R̲esearch P̲aper

Price movements of redgram major markets in India by using cointegration analysis

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ABSTRACT : The main objective of the study is to assess cointegration of major redgram markets and price movement in major markets in India using important econometric tools like Augmented dickey-fuller (ADF), Johansen's cointegration test, granger causality test and vector error correction model (VECM). The results of the study indicated that in the long-run there was a two direction relationship between market prices. There is bidirectional causality affected on redgram prices redgram prices of Mumbai – Indore and Mumbai –Amravati. There is unidirectional causality affected on redgram prices of Amravati –Vijayawada, Gulbarga – Tandur, Gulbarga –Vijayawada, Indore -Vijayawada, Mumbai –Vijayawada. Results of vector error correction model (VECM) showed Mumbai market one month lag price is affecting current prices of Gulbarga market. Amravati market one month lag price is affecting current prices of Vijayawada market. Tandur market two months lag price is affecting current prices of Gulbarga and Amravati markets.

KEY WORDS : Price movements, Redgram major markets, Using cointegration analysis