

Gold as a Long-Term Investment in India: An Eight-Decade Analytical Study of Price Growth, Wealth Creation and Investment Potential

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Abstract

Gold has remained an important investment asset in India because of its perceived ability to preserve value during economic uncertainty. This study examines gold as a long-term investment in India from 1947 to 2026, focusing on price growth, investment performance and wealth-creation potential. The study uses secondary data on selected historical gold-price observations and applies descriptive statistics, interval-wise price growth, Compound Annual Growth Rate, Pearson correlation, linear trend regression and a one-sample t-test. Hypothetical price-linked investment analysis is also used to illustrate long-term wealth accumulation. Gold prices increased from ₹88.62 per 10 grams in 1947 to ₹1,55,130 in 2026, representing a 1,750.51-fold increase and an overall CAGR of 9.91%. The findings reveal substantial long-term nominal price appreciation, but considerable variation across investment periods. The study highlights the importance of investment horizon and timing while recognizing that historical nominal growth does not establish superior real returns or guarantee future performance.

Keywords: Gold Investment; Gold Price Growth; Long-Term Returns; Wealth Creation; Compound Annual Growth Rate; Inflation-Adjusted Returns; Investment Risk; Purchasing Power.

Introduction

Gold has long held a distinctive position in the Indian economy as a form of savings, a store of value, a cultural asset, and an investment instrument. Beyond jewelry consumption, households and investors have traditionally regarded gold as a means of preserving wealth. Economic uncertainty, inflationary pressures, financial-market changes, and currency fluctuations have further strengthened its relevance, making the long-term behaviour of gold prices an important area of investment analysis. Since Independence, gold prices in India have increased substantially, reaching historically high levels in recent years. Although this rise is often considered evidence of wealth creation, nominal price appreciation alone does not indicate an equivalent increase in real wealth because the purchasing power of money changes over time. Therefore, evaluating gold as a long-term investment requires consideration of compound growth, returns, variability, investment horizons, and inflation-adjusted performance. Gold also attracts investment interest because of its potential diversification benefits. Its price-based returns may behave differently from equities, bonds, and other financial assets, particularly during periods of economic and financial uncertainty. Similarly, although gold is often regarded as an inflation-sensitive asset, its ability to protect purchasing power may vary across economic conditions and investment periods. Hence, these assumptions require systematic quantitative examination rather than generalization. The period from 1947 to 2026 provides an extended framework for examining gold across diverse economic environments,

including economic reforms, financial-market development, inflationary periods, global financial crises, and geopolitical uncertainty. However, substantial cumulative appreciation does not necessarily imply consistent investment performance, as different periods may produce significantly different returns and levels of volatility. Against this background, the present study examines gold as a long-term investment in India from 1947 to 2026, focusing on price growth, Compound Annual Growth Rate (CAGR), variability, period-wise performance, and wealth creation. It further considers the distinction between nominal price appreciation and real wealth creation after accounting for changes in purchasing power. The study therefore seeks to provide an evidence-based assessment of gold's long-term investment characteristics rather than relying solely on its historical price increase. The findings are intended to provide useful insights for investors, financial advisers, researchers, and other stakeholders in evaluating gold within long-term wealth-management and portfolio strategies.

Review of Literature

Kumari and Majumder (2021) conducted an empirical analysis of the gold market to determine when and why investors should consider gold for portfolio management. Using monthly time-series data beginning in 1990, the authors examined gold prices and returns in relation to stock-market indices, inflation expectations and consumer sentiment. The study found that gold demonstrated an effective hedging relationship with stocks, while its role as a store of value during inflationary conditions was less conclusive. The study is particularly relevant because it highlights the importance of testing commonly held assumptions about gold through empirical evidence.

Sharma and Karmakar (2022) investigated whether gold, the US dollar and Bitcoin could function as hedge and safe-haven assets against stock-market risk. The study employed a combined GO-GARCH, Extreme Value Theory and copula-based approach to examine downside risk and diversification characteristics. The findings provided evidence concerning the ability of gold to contribute to risk management during adverse stock-market conditions. The study supports the present research by establishing the relevance of gold's risk characteristics when evaluating its investment potential rather than considering returns alone.

The **World Gold Council (2024)** examined the relationship between gold and inflation in India using gold returns and consumer-price inflation data from 1981 to 2021. The analysis showed that gold had historically performed strongly during periods of elevated inflation and also reported attractive gold returns during Indian monetary-tightening cycles. This evidence provides support for investigating inflation-adjusted gold returns and the relationship between gold-price movements and changes in purchasing power.

Krishnan (2025), writing for the National Institute of Securities Markets (NISM), compared systematic annual investments in gold with investments in the NIFTY 50 over the 2005–2025 period. The analysis considered an investor purchasing 10 grams of gold annually and compared the accumulated outcome with equivalent annual investments in the NIFTY 50. The analysis reported an XIRR of 13.19% for gold, compared with 11.90% for the NIFTY 50 under the specified investment assumptions. The study provides a practical illustration of how systematic investment analysis can provide a more meaningful assessment of wealth creation than simply comparing beginning and ending prices.

Chacko (2025) examined the performance of gold relative to major Indian asset classes during 2024. The analysis reported that gold generated a 21% year-on-year return in Indian rupees during 2024 and outperformed several major Indian asset classes during that year. The study also highlighted continued investment demand for gold despite high prices. While the analysis covers a relatively short period, it provides recent evidence of gold's strong performance within the Indian investment environment and supports the need to place recent price movements within a much longer historical perspective.

The **World Gold Council (2026)** examined gold's role in Indian portfolios using data through December 2025. The analysis found that adding gold to a hypothetical diversified INR portfolio improved risk-adjusted performance and reduced drawdowns across selected allocation levels. The findings reinforce the argument that gold's investment potential should be evaluated not only through its standalone return but also through its contribution to portfolio resilience and risk management.

Research Gap

A clear gap remains in integrating long-term historical gold-price growth, interval-wise CAGR, variability, trend analysis and hypothetical price-linked wealth accumulation within a single Indian analysis covering the period from 1947 to 2026. The present study addresses this gap by examining selected benchmark observations across nearly eight decades using descriptive statistics, interval-wise growth analysis, CAGR, correlation, regression and hypothetical wealth analysis. This approach provides a focused assessment of long-term nominal price appreciation and its implications for wealth accumulation over extended investment horizons.

Objectives of the Study

1. To examine the long-term trend and growth of gold prices in India from 1947 to 2026.
2. To measure the interval-wise growth and Compound Annual Growth Rate (CAGR) of gold over the selected historical periods.
3. To examine the variability of gold-price growth across the selected historical intervals.
4. To assess the long-term nominal wealth-creation potential of gold based on historical price appreciation and selected investment horizons.

Hypotheses of the Study

1. Gold prices have experienced a statistically significant upward trend in India during the period 1947–2026.
2. The average annual return generated by gold is significantly different from zero during the study period.

Research Methodology

Research Design

The study adopts a **quantitative, empirical and analytical research design** based exclusively on secondary data. The design is intended to evaluate the long-term investment characteristics of gold in India through systematic statistical analysis rather than through subjective assessment of historical price movements.

Study Period

The study covers the period 1947 to 2026, representing nearly eight decades of gold-price behaviour in India. The extended period enables the analysis to capture different economic conditions and investment environments rather than relying on a single market cycle.

Variables of the Study

The principal variables considered in the analysis include Gold Price, measured as the quoted price of 24K gold per 10 grams; Interval-wise Gold Price Growth, representing the percentage change between consecutive benchmark observations; Compound Annual Growth Rate (CAGR), representing annualized growth across selected periods; and Hypothetical Price-Linked Wealth, representing the value of a fixed investment based on changes in gold prices.

Statistical Tools

Descriptive statistics including mean, median, minimum, maximum and standard deviation will be used to examine the distribution of interval-wise gold-price growth and CAGR. Interval-wise gold-price growth analysis will identify periods of appreciation and decline. Compound Annual Growth Rate (CAGR) will be calculated for selected historical periods and the overall study period. Pearson correlation will be used to examine the relationship between observation year and gold price. Simple linear regression will be employed to assess the long-term linear trend in gold prices. A one-sample t-test will be used to determine whether the mean interval CAGR differs significantly from zero. Hypothetical price-linked wealth analysis will be used to illustrate the potential accumulation of value over selected investment horizons.

Data Analysis and Interpretation

Historical Gold Price and Interval-wise Growth in India, 1947–2026

Year	Gold Price (₹/10 g)	Change from Previous Observation (%)	Interval CAGR (%)
1947	88.62	—	—
1950	99.18	11.92	3.82
1960	111.87	12.79	1.21
1965	71.75	−35.86	−8.50
1970	184.50	157.14	20.79
1975	540.00	192.68	23.96
1980	1,330.00	146.30	19.75
1985	2,054.70	54.49	9.09
1990	3,340.43	62.58	10.21
1995	4,812.42	44.07	7.58
2000	4,433.58	−7.87	−1.63
2005	6,522.97	47.13	8.03
2010	17,491.59	168.15	21.81
2015	26,974.41	54.21	9.05
2020	42,870.57	58.93	9.71
2026	1,55,130.00	261.86	23.91

Interpretation

Gold prices increased from ₹88.62 per 10 grams in 1947 to ₹99.18 in 1950, recording 11.92% growth, while the 1950–1960 period registered a modest 1.21% CAGR. A significant decline occurred during 1960–1965, with prices falling 35.86% and recording a −8.50% CAGR, demonstrating that gold appreciation was not continuous. Strong growth was observed during 1970–1975, with a 192.68% increase and 23.96% CAGR, followed by 19.75% CAGR during 1975–1980. During 2005–2010, gold rose 168.15%, recording 21.81% CAGR. Most recently, prices increased 261.86% between 2020 and 2026, with 23.91% CAGR, confirming substantial but uneven long-term appreciation.

Descriptive Statistics of Interval-wise Gold Price Growth

Statistic	Value
Number of intervals (N)	15
Mean Growth (%)	81.90
Median Growth (%)	54.49
Standard Deviation (%)	83.91
Minimum Growth (%)	−35.86
Maximum Growth (%)	261.86
Mean Interval CAGR (%)	10.59
Median Interval CAGR (%)	9.09
Standard Deviation of CAGR (%)	9.78
Minimum CAGR (%)	−8.50
Maximum CAGR (%)	23.96

Interpretation

The descriptive statistics reveal considerable variation in gold-price performance across the selected intervals. The **mean interval growth was 81.90%**, compared with a median of **54.49%**, indicating the influence of exceptionally strong growth periods. The standard deviation of **83.91%** further confirms substantial variation, with the lowest growth of **−35.86%** during 1960–1965 and the highest of **261.86%** during 2020–2026. Based on CAGR, the mean was **10.59%**, with a median of **9.09%**, while the minimum and maximum were **−8.50%** and **23.96%**, respectively. Overall, gold appreciation was uneven, reflecting periods of moderate growth, decline, and rapid appreciation.

Compound Annual Growth Rate Analysis

Interval-wise Compound Annual Growth Rate of Gold

Period	CAGR (%)
1947–1950	3.82
1950–1960	1.21
1960–1965	−8.50
1965–1970	20.79
1970–1975	23.96
1975–1980	19.75
1980–1985	9.09
1985–1990	10.21

1990–1995	7.58
1995–2000	–1.63
2000–2005	8.03
2005–2010	21.81
2010–2015	9.05
2015–2020	9.71
2020–2026	23.91

Interpretation

The highest CAGR was recorded during **1970–1975 at 23.96%**, closely followed by **2020–2026 at 23.91%**. The 2005–2010 period also recorded a high CAGR of **21.81%**. From period from **1960 to 1965 recorded a negative CAGR of –8.50%**, while 1995–2000 recorded a CAGR of **–1.63%**. These results demonstrate that gold investment outcomes are highly dependent on the period over which the investment is evaluated. The findings are therefore inconsistent with the simplistic assumption that gold prices increase at a constant rate. Instead, gold has experienced distinct phases of rapid appreciation, moderate growth and decline.

Overall Long-Term Price Growth

Overall Gold Price Growth, 1947–2026

Measure	Value
Beginning Year	1947
Beginning Price	₹88.62
Ending Year	2026
Ending Price	₹1,55,130.00
Absolute Increase	₹1,55,041.38
Price Multiple	1,750.51 times
Cumulative Nominal Appreciation	174,950.78%
Overall CAGR	9.91%

Interpretation

The long-term comparison shows that gold prices increased from **₹88.62 per 10 grams in 1947 to ₹1,55,130 in 2026**, representing an approximate **1,750.51-fold increase** and cumulative nominal appreciation of **174,950.78%**. However, this figure reflects nominal price growth and does not account for inflation, transaction costs, taxation, or other investment expenses. The **overall CAGR of 9.91%** provides a more meaningful measure, indicating the equivalent annual compounded growth over the 79-year period. Although the findings demonstrate substantial long-term nominal appreciation, they do not establish gold as the best-performing investment. Such a conclusion would require comparable data for alternative investment assets.

Gold Price Index Analysis

Year	Gold Price (₹/10 g)	Index
1947	88.62	100.00
1950	99.18	111.92
1960	111.87	126.24
1965	71.75	80.96
1970	184.50	208.19
1975	540.00	609.34
1980	1,330.00	1,500.79
1985	2,054.70	2,318.55
1990	3,340.43	3,769.39
1995	4,812.42	5,430.40
2000	4,433.58	5,002.91
2005	6,522.97	7,360.61
2010	17,491.59	19,737.75
2015	26,974.41	30,438.29
2020	42,870.57	48,375.73
2026	1,55,130.00	175,050.78

Interpretation

The index analysis provides a clear visual representation of the magnitude of long-term gold-price growth. With the 1947 price assigned an index value of **100**, the index reached **175,050.78 in 2026**. An important observation is the temporary decline in the index during 1965. The index fell from **126.24 in 1960 to 80.96 in 1965**, demonstrating that gold did not follow a continuously upward trajectory. After 1970, however, the index increased substantially. By 1980 it had reached **1,500.79**, and by 2010 it had increased to **19,737.75**. The strongest expansion occurred in the later observations, with the index reaching **48,375.73 in 2020** and **175,050.78 in 2026**. The index therefore confirms the extraordinary nominal expansion of gold prices over the long term.

Pearson Correlation between Year and Gold Price

Variables	Year	Gold Price
Year	1.000	0.611
Gold Price	0.611	1.000
Sig. (2-tailed)	—	0.012

N	16	16
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Interpretation

A **positive correlation of 0.611** between year and gold price. The significance value of **0.012** is below the 0.05 level, indicating that the relationship is statistically significant at the 5% level. The positive coefficient indicates that gold prices generally increased as the observation year progressed. The relationship is moderately strong rather than close to perfect, reflecting the fact that gold prices did not increase continuously. The decline observed between 1960 and 1965 and the fall between 1995 and 2000 contribute to the departure from a perfect positive relationship. The result provides statistical support for the proposition that gold prices exhibited a significant upward association with the passage of time over the selected historical observations. However, correlation should not be interpreted as causation. The analysis establishes an association between the observation year and gold price; it does not identify the economic factors responsible for the increase.

Regression Analysis of Gold Price Trend

Model Statistic	Value
R	0.611
R Square	0.373
Adjusted R Square	0.328
F-value	8.346
Sig.	0.012
Regression Coefficient (B)	960.417
t-value	2.889
Sig. of B	0.012

Interpretation

The regression analysis indicates a **statistically significant positive relationship between year and gold price**. The regression coefficient of **960.417** suggests an average increase of approximately ₹960 per 10 grams for each additional year within the model. The model recorded **R = 0.611** and **R² = 0.373**, indicating that **37.3% of the variation** in selected gold-price observations is explained by the linear time trend. The ANOVA results (**F = 8.346, p = 0.012**) confirm that the regression model is statistically significant at the 5% level. However, the moderate R² indicates that time alone does not adequately explain gold-price movements. Gold prices are influenced by multiple economic and financial factors, making a purely linear relationship insufficient to capture their complete behaviour.

One-Sample t-Test of Interval CAGR

Test Statistic	Value
Number of intervals	15
Mean CAGR	10.59%
Test Value	0%
t-value	4.193

Df	14
Sig. (2-tailed)	0.001
Decision	Significant

Interpretation

The mean interval CAGR was **10.59%**, indicating positive annualised growth across the selected historical intervals. The one-sample t-test produced a **t-value of 4.193** with **14 degrees of freedom**, and the significance value was **0.001**. Since the p-value is below 0.05, the null hypothesis that the mean interval CAGR is equal to zero is rejected. The result provides statistically significant evidence that the selected historical intervals, on average, generated positive annualised gold-price growth. This finding supports the argument that gold demonstrated positive long-term price-growth characteristics across the selected observations. However, the test should be interpreted within the limitations of the dataset. The 15 observations represent **selected intervals rather than 15 independent annual returns**. Therefore, the statistical result provides supporting evidence of positive interval-wise growth, but it should not be presented as equivalent to a test based on 79 annual observations.

Summary of Empirical Analysis

Analysis	Finding
Overall price multiple	1,750.51 times
Cumulative nominal appreciation	174,950.78%
Overall CAGR, 1947–2026	9.91%
Mean interval CAGR	10.59%
Pearson correlation: Year–Gold Price	r = 0.611, p = 0.012
Regression R ²	0.373
Regression F-value	8.346, p = 0.012
Mean interval CAGR t-test	t = 4.193, p = 0.001
Highest interval CAGR	23.96% (1970–1975)
Second-highest interval CAGR	23.91% (2020–2026)
Lowest interval CAGR	–8.50% (1960–1965)

Overall Interpretation

The empirical evidence demonstrates substantial long-term nominal appreciation in gold prices, although the growth was uneven, with declines during 1960–1965 and 1995–2000. The overall CAGR of 9.91% provides the most appropriate measure of growth between the two endpoints. The significant positive correlation and regression results further support the existence of a long-term upward trend. However, the analysis does not establish that gold outperformed alternative investments; it confirms only significant long-term growth in the selected gold-price observations. The subsequent analysis therefore focuses on wealth creation and investment potential using hypothetical investment values based on selected benchmark years. The final hypothesis-testing framework should include only

hypotheses that can be legitimately tested using the available dataset, thereby ensuring that the conclusions remain methodologically defensible.

Hypothetical Wealth-Creation Analysis

To illustrate the long-term wealth-creation potential of gold, a hypothetical investment of **₹10,000** is considered at the 1947 benchmark price and its corresponding value is estimated at selected subsequent observations. The analysis assumes that the entire investment is linked to the movement in the quoted gold price and that the gold is held throughout the respective period. The calculation is based on: **Future Value = Initial Investment × (Gold Price_t / Gold Price₁₉₄₇)**. This is a **price-based simulation**. It does not include jewelry-making charges, storage costs, taxation, brokerage, bid–ask spreads or other transaction costs.

Hypothetical Wealth Creation from a ₹10,000 Gold Investment

Year	Gold Price (₹/10 g)	Value of ₹10,000 Investment (₹)
1947	88.62	10,000
1970	184.50	20,819
1980	1,330.00	1,50,079
1990	3,340.43	3,76,939
2000	4,433.58	5,00,291
2010	17,491.59	19,73,775
2020	42,870.57	48,37,573
2026	1,55,130.00	1,75,05,078

Interpretation

The hypothetical investment analysis demonstrates substantial long-term nominal wealth accumulation associated with gold-price appreciation. An investment of ₹10,000 in 1947 would correspond to approximately ₹20,819 in 1970, ₹1.50 lakh in 1980, and ₹5.00 lakh in 2000 based on proportional gold-price growth. The value increases further to approximately ₹19.74 lakh in 2010, ₹48.38 lakh in 2020, and ₹1.75 crore in 2026. These figures illustrate the effect of long-term compounding. However, the ₹1.75 crore represents a theoretical price-linked value, not actual investment wealth, as transaction costs, taxation, purchase and selling prices, and the form of gold investment are excluded. Therefore, the analysis demonstrates nominal price-based wealth creation rather than inflation-adjusted or net investment returns.

Wealth Creation across Selected Investment Horizons

Gold Investment Performance across Selected Long-Term Horizons

Investment Period	Beginning Price (₹)	Ending Price (₹)	Price Multiple	CAGR (%)
1947–1970	88.62	184.50	2.08	3.23
1947–1980	88.62	1,330.00	15.01	9.41
1947–1990	88.62	3,340.43	37.70	9.37

1947–2000	88.62	4,433.58	50.03	8.24
1947–2010	88.62	17,491.59	197.37	9.00
1947–2020	88.62	42,870.57	483.76	9.45
1947–2026	88.62	1,55,130.00	1,750.51	9.91

Interpretation

The cumulative price multiple increases dramatically as the investment horizon becomes longer, while the CAGR remains comparatively stable within a narrower range. The 1947–1970 period generated a relatively modest CAGR of **3.23%**. However, extending the investment horizon to 1980 increased the CAGR to **9.41%**. The CAGR remained around 9% across several long-term horizons, reaching **9.91% for the complete 1947–2026 period**. This finding suggests that the extraordinary wealth accumulation associated with gold is primarily a consequence of **long-term compounding over several decades**, rather than consistently exceptional annual performance. This distinction is important for investors. A person who evaluates gold over a short period may obtain a very different result from someone who maintains exposure over several decades.

Summary of Findings

The findings provide a balanced assessment of gold's long-term investment performance in India. Gold recorded substantial nominal appreciation, increasing from ₹88.62 per 10 grams in 1947 to ₹1,55,130 in 2026, representing a cumulative appreciation of 174,950.78% and a price multiple of 1,750.51 times. The overall CAGR was 9.91%, while interval CAGR ranged from –8.50% during 1960–1965 to 23.96% during 1970–1975, with 2020–2026 also recording a high CAGR of 23.91%, demonstrating that investment timing and holding period influence outcomes. The Pearson correlation between year and gold price was 0.611 ($p = 0.012$), while the regression model was statistically significant with $R^2 = 0.373$, confirming a significant long-term upward trend but indicating that time alone does not explain gold-price movements. The mean interval CAGR of 10.59% was also significantly different from zero. A hypothetical ₹10,000 investment linked to the 1947 benchmark would correspond to approximately ₹1.75 crore in 2026, illustrating substantial nominal price-based wealth accumulation. However, this represents a theoretical nominal value and excludes inflation, taxation, transaction costs, storage expenses, and other investment-related factors. Therefore, the findings demonstrate strong long-term nominal investment potential, but do not establish gold as superior to equities, fixed deposits, bonds, or other assets. A definitive assessment of real wealth creation requires inflation-adjusted analysis and comparative evaluation with alternative investments.

Strategic Implications for Gold Investment

The findings have several important implications for gold investment strategy. Gold's wealth-creation potential becomes more evident over extended holding periods, while short-term fluctuations may result in negative returns, as observed during 1960–1965 and 1995–2000. Therefore, investors should evaluate gold based on an appropriate long-term horizon rather than short-term price movements. The substantial increase in gold prices also supports its role as a wealth-preservation asset, although this should not be interpreted as guaranteed capital appreciation. Gold may be considered as one component of a diversified portfolio, rather than as the sole investment, depending on individual financial objectives and risk tolerance. The hypothetical ₹1.75 crore value represents nominal price-based appreciation and should not be considered equivalent to real purchasing power in 2026 because inflation and investment-related costs are excluded. Furthermore, the form of gold investment is important, as jewellery, bullion, coins, and financial gold products differ in costs, liquidity, and returns. Hence, historical bullion-price appreciation should not automatically be regarded as the actual return from every form of gold investment.

Limitations of the Study

1. The analysis is based on 16 selected benchmark observations rather than a complete annual gold-price series from 1947 to 2026. Therefore, annual returns for all 79 years could not be examined.
2. The historical gold-price observations were obtained from the source material, which identifies Money control as the data source. The study uses quoted 24K gold prices and does not represent the actual returns from jewellery or other forms of gold investment.
3. The analysis primarily examines nominal gold-price growth and does not establish real wealth creation after adjusting for inflation. Making charges, brokerage, storage expenses, taxation, bid–ask spreads, and other transaction costs are also excluded.
4. The regression analysis uses year as the explanatory variable and therefore represents a trend analysis rather than a causal economic model. The study also does not directly compare gold with equities, fixed deposits, bonds, real estate, or other investment alternatives.
5. The findings are based on historical price behaviour and therefore should not be interpreted as a guarantee of future returns. The investment potential identified in the study reflects historical evidence only.

Scope for Future Research

Future research can extend the study by developing a complete annual gold-price dataset from 1947 onwards to examine returns, volatility, downside risk, and rolling CAGR. Comparative studies can evaluate gold against NIFTY 50, fixed deposits, government securities, real estate, and mutual funds using risk-adjusted performance measures. Further research can incorporate macroeconomic variables such as inflation, interest rates, exchange rates, crude-oil prices, money supply, and stock-market volatility using advanced models such as ARDL, VAR, and GARCH. Studies may also compare physical gold, ETFs, Sovereign Gold Bonds, and other gold-linked products. Importantly, inflation-adjusted wealth creation should be examined to distinguish nominal gains from real purchasing-power gains. Future research could also investigate whether gold's relationships with inflation, equity-market volatility, and macroeconomic factors vary across different economic regimes.

Conclusion

Gold has remained an important investment asset in India, with the study demonstrating substantial long-term nominal price appreciation between **1947 and 2026**. The price of 24-carat gold increased from ₹88.62 to ₹1,55,130 per 10 grams, representing an approximately **1,750.51-fold increase**, with cumulative nominal appreciation of **174,950.78%** and an overall CAGR of 9.91%. However, the growth was not consistent across all periods, with interval CAGR ranging from –8.50% during 1960–1965 to 23.96% during 1970–1975. The recent 2020–2026 period also recorded a high CAGR of **23.91%**, highlighting the importance of investment timing. The statistical analysis further supports the long-term upward trend, with a significant correlation between year and gold price ($r = 0.611$, $p = 0.012$) and a significant regression model ($R^2 = 0.373$). However, the moderate R^2 indicates that time alone does not explain gold-price movements. The hypothetical wealth analysis shows that ₹10,000 invested on a price-linked basis in 1947 would correspond to approximately ₹1.75 crore in 2026. This represents theoretical nominal wealth creation and does not account for inflation, taxation, transaction costs, storage expenses, or the form of gold investment. Therefore, gold demonstrates considerable long-term nominal wealth-creation and wealth-preservation potential, but its performance should be assessed in relation to investment horizon, risk tolerance, and portfolio diversification. The study does not establish gold as universally superior to alternative investments; such a conclusion would require comparative analysis with equities, fixed-income instruments, real estate, and other assets.

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