

Gold vs Sensex vs Bitcoin: With over 62% returns, this asset class is leading returns in 2024 so far

By Shivendra Kumar, ETMarkets.com • Last Updated: Mar 10, 2024, 11:52:00 AM IST

Synopsis

After a lackluster February, gold hit fresh all-time highs in March. The gold contract on MCX scaled a new all-time high of Rs 66,356 per 10 grams during a holiday-truncated week. The yellow metal has risen by Rs 3,529 or 5.64% so far in March over February and is up 4.93% in 2024 so far. In the international market, the new lifetime peak was \$2,195 per troy ounce on the Comex.



Investors in [gold](#) would be laughing their way to the banks with the back-to-back lifetime highs in the yellow metal this week. Its returns in March and 2024 so far have surpassed those of the S&P BSE [Sensex](#). However, [Bitcoin](#) (BTC) remained the showstopper with more than 11% weekly returns and 62% in 2024, so far.

After a lackluster February, gold has been hitting new lifetime highs in March. The gold contract on MCX scaled a new all-time high of Rs 66,356 per 10 grams on Friday. It has risen by Rs 3,529 or 5.64% so far in March over February and rose by Rs 3,118 or 4.93% in 2024 so far. In the international market, the new lifetime peak was \$2,195 per troy ounce on the Comex.

In comparison, Sensex has delivered returns of 2.20% in March so far, rising by 1,619 points to end Thursday at 72,500. Its lifetime high was recorded at 74,245.17. On the YTD basis, the gains stand at 1,879 points or 2.60%.

On Friday, equity markets were closed while bullion markets were shut in the first half but resumed trade in the second session after 5 pm.

Bitcoin smashed a new lifetime high of Rs \$70,085.85 on Friday before closing the session at \$68,300.10. This crypto asset has appreciated by \$7,101 or 11.60% in a week. Its YTD record is even more impressive with gains of 62.2% or a whopping \$26,200 uptick. On December 29, BTC had ended at \$42,099.40.

Gold and equity markets around the world have been rising on hopes of a rate cut by the Federal Reserve in June. The sentiment was further boosted after US economic data numbers reported a steady decline in inflation numbers.

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The leading crypto rally has been boosted by investor demand for new US spot exchange-traded crypto products and expectations of a drop in global interest rates but the real turnaround for the token was the approval of 11 spot Bitcoin ETFs by the US Securities and Exchange Commission (SEC) in January.

The experts labelled this event as a watershed moment following a series of scandals and high-profile corporate bankruptcies. Net flows into the 10 largest US spot Bitcoin funds reached \$2.2 billion in the week ended March 1, with more than \$2 billion of that going into BlackRock's iShares Bitcoin Trust, a Reuters report said citing LSEG data.

Amid economic and geopolitical uncertainties, asset diversification will be a way forward, Adhil Shetty, CEO at Bankbazaar.com told ETMarkets, refusing to pick one asset class over the other. The cryptocurrency market offers opportunities for high-risk, high-reward investments with extreme volatility, Shetty said while warning against risks associated with crypto assets which are less regulated than equities or bullion.

Equities, on the other hand, could be driven by short-term speculation, offering opportunities for higher returns on investment compared to gold, Shetty said. They are also vulnerable to sudden downturns and volatility, making them suitable only for those comfortable with market fluctuations.

While it is not often that all three asset classes rally simultaneously, this synchronised rally in equities, gold, and

Bitcoins could be attributed to hopes of an interest rate cut which is imminent now amid a belief that they have peaked, Kranthi Bathini Director-Equity Strategy at WealthMills Securities said. He also sees financialisation of assets as a growing trend among people that has diverted investments from real estate and physical gold.

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Gold has often done well in the low-interest rates regime due to the liquidity, but we expect gold to underperform on a relative basis to other asset classes, Jigar Pandit, Head of Commodity & Currency Business at Sharekhan by Paribas said.


Bathini's top bet remains equities over the long term for higher returns even as he refused to call Bitcoin an asset class.

(Disclaimer: Recommendations, suggestions, views and opinions given by the experts are their own. These do not represent the views of Economic Times)

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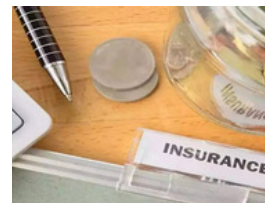
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