



## A Study on Gold Price Trends and Analysis (2024–2025)

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**Abstract:** Gold has traditionally been considered a safe-haven asset and a hedge against inflation and economic uncertainty. This research paper analyses gold price trends over the last two years (2024–2025), focusing on price movements, influencing factors, and investment implications. The study reveals a significant upward trend in gold prices, primarily driven by global economic instability, inflation, geopolitical tensions, and currency fluctuations. The findings highlight gold's continued importance as a strategic investment asset.

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### Introduction

Gold plays a vital role in both the global financial system and Indian economy. In India, gold is not only an investment but also holds cultural and social significance. Over the last two years, gold prices have shown substantial fluctuations due to changing macroeconomic conditions. This paper aims to analyse gold price movements during 2024–2025 and identify key factors influencing these trends.

Gold has historically been regarded as one of the most valuable and reliable financial assets, serving as a hedge against inflation, currency fluctuations, and economic uncertainty. In both global and Indian markets, gold plays a dual role—as a traditional store of wealth and as a modern investment instrument. The period **2024–2025** has been particularly significant for gold price movements due to rapid changes in global economic conditions, geopolitical tensions, and monetary policies.

During 2024, gold emerged as one of the best-performing asset classes, recording strong returns and outperforming equities and bonds in several markets. In India, gold prices increased substantially, supported by rising global demand, currency depreciation, and strong investment inflows. According to reports by the World Gold Council, gold delivered around **21% annual returns in INR terms in 2024**, highlighting its attractiveness as a safe-haven investment.

### Objectives of the Study

The main objectives of this study are as follows:

- **To analyse the trend of gold prices** during the period 2024–2025 in both global and Indian markets.
- **To study the factors affecting gold prices**, such as inflation, interest rates, currency fluctuations, and geopolitical conditions.
- **To examine the impact of economic policies**, especially those of the Reserve Bank of India, on gold prices.

- **To evaluate the role of gold as a safe-haven investment** during periods of economic uncertainty and market volatility.
- **To compare gold with other investment options** like equities, bonds, and real estate in terms of returns and risk.
- **To analyse the demand and supply dynamics** of gold, including investment demand, jewellery demand, and central bank reserves.
- **To study the influence of global organizations** such as the World Gold Council on gold market trends and reporting.
- **To identify patterns and volatility in gold prices** using statistical tools such as mean, standard deviation, and regression analysis.
- **To assess investor behaviour and preferences** towards gold investment in India during the study period.
- **To provide suggestions and recommendations** for investors and policymakers based on the analysis of gold price trends.

#### Research Methodology

- **Type of Research:** Descriptive and analytical
- **Data Source:** Secondary data (financial reports, market data, websites)
- **Period of Study:** 2024–2025
- **Tools Used:** Trend analysis and comparative analysis

#### Factors Affecting Gold Prices

Gold prices are influenced by a combination of economic, financial, and geopolitical factors. The major factors affecting gold prices are explained below:

- **Inflation Rate:** Gold is considered a hedge against inflation. When inflation rises, the purchasing power of money decreases, and investors prefer gold as a safe store of value, leading to an increase in gold prices.
- **Interest Rates:** Interest rates set by central banks like the Reserve Bank of India and the Federal Reserve System significantly impact gold prices.
  - **Higher interest rates** → Gold prices fall (as investors prefer interest-bearing assets)
  - **Lower interest rates** → Gold prices rise
- **Currency Exchange Rate (USD/INR):** Gold is traded globally in US dollars.
  - When the **US dollar weakens**, gold becomes cheaper internationally → demand increases → price rises
  - In India, depreciation of the rupee increases domestic gold prices
- **Demand and Supply:** Gold prices are influenced by:
  - Jewellery demand (especially in countries like India and China)
  - Investment demand (ETFs, digital gold, bars, coins)
  - Central bank purchases

Organizations like the World Gold Council regularly report these trends.
- **Geopolitical Conditions:** Events such as wars, political instability, and global conflicts increase uncertainty. Investors shift towards gold as a safe-haven asset, increasing its price.
- **Economic Conditions:** During economic slowdown or recession, investors avoid risky assets like stocks and prefer gold, causing prices to rise. In contrast, during strong economic growth, gold demand may decline.
- **Government Policies and Taxes:** Government regulations, import duties, and GST on gold in India directly affect gold prices. Changes in policies can increase or decrease demand.

- **Central Bank Reserves:** Central banks hold gold as part of foreign exchange reserves. When institutions like the Reserve Bank of India increase gold reserves, demand rises, pushing prices upward.
- **Stock Market Performance:** Gold often has an inverse relationship with stock markets:
  - Stock market decline → Gold prices rise
  - Stock market growth → Gold demand may fall
- **Global Investment Trends:** Growth in financial instruments like Gold ETFs, sovereign gold bonds, and digital gold platforms has increased accessibility, influencing demand and price.
- **Seasonal and Cultural Factors (India):** In India, gold demand rises during:
  - Festivals like Diwali
  - Wedding seasons

This seasonal demand pushes prices upward.

- **Speculation and Market Sentiment:** Short-term price fluctuations are often influenced by trader speculation, market trends, and investor sentiment in global commodity markets.

**Gold Price Trends (2024–2025)**

**Table 1: (₹ per 10 grams – Approximate Monthly Averages)**

Month	2024 Price (₹)	2025 Price (₹)	% Change (YoY)
January	63,500	82,000	+29.13%
February	64,200	84,500	+31.62%
March	65,800	88,000	+33.74%
April	68,500	92,500	+35.04%
May	70,200	97,000	+38.17%
June	65,000	1,07,000	+64.62%
July	66,500	1,10,000	+65.41%
August	68,000	1,15,000	+69.12%
September	70,500	1,20,000	+70.21%
October	72,000	1,25,000	+73.61%
November	75,000	1,28,000	+70.67%
December	78,000	1,30,000	+66.67%

Sources: Reserve Bank of India. (2025). *Weekly statistical supplement*. And Reserve Bank of India. (2025). *Annual report 2024–25*.

**Summary Statistics**

Statistic	2024	2025
Average Price	₹69,350	₹1,06,750
Highest Price	₹78,000 (Dec)	₹1,30,000 (Dec)
Lowest Price	₹63,500 (Jan)	₹82,000 (Jan)
Annual Growth Rate	—	<b>~53–60% increase</b>
Mean	68933.33	106583.3
Std Dev	4249.183	16674.37
Regression Slope (2025)	4800.699	
Regression Intercept (2025)	75378.79	

Sources: Table 1

**Key Observations**

- Gold prices show a **steady rise in 2024** and a **sharp increase in 2025**
- The highest growth occurred between **June–October 2025**
- Overall, gold delivered **strong year-on-year returns above 50%**
- Indicates strong **safe-haven demand and inflation impact**
- Gold prices followed a stable trend in 2024 and a sharp rising trend in 2025
- Higher standard deviation in 2025 shows market uncertainty and rapid growth
- Regression proves consistent monthly increase, supporting long-term investment potential

**Comparative Analysis (2024 vs 2025)**

Factor	2024	2025
Price Level	Moderate	Very High
Market Trend	Stable	Bullish
Volatility	Medium	High
Investment Demand	Growing	Very High

Sources: Table 1

The analysis of gold price trends for 2024 and 2025 clearly highlights a significant shift in market behaviour, reflecting broader macroeconomic conditions and investor sentiment. During 2024, gold prices exhibited a steady and gradual upward trajectory, increasing from ₹63,500 in January to ₹78,000 in December. This pattern indicates a relatively stable market environment where price movements were consistent and predictable, supported by moderate inflation levels, controlled global uncertainties, and balanced demand-supply conditions. The comparatively lower standard deviation in 2024 further confirms that price fluctuations were limited, suggesting reduced volatility and a stable investment climate for gold.

In contrast, 2025 demonstrates a sharp and accelerated rise in gold prices, with values increasing from ₹82,000 in January to as high as ₹1,30,000 in December. This substantial growth, averaging between 53% and 60% year-on-year, reflects heightened economic uncertainty, rising inflationary pressures, currency fluctuations, and increased global demand for safe-haven assets. The most notable surge occurred between June and October 2025, where prices escalated rapidly, indicating a period of intensified market activity. Such a sharp rise suggests that investors increasingly turned to gold as a protective asset against economic instability, geopolitical tensions, and potential currency depreciation.

The higher standard deviation observed in 2025 compared to 2024 indicates increased volatility and uncertainty in the market. This suggests that while returns were significantly higher, the risk associated with gold investments also increased. The wider price fluctuations reflect dynamic changes in global economic conditions, including interest rate variations, central bank policies, and international trade disruptions. Despite this volatility, the overall upward trend remained strong, reinforcing gold's role as a resilient investment option.

Furthermore, regression analysis supports the presence of a consistent upward trend in 2025. The positive regression slope indicates that gold prices experienced a steady monthly increase, while the intercept reflects a strong base price at the beginning of the year. This statistical evidence confirms that the growth was not random but followed a structured pattern, making gold a potentially reliable long-term investment asset during uncertain times.

Overall, the comparison between 2024 and 2025 reveals a transition from a stable growth phase to a high-growth, high-volatility phase. While 2024 provided steady and predictable returns, 2025 offered significantly higher returns accompanied by increased risk. The data underscores gold's importance as a safe-haven asset, particularly during periods of economic instability and inflation. It also highlights the growing investor confidence in gold as a long-term store of value. These trends suggest that gold will continue to play a crucial role in diversified investment portfolios, especially in uncertain economic environments where capital preservation becomes a priority.

**Impact on Investors**

- **Positive Impact**
  - High returns in short period
  - Portfolio diversification
  - Hedge against inflation
- **Negative Impact**
  - Reduced affordability for consumers
  - Decline in jewellery demand due to high prices
  - Risk of short-term corrections

The sharp rise in gold prices during 2025 has had a significant impact on investors, bringing both opportunities and challenges. On the positive side, gold has delivered exceptionally high returns

within a short period. Investors who entered the market in early 2025 benefited from substantial capital appreciation as prices surged consistently throughout the year. This strong performance has reinforced gold's reputation as a reliable investment, particularly during periods of economic uncertainty. For many investors, gold proved to be a profitable asset that outperformed several traditional investment avenues, thereby enhancing overall portfolio returns.

Another major advantage for investors has been portfolio diversification. Gold has historically maintained a low or negative correlation with other financial assets such as equities and bonds. During times of market volatility or economic downturns, when stock markets may decline, gold prices often rise. This inverse relationship helps in balancing risk within an investment portfolio. In 2025, as uncertainties increased globally, investors who held gold alongside other assets were better protected against losses, demonstrating the importance of diversification in financial planning.

Gold also continues to serve as an effective hedge against inflation. With rising inflation levels eroding the purchasing power of money, gold provides a safeguard by preserving value over time. The sharp increase in gold prices in 2025 reflects investors' growing concern about inflation and currency depreciation. By investing in gold, individuals and institutions were able to protect their wealth from the adverse effects of rising prices, making it an essential component of long-term investment strategies.

However, the rapid increase in gold prices has also led to certain negative impacts. One of the most significant challenges is reduced affordability, particularly for retail investors and consumers. As prices reached unprecedented levels, it became increasingly difficult for small investors to enter the market or increase their holdings. This has limited participation and created a barrier for new investors who may view gold as an expensive asset.

Additionally, the surge in prices has led to a decline in jewellery demand. Gold jewellery, which constitutes a major portion of gold consumption, especially in countries like India, has been adversely affected. High prices have discouraged consumers from making purchases, particularly during festive and wedding seasons. This decline in physical demand may eventually influence market dynamics and slow down price momentum if sustained over time.

Finally, there is an increased risk of short-term price corrections. Rapid and steep price increases are often followed by periods of adjustment, where prices may decline temporarily due to profit booking or changes in market sentiment. Investors who enter the market at peak levels may face short-term losses if such corrections occur. This highlights the importance of careful timing and risk management when investing in gold.

In conclusion, while gold has provided substantial benefits to investors in the form of high returns, diversification, and inflation protection, it also presents challenges such as affordability issues, reduced consumer demand, and potential volatility. Investors must therefore adopt a balanced approach, considering both the opportunities and risks associated with gold investments.

### **Discussion**

The analysis shows that gold has performed exceptionally well during 2024–2025. The sharp rise in 2025 indicates strong investor confidence in gold as a safe asset. However, such rapid growth may also lead to corrections in the future. Gold continues to outperform many traditional investment options during uncertain economic conditions.

### **Conclusion**

The study concludes that gold prices experienced a significant upward trend over the last two years, particularly in 2025. The increase was driven by inflation, geopolitical risks, central bank buying, and currency depreciation. Gold remains a reliable investment option, especially during economic instability.

The study of gold price trends over the period 2024–2025 clearly establishes that gold has experienced a strong and sustained upward movement, with 2025 emerging as a particularly significant year in terms of price escalation. The analysis of monthly averages, statistical measures, and growth patterns indicates that while 2024 reflected a phase of steady and stable growth, 2025 witnessed a sharp and accelerated rise in prices. This transition highlights a shift in market dynamics, driven by a combination of domestic and global economic factors that influenced investor behaviour and demand for gold.

One of the primary drivers of this upward trend has been rising inflation. As inflation erodes the purchasing power of money, investors increasingly turn to gold as a store of value. The data suggests that during periods of heightened inflationary pressure, gold prices tend to rise as demand increases. In 2025, inflationary concerns were more pronounced, leading to a surge in gold investment as individuals and institutions sought to safeguard their wealth. This reinforces gold's traditional role as an effective hedge against inflation.

Geopolitical risks have also played a crucial role in influencing gold prices. Uncertainty arising from global conflicts, trade tensions, and political instability tends to create volatility in financial markets. During such periods, investors prefer safer assets, and gold is widely regarded as a "safe-haven" investment. The sharp increase in gold prices during certain months of 2025, particularly from June to October, reflects heightened global uncertainty and risk aversion among investors.

Another important factor contributing to the rise in gold prices is increased central bank buying. Central banks across the world have been accumulating gold reserves as part of their strategy to diversify assets and reduce dependence on foreign currencies. This institutional demand has significantly supported gold prices and added to the overall upward momentum observed in the study period. Additionally, currency depreciation, particularly in emerging economies, has made gold more attractive as it helps preserve value when local currencies weaken.

The statistical analysis further strengthens these conclusions. The higher mean and standard deviation in 2025 indicate not only higher average prices but also increased volatility, suggesting rapid market movements. The regression analysis confirms a consistent upward trend, demonstrating that the increase in prices was systematic rather than random. This provides strong evidence of gold's potential as a long-term investment asset, especially in uncertain economic conditions.

In conclusion, the study reaffirms that gold remains a reliable and strategic investment option, particularly during times of economic instability and uncertainty. While the sharp rise in prices in 2025 has brought higher returns, it has also introduced greater volatility and risk. Therefore, investors should adopt a balanced and informed approach, considering both the benefits and potential risks associated with gold investments. Overall, gold continues to play a vital role in portfolio diversification, wealth preservation, and financial security, making it an indispensable component of modern investment strategies.

### Suggestions

- Investors should adopt **systematic investment strategies** instead of lump-sum investments
- Diversification across asset classes is recommended
- Monitor global economic indicators before investing

The findings of the study suggest that while gold has proven to be a strong and reliable investment, especially during periods of economic uncertainty, investors should follow a disciplined and strategic approach to maximize benefits and minimize risks. One of the key recommendations is that investors should adopt systematic investment strategies rather than relying on lump-sum investments. Investing in gold at regular intervals, such as through systematic investment plans (SIPs), helps in averaging the purchase cost and reduces the impact of market volatility. This approach ensures that investors do not enter the market at peak price levels and can benefit from price fluctuations over time.

Another important suggestion is the need for diversification across different asset classes. While gold offers safety and stability, relying solely on it may not provide optimal returns in all market conditions. Investors should maintain a balanced portfolio that includes equities, bonds, mutual funds, and other financial instruments along with gold. Diversification helps in spreading risk and improving overall portfolio performance. For example, when equity markets underperform, gold often performs well, thereby offsetting potential losses and maintaining financial stability.

Additionally, investors should closely monitor global economic indicators before making investment decisions in gold. Factors such as inflation rates, interest rates, currency movements, central bank policies, and geopolitical developments have a direct impact on gold prices. Staying informed about these indicators enables investors to make timely and well-informed decisions. For instance, rising inflation or increasing geopolitical tensions may signal a potential increase in gold prices, presenting a favorable investment opportunity.

Furthermore, investors should adopt a long-term perspective when investing in gold. Although short-term price fluctuations and corrections are common, gold has historically shown a consistent upward trend over the long run. Patience and disciplined investing are essential to fully benefit from gold's potential as a wealth preservation asset.

In conclusion, a systematic investment approach, proper diversification, and continuous monitoring of economic conditions are crucial for successful gold investment. By following these strategies, investors can effectively manage risks while taking advantage of the opportunities presented by the gold market.

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