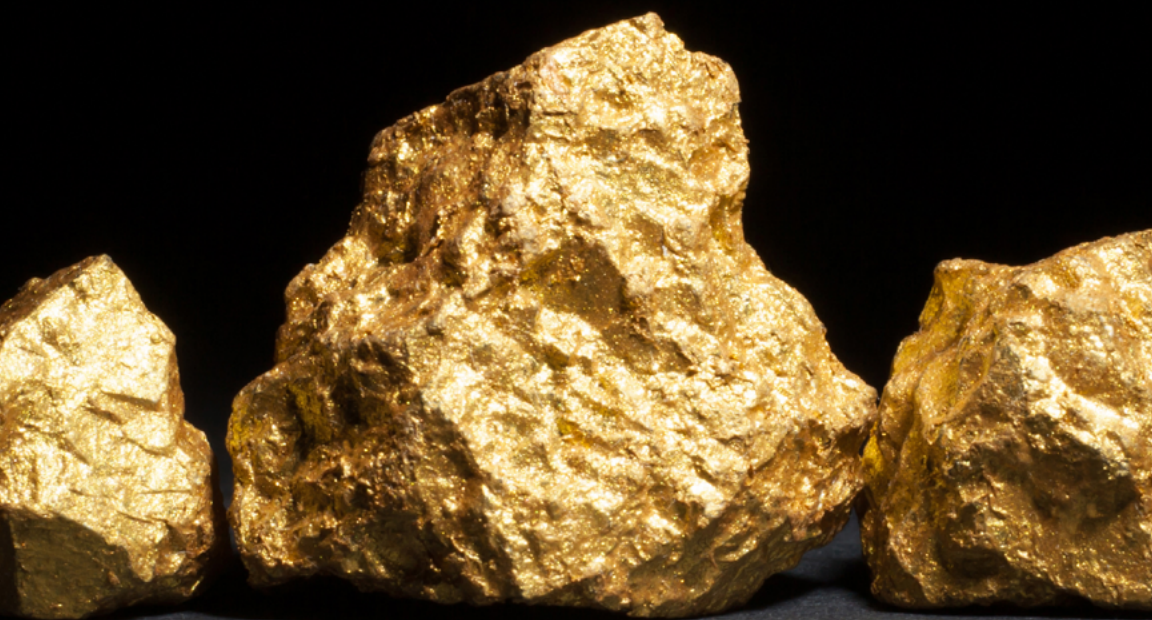


FINANCIAL MARKETS

THE INDIAN WEDDING
SEASON & GOLD



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Blackwell Global is a global brokerage, aiming to be the most trusted financial service provider. We are committed to transparency, integrity and service excellence.

Founded in 2010, we now have global presence in over 90 countries, with main offices in the separately regulated markets of Australia, Cyprus, New Zealand and the United Kingdom.

We believe that sound investment and trading decisions begin with a strong grounding in financial education. Our goal is to make this available to everyone - and this free eBook is part of that commitment.

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WHAT DRIVES THE PRICE OF GOLD?

FOREWORD

Gold is known as a safe haven asset across the globe. In time's of volatility, investors usually shift their capital to the precious metal.

But Gold is more than a safe haven asset. In fact, there are particular times in the year when its value predictably increases.

One such time is the Indian Wedding Season. In this eBook, we'll explore how this period impacts the price of Gold.

Patrick Latchford
CEO, Blackwell Global Investments (UK) Limited

THE INDIAN WEDDING SEASON

A BRIEF HISTORY

The Indian Wedding Season runs from October to December each year. During this period, India sees a surge in the number of people who marry.

It's estimated that approximately 20 million Indian weddings take place each year - with the majority occurring in this traditional season.

Clearly, the end of the calendar year has a profound impact on industries and commodities closely associated with Indian weddings.

One such commodity is Gold. The precious metal plays an integral part in traditional Indian weddings. Many Indians also collect Gold throughout their lifetimes - and a wedding is an opportunity to showcase these collections to family and friends.

Furthermore, Gold holds much significance in Indian culture, as it signifies wealth and influence. For cash-poor families, Gold can also still be used as a means of exchange, continuing a trait that runs back through India's history.

Estimates suggest that between 20% - 30% of Indian wedding budgets are set aside to buy Gold-based items (including clothing and jewellery).

THE GOLD RUSH

Considering Gold's significance to Indian culture, it's easy to understand why the country needs to import large quantities of Gold to meet domestic demand (India accounts for roughly a third of the globe's Gold demand).

It's also clear to see why the price of this precious metal can increase ahead of the Indian Wedding Season.

Many investors and traders have picked up on this trend, making timely moves in the market to capitalise on this annual phenomenon. A study from [Moore Research Center](#) shows that across a 15 year period, those who purchased Gold at the start of September would have seen a profit approximately 80% of the time if they sold their positions just under a months later.

Clearly, traders who dedicate a little time to researching periods in the calendar (Valentine's Day is another annual event) that drive global demand for Gold can stand to make gains.

Many Indians have also tried to find ways to acquire Gold at a

more competitive price. Some travel to the likes of Dubai, where tax laws allow tourists to buy the yellow metal at a cheaper rate. Providing Indian travellers stay under the duty-free thresholds, they can make considerable financial savings buying Gold from Dubai rather than India.

SHOULD YOU INVEST IN GOLD?

RECENT HISTORY

Gold is viewed as a safe haven by many investors. What's more, the metal has tangible applications in the real-world, which is why it holds its value at a relatively stable level.

We only need to look at recent history to see this dynamic in play. At the end of 2017, the cryptocurrency craze dominated the financial markets. Despite recording huge gains over the course of 2017, Bitcoin's price plummeted in early 2018, catching out many speculators who were late to the game.

Interestingly, in the month since the Federal Reserve's interest rate hike in December 2017, Gold bettered all other asset classes (including Bitcoin) in terms of price percentage increases.

Over the long-term, we view Gold as strong value holder. It's a particularly attractive asset for long-term traders and investors who want to diversify their portfolio and manage risk.

DETRACTORS

However, Gold does have its detractors. Some investors believe that Gold doesn't yield enough returns. At the time of writing, many investors are putting their capital into US equities, which broke numerous records throughout 2017.

We're also seeing central banks start to move away from historically low-interest rates. This means global bonds (which are also viewed as safe investments) will start to provide better yield rates when compared to recent years. Therefore, many investors might start to favour moving their capital to bonds rather than Gold in times of volatility.

There is one other phenomenon to consider with Gold. Historically, the precious metal has been viewed as a hedge against inflation. In early 2018, we've already seen a global stock market correction sparked by concerns about rising global prices. However, keeping inflation in check is a priority for every major central bank. We know central banks are willing to act to keep this metric at a sustainable level by hiking interest rates. Higher interest rates are not good for Gold - as investors can opt to hold cash, move capital into bonds, or acquire higher-yield stocks.

GET STARTED WITH BLACKWELL GLOBAL

If you're interested in trading Gold ahead of the Indian Wedding Season, you can get started with Blackwell Global. You can buy or sell a variety of precious metal CFDs with Blackwell Global, giving you the opportunity to profit from market moves without owning the underlying physical asset.

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WHY BLACKWELL GLOBAL?

We can't pretend that it is easy to become a successful trader. But we are here to help and support you as you make your trading journey, providing dedicated resources such as our demo trading accounts and regularly published research materials.

Founded in 2010, Blackwell Global was established to offer brokerage solutions for private and institutional clients. Blackwell Global is a Straight Through Processing or STP broker who provide their clients with superior liquidity and price feeds from top international banks. These are offered alongside 24-hour technical support, market research tools, educational materials, professional partnership programmes and fully integrated trading platforms.

We offer access to multiple asset classes including more than 60 currency pairs, precious metals and other contracts for differences. As a global broker, we are always striving to achieve excellence in our customer service, as well as developing innovative technology to support our customers needs.

Today, the Blackwell Global group of companies has a presence in over 90 countries, with its main offices situated in the individually regulated markets of Australia, Cyprus, New Zealand and the United Kingdom.

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