



TO ANALYZE THE MARKET RISK OF GOLD IN CONTEXT TO PAKISTANI INVESTORS

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Abstract

In this project I have reviewed the econometrics efforts, aiming to identify the market risk of gold. The overall findings are up to the desired level. Price of gold depends on many factors. The gold price is based on the basis of the relationship between supply and demand. If gold production and a substantial increase in the price occur that will be affected and down. But if there is long miners' strike yield to stop the increase in the price of gold will be appreciation in case demand outstrips supply. Gold is extremely rare and very precious gold mining costs are very high, many physical characteristics are very good, with excellent stability for long term preservation, these features make the gold has been particularly popular human society, gold has become a complex mechanism of human society an important part.

Different investors and individuals were interviewed for this study and examined against the literature available and the market risk of gold and different factors that affects the price of gold. The findings indicated that People mostly prefer gold investments because it is more precious and valuable. Secondly it is accepted worldwide so it is easy to sell at anywhere in the world. Throughout the year, the price of the gold fluctuates and now it is touching the peak level. And it is also easy to carry, safe and profitable. Some investors are intending to choose to play it safe by steering clear of this investment all together; others may trade the futures market while some others will speculate on companies that derive their income based on the commodity.

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Chapter #1: Background of the Study & Problem Statement