

**THE IMPACT OF COVID-19 ON THE GOLD SPOT AND FUTURES MARKETS IN INDIA:
AN EMPIRICAL STUDY**

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ABSTRACT

In many cultures, gold is a symbol of achievement, power, and wealth. India is a country with a diverse range of cultures and traditions. In India, gold investment is seen as a barometer of wealth. People frequently acquire gold for a variety of reasons, including weddings, festivals, and gift giving. The gold market is a critical component of the country's economic development. The COVID 19 or Coronavirus pandemic is the world's greatest test. Any economy, without proper preparedness, will have a historic struggle in overcoming this epidemic. It has a detrimental effect on financial markets worldwide. Due to the spread of coronavirus, all countries have declared a brief period of lockdown. Following the lockdown, the business markets gradually began to develop. With this backdrop, the goal of this research is to add to the knowledge of COVID-19's impact on the Indian gold spot and futures markets.

KEYWORDS: COVID-19, Gold Spot and Future Price, MCX, ADF, GARCH

INTRODUCTION

Gold is a very unique precious metal with a long and intimate history for humanity. Gold is more than a valuable metal to the Indians. Indians have regarded gold as a sign of purity, luxury, riches, rank, beauty, affection, and good fortune from time immemorial. Unlike any other metal, this beautiful yellow substance evokes intense emotional responses in people. Gold has historically been seen as a secure investment, comparable to liquid cash, and has been used as risk collateral. Gold jewellery is a vital element of our culture, and it is used in virtually every area of our lives, including birth, marriage, health, house construction, festivals, and religious ceremonies. Indian women, regardless of their religious background, like wearing gold jewellery. Gold jewellery is the ideal wedding present for the bride and groom's close relatives. Farmers are particularly fond of jewellery, with gold sales rising following a bumper crop. As a result, India's gold market is one of the world's largest and fastest expanding. India is the world's second-largest gold consumer, with annual gold demand of around 800-900 tonnes, and it plays a critical role in international markets.

The world is presently confronting the twentieth century's greatest epidemic, dubbed "COVID-19," which is being fuelled by the newly discovered coronavirus SARS-CoV-2. The ailment, which was first discovered in December 2019 in Wuhan, Hubei Province, China, has spread worldwide, causing severe respiratory discomfort in vulnerable persons. In March 2020, the World Health Organization (WHO) proclaimed the COVID-19 outbreak a pandemic. This introduced a new stumbling block. Consumer purchasing behaviour encompasses much more than a consumer's product acquisition strategy. Marketers place a premium on how consumers make purchases. This involves gaining an understanding of a customer's decision-making history (what, why, when, how much, and how frequently). Consumers are responsible for ensuring a secure buying experience during a pandemic. To prevent viral transmission, the WHO recommended remaining at home, using facial coverings or masks, keeping social distance, and following personal hygiene standards. This epidemic has had a profound effect on communities and economies around the world, influencing several facets of society in unique ways. In India, the authorities