THE STEADY MIND · SPECIAL ISSUE

Fifty Years of Gold

₹432 → ₹1,65,000 per 10g. What five decades of data say about the oldest asset in the room.

GREEN SHOOTS WEALTH · AUGUST 2026

50 yrs
OF INDIAN PRICE DATA

~12.6%
NOMINAL CAGR SINCE 1976

15.8%
20-YR CAGR — BEST OF FOUR

37×

Less metal, same note. In 2000, ₹1,00,000 bought 227 grams of 24K gold. Today the same ₹1,00,000 buys 6.1 grams. Nothing about the metal changed — the rupee did.

PART I — THE CASE FOR GOLD

A currency no central bank can print

Gold has functioned as money for 2,500 years for one reason: no government can create more of it. That scarcity is why it tends to rise exactly when currencies weaken and equities fall — and why central banks have been buying it at record pace through 2024–2026.

The honest counterweight: gold pays you nothing. No interest, no dividend, no rent. It went nowhere in real terms through the 1980s and 1990s. That flat stretch is the premium you pay for the insurance.

10–15%
typical allocation as an inflation and currency hedge

Low
historical correlation with equities and bonds

Record
central-bank buying through 2024–2026

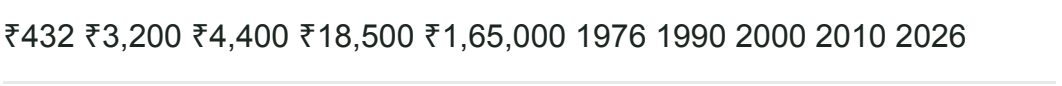
PART II — THE PRICE JOURNEY

From ₹432 to ₹1.65 lakh per 10 grams

Fifty years of annual averages, ending at the late-August 2026 spot rate. Plotted logarithmically — on a straight scale the first three decades would be invisible, which is exactly the trap most gold charts fall into.

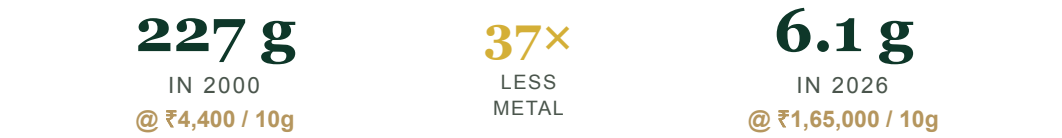
24K GOLD · ₹ PER 10G · INDIA

Logarithmic scale, so every decade stays legible



~12.6% nominal CAGR across the full fifty years

WHAT ₹1,00,000 BUYS IN 24K GOLD



Both drawn to the same scale — the dotted outline is the 2000 biscuit, for size

The price didn't so much rise as the rupee's claim on the metal shrank. That is the whole inflation-hedge argument in one line.

PART III — BEYOND THE LOCKER

Six ways to hold it, and what each one costs

Physical gold built the case for gold as an asset. It is rarely the efficient way to hold it — making charges are a permanent loss, not a fee you recover on resale.

Physical Gold

8–25% MAKING + 3% GST

Liquid anywhere, but resale forfeits every rupee of making charge. Best kept for what it was always for — ceremony.

Digital Gold

~2–3% SPREAD + 3% GST

Buy from ₹1 in-app. Good for building a habit, but it sits outside SEBI and RBI's direct regulatory net.

Gold ETF

~0.3–1% EXPENSE RATIO

The lowest-friction route for most investors. No making charges, no storage, no purity risk. Needs a demat account.

Gold Mutual Fund

~0.5–1.2% EXPENSE RATIO

A fund-of-fund that buys the ETF for you. Slightly costlier, but it lets you automate a monthly SIP without a demat account.

Sovereign Gold Bond

NO COST — PAYS YOU 2.5% P.A.

The only instrument that pays you to hold gold. No new tranches since February

Gold Futures (MCX)

MARGIN + BROKERAGE

Leverage cuts both ways and contracts expire. A trading instrument, not a way to

2024; existing bonds remain valid to maturity.

build long-term wealth.

10–15% How much? For most portfolios that band is enough — and the form you choose matters more than the moment you buy.

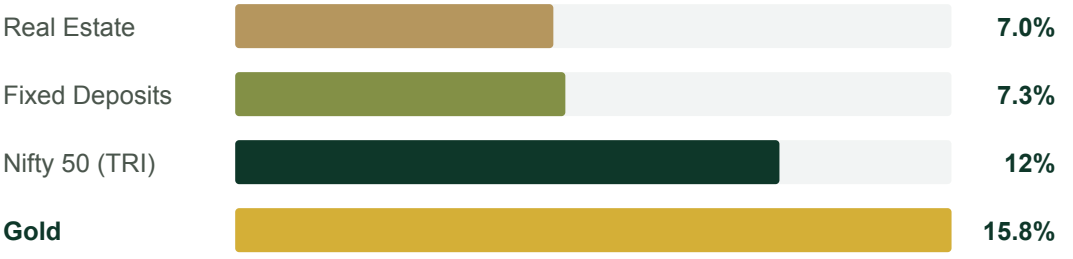
PART IV — TWO DECADES, ONE SCOREBOARD

What actually won the last twenty years

Gold's annualised return has outpaced the Nifty 50, real estate and fixed deposits over this window — helped by a structural rupee depreciation layered on a rising global gold price.

ANNUALISED RETURN, 20 YEARS TO AUGUST 2026

Gold and Nifty computed from 2006 prices; FD and property per Morgan Stanley's long-horizon India study



The window matters. *Stretch it to twenty-five years and the ranking flips — equities lead gold comfortably over that period. Neither picture is wrong; both depend entirely on where you start counting.*

> *"Gold's edge isn't beating equities every year — it's what it does when everything else stops working."*
>
> — THE STEADY MIND

PART V — MORE THAN A METAL

Insurance no bank could offer

Long before banks reached every Indian household, gold was the one asset a family — often specifically a woman, through Stridhan — could hold independently and liquidate anywhere, without permission from anyone.

That instinct still drives demand, and it was never irrational. The opportunity today isn't to abandon it but to redirect it: the same rupee that would sit as making charges in a locker can go into an ETF or a monthly fund SIP instead, and do the same defensive job at a fraction of the cost.

20–25%
of global gold jewellery demand is India's alone

~50%
of India's jewellery purchases are bridal

40–60t
sold across Dhanteras and Akshaya Tritiya, most years

IN CLOSING

So — how much, and in what form?

Gold is insurance, not an engine. It pays no income and can sit flat for years, which is exactly why **the form you hold it in matters more than the timing**. Ten to fifteen percent, held as an ETF or a monthly SIP, is the version of this that quietly compounds — no making charges, no locker, no purity risk.

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