

GOLD CONTINUES TO GLITTER



"Gold is money. Everything else is credit." - J. P. Morgan

The human being has always liked gold and traces of the usage of gold can be found since ancient times.

Brief History of Usage of Gold:

Different groups around the world discovered gold at different times. It was regarded as the shining yellow nugget at that time. It became popular in every civilisation in the ancient world. The earliest history of human interaction with Gold is mainly associated with the gods, with immortality and wealth, familiar to many cultures throughout the world. Gold has always been valuable to humans, even before money came into use.

Gold's beauty, scarcity, unique density, and ease by which it could be melted, formed, and measured made it a natural trading medium. The concept of money came from Gold which replaced barter arrangements and made trade much easier. Throughout history, Gold has been treasured for its natural beauty and radiance and is mostly used as jewelry.





Indian love for Gold

Gold has been a status symbol in India since ancient times. Even today, gold is more than just a precious metal to us. India is one of the largest importers of gold. People buy gold in India for various reasons. Some of the major ones are stated below.



- 1. Gold is considered auspicious and carries religious significance
- 2. In India, gold is considered as a status symbol. Gold is bought during various happy occasions such as weddings, festivals, birthdays and so on
- 3. Gold is fairly liquid and portable as a security or asset. It can be converted to cash at the time of an emergency. Finances are also available by mortgaging gold
- 4. Gold as an ornament has always attracted both men and women as it is considered fashionable
- 5. Gold as an asset can be passed down to the next generation as ancestral property and is considered an important part of estate planning
- 6. Gold is also considered an investment asset class and please refer to the below chart for the historical price along with return percentage





	Gold Returns Since 1973					
Year	Price (24 karats per 10 grams)	% Change YOY	5-Year Absolute Return	5-Year CAGR Return		
1973	₹279	ü	-	-/-		
1974	₹506	81.36%		-		
1975	₹540	6.72%	-	- 0		
1976	₹432	-20.00%	-			
1977	₹486	12.50%	-	-		
1978	₹685	40.95%	145.52%	20%		
1979	₹937	36.79%	85.18%	13%		
1980	₹1,330	41.94%	146.30%	20%		
1981	₹1,800	35.34%	316.67%	33%		
1982	₹1,645	-8.61%	238.48%	28%		
1983	₹1,800	9.42%	162.77%	21%		
1984	₹1,970	9.44%	110.25%	16%		
1985	₹2,130	8.12%	60.15%	10%		
1986	₹2,140	0.47%	18.89%	4%		
1987	₹2,570	20.09%	56.23%	9%		
1988	₹3,130	21.79%	73.89%	12%		
1989	₹3,140	0.32%	59.39%	10%		
1990	₹3,200	1.91%	50.23%	8%		
1991	₹3,466	8.31%	61.96%	10%		
1992	₹4,334	25.04%	68.64%	11%		
1993	₹4,140	-4.48%	32.27%	6%		
1994	₹4,598	11.06%	46.43%	8%		



Last 50 Years Gold Price History in India

1995	₹4,680	1.78%	46.25%	8%
1996	₹5,160	10.26%	48.87%	8%
1997	₹4,725	-8.43%	9.02%	2%
1998	₹4,045	-14.39%	-2.29%	0%
1999	₹4,234	4.67%	-7.92%	-2%
2000	₹4,400	3.92%	-5.98%	-1%
2001	₹4,300	-2.27%	-16.67%	-4%
2002	₹4,990	16.05%	5.61%	1%
2003	₹5,600	12.22%	38.44%	7%
2004	₹5,850	4.46%	38.17%	7%
2005	₹7,000	19.66%	59.09%	10%
2006	₹8,400	20.00%	95.35%	14%
2007	₹10,800	28.57%	116.43%	17%
2008	₹12,500	15.74%	123.21%	17%
2009	₹14,500	16.00%	147.86%	20%
2010	₹18,500	27.59%	164.29%	21%
2011	₹26,400	42.70%	214.29%	26%
2012	₹31,050	17.61%	187.50%	24%
2013	₹29,600	-4.67%	136.80%	19%
2014	₹28,007	-5.38%	93.15%	14%
2015	₹26,344	-5.94%	42.40%	7%
2016	₹28,624	8.65%	8.42%	2%
2017	₹29,668	3.65%	-4.45%	-1%
2018	₹31,438	5.97%	6.21%	1%
2019	₹35,220	12.03%	25.75%	5%
2020	₹48,651	38.13%	84.68%	13%
2021	₹48,720	0.14%	70.21%	11%
2022	₹52,670	8.11%	77.53%	12%
CAGR of 50 Years		11.05%		

Farhan Meer Founder & CEO of Sharia Wealth



The average annual price for Gold from 1973 - 2022.



Number of Positive Years	41 (82% of the time)	
Number of Negative Years	9 (18% of the time)	

Why should Gold be a part of the portfolio?

Gold prices historically have risen during times of uncertainty. It is a hedge against broader market risk and should be a part of every investor's portfolio. As the Equity market tends to be volatile during any type of uncertainty, gold as an asset class tends to be positive and thus gives balance to the portfolio.

Holding gold as an asset class helps you to diversify your portfolio. Diversification is a strategy in which you spread your investments across several asset classes to minimise risk as all the asset classes don't perform simultaneously. This is especially valuable when the economy is turbulent. We have already discussed the history of gold as a special and valuable commodity. Gold also acts as a hedge against inflation and deflation and can be precious, especially during economic turbulence or geo-political uncertainty





Disclaimer: The above data and charts are purely for illustration purposes. Returns are not guaranteed, Past performance is not an indication of future returns. Contact us for scheme-specific risk.

