

Price Volatility Spillovers in Commodities Market : An Analytical Study of Selected Commodities

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Abstract

Even though the commodities market has a history way back with the early stages of civilisation. With the emergence of other sources of investments and the commodities markets too expanded with futures as a category. The Crude oil prices had sharp changes with increase and decrease, but the delay in investment due to uncertainty in the sources of resources and its allocation. The oil price influences the economy on a macro level through various channels. An attempt to analysis the behaviour of the other major investment options in the commodity futures markets with a focus on the impact of these on the prices of the commodities. Here we have taken into consideration the volatility measures are constructed using the futures daily prices of crude oil and its significance and its effects. Further, it becomes more significant after the Crude oil prices changes are also included in the regression to control symmetrical effect.

JEL Code : C53, G1, G13, Q2, Q4, Q11, Q13, Q31

Keywords : Volatility; Spillovers; Crude Oil; ARIMA; GARCH; Agriculture; Commodity, Natural Gas; India

I. Introduction

FROM THE TIME we have seen civilizations, we have also seen that the clay tablets are being included and the date and time, which tells us that it existed during the earliest form of the commodities future contracts, where these shells, the pigs, and the other mutual items were used as "The commodity money". For ages, the traders have been continuously improving the trading system, ultimately leading to the gold and the silver trading markets in the conventional societies. The commodities, whether they are essential part of our daily life. Anyone using any of these commodities get involved in the process of the product growth. The impact

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