EXTENDED LECTURE OUTLINE

ABM6 313 Capital and Commodity Markets (1+1)

Capital market – meaning, types, and importance. Capital market instruments – meaning, types of capital market instruments – equity instruments (equity shares, preference shares, common stocks, restricted shares), debt instruments (debentures, bonds), mutual funds, exchange-traded funds, swaps, mortgage-based securities. Money market instruments – commercial paper and certificate of deposits.

Managing interest rate risks – price risk, reinvestment risk, yield curve. Process of raising equity capital, types of investors – angel investors, venture capitalists, P2P lending, personal investors, and institutional investors. Depository services – meaning and functions. Insider trading – meaning, transaction procedures, and settlement. Stock valuation – meaning and types.

Marketing of food grains – cereals (paddy and wheat) and pulses (red gram and Bengal gram) – India's production, major producing states, consumption, marketable surplus, marketing agencies, and marketing channels.

Marketing of commercial crops – coffee, tea, coconut, arecanut, rubber, tobacco, oilseeds (groundnut and sunflower), spices, cotton and jute – India's production, major producing states, consumption, marketable surplus, marketing agencies, and marketing channels; activities of Coffee Board, Tea Board, Coconut Development Board, Directorate of Arecanut and Spices Development, Rubber Board, KOF, Spices Board, Cotton Corporation of India, and Jute Corporation of India.

Marketing of horticultural crops – vegetables, fruits, and flowers – India's production, major producing states, marketing agencies, and marketing channels; activities of NHB, NHM, HOPCOMS, and APEDA.

Role of commodity exchanges – national exchanges and regional exchanges. Types of market participants – hedgers, speculators, and arbitragers.

Derivatives market – meaning, functions, and limitations. Types of derivatives - forward, futures, options, and swaps. Factors influencing spot and futures markets. Trading strategy – meaning, components, and types.

Commodity markets – meaning, settlement and delivery mechanisms. Options hedging strategy – meaning, call option and put option, long position and short position. Role of banks and warehousing in commodity markets.

Global commodity exchanges dealing with agricultural commodities.

Suggested References

Agricultural Marketing in India
– S.S. Acharya and N.L. Agarwal
(2021, Oxford and IBH Publishing Co. Pvt. Ltd., New Delhi)

Commodity Markets: Operations, Instruments, and Applications
– Niti Nandini Chatnani
(2019, Tata McGraw Hill Education Private Limited, New Delhi)

Commodity Markets & Derivatives
– Bharat Kulkarni
(2011, Excel Books, New Delhi)

Websites of various Commodity Boards, Organisations, and Institutions.