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Investors Perception Towards Commodity Market With Reference To Coimbatore District

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Abstract: In Modern days, the field of investment is becoming more dynamic than olden days. International and National factors are growing rapidly that change the values of specific Investments. The aim of the study is to examine the investors awareness towards commodity market and to identify various factors influencing commodity trading and to understand the most preferred commodities by the investors in commodity trading. The research found out four factors that is trading frequency habits, goal of an investors, literacy awareness level and emotional risk tolerance. The study adopted descriptive research design, by collecting data from 720 respondents by using questionnaire. Collected data were analyzed with the help of percentage analysis and statistical package for social science (SPSS) and the hypothesis were tested using anova. Further it is found from the study that majority of the respondents strongly prefer to invest in the commodity Gold, Crude Oil, Silver, Natural Gas, Aluminum and Least Preferred Commodities are Zinc, Copper, Lead Investments in commodity trading are increasing nowadays in metro and urban area.

Keywords: supporting, value unpredictability, item subsidiaries, value hazard the executives.

1. Introduction

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. Investment is the commitment of funds in an asset or financial instruments with the aim of generating future returns in the form of interest, dividend or appreciation in the value of the instrument. Investment is involved in many areas of the economy, such as, business management and finance no matter from households, firms, or Governments. An investor has numerous investment options to choose from, depending on his risk profile and expectation of returns. Different investment options represent a different risk-reward trade off. Low risk investments are those that offer assured, but lower returns, while high risk investments provide the potential to earn greater returns. Hence, an investor's risk tolerance plays a key role in choosing the most suitable investment.

1.1 Need of The Study

In Modern days Investors are looking for multiple Investment alternatives to make their portfolio effective and also to reduce the risk and maximize returns. The prime objective of investors is the level of investment Perception traded in commodity market. The Current study is aimed at to know the behavior of investors towards the commodity market.

1.2 Scope of The Study

1. The study is carried out to know the trading frequency habits, literacy awareness level, emotional risk tolerance and goal of investors towards commodity market.
2. The study assesses the preference of choosing the market by the respondents.

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3. This study also helps to know about trading mechanism of commodity market and future trading level.

1.3 Objectives Of The Study

Primary Objectives

To examine the level of investment Perception towards traded in commodity market.

Secondary Objectives

- To examine investment information seeking behaviour of commodity traded fund investors.
- To ascertain investment factors of investors.
- To find out the emotional risk tolerance.

1.4 Limitation Of The Study

- Since the study based on the convenient sampling it may not depict the accurate outcome.
- The findings a based solely on the information provided by the respondent and there is possibility of biased result.

2. Review Of Literature

Kumar and Pandy (2023) seen the short run and long run market viability of Indian item prospects market. They had attempted four non-provincial and plant items for market viability and tension. The result exhibited the long run viability of thing destinies expenses and disappointment of possibilities costs in short run.

Dey and Maitra (2022) performed focus on pepper to inspect the expense revelation process by applying Granger causality, Co-fuse, Misstep Revision model. There was a unidirectional causality from Possibilities to Perceive costs in the pepper Destinies market.

G.Bhoopathy and R.Sakthivel (2021) say that the research work was completed to the predecessors and results of Agriculture Commodity Markets in Coimbatore city. There are various forerunners and results of Agriculture Commodity. However, got from writing appraisal, field overview and insights examination the predecessors and results which have approached as essential highlights are show up in this exploration.

R.Sakthivel and G.Bhoopathy (2020) the says that the India is one of the top makers of countless items, and furthermore has a long history of exchanging products and related subsidiaries. The products subordinates market has seen high points and low points, however appear to have at long last shown up at this point.

B.Jeeva Rekha and Sureka (2018) focus that FDI plays a vital role in the up gradation of technology, skills and managerial capabilities in various sectors of the economy. Services constitute the largest recipient sector of FDI, accounting for about two third of FDI inflows worldwide, and about 53% of FDI inflows into developing countries. The basic objective of this paper is to emphasize on the implications of FDI in India specifically in services sector. FDI ensures a huge amount of domestic capital, production level and employment opportunities in the developing countries, which a major step towards the economic growth of the country. The researcher concluded that the success of any organization depends on the efficiency, upgradation in skills and enrichment in quality of work life of the employees. From the study it is clear that the overall quality of work life of employees is good.

3. Research Methodology

Research Design

In this study, Descriptive Research Design is used in research topic.

Sampling Technique

To study the project a simple random sampling technique under descriptive method is used.

Sources Of Data

Primary data is collected from people by using structured questionnaire. The secondary data was collected by company website, books and internet, Wikipedia.

Structure Of Questionnaire

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1. Open end

2. Close end

Sample Size

The sample size 720 responded was taken into consideration for this study.

Period Of Study

This period of study is 10 months

Analytical Tools

- Simple percentage
- Mean average
- Standard deviation
- Chi-square
- ANOVA

3.1 Gender Of The Respondents

TABLE – 1.1

Residence / Gender	Urban	Rural	Total
Male	184 (51.11)	168 (46.66)	352 (48.89)
Female	176 (48.89)	192 (53.34)	368 (51.11)
Total	**360(100)**	**360(100)**	**720(100)**
Mean	**1.4889**	**1.5333**	**1.5111**
Std.Deviation	**0.50057**	**0.49958**	**0.50022**

*Figures in parentheses are percentage to column total

*Sources: computed from primary data

*Chi-square value between Domicile and Gender of the respondents 10.354 which is significant at 0.005level

Table.1.1. presents the Gender of Urban and Rural respondents. It infers that Majority 51.11 percent of the respondents falls under female category of which 53.34 percent are Rural category, followed 48.89 percent of the respondents belong to male category of which, 51.11 percent are Urban category. The chi-square value is 10.354 in which significant at 0.005 levels. Hence, the null hypothesis is rejected, because there is significant difference between Gender and Urban and Rural of the respondents. Further, the results show that, the Rural Gender mean average is greater than Urban. Thus, it has inferred that female respondents are highly 51.11 residences in Rural.

3.2 Age Of The Respondents

Table – 1.2

Residence / Age	Urban	Rural	Total
Below 30 years	146(40.55)	181 (50.28)	327(45.42)
31 -40	134(37.22)	120 (33.33)	254(35.28)
41-50	60(16.67)	41 (11.39)	101(14.02)
Above 51	20(5.56)	18 (5.00)	38(5.28)
Total	**360(100)**	**360(100)**	**720(100)**
Mean	**1.8722**	**1.7111**	**1.7917**
Std. Deviation	**0.88334**	**0.85747**	**0.87362**

***Figures in parentheses are percentage to column total

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*Sources: computed from primary data

*Chi-square value between Domicile and Age of the respondents 8.197 which is significant at 0.005 level

Table.1.2. reveals that residence and Age of the respondents. It is evident that Majority 45.42 percent of the respondents are below 30 years Age category of which 50.28 percent were Rural category, followed by 35.28 percent of the respondents are comes under 31-40 Age group of which 37.22 percent are Urban category, 14.02 percent are 41-50 Age category of which 16.67 percent are Urban category, remaining 5.28 percent are an Age group of above 51 of which 5.56 percent are Urban category. The Chi-square value is 8.197 in which significant at 0.005 levels. Hence the null hypothesis is rejected because there is significant difference between residence and Age category of the respondents. Moreover, the mean average is 1.8722 in Urban Age and 1.7111 is the Rural which is less than the Urban areas. It could be inferred that 45.42 percent of the Investors in commodity market respondent's Age category below 30 years.

3.3 Marital Status Of The Respondents

Table – 1.3

Residence / Marital status	Urban	Rural	Total
Married	234(65)	221(61.39)	455(63.19)
Unmarried	126(35)	139(38.61)	265(36.81)
Total	**360(100)**	**360(100)**	**720(100)**
Mean	**1.3500**	**1.3861**	**1.3681**
Std. Deviation	**0.47763**	**0.48753**	**0.48261**

***Figures in parentheses are percentage to column total

*Sources: computed from primary data

*Chi-square value between Category and Marital status of the respondents 1.009 which is significant at 0.005 level

The survey result shows that a Majority 63.19 percent of the respondents belongs to married category, of which 65 percent of the respondents are Urban category. Rare of 36.81 percent respondents are unmarried of which 38.61 percent is Rural category. The Chi-square value is 1.009 of which is significant at 0.005 levels. Hence, the null hypothesis is rejected because there is significant difference between residence and Marital status of the respondents. Moreover, the standard deviation in Urban area is 0.47763 and 0.48733 is in Rural area. Hence, it is concluded that 63.19 percent of the respondents are married.

3.4 Educational Status Of The Respondents

Table - 1.4

Residence / Educational Qualification	Urban	Rural	Total
School level	134 (37.22)	122 (33.88)	256 (35.56)
Graduate	167 (46.39)	127 (35.28)	294 (40.84)
Diploma	20 (5.55)	37 (10.28)	57 (7.91)
Professionals	38 (10.55)	67 (18.61)	105 (14.58)
Others	1 (0.29)	7 (1.95)	8 (1.11)
Total	**360(100)**	**360(100)**	**720(100)**

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Mean	1.9028	2.1944	2.0486
Std. Deviation	0.93164	2.1944	1.05700

*Figures in parentheses are percentage to column total

*Sources: computed from primary data

*Chi-square value between Category and Educational status of the respondents 23.584 which is significant at 0.005 level

It is evidence from the table 1.4 Educational qualification and residence of the respondents. It reveals that a Majority (40.84percent) of the respondent's Educational qualification is graduate of which 46.39 percent are Urban areas followed 35.56 percent are school level of which 37.22 percent are Urban, 14.58 percent are professionals of which 18.61 percent are Rural category. The Chi-square value is 23.584 which are significant at 0.005 levels. Hence the null hypothesis is rejected because there is significant difference between residence and Educational qualification of the respondents. The Rural Gender mean average is greater than Urban. It has observed that 40.84 percent of the respondents fall under graduate in Educational qualification.

3.5 Preference To Buy The Commodities

A Preference to buy the commodities, whether in the form of a Bullion, Energy, Metal or Other. Once it is established in the market, it becomes a commodity of the value it commands. High commodities equity not only denotes the American Dollar's value changes and performance, but also signifies the confidence and trust placed on it by the satisfied Investors. The reputed commodities hold a distinctive and powerful position in the Investors, which helps them in introducing new investment successfully. Such commodities are able to withstand the competition with ease and command premium prices. Commodities are essential as it helps in generating repeat Profit for the Investors.

Preference To Buy the Commodities of The Respondents

Table – 1.5

Residence / Preference	Urban	Rural	Total
Bullion	123(34.17)	126(35.00)	249(34.58)
Energy	90(25.00)	78(21.67)	168(23.33)
Metal	36(10.00)	41(11.39)	77(10.69)
Fiber	17(4.72)	14(3.89)	31(4.30)
Spices	8(2.22)	9(2.50)	17(2.36)
Plantations	14(3.89)	14(3.89)	28(3.89)
Pulses	15(4.17)	12(3.33)	27(3.75)
Oil	23(6.39)	17(4.72)	40(5.55)
Oil Seeds	9(2.50)	10(2.78)	19(2.65)
Cereals	11(3.06)	15(4.16)	26(3.61)
Agricultural	5(1.38)	7(1.95)	12(1.68)
Others	9(2.50)	17(4.72)	26(3.61)
Total	**360(100)**	**360(100)**	**720(100)**
Mean	**2.6528**	**2.2500**	**2.4514**
Std. Deviation	**2.52872**	**1.74686**	**2.18106**

*Figures in parentheses are percentage to column total

*Sources: computed from primary data

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Table 1.5. Presents the residence and Commodities trading of the respondents. From the table, reveals that Majority 35 percent of the respondents are preferred Bullion of which 35 percent Rural and 34 percent are Urban, followed 25 percent were Energy of which 25 percent of the respondents belongs to Urban and 22 percent are Rural. 11 percent of the respondents are Metal. The Urban Commodities trading of the respondents mean average is greater than Rural.

3.6 Preference to Buy the Commodities and Socio Economic and Demographic Factors

Ho : There is no significant difference between type of Preference to buy the commoditiesand Socio – Economic and Demographic factors such as Gender, Age, Marital status and Educational qualification prefer for investment.

H1 : There is significant difference between type of Preference to buy the commodities and Socio– Economic and Demographic factors such as Gender, Age, Marital status and Educational qualification would prefer for investment.

Table – 1.6: ANOVA

		Sum of Squares	d.f	Mean Square	F	Sig.
Gender	Between Groups	0.356	1	0.356	1.422	0.234
	Within Groups	179.556	718	0.250		
	Total	**179.911**	**719**			
Age	Between Groups	4.672	1	4.672	6.166	0.013
	Within Groups	544.078	718	0.758		
	Total	**548.750**	**719**			
Marital status	Between Groups	0.235	1	0.235	1.008	0.316
	Within Groups	167.231	718	0.233		
	Total	**167.465**	**719**			
Educational qualification	Between Groups	15.313	1	15.313	13.952	0.000
	Within Groups	787.986	718	1.097		
	Total	**803.299**	**719**			

The ANOVA Table 1.6 indicates that there are significant difference between the variables like Gender 0.234, Age 0.013, Marital status 0.316, Educational qualification 0.000, would prefer for investment and Commodities trading purchased as the significance level is less at 0.001 percent level. Hence the null hypothesis (HO) is rejected in the case of Gender, Age, Marital status and Educational qualification alternative hypothesis (H1) is accepted. Whereas there is no significant difference between Genders 0.234, with the type of Commodities purchased. Hence the null hypothesis (H0) is accepted and alternative hypothesis (H1) is rejected.

4. Suggestions
- From survey it is found the most of the potential customers are concerned about the brokerage charges. If it can charge moderate brokerage it will help to attract more and more customers.
- More agents and marketing executives should be appointed to educate customers.
- Investing in gold as a benefit is constantly useful for long haul.
- You may invest in gold ETF or gold funds either directly with a mutual fund distributor.
- You can also invest in these funds with the help of a mutual fund distributor.

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5. Conclusion

The study concludes that information on overall commodities and awareness and flucations on Bullion towards domestic into international and also market news creates much impact on Bullion and it helps all the clients to invest in Bullion and the demand for is always on the rise, since a trunk of Bullion is always monetary assets and great social status value and other forces that affect financial assets, the factors affecting Bullion are very different.

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