



## Gold ETFs deliver upto 72% return in 2025. What should investors expect in 2026?

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### Synopsis

Gold ETFs surged in 2025, offering investors a safe haven amid global turmoil. Tata Gold ETF led with a 72.17% return. Experts foresee continued gold demand in 2026, driven by geopolitical risks and inflation. Investors are advised to consider their risk appetite for future decisions.

Gold ETFs delivered exceptional returns up to 72% in 2025, driven by global uncertainty and investor demand for safety.

Gold exchange-traded funds (ETFs) emerged as one of the standout performers in 2025, delivering returns of up to 72% as investors sought safety amid global uncertainty, geopolitical tensions, and shifting interest-rate expectations.

There were 18 funds based on gold commodity of which Tata Gold ETF delivered the highest return of 72.17% in 2025, followed by Quantum Gold Fund ETF which gave 71.27% in the same period.

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Nippon India ETF Gold BeES, the largest fund in the category, gave 70.20% in the same period. LIC MF Gold ETF was the last one in the list to deliver 68.70% in the same period.

Rajeev Sharan, Head – Criteria, Model Development & Research, Brickwork Ratings said the rally in gold, silver, and copper through 2025 was more than a market surge—it was a signal of deeper economic shifts.

“For India, the paradox is acute. The import duty cuts on gold and silver from 15% to 6% should have catalysed consumption; however, the unchanged 3% GST continues to limit retail demand. Meanwhile, 50% US tariffs on jewellery exports create headwinds that lower import tariffs cannot fully offset. India’s copper demand is poised to accelerate as data centre capacity expands to 4–8 GW by 2030,” Sharan added.

On the other hand, Inderbir Singh Jolly, CEO, PL Wealth says that Gold’s performance in 2025 reflects a structural shift in how investors and central banks are positioning portfolios and the rally is not driven by short-term speculation but by sustained investment flows into ETFs, alongside continued central bank buying as part of long-term reserve diversification.

In 2025, gold ETFs received a total inflow of Rs 31,314 crore till November (last available data). The net received in November 2025 marked the seventh consecutive month of positive inflows as in March and April 2025, the category saw an outflow of Rs 77.21 crore and Rs 5.82 crore respectively.

The AUM of gold ETFs went up by 148% from an AUM of Rs 44,595 crore in December 2024 to Rs 1.10 lakh crore in November 2025.

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Till November 2025, around five gold ETFs were launched in calendar year 2025 which together collected Rs 93 crore. According to monthly data released by Association of Mutual Funds in India (AMFI), the five gold ETFs launched were - Union Gold ETF, 360 ONE GOLD ETF, Motilal Oswal Gold ETF, Angel One Gold ETF, and Choice Gold ETF.

According to Macro Chirp Note by Kruti Chheta of Mirae Asset Mutual Fund, Gold and equities are trading at elevated levels, signalling that investors worldwide are hedging their bets and also charging full speed into a high-tech future. Gold is up by 65% year to date, surpassing the annual price gains recorded in any year since 1979 and achieving new all-time highs 50 times this year.

### What should investors expect in 2026?

Rajeev Sharan of Brickwork Ratings said that looking ahead to 2026, the key question is whether central banks’ sustained gold purchases can uphold valuations if a technical reset emerges but nevertheless, the underlying drivers—inflation, currency weakness, and geopolitical uncertainty—remain strong enough to overcome any correction, keeping gold prices anchored in the USD 4,500–5,000 range.

The CEO of PL Wealth said that elevated geopolitical risks, stretched equity valuations, rising sovereign debt and currency volatility have reinforced gold’s role as a strategic hedge rather than a tactical trade, even as inflation moderates, real yields are expected to remain constrained, which is historically supportive for gold. “While some consolidation is natural after a sharp run-up, the medium-term outlook remains positive, with gold continuing to play a critical stabilising role in diversified portfolios heading into 2026.”

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And lastly, Kruti Chheta of Mirae Asset Mutual Fund says that gold demand in 2026 will be shaped by the policy announcements and its impact on growth and if economic growth slows and interest rates fall further, gold might see moderate gains.

“In a more severe downturn marked by rising global risks, gold could potentially perform strongly. Conversely, a successful outcome from policies set by the Trump administration would accelerate economic growth and reduce geopolitical risk, leading to higher rates and a stronger US dollar, pushing gold lower,” Chheta added.

One should always make investment decisions based on risk appetite, investment horizon, and goals.