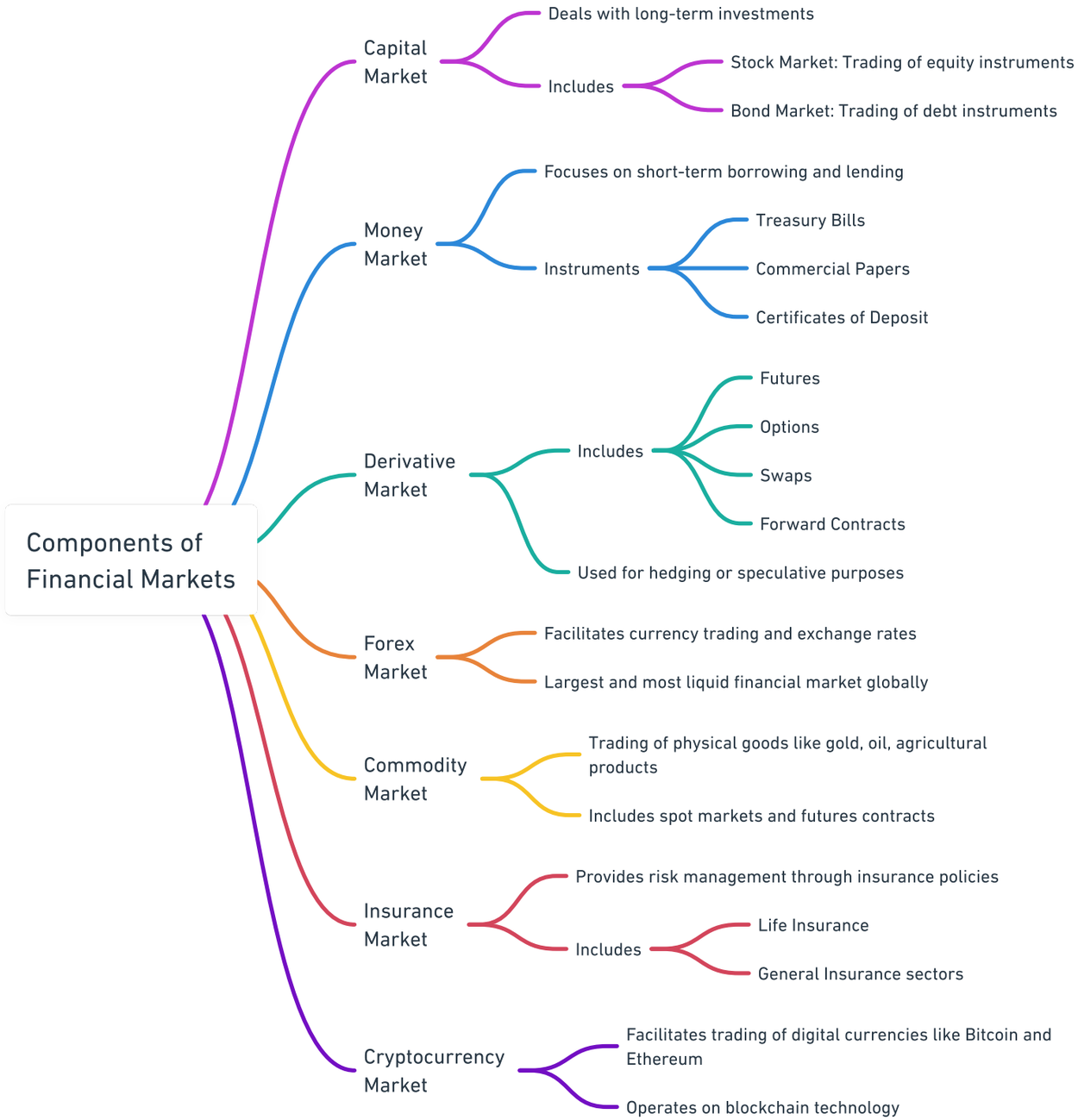
Components of Financial Markets
Capital Market
Deals with long-term investments
Includes
Stock Market: Trading of equity instruments
Bond Market: Trading of debt instruments
Money Market
Focuses on short-term borrowing and lending
Instruments
Treasury Bills
Commercial Papers
Certificates of Deposit
Derivative Market
Includes
Futures
Options
Swaps
Forward Contracts
Used for hedging or speculative purposes
Forex Market
Facilitates currency trading and exchange rates
Largest and most liquid financial market globally
Commodity Market
Trading of physical goods like gold, oil, agricultural products
Includes spot markets and futures contracts
Insurance Market
Provides risk management through insurance policies
Includes
Life Insurance
General Insurance sectors
Cryptocurrency Market
Facilitates trading of digital currencies like Bitcoin and Ethereum
Operates on blockchain technology