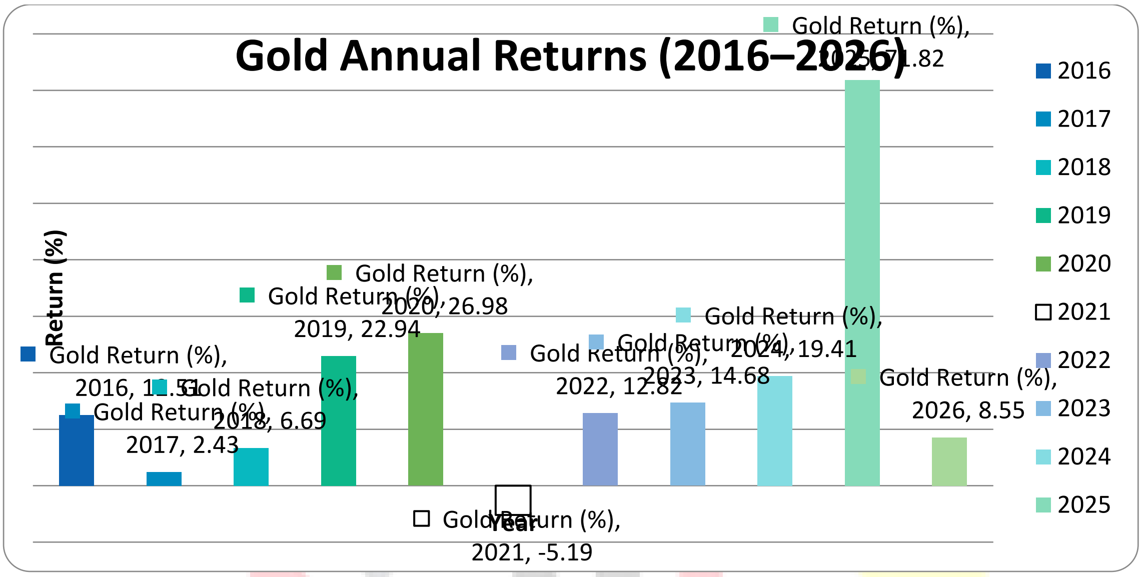
Gold Annual Returns Analysis Report (2016–2026)

Gold Performance Analysis Report

Period Covered: 2016–2026



Executive Summary

Gold has remained one of the most preferred investment assets due to its ability to preserve wealth, hedge against inflation, and provide protection during periods of economic uncertainty. Between **2016 and 2026**, gold generated highly variable annual returns, reflecting changes in global economic conditions, inflation, geopolitical tensions, central bank policies, and investor sentiment.

During this 11-year period:

- **Average Annual Return: 17.60%**
- **Highest Annual Return: 71.82% (2025)**
- **Lowest Annual Return: –5.19% (2021)**
- **Positive Years: 10 out of 11**
- **Negative Years: 1 out of 11**

Overall, gold delivered strong long-term performance with relatively few negative years.

Annual Performance Table

Year	Annual Return
2016	12.51%
2017	2.43%
2018	6.69%
2019	22.94%
2020	26.98%
2021	-5.19%
2022	12.82%
2023	14.68%
2024	19.41%
2025	71.82%
2026	8.55%

Statistical Analysis

Metric	Value
Number of Years	11
Positive Years	10
Negative Years	1
Average Return	**17.60%**
Median Return	**12.82%**
Highest Return	**71.82% (2025)**
Lowest Return	**-5.19% (2021)**
Return Range	**77.01%**

Year-wise Analysis

2016 – Strong Recovery (12.51%)

Gold generated a healthy double-digit return, supported by uncertainty in global markets, low interest rates, and increased demand for safe-haven assets.

Key Highlights

- Moderate bull market
- Increased investor confidence
- Stable upward trend

2017 – Consolidation Phase (2.43%)

Gold delivered only modest gains as equity markets outperformed and global economic growth improved.

Key Highlights

- Low volatility
- Reduced safe-haven demand
- Investors shifted toward equities

2018 – Gradual Improvement (6.69%)

Returns improved moderately amid trade tensions and increased geopolitical uncertainty.

Key Highlights

- US-China trade war
- Rising uncertainty
- Moderate appreciation

2019 – Strong Bullish Momentum (22.94%)

Gold experienced a significant rally due to slowing global growth, declining interest rates, and increased central bank buying.

Key Highlights

- Central bank accumulation
- Falling bond yields
- Safe-haven buying

2020 – Pandemic Rally (26.98%)

The COVID-19 pandemic triggered one of the strongest gold rallies in recent history.

Key Highlights

- Global lockdowns
- Massive monetary stimulus
- Record investment demand

2021 – Correction Year (-5.19%)

After the exceptional gains of 2020, gold experienced a healthy correction as investors returned to risk assets.

Key Highlights

- Rising bond yields
- Strong equity markets
- Profit booking

2022 – Recovery (12.82%)

Gold rebounded due to inflation concerns, geopolitical conflicts, and central bank purchases.

Key Highlights

- Russia–Ukraine conflict
- High inflation
- Increased safe-haven demand

2023 – Stable Growth (14.68%)

Gold continued its positive trend supported by expectations of lower interest rates and persistent inflation.

Key Highlights

- Inflation concerns
- Dollar fluctuations
- Continued institutional demand

2024 – Strong Performance (19.41%)

Gold benefited from increasing central bank purchases, geopolitical tensions, and expectations of monetary easing.

Key Highlights

- Strong global demand
- Diversification by central banks
- Positive investor sentiment

2025 – Exceptional Rally (71.82%)

Gold recorded an extraordinary annual return, making it the best-performing year in the dataset.

Possible Contributing Factors

- Record global demand
- Major geopolitical uncertainty
- Aggressive central bank buying
- Currency weakness

- High investment inflows

This year stands out as a statistical outlier compared to the historical trend.

2026 – Moderate Growth (8.55%)

After the exceptional rally in 2025, returns normalized while remaining positive.

Key Highlights

- Profit booking
- Market stabilization
- Continued long-term strength

Trend Analysis

Phase 1 (2016–2018)

- Moderate growth
- Stable appreciation
- Low volatility

Average Return:
7.21%

Phase 2 (2019–2020)

- Strong bullish phase
- Pandemic-driven rally

Average Return:
24.96%

Phase 3 (2021–2024)

- One correction followed by consistent recovery

Average Return:

10.43%

Phase 4 (2025–2026)

- Extraordinary rally
- Return normalization

Average Return:

40.19%

Positive vs Negative Years

Category	Years
Positive	10
Negative	1

Positive Ratio

90.9% Positive Years

This indicates that gold delivered positive annual returns in the vast majority of years during the analysis period.

Risk Analysis

Strengths

- Excellent hedge against inflation
- Performs well during crises
- Strong long-term appreciation

- Low correlation with equities
- Portfolio diversification benefits

Risks

- Periodic corrections
- Sensitive to interest-rate changes
- Strengthening U.S. dollar can pressure prices
- Short-term volatility

Investor Insights

Conservative Investors

Gold provides capital preservation and portfolio stability during uncertain periods.

Long-Term Investors

Holding gold over multiple years can smooth short-term volatility and support wealth preservation.

Portfolio Diversification

Allocating **5–15%** of a diversified portfolio to gold is a commonly discussed range to help reduce overall portfolio risk, though the appropriate allocation depends on an investor's objectives, risk tolerance, and financial circumstances.

Key Observations

- Gold produced positive returns in **10 of 11 years**.
- The **average annual return was 17.60%**, indicating strong long-term performance.
- **2025** was an exceptional year with a **71.82%** return, significantly above the long-term average.
- **2021** was the only negative year, with a **–5.19%** return, following the strong pandemic rally of 2020.
- The data illustrates gold's role as a resilient asset capable of delivering attractive returns while helping diversify investment portfolios.

Conclusion

The 2016–2026 period demonstrates gold's resilience and long-term investment appeal. Despite one year of negative returns, the metal consistently delivered positive performance, with an average annual gain of **17.60%**. The exceptional rally in **2025** highlights gold's potential to outperform during periods of heightened uncertainty, while the more moderate gain in **2026** suggests a return toward typical performance levels.

For investors, gold remains an important strategic asset for **wealth preservation, inflation protection, and portfolio diversification**. Although annual returns can fluctuate considerably, maintaining a disciplined, long-term allocation can help balance risk and improve portfolio resilience.