PERSONAL FINANCE

Gold suffers its biggest one-day fall in 12 years after hitting a record. Is it time to buy?

Gold dropped as much as 6.3% a day after touching an all-time high of about $4,381 an ounce. Here is what the fall means for Indian buyers.

By Economic.Express Desk · 22 October 2025 · 2 min read



Gold slips ₹1,100 from its record as the dollar steadies. Is it time to buy?

In 60 seconds

1. Gold hit a record of about $4,381 an ounce on 20 October 2025.
2. The next day it fell as much as 6.3%, the steepest one-day drop since 2013.
3. Silver fell even harder, by about 8.7%.
4. Advisers suggest buying gradually rather than trying to time the bottom.

Gold prices suffered their biggest one-day fall in about 12 years on Tuesday, just a day after hitting a record high, as investors rushed to lock in profits after a huge rally.

From record to sell-off

International gold prices touched an all-time high of about $4,381 an ounce on Monday. On Tuesday, spot gold fell as much as 6.3%, its steepest one-day drop since 2013. Silver fell even more sharply, by about 8.7%. Prices in India followed the global move.

Why prices fell

Analysts said gold had risen too far, too fast, and was due a correction. Signs of easing trade tensions between the United States and China reduced demand for safe-haven assets, and large investors sold holdings in gold exchange-traded funds.

> *A sharp fall after a record run is a reminder that even 'safe' assets can be volatile.*

Should you buy now?

For Indian families, gold has been one of the best-performing investments over the past few years, rising strongly on the back of central bank buying, global uncertainty and a weaker rupee. A sharp correction may tempt buyers who missed the rally.

Financial planners suggest a few simple rules:

- Buy gradually: spread purchases over several months instead of investing a lump sum after one big fall.
- Keep it a portion: many advisers suggest holding around 10% to 15% of your investments in gold, not more.
- Choose the right form: gold ETFs and gold mutual funds avoid the making charges and storage worries of jewellery and coins.

Gold works best as a long-term hedge against uncertainty, not as a short-term trade.