

## **THE IMPACT OF COVID-19 ON GOLD SPOT PRICE VOLATILITY IN THE INDIAN COMMODITY MARKET**

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### **ABSTRACT**

COVID – 19 lockdown restrictions widely implemented across the globe to curb the spread of the virus have included travel prohibitions and border closures, stay-at-home and work-from-home orders, and extensive business closures; this virus panic affects entire economic and financial sectors. It leads to economic loss, especially for daily income earners from small-medium scale businesses and the global economy. This study intensely analyses the impact of the COVID – 19 on gold price volatility in the Indian Commodity market (MCX). By using historical Gold Spot price data of Multi Commodity Exchange (MCX) from June 1 2017, to June 30 2021 (1047 Daily observations). In this research article, the Augmented dickey-fuller test (ADF) has been used to check whether the data is stationarity in nature and Exponential Generalized Autoregressive Conditional Heteroskedasticity (EGARCH) has been used to formulate the model for price volatility. The results reveal that the data series is nonstationary. After the first order, it is stationary. It has a volatility clustering effect and the presence of asymmetric volatility in gold price due to the spread of COVID – 19. Also, observe that bad news tends to increase the volatility of gold returns more than positive news. As a result, an increase in COVID-19 cases (a poor news signal) would cause gold returns to become more volatile. The study's findings will help the investors, regulators, and policymakers to assess the impact of the COVID -19 pandemic on the price volatility of Gold to formulate appropriate policies and strategies to minimize the impact of COVID-19.

**KEYWORDS:** EGARCH, Gold Price, Indian Commodity Market, MCX, Price Volatility.