

A commodity market is a marketplace for buying, selling, and trading raw materials or primary products. There are currently about 50 major commodity markets worldwide that facilitate trade in approximately 100 primary commodities.

Commodities are often split into two broad categories: hard and soft commodities. Hard commodities include natural resources that must be mined or extracted—such as gold, rubber, and oil, whereas [soft commodities](#) are agricultural products or livestock—such as corn, wheat, coffee, sugar, soybeans, and pork.

KEY TAKEAWAYS

- A commodity market involves buying, selling, or trading a [raw product](#), such as oil, gold, or coffee.
- There are hard commodities, which are generally natural resources, and soft commodities, which are livestock or agricultural goods.
- Spot commodities markets involve immediate delivery, while derivatives markets entail delivery in the future.
- Investors can gain exposure to commodities by investing in companies that have exposure to commodities or investing in commodities directly via futures contracts.
- The major U.S. commodity exchanges are the Chicago Board of Trade, the Chicago Mercantile Exchange, the New York Board of Trade, and the New York Mercantile Exchange