



**LEERIMA**  
RISK MANAGEMENT IS UNDERRATED

# THE ALLURE OF GOLD

Gold Outlook Fiscal 2026

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# 2024: A year in review

Let's begin with the good news first.

Indian women have been crowned in the WGC (World Gold Council) report dated November 2024. 24,000 tons of gold is held collectively under the custody of the Indian women. No mean feat.

Year 2024 was no different; there is no deterrent whatsoever for them to NOT buy. Good times, bad times, all times, It's just GOLD.

## An appetite like no other

We love GOLD, Yeah!

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Demand in India remained strong in 2024, with consumer purchases driven by cultural and investment motives. The revival of weddings and festivals post-pandemic further boosted demand, with an **estimated 725 tons of gold consumed in 2024**, a 6% increase compared to 2023.

Urban areas showcased robust demand for jewelry, reflecting rising disposable incomes and a preference for luxury consumption. Meanwhile, rural demand showed resilience, buoyed by agricultural growth despite erratic monsoons.

Investment in gold as a safe-haven asset also surged, especially during periods of market volatility. Demand for gold-backed financial instruments, such as Sovereign Gold Bonds (SGBs), saw a 15% year-on-year increase, driven by attractive interest rates and tax benefits.

## 2024 - Quick Statistics

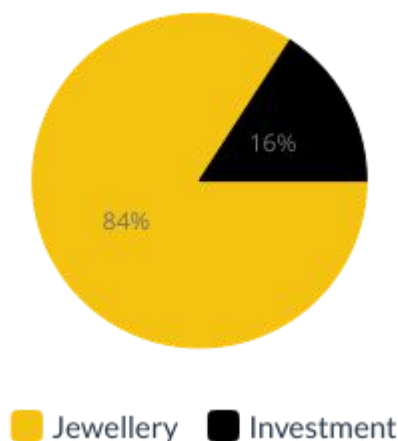
	Value	Observation
Total Gold Demand	725 tons	Boosted by wedding season and investment demand.
Urban Gold Demand	60% of total demand	Higher consumption in metropolitan regions.
Rural Gold Demand	40% of total demand	Driven by traditional uses and moderate agricultural output.
Domestic Gold Output	~1.6 tons	Limited production; relies heavily on imports.
Average Gold Price	INR 68,500 per 10 grams	Reflects global price trends and rupee fluctuations.

Source: World Gold Council; Ministry of Finance, Gov.

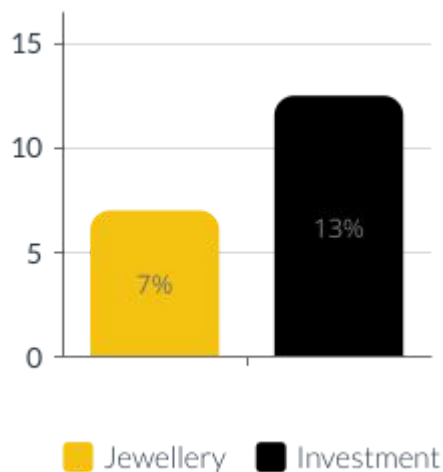
## Jewellery or Investment?

We also invest, Stupid!

### Consumption Type



### YoY Growth, 2024



## Pricing - Wild Fluctuations

Gold prices in India remained high throughout 2024, averaging INR 68,500 per 10 grams (24Ct), marking a 16% rise from 2023.

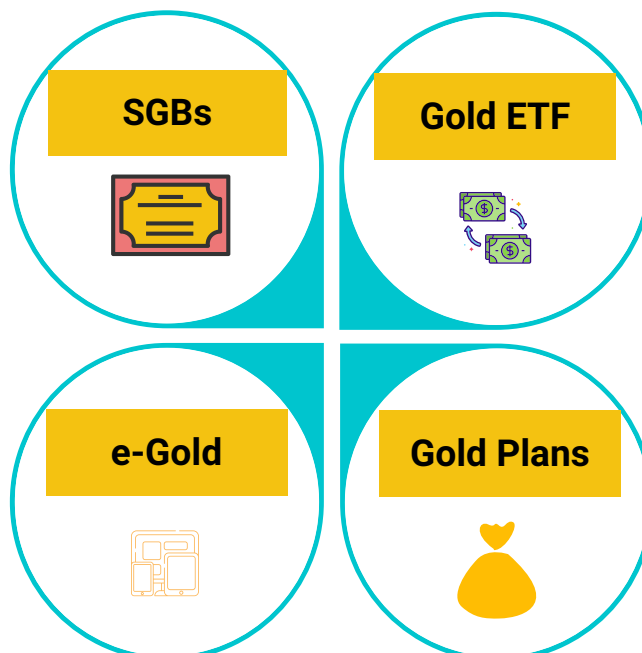
The increase was primarily driven by global economic uncertainties, inflation, and geopolitical tensions that pushed investors toward safe-haven assets like gold. Additionally, rupee depreciation against the US dollar amplified import costs, further elevating domestic gold prices.

	Value	Observation
Average GOLD Rate, INR	INR 68,500 per 10 grams	Influenced by global economic conditions.
Price Range	INR 62,000 - 84,000	Seasonal and geopolitical factors caused volatility.

Source: World Gold Council; RBI.

## Alternate route to Invest!

We also invest, Stupid!



# Currency: Gold or Crypto

## Uncomparable you say?

Check the fundamentals

In the rapidly evolving financial landscape, the debate between gold currency and cryptocurrency has gained significant traction.

Both represent alternative forms of investment and a store of value; yet they operate on fundamentally different principles. Let's put them head-to-head - examining their historical significance, value determinants, utility, and prospects.

### Historical perspective

	Gold as currency	Crypto as currency
First recorded Use	Over 4,000 years ago	2009 (Bitcoin's introduction)
Role in Economy	Central to the gold standard and trade	Disruptive alternative to fiat systems
Adoption Rate	Universal historical acceptance	Rapid growth, 420 million users globally*

\*Source: TripleA Cryptocurrency Adoption Report, 2023

### Current status

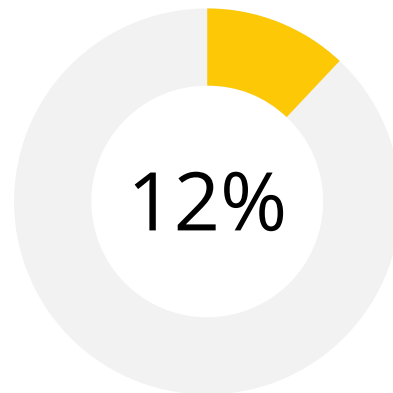
Key Metrics	Gold	Crypto
Trend / Depth	Low Volatility. 50-year record 6.75% annual growth	High Volatility. 80% compounded annual return (10 year) with wild swings.
Real world utility	Industrial / personal (jewelry) demand	Security. Hackproof.
Supply	Limited, though mined.	Tight. Alternatives can develop.
Independence	Can remain independent.	Source validity opaque

# Gold Holdings: An Indian Perspective

## CULTURAL, ECONOMIC, AND FINANCIAL SIGNIFICANCE

It symbolizes wealth, social status, and prosperity, deeply embedded in traditional practices and ceremonies.

Household Gold Holdings are estimated at **25,000 tonnes**, making up around **11-12%** of the world's total gold.



India's Share of total world gold holdings

High investments in luxury gold and diversified wealth portfolios.

**Affluent Section**

**Middle Class**

Invest for long-term savings and financial diversification.

Use gold as a safety net and for emergency liquidity.

**Lower Income Group**



# Economic and Financial Role of Gold

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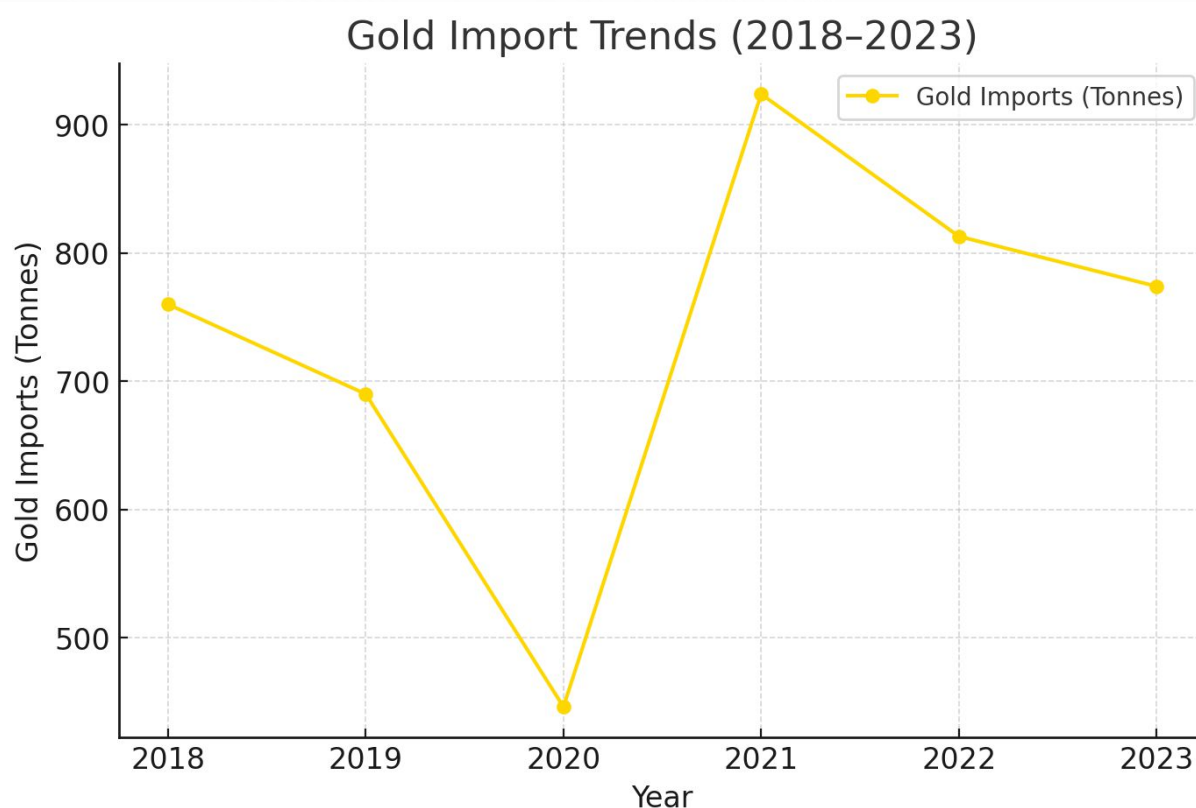
## ECONOMIC IMPACT OF GOLD IMPORTS (2024)

Indicator	Data (2024)
<b>Total Gold Imports</b>	774 tonnes
<b>Private Gold Holdings to GDP</b>	60%
<b>Value of Household Gold Holdings</b>	\$ 2.65 Tr
<b>Central Bank Gold Reserves (RBI)</b>	795 tonnes

Source: Reserve Bank of India (RBI) Annual Report (2024)



# Gold Import Trends (2018–2023)



## CHALLENGES

ENVIRONMENTAL IMPACT

POLICY GAPS

IMPORT DEPENDENCY

85%

Heavy reliance on imports increases vulnerability to global price changes and impacts the Current Account Deficit

# INNOVATIONS, AND FUTURE OUTLOOK

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SGBs

Gold EFTs

Digital Gold Platforms

Balancing tradition with modern investment methods is crucial. Digital and blockchain-based gold products can reduce import dependency and environmental harm while encouraging efficient gold management.

# Fiscal 2026 Outlook for Gold

## HYBRID MODELS TO PREVAIL

- Gold-backed digital currencies will coexist with fiat systems, providing stability without replacing traditional currencies.
- These hybrid models offer a blend of security and modern convenience, ensuring economic resilience.

## INVESTMENT GROWTH

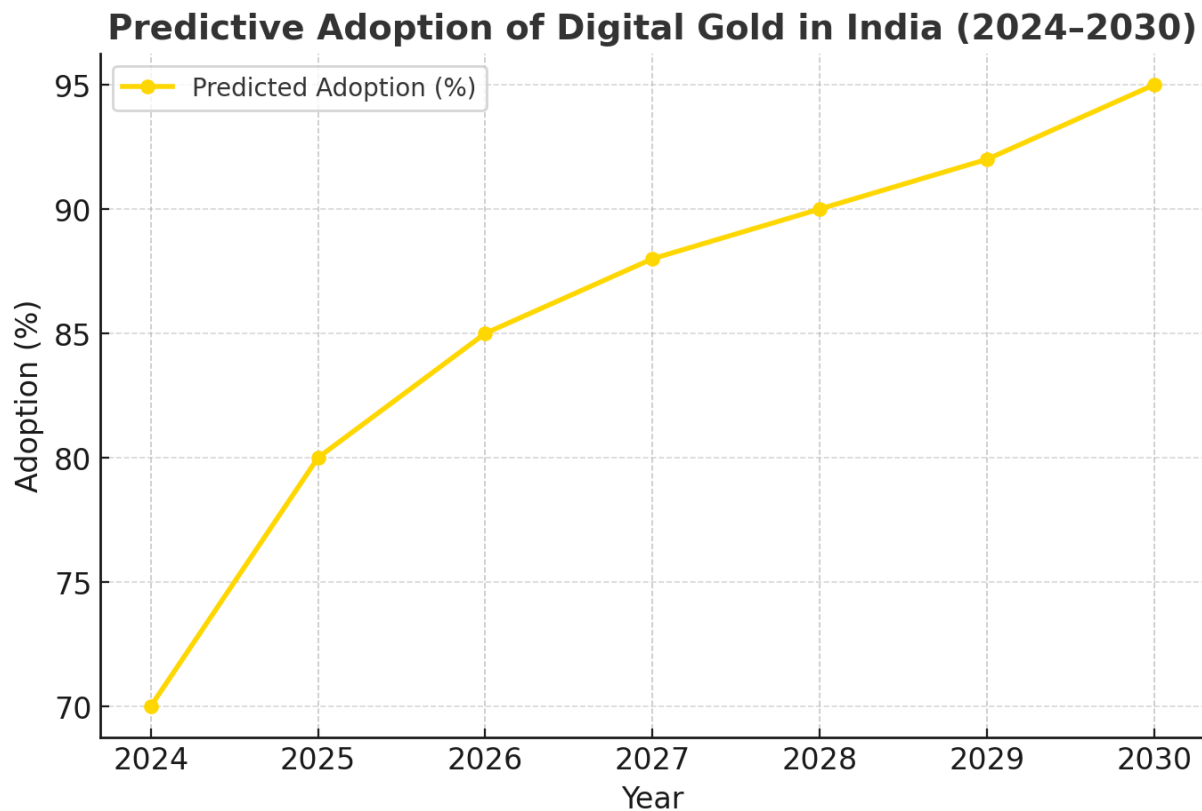
- Institutional investment in gold is expected to rise due to innovations like tokenized assets and ETFs.
- Tokenized gold provides both liquidity and security, appealing to modern investors.

## POLICY DEVELOPMENT

- **Balanced regulations** are crucial to fostering innovation while maintaining financial stability.
- Policymakers must prioritize secure adoption frameworks to support both physical and digital gold markets.

Metric	FY2024	FY2025 (Estimated)	FY2026 (Projected)
Global Central Bank Gold Purchases (tons)	1,136	1,250	1,400
Tokenized Gold Market Value (USD)	763 billion	92 billion	148 billion
Gold Price per Ounce (USD)	1,900	2,100	3,000
Gold ETF Holdings (tons)	3,600	3,800	4,000

# Future Trends



- Gold is evolving into a multifaceted financial instrument, with its role expanding through tokenization and digital adoption.
- Strategic approaches from investors, policymakers, and technology firms are crucial for realizing its potential in 2025 and beyond.



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15 April 2025

FOR ASSET MARKET RELATED INSIGHTS

# Talk to us!

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Contact: VINAYAK KANVINDE  
mail: [vinayak@qualscore.in](mailto:vinayak@qualscore.in)

**Gold Outlook FY26 Report**

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More information: <https://www.eerima.com>