

THE IMPACT OF FINANCIAL INVESTORS DECISION TOWARDS SELECTED COMMODITY TRADING IN COIMBATORE CITY

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Abstract: Commodity is any physical substance such as food grains, metals, which is interchangeable with any other product of the same type with which an investor or trader is able to buy or sell, generally future contract. Commodity is the best option for the investors could have done very little to actually invest in commodities such as gold and silver or oilseeds in the futures market. In this study was taken to know about the investors' financial decision towards commodity market. Percentage analysis has been used to analyze the various factors. A Sample of 50 respondents is taken for this study.

Index Terms - Commodity Market, Investors, Contract.

I. INTRODUCTION

Commodities are thought-about as a separate investible asset category by investors. There are variety of variations between commodities and capital assets (stocks and bonds). Commodities are product of measure. They'll be hold on, consumed and reworked into completely different merchandise of economic value. In contrast to capital assets, they are doing not offer a stream of capital flows like dividends from stocks and interest from bonds. Commodities represent an outsized variety of heterogeneous merchandise with terribly less correlation among one another. In general, commodities have indirect correlation with stocks and bonds and therefore offer diversification advantages once stocks and bonds don't perform well.

Multi Commodity Exchange of India Ltd (MCX) is an independent **commodity exchange** based in India. It was established in 2003 and is based in Mumbai. MCX is that the largest and most numerous commodities exchanges in India providing quite forty commodities across numerous segments like bullion, metallic element and non-ferrous metals, and variety of Agri-commodities on its platform. The Exchange is that the world's largest exchange in Silver, the second largest in Gold, Copper and gas and therefore the third largest in petroleum futures, with relation to the number of futures contracts listed.

In India there are 12 recognized Commodity Exchanges of which 6 are National Commodity Exchanges and 6 are Commodity Specific Regional Exchanges. The National Multi Commodity Exchange (NMCE), Ahmadabad, Multi Commodity Exchange (MCX), National Commodity and Derivatives Exchange (NCDEX), Mumbai Indian Commodity Exchange (MICEX), the Ace Derivatives Exchange (ACE) and the Universal Commodity Exchange (UCX).

1.1 OBJECTIVE OF THE STUDY

- To identify the awareness and investment decision making of the financial investors in commodity market
- To find out the opinion of the investors towards commodity for investment

1.2 SCOPE OF THE STUDY

This study has the impact to assess the preference of selecting the market by the investors towards the commodity market because the commodity market investment contains a major space of investment happening within the current situation. This study contributes towards the investors with the preference in the commodity market as one of the modes of investment with earning high returns.

II REVIEW OF LITERATURE

Pandey And Kathavarayan (2015) tested the funding preferences closer to commodity marketplace, other funding options and also cope with funding preference from commodity marketplace, equity market place, debenture and mutual fund. It is based totally on the level of preference in the manner of funding in commodity market, the awareness and involvement in commodity market and recognition of commodity market, the use of the more than one regression approach. The consequences of the analysis importance among are of investor's recognition, perception and involvement and preference, additionally there was an especially massive courting among age, training and annual income. It proved that the general public of the respondents are having full awareness approximately commodity marketplace and most of the respondents favor to put money into commodity market.

Rajeswari, T. R. and Moorthy, V. E. R. (2005) aforesaid that expectations of the investors influenced by their perception and human typically relate perception to action. The study disclosed that the foremost most well-liked vehicle is monetary fund with mutual funds and equity on fourth and sixth severally. The survey conjointly disclosed that the investment call is formed by investors on their own, and different sources influencing their choice call are newspapers, magazine, brokers, tv and friends or relatives.

III RESEARCH DESIGN

The study was descriptive and survey method to the extent of measuring the level of awareness and preference of investors towards commodity market investments.

3.1 Sampling Technique

Convenience Sampling has taken for this study.

3.2 Source of data collection

The study used both primary and secondary data.

3.2.1 Primary data

It was obtained by the using the questionnaire as an instrument.

3.2.2 Secondary data

It was obtained from Reference books, Journals, newspapers, Magazines and webpages.

3.3 Sample size

Among those investors 50 investors who had invested in commodities market, had been chosen for the study

3.4 LIMITATION OF THE STUDY

The study is not covered fully it is only a small part of the district was covered. Sample respondent size is very small findings are based on the information provided by the respondents and there is a possibility of biased results.

IV DATA ANALYSIS

Table: 1
Percentage Analysis of for data collection

Frequency	Percentage	
Gender		
Male	42	84%
Female	8	16%
Age		
Less than 25	0	0
26-35	15	30%
36-50	19	38%
51-60	9	18%
61 and above	7	14%
Educational Qualification		
No Formal Education	0	0%
Schooling	2	4%
Graduate	18	36%
Post Graduate	22	44%
Professional	8	16%
Monthly Income		
Less than 25000	1	2%
25001-50000	14	28%
50001-75000	16	32%
75001-100000	13	26%
Above 100001	6	12%
Marital Status		
Married	44	88%
Unmarried	6	12%

From the table 1 it is inferred that 84% of respondents are male and 16% of respondents are female. 30% of respondents are in between 26 to 35 yrs. old, 38% of respondents are in between 36 to 50 yrs. old, 18% of respondents are in between 51 to 60 yrs. old and 14% of respondents are 61 and above. It is inferred that 4% of respondents are in schooling level, 36% of respondents are graduates, 44% of respondents are post graduate, and 16% of respondents are professional. It is inferred that 2% of respondents earn Below Rs. 25,000, 28% of respondents earn between Rs 25,001 to 50,000, 32% of respondents earn between Rs. 50,001 to

75,000, 26% of respondents earn between Rs. 75,001 to 1,00,000, 12% of respondents earn above Rs.1,00,001. It is inferred that 88% of respondents are married and 12% of respondents are unmarried.

Table: 2
Percentage Analysis for Opinion of the investors towards commodity market

LEVEL OF AWARENESS		
AWARENESS	RESPONDENT	PERCENTAGE
Yes	27	54 %
No	23	46 %

From the above table no 2 it is inferred that 34% of investors having profit in investing in commodity market and 12 % of investors feels that commodity market is having high risk and unsafe.

Table: 3
Level of awareness

OPINION OF THE INVESTORS		
FACTORS	RESPONDENT	PERCENTAGE
Price	7	14 %
Unsafe & High Risk	6	12 %
High Return	8	16 %
Liquidity	12	24 %
Profit	17	34 %

From the above table no 3 it is inferred that 54% of investors having the awareness about the commodity and 46 % of investors not having the awareness about commodity market.

V SUGGESTION

They need to create awareness about various commodities in the market. It can be done through various advertisements in local channels, Newspapers; conduct meeting to present customers etc., Most of the investors was interested in the return of their money which is invested. So, the company may arrange for their payments promptly to retain the investors.

VI CONCLUSION

From this study investors not having much knowledge about various commodities and how to invest and trade in market. The awareness of the market among the investors is less. Investors awareness program only help them to know about various commodities. The experience in commodities can be increased by explaining about the schemes and their risk factors which may affect their investment. Investors prefer to invest in commodity market so as to minimize the risk of their investment.

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