CHAPTER – X

SUMMARY AND SUGGESTIONS

10.1 Summary of the Study

To study the investors awareness towards commodity market, the opinions of the investors was collected as primary data through questionnaire among 300 individual respondents in Namakkal district. The secondary data were collected from books, periodicals, magazines etc. The data were tabulated and analysed using statistical tools. Chi-square test and Analysis of variance were also used to test of hypothesis. The summary of the previous chapters are discussed below:

The chapter – I gives the introduction to the study. It briefly discusses about the statement of problem of study, the importance of the study, the further scope of the study, lists down the actual objectives of study as well as the limitations of the study of the investors awareness towards commodity markets. This chapter also explains the research methodology, sampling technique, data collection and analysis of the research conducted in Namakkal district. The period of the study for each stage has also been discussed in this chapter along with the profile of Namakkal district and the chapter arrangements.

The chapter – II has been completely dedicated to the review of literature. It discusses in detail about the various researches done earlier relevant to the topic of study i.e. investors awareness towards commodity market in order to enlighten about the previous literature works to conduct the study.

The chapter – III deals about a conceptual theory of investors awareness where, the actual definitions, meanings and the various theories and importance of the investors awareness has also been explained.

The chapter – IV titled evolution of commodities market, briefly gives an introduction about commodities and the evolution of commodities market in India. It also details the recent developments and performance of commodities market both in Indian and international market. Commodity futures market in India and its future developments
expected has been discussed in this chapter. Moreover, the historical performance of the commodities market in India and the ways of tracking its performance at present has been dealt with in this chapter.

The chapter – V elaborates about the 12 products traded in commodities market in global market as well as Indian market. The factors affecting the trading of each product has been discussed in this chapter. This chapter also shows a list of the largest agricultural commodities producing countries in both food products and non-food products.

The chapter – VI details the stages of working commodity market. It also covers the procedure to be followed by the investors to invest in commodity market. The main factors to be considered while selecting a broker while investing in commodity market are listed along with the description of broker, commodity trader, member of commodity exchange, Trading Cum delivery Member (TCM), Institutional Trading Cum cleaning Member (ITCM) and Professional Clearing Member (PCM) has been discussed in this chapter. Tables containing the membership details for NCDEX AND MCX are displayed.

The chapter – VII examines the awareness of investors towards commodities market in Namakkal district by analyzing the collected primary data using the statistical tools such as percentage analysis, pie-diagram, bar-diagram and graphs. This forms the empirical analysis – I of the research. The analysis, interpretations and conclusions from the interpretations have been briefed in this chapter. Such as

1. 56 percent of the respondents are male and 44 percent are female.
2. Largest number of respondents were between in 51 and 60 years of age.
3. Majority of the respondents were graduate.
4. Most of the respondents had monthly incomes between Rs 25000 to Rs 50000.
5. Majority of the respondents (137) were salaried class.
6. Most of the respondents have been participating in commodities market two to three years.

7. 51 percent of the respondents are satisfied with mentioned experiences to participate into commodities market.

8. 95 percent of the respondents were doing other business apart from commodities trading.

9. Majority of the respondents were doing commodities business under part-time basis.

10. 71 percent of the respondents have invested in minimum level in commodities trading.

11. Out of 300 respondents, 144 respondents were not able to understand about operations of commodities trading.

12. Largest number of respondents were not listening the to world level commodities position before entering into Indian commodities trading.

13. Majority of the respondents (64 percent) were not listening the American dollars open value before entering into commodities trading.

14. Largest number of respondents were listening to the world level important news before participating into commodities trading.

15. 76 percent of the respondents did know the operating time of Indian and International commodities market.

16. 56 percent of the investors have invested above the margin amount in order to avoid loss in commodities trading.

17. 33 percent of the respondents did not know the places of functioning of commodities trading in India and abroad.
18. Most of the respondents (234/300) were known very well regarding various service charges implemented in commodities trading.

19. 100 percent of the respondents were known clearly regarding kind of commodities to buy or sell in commodities trading.

20. Most of the respondents prefer to buy gold in commodities market at Namakkal District, Tamil Nadu.

21. American dollars value changes stands first in factors affecting the changes in gold price.

22. According to score table again the American dollars value changes stands first factor affecting the changes in silver price.

23. From the score table, factors affecting crude oil price, changes in American dollars value changes stands first, followed by Naxal attacks on oil wells, less production and closure of existing oil wells.

24. 60 percent of respondents have not been listening properly before purchasing of agri commodities.

25. Crops production stands first factor in influencing the agri-commodities market.

26. Largest number of respondents were known about stop loss method to save the investment in commodities market.

27. 30 percent of the respondents have not used stop loss method to save their investment in commodities market.

28. 47 percent of the respondents had not known about circuit breaker method in commodities trading.

29. 57 percent of the respondents are not known about square of procedure in commodities trading.

30. Most of the respondents are known about sale tax is levied for those who take delivery.
31. Majority of the respondents are known about clearing and settlement in commodities trading.

32. Largest number of respondents were not knowing about E-gold and E-silver methods.

33. 81 percent of the respondents were not aware of the place of functioning of ware houses.

34. Majority of the respondents have got long profits in their commodity trading experiences.

35. Many investors are expecting experts advice for getting favourable returns in the commodities trading.

36. Most of the respondents were expecting 41 percent to 50 percent profits in the commodities market within shorter period.

37. Largest number of the respondents are neither satisfied not dissatisfied towards rate of return into commodities trading.

38. 77 percent of the respondents are not known whom to complaint if dispute arises with broking agency.

39. Majority of the respondents do not have awareness regarding SEBI Act and SEBI guidelines for investors protection.

40. Most of the respondents have not at all approached SEBI or stock exchanges to redress grievances.

41. Out of 47 respondents 77 percent of the respondents has got positive results from the SEBI for their grievances.

42. Most of the respondents are motivated to participate in commodities trading for getting high rate of return.

43. 90 percent of the respondents were income tax assesses.
The empirical analysis – II is detailed in chapter VIII. The analysis is done using chi-square test to show the significant relationship among the respondents regarding investing in commodities market based on different variables such as gender, age, educational qualification, income profession towards experience, satisfaction and motivation. The research findings of this analysis are summarized. Such as

1. No significant relationship between years of participation in this commodities trading age wise, educational qualification wise and income wise classification of sample respondents. However, gender wise and profession wise classification of sample respondents are a significant relationship in this regard.

2. There is a significant relationship between experiences of the respondents and gender wise, age wise and education qualification wise classification of sample respondents. However, income wise and profession wise classification of sample respondents are not significant relationship in this regard.

3. No significant relationship between understand about operations of commodities market and gender wise, and income wise classification of sample respondents.

   There is a significant relationship between understand about operations of commodities market and age wise education qualification wise and profession wise classification of sample respondents.

4. There is no significant relationship between satisfaction towards rate of return in commodities trading and gender wise, age wise, education
qualification wise, income wise and profession wise classification of sample respondents in Namakkal District, Tamil Nadu, India.

5. No significant relationship between factors motivated to participate into commodities trading and age wise, gender wise, education qualification wise, income wise and profession wise classification of sample respondents.

Chapter – IX consists of the empirical analysis III done by using ANOVA where the significant differences among the respondents towards awareness in investing in commodities market with respect to various factors. Finally the research findings is listed in this chapter. Such as

1. There was a significant difference among classification of the respondents as far as the years of participation in this commodities trading except gender wise classification of the respondents. There was no significant difference among the years of participation in this commodities trading except age wise, educational qualification wise, and income wise classification of the sample respondents.

2. There was no significant difference among gender wise, age wise and educational qualification wise classification of the respondents except income wise and profession wise classification as far as the experiences of the respondent in to commodities market. Also there is no significant difference among the experiences of the respondents into commodities market and classification of respondents.

3. There was no significant difference among classification of the respondents except income wise classification as far as the understand about operations of
commodities market. Also there is no significant difference among understand about operations of commodities market and classification of respondents.

4. There was a significant difference among classification of the respondents except gender wise classification as far as the satisfaction towards rate of return. Also there was a significant difference among the satisfaction towards rate of return.

5. There was a significant difference among classification of the respondents except gender wise classification as far as the factors motivated to participate into commodities trading. Also there was a significant difference among factors motivated to participate in to commodities trading except gender wise classification of respondents.

10.2 Suggestions

The researcher recommends the following suggestions to the securities and exchange Board of India (SEBI), the stock exchange markets, stock broking offices and the related institutions for improving the level of awareness of the investors in commodity markets.

1. Since largest number of respondents were in between age group of 51 years to 60 years, effective measures can be taken to attract young and middle aged people to invest in commodities market.

2. About 144 respondents out of 300 were unable to understand the operations of commodities market. So a proper beginners guide to the investors of commodity market has to be made available at all share broking offices.
3. As per the research, 71 percent of the respondents have made only minimum investments in commodities market. This is mainly due to their fear of taking risk. They can be well – educated about the risk management of commodity market to enable them to increase their investments.

4. As most of the respondents were not regularly watching the changes in the world level of commodities trading position before they started to invest in Indian commodities market, it is recommended that each investor should be advised to regularly listen to the world level commodities market news and update their knowledge about the trade.

5. Most of the investors in Namakkal district have invested in gold commodities trading. Necessary steps have to be taken to create an interest to the investors to invest in diversified commodities to get increased benefits and reduced risk.

6. Though most of the investors have invested in gold and some others in other commodities, lack of knowledge about E-gold and E-silver trading was identified. All the share broking offices can be asked to educate their investors regarding E-gold and E-silver commodities trading to improved in such investments.

7. Around 77 percent of the investors were not aware of the proper officials to register their complaints, in case of disputes with their share broking agency. The authorities can solve this by providing full details of the complaint receiving authority in the form of posters and pamphlets or in the guide manual in the trading office.

8. Since only 47 out of 77 respondents who had grievances, were able to get a positive results from SEBI. The officials incharge can take necessary actions to satisfy all the investors grievances to enable better customer satisfaction.
9. Awareness programmes can be conducted in simple and understandable ways for the benefit of public.

10. Many people have a wrong opinion that those who invest in commodities market are incurring loss. SEBI should take necessary steps to remove this fear among the investors.

11. The general thought among the investors that only very wealthy people can take part in commodities market has to be changed and investors from every walk of the society have to be encouraged to participate.

12. Though SEBI in conducting awareness programmes for college students, it has not much reached effectively among most of the students. So, required changes in such programmes are to be made.