

High prices hit Akshaya Tritiya

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The gold retail jewellers witnessed a mixed trend in sales on the eve of Akshaya Tritiya, considered as an auspicious day for buying the yellow metal.

According to industry experts, the escalating price of gold has impacted consumer sentiments resulting in a lower demand for gold in many parts of India.

"Inflation had taken a toll on the gold business during this Akshaya Tritiya in metros even as

the demand in rural areas remained decent," said Dinesh Jain, director, All India Gems and Jewellery Trade Federation.

"In terms of value, the sales might look higher compared to that of the previous year, but volume wise, sales have remained subdued," added Mr Jain.

"The demand that was expected on Akshaya Tritiya did not happen. There was almost a 25-30 per cent drop in sales volume as higher prices of gold prompted consumers to buy lesser quantity compared to the previous year's," said Samir Shah,

Inflation takes toll on gold buying

Though the sales escalated in terms of value, volume-wise sales remained subdued.

There was almost a 25-30 per cent drop in sales volume. Also, the expected demand did not happen on Akshaya Tritiya.

vice president, Riddi Siddhi Bullions.

Meanwhile, the National Stock Exchange (NSE) on Tuesday recorded a traded

value of ₹608 crore in gold exchange traded funds (Gold ETFs), registering an 44 per cent increase compared to ₹423.05 crore worth trade executed in 2011 on the same day.

The number of units traded on gold ETFs stood at 21.93 lakh compared to 20 lakh units traded in 2011.

"This is an indication that an increasing number of people are considering investment in the units of Gold ETFs," said Chirag Mehta, fund manager, commodities, Quantum Asset Management Company.