

Dr. S.C.B. Samuel Anbu Selvan Associate Professor, Department of Commerce, The American College, Madurai, India.

G Ramraj Assistant Professor, Department of Commerce (CA), VHNSN College, Virudhunagar, India. Email: ramraj.g@vhnsnc.edu.in

Abstract. This paper is a study of the Performance Evaluation of Gold ETFs in India during the Covid-19 Pandemic Situation. An analysis is carried out using performance evaluation techniques such as the Treynor Performance Index, the Sharpe Performance Index, and the Jensen Performance Index by measuring the alpha, beta, and standard deviations of the selected ETFs traded in NSE. Data for this study have been collected for two years from the NSE website from 1st Dec 2018 to 30th Nov 2020. The study shows that the Quantum Gold Fund (ETF) performs reasonably well in accordance with Sharpe's Model, Treynor's Model, and Jensen's Model. According to the Fema model, the IDBI Gold Exchange Traded Fund is better off. ICICI Prudential Gold Exchange Traded Fund shall perform well by the use of the Sortino Ratio. The Quantum Gold Fund has performed the best of the Gold ETFs chosen for the analysis. This research will enable market analysts and investors who find the best outlook in the Gold ETFs.

Keywords: COVID-19, Gold ETF, NSE, Performance Evaluation models.

1. Introduction

The coronavirus (COVID-19) Pandemic started in Wuhan City, China's Hubei Province, quickly engulfed the whole world at the end of December 2019. There are so many notable events like this scenario in world history, particularly during 2002-03 severe acute respiratory syndrome (SARS) and 1919 Spanish flu pandemic was an unforgettable event. This COVID-19 fatality rate is much lower than the above two diseases, but people worldwide still fear this pandemic condition. This COVID-19 is highly contagious and has caused economic and financial uncertainty worldwide. The fear generated by the virus has put substantial stress on financial markets, where price volatility has steadily increased. In terms of human tragedy, the heaviest toll is seen in the United States, Europe, and Asian nations.

However, in periods of economic uncertainty and volatility, investors worldwide are moving their portfolios from volatile asset types such as risky stocks to risk-free assets such as government securities, gold, etc. They found gold heaven because it is a liquid, counter-cyclical asset, and a long-term value store that can help investors achieve the core goals of stability, liquidity, and return. Traditionally, people in India invest in physical gold and consider it one of the oldest and precious metals. It is an auspicious gift and one of the most robust investment avenues. According to various surveys, India has 16,000 tonnes of gold.

According to the world gold Council, March 2020th, the Indian edition reported that since 1973 Gold has generated an average yearly return benefits of 14.10 per cent in rupee terms; during the pandemic situation, gold price volatility is too high; it reached about 50 thousand rupees per 10 grams. This price hick's main reason is that many World Gold Mines temporarily shut down their business due to the Pandemic that will also affect gold prices. Small investors have difficulty making investments in gold due to rising gold prices. To enable investors to invest in gold, the Gold Exchange Traded Fund (ETF) was launched. It was first revealed in the North Americas in 1993 [7]. In India, ETF was introduced in 2007. ETFs are also available in other ways such as ETF, International Index ETF, etc. Gold ETF is a stock market investment fund. It operates like mutual funds. Gold ETF is listed in stock exchanges as another instrument and traded at net asset prices of the underlying properties. Gold ETF may be purchased or sold online and kept in Demat. These Gold ETFs represent physical gold and are similar to physical gold. [3] ETFs are easily traded on the market, providing benefits like exact pricing, easy accessibility, purity, stability, smaller denomination, and tax benefits [12] [5]. This research paper aims to investigate Gold ETF's success during India's COVID-19 pandemic situation.