CMS Business School
JAIN UNIVERSITY
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The Gold Rush

The panel discussion on “The Gold Rush” held on 8th October 2012, at CMS Business School, was powered by eminent speakers from industry.

The following issues were addressed in the discussion:

1. Central banks have transformed into “net” buyers
2. The dollar index is inversely correlated with gold prices
3. Rupees is likely to appreciate against the dollar
4. Demand for gold from China is exceptionally high
5. Further investment in ETF can propel gold prices upwards
6. Low interest rate, inflationary pressures and performance of the US economy led to rise in gold prices
7. Gold is today traded in Electronic forum
8. Gold should turn a part of an investment portfolio. He/she can use the NSEL (National Spot Exchange Ltd) for this purpose. Ideally 10% - 15% of the portfolio should be invested in gold
9. Gold can be accumulated in the following ways:
    1) Physical purchase from jewelries or banks
    2) In e-form through the National Spot Exchange
    3) In the form of ETF
    4) Gold funds which are basically fund of funds
10. Some mutual funds invest in old mining companies. Investing in such MFs can be one way of participating in the gold story
11. Majority of investments should go into unleveraged markets and some portion should go into leveraged markets (i.e. derivatives)
12. Future price = Spot price + Cost of carry
13. cost of carry = Invest cost + insurance +warehousing