

## **What makes gold a popular savings/investment option?**

*Gold can be an ideal investment instrument if you are looking for a long-term investment with high returns.*

Investors always look for investment options that provide high returns and stability even during uncertain economic times. While many instruments offer high returns, they fail to perform in volatile market conditions. Gold, however, is the only asset that has continued to offer both benefits for years. The popularity of gold as an investment option has increased manifold due to the security it ensures.

Let us have a look at some of the reasons why investing in gold can be profitable.

### **High value**

Gold has a long history of retaining its value in the market even when other options depreciate. It was used as a global currency for a long time, and now serves as an instrument to hedge investments against inflation, recession and uncertain economic times.

### **Hedge instrument**

Due to the value retention characteristic of gold, people turn towards it when the value of the national currency dips. This leads to increase in demand, which in turn, raises gold prices, giving investors reasons to cheer.

### **Limited supply**

The supply of gold is limited because it cannot be artificially produced. It is this scarcity of supply that pushes gold prices up and makes it a lucrative investment option.

### **Ever increasing demand**

Gold has always been in demand in India due to its stability as an investment instrument as well as the cultural significance of the precious metal in festive occasions like marriages. The growth of emerging markets has further boosted its demand. This ever rising demand has ensured that the price chart of gold keeps moving north consistently.

Apart from these benefits, gold can also help investors diversify their investment portfolio. Although the prices might seem a little volatile in the short-term, gold can be an ideal option for long-term investment.