RESPONDENT

TABLE 4.6 ANNUAL INCOME OF THE RESPONDENTS

Sl.No	Occupation of the Respondents	No. of Respondents	Percentage (%)
1.	Less than Rs.1,00,000	42	28
2.	Rs.1,00,001 to Rs. 5,00,000	78	52
3.	Rs.5,00,001 to Rs. 10,00,000	27	18
4.	Above Rs. 10,00,000	3	2
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 28% of the respondents' are earning below Rs.1, 00, 000 annually, and 52% of the respondents income ranging between Rs.1, 00,001 and 5,00,000 and 18% earns between Rs.5, 00,001 and 10,00,000. The remaining 2% of the respondents' earning exceed Rs.10, 00,000.

INFERENCE

From the above table it is inferred that 52% of the respondents' annual income ranges between Rs.1, 00,001 to 5,00,000. Only 2% of the respondents are above the annual income of Rs.10, 00,000.

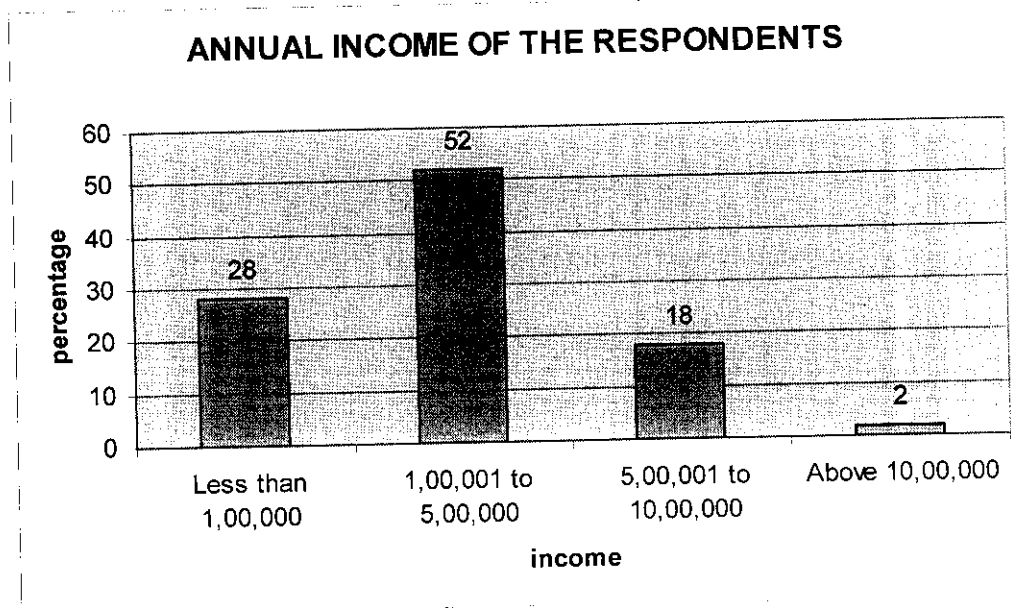
CHART 4.6 ANNUAL INCOME OF THE RESPONDENTS

TABLE 4.7 RESPONDENTS PREFERPERNCE IN BULLION INVESTMENT

Sl.No	Respondents in bullion	No. of Respondents	Percentage (%)
1.	Gold	63	42
2.	Gold M	39	26
3.	Silver	27	18
4.	Silver M	21	14
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 42% of the respondents' show interest towards investing in Gold and 26% prefer to invest in Gold M. About 18% of the respondents prefer for investing in Silver and the remaining 14% in silver M.

INFERENCE

From the above table it is inferred that nearly half of the respondents i.e., 42% prefer to invest in bullion with special preference towards Gold.

CHART 4.7 RESPONDENTS SPECIFY IN BULLION

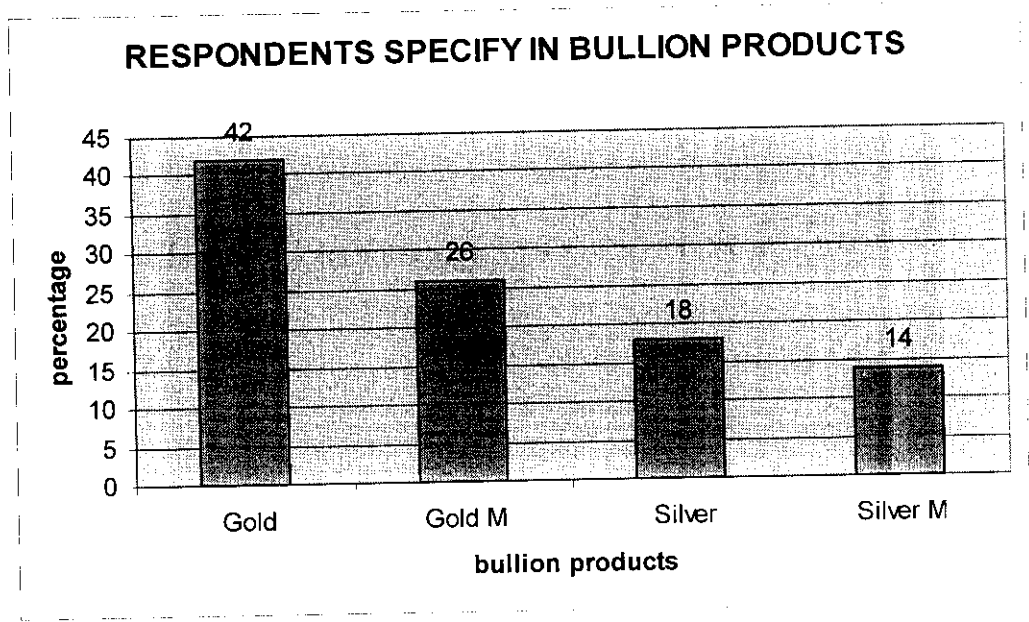


TABLE 4.8 RESPONDENTS SPECIFY IN AGRI – COMMODITY

SI.No	Respondents in Agri-commodity	No. of Respondents	Percentage (%)
1.	Cardamom	33	22
2.	Pepper	72	48
3.	Channa	30	20
4.	Other's	15	10
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 22% of the respondents' show interest towards investing in Cardamom and 48% prefer to invest in Pepper. About 20% of the respondents prefer for investing in Channa and the remaining 10% in others.

INFERENCE

From the above table it is inferred that nearly half of the respondents i.e., 48% prefer to invest in pepper with special preference towards Agri-commodity.

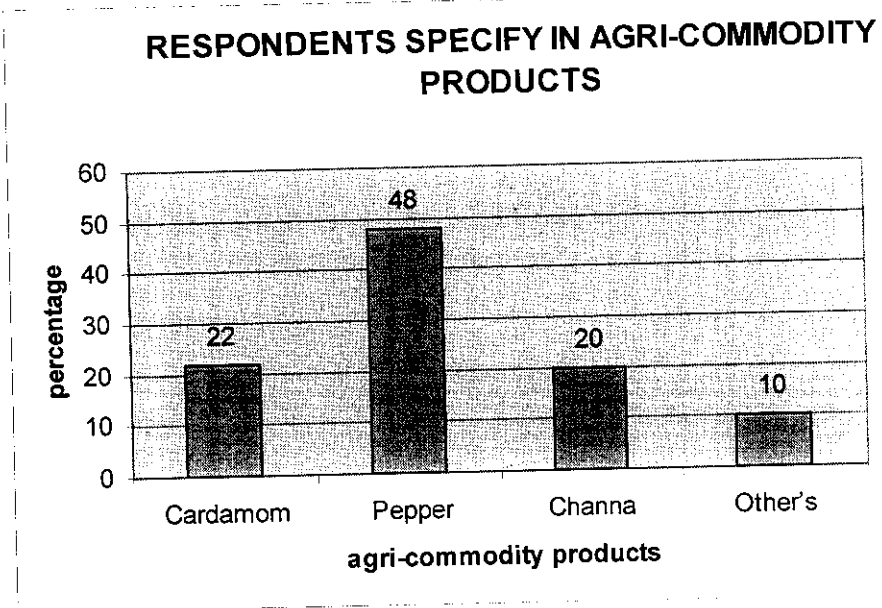
CHART 4.8 RESPONDENTS SPECIFY IN AGRI - COMMODITY

TABLE 4.9 RESPONDENTS SPECIFY IN METALS

Sl.No	Respondents in Metals	No. of Respondents	Percentage (%)
1.	Zinc	66	44
2.	Copper	54	36
3.	Nickel	21	14
4.	Other's	9	6
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 44% of the respondents' show interest towards investing in Zinc and 36% prefer to invest in Copper. About 14% of the respondents prefer for investing in Nickel and the remaining 6% in others.

INFERENCE

From the above table it is inferred that nearly half of the respondents i.e., 44% prefer to invest in Zinc with special preference towards Metals.

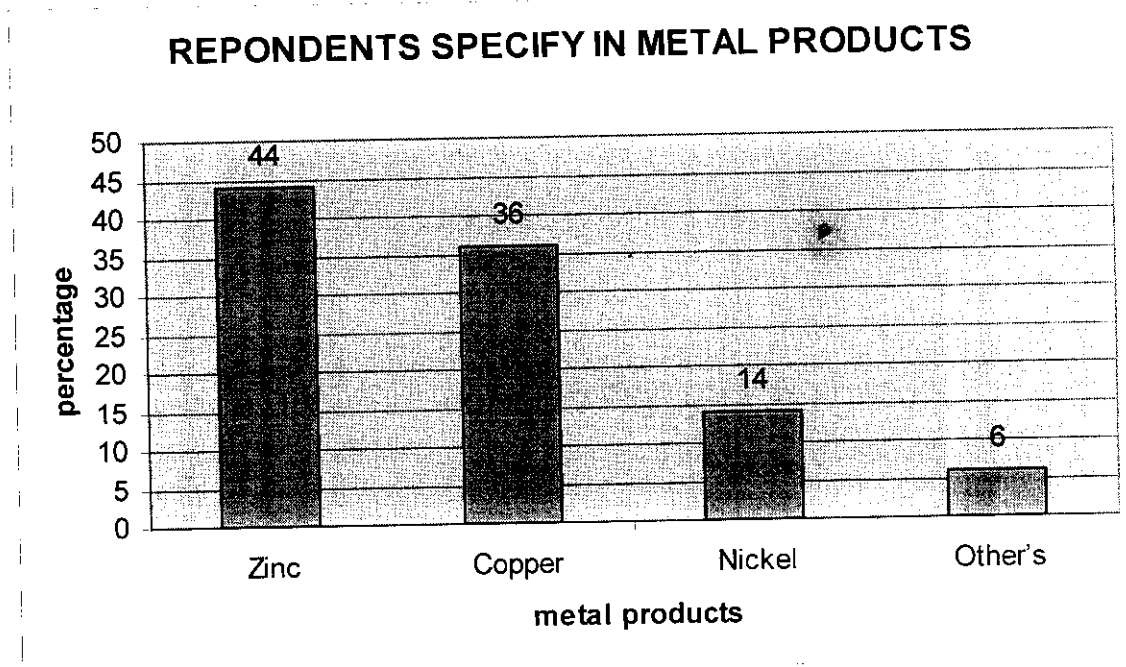
CHART 4.9 RESPONDENTS SPECIFY IN METALS

TABLE 4.10 PROPORTION OF THE RESPONDENT'S INCOME TOWARDS INVESTMENT

Sl.No	Investment Proportion	No. of Respondents	Percentage (%)
1.	Below 25 %	81	54
2.	25 % to 50 %	60	40
3.	50 % to 75 %	6	4
4.	Above 75 %	3	2
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows the proportion, a respondent would invest from his total income. It indicates that 54% of the respondents are investing below 25% of their income and 40% of the respondents are investing 25% to 50%. About 4% of the respondents are investing between 50% to 75% of their income and the remaining 2% invest above 75%.

INFERENCE

From the above table it is inferred that half of the respondents, i.e., 54% of them use below 25% of their total income for investment purposes. Only 2% of the respondents are investing a proportion of above 75%.

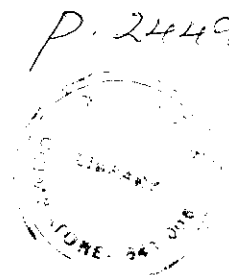
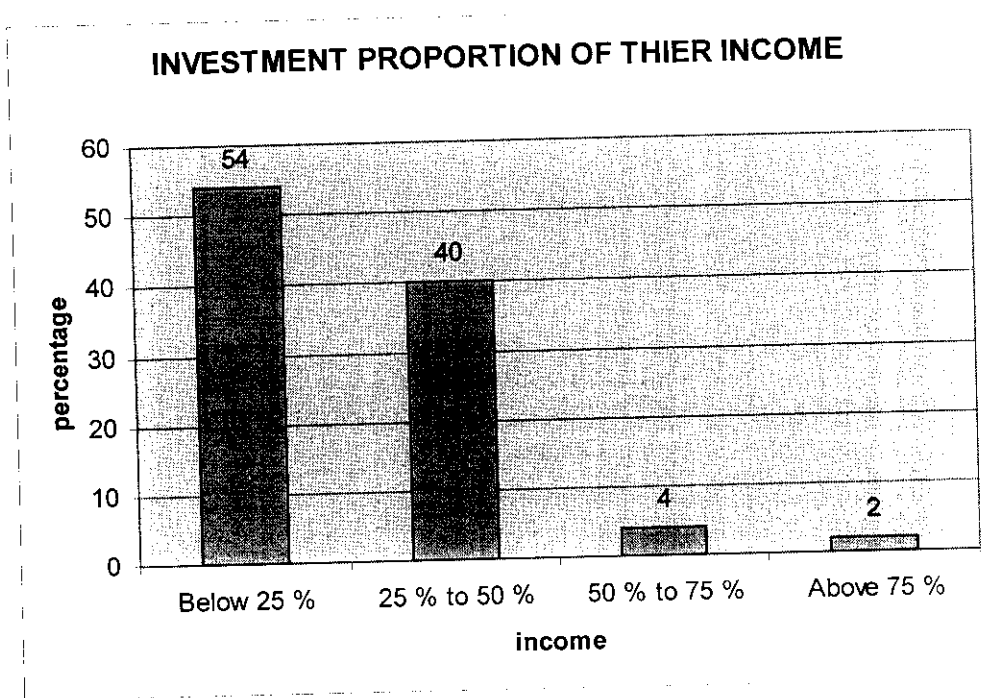


CHART 4.10 PROPORTION OF THE RESPONDENT'S INCOME TOWARDS INVESTMENT



**TABLE 4.11 RESPONDENT'S WILLINGNESS TO RECOMMEND
COMMODITY TRADING TO OTHERS**

Sl.No	Willingness	No. of Respondents	Percentage (%)
1.	Definitely	93	62
2.	Probably	48	32
3.	Not Probably	9	6
4.	Never	3	2
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 62% of the respondents have opined that they will recommend others definitely to enter into commodity trading, 32% of the respondents would probably recommend, 6% of the respondents would not probably recommend and the remaining 2% of the respondents would never recommend others to enter into commodity trading.

INFERENCE

It is inferred that majority of the respondents, i.e., 62% are optimistic about commodities trading and are definite to recommend others to invest in the commodities market. A meager 2% are pessimistic and would never recommend.

**CHART 4.11 RESPONDENT'S WILLINGNESS TO RECOMMEND
COMMODITY TRADING TO OTHERS**

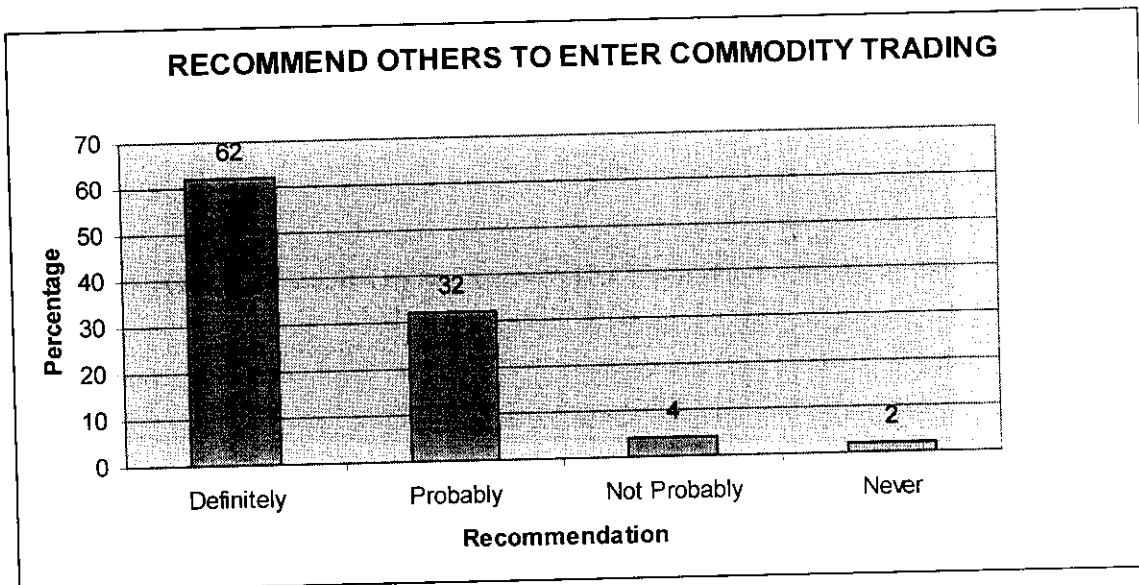


TABLE 4.12 SPECIALTY OF TRADING IN COMMODITY TRADING BASED ON PRICE HEDGING

Sl.No	Specialty of Trading	No. of Respondents	Percentage (%)
1.	I	42	28
2.	II	54	36
3.	III	54	36
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, it is found that 28% of the investors have ranked price hedging as the main specialty in commodity trading while 36% have given it the second rank, 36% of them have ranked it a their third preference.

INFERENCE

From the above table it is inferred that 36% of the respondents have ranked price hedging as their main specialty in commodity trading, hence the second and third rank for specialty in commodity trading is given to price hedging than any other reasons.

CHART 4.12 SPECIALTY OF TRADING IN COMMODITY TRADING BASED ON PRICE HEDGING

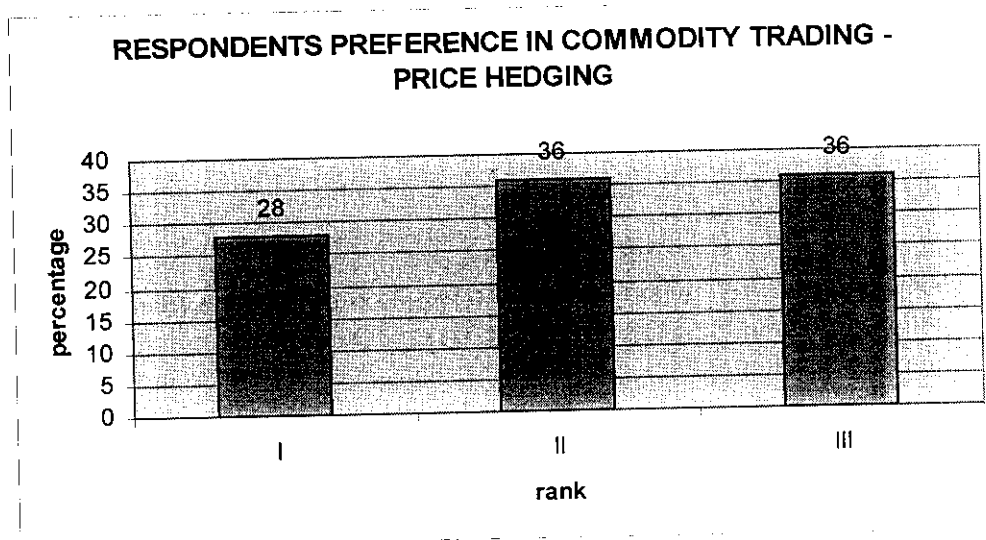


TABLE 4.13 SPECIALTY OF TRADING IN COMMODITY TRADING BASED ON REGULATED MARKET

Sl.No	Specialty of Trading	No. of Respondents	Percentage (%)
1.	I	48	32
2.	II	45	30
3.	III	57	38
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, it is found that 32% of the investors have ranked regulated market as the main specialty in commodity trading while 30% have given it the second rank, 38% of them have ranked it a their third preference.

INFERENCE

From the above table it is inferred that 38% of the respondents have ranked regulated market as their main specialty in commodity trading, hence the second and third rank for specialty in commodity trading is given to regulated market than any other reasons.

CHART 4.13 SPECIALTY OF TRADING IN COMMODITY TRADING BASED ON REGULATED MARKET

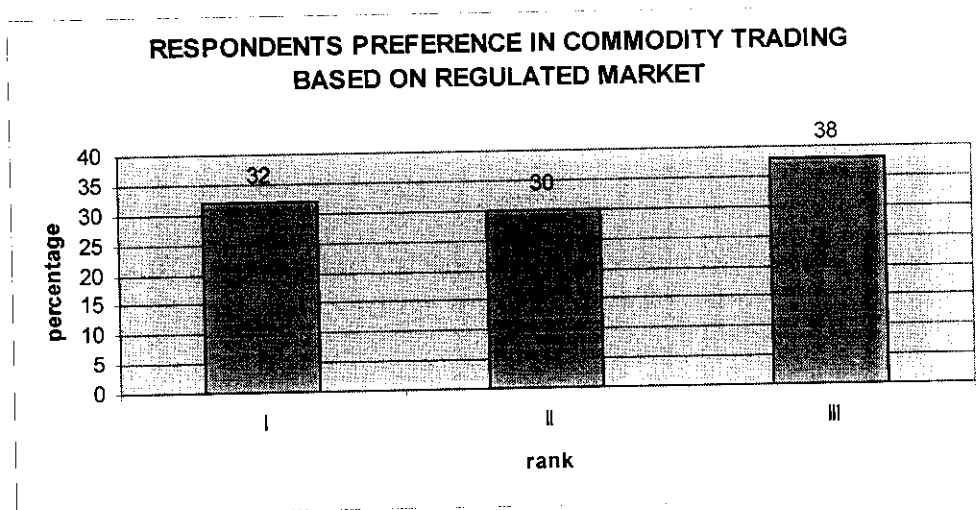


TABLE 4.14 SPECIALTY OF TRADING IN COMMODITY TRADING BASED ON HIGH RETURN

Sl.No	Specialty of Trading	No. of Respondents	Percentage (%)
1.	I	69	46
2.	II	48	32
3.	III	33	22
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, it is found that 46% of the investors have ranked high return as the main specialty in commodity trading while 32% have given it the second rank, 22% of them have ranked it a their third preference.

INFERENCE

From the above table it is inferred that 46% of the respondents have ranked high return as their main specialty in commodity trading, hence the second and third rank for specialty in commodity trading is given to high return than any other reasons.

CHART 4.14 SPECIALTY OF TRADING IN COMMODITY TRADING BASED ON HIGH RETURN

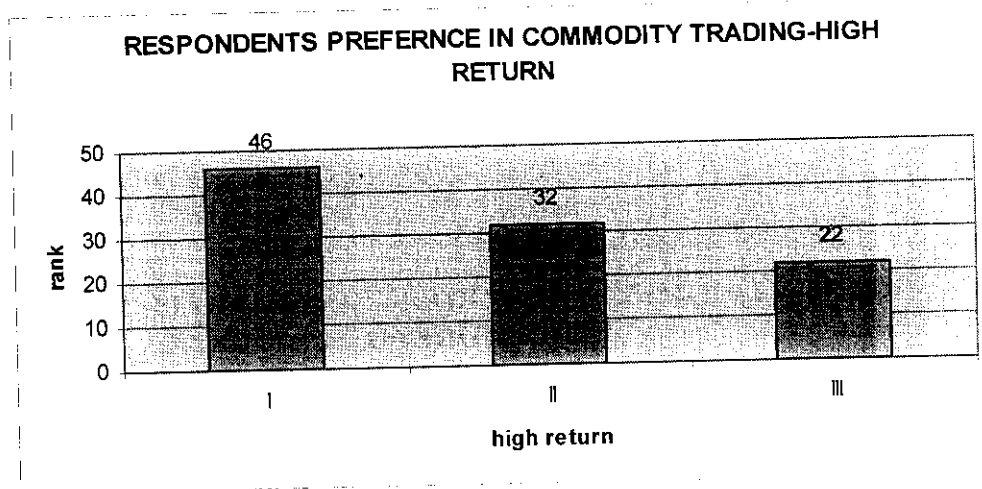


TABLE 4.15 FREQUENCY OF TRADING

Sl.No	Frequency of Trading	No. of Respondents	Percentage (%)
1.	Daily	93	62
2.	Weekly	42	28
3.	Monthly	9	6
4.	Rarely	6	4
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 62% of the respondents are trading daily in commodity market, 28% of the respondents are trading weekly, 6% of the respondents are trading monthly and the remaining 4% of the respondents are trading rarely in the commodity trading.

INFERENCE

It is inferred that two-third of the respondents, i.e., 62% engage in daily transactions.

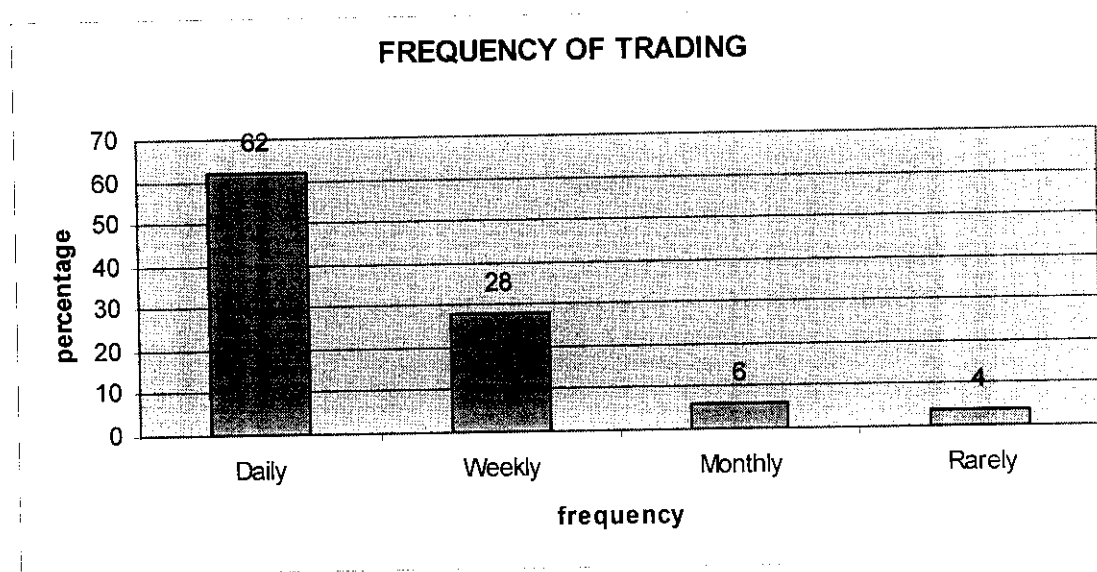
CHART 4.15 THE FREQUENCY OF TRADING

TABLE 4.16 RESPONDENTS LIKENESS IN EQUITY MARKET

Sl.No	Likeness in Equity market	No. of Respondents	Percentage (%)
1.	To a greater extent	57	38
2.	Some extent	84	56
3.	No idea	9	6
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 56% of the respondents show moderate interest towards equity market while 38% are very much interested. While the remaining 6% show no indifference.

INFERENCE

From the above table it is inferred that equity market is moderately preferred by majority i.e., 56% of the respondents.

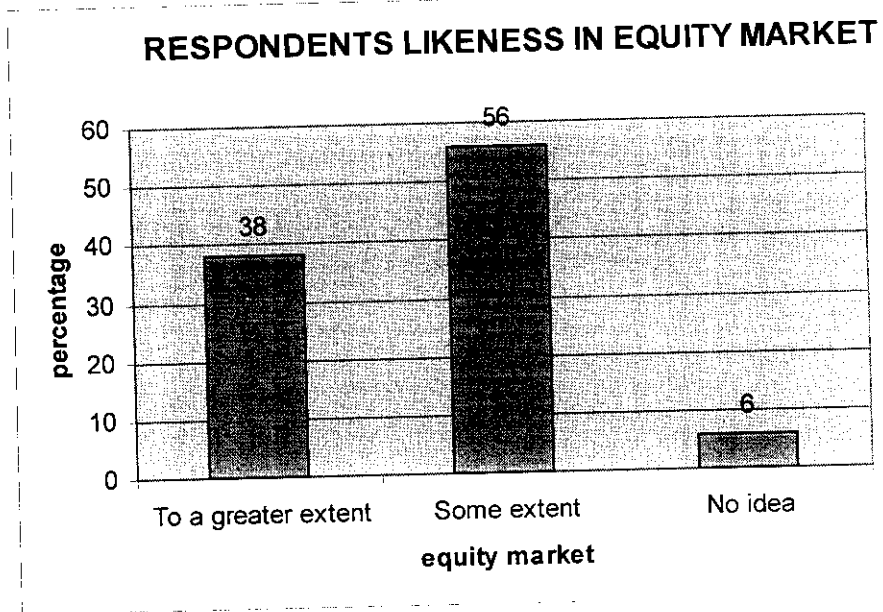
CHART 4.16 RESPONDENTS LIKENESS IN EQUITY MARKET

TABLE 4.17 ABOUT THE COMMISSION CHARGES

Sl.No	Commission charges	No. of Respondents	Percentage (%)
1.	Highly Satisfied	36	24
2.	Satisfied	78	52
3.	Moderate	33	22
4.	Dissatisfied	3	2
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 24% of the investors are highly satisfied, while 52% of the investors are satisfied, while 22% of the respondents are neutral, and the remaining 2% of the investors are not satisfied with the commission charges of trading in commodities.

INFERENCE

From the above table it is inferred that, 52% of the respondents are satisfied with the commission trading commission charged by the organization.

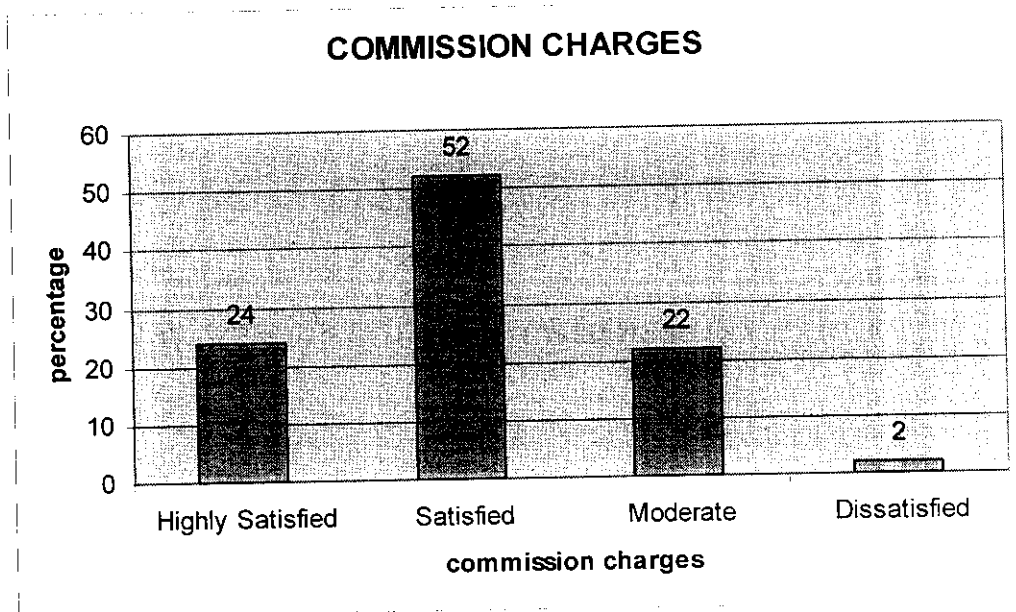
CHART 4.17 ABOUT THE COMMISSION CHARGES

TABLE 4.18 SOURCE OF INFORMATION ABOUT COMMODITY MARKET

Sl.No	Source of information	No. of Respondents	Percentage (%)
1.	News paper	33	22
2.	Friends	57	38
3.	Magazines & Internet	33	22
4.	Others	27	18
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows the source of awareness about the commodities market. It states that, news papers& magazines internet provide information to 44% of the respondents while 38% of the respondents got the information through their friends, and the remaining 18% are informed through other sources.

INFERENCE

The above table infers that majority, i.e., 38% of the respondents came to know about the commodities market through friends circle.

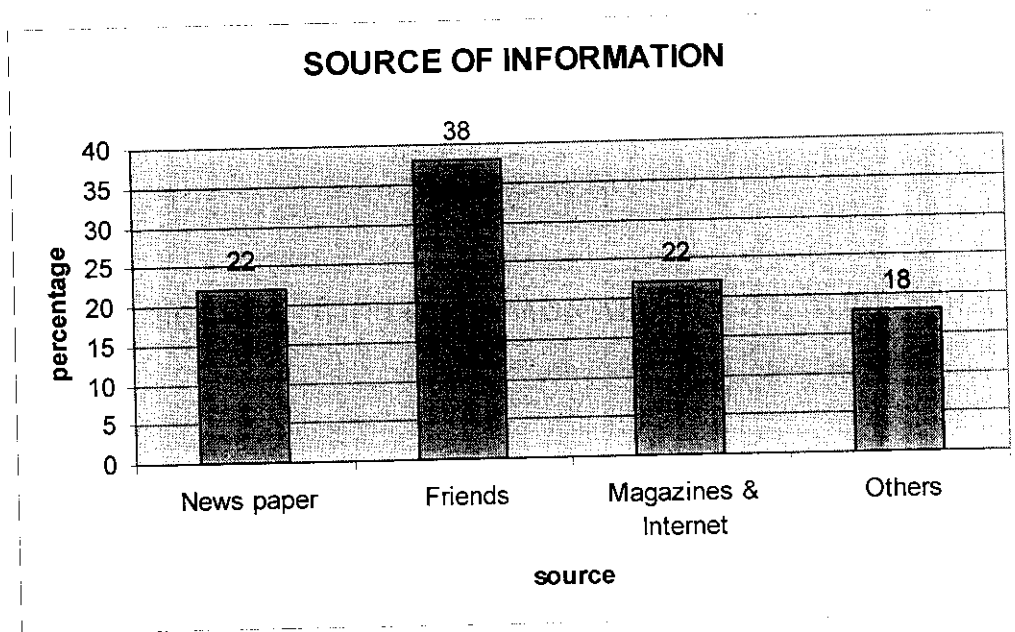
CHART 4.18 SOURCE OF INFORMATION ABOUT COMMODITY MARKET

TABLE 4.19 MARGIN WHICH THEY HAVE BEEN TRADED

Sl.No	Margin have been Traded	No. of Respondents	Percentage (%)
1.	Below 5 lakhs	99	66
2.	5 lakhs to 25 lakhs	33	22
3.	25 lakhs to 50 lakhs	15	10
4.	50 lakhs & above	3	2
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 66% of the respondents trade in commodities below Rs.5, 00,000 p.a, while 22% of the respondents trade in between Rs.5, 00,000 to Rs.25, 00,000 p.a,while 10% of the respondents trade in between Rs.25,00,000 to Rs.50,00,000 p.a and the remaining 2% of the respondents trade above Rs.50,00,000 p.a.

INFERENCE

From the above table it is inferred that, majority of the respondents, i.e., 66% trade in commodities below Rs.5, 00,000 p.a, and only 2% of the respondents trade above Rs.50, 00,000.

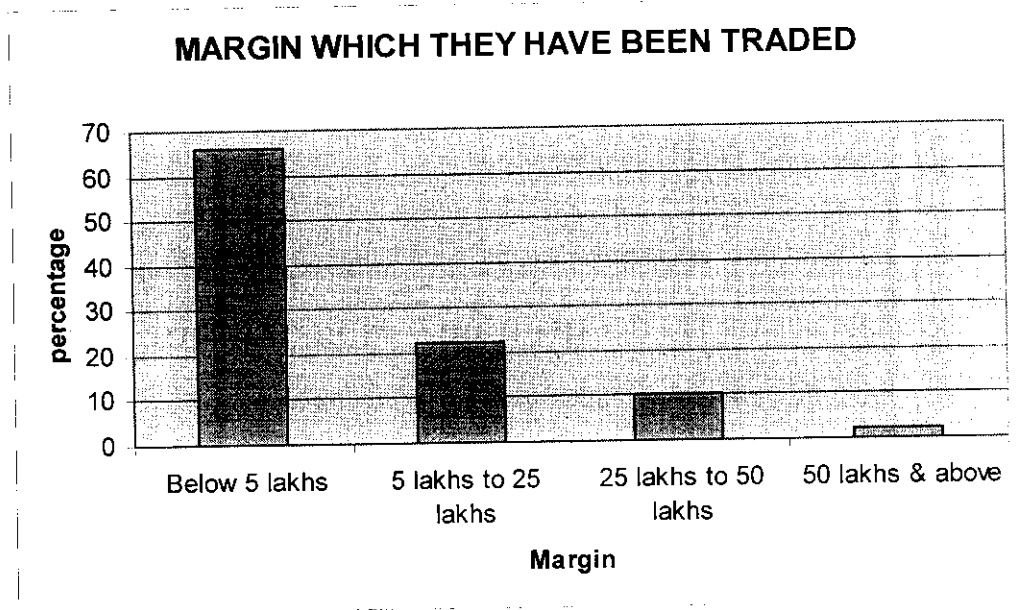
CHART 4.1 MARGIN WHICH THEY HAVE BEEN TRADED

TABLE 4.20 TIME-SPAN OF TRADING IN COMMODITY MARKET

Sl.No	Duration of trading in commodity market	No. of Respondents	Percentage (%)
1.	Less than 2 months	18	12
2.	2 to 6 months	39	26
3.	6 months to 1 year	60	40
4.	More than 1 year	33	22
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows the respondents association with the commodities market. It indicates that, 12% of the respondents are trading for less than 2 months, 26% of the respondents are trading in commodities for 2 to 6 months, 40% of the respondents are in trade for 6 months to 1 year and the remaining 22% of the respondents are in trading for more than a year.

INFERENCE

From the above table it is inferred that 40% of the respondents are into the commodities market for the last 1 year while another 22% are for more than a year.

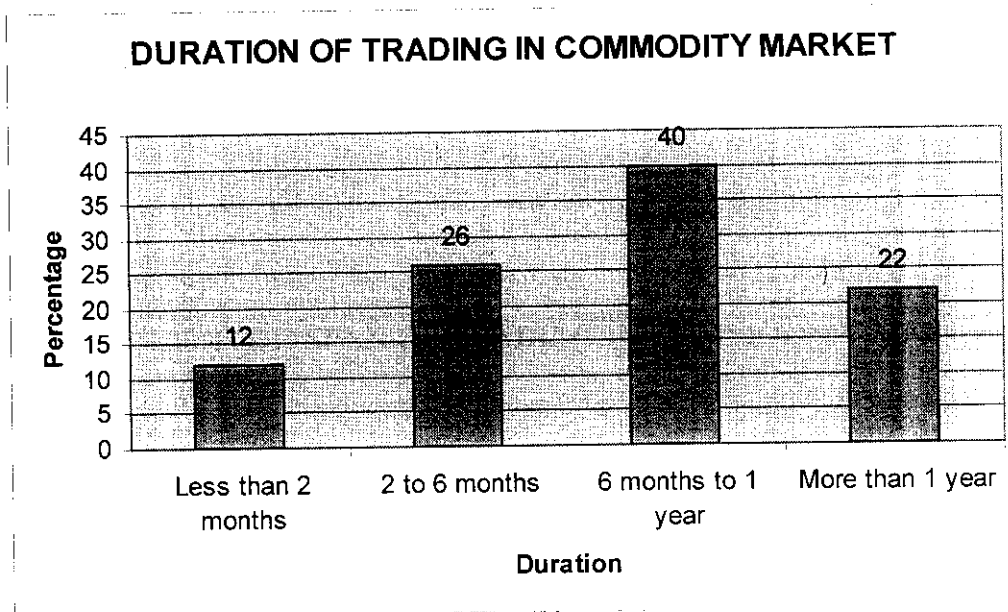
CHART 4.20 TIME-SPAN OF TRADING IN COMMODITY MARKET

TABLE 4.21 SATISFACTION LEVEL OF RETURNS

S.No	Satisfaction level	No. of Respondents	Percentage (%)
1.	Yes	135	90
2.	No	15	10
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 90% of the respondents are satisfied with their level of returns from the commodities market, while 10% of the respondents are not satisfied.

INFERENCE

The above table infers that an absolute majority, ie., 90% of the respondents are satisfied with the returns generated from the commodities market.

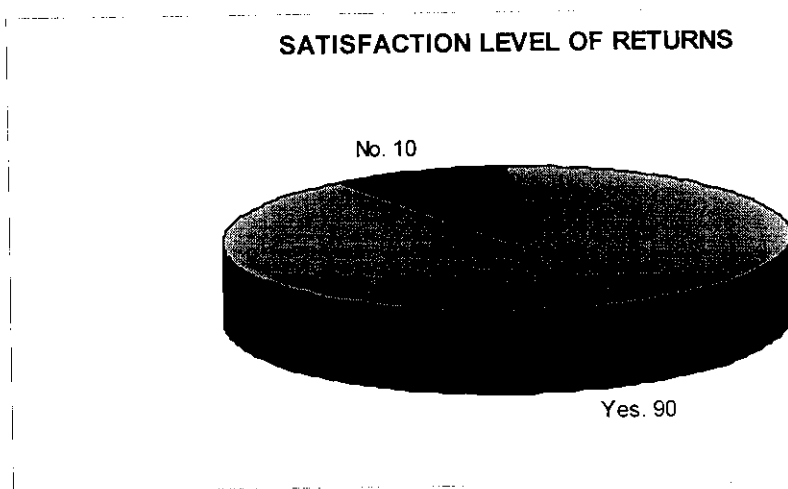
CHART 4.21 SATISFACTION LEVEL OF RETURNS

TABLE 4.22 RISK INVOLVED IN COMMODITY MARKET

Sl.No	Risk involved	No. of Respondents	Percentage (%)
1.	High risk	105	70
2.	Medium risk	36	24
3.	Low risk	9	6
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table provides the respondents opinion with respect to the risk involved in commodities trading. It indicates that, high risk is experienced by 70% of the respondents, while 24 % believe that there is medium risk the remaining 6% consider that commodities trading involves only low risk.

INFERENCE

The above table clearly infers the existence of high risk in commodities trading, since 70% of the respondents have confirmed that.

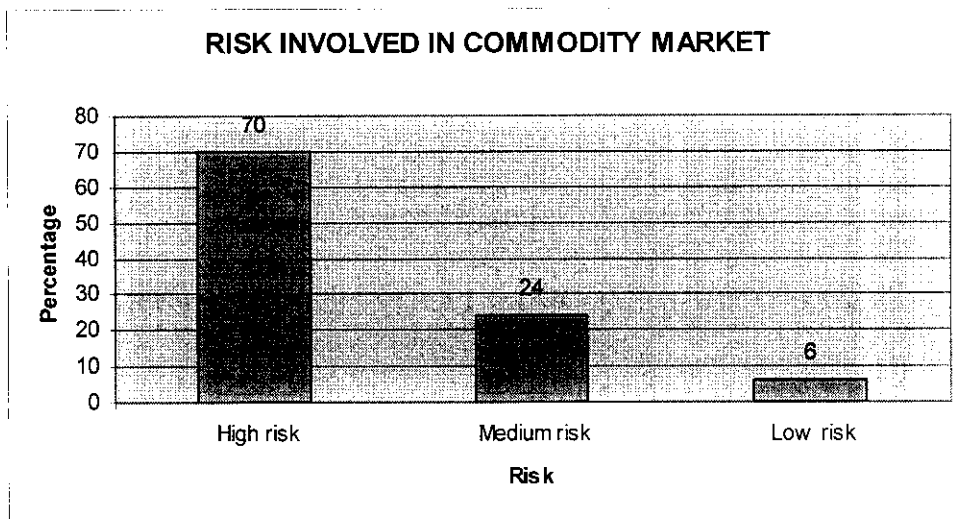
CHART 4.22 RISK INVOLVED IN COMMODITY MARKET

TABLE 4.23 OTHER MODES OF INVESTMENT

S.No	Modes of Investment	No. of Respondents	Percentage (%)
1.	Yes	123	82
2.	No	27	18
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, besides commodities trading, 82% of the respondents have also invested in the other modes of investment, while 18% of the respondents invest only in commodities market.

INFERENCE

The above table infers that a vast majority of respondents, i.e., 82% have diversified their investments, besides investing in commodities market.

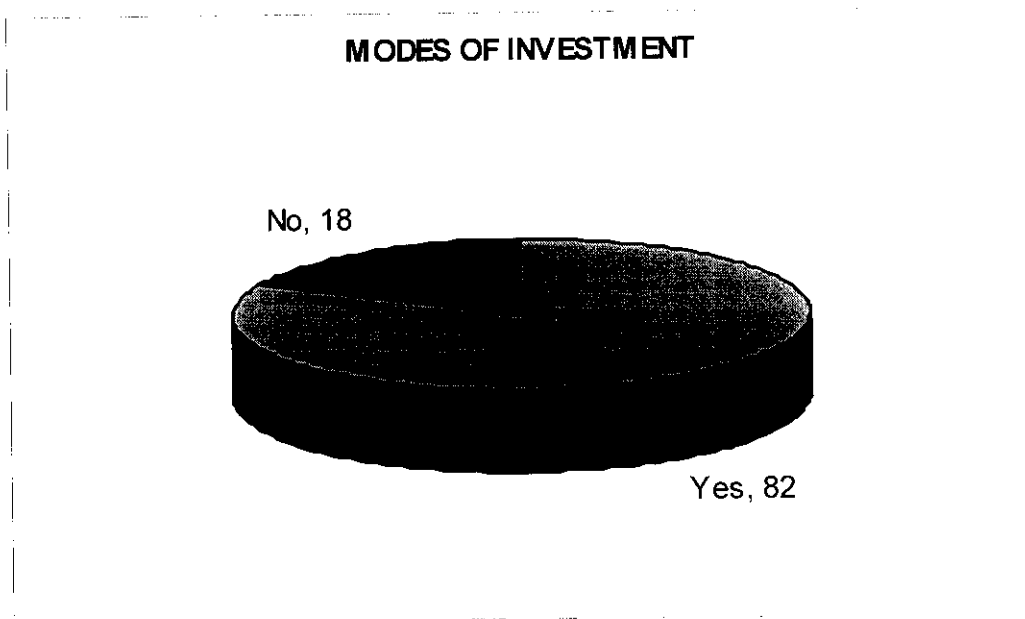
CHART 4.23 OTHER MODES OF INVESTMENT

TABLE 4.24 INVESTMENT AVENUES OF THE RESPONDENT

Sl.No	Investment Avenues of the Respondent	No. of Respondents	Percentage (%)
1.	Mutual funds	42	28
2.	Share market	72	50
3.	Insurance	9	6
4.	Others	27	16
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 28% of the respondents are been invested in Mutual funds, while 50% of the respondents are been invested in the Share market, while 6% of the respondents are been invested in the Insurance and the remaining 16% respondents are been invested in others.

INFERENCE

From the above table it is inferred that, 50% of the respondents are been invested in Share market and 6% of the respondents are been invested in Insurance.

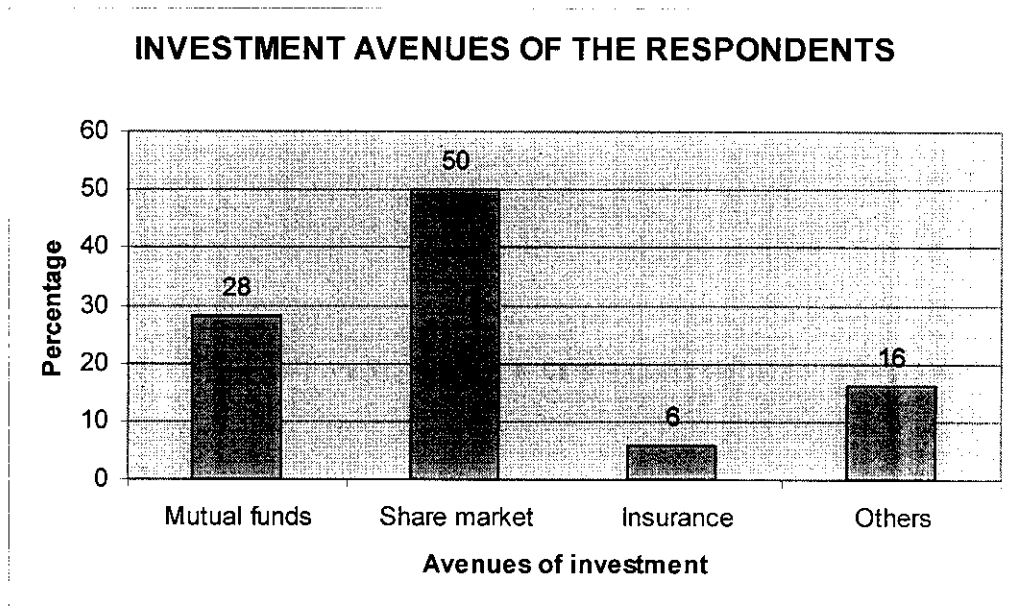
CHART 4.24 INVESTMENT AVENUES OF THE RESPONDENT

TABLE 4.25 RESPONDENTS PREFERENCE TOWARDS TRADING IN BULLION PRODUCTS

Sl.No	Type of commodity Preferred by the Respondent	No. of Respondents	Percentage (%)
1.	I	57	38
2.	II	39	26
3.	III	42	28
4.	IV	12	8
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 38% of the investors have given first preference to Bullion while 26% have given the bullion products second preference, 28% of them have ranked it as their third preference and the remaining 8% of the investors have given bullion products the least preference.

INFERENCE

From the above table it is inferred that, 38% of the respondents prefer bullion products for trading in the commodity market.

CHART 4.25 RESPONDENTS PREFERENCE TOWARDS TRADING IN BULLION PRODUCTS

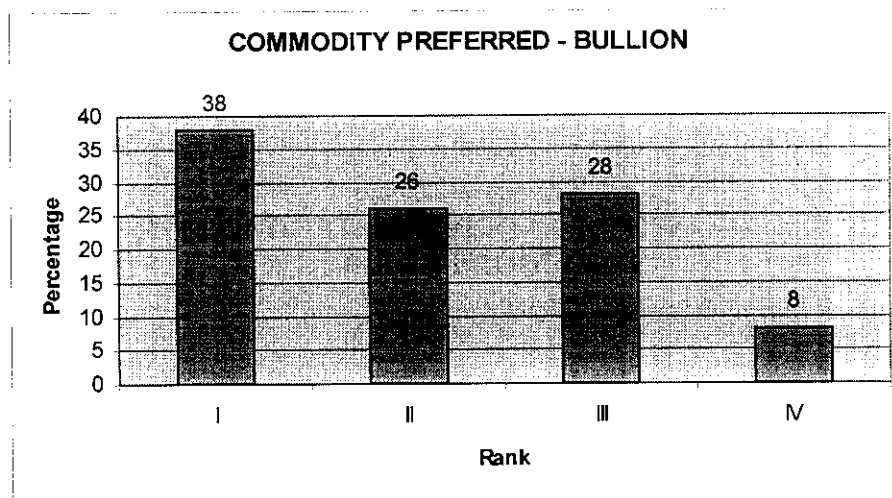


TABLE 4.26 RESPONDENTS PREFERNCE TOWARDS TRADING IN AGRICULTURAL PRODUCTS

Sl.No	Type of commodity Preferred by the Respondent	No. of Respondents	Percentage (%)
1.	I	21	14
2.	II	36	24
3.	III	57	38
4.	IV	36	24
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 14% of the investors have given first preference to Agricultural products while 24% have given the agricultural products second preference, 38% of them have ranked it as their third preference and the remaining 24% of the investors have given agricultural products the least preference.

INFERENCE

From the above table it is inferred that, 14% of the respondents give first preference for agricultural products for trading in the commodity market, while another 38% give only third preference.

CHART 4.26 RESPONDENTS PREFERENCE TOWARDS TRADING IN AGRICULTURAL PRODUCTS

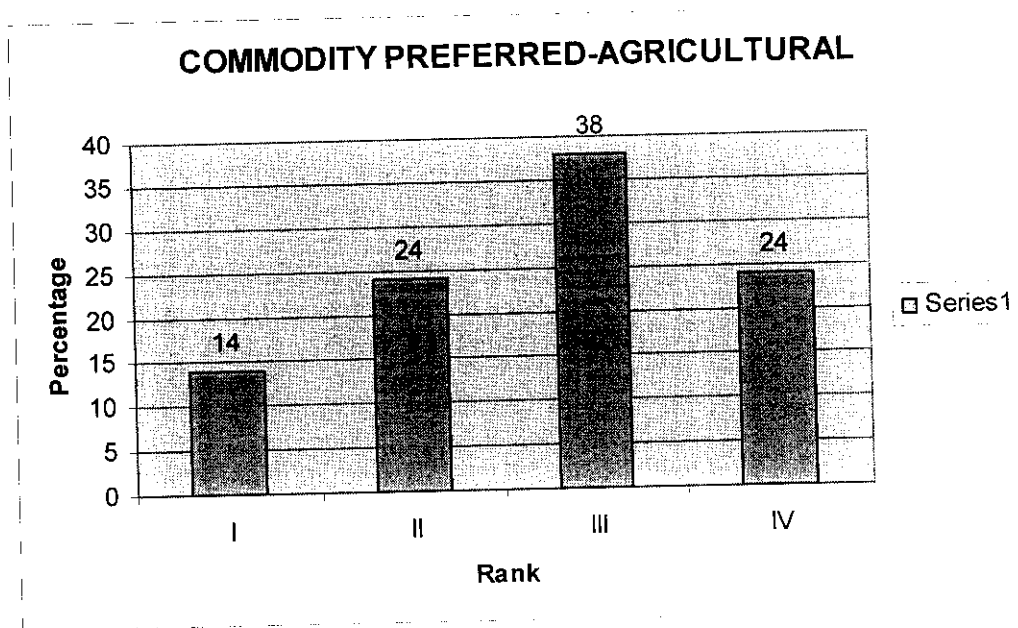


TABLE 4.27 RESPONDENTS PREFERENCE TOWARDS TRADING IN METAL PRODUCTS

Sl.No	Type of commodity Preferred by the Respondent	No. of Respondents	Percentage (%)
1.	I	36	24
2.	II	57	38
3.	III	18	12
4.	IV	39	26
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 24% of the investors have given first preference to Metal products while 38% have given the Metal products second preference , 12% of them have ranked it as their third preference and the remaining 26% of the investors have given metal products the least preference.

INFERENCE

From the above table it is inferred that, 24% of the respondents primarily prefer metal products for trading in the commodity market.

CHART 4.27 RESPONDENTS PREFERENCE TOWARDS TRADING IN METAL PRODUCTS

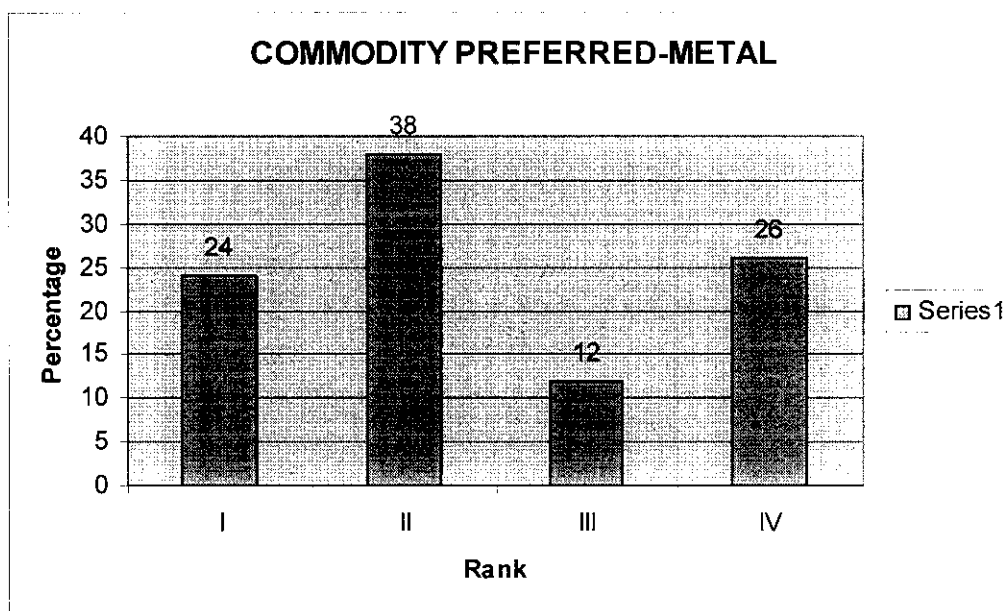


TABLE 4.28 RESPONDENTS PREFERENCE TOWARDS TRADING IN OIL & OILSEEDS PRODUCTS

Sl.No	Type of commodity Preferred by the Respondent	No. of Respondents	Percentage (%)
1.	I	36	24
2.	II	21	14
3.	III	33	22
4.	IV	60	40
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 24% of the investors have given first preference to Oil & oil seeds products while 14% have given the oil& oil seeds products second preference, 22% of them have ranked it as their third preference and the remaining 40% of the investors have given oil & oil seeds products the least preference.

INFERENCE

From the above table it is inferred that 24%of the respondents primarily prefer oil & oil seeds products for trading in the commodity market.

CHART 4.28 RESPONDENTS PREFERENCE TOWARDS TRADING IN OIL & OIL SEEDS PRODUCTS

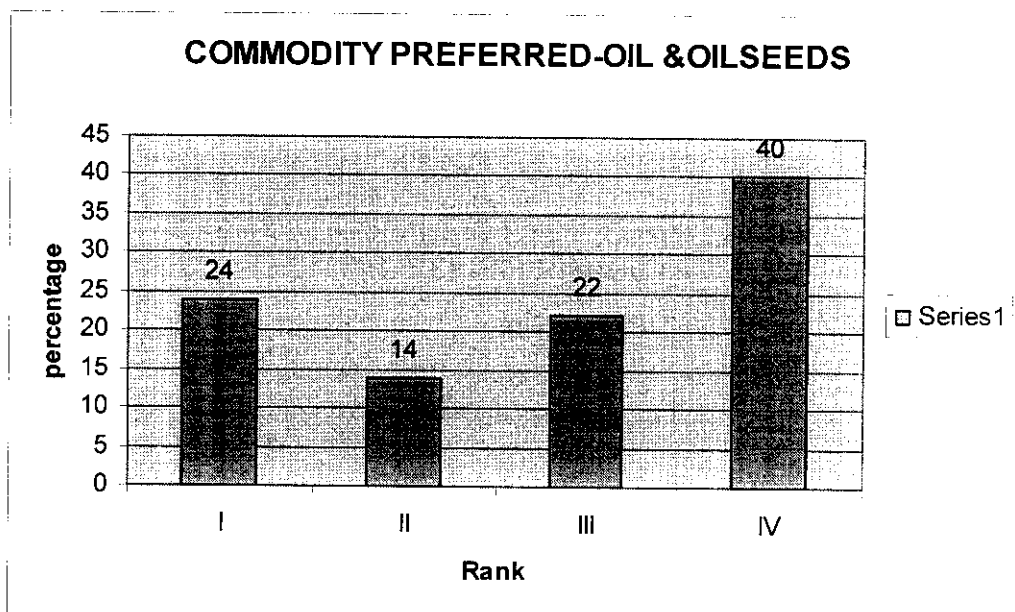


TABLE 4.29 INFLUENCE OF INTERNATIONAL MARKET

S.No	Influence of International market	No. of Respondents	Percentage (%)
1.	Yes	150	97
2.	No	0	3
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that nearly all of the respondents, i.e., 97% underline the national commodities market gets influenced by the movements in international market.

INFERENCE

The above table indicates that an absolute majority, i.e., 97% of them confirms the influence of international commodities market has a major bearing on the national commodities market.

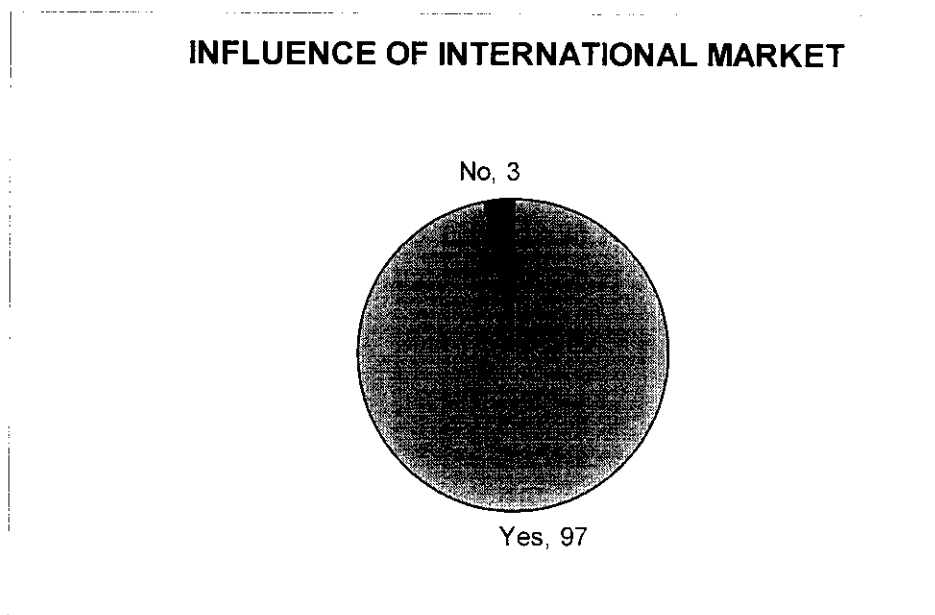
CHART 4.29 INFLUENCE OF INTERNATIONAL MARKET

TABLE 4.30 POSSIBLE MEASURES, RESPONDENTS WOULD TAKE TO CONTROL RISK

Sl.No	Measure	No. of Respondents	Percentage (%)
1.	Careful planning	36	24
2.	Time of buying and selling	54	36
3.	Type of Investment is made	30	20
4.	Profit making techniques	30	20
	Total	150	100

Source: Primary Data

INTERPRETATION

The above table shows that, 24% of the respondents will control risk through careful planning, while 36 % of the respondents through time of buying and selling, while 20% of the respondents through type of investment is made and profit making techniques by revising the portfolio.

INFERENCE

From the above table it is inferred that, 36% of the respondents will control risk through apt timing of their trading.

CHART 4.30 POSSIBLE MEASURES, RESPONDENTS WOULD TAKE TO CONTROL RISK

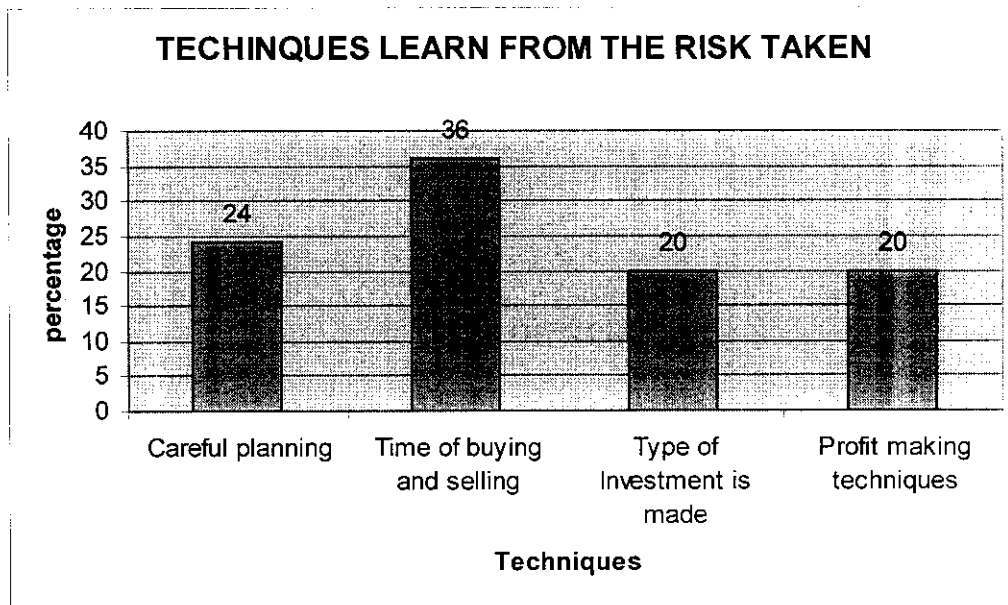


TABLE 4.31 INVESTOR'S PROFILE

S.NO	PARTICULARS	AVERAGE INVESTORS PROFILE
1	Gender	Male
2	Age	26 – 50 years
3	Occupation	Salaried
4	Educational Qualification	Post Graduation
5	Annual Income	Rs. 1,00,000 – Rs 5,00,000
6	Investment portion of their income	Below 25%
7	Risk taking ability	High
8	Investment avenues	Shares
9	Time – span of trading	6 months – 1 year
10	Frequency of trading	Daily
11	Awareness of trading in commodity market	To some extent
12	Reasons for choosing commodity market	Moderate return
13	Commodities most preferred	Metals
14	Commodity market is preferred most for the factor	High return
15	Recommendation to others to enter into commodity market	Definitely
16	Techniques learnt from the risk taken	Buy, hold, and sell the scrip's

TABLE NO.4.32 CHI-SQUARE ANALYSIS FOR RESPONDENTS RISK TAKING CAPACITY ANF THEIR PREFERABLE INVESMENT AVENUES

Risk capacity Investment avenue	Low	Medium	High	Grand Total
Shares, commodity	78	17	5	100
Mutual funds, Insurance	27	18	5	50
Grand Total	105	35	10	150

Source: Primary Data

Null Hypothesis

Ho: There is no significant relationship between Risk Taking Capacity and Investment Avenues.

Alternate Hypothesis

Ha: There is significant relationship between Risk Taking Capacity and Investment Avenues.

INFERENCE

The calculated value 9.144 is greater than the table value 3.841. so on degree of freedom at 5%level of significance. Hence null hypothesis is rejected & it is inferred that there is significance relationship between Risk Taking Capacity and Investment Avenues.

— *¶* FINDINGS, SUGGESTIONS
& CONCLUSION *¶* —

CHAPTER – V

CONCLUSION

5.1 RESULTS AND DISCUSSIONS

- It is found that 86% of the respondents belong to male gender and 68% of the respondents are married.
- Respondents to the extent of 40% belong to the age group of 26 years to 50 years.
- About 48% of the respondents are postgraduates.
- About 46% of the respondents are salaried.
- The study reveals that 52% of the respondent's annual income ranges between Rs. 1, 00,000 to Rs 5, 00,000.
- It is found that 42% of the respondents specify Gold in Bullion market.
- It is found that 48% of the respondents specify Peeper in Agri-commodity market
- It is found that 44% of the respondents specify Zinc in Metals.
- About 54% of the respondents invest 25 % to 50% of their income.
- About 62% of the respondents will definitely recommend others to enter in to the commodity market.
- It is found that 38 % of the respondents were referring friends as their source of information.
- About 36% of the respondents will rank 2nd & 3rd place in their specialty of trading in commodity market as Price Hedging
- About 38% of the respondents rank 3rd place in Regulated market.
- About 46% of the respondents rank 1st place in High return.
- Majority 62% of the respondents do their trading daily.
- About 56% of the respondents aware about the commodity market to some extent.
- About 52% of the respondents are been satisfied with their commission charges paid.

- Majority 66% of the respondents are been traded up to the margin money below 5, 00,000.
- About 40% of the respondents are satisfied with their level of returns.
- It is found that 97% of the respondents agree that international market has got an impact over national market.
- About 70% of the respondents' High risk is involved in the commodity market.
- Majority 82% of the respondents will also invest in other modes of investment.
- Respondents to the extent of 50% invest in the shares.
- Out of their past experience respondents would take to control risk by 36% while at the time of buying and selling the commodities.
- It is found that there exists a significant relationship between Annual income and Investment portion.
- It is found that there exist a significant relationship between Investment avenues and Risk capacity.

5.2 CONSIDERED RECOMMENDATIONS

- The company can rise up its investments by educating the public about the benefits that they can reap from the commodities market through awareness programs, advertisements.
- Since most of the investors are those who trade in share market and it is very easy to make them invest in higher margin commodities.
- The findings reveal that majority of the investors are within the age group of 26-35 years, so the company can provide their customers some additional assistance like daily trading tips, daily positions, and general news for doing a better trading with the commodities market.
- The investors in Coimbatore are not much aware of commodity market and the commodities being traded in the commodity market. So, awareness about the commodity market and the commodities being traded.
- A regular investor's friendly seminar can be organized to suit the timings of the investing public. Seminars can be in the form of interactive sessions, arranged at frequent intervals.
- The newsletters published by Karvy must include the suggestions provided by the research team to help the investors to better understand the tactics of trading in commodity market. Hence newsletter can be published for guidance.
- Workshops can be conducted in villages for the farmers to educate them about commodity market.

5.3 CONCLUSION

Commodities market provides a platform for the investors as well as hedgers to protect their economic interests as well as increase their investible wealth. However, there is a need to profile the investors in this market with their preferences and pattern. This will help the commodity trading companies to focus their offerings to suit the needs of the commodity investors. Also, the companies should understand the expectations of their clients and their level of satisfaction. With this in mind, a study was conducted through the Karvy Comtrade Limited, where a sample of 150 respondents was drawn for study. A structured questionnaire with the relevant indicators was administered to primarily identify the investors' preference towards commodities market. The study also intended to identify the investment patterns of investors, to know the investors' opinion on the effect of international commodities market over the national trading activity, to identify the source of information about commodities market, and to profile the commodities investors.

The researcher concludes the study by noting that the commodities market is preferred as an investment destination owing to its regulated structure. The commodities attract investment also because of its high return potential and a possible source for hedging the exposures. The respondents invest 25% of their income in commodities and equity. Metals and Bullion attract major clout for investment. The frequency of trade is found high with the respondents. The investors observe the international events with caution, since they consider them as a major cause for volatility in the national commodity markets. The conventional media forms the source of investment information for the respondents. The profile of the respondents indicates that the majority is male between 26 -50 years of age. They are graduates with an salary ranging between Rs.1, 00,00 to Rs.5, 00,000p.a. They invest 25% of their income in commodities and are willing to take high risk but for high return, with exposures between 6 months to 1 year. They trade on daily basis and metals are the most preferred commodities for trade. The investors are not fully aware of the functioning of commodity market and they draw market information from Print media, Web media and Peer groups.

u ANNEXURE *u*

ANNEXURE

Questionnaire

Dear Respondent,

As a part of my MBA project, I am doing a study on “**INVESTOR’S PREFERENCE TOWARDS COMMODITIES MARKET**”. Kindly spare a few minutes of your valuable time to fill this questionnaire. The details of this questionnaire are purely for research purpose and will be strictly kept confidential. Thank you.

Name -----

Place -----

1. Gender: a) Male b) Female

2. Martial Status: a) Married b) Unmarried

3. Age in years:

a) Below 25 b) 26 to 35 c) 36 to 45 d) Above & 45

4. Educational qualification:

a) Under graduate b) Post graduate
c) Professionals d) other’s (specify) -----

5 .Occupational status:

a) Salaried b) Self-employed
c) Retired d) other’s (specify) -----

6. Annual Income:

a) Less than 1, 00,000 b) 1, 00,000 to 5, 00,000
c) 5, 00,000 to 10, 00,000 d) 10, 00,000 and above

7. Please do specify the commodity trade which you have

Entered for?

a) Bullion b) Metals c) Agri- Commodity d) Oil & oilseeds

8. If bullion, which commodity you commonly trade in?

a) Gold b) Gold M c) silver d) silver M

9. If Agri-Commodity, which Commodity you have opted for Trading?

a) Cardamom b) Pepper c) channa d) Other’s (specify) -----

10. If metals, which commodity you will trade in?

a) Zinc b) Copper c) Nickel d) other’s (specify) -----

11. Investment portion of your income?
a) Below 25% b) 25% to 50% c) 50%to75% d) Above 75%

12. Would you recommend others to enter into Commodity market?
a) Definitely b) Probably
c) Probably not d) Never

13. What you think as the specialty of trading in Commodity market
Rank them?

S.no	Particulars	Rank
1.	Price hedging	
2.	Regulated marketing	
3.	High Return	

14. What is the frequency of your trading in commodity?
a) Daily b) Weekly
c) Monthly d) Rarely

15. Your likeliness of trading in equity market?
a) To a greater extent b) Some extent c) No idea

16. How do you feel about commission charges being collected?
a) Highly Satisfied b) Satisfied c) Moderate d) Dissatisfied

17. Please do mention the source from which you have got the information about commodity trading?
a) Newspaper b) Friends c) Magazines & Internet d) Other's (specify)-----

18. Please specify the margin which you have traded?
a) Below 5 lakhs b) 5 lakhs to 25 lakhs
c) 25 lakhs to 50 lakhs d) 50 lakhs & above

19. How long you have been in the commodity trading?
a) Less than 2 months b) 2 to 6 months
c) 6 months to 1 year d) more than 1 year

20. Are you satisfied with the return gained through the Commodity market?
a) Yes b) No

21. How do you feel commodity market in compared to other Market?
a) High risk b) Medium risk c) Low risk

22. Have you invested in any other modes of Investment?
a) Yes b) No

∞ BIBLIOGRAPHY ∞

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WEBSITES

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