

# Gold price to hit Rs 18,000

DC CORRESPONDENT

NEW DELHI

**Sept. 13:** Gold could touch Rs 18,000 per 10 grams in the coming festival season, according to Assocham.

The industry body said that gold is the only commodity which has seen a huge built up in the exchange traded funds (ETF) in the last few weeks and will gain further momentum in view of the festive demand and low international production.

The bullion is likely to see a spurt in its prices and stay around Rs 18,000 per 10 grams by Diwali from current levels of around Rs 16,000, said Assocham.

"This is due to the fact that more and more investors are flocking to take refuge in gold as an asset class as it happens to be the best bet against rising inflation," said Assocham, president, Mr Sajjan Jindal.

As per Assocham analysis, stock valuations which are around one year's high, appears to be overstretched and investors are fleeing to precious metal as they are losing confidence in the global economy with Shanghai stocks hitting a three months low this week.

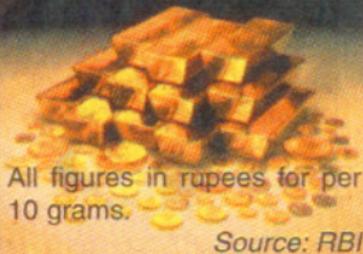
"There is strong feeling among investors not to expand and increase their exposure to this (equity) asset class," said Assocham.

The industry chamber said that if a consumer plans to invest in gold, he should not make the mistake of buying gold jewellery — which has a high cost and lacks purity.

The consumer should not

## GLITTERING GOLD

February	14,781
March	15,255
April	14,501
May	14,610
June	14,620
July	14,749
August	14,996
September	15,805



All figures in rupees for per 10 grams.

Source: RBI

buy pure gold from banks, (you will pay about 25 per cent higher than the market price).

"The best way to buy gold is directly from Singapore or Dubai in the form of bars. Again, buy 999 purity gold and not 9999 purity gold because you pay a premium for the latter (which you may find it difficult to realise in India)," said Assocham.

Gold ETF is another option, "particularly if you are a resident Indian and don't have a friend or relative in the Gulf willing to bring gold for you. In normal times about five per cent of your investment should be in gold, but these are abnormal times so have about 10 per cent to 15 per cent in gold," advised the industry body.