

BANKCREDS RESEARCH · STATISTICAL REPORT

Gold Price Volatility in India: How Often and How Far Prices Fell

India's average gold price rose in 74 of 117 months (63%) between October 2016 and July 2026, with a typical monthly swing of 3.31% (about 11.5% a year), according to BankCreds analysis of RBI data. Its deepest fall from a previous high was 15.6%, from August 2020 to March 2021, and the price did not regain that high until December 2022.

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Data period
October 2016 – July 2026

Dataset
RBI v1.0 · 118 months

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Executive summary

Long-run gold returns look smooth in a single growth rate; this study measures the ride. Using RBI's monthly average price of standard gold in Mumbai, it counts rising and falling months, sizes the largest moves, tracks every fall from a previous high and how long recovery took, and tests how often holding for 12, 36 or 60 months ended higher. In this period 92% of 12-month windows ended higher, as did 100% of 36-

month and 100% of 60-month windows — but the worst 12-month window returned –11.0%, and as of July 2026 the price was 7.9% below its May 2026 high.

Key findings

Each finding is self-contained and may be quoted with attribution to BankCreds Research. Link a single finding with its anchor ([#finding-1](#), [#finding-2](#) ...).

- 1** BankCreds analysis of 117 month-on-month changes in RBI's gold price (Oct 2016–Jul 2026) found 74 rises (63%) and 43 falls.
- 2** The average monthly change was +1.39% and the median +0.86%; the standard deviation of monthly changes was 3.31%, equivalent to about 11.5% a year.
- 3** The largest one-month rise was +11.3% (January 2026) and the largest one-month fall –6.9% (December 2016).
- 4** 18 of 117 months moved by 5% or more in either direction.
- 5** The deepest fall from a previous high was 15.6%, from August 2020 to March 2021; the price regained that high in December 2022, 21 months after the low.
- 6** The series recorded 3 separate falls of 5% or more from a previous high.
- 7** As of July 2026, the monthly average was 7.9% below its high of May 2026.
- 8** Of 106 rolling 12-month periods, 92% ended higher; outcomes ranged from –11.0% (12 months to August 2021) to +84.6% (12 months to January 2026).

- 9 Of 82 rolling 36-month periods, 100% ended higher; the weakest compounded 3.5% a year (to August 2023) and the strongest 39.6% (to February 2026).
- 10 Of 58 rolling five-year periods, 100% ended higher, the weakest compounding 9.4% a year.
- 11 The longest run of consecutive rising months was 14 (January 2025 to February 2026); the longest falling run was 4 months (September 2020 to December 2020).
- 12 In the five years to July 2026, monthly volatility was about 12.0% a year and 67% of months rose, compared with 11.5% and 63% over the whole period.

Key statistics

MONTHS THAT ROSE

63%

74 of 117

TYPICAL MONTHLY SWING

3.31%

≈ 11.5% a year

LARGEST MONTHLY FALL

-6.9%

December 2016

DEEPEST DRAWDOWN

15.6%

August 2020 → March 2021

TIME TO RECOVER

21 months

back to the high in December 2022

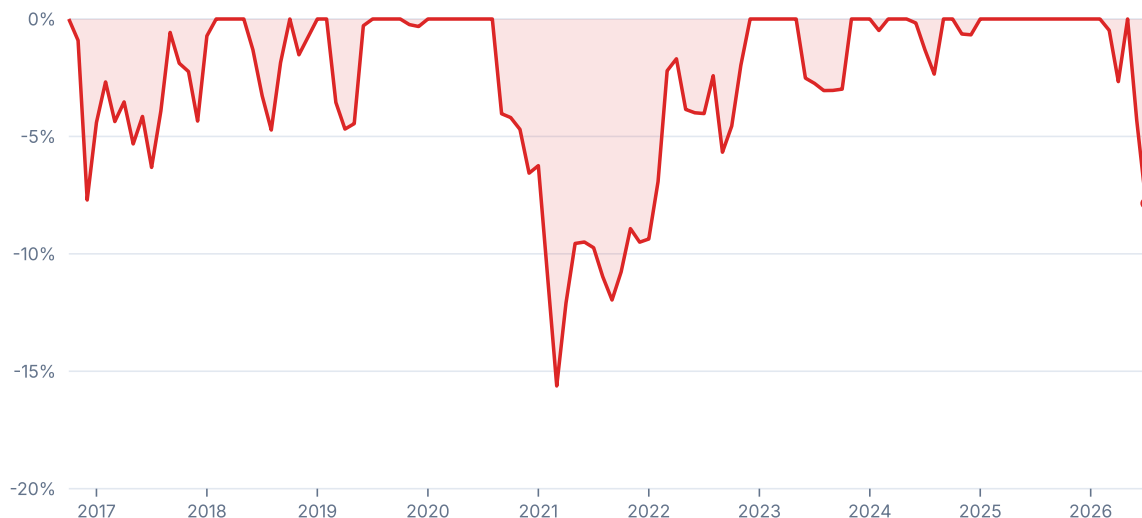
12-MONTH PERIODS THAT ROSE

92%

106 windows

Gold price: distance below its previous high

Each month's average price relative to the highest monthly average reached up to that month (0% = at a new high).



Source: BankCreds analysis of RBI data · bankcreds.com/research

Volatility: how big the monthly moves were

Gold's monthly average moved by a median +0.86% a month, but individual months ranged from -6.9% to +11.3%. A standard deviation of 3.31% a month means a move of that size in a single month was ordinary rather than exceptional, and 18 months moved by 5% or more. Because these are monthly averages, day-to-day swings were larger still.

Rolling 12-month change in the gold price

Change in the monthly average price over the preceding 12 months, for every month from October 2017.



Drawdowns: how far gold fell and how long it took to recover

A drawdown is the fall from the highest price reached so far. The deepest in this data ran from August 2020 to March 2021 — a fall of 15.6% — and the price did not regain its August 2020 level until December 2022. Someone who bought at that peak waited 28 months to be back where they started. The drawdown chart shows every such episode; the table lists each fall of 5% or more.

Holding periods: how often longer stretches ended higher

Short holding periods were mixed: 92% of 12-month periods ended higher, but the worst returned -11.0%. Over longer stretches, 100% of 36-month periods and 100% of five-year periods ended higher. That is a statement about one rising decade — Oct 2016–Jul 2026 — and should not be read as a promise that gold always rises over

three or five years. For the long-run path see the gold price history report, and for calendar-month patterns the seasonality study.

What price falls mean for a gold loan

A gold loan is lent against the current value of your gold, so a fall in the gold price reduces the cushion between what you owe and what the pledged gold is worth. A 15.6% fall like the one between August 2020 and March 2021 can push a loan close to the lender's limit. The gold loan auction risk calculator shows how much price room your loan has.

Data tables

Falls of 5% or more from a previous high

High	Low	Fall	Back at the high	Months from low
October 2016	December 2016	7.7%	February 2018	14
August 2020	March 2021	15.6%	December 2022	21
May 2026	July 2026	7.9%	not yet	—

Five largest monthly rises

Month	Change
January 2026	+11.3%
October 2025	+11.2%
September 2025	+9.9%
April 2024	+9.4%
August 2019	+8.2%

Five largest monthly falls

Month	Change
December 2016	-6.9%
March 2021	-5.2%
February 2021	-5.0%
June 2026	-4.3%
September 2020	-4.0%

Methodology

Data. RBI monthly average price of standard gold, Mumbai, ₹ per 10 grams (dataset version 1.0, updated 8 October 2026).

Calculations. Monthly change = this month's average ÷ the previous month's – 1, between consecutive published months only. Volatility is the sample standard deviation of monthly changes; the annual figure multiplies it by $\sqrt{12}$. A drawdown is the latest month's average ÷ the highest earlier monthly average – 1; an episode runs from a high until the first month at or above it, and recovery time is counted from the lowest month. Rolling 12-, 36- and 60-month changes compare each month with the same month that many months earlier; compound annual rates use $(\text{end} \div \text{start})^{(12 \div \text{months})} - 1$. Percentages are rounded after calculation.

Full standards: BankCreds research methodology.

Data sources

- Reserve Bank of India, Handbook of Statistics on the Indian Economy — table "Monthly Average Price of Gold and Silver in Domestic and Foreign Markets" (Gold, Mumbai); retrieved 4 October 2026.
- Reserve Bank of India, RBI Bulletin — Current Statistics No. 21, "Monthly Average Price of Gold and Silver in Mumbai"; retrieved 4 October 2026.

Limitations

- Monthly averages understate volatility: daily and intra-month moves are larger than the monthly changes shown.
- All findings describe Oct 2016–Jul 2026, a period in which gold rose strongly; other periods produced very different drawdowns and holding-period outcomes.
- Prices are Mumbai bullion prices excluding GST and making charges; returns on jewellery, coins or funds differ.
- Nothing here forecasts prices or recommends buying, selling or borrowing against gold.

Frequently asked questions

How volatile is the gold price in India?

Across RBI's monthly data for Oct 2016–Jul 2026, the standard deviation of monthly changes was 3.31%, about 11.5% a year. Individual months ranged from –6.9% to +11.3%, and 18 months moved by 5% or more. Daily prices move more than these monthly averages.

What was the biggest fall in the gold price in India?

In RBI's monthly series the deepest fall from a previous high was 15.6%, from August 2020 to March 2021. The largest single-month fall was –6.9%, in December 2016.

How long did gold take to recover from its biggest fall?

After falling 15.6% between August 2020 and March 2021, the monthly average regained its August 2020 high in December 2022 — 21 months after the low.

Does gold always rise over five years?

In this data, 100% of the 58 five-year periods between October 2016 and July 2026 ended higher, the weakest compounding 9.4% a year. That reflects one strongly rising decade; it is not a guarantee, and over shorter 12-month periods the worst outcome was -11.0%.

How often does gold go up in a month?

The monthly average rose in 74 of 117 months (63%) between October 2016 and July 2026, according to BankCreds analysis of RBI data.

Cite this research

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REFERENCE (APA STYLE)

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<https://bankcreds.com/research/gold/gold-price-volatility-india/>

SOURCE LINE

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<https://bankcreds.com/research/gold/gold-price-volatility-india/>

HTML LINK

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<a href="https://bankcreds.com/research/gold/gold-price-volatility-india/">Gold Price Volatility in India: Swings, Drawdowns & Recovery (Oct 2016–Jul 2026) – BankCreds Research</a>
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