

# A Study on Gold petals Investment as a Safe Haven Asset

<sup>1</sup>Mr. Fasi Ur Rehman, <sup>2</sup>Mr. Lingampally Raghu

<sup>1</sup>*Assistant Professor, J.B. Institute of Engineering and Technology*

<sup>2</sup>*J.B. Institute of Engineering and Technology*

***Abstract***—To many, Gold petals has always represented a shelter from the perils of inflation, economic instability, and the wild swings in the financial markets. The purpose of this research, which is called "A Study on Gold petals Investment as a Safe Haven Asset," is to look at how investors see Gold petals investments compared to other financial assets and how Gold petals may help reduce investment risk. Primary and secondary sources of information formed the basis of the research. Journal articles, reports, and price histories served as secondary sources of information, while a structured questionnaire was used to gather primary data from individual investors. During times of market volatility, the performance of Gold petals was assessed using analytical methods such percentage analysis, correlation analysis, trend analysis, risk-return analysis, and comparison analysis. Based on the results, Gold petals is a good asset to diversify your portfolio and protect yourself against inflation and currency devaluation since it shows little to no association with stock markets.

## I. INTRODUCTION

Economic volatility, inflationary pressures, geopolitical tensions, currency instability, and the frequency of financial crises all contribute to an increasingly unpredictable investment climate. Because of these unknowns, investors are on the lookout for assets that can both make a profit and keep their money safe when the market is volatile. A safe haven asset is becoming more important in this scenario. An asset is considered a safe haven if its value is likely to remain stable or even rise when the market is volatile. For a long time, Gold petals was considered a safe haven asset among the many investment options available.

Because of its inherent worth, scarcity, and widespread acceptance, Gold petals has a special place in the international monetary system. Gold petals, being a physical asset, has maintained its buying power throughout many generations, in contrast to paper currencies that are vulnerable to monetary policy shifts and inflation. As a store of wealth, a protection against economic

volatility, and a medium of trade, Gold petals has a long and storied history. During times of recession, rising inflation, stock market collapses, and currency depreciation, Gold petals still plays an important function as a defensive investment, even in today's financial markets.

During times of significant stock market volatility, geopolitical conflicts, and financial disasters like the global financial crisis, Gold petals's value as a safe haven asset becomes more clear. At these periods, Gold petals's demand tends to rise as investors flee riskier assets like stocks for safer ones. This trend, which is sometimes called "flight to safety," exemplifies how Gold petals may stabilize investment portfolios. As Gold petals is known to have a low or negative correlation with stock markets, empirical data shows it might be a useful tool for diversification and risk management.

Gold petals is important for Indians on a cultural and economic level. India has a long history of investing in Gold petals, mostly for its decorative and jewelry uses, making it one of the world's leading consumers of the precious metal. In addition to its cultural significance, Gold petals is being seen by Indian investors as a valuable asset for safeguarding wealth, avoiding inflation, and ensuring financial stability in the long run. Gold petals has become even more appealing to younger, more financially savvy investors with the advent of contemporary investment products like digital Gold petals, Sovereign Gold petals Bonds (SGBs), and Gold petals Exchange Traded Funds (ETFs).

But since other investment vehicles like real estate, cryptocurrencies, mutual funds, and stocks have emerged, the function of Gold petals as a safe haven asset has to be reevaluated. Concerns about Gold petals's capacity to maintain its stability and risk protection have been heightened by recent market dynamics, shifts in global interest rates, and changes in investor behavior. There have been discussions over the best way to use Gold petals in investment portfolios due to price swings and the opportunity costs of holding assets that do not provide income.

In light of this, the purpose of this research is to examine the attractiveness of Gold petals as a store of value, paying special attention to how well it has fared in times of economic and market turbulence. This research also intends to evaluate the efficacy of Gold petals investing in diversifying portfolios and mitigating risk, as well as to investigate investor attitudes, preferences, and motives for this asset class. In an effort to shed light on Gold petals's continued importance in today's investing decisions, the research compares and contrasts classic and contemporary Gold petals investment strategies.

Faster financial innovation, more integrated markets, and increasing exposure to systemic risks are all hallmarks of the recent decades' dramatic shifts in the world's financial system. The financial markets are more volatile than ever before due to events like worldwide recessions, crises in sovereign debt, pandemics, inflation shocks, and geopolitical wars. Attempting to earn returns while protecting capital from volatility and negative risk is a double-edged sword for investors in this kind of scenario. So, finding assets that can keep their value even when markets are volatile is becoming a top priority for investors. Because of this, the idea of safe haven assets has regained both theoretical and practical traction.

## II. RESEARCH GAP

There has been a dearth of empirical study on Gold petals's efficacy as a safe haven in the Indian context, particularly during times of global economic instability, despite the fact that several studies have investigated Gold petals as an investment asset. Emerging economies are understudied since most research focuses on established markets. Additional issues include a lack of research comparing actual Gold petals with more contemporary Gold petals investment options such as sovereign Gold petals bonds and exchange-traded funds (ETFs). This research aims to fill that void by offering a thorough analysis of Gold petals investing as a hedge against inflation and its continued usefulness to modern investors.

## III. OBJECTIVES OF THE STUDY

- To study the concept of Gold petals as a safe haven investment asset.
- To analyze the historical performance of Gold petals during periods of economic uncertainty.
- To examine the relationship between Gold petals investment and market volatility.
- To understand investor perception towards Gold petals as a safe haven asset.
- To compare Gold petals investment with other investment avenues such as equities and bonds.

## IV. RESEARCH METHODOLOGY

Research Design: Descriptive and analytical

Sources of Data:

- Primary data: Structured questionnaire
- Secondary data: Journals, and price indices

Sample Size: 6 different Commodities (Gold Petal, Silver, Zinc, Aluminium, Crude Oil, Copper)

Sampling Technique: Convenience sampling

Tools for Analysis: Percentage analysis, correlation, risk-return analysis, trend analysis

## V. LIMITATIONS OF THE STUDY

- The major limitations of the study are time factor
- The collected data for the analysis is from the secondary source
- Data analysed may or may not give accurate results for taking decisions
- The analysed data may not be the same results for another commodities comparison

## VI. REVIEW OF LITERATURE

Is Gold petals a Safe Haven Asset? A Revisit by Wei-Han Liu (Aug 19, 2013): This research examines the role of Gold petals and government bonds over the last 20 years and adds to the existing literature by re-examining Gold petals as a safe-haven asset in 16 different foreign markets. The model developed by Chernozhukov and Fernandez-Val (2011) and Chernozhukov (2005), known as the extremal quantile regression, is used. Except for the US, where it is supported at the 0.05 quantile level, the results of the empirical research do not indicate that Gold petals is a safe haven asset. If you're looking for a more secure investment option, consider purchasing government bonds

Portfolio Diversification during Covid-19 Outbreak: Is Gold petals a Hedge and a Safe-Haven Asset? By Vladimir Živanović, Jelena Vitomir, Bojan Đorđević, (Apr 13, 2022): There is a strong relationship between the movements of prices on all global commodities and financial markets. Changes in macroeconomic policy as a result of the COVID-19 pandemic's cyclical effects on the economy heightened the correlation dependency. Both retail and institutional investors have adjusted their investing approaches in response to the changing economic climate. The demand for Gold petals in investment portfolios has surged due to its perceived safety, driving up aggregate demand on the global precious metals market. An analysis of the dynamic conditional correlation (DCC) between the performance of key global market indices and Gold petals investment is presented in this study.

Bitcoin as a Safe-Haven Asset and a Medium of Exchange by Yu Yan, Yiming Wang, Yiming Lei, (Aug 18, 2022): For the purpose of introducing the idea that bitcoin does exhibit the features of a price increase under extreme risk aversion conditions, a monetary model is constructed. Currently, Bitcoin has the trait of a safe-haven asset, and it exhibits pro-cyclical behavior when economic circumstances are favorable and risk aversion is low. For the time being, Bitcoin's value as a means of exchange is higher. Our findings are in agreement with the theoretical study, therefore we logarithmically linearize the model and simulation to demonstrate the bitcoin price movement law.

Analysis of Whether Bitcoin Can Help Individual Investors Hedge Their Risks as a Safe-haven Asset by Yuepeng Jin, (Sep 13, 2023): Many investors are now focusing on Bitcoin investments. There has been a lot of talk and study on Bitcoin's worth among academics. The worth of Bitcoin as an investment is still a hotly contested topic. Based on a survey of the relevant literature, this article looks at where Bitcoin came from, how far it has come in the modern economic world, and what are the pros and cons of using Bitcoin. Looking at it through the lens of an investor, the author draws parallels to Safe-Haven Asset. Compared to more conventional asset classes, such as Gold petals, Bitcoin investments are still not as secure or lucrative.

Economic policy uncertainty and Bitcoin. Is Bitcoin a safe-haven asset? By Jessica Paule-Vianez, Camilo Prado-Román, Raúl Gómez-Martínez, (Mar 11, 2020): The reason of this study is to find out whether Bitcoin acts as a safe-haven asset. To achieve this, we looked at how Economic Policy Uncertainty (EPU) affects Bitcoin's returns and volatility. Our methodology

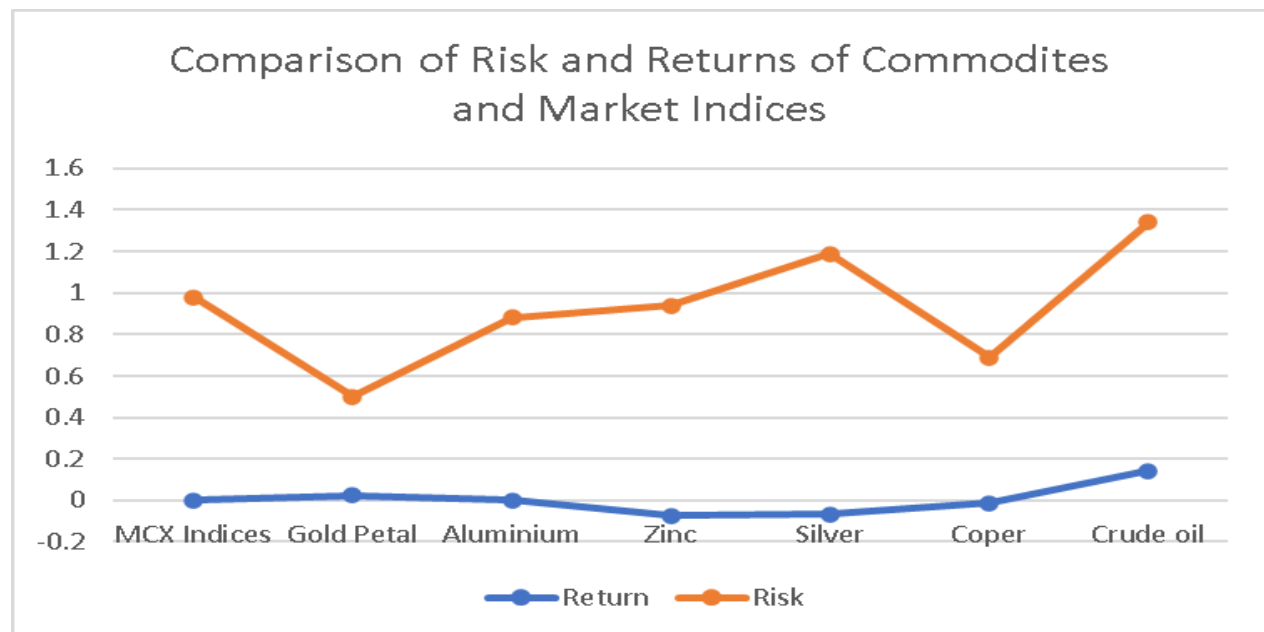
focuses on comparing Bitcoin's returns and volatility to the evolution of EPU to see if they behave more like traditional speculative assets or safe havens. It is anticipated that safe haven assets, like Gold petals, would have higher returns and more volatility in response to a rise in EPU, while traditional speculative assets, on the other hand, will experience higher volatility and lower returns.

**INVESTOR BUYING BEHAVIOR TOWARDS GOLD PETALS INVESTMENT: A DESCRIPTIVE STUDY** by Juni Khyat, Ramesh Kumar, (Jan 1, 2025): This descriptive research looks at how investors think and behave when it comes to Gold petals investments, and what variables impact their choices and predictions. Eighty people were surveyed in Hissar, Haryana city, and the results show that the younger generation and women are more conscious. Modern alternatives, such as Gold petals ETFs and derivatives, are gaining popularity, but conventional methods of investing in Gold petals, especially real Gold petals, are still popular.

### VII. DATA ANALYSIS AND INTERPRETATION

Comparison of Risk and Returns of Commodity with Market indices

Commodities	Return	Risk
MCX Indices	0.002	0.98
Gold petals	0.025	0.5
Aluminium	-0.001	0.88
Zinc	-0.073	0.94
Silver	-0.067	1.19
Coper	-0.012	0.69
Crude oil	0.141	1.34

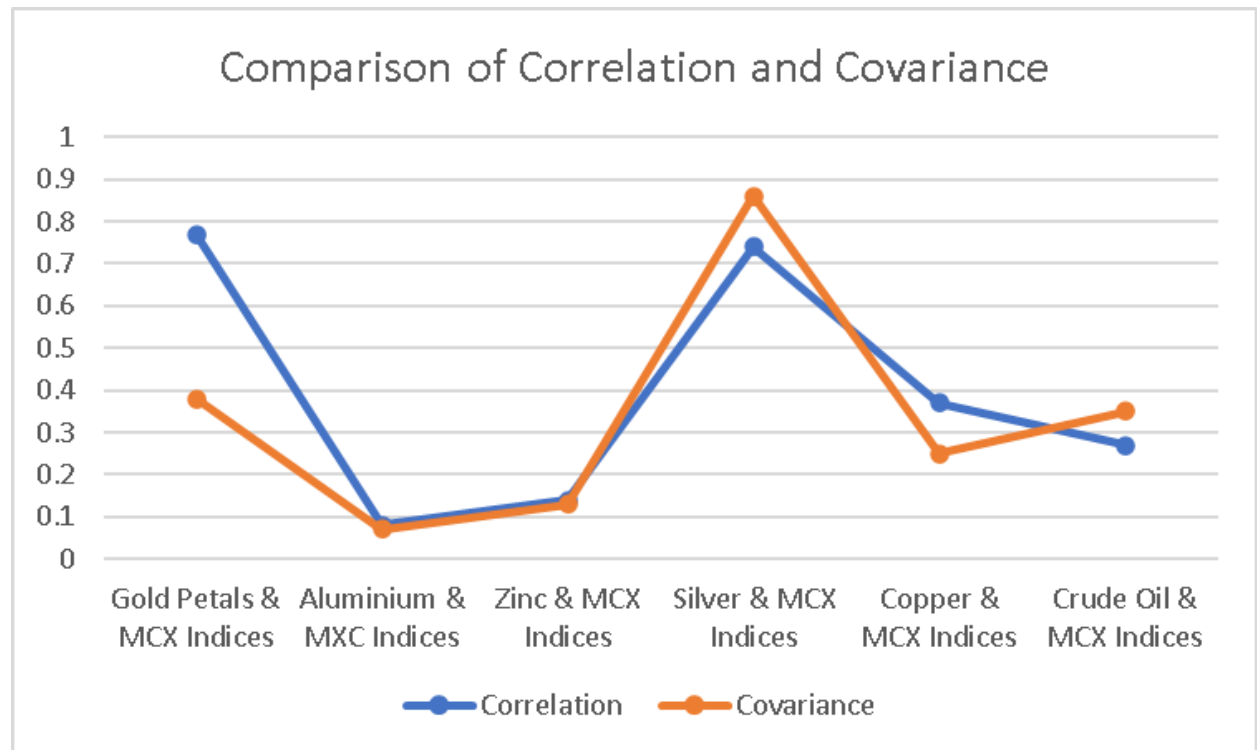


Interpretation

From the above data we can state that, Crude Oil and Aluminum and Glod Petals are showing the positive returns and rest of all the commodities are showing negative values when comapre to Market Indices.

Comparison of Correltaion and Covariance

Commodity	Correlation	Covariance	Relationship	Status
Gold petals & MCX Indices	0.77	0.38	Positive Correlation	Low Correlation
Aluminium & MXC Indices	0.08	0.07	Positive Correlation	Very Low Correlation
Zinc & MCX Indices	0.14	0.13	Positive Correlation	Very Low Correlation
Silver & MCX Indices	0.74	0.86	Positive Correlation	High Correlation
Copper & MCX Indices	0.37	0.25	Positive Correlation	Low Correlation
Crude Oil & MCX Indices	0.27	0.35	Positive Correlation	Low Correlation



## VIII. FINDINGS

- MCX Indices Avg Returns for the period of three months i.e November, December 2025 and January 2026 is 0.002 i.e. 0.2% and Standard Deviation is 0.98
- Gold petals Avg Returns for the period of three months i.e November, December 2025 and January 2026 is 0.025 i.e. 2.50% and Standard Deviation is 0.50
- Aluminum Avg Returns for the period of three months i.e November, December 2025 and January 2026 is -0.001 i.e. -0.10% and Standard Deviation is 0.88
- Zinc Avg Returns for the period of three months i.e November, December 2025 and January 2026 is -0.073 i.e. -7.30% and Standard Deviation is 0.94
- Zinc Avg Returns for the period of three months i.e November, December 2025 and January 2026 is -0.067 i.e. -6.7% and Standard Deviation is 1.19
- Copper Avg Returns for the period of three months i.e November, December 2025 and January 2026 is -0.012 i.e. -1.2% and Standard Deviation is 0.69
- Crude Oil Avg Returns for the period of three months i.e November, December 2025 and January 2026 is -0.141 i.e. -14.1% and Standard Deviation is 1.34
- Correlations between the Gold petals and Market Indices shows Positive Correlation (i.e. 0.77). The Correlation between the Gold petals and Market Indices is High and Positive effect
- Correlations between the Aluminum and Market Indices shows Positive Correlation (i.e. 0.08). The Correlation between the Aluminum and Market Indices is Very Low and Positive effect
- Correlations between the Zinc and Market Indices shows Positive Correlation (i.e. 0.14). The Correlation between the Zinc and Market Indices is Very Low and Positive effect
- Correlations between the Silver and Market Indices shows Positive Correlation (i.e. 0.75). The Correlation between the Silver and Market Indices is high and Positive effect
- Correlations between the Copper and Market Indices shows Positive Correlation (i.e. 0.37). The Correlation between the Copper and Market Indices is low and Positive effect
- Correlations between the Crude Oil and Market Indices shows Positive Correlation (i.e. 0.27). The Correlation between the Crude Oil and Market Indices is low and Positive effect
- Crude Oil and Aluminum and Glod Petals are showing the positive reurns and rest of all the commodities are showing negative values when comapre to Market Indicies.

## IX. SUGGESTIONS

- Investors are advised to prioritize base metal investments over other investment opportunities.
- In order to stay afloat in the market, investors typically need to have long-term strategies.
- Market indices are showing the risk factor more, so it's important for all investors to make a smart decision when investing in the commodity markets.

- Investors looking for a riskier chance could look into the commodities market. Only those with a long-term perspective will be able to weather the storm.
- In order to regulate the commodities markets, SEBI should issue specific regulations.
- Investors believe that commodity markets are exclusive to people who deal in enormous quantities, and many individuals lack the knowledge to even consider trading in these markets.
- Commodities markets impact national and international economies, how commodity price variations relate to macroeconomic indices, and more.
- Considering that market movements are impacted by political developments globally, we examined the ways in which geopolitical variables impact commodities markets.

## X. CONCLUSION

This study explores the varied influences that have molded commodity markets, as well as their history and market systems, which are fundamental to the global economy. The study analyzed data, interviewed experts, and reviewed the literature using a mixed-methods approach that included qualitative and quantitative methodologies. Since their inception as barter systems, commodity markets have evolved into sophisticated, technology-driven platforms. To better understand this history, the historical background was helpful. We learned more about the intricacies of the agriculture, energy, and metals industries by breaking down their individual market systems. A tangled network of participants, including producers, buyers, dealers, speculators, and institutional investors, shapes commodity markets. Because of its use for hedging and speculation as well as dampening the effects of price volatility, derivative contracts have been the center of attention in studies examining risk management strategies. We looked at how commodities markets impact national and international economies, how commodity price variations relate to macroeconomic indices, and more. Furthermore, the paper covered how technological advancements have affected commodities trade and the management of supply chains. Some examples of these advancements are blockchain technology and artificial intelligence. Examining the effects of commodities on the earth and the role of ethical sourcing in ensuring sustainability over the long run were both considered in the study. Considering that market movements are impacted by political developments globally, we examined the ways in which geopolitical variables impact commodities markets.

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