

Branch Name:	MANAGEMENT (Financial Management)
Program Code:	MS201
Course Name:	Commodity Markets
Course Code:	2MS2010435T
Pre-requisite Course:	Micro-Macro Economics, Financial Derivatives

Course Objectives:

1. To make students aware about the knowledge of emerging commodities derivatives trading practices in India.
2. To make students remember about the Historical changes and growth of global and domestic Commodities derivatives markets.
3. To let students know about the Issues in Agricultural and non-agricultural Commodities Markets.
4. To make students aware about the Commodities Derivative Exchanges and design of the markets.
5. To let students know about the intermediaries role in Commodities Markets.

Teaching and Examination Scheme:

Teaching Scheme (Hours per week)				Evaluation Scheme (Marks)				
Lecture (L)	Tutorial (T)	Practical (P)	Credit	Theory (Marks)		Practical (Marks)		Total (Marks)
				University Assessment	Continuous Assessment	University Assessment	Continuous Assessment	
4	-	-	4	60	40	-	-	100

Subject Contents:

Sr. No.	Topic	Total Hours	Weightage (%)
1	Commodity Markets: An Overview, Marketing of Agricultural Commodities, Physical Market Operations, Commodity Risk, Managing Risk, Evolution and growth of Commodity Derivatives in India, Derivative Markets and Participants, Pricing Derivatives, Economic Importance, Commodity Exchanges, Regulation	10	20%
2	Trading on Commodity Exchanges, The Exchange Platform, Exchange Membership, Commodity Brokerage, Trading Systems on Commodity Exchanges, Participants, Market Positions, Order Types, Access to Commodity Exchanges, Volume and Open Interest, Clearing and Settlement, Risks in Commodity Markets, The Settlement Process, Distinctive Features of Commodity Futures Markets, Commodity Futures Pricing, Carrying Cost, Futures-Spot Convergence, Price Relationships	10	20%
3	Commodity Futures Applications, Futures for the Hedger, Mismatches in Basis and Basis Risk, Futures for the Speculator, Spreads, Futures for the Arbitrageur, Commodity Options, Arithmetic of Option Premiums, Option Greeks, Buying and Selling Options, Pricing Options, Commodity Options Applications, Options for Hedging, Options for Speculating, Advanced Option Trading Strategies, Commodity Trading Strategies	10	20%

4	Commodities: An Emerging Investment Class, The Investment Rationale, Investing in Commodities, Commodity Indices, Risks and Challenges of Commodity Investing, Fundamental and Technical Analysis of Commodities, Supply-Demand Relationship, Equilibrium Price and Disequilibrium, Using Fundamental and Technical Analysis to Predict Future Prices of Commodities, Variety in Commodity Markets, Weather Derivatives, Electricity Derivatives, Catastrophe Derivatives, Carbon Derivatives, Currency Derivatives, Property Derivatives, Derivative Disasters, Derivatives—Positives and Negatives, Derivatives Disaster—Reasons and Lessons	10	20%
5	Practical Module: - Analysing Various Derivative Contract Specifications from Exchanges - Mark to Market Margin Calculation on Realtime data from Exchanges - Understanding the trading and settlement process and other documentary requirements at Brokers' office to open the trading account - Calculating the futures and options price with cost of carry, binomial and BS Models on real time data from Exchange & analysing them with current market price - Forming of different futures and options trading strategies with the real time data from Exchange - Forming of Hedging with real time data from commodities and currency Exchanges - Effect of international markets on Indian markets.	8	20%

Text Books:

Sr. No.	Books
1	Indian Commodity Derivative Market: Operation and Performance; by Mahanta, Devajit; Primus Books

Reference Books:

Sr. No.	Books
1	Commodity Markets: Operations, Instruments, and Applications; by Chatnani, N. N; Tata McGraw Hill Education Private Limited
2	Guide to Indian Commodity Market; by Gala, Ankit and Gala, Jitendra; Buzzingstock Publishing House
3	The Economics of Commodity Markets; by Chevallier, J., & Ielpo, F.; John Wiley & Sons
4	Commodity Markets and the Global Economy; by Clayton, B. C.; Cambridge University Press
5	Trading Commodities and Financial Futures: A Step by Step Guide to Mastering the Markets; by Kleinman, George; Prentice Hall

List of Journals/Magazines

1. Journal of Commodity Markets by Elsevier
2. Recent Journal of Commodity Markets Articles by Elsevier
3. Journal of Commodity Markets by Science Direct

LAB/Practical

1. Students should be taken to visit Commodity Market to understand about the sale and purchase of commodities. .
2. Expert talk from Commodity Market can be arranged for students to understand how commodity market works.

Course Learning Outcomes (CLO): On completion of this course, the students will be able to:

CLO	Description	Bloom's Taxonomy Level
CLO1	To understand a basic idea about the Commodity Market.	2 Understanding
CLO2	To know about the marketing of Agricultural Commodities.	1 Remembering, 2 Understanding
CLO3	To know about the basic idea of Derivative Markets & Participants.	1 Remembering
CLO4	To know about the risk in Commodity Market & how risk can be settled.	3 Applying, 4 Evaluate
CLO5	To state Commodity Futures Applications.	4 Evaluate, 5 Analyze
CLO6	To apply Fundamental and Technical Analysis to various Commodities	5 Analyze, 6 Creating

Mapping of CLOs with Pos & PSOs

Course Learning Outcomes	Program Outcomes (POs)								Program Specific Outcomes (PSOs)	
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PSO1	PSO2
CLO1	H	M	H				M	M		L
CLO2	H				L		M			
CLO3	H		M				M		M	
CLO4		H	M		L	M		M		M
CLO5				M		M		M	M	
CLO6	H	M	M		M		L	M		M

H: High, M: Medium, L: Low
