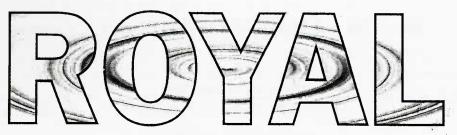
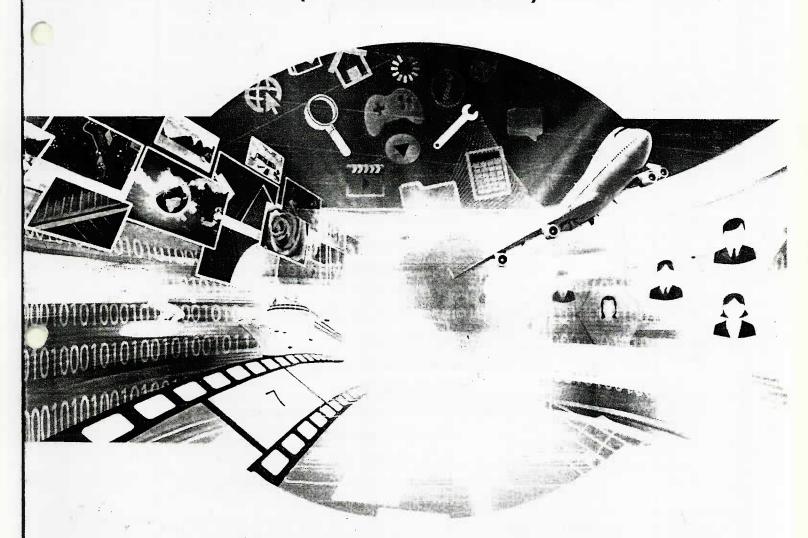
[Encl. No. 9]

Volume VI, Issue - II, Part - IV
June to November 2017



Peer Reviewed Referred and UGC Listed Journal

(Journal No. 47037)





AN INTERNATIONAL MULTIDISCIPLINARY
HALF-YEARLY RESEARCH - JOURNAL
ISSN - 2278 - 8158
IMPACT FACTOR 4.42 (www.sjifactor.com)



Sr. No.	Name & Author Name	Page No.
1	Analytical Study of Tax Collection of India During the Period 2001 to 2016	1-5
	Dr. Darekar Ramesh Dagu	
2	Consumer Protection and Corporate Social Responsibility	6-11
	Mrs. Payal Vishal Cholera	
3	To Study the Awareness and Preference Towards the Usage of	12-19
	Mobile Wallets in India	
	Ms. Swapna Kadam	
4	Linkages and Volatility Spillover Among MCX Commodity	20-29
	Markets and NSE NIFTY Market	
	Brahma Edwin Barreto	
	Dr. B. Ramesh	
5	XBRL in India: Adoption, Benefits and Implications	30-36
	Brahma Edwin Barreto	
	Dr Rodney D'Silva	
6	Green Energy: Need of the Hour in India	37-41
	Yashodha G.	
7	Climate Change and its Impact on Nations	42-46
	Kishwar Sultana	
8	F ural Development Programmes in India	47-51
	Nandini M. Hegde	
9	F-Notice Cum Notification App for Educational Institutions	52-54
	Ms. Aasha Mahadev Vanve	
10	An Investigation on Theeffect of Income Inequality on Health Status in India	55-60
	Lawal Muhammad	
11	Status of Women During the Reign of Saundatti Rattas	61-65
	Sanjay N. Hanje	
	Dr. Lokesha	
12	Human Resources Development – Department of Post	66-71
	Mrs. Roshani Kuldeep	
13	Cultivating Quality Teaching in Higher Education: Issues and Problems	72-76
	Ms. Sujata Janardan Dhopte	
	Ms. Prajakta Prasad Paranjape	

Sr. No.	Name & Author Name	Page No.
14	Agricultural Biotechnology Research in Developing Countries	77-82
	Dr. Snehal Agnihotri	
	Mr. Aniket Bhagwanrao Patil	
	Mr. Dnyaneshwar Rajendra Pawar	
15	Comparative Analysis of Financial Performance of Tata Consultancy	83-89
	Services Ltd vs Tech Mahindra Ltd.	
	Dr. Rupali Shah	
16	Price and Volume Reactions to Nifty Inclusions	90-99
	Dr. T. Sutha	
17	"A Study on Effectiveness of E-Banking Services" in Indian	100-106
	Overseas Bank (Chennai)	
	S. Sameena	
18	Stress Causes and Management of Bank Employee	107-112
	Dhanashri Dilip Khatawkar	
19	Understanding the Perceptions, Policies and Challenges of Work Life	113-125
	Balance (WLB): An Empirical Study	
	Dr. Vinitaa Agrawal	
20	Entrepreneurship Development of Rural Women through Self Help Groups	126-132
	Dr. Manisha V. Shirodker	
21	Organic Farming for Healthy Future	133-137
	Dr. Vijay Jaysing Mane	133 137
22	Technical Challenges and Opportunities in the Application of Big Data	138-143
	Technologies in Diabetes Healthcare	150 115
	Azadeh Nazari	
	Dr. Nilesh Mahajan	
23	Impact of Demonetization on Indian Economy	144-150
	Dr. Vijay S. Shinde	
24	Social Reality in the form of the X-Ray of Entrepreneurship	151-155
	Explored by Contemporary Bollywood: A Study with Reference to	.5. 155
	Three Bollywood Movies	
	Prof. Prajakta Raut	
	Prof. Alwin Menezes	

11

u

 \mathbf{n}

0

d

S

a

a

n

e

K

11

ŧŀ

15

ĥ



Linkages and Volatility Spillover Among MCX Commodity Markets and NSE NIFTY Market

Brahma Edwin Barreto

Associate Professor, Shree Damodar College of Commerce & Economics, Margao, Goa.

Dr. B. Ramesh

Professor, Former Head & Dean, Department of Commerce, Goa University, Taleigao, Goa.

Abstract

This study investigates the linkages and volatility spillover among the MCX commodity markets and NSE NIFTY market. The commodity markets considered for the study are MCXAGRI, MCXCOMDEX, MCXENERGY and MCXMETAL and the equity market considered is NSE NIFTY market. The study uses the daily data from 15th January 2004 to 31st March 2015. The empirical results found that there exists long-term equilibrium relationship between MCX commodity markets and NSE NIFTY market. Existence of long-run relationship between two markets has very important implications for the traders in markets. Existence of cointegration suggests that although both markets may be in disequilibrium during the short-run but such deviations are very quickly corrected through arbitrage process and the hedgers may take long-run positions to hedge market risk to the maximum extent. The VECM results show mixed evidence in the short-run and long-run dynamics between the MCX commodity markets and NSE NIFTY market. The empirical evidence from the Bivariate EGARCH model also reveals mixed evidence in the case of volatility spillover with reference to NSE NIFTY and all the MCX commodity markets. Commodities serve both as a volatility diversifier and return diversifier simultaneously. Commodities persist in providing benefits to equity backers in terms of portfolio range and diversification.

Keywords: Linkages, Cointegration, VECM, Bivariate EGARCH, Volatility Spillover,

1) Introduction

India is considered as a major centre for trading of commodities derivatives. Futures markets are considered as an efficient risk minimizing tool and perform several economic functions. They include hedging, price discovery, financing, liquidity and price stabilization. The issue of linkages and volatility spillover is of great interest to traders, financial economists and analysts. Although commodity markets and stock markets react to same information, the major question is which market reacts first and from which market volatility spills over to other markets. The process of linkages facilitates the inter-temporal inventory allocation function

- [V

by which market participants are able to compare the commodity and stock prices and decide the optimal allocation.

Moreover, understanding information flow across markets is important for hedge funds, portfolio managers and hedgers for hedging and devising cross-market investment strategies. Further, market playerscan use the volatility transmitting market in order to cover the risk exposure they challenge. Specifically, the investigation of linkages and volatility spillover will throw light on the possibility of commodity and stock markets as an efficient linkagesvehicle and this will be immensely useful for the traders to hedge their market risk. Besides, it provides useful insights to the arbitrageurs, who are formulating their trading strategies based on market imperfections. Further, the subject is immensely helpful for the investors and portfolio managers to develop effective trading and hedging strategies in the Indian commodity derivatives and stock markets.

Keeping in view the above, the present study examines the linkages in Indian commodity markets and stock market and to investigate whether the volatility spills over from commodity markets to stock market or vice versa. The remainder of the paper is organized as follows: Section 2 provides the review of literature. Section 3 describes the methodology and data used for empirical analysis. Section 4 offers empirical results and discussion of the study. Conclusions are presented in section 5.

2) Review Of Literature

Previous study by Brajesh kumar, Priyanka Singh and Ajay Pandey (2008) studied the commodity and stock markets and found that stock and commodity markets display persistence, clustering and asymmetric properties. Susmel and Engle (1994) examined the spillover effect for London and New York stock exchanges and suggested that there is no evidence of spillovereffect. Theodossiouand Lee (1993) observed statistically significant mean and volatility spillovers between some of the markets in the United States, United Kingdom, Canada, Germany and Japan. Koutmos and Booth (1995) found linkages between the developed markets and concluded that the volatility transmission process was asymmetric. Booth et al.(1997) examined the price and volatility spillovers in Scandinavian stock markets, viz. Danish, Norwegian, Swedish, and Finnish stock markets by employing the EGARCH model. They found that volatility transmission was asymmetric, significant and that volatility spillovers exist among some of the markets. Parantap Basu and William T. Gavin (2011) conclude that the negative correlation between commodity futures and equity return could be as expected and equilibrium phenomena in an environment does not offer any unexplained hedging opportunities and harvest profit. Srinivasan (2009) examined the price discovery mechanism in the Nifty spot and Nifty futures prices.

It can seen be from the existing literatures on linkages and volatility spillover that even though commodity and stock markets react to the same information, the major question is which market reacts first. Considerable

longnce of
ExistIn but
g-run
shortirical
lover
atility
ers in

ts 7-1

DEX,

/ uses

ts are lging, r is of irkets itility

iction