



DEPARTMENT OF MANAGEMENT STUDIES

A workshop on Investment Awareness Program

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By

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Department of Management Studies has conducted a workshop by “Dr. J. Murthy from NISM Kotak Securities, CSR Project” who spoke on the aims and objectives of the program. He covered Case Study Analysis need, objectives and importance, statistical tools which can be useful to analyse the financial performance of the firm. This session is inaugurated by Dr. Sremmant Basu, HoD of Department of Management Studies.

The Indian commodity market requires huge investments and better trading activity both in the national as well as the regional commodity markets. The participation of non-professional people trading commodity markets makes the market a risky venture. Non-professional participants simply add to the instability factor of the market. There is a terrible need for professional experts who are able to provide advice on commodity trading and build

commodity inclusive portfolios. Such professional awareness, expertise, and guidance in commodity trading can come from professional commodity traders called commodity trading advisors. Commodity Market is an organized trader's exchange in which standardized, graded products are bought and sold. Worldwide, there are 48 major commodity exchanges that trade over 120 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. 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 futures trading at the commodity markets in Chicago have made stock prices more volatile. The Chicago Board of Trade is the largest futures and options exchange in the United States, the largest in the world is Eurex, an electronic European exchange.

The main idea behind the study conducted was to find out the investors awareness in commodity market with reference to Stock Broking firm, Chennai.

TRADING OF COMMODITY DERIVATIVES IN INDIA EXCHANGE TRADING

An asset (commodity/stock), when is traded over an organized exchange is it is termed, to be traded on the Exchange. This type of trading is the general trading which we see on the major exchanges world over. The settlement in the exchange trading is highly standardized.

OVER THE COUNTER TRADING

An asset (commodity/stock) is traded over the counter usually because the company is small and unable to meet listing requirements of the exchanges and facilitates the trading in those areas where the exchanges are not located. Also known as unlisted the assets are traded by brokers/dealers who negotiate directly with one another over computer networks and by phone. Instruments such as bonds do not trade on a formal exchange and are thus considered over-the- counter securities. Investment banks making markets for specific issues trade most debt instruments. If someone wants to buy or sell a bond, they call the bank that makes the market in that asset. **LEADING COMMODITY MARKETS OF INDIA** The government has now allowed national commodity exchanges, similar to the BSE & NSE, to come up and let them deal in commodity derivatives in an electronic trading environment. These exchanges are expected to offer a nation-wide anonymous, order driven; screen based trading system for trading. The Forward Markets Commission (FMC) will regulate these exchanges. The commodities that are traded today are: Agro-Based Commodities such as Wheat, Corn, Cotton, Oils, Oilseeds etc Soft Commodities such as Coffee, Cocoa, Sugar etc Livestock such as Live Cattle, Pork Bellies etc Energy such as Crude Oil, Natural

