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Introduction

- any marketplace where the trading of securities occurs, including the stock market, bond market, forex market, and derivatives market, among others.
- play a vital role in facilitating the smooth operation of capitalist economies by allocating resources and creating liquidity for businesses and entrepreneurs.
- make it easy for buyers and sellers to trade their financial holdings.
- create securities products that provide a return for those who have excess funds (Investors/lenders) and make these funds available to those who need additional money (borrowers).

Definitions

- A financial market is a market where buyers and sellers trade commodities, financial securities, foreign exchange, and other freely exchangeable items and derivatives of value at low transaction costs and at prices that are determined by market forces.
- A place where individuals are involved in any kind of financial transaction refers to financial market.
- Financial market is a platform where buyers and sellers are involved in sale and purchase of financial products like shares, mutual funds, bonds and so on

Acts as a Link

Easy Accessibility

Trades in Marketable and Non-Marketable Securities

> Government Rules and Regulations

Involves Financial Intermediaries

Deals in Long Term Investment

- Acts as a Link: Financial markets connect the investors to the borrowers and bridge the gap between the two for mutual benefits.
- **Easy Accessibility**: These markets are readily available anytime for both the investors and the borrowers.
- Trades in Marketable and Non-Marketable Securities: Financial markets initiate buying and selling of marketable commodities. Some of these are bonds, debentures and shares along with non-marketable securities like bank deposits, post office deposits and other loans and advances.
- Government Rules and Regulations: The government controls the operations of a financial market in the country by imposing different rules and regulations.
- **Involves Financial Intermediaries**: These markets require financial intermediaries such as a bank, non-banking financial companies, stock exchanges, mutual fund companies, insurance companies, brokers, etc. to function.
- **Deals in Long and Short-Term Investment**: For the investors, financial markets provide an opportunity of putting in their funds into various securities or schemes for short or long term investing benefits.

Facilitate Price Determination and Discovery Mobilize Savings Accelerate Economic Development Provide Liquidity to Financial Assets Reduce Transaction Cost Capital Formation

Create New Assets and Liabilities

Determine Capital Formation Rate

Functions of Financial Markets

- Facilitate Price Determination and Discovery: The demand and supply of the various securities in the financial markets regulate their price.
- **Mobilize Savings**: The financial markets initiate the proper utilization of individual savings to generate profit by investing it in the right place.
- Accelerate Economic Development: When savings are put into use for setting up new businesses and generating revenue, the economy of the country grows parallel.
- **Provide Liquidity to Financial Assets**: The financial market facilitates the quick conversion of securities or commodities into cash as and when required by the investor.
- **Reduce Transaction Cost**: Since the information of the financial instruments or assets is available free of cost on the financial markets, it lowers the cost of acquisition and selling of the securities.
- **Capital Formation**: Raising capital from idle savings for the growth of business, infrastructure and economy is termed as a capital formation which is an essential function of financial markets.
- Create New Assets and Liabilities: Financial markets also encourage the creation of new assets in the form of investments and liabilities through borrowings.
- **Determine Capital Formation Rate**: As we know that capital formation is one of the functions of financial markets. The demand and supply of securities determine their capital formation rate to encourage people to enter the market.

Different Types of Financial Markets

Equity market

Debt market

Derivatives market

Commodities market



- is a place where stocks and shares of companies are traded.
- Often called as stock market or share market, an equity market allows sellers and buyers to deal in equity or shares in the same platform.
- Investors can invest in public or private stocks. Public stocks are traded on exchanges, unlike private stocks which are traded privately.
- Initially, when an organization is set up it is private and later it goes on to launch its IPO. IPO launch makes the private company available for public investors. Whereas private stocks of a company are available to limited investors like employees or other specific traders.
- Companies get listed on stock exchanges with a motive to earn capital from public investors and use it for their growth or expansion.

Types of Equity Market

- Primary market: When a company wants to make its shares available to the public for trading the company must launch its IPO. When the company launches its IPO, it offers a fraction of its equity to the public investors. Once the IPO is closed the company is listed on the primary exchanges.
- Secondary market: After the listing of the IPO shares on the exchanges, these shares are traded on the secondary market. The secondary market allows investors who failed to procure shares during the IPO. Even the initial investors can exit their investments in the secondary market. Investors in India commonly trade in the stock market with the help of brokers. The brokerage firms act as intermediaries between the stock exchanges and the investors. Here, the buying and selling of shares take place from one investor to another. There is no direct trading between the company and a shareholder.

How does Equity Market Work?

- The functioning of an Equity Market is a bit similar to that of an Auction market.
- □ In Primary Markets, lots of buyers bid for the stock according to their estimation of the market value within the price bands.
- □ The company after analyzing all bids allocates the shares according to the timing of the bid and the price band.
- □ In the case of the Secondary Market, the companies list their shares on the Stock Exchange or Over-the-Counter Exchange and the buyer's bid for the same. Prices of the security fluctuate according to the demand-supply factor.
- □ In the case of the Primary Market, the issuance takes place directly from the companies end through an IPO (Initial Public Offering) and FPO (Follow-on-Public Offering).
- In the case of the Secondary Market, the buying and selling of shares take place from one shareholder to another through the broker on the stock exchange.



Stock Exchange

- Functions on a centralized system in a systematic manner.
- No involvement of any third party like dealers, in the trade.
- Trading takes place in a completely transparent manner.
- It could be a physical place or a virtual place.
- The prices offered for particular security remains the same for all investors, as all trades are undertaken from the same place.
- The exchanges are continuously monitored by the Authority, like the Securities Exchange Commission (SEC) of the USA, Securities Exchange Board of India (SEBI) of India, etc.
- Trading through Stock Exchange eliminates counterparty risk.

Over-the-Counter (OTC) Markets

- is a marketplace that allows non-standardized and unregulated trading in financial securities between two consenting parties.
- Such markets do not have any norms, rules, and regulations. There is an absence of a formal exchange or an exchange regulator who can supervise its functioning.
- □ The markets may not have a physical location at all, and may just operate online through brokers, dealers, and their networks.
- these types of markets are useful for trading in stocks that are not listed on a regulated stock exchange.
- dealers have a free hand in deciding what and how much they want to trade, and at what price.
- A buyer or a seller can enter into bilateral contracts with the dealers, or with any other willing participant.
- □ They may decide their own terms and conditions for maturity time and delivery.
- □ It is not necessary for them to disclose the price at which the trade is occurring to anyone in the market. Thus, these markets give way to secrecy and minimum disclosures.

Participants of Equity Market

- Companies: There are many companies from different sectors, segments, countries, size, etc issues their shares in the Equity Market for the general public.
- Retail Investors and Institutional Investors: Both types of investors play a very important role in Equity Markets. Retail Investors are individual investors, investing a smaller chunk. Institutional investors make investments in a larger chunk.
- Financial Intermediaries: There are many Financial Intermediaries in the Equity Market, which makes this market function well.

Depository and Depository Participants are the authorized body, who are responsible for keeping the share certificate safe with them. The certificate can be in electronic form or physical form.

Clearing Houses are the second important participants in the Equity Market. Their main job is to settle all the trades within 2-3 days of the trade.

Stock Brokers are licensed financial intermediaries, linking investors and the stock exchange, thereby facilitating the trade.

Banks are an important participant, which transfers funds for facilitating trade.

Regulatory Authority: The Regulatory Authority acts as a watchdog in the Market. Their main role and objective are to ensure and see that no fraud takes place and investors' interest is taken care of in all the regulatory, controlling, and operational matters. If any participant is working unethically, they have full authority of taking any stringent action. Securities Exchange Commission (SEC) is the regulatory body of the USA and Securities Exchange Board of India (SEBI) is the regulatory body for India.

Advantages of Equity Market

- □ Helps in the creation of wealth for the investors by getting ownership in the company. It is a tool useful for investors for making high profits.
- □ This Market boosts the Company's expansion and research and development targets.
- Equity Market gives Companies a platform for making them visible to the world.
- A presence in Equity Market, claims stability and attracts investors including Foreign Direct Investments (FDIs) and Foreign Portfolio Investments (FPIs).
- □ It provides liquidity for investors. They can easily enter and exit the markets.
- □ The investors get a dividend return and capital gain return, which is, however, not fix in nature.
- □ The investors have limited liability in the company. The risk is borne only to the extent of ownership.
- By having part ownership the shareholders enjoy voting rights in the company and are able to vote on the important decisions of the company.
- The Equity Market frees the company from any interest rate burden as there is no commitment about dividend on equity by the company.

Disadvantages of Equity Market

- □ Equity Market's volatility is the biggest risk for the issuing company and the subscriber.
- □ This market does not give a guaranteed return to the investor.
- □ As Equity shareholders have ownership in the company, at the time of liquidation they get money on the basis of the residual claim.
- □ One of the biggest disadvantages of the Equity Market is that disclosure of a lot of information takes place for the general public at a large.

Debt Market

- The debt market is the market where debt instruments are traded.
- These financial instruments are fixed-income securities, giving fixed returns to the investors. These securities provide regular interest payments at a fixed rate with principal repayment at the time of maturity.
- The issuer of these securities can be local bodies, municipalities, state government, central government, corporate, etc.
- Major Debt Market securities are bonds, Government bonds, Debentures, treasury bills, Certificate of Deposits, Commercial Papers, etc.
- In Debt Market, the creditworthiness of the issuer plays a very important role. Credit Rating agencies like Moody's, Standard & Poor's, ICRA, etc give credit ratings to all these debt securities according to their credibility. Investors rely heavily on these ratings, before investing in debt securities.
- Fixed-Income Market or Credit Market is the other name of the Debt Market.

Who issues Debt Market Instruments?

- Corporate/ Companies: Companies often rely on debt instruments to finance their projects, expansion, or growth. Raising money through equity is always not a feasible option, in such a situation the companies go for Debt Market securities.
- Banks and Financial Institutions: Banks and Financial Institutions flourish on deposits and lending business. Debt Market instruments give Banks and Financial Institutions, an opportunity to raise funds for lending. These institutions and banks accept deposits from the public at large at a lower interest rate and thereafter lends money to the borrowers at a higher rate.
- State and/or Central Government: The State and/or Central Government raises money through Debt Market instruments to execute its various infrastructural projects and welfare programs. The infrastructural projects once start functioning, they repay the government and the same funds are given back as returns and redemptions to investors.
- Local Panchayats or/and Municipal Corporations or/and Local Body: In a similar manner to Central and State Government, these local Municipalities or Village Panchayats use these instruments for collecting funds for their infrastructural projects and other welfare programs.
- Public Sector Units (PSUs): Public Sector Units (PSUs), have to directly compete with private entities. These Units also use debt instruments to raise funds for their projects and expansion.

Types of Debt Market Instruments

Bonds

- ✓ are mainly of two types, i.e. Government Bonds and Corporate Bonds.
- ✓ Government Bonds holds less risk than Corporate Bonds. Mostly, Corporate Bonds pay a higher interest rate than Government Bonds.
- ✓ There are other Bonds like Municipal Bonds and Institutions Bonds.
- ✓ The Bonds have a fixed coupon rate and pay that interest to the bondholder periodically. And also repay the principal amount at the time of maturity.
- ✓ Floating rate bonds provide a variable interest rate that fluctuates according to the changes in the interest rates in the economy.
- ✓ Fixed-Rate Bonds gives fixed interest rates, irrespective of any market changes.
- ✓ There are Zero-Coupon Bonds, which does not provide any interest rate periodically or at the time of redemption. Rather These bonds are issued at a discount to the par value or face value of the bond. And the redemption of such bonds at maturity is at the par value of the bond. The difference between the par value and the discount value is the return for the investor or we can say that is the interest for the bondholders.

Government Securities

- ✓ mostly issued by the Central Bank of the country, in the
 place of the Central or State Government.
- √ These securities can be for the long term or short term.
- ✓ These securities give a fixed coupon rate to the investors. The yield of Government securities are mostly considered as a benchmark for return and are even considered as a risk-free rate.
- ✓ Treasury bills are short-term securities. Long term Government securities include instruments like Dated Securities or Bonds.

Debentures

- ✓ Debentures are similar in nature to Bonds; the only difference is the security level.
- ✓ Debentures are riskier in nature.
- ✓ Bonds can be issued by the Government and Companies, but Debentures can only be issued by Companies.
- ✓ Debentures can be of different types:

Registered Debentures and Bearer Debentures

The Registered debenture is there in the company's records. The names of the debt holders and other details are recorded in the company and the repayment of the debenture is made to that particular name only. These debentures are transferable but need to complete the transfer process. Recording of Bearer Debentures does not take place. The issuer of the Debenture is entitled to make the repayment of the bond amount to whoever holds the debenture certificate.

Secured Debentures and Unsecured Debentures

Secured Debentures are backed by collateral security. The Unsecured Debentures have no backing of any collateral security.

Redeemable Debentures and Non-Redeemable Debentures

Redeemable Debentures are repaid at the time of maturity only. Repayment of Non- Redeemable Debentures takes place at the time of liquidation only.

Convertible Debentures and Non-Convertible Debentures

Convertible debentures can be converted into equity shares on a future date. Non-Convertible Debentures cannot be converted into equity shareholders on any future date.

First Debentures and Second Debentures

At the time of liquidation, First Debentures have the preference over the Second Debentures at the time of repayment.

Other instruments are Fixed Deposits, Certificates of Deposits, Commercial Papers, National Savings Certificates, etc.

Advantages of Debt Market

- The debt market capitalizes and mobilizes the funds in the economy.
- gives a platform to the government, companies, and other bodies to raise funds.
- Sometimes raising equity becomes very costly for the corporate. In such a situation raising money through the debt market is the best possible option.
- This market gives fixed returns to investors with lesser risk.
- In absence of any other sources of finances, the Central/State Government takes the help of this market. It saves the Government bodies, from suffering from any cash crunch.
- Debt Market securities backed by assets get the preference as compared to other unsecured and business debts, at the time of liquidation.
- The money raised through this market helps the companies to boost its expansion and growth plans.
- The debt market helps the Government authority to boost infrastructural projects.

Disadvantages of Debt Market

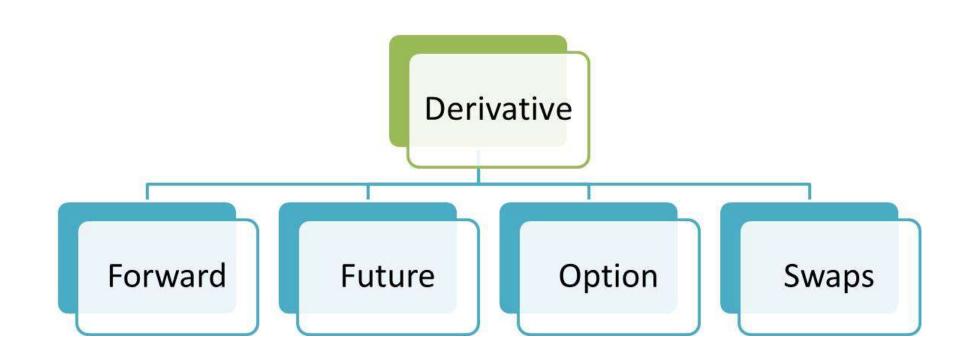
- it provides fixed returns to the investors and completely ignores the inflation rate.
- In the case of premature withdrawal or sell-off in the market, the investor gets the current market bond's price and not the principal amount invested. It is possible that the company might lose its credibility and the bond prices might have fallen down.
- The investors will get a fixed interest rate return only, irrespective of an increase in the interest rate in the market.

Derivatives Market

- It is a financial marketplace where financial instruments, such as options and futures are traded. Different types of investors take part in this market with varying objectives. For instance, some want to earn a profit, some speculate, while some enter the market to hedge their risk.
- Derivatives are instruments to manage financial risks. Derivatives are structured as contracts and derive their returns from other financial instruments.
- A derivative is defined as a financial instrument designed to earn a market return based on the returns of another underlying asset. It is aptly named after its mechanism; as its payoff is derived from some other financial instrument.
- Derivatives are designed as contracts signifying an agreement between two different parties, where both are expected to do something for each other.

Types of Derivatives Market

- Exchange-Traded Derivatives: This includes the contracts that are managed and regulated by the market. Such contracts are standardized futures or options contracts, and thus, trade on a recognized exchange. These contracts have less risk (default) for the investor. The parties need to deposit an initial payment at the time of entering the contract.
- Dover the Counter (OTC): There are private agreements between investors. The provisions of the agreement remain private. Such contracts do not trade on any exchange, nor do they have any intermediaries. These are not standardized contracts. And therefore, parties can easily modify and customize the terms of the contract.



Derivatives Market Instruments

- Options: It gives the buyer the right (not an obligation) to buy or sell the underlying asset at a specific price and at a specific date. On the basis of when the buyer executes the contract.
- Futures: Like options, futures are the standard agreements between the parties. And these contracts give a right to the holder to buy or sell the underlying asset at an agreed price and at a future date. However, unlike options, a futures contract is both a right and an obligation to execute the agreement on or before the specified date, as per the provisions. Since these are standard agreements, they trade on the exchange market.
- **Forwards:** These are the same as the futures contract with the only difference being they are over the counter products. This means they are not standardized contracts and are not regulated, nor they trade on any exchange. The parties are free to customize the contracts as per their requirements.
- Swaps: These contracts allow parties to swap or exchange their financial obligations. Such contracts are also OTC and do not trade on any exchange market. These swaps are available for currency, interest rate, commodity, etc., However, the most popular and widely used swaps are interest rate swaps.

Forward Contract



Alice

Alice needs to return one Bitcoin she loaned in three months, but doesn't want to risk paying more than the current price of \$10,000.



Bob

Bob will be inheriting one Bitcoin three months from now, but is afraid the value will be lower than the current price of \$10,000.

Agreement



Bob agrees to deliver one Bitcoin to Alice for a price of \$10,000 three months from now.

Three months later



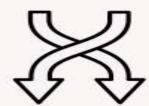
Alice agrees to pay

months from now.

\$10,000 for one Bitcoin

delivered by Bob three

Alice pays Bob \$10,000.





Bob sends Alice 1 BTC.

Forward and Future Contracts: What Is the Difference?

Characteristics	Forward Contract	An agreement where parties agree to sell fixed assets at fixed prices in the future	
Meaning	An agreement entered into by two parties to trade assets in future and at an agreed-upon rate		
Form	Unique contract	act Standard contract	
Settlement	Upon maturity	Anytime	
Regulation	None - self regulated Regulated by the sto		
Trading	Over the counter	Organized stock exchange platform	

Swap

Imagine ABC Co. has just issued \$1 million in five-year bonds with a variable annual interest rate defined as the London Interbank Offered Rate (LIBOR) plus 1.3% (or 130 basis points). Also, assume that LIBOR is at 2.5% and ABC management is anxious about an interest rate rise. The management team finds another company, XYZ Inc., that is willing to pay ABC an annual rate of LIBOR plus 1.3% on a notional principal of \$1 million for five years. In other words, XYZ will fund ABC's interest payments on its latest bond issue. In exchange, ABC pays XYZ a fixed annual rate of 5% on a notional value of \$1 million for five years. ABC benefits from the swap if rates rise significantly over the next five years. XYZ benefits if rates fall, stay flat, or rise only gradually.

If LIBOR rises by 0.75% per year, Company ABC's total interest payments to its bondholders over the five-year period amount to \$225,000. Let's break down the calculation:

	Libor + 1.30%	Variable Interest Paid by XYZ to ABC	5% Interest Paid by ABC to XYZ	ABC's Gain	XYZ's Loss
Year 1	3.80%	\$38,000	\$50,000	-\$12,000	\$12,000
Year 2	4.55%	\$45,500	\$50,000	-\$4,500	\$4,500
Year 3	5.30%	\$53,000	\$50,000	\$3,000	-\$3,000
Year 4	6.05%	\$60,500	\$50,000	\$10,500	-\$10,500
Year 5	6.80%	\$68,000	\$50,000	\$18,000	-\$18,000
Total				\$15,000	(\$15,000)

In this scenario, ABC did well because its interest rate was fixed at 5% through the swap. ABC paid \$15,000 less than it would have with the variable rate. XYZ's forecast was incorrect, and the company lost \$15,000 through the swap because rates rose faster than it had expected.

In the second scenario, LIBOR rises by 0.25% per year:

	Libor + 1.30%	Variable Interest Paid by XYZ to ABC	5% Interest Paid by ABC to XYZ	ABC's Gain	XYZ's Loss
Year 1	3.80%	\$38,000	\$50,000	(\$12,000)	\$12,000
Year 2	4.05%	\$40,500	\$50,000	(\$9,500)	\$9,500
Year 3	4.30%	\$43,000	\$50,000	(\$7,000)	\$7,000
Year 4	4.55%	\$45,500	\$50,000	(\$4,500)	\$4,500
Year 5	4.80%	\$48,000	\$50,000	(\$2,000)	\$2,000
Total				(\$35,000)	\$35,000

In this case, ABC would have been better off by not engaging in the swap because interest rates rose slowly. XYZ profited \$35,000 by engaging in the swap because its forecast was correct.

Options

- For example, a single call option contract may give a holder the right to buy 100 shares of Apple stock at \$100 up until the expiry date in three months. if Apple is trading at \$110 at expiry, the option contract strike price is \$100, and the options cost the buyer \$2 per share, the profit is \$110 (\$100 +\$2) = \$8. If the buyer bought one options contract, their profit equates to \$800 (\$8 x 100 shares); \$1,600 if they bought two contracts (\$8 x 200).
- Now, if at expiry Apple is trading below \$100, obviously the buyer won't exercise the option to buy the shares at \$100 per, and it expires worthless. The buyer loses \$2 per share, or \$200, for each contract they bought—but that's all. That's the beauty of options: You're only out the premium if you decide not to play.

Participants in the Derivatives Market

- **Hedgers**: These are the investors that enter the derivative market to reduce their risk or to hedge their risk. In fact, hedging is the biggest motive that drives investors to the derivative market. The option route is preferred by the hedgers to reduce their risks.
- Speculators: It is the most common market activity in any financial market. This basically involves betting against the future price movement and taking positions accordingly. It is a risky activity as it involves buying the underlying asset and then betting on its price. Earning a big profit is the driving force for speculative activities. For example, an investor expects the price of a share to drop going ahead. Thus, to profit from this, the investor will short sell the share now and buy later when the price drops.
- Arbitrageurs: Arbitrage is also a profit-making activity by taking advantage of the price volatility in the different financial markets. Arbitrageurs earn a profit using the price difference resulting in investment between the two markets. Or, we can say they buy an asset at less price in one market and sell in another at a higher price. For example, buying a share for \$100 in the cash market and selling it at \$102 in the future market.

Advantages of Derivative Market

- They ensure a ready market for the derivative financial tools.
- They offer investors lucrative returns. In fact in the derivative market one can trade with limited capital and profit potential is huge as compared to the investments in the primary securities. However, these investments in the derivatives market also carry higher risk in case of adverse movement as compared to the normal stock market investments. But, the higher returns that this market offers, lure the investors towards it.
- It allows investors to hedge their risk and save themselves and their capital from unchartered or high swings.
- An investor can choose to invest in OTC or exchange-traded derivate depending on their risk profile and need.

Drawbacks

- □ Too risky for investors
- High level of volatility, enough to erase the full investment of an investor. Also, the financial instruments in the derivatives market are extremely sensitive to even small changes in the interest rate, maturity, any political, medical, or economyrelated issues, and more.
- Financial instruments in the derivatives market are not as simple as the ones you will see in the primary and secondary markets. Because of this, new and occasional investors avoid this market. They, however, have an option to take the services of brokers and trading agents to invest in the derivatives market.
- Another criticism against the market is that their activities are similar to gambling but legal.

Commodity Market

- A commodity market is a marketplace for buying, selling, and trading raw materials or primary products.
- Commodities are often split into two broad categories: hard and soft commodities. Hard commodities include natural resources that must be mined or extracted—such as gold, rubber, and oil, whereas soft commodities are agricultural products or livestock—such as corn, wheat, coffee, sugar etc.
- Commodities markets allow producers and consumers of commodity products to gain access to them in a centralized and liquid marketplace. These market actors can also use commodities derivatives to hedge future consumption or production. Speculators, investors, and arbitrageurs also play an active role in these markets.

Types of Commodity Markets

- Generally speaking, commodities trade either in spot markets or derivatives markets. Spot markets are also referred to as "physical markets" or "cash markets" where buyers and sellers exchange physical commodities for immediate delivery.
- Derivatives markets involve forwards, futures and options. Forwards and futures are derivatives contracts that use the spot market as the underlying asset. These are contracts that give the owner control of the underlying at some point in the future, for a price agreed upon today. Only when the contracts expire would physical delivery of the commodity or other asset take place, and often traders will roll over or close out their contracts in order to avoid making or taking delivery altogether.

Examples of Commodities Markets

- The major exchanges in the U.S., which trade commodities, are domiciled in Chicago and New York with several exchanges in other locations within the country. The Chicago Board of Trade (CBOT) was established in Chicago in 1848. Commodities traded on the CBOT include corn, gold, silver, soybeans, wheat, oats, rice, and ethanol. The Chicago Mercantile Exchange (CME) trades commodities such as milk, butter, feeder cattle, cattle, pork bellies etc.
- The New York Mercantile Exchange (NYMEX) trades commodities on its exchange such as oil, gold, silver, copper, aluminum, palladium, platinum, heating oil, propane, and electricity.
- □ The London Metal Exchange and Tokyo Commodity Exchange are prominent international commodity exchanges.

There are 4 major commodity trading exchanges in India

- Multi Commodity Exchange of India, MCX
- National Commodities and Derivatives Exchange Limited, NCDEX
- Indian Commodity Exchange, ICEX
- National Multi Commodity Exchange of India, NMCX
- Both MCX and NCDEX are online commodity exchanges which help market participants to trade in precious metals, agricultural products and energy products.

Types of commodities traded in India on MCX

- Bullion like Gold, Silver, Platinum
- Energy like natural gas, crude oil, gasoline
- Agricultural products like castor seeds, cardamom, black pepper, cotton.
- Metals like lead, zinc, copper, nickel
- While, MCX is the largest commodity trading market in India, since 2003, NCDEX has started picking up pace and is currently the largest commodity trading market in India in terms of volume.

Thank you