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Gold vs Inflation in India: Did Gold Beat Rising Prices?

Between October 2016 and July 2026, India's average gold price rose 4.74× while consumer prices rose 1.56×, so gold's purchasing power grew 3.04× — 12.1% a year after inflation — according to BankCreds analysis of RBI gold-price data and MoSPI's Consumer Price Index. Gold outpaced inflation in 82 of 106 (77%) rolling 12-month periods, but not in every year.

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October 2016 – July 2026

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RBI v1.0 · 118 months + MoSPI v1.0 · 140 months

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Executive summary

This study compares RBI's monthly average gold price with India's official Consumer Price Index (MoSPI, All-India Combined) over the 118 months both cover, October 2016 to July 2026. Gold grew 17.3% a year and consumer prices 4.7% a year, leaving a real (inflation-adjusted) gain of 12.1% a year. The real path was uneven: after August 2020 the inflation-adjusted gold price fell 16.8% and did not regain that level until March

2024, and in 2021 gold's average changed +0.3% while consumer prices changed +5.1%. Inflation itself ranged from 0.3% to 7.8% a year over the CPI period covered.

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 RBI and MoSPI data found that between October 2016 and July 2026 India's average gold price rose 4.74× while the Consumer Price Index rose 1.56×.
- 2** After adjusting for consumer-price inflation, gold's value grew 3.04× over the period — 12.1% a year, against nominal growth of 17.3% a year and inflation of 4.7% a year.
- 3** Gold worth ₹1,00,000 at the October 2016 average price was worth about ₹4,74,225 by July 2026 — about ₹3,03,996 in October 2016 rupees once consumer-price inflation is removed (before GST, making charges and buy-sell spreads).
- 4** Gold's 12-month change exceeded the official CPI inflation rate in 82 of 106 (77%) rolling 12-month periods.
- 5** The weakest 12-month period for gold after inflation was a real change of -15.5% (12 months to August 2021); the strongest was +79.6% (12 months to January 2026).
- 6** Over three-year periods, gold's real (after-inflation) change was positive in 78 of 82 (95%) windows; over five-year periods, in 58 of 58 (100%).

- 7 Gold's calendar-year average grew faster than consumer prices in 7 of 8 years (2018–2025); the weakest year was 2021, when gold changed +0.3% and consumer prices +5.1% (a real change of –4.6%).
- 8 The deepest fall in the inflation-adjusted gold price was 16.8%, from August 2020 to March 2021; the real price did not regain its August 2020 level until March 2024, 43 months later.
- 9 India's official CPI inflation rate ranged from 0.3% (October 2025) to 7.8% (April 2022) between January 2015 and August 2026, averaging 4.7%; the latest reading was 4.8% for August 2026 (provisional).
- 10 These results describe one period in which gold rose strongly; over other periods, or from a different starting month, gold's real return can be much lower or negative.

Key statistics

REAL GROWTH, A YEAR

12.1%

gold after CPI inflation, Oct 2016–Jul 2026

GOLD VS PRICES

4.74x vs 1.56x

gold price vs CPI, Oct 2016–Jul 2026

12-MONTH PERIODS GOLD BEAT CPI

77%

106 rolling periods

WORST REAL 12 MONTHS

–15.5%

to August 2021

DEEPEST REAL FALL

16.8%

August 2020 → March 2021

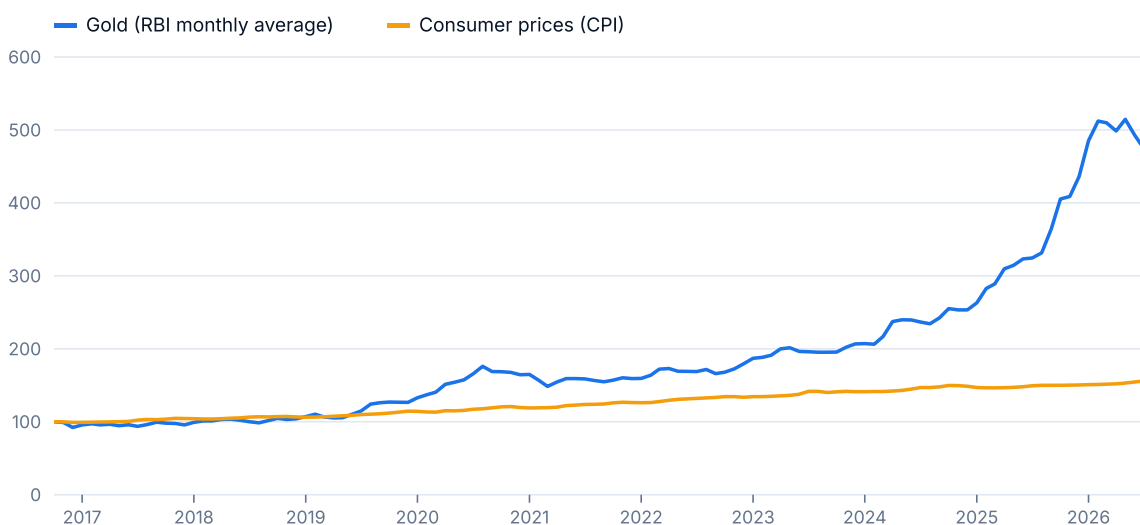
LATEST CPI INFLATION

4.8%

August 2026, provisional

Gold price vs consumer prices (index, start = 100)

RBI monthly gold price and MoSPI CPI (Combined), both rebased to 100 in October 2016, to July 2026.



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

What “beating inflation” means here

Inflation erodes what money can buy. To see whether gold kept up, we divide the gold price by the Consumer Price Index, both set to 100 in October 2016: the result is gold’s value in constant rupees. If that real index is above 100, gold bought more goods and services than when the period began.

The Consumer Price Index is MoSPI’s official measure of retail prices for India as a whole (rural and urban combined). For 12-month comparisons we use MoSPI’s published inflation rate for each month; for the long-run comparison we use MoSPI’s

official linked index, which joins the older 2012-base series to the new 2024-base series.

Inflation-adjusted (real) gold price, start = 100

Gold price index divided by the CPI index, October 2016 = 100. Above 100 means gold rose faster than consumer prices since the start.



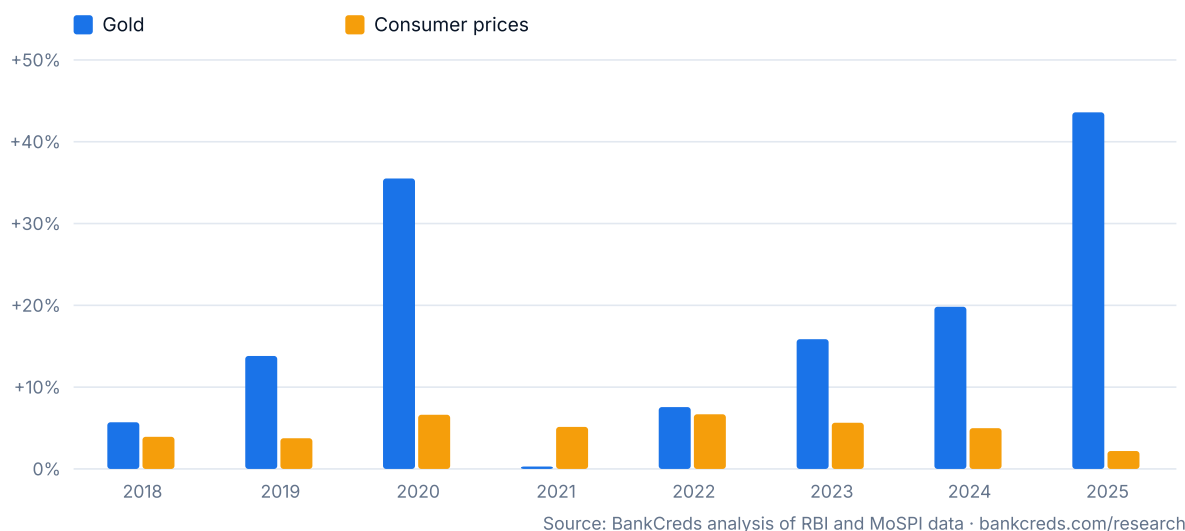
Source: BankCreds analysis of RBI and MoSPI data · bankcreds.com/research

The real price path

Measured in constant rupees, gold ended the period at 3.04× its October 2016 value. Most of that gain came late: the real price peaked in August 2020, fell 16.8% by March 2021, and spent 43 months below that peak before regaining it in March 2024. Someone who bought at the August 2020 high therefore waited 43 months for gold to restore its purchasing power — a very different experience from the 12.1% average.

Yearly change: gold vs consumer prices

Change in calendar-year averages, 2018–2025: RBI gold price vs MoSPI CPI.



Year by year

Gold’s calendar-year average outpaced consumer prices in 7 of 8 years. The weakest was 2021, when the gold average changed +0.3% while consumer prices changed +5.1% — a real change of –4.6%. The largest real gain was in 2025 (+40.5%). The table below lists every year.

What this means for savers and borrowers

Over this decade gold preserved and grew purchasing power, but the gains were concentrated in a few years and periods of real loss lasted years. Comparing it with deposit returns requires the after-tax interest rate as well as inflation, which this study does not model. If you hold gold, its rupee value also determines how much you can borrow against it — see our gold price history and the gold loan eligibility calculator.

Data tables

Gold vs consumer prices, calendar-year averages

Change in each calendar year's average vs the previous year. CPI change here is from MoSPI's index averages, not the monthly official inflation rate.

Year	Gold, change	CPI, change	Real (gold after inflation)	Gold beat inflation?
2018	+5.7%	+3.9%	+1.7%	Yes
2019	+13.8%	+3.8%	+9.7%	Yes
2020	+35.5%	+6.6%	+27.1%	Yes
2021	+0.3%	+5.1%	-4.6%	No
2022	+7.6%	+6.7%	+0.8%	Yes
2023	+15.9%	+5.7%	+9.7%	Yes
2024	+19.8%	+5.0%	+14.1%	Yes
2025	+43.6%	+2.2%	+40.5%	Yes

CPI inflation by month — official rate (latest first)

Month	CPI index (2024=100)	Inflation (YoY)	Status
August 2026	108.74	4.82%	provisional
July 2026	107.95	4.45%	final
June 2026	107.00	4.38%	final
May 2026	105.91	3.93%	final
April 2026	105.12	3.48%	final
March 2026	104.84	3.40%	final
February 2026	104.57	3.21%	final
January 2026	104.45	2.74%	final
December 2025	104.10	1.33%	final
November 2025	104.01	0.71%	final
October 2025	103.74	0.25%	final
September 2025	103.74	1.44%	final
August 2025	103.74	2.07%	final
July 2025	103.35	1.61%	final
June 2025	102.51	2.10%	final
May 2025	101.90	2.82%	final

Month	CPI index (2024=100)	Inflation (YoY)	Status
April 2025	101.58	3.16%	final
March 2025	101.39	3.34%	final
February 2025	101.32	3.61%	final
January 2025	101.67	4.26%	final
December 2024	102.90	5.22%	final
November 2024	103.50	5.48%	final
October 2024	103.70	6.21%	final
September 2024	102.30	5.49%	final
August 2024	101.70	3.65%	final
July 2024	101.70	3.60%	final
June 2024	100.20	5.08%	final
May 2024	98.90	4.80%	final
April 2024	98.30	4.83%	final
March 2024	97.90	4.85%	final
February 2024	97.90	5.09%	final
January 2024	97.70	5.10%	final
December 2023	97.80	5.69%	final
November 2023	98.10	5.55%	final
October 2023	97.60	4.87%	final
September 2023	97.00	5.02%	final
August 2023	98.10	6.83%	final
July 2023	98.10	7.44%	final
June 2023	95.30	4.87%	final
May 2023	94.30	4.31%	final
April 2023	93.80	4.70%	final
March 2023	93.30	5.66%	final
February 2023	93.10	6.44%	final
January 2023	93.00	6.52%	final
December 2022	92.50	5.72%	final
November 2022	93.00	5.88%	final
October 2022	93.10	6.77%	final
September 2022	92.30	7.41%	final

Month	CPI index (2024=100)	Inflation (YoY)	Status
August 2022	91.80	7.00%	final
July 2022	91.30	6.71%	final
June 2022	90.90	7.01%	final
May 2022	90.40	7.04%	final
April 2022	89.60	7.79%	final
March 2022	88.30	6.95%	final
February 2022	87.50	6.07%	final
January 2022	87.30	6.01%	final
December 2021	87.50	5.66%	final
November 2021	87.80	4.91%	final
October 2021	87.20	4.48%	final
September 2021	86.00	4.35%	final
August 2021	85.80	5.30%	final
July 2021	85.60	5.59%	final
June 2021	85.00	6.26%	final
May 2021	84.50	6.30%	final
April 2021	83.10	4.23%	final
March 2021	82.60	5.52%	final
February 2021	82.50	5.03%	final
January 2021	82.30	4.06%	final
December 2020	82.80	4.59%	final
November 2020	83.70	6.93%	final
October 2020	83.40	7.61%	final
September 2020	82.40	7.27%	final
August 2020	81.50	6.69%	final
July 2020	81.10	6.73%	final
June 2020	80.00	6.23%	final
May 2020	79.50	6.28%*	final
April 2020	79.70	7.12%*	final
March 2020	78.30	5.84%	final
February 2020	78.50	6.58%	final
January 2020	79.10	7.59%	final

Month	CPI index (2024=100)	Inflation (YoY)	Status
December 2019	79.20	7.35%	final
November 2019	78.30	5.54%	final
October 2019	77.50	4.62%	final
September 2019	76.80	3.99%	final
August 2019	76.40	3.28%	final
July 2019	76.00	3.15%	final
June 2019	75.30	3.18%	final
May 2019	74.80	3.05%	final
April 2019	74.40	2.99%	final
March 2019	73.90	2.86%	final
February 2019	73.70	2.57%	final
January 2019	73.50	1.97%	final
December 2018	73.80	2.11%	final
November 2018	74.20	2.33%	final
October 2018	74.10	3.38%	final
September 2018	73.80	3.70%	final
August 2018	73.90	3.69%	final
July 2018	73.60	4.17%	final
June 2018	72.90	4.92%	final
May 2018	72.60	4.87%	final
April 2018	72.20	4.58%	final
March 2018	71.90	4.28%	final
February 2018	71.80	4.44%	final
January 2018	72.10	5.07%	final
December 2017	72.30	5.21%	final
November 2017	72.50	4.88%	final
October 2017	71.70	3.58%	final
September 2017	71.20	3.28%	final
August 2017	71.30	3.28%	final
July 2017	70.70	2.36%	final
June 2017	69.50	1.46%	final
May 2017	69.20	2.18%	final

Month	CPI index (2024=100)	Inflation (YoY)	Status
April 2017	69.10	2.99%	final
March 2017	68.90	3.89%	final
February 2017	68.80	3.65%	final
January 2017	68.60	3.17%	final
December 2016	68.70	3.41%	final
November 2016	69.10	3.63%	final
October 2016	69.20	4.20%	final
September 2016	68.90	4.39%	final
August 2016	69.10	5.05%	final
July 2016	69.10	6.07%	final
June 2016	68.50	5.77%	final
May 2016	67.70	5.76%	final
April 2016	67.00	5.47%	final
March 2016	66.40	4.83%	final
February 2016	66.40	5.26%	final
January 2016	66.50	5.69%	final
December 2015	66.40	5.61%	final
November 2015	66.70	5.41%	final
October 2015	66.40	5.00%	final
September 2015	66.00	4.41%	final
August 2015	65.70	3.74%	final
July 2015	65.10	3.69%	final
June 2015	64.80	5.40%	final
May 2015	64.00	5.01%	final
April 2015	63.60	4.87%	final
March 2015	63.30	5.25%	final
February 2015	63.00	5.37%	final
January 2015	62.90	5.19%	final

* No official rate published (April–May 2020, COVID-19); computed from the index for reference. Index values 2015–2024 are MoSPI's official back series linked to base 2024=100.

Methodology

Data. Gold: RBI monthly average price of standard gold, Mumbai, ₹ per 10 grams (dataset version 1.0). Prices: MoSPI All-India Consumer Price Index, Combined, General Index — MoSPI's official linked series on base 2024=100, which uses MoSPI's published linking factor for months before 2025 (dataset version 1.0).

Calculations. Only months present in both series are compared (118 months). Real index = $(\text{gold} \div \text{gold at start}) \div (\text{CPI} \div \text{CPI at start}) \times 100$. Compound annual growth = $(\text{end} \div \text{start})^{(12 \div \text{months})} - 1$. For each 12-month window, gold's change is compared with MoSPI's published year-on-year inflation for the end month; where MoSPI published none (April–May 2020) the index ratio is used. Real change = $(1 + \text{gold change}) \div (1 + \text{inflation}) - 1$. Calendar-year comparisons use annual averages of each index. Percentages are rounded after calculation.

Full standards: BankCreds research methodology.

Data sources

- Reserve Bank of India, Handbook of Statistics on the Indian Economy and RBI Bulletin — monthly average price of gold in Mumbai (standard gold, ₹ per 10 grams); retrieved 4 October 2026.
- Ministry of Statistics and Programme Implementation (MoSPI), National Statistics Office — Consumer Price Index (Rural, Urban, Combined) press releases and the eSankhyiki data portal, All-India Combined General Index (base 2024=100, official linked series); retrieved 8 October 2026.

Limitations

- CPI measures a national basket of consumer prices; your own cost of living can rise faster or slower.
- Gold prices are Mumbai bullion averages excluding GST and making charges; returns on jewellery, coins or funds differ.
- The CPI moved to a new base year (2024=100) in 2026; the long-run series relies on MoSPI's official linking, and index ratios across 2024–2025 can differ slightly from MoSPI's published inflation rates.
- The latest CPI month is provisional and may be revised.
- Results depend on the period chosen and describe the past; they are not a forecast or investment advice.

Frequently asked questions

Has gold beaten inflation in India?

Over October 2016 to July 2026, yes: the gold price rose 4.74× while consumer prices rose 1.56×, a real gain of 12.1% a year. But not every year: in 2021 gold's real change was –4.6%, and the real price spent 43 months below its August 2020 peak.

What is the real return on gold in India?

In BankCreds' analysis of RBI and MoSPI data, gold returned 17.3% a year before inflation and 12.1% a year after it, between October 2016 and July 2026. Real return depends heavily on the start and end dates chosen.

How often did gold beat inflation over a year?

Gold's 12-month price change exceeded the official CPI inflation rate in 82 of 106 (77%) rolling 12-month periods between October 2016 and July 2026. The weakest 12 months

after inflation was a real change of -15.5% , ending August 2021.

What is India's current inflation rate?

MoSPI's official CPI (Combined) inflation rate was 4.8% for August 2026, a provisional figure. Between January 2015 and August 2026 the rate ranged from 0.3% to 7.8% .

Which inflation data does this study use?

MoSPI's All-India Consumer Price Index (Rural + Urban, General Index). Monthly comparisons use MoSPI's published inflation rates; the long-run comparison uses MoSPI's official linked index on base 2024=100, which joins the old 2012-base series to the new one with MoSPI's published linking factor.

Cite this research

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REFERENCE (APA STYLE)

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SOURCE LINE

Source: BankCreds analysis of RBI and MoSPI data – “Gold vs Inflation in India: Real Returns, Oct 2016–Jul 2026” (updated 8 October 2026), <https://bankcreds.com/research/gold/gold-vs-inflation-india/>

HTML LINK

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<a href="https://bankcreds.com/research/gold/gold-vs-inflation-india/">Gold vs Inflation in India: Real Returns, Oct 2016–Jul 2026 – BankCreds Research</a>
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