Sage Journals

Paradigm: A Management Research Journal

Journal indexing and r

By clicking “Accept Non-Essential Cookies”, you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. Privacy Policy Cookie Policy

Manage Cookies

Accept Non-Essential Cookies

Reject Non-Essential Cookies

Contents

More

Abstract

This study intends to lo ion and subsequently whether it helps to reduce the volatility of the Indian spot market. The main purpose of this paper is to study the characteristics of the Indian commodity futures market for studying whether the efficient functioning of the market depends on the pricing of the commodities The MCX spot and future indices, MCX agricultural spot and future indices and daily Nifty returns have been used for the cointegration analysis to find out whether price formation is efficient or not. Secondly, for a collection of agricultural commodities traded on National Commodity Exchange (NCDEX), this paper intends to test the efficiency of the Indian commodity market using cointegration analysis. Since, rice is a very important agricultural commodity for India, this paper studies the commodity futures market for different qualities of rice, potato, wheat and masoor grain. The indices for these agricultural commodities have been taken from the National commodity Exchange. It also focuses to find out the information flow for these commodity futures using a GASRCH model. Using Bayesian estimation of GARCH(1,1) model with student - t innovation, the stationarity of the commodity spot and future market and the Indian stock market have been tried to be explored. It has been found that the commodity spot indices and the futures market indices are cointegrated with each other. The price of the different qualities of the rice depends on the recent news but not on the old news. The Bayesian estimation of the GARCH model concludes that the overall Indian commodity spot and future market and the Indian stock market are stationary and current values of also influenced by old news of the market.

Get full access to this article

View all access and purchase options for this article.

Get Access

You currently have no access to this content. Visit the access options page to authenticate.

Download PDF

Also from Sage

CQ Library

Elevating debate

Sage Data

Uncovering insight

Sage Business Cases

Shaping futures

Sage Campus

Unleashing potential

Sage Knowledge

Multimedia learning resources

Sage Research Methods

Supercharging research

Sage Video

Streaming knowledge

Technology from Sage

Library digital services