

A Study On Investor's Awareness Level And Factors Influencing Investor's Decesion In Commodity Market

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Abstract

For today's Morden scenario investment in commodity markets are an ideal investment for investors. Now-a-days in India investors can trade into the commodities electronically. This study has undertaken to evaluate the "Investor's awareness level about the commodity market and the "factors influencing investors decision while investing into the commodity market". The study has three primary objectives, namely, to identify the investor's awareness level in the commodity market, to study the association of demographic variables (Gender, Income level, Occupation) and awareness level of investors in the commodity market, and to identify what are the main factors which influence inverter's decision while investing into the commodity market. The study also has two secondary objectives namely, to identify the preference of the investors from commodity market and to identify whether the investors are aware about the risk associated with commodity market. The data for this research paper is collected from both primary and secondary sources. For primary data collection structured questionnaire is used. Data from 100 individual respondents were collected through a structured questionnaire. Further the secondary data is collected from books, Journals, Research papers, websites and newsletter. For analysis of data Independent sample test and One-way ANOVA test is used. The result of the study that most of the investors are male i.e. is out of 100, 51 respondents are male. Most of the respondents are falls in the age group of 18-25 years and the income of most of the respondents is less than rupees 20,000. Most of the respondents having occupation are a private employee and most of the respondents are from a graduate educational background. The study suggested that there is need to provide awareness programme to potential investors in order to make them aware about the commodity market. Also, there is need to create awareness among different sets of investors about the commodity market. It is important to inform the benefits availed from commodity market, to least qualified people.

Keywords- Commodity Market, Investors Awareness Level, Commodity, Factors influencing investors decision, etc.

Introduction

The Indian financial market provides a lot of investment alternatives. Most of the investors usually invest in Post office, insurance, Mutual funds, Bank fixed deposits, lands, Public Provident Fund, Recurring Deposits, bonds or Debentures, and so on. A few of us who are having knowledge of the stock market invest in shares. The number of investment alternatives has been increasing due to the changes in global conditions. Commodities are one of the best alternatives for those who want to diversify their portfolios beyond shares. The commodity market is an important constituent of the financial markets of any country. Commodity markets have become an alternative investment class the world over. In this commodity market wide variety of products like crude oil, precious and base metals, soft commodities like soyabean, palm oil, etc are traded. Now investors can trade in India in

selected commodities, electronically. These selected commodities traded on regulated commodity exchanges. Just like equity futures in Stock Exchange, different commodities are available in the standardized format with fixed tenure and specification for trade on the commodity exchange.

Over the Morden age of investing commodity trading has emerged as a very important player within the way that individuals are investing in it and speculate. The commodity market is very important consistent within the finance market of any country. The commodity market may be a physical or virtual marketplace for getting, selling, and trading of raw and first products. There are total 48 different commodity exchanges in the world that trade over 120 commodities. During this commodity market, a large range of commodities like Agri commodities, Hard commodities, Precious metals, and Energy commodities are traded. Commodity trading usually starts at 9 am and ends at 5 pm. Whereas, international commodity trading ends at 11.30 pm at midnight. Contracts on Gold, silver, crude, sugar, base metals, etc witness trading is additionally going down at 11:30 pm.

The participation of non professional people makes the commodity market a project. So as to earn high returns many investors have an interest to speculate in commodity market but they don't know the way to take a position in commodity market similarly as risk related to it. Such non professional participants simply add instability factor of within the market and because of their participation commodity market becomes riskier. Hence there's a terrible need for professional expert investors who are able to provide advice on commodity trading and build commodity inclusive portfolios. Hence this professional awareness related to knowledge of commodity market , expertise knowledge of commodity market, and guidance of commodity trading is coming from professional commodity traders and such professional commodity traders is known as commodity trading advisors. In order to bring awareness of commodity market there is need to conduct proper invertor's awareness program.

The main idea behind the study conducted was to seek out the investor's awareness within the commodity market and factors influencing investor's decisions within the commodity market. To seek out the investor's awareness means, to spot whether the investors are conscious of the commodity market, the chance related to it, returns they're getting after investing within the commodity market, etc. The study also made to search out which factors influence investor's decisions within the commodity market, main factors like inflation protection, diversification, trading on margin, liquidity, hedge against the risk, and high returns are considered. This study also deals with the investor's preference for the commodity market. To spot the investor's preference means, which commodities are mainly preferred by the investor's while investing within the commodity market.

a) Objectives behind conducting this Project

1. To identify the investor's awareness level in the commodity market
2. To study the association of demographic variables (Gender, Income level, Occupation) and awareness level of investors in the commodity market
3. To identify what are the main factors which influence investor's decision while investing into the commodity market.
4. To identify the preference of the investors from commodity market.
5. To identify whether the investors are aware about the risk associated with the commodity market.

b) Scope of the Study

- As the research is related to the commodity market hence the scope of the study is limited to commodity market.
- Scope of the study is limited to the people from city Mumbai.
- The study is based upon the smaller number of samples (100 sample size) from population.
- Study helps us to know about trading mechanism of commodity market and factors considered while investing in stock market.

Review of Literature-

The **Prasad, Naidu, & Sri (2019)**, conducted a research to find out which are the motivating factors which motivates investors to invest into commodity market. They have found that the two motivating factors which motivate the investors to invest in commodity market are high rate of return and wealth maximization. Research further found that lower risk, disproportionate information about commodity market among investors, expectation of high return, objective knowledge are the factors influencing the investment into the commodity market. Whereas in **(2018), Chandrakumar** conducted a research to find out the perception of investors and awareness level of investors about the commodity market. From his research he found that farmers are not aware about the commodity market. The study suggested more awareness should be created using advertisement in local channel, newspapers, etc because farmers are the one who are the producers of Agri-commodities, hence if farmers will be aware about commodity market then they will able to take maximum benefit of it.

The relationship between price of the commodity like Gold, Crude oil etc and commodity market has been evaluated by **Melba & Bhavan in (2017)**. The study found that precious metals like Gold, Silver are the commodities mostly traded into commodity market. Because investors think that they can able to earn maximum income from such commodities. In **(2017), William** conducted a research regarding which are the factors which investors preferred to invest. The study found that Further Investors preferred to invest in crude oil silver, copper and gold compared to other commodities such as natural gas, zinc, etc. It means most preferred commodity to invest by the investors are crude oil silver, copper and gold and stated that the awareness level is limited and high returns in a shorter duration is what preferred by most of the Investors. Invest in commodity market by learning is also suggested to the investors by the past studies. **Venkateswari. R & Karthikeyan (2017)** conducted a research to find out what is the goal of investors to invest into commodity market from his research he found that most of the investors has goal to diversify the investment, which is followed by an increase in wealth of investors. Hence as per suggestion of author of the book is in order to high returns and better investment the investors have to upgrade his update knowledge about the commodity market and further used scientific analysis, like technical analysis to understand the commodity market in better way,

Demographic variables and its association with investors awareness level is already researched by many researchers. In **(2016) Dhinakar& Jeevanandham** has found that investor's investment and monthly income earned by investors is one and the same. As most of the investors without taking proper knowledge of commodity market invest into the commodities and as they don't have proper knowledge, they are not able to earn much return from those commodities. Hence study found that there is no difference of investor's

investment and monthly income of investors. Education of the investors and income levels of investors are crucial elements in making investment in gold indicated by **Benny & John in (2014)**. The study has also found that the goal of the investor to invest in commodity markets is to increase their wealth and this can be achieved by regular income and diversification respectively. Preferences of investors for commodity markets have been highlighted by the few studies. **Elankumaran & Rakesh (2014)** and **Ananth (2013)** found that there are certain factors which influence the investment in commodity market. These Factors which influence the investment in commodity markets are such as low risk, informational Asymmetry, high return, objective knowledge.

Research Gap-

- The study is limited to the Commodity Market and to the people of Mumbai.
 - The study is based upon the smaller number of samples (100 sample size) from population.
 - Study helps us to know about trading mechanism of commodity market and factors considered while investing in stock market.
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Research Design-

a) Type of Research-

Descriptive Research Design-

It is one of the research type, which is use to conclude some result and give information for the further research In conclusive research type I have used Descriptive research. In descriptive research the information is collected only once from the responded, so I preferred descriptive research design to study the Investors awareness level and factors influencing investors decesion in commodity market. For the descriptive research design mostly method to collect information is mentioned below-

- **Survey Method-**

It is based on the questioning to the responded in order to obtain information. For my project in order to collect primary data I have used a well structured questionnaire to collect the information from sample population

b) Sample Design –

For this research paper all the investors from Mumbai is considered to be the population of study. As it is not possible to consider each and every investor that is entire population for the study, hence I have opted for Convenience sampling method. As per the convenience of the researcher the samples were selected in this technique. Therefore, from the entire population, 100 Samples were taken to identify Investors awareness level and factors influencing investor’s decision into commodity market.

c) Questionnaire Design-

Questionnaire is considered to be a structured technique for collecting primary data. In order to identify the investor's awareness level and factors influencing investor's decision into commodity market, I have conducted online survey by creating questionnaire with the help of Google forms. The scale used for questionnaire is five-point interval scale, where 1= Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree. The questionnaire was divided into three sections; the first section was demographic variables, which consist 7 questions this section includes the personal information of respondents like their age, occupation, income level, etc. The next section was investors awareness level about commodity market which includes 9 questions, this section includes question which are related to awareness regarding commodity market. The last was factors influencing investor's decision about commodity market which consist of 6 questions, this question includes the questions information about the factors influencing investor's decision about commodity market. This online questionnaire was send to 130 respondents by using social media out of them 100 were responded.

d) Limitations to the study-

- Since the study is based on the convenient sampling it may not represent accurate outcome.
- Level of accuracy of results of research is restricted to the accuracy level with which the customers has given the answers and accuracy level of answer cannot be predicted.
- The findings are solely based on the information provided by the information provided by the respondents and there is a possibility of biased results.
- Constraints of Cost as well as time
- It might possible that respondents may be not able to spare some time to complete the survey questionnaire.

e) Hypothesis-

Alternative Hypothesis (H_1)-

There exists a relationship between gender, Income level, Occupation and awareness level of investors in the commodity market

Null Hypothesis (H_0)-

There exists no relationship between gender, Income level, Occupation and awareness level of investors in the commodity market

Data Collection-

This study considers a structured Questionnaire for collecting data on the investor's awareness level and the factors influencing investor's decision while investing into commodity market. In order to collect the primary data from respondents self-administrated questionnaire was used. This questionnaire is sent to persons connected with a request to answer the questionnaire and return the questionnaire. A questionnaire is prepared with the help of Google forms. The respondents were requested to answer this question on their own.

In order to collect secondary data, the first books which I referred is by **Carley Garner, (2015), First Book on Commodities**, from this book page no 113-129 and 157-200 are referred by me. It includes Order types of commodity market like Market order, Limit order, stop order and how to place trade online with broker and information related to Financial Futures, Stock indices, Interest rate, Currencies, etc. The second book which I referred is by **Ashu Dutt, (September, 2012), 36 Strategies for Striking it Rich in Commodity Trading**, from this book Strategy No 1 to 7 is referred by me. It includes information about why Crude oil prices are falling, How Aluminium crash follows crash in Silver, how prices of commodities are depending upon demand and supply, Elastic versus Inelastic demand. The third book which I referred is by **Amine Bouchentouf (May, 2011), Commodities for Dummies**, from this book page no 337-397 is referred by me. This book is all about answering the questions that will come in mind of investor before investing into Commodity market. It includes detail information of major 32 commodities traded into commodity market and the strategies to earn profit from global trends, etc.

I have also referred some journals. The first Journal which I referred is **Journal for studies in Management and planning** (Dec, 2016) - Investment Behaviour of Investors towards Commodity Market. From this journal Page No 75-84 is referred by me. It includes how individual investors are different from institutional investors and also includes how pattern of individual is different from pattern of institutional investors. The second Journal which I referred is **The International Journal of Social Science and Management** (7 Jan, 2015) - Impacting Factors on Individual Investors Behaviour towards Commodity Market in India. From this journal Page no 147-153 is referred by me. It includes time duration preferred by investors to invest in commodity market and how successful investors update him before investing into commodity market. The third Journal which I referred is **Scholarly Research Journal for Interdisciplinary Studies-** Investors Attitude and perception Towards Commodity Market A Study with Special reference to Virudhunagar District, (September 2015). From this journal Page no 8032-8040 is referred by me. It includes investor's attitude and perception towards the commodity market.

To collect the secondary data the Newsletter and various Websites are referred by me. The Newsletter which is referred by me is from **The Economic Times** (May 17, 2016) - MCX holds seminars to raise awareness on benefits of commodity future market. (In order to enhance financial literacy Multi Commodity exchange holds series of seminars in cities like West Bengal, Odisha, Assam, etc.) and the various websites referred.

Data Analysis-

Table: 1- Demographic Variables for the Study Sample-

Characteristics	Male (N=51)		Female (N=49)		Total (N=100)	
	No.	%	No.	%	No.	%
Age						
18-25 Years	32	62.75	36	73.47	68	68
26-30 Years	15	29.41	10	20.41	25	25
31-35 Years	4	7.84	3	6.12	7	7
36-40 Years	0	0	0	0	0	0
More than 40 Years	0	0	0	0	0	0
Qualification						

Graduate	34	66.67	30	61.22	64	64
Undergraduate	5	9.80	4	8.16	9	9
Post Graduate	12	23.53	15	30.61	27	27
Income Level						
Less than 20,000	21	41.18	29	59.18	50	50
21,000-30,000	12	23.53	11	22.45	23	23
31,000-40,000	8	15.69	4	8.16	12	12
41,000-50,000	6	11.76	1	2.04	7	7
51,000 and Above	4	7.84	4	8.16	8	8
Occupation						
Professional	2	3.92	4	8.16	6	6
Government Employee	2	3.92	1	2.04	3	3
Private Employee	25	49.02	24	48.98	49	49
Businessman	2	3.92	0	0	2	2
Other	20	39.21	20	40.82	40	40

Awareness level & factor which are considered by investors before investing into the commodity markets, as in the commodity market, the market is interested to evaluate the investor level of awareness.

a) Demographic Variables for Study-

They are Gender, Age, Qualification, Income Level and Occupation of the respondents

• **Gender-**

Gender is one of the important demographic variables that impact the investor's awareness level about the commodity market. Age of the respondents for study sample is shown in table 1. The majority of the respondents are male that is 51 and females are 49.

• **Age-**

Age of the respondents for study sample is shown in table 1. 18-25 is the age group of majorities of the respondents. 68% of respondents were in the age group of 18-25, followed by the age group of 26-30 Years, 25% of respondents were from the age group of 26-30 years, 7% of respondents were from the age group of 31-35 years. No respondents were from the age group of 36-40 years and more than 40 years. Hence, we can say Young respondents are more interested to invest in the commodity market as compared to the old respondent.

• **Qualification-**

Qualification of the respondents for study sample is shown in table 1. The majority of the respondents are graduates constituting to 64% of respondents, whereas in undergraduate it is 9% and postgraduates constituting 27%. It is generally expected that higher qualification people have a higher knowledge of investments.

• **Income Level of Respondents-**

Income level of respondents of the respondents for study sample is shown in table 1. The majority of the respondents were 50 percent with an income of less than 20000 wherein 21000-30000 followed by twenty-three percent, 12% of respondents have an income level of 31000-40000. 7% of respondents having an income level of 41000-50000, whereas 8% of respondents having an income level of 51000 and above.

- **Occupation-**

Occupation is one of the important demographic variables that impact the investor's awareness level about the commodity market. Occupation of the respondents for study sample is shown in table 1. 60% of respondents having professional as their occupation, 3% people are claim to be government employee, majority of respondents i.e. 49% of respondents are private employee, 2% employee falls in the category of the businessman, 40% of respondents have selected an option other as their occupation which mainly includes student.

b) Table:2-Investors Awareness level about commodity market

Sr. No.	Statements	Answers	%
1.	Awareness in commodity market	1. Totally aware	9%
		2. Good level of awareness	35%
		3. Awareness to some extent	31%
		4. Unaware	23%
		5. Totally unaware	2%
2.	If yes then have you invested in Commodity market?	1. Yes	62%
		2. No	38%
3.	Investors status	1. New Investor	74%
		2. Existing Investor	26%
4.	How do you come to know about Commodity trading?	1. Friends / Colleges	55%
		2. Advertisement / Brochure	22%
		1. Agents/ Brokers	22%
		2. Other (Net)	1%
5.	Which commodity you prefer for trading?	1. Agri-products (Jeera, Soybean, Etc)	20%
		2. Base Metals (Aluminium, Nickel)	5%
		3. Precious metals (Gold/Silver)	67%
		4. Energy products (Crude oil)	8%
6.	What made you not to invest in commodity market?	1. High Investment	16%
		2. Complex understanding	44%
		3. High Risk	39%
		4. High competition	1%

- **Awareness in Commodity Market-**

Table 2 shows investor's awareness about the commodity market.9% of the respondents were totally aware of the commodity market, Majority of the respondent that is 35% of the respondents were having a good level of awareness of the commodity market, followed by 31% of the respondents having the awareness to some extent, 23% of the respondents were unaware about the commodity market whereas 2% people are totally unaware about the commodity market.

- **Number of Investors Invested in Commodity Market-**

Table-2 helps us to understand whether the investors are invested in the commodity market. The majority of investors that are 62% of the investors are invested in the commodity market, whereas 38% of the investors are not yet invested in the commodity market.

- **Status of the Investor-**

Table 2 helps us to understand whether the investor is a new investor or an existing investor. The majority of the investors that are 74% of the investors are new investors and 26% of the investors are claiming that they are existing investors.

- **How Investors Come to Know About the Commodity Market-**

Table-2 helps us to understand how investors come to know about the commodity market. The majority of the investors that is 55% of the investors come to know about commodity market by friends/ College, 22% of the investors come to know about commodity market by Advertisement/ Brochure, 22% of the investors come to know about commodity market by agents/ brokers, whereas 1% of respondents selected option “other”, which means they come to know about commodity market from the Internet.

- **Investors Preference of Commodity for Trading-**

Table-2 helps us to understand commodities preferred by investors for trading. 20% of the respondents are preferred to invest in Agri commodities like Jeera, Soyabean, etc. and 5% respondents preferred to invest in base metals. The majority of respondents that are 67% of the respondents prefer to invest in precious metals that are gold and silver, 8% of respondents preferred to invest in energy products like crude oil.

- **What made investors Not to Invest in the Commodity Market-**

Table-2 helps us to understand what made investors Not to Invest in the Commodity Market. 16% of respondents were claiming that due to high investment they don't want to invest in the commodity market, Majority of respondents that are 44% of the respondents are not investing in the commodity market due to complex understanding. 39% of the respondents are not investing in the commodity market due to high risk and 1% of the respondents are not investing in the commodity market due to high competition.

Table:3-Investors Awareness level about commodity market-

Sr.No	Questions	Sub Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

7.	Investor's concept of Commodity market	a. High Income	1%	6%	18%	64%	11%
		b. High Risk	3%	6%	18%	59%	14%
		c. Flexible Income or Loss of market conditions	3%	7%	28%	52%	10%
8.	You are willing to invest in commodity market because	a. Commodities are the opportunity to invest global economic growth	4%	7%	18%	56%	15%
b. Protection against inflation		4%	4%	18%	61%	13%	
c. Diversification		3%	9%	18%	56%	14%	
9.	What are the risk factors of commodity market?	a. Price Risk	3%	6%	13%	67%	11%
		b. Loss Risk	0	7%	18%	69%	6%
		c. Leverage Risk	2%	9%	18%	64%	7%
		d. Risk rewards and volatility	3%	7%	25%	54%	11%

Investor's concept of stock market-

Table 3 helps to understand concept of investor of Commodity Market.

- High Income-**
Majority of respondents were that is 64% of the respondents are agree that high income is a concept of investors of commodity market 11% respondents strongly agree 18% respondents were neutral, 6% of respondents were disagree and 1% respondents were strongly disagree that high income is a concept of investors of commodity market.
- High Risk-**
3% of the respondents were strongly disagree, 6% respondents were disagreed, 18% respondents were neutral, 59% respondents were agreed and 14% respondents are strongly agreed that high risk is a concept of investors of commodity market. Here majority of respondents that is 59% were agreed that high risk is a concept of investors of commodity market
- Flexible Income or Loss of Market Conditions-**
3% of the respondents were strongly disagree, 7% respondents were disagreed, 28% respondents were neutral, 52% respondents were agreed and 10% respondents are strongly agreed that Flexible Income or Loss of Market Conditions is a concept of investors of commodity market. Here majority of respondents that is 52% were agreed that Flexible Income or Loss of Market Conditions is a concept of investors of commodity market.

Why Investors willing to invest in Commodity Market?

Table 3 helps to understand Why Investors willing to invest in Commodity Market.

- **Commodities are the opportunity to invest global economic growth**
4% of the respondents were strongly disagree, 7% respondents were disagreed, 18% respondents were neutral, 56% respondents were agreed and 15% respondents are strongly agreed that investors willing to invest in market because commodities are the opportunity to invest global economic growth. Here majority of respondents that is 56% were agreed that investors willing to invest in market because commodities are the opportunity to invest global economic growth.
- **Protection Against Inflation**
4% of the respondents were strongly disagree, 4% respondents were disagreed, 18% respondents were neutral, 61% respondents were agreed and 13% respondents are strongly agreed that investors willing to invest in market because trading in commodity market provides protection against inflation. Here majority of respondents that is 61% were agreed that investors willing to invest in market because trading in commodity market provide protection against inflation.
- **Diversification**
3% of the respondents were strongly disagree, 9% respondents were disagreed, 18% respondents were neutral, 56% respondents were agreed and 14% respondents are strongly agreed that investors willing to invest in market because trading in commodity market provides Diversification. Here majority of respondents that is 56% were agreed that investors willing to invest in market because trading in commodity market provide Diversification.

Risk Factors of Commodity Market-

Table 3 helps to understand Risk Factors of Commodity Market-

- **Price Risk-**
3% of the respondents were strongly disagreed, 6% of respondents have disagreed, 13% of respondents were neutral, 67% of respondents were agreed and 11% of respondents are strongly agreed that the risk factor of the commodity market is price risk. Here the majority of respondents that is 67% were agreed that the risk factor of the commodity market is price risk
- **Loss of Risk-**
No respondents were strongly disagreed, 7% of respondents have disagreed, 18% of respondents were neutral, 69% of respondents were agreed and 6% of respondents are strongly agreed that the risk factor of the commodity market is loss risk. Here the majority of respondents that is 69% were agreed that the risk factor of the commodity market is Loss risk
- **Leverage Risk-**
2% of respondents were strongly disagreed, 9% of respondents have disagreed, 18% of respondents were neutral, 64% of respondents were agreed and 7% of respondents are strongly agreed that the risk factor of the commodity market is Leverage risk. Here the majority of respondents that is 64% were agreed that the risk factor of the commodity market is Leverage risk.

- **Risk Rewards and Volatility-**

3% of respondents were strongly disagreed, 7% of respondents have disagreed, 25% of respondents were neutral, 54% of respondents were agreed and 11% of respondents are strongly agreed that the risk factor of the commodity market is risk rewards and volatility. Here the majority of respondents that is 64% were agreed that the risk factor of the commodity market is risk rewards and volatility.

c) **Table:4- Factors which are considered while investing into the commodity market**

Sr. No.	Questions	Sub Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
10.	Factors which are considered while investing into the commodity market	a. Inflation protection	4%	1%	21%	62%	12%
		b. Diversification	0	11%	17%	63%	9%
		c. Trading on Margin	0	4%	23%	67%	6%
		d. Liquidity	4%	1%	23%	67%	5%
		e. Hedge against event risk	2%	7%	23%	61%	7%
		f. High Return	1%	7%	29%	49%	14%

Many factors are mostly considered by the investors before investing into the commodity market, but this study included only those factors which are considered to be important. Below are the factors which influence the investors to invest into commodity market are as follows -

- **Inflation Protection-**

Table 4 shows the responses of investors considering Inflation protection. Among the total respondents, 62% of respondents have agreed, while the 12%, 21%, 1%, and 4% respondents have Strongly agreed, neither agreed nor disagreed, disagreed, and strongly disagreed respectively. Hence responses of respondents tell that most of the respondents to protect their funds during inflation invest in commodity market.

- **Diversification-**

Table 4 shows the number of respondents opting for diversification of investments as their objective. Among the 100 respondents, no respondent strongly disagrees, 11% of respondents disagree, 17% of respondents neither agreed nor disagree, 9% of the respondents strongly agreed and the majority of respondents that is 63% agree that they diversify their portfolio.

- **Trading on Lower Margin-**

An investor in the commodity future needs to deposit a certain amount as a margin with the broker. Table 4 shows the responses of investors considering Trading on a lower Margin. Among the total respondents, 6% of respondents have strongly agreed, while the 67%, 23%, 4%, and 0% have agreed, neither agreed nor disagreed, disagreed, and strongly disagreed in order of preference.

- **Liquidity-**

An investor can liquidate his position whenever required. Table 4 shows the responses of investors considering liquidity. Among the total respondents, 5% of respondents have strongly agreed, while the 67%, 23%, 1%, and 4% have agreed, neither agreed nor disagreed, disagreed, and strongly disagreed respectively. Therefore, it can be inferred from this is while investing in commodity market majority of investors considered about liquidity.

- **Hedge Against event Risk-**

Table 4 shows the responses of investors considering hedge against event risk. Among the total respondents, 7% of respondents have strongly agreed, while the 61%, 23%, 7%, and 2% have agreed, neither agreed nor disagreed, disagreed, and strongly disagreed respectively. Therefore, it can be inferred from this is while investing in commodity market majority of investors considered about hedge against event risk.

- **High Return-**

Table 4 shows the responses of investors considering a high return for investments in commodity markets. Among the total respondents, 14% of respondents have strongly agreed, while the 49%, 29%, 7%, and 1% have agreed, neither agreed nor disagreed, disagreed, and strongly disagreed respectively. Hence it indicates that most of the investors considered about the returns before investing into the commodity market

d) Association Between Demographic Variable and Awareness Level-

Table:5 – Association of Demographic Variables and Investors awareness level-

Research Hypothesis	Sig	Decision
There is a association between Gender and Awareness Level	0.273	Reject
There is a association between Income and Awareness Level	0.244	Reject
There is a association between Occupation and Awareness Level	0.603	Reject

- **Gender and Awareness Level of Investor-**

To understand the association of Gender and awareness level of investor Independent sample test is performed. The table5 shows the association between gender and Awareness level. The significant value of independent sample test with equal variance is $0.273 > 0.05$ so it has sufficient evidence as per decision rule to reject alternative hypothesis. **Hence Null hypothesis is accepted, it means there exists no relationship between Gender and awareness level.** It concluded that awareness level of the investor is not depending upon the gender and hence Null hypothesis is accepted over here.

- **Income and Awareness Level of Investor-**

To understand the association of Income of Investor and awareness level of investor one way Anova test is performed. The table5 shows the association between Income and Awareness level. The significant value of independent sample test with equal variance is $0.244 > 0.05$ so it has sufficient evidence as per decision rule to reject

alternative hypothesis. **Hence Null hypothesis is accepted, it means there exists no relationship between Income and awareness level.** It concluded that awareness level of the investor is not depending upon the Income earned by them and hence Null hypothesis is accepted over here.

- **Occupation and Awareness Level of Investor-**

To understand the association of Occupation of Investor and awareness level of investor one way Anova test is performed. The table5 shows the association between Income and Awareness level. The significant value of independent sample test with equal variance is $0.603 > 0.05$ so it has sufficient evidence as per decision rule to reject alternative hypothesis. **Hence Null hypothesis is accepted, it means there exists no relationship between Occupation and awareness level.** It concluded that awareness level of the investor is not depending upon the occupation of investor and hence Null hypothesis is accepted over here.

Findings-

Awareness Level and Demographic variables-

- The study found that most of the investors are male i.e. is out of 100, 51 respondents are male. The study found that most of the respondents are falls in the age group of 18-25 years and the income of most of the respondents is less than rupees 20,000. Most of the investors having occupation is a private employee and most of the respondents are from a graduate educational background.
- Most of the investors are aware of the commodity market but the study found that there are still some investors i.e. 23% are unaware and 2% of investors are totally unaware of the commodity market. Out of total investors, 62% of them are invested in the commodity market. The status of most of the investors that are 74% is new investors. Most of the investors that are 55% of investors claim that they come to know about the commodity market by Friends/Colleges. Most of the investors that are 67% of investors will prefer to invest in precious metals like gold and silver to invest in the commodity market. The majority of investors that are 44% of investors are claiming that a complex understanding of the commodity market, made them not invest in the commodity market which is followed by a high risk that is 39%.
- Most of the investors are agrees that high income, high risk, and flexible income, and loss of market condition are the concept of investors about the commodity market. Most of the investors are agree that they are willing to invest in the commodity market because Commodities are the opportunity to invest in global economic growth, Commodities provides protection against inflation and helps in diversification of the portfolio. Most of the investors are agree that price risk, loss risk, leverage risk, risk rewards, and volatility are the risk factors of the commodity market

Association of Demographic variables and awareness Level

- The study found that there exists no relationship between the age of the respondents and the awareness level of investors about the commodity market. Here Independent

t-test is used to study the association of demographic variable that is age and investors awareness level about the commodity market.

- The study found that there exists no relationship between the Income level of the respondents and the awareness level of investors about the commodity market. Here One-Way ANOVA test is used to study the association of demographic variable that is income level and investor's awareness level about the commodity market.
- The study found that there exists no relationship between the Occupation of the respondents and the awareness level of investors about the commodity market. Here One-Way ANOVA test is used to study the association of demographic variable that is Occupation and investors awareness level about the commodity market.

Factors influencing investor's decision in commodity market-

A study found that inflation protection, diversification, trading on low margin, liquidity, hedge against event risk, high Return are the factors which influence investors decision in the commodity market, as most of the investors agreed for all of this options.

Conclusion-

It is essential to create awareness about the commodity market among different group of investors on the commodity market. As study found that 23% of the respondents are still unaware and 2% of the respondents are unaware about the commodity market. According to the different age group of investor's financial institutions has to design and customize the awareness program in order to educate the investors.

The participants in the commodity markets can market the potential return in commodity markets through advertisements in local channels, Newspapers, by updating themselves about current market trends. Special campaign/ investor meeting should be conducted etc. The outcome of the study suggested that least qualified people has to informed the advantages of investments. Most of the investors thinks that only wealthy people can invest into the commodity market can invest into the commodity market, so it is important to change this general thought among investors and investors from every class of society should have encourage to make investment in commodity market. In order to encourage the investors to invest into the commodity market aggressive campaign should be conducted by someone who has experience of investment like agents and marketing executive in order to educate and also to clarify such myths from mind of investors.

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