

AN EMPIRICAL STUDY OF MULTI COMMODITY EXCHANGE (MCX), MUMBAI: TREND ANALYSIS

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ABSTRACT

Commodity derivatives have an important role to play in the price discovery and price risk management process especially in a country which is dominated by agricultural sector, like India. In recent times there has been a lot of interest generated in commodities trading in India, particularly after the establishment of national level commodity exchanges like MCX, NCDEX etc. In this paper we empirically try to find the rate of growth in the value of trade of all commodities, agricultural commodities and base metals traded at MCX from April, 2004 to March, 2013. For this purpose we are making use of regression analysis using semi-log equation. We find that the overall trade at MCX has increased at the monthly rate of 4.47% whereas, trade in agricultural commodities & base metals has increased at the monthly rates of 2.21% and 8.32% respectively.

KEYWORDS: Commodity derivatives, Growth, MCX, Trend.
