

Gold ETFs deliver up to 61% returns since last Akshaya Tritiya. Should you hold or book profits after the rally?

By Surbhi Khanna, Published on: April 17, 2026.



In India, buying gold is not just an investment—it is deeply rooted in tradition. People often purchase gold during festivals as it is associated with prosperity, good fortune, and long-term wealth. Akshaya Tritiya is one such special occasion, widely considered highly auspicious for buying gold.

Against this traditional backdrop, gold exchange-traded funds (ETFs) have also emerged as a strong modern alternative to investment in the bullion.

Gold ETFs have delivered stellar returns of up to 61% since the last Akshaya Tritiya, an analysis by ETMutualFunds showed. Market experts, however, caution that allocation discipline remains key—investors should book profits in line with their asset allocation, trimming exposure when it exceeds targets and rebalancing when it falls short.

Akshat Garg, Head - Research & Product of Choice Wealth, shared with ETMutualFunds that align profit booking with your long-term asset allocation: trim exposure (e.g., 20-30%) if gold now exceeds your target of 5-15%, reallocating to underweight assets like equities or debt to maintain balance without fully exiting the hedge.

Vishal Dhawan, Founder & CEO, Plan Ahead Wealth Advisors, told ETMutualFunds that on profit-booking, the more sensible lens is usually portfolio discipline, not price excitement, and after a very sharp move, tactical profit-booking can make sense if gold has moved meaningfully above the intended portfolio weight.

But for long-term investors, gold is usually held as a strategic diversifier, so exiting solely because returns were strong can defeat the role it plays in cushioning portfolios during stress, Dhawan further said.

What has driven the rally?

The sharp surge in gold ETF returns has largely been driven by multiple global factors, including geopolitical tensions, central bank buying, a softer interest rate outlook, and persistent macro uncertainty. Gold's appeal as a safe-haven asset has strengthened as investors seek protection against volatility in equities and currencies.

Experts believe that while the rally has been strong, gold is benefiting from inflation-hedging demand.

Dhawan said that the rally has largely been driven by a mix of safe-haven demand, strong central-bank buying, continued geopolitical uncertainty, a softer US dollar at various points, and falling or volatile real yields, and gold is benefiting from inflation-hedging demand

To this, Garg said central bank buying, massive ETF inflows (especially in India), inflation fears from US tariffs, and global debt pressures have fueled the surge, even as Middle East tensions caused temporary dips via oil-driven USD strength—though the dollar remains range-bound at DXY approximately 98.

Since the last Akshaya Tritiya was celebrated on April 30, 2025, gold ETFs gave an average return of 59.63%. There were 20 gold ETFs in the said period, of which the Tata Gold ETF gained the most, around 60.59%.

Aditya Birla SL Gold ETF and ICICI Pru Gold ETF posted a return of 60.27% and 60.22%, respectively. Zerodha Gold ETF rallied 60.12%, followed by Kotak Gold ETF, which went up 60.06%.

Quantum Gold Fund ETF was the last one in the list, which gained 58.55% from April 30, 2025, to April 16, 2026.

Is the surge sustainable?

While gold ETFs have delivered impressive returns, questions remain about the sustainability of this rally. Valuations in the near term may appear stretched after such a sharp move, but structural drivers for gold remain intact.

According to Garg, this rally is structurally sustainable due to persistent Asian and central bank demand plus macro hedging qualities, though short-term stretches exist post-rally; long-term investors should continue SIPs targeting 5-10% allocation.

Dhawan said that flows into gold ETFs have clearly remained strong, supported in part by sharp trailing returns, though the pattern has not been linear, while the broader trend has stayed firm, there have also been signs of moderation and volatility in flows, both in India and globally which suggests that the rally is no longer a simple one-way flow story and that investor behaviour is becoming more sensitive to price levels and market conditions.

Dhawan added that valuations do appear more stretched than they were a year ago, at least from a momentum perspective. For long-term investors, continuing SIPs may still be the more disciplined approach rather than trying to time the top after a sharp rally and the key, however, is to ensure that gold remains within a planned asset-allocation framework and does not become a disproportionate driver of the portfolio simply because of recent performance.

A right time to invest?

Geopolitical tensions, which traditionally bolster gold, complicated the narrative this time. According to a report by Tata Mutual Fund, war-driven energy price spikes increased pressure on importing nations, some central banks had less room to buy gold, and countries like Turkey even sold gold reserves to stabilise their currency.

Central banks have been the backbone of gold's rally since 2023. However, this does not signal a full reversal. It's just a slowdown in buying. Overall, gold swaps by central banks are largely neutral for prices, the report further mentioned.

With gold prices being volatile, many investors are debating whether to enter now or wait for a correction. In response to this, Dhawan said that for a lump-sum investor, waiting for a correction is emotionally attractive but practically difficult, because gold rallies are often driven by unpredictable risk events. For a long-term allocator, staggered entry is generally the cleaner approach than trying to call the perfect level, which is especially true after a sharp run-up when near-term volatility risk is higher.

He further said that a strategic allocation is usually more relevant than a return-chasing allocation. In practical wealth-allocation discussions, many diversified portfolios treat around 5% to 10% as a reasonable strategic range for gold exposure, while going materially above that usually needs a stronger macro view and higher tolerance for commodity volatility, and that is a framework, not a one-size-fits-all prescription.

Garg said that this is suitable for SIP entry at these levels for patient investors; consider waiting for a 5-10% pullback if tactical and aim for 7-12% portfolio allocation, fitting Indian investors' diversification needs amid equity volatility.

Historical performance

In the last six months, gold ETFs have rallied upto 21.19% with Tata Gold ETF being the top performer. In the last nine months, the gain has been upto 55%. And in the current calendar year so far, gold ETFs gained up to nearly 16%, with LIC MF Gold ETF delivering the highest return of 15.50%.

A rough ride in 2026

Gold and silver emerged as the standout performers till January 29, offering investors superior returns. January 2026 was a very eventful month for gold and silver. Prices of both metals went up sharply during most of the month as many investors rushed towards safe options because of uncertainty in global markets. People looked at gold and silver as protection for their money, which pushed prices higher.

Gold and silver reached very high levels, close to record prices. On January 29, Gold futures scaled fresh lifetime highs on the Multi-Commodity Exchange (MCX) and gold climbed closer to Rs 1.8 lakh per 10 grams.

Silver emerged better than gold in the starting month of the current calendar year because it benefits both as a precious metal and from industrial demand, which added to the buying pressure.

However, towards the end of the month, things changed quickly. Once prices became very high, many investors started selling to book profits. This caused a sudden fall in prices. On January 30, gold prices tanked as much as 12%, or Rs 20,514, in a single day on January 30, marking their worst one-day rout since March 2013, when prices had plunged 9% on the MCX.

What to expect in the next 12-18 months

Garg said that one can expect \$4,000-\$5,000/oz consolidation through 2026-27, backed by policy easing, steady demand, and geopolitical risks maintaining a bullish tilt.

Dhawan said the base case still looks constructive, but probably with much more volatility than the recent straight-line move suggests. So, over the next 12–18 months, the key variables are likely to be geopolitics, the direction of US real yields, the dollar, central-bank buying, and whether inflation stays sticky enough to keep hedging demand alive.

He further said that if those remain supportive, gold can stay elevated and may still grind higher. But after such a strong run, investors should also expect corrections and weaker ETF-flow months along the way. That makes the medium-term case still positive, but the near-term path much less smooth.