The GUT Theory: Exploring the Nexus of Gold, Uncertainty, and Public Trust

Vighneswara Swamy
ICFAI Foundation for Higher Education (IFHE), Hyderabad, India

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Gold Back in Focus

Record High Prices: Gold surges to **$2,812 per ounce** (Feb 2025) amid global economic uncertainty.

Strong Central Bank Demand: Global gold purchases rose **1% to 4,974.5 metric tons in 2024**, led by China.

Safe-Haven Appeal: Declining public trust in financial systems drives investors toward gold as a hedge.

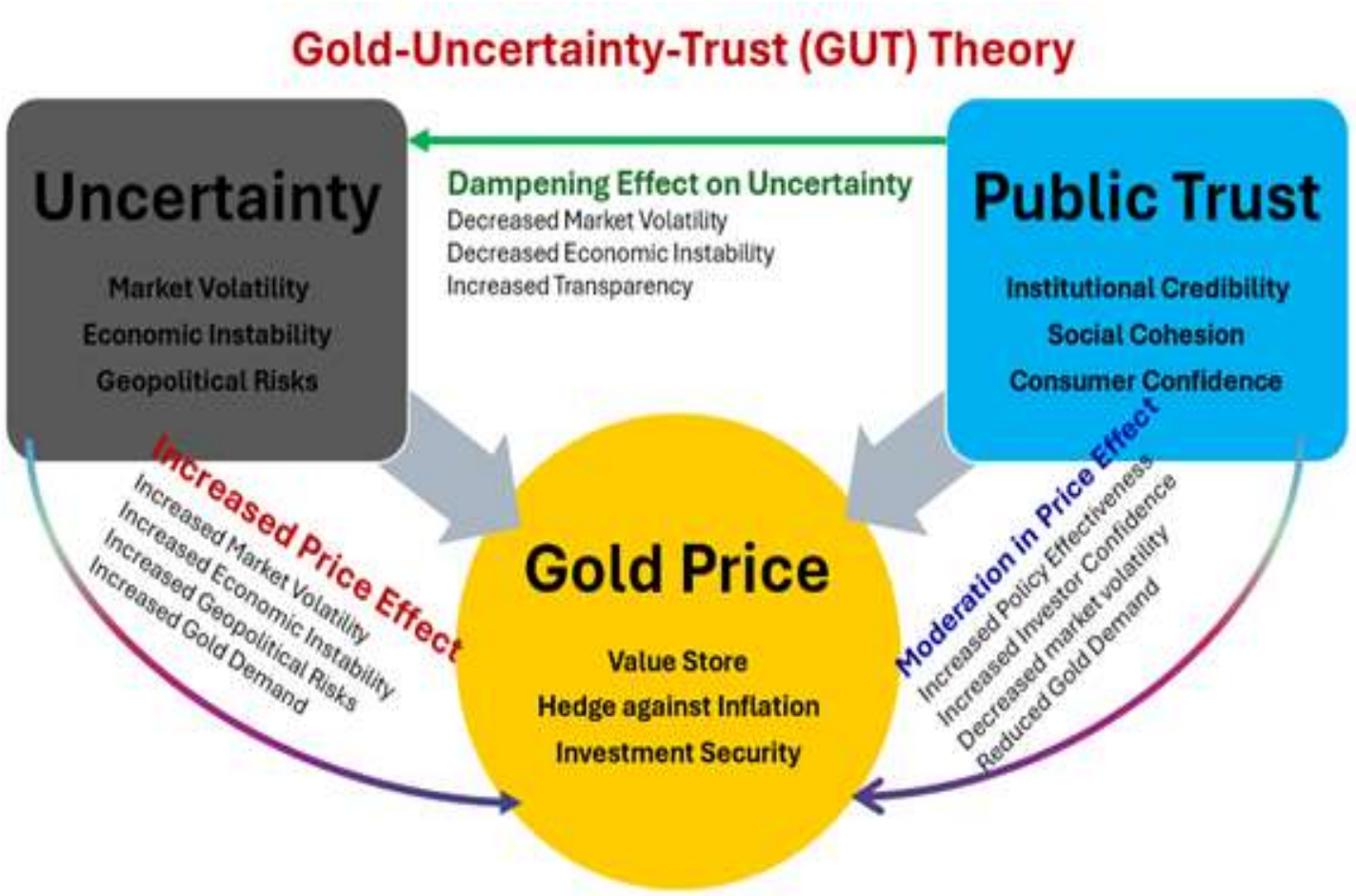
📌 **Sources:** World Gold Council, Reuters

The Gold-Uncertainty-Trust (GUT) Theory: An Introduction

- Despite being called a 'barbarous relic' by economists (Keynes), gold remains a reliable store of wealth and a safe-haven asset (Arslanalp et al., 2023)
- Gold as a store of value and safe-haven asset (Baur & McDermott, 2016).
- Economic uncertainty and gold price dynamics (Raza et al., 2015).
- While the relationship between the demand for gold and economic uncertainty is still unclear, the role of public trust is often unnoticed.
- As a type of social capital, public trust can influence how people and institutions decide in difficult times
- How public trust influences the link between gold prices and economic uncertainty

Beyond Safe Haven: Introducing the GUT Theory

- Gold *usually* thrives in uncertainty (safe haven).
- Addresses a critical gap in the understanding of Gold demand
- **Novel Insight**: Public trust acts as a *brake* on this relationship.
- **Key Hypothesis**: High trust = Lower gold demand during uncertainty.
- **Policy Impact**: Crucial to understand the impact of Trust and act accordingly.



Why Public Trust Matters *Especially* in India?

Trust as a Stabilizer: The Indian Context

- India's Historical Context: Colonial past, governance perceptions, and financial inclusion levels all impact trust.
- Impact of High Trust in Government & Institutions: Leads to less panic buying of gold during crises.
- Impact of Lower Trust: Increases sensitivity to economic shocks and drives higher gold demand.
- Key Takeaway: Trust reduces risk perception and boosts investor confidence.

GUT Theory

- Public trust as a moderator between economic uncertainty and gold prices
- Higher uncertainty drives gold demand
- Public trust, acting as a social capital catalyst, moderates uncertainty's adverse impact on gold prices.
- Increased public trust stabilizes gold prices by reducing uncertainty effects
- Hypothesized relationship: $UI\uparrow \Rightarrow GP\uparrow$, $PT\uparrow \Rightarrow GP\downarrow$

Theoretical Framework

Safe Haven Theory: Gold serves as a protective asset during economic uncertainty (Baur & McDermott, 2016; Wang & Lee, 2022).

Uncertainty & Gold Demand

- Heightened uncertainty → Increased demand for gold (Raza et al., 2015)
- Investors seek gold to hedge against economic shocks (Bialkowski et al., 2015).

Role of Public Trust

- **Low trust** → Amplifies uncertainty's effect on gold demand
- **High trust** → Dampens the impact of uncertainty, stabilizing gold prices

Key Insight: Public trust moderates the relationship between economic uncertainty and gold prices, shaping investor behavior in volatile markets.

Research Objectives

1

Quantify the relationship between uncertainty and gold prices in the top five gold-demanding countries

2

Analyze how public trust moderates the impact of economic uncertainty on gold prices

3

Compare these dynamics across different economic and institutional settings to refine GUT theory

Data and Methods

Dataset: Monthly panel data (Jan 2008 – Nov 2023)

Countries: China, India, Turkey, UK, USA (Gold market analysis demands a broad view of institutional and economic systems (Baur & Lucey, 2010))

Key Variables: Gold Price (GP), Economic Uncertainty (UI), Public Trust (PT), Control Variables (CPI, PIR, RBEER)

Econometric Techniques: Panel Cointegration, Panel Quantile Regression, Wavelet Analysis

Theoretical Derivations for the Gold-Uncertainty-Trust (GUT) Theory

- *Baseline Model:*

$$GP_t = \alpha + \beta_1 UI_t + \beta_2 PT_t + \epsilon_t$$

- Eq (1)

- *Interaction Effect between Uncertainty and Public Trust:*

$$GP_t = \alpha + \beta_1 UI_t + \beta_2 PT_t + \beta_3 (UI_t \times PT_t) + \epsilon_t$$

- Eq (2)

- *Deriving the Moderating Effect of Public Trust:*

$$\frac{\partial GP_t}{\partial UI_t} = \beta_1 + \beta_3 PT_t$$

- Eq (3)

- *Quantile Effects:*

$$Q_\tau(GP_t \mid UI_t, PT_t) = \alpha_\tau + \beta_{1\tau}, UI_t + \beta_{2\tau}, PT_t + \beta_{3\tau}(UI_t \times PT_t) + \epsilon_{\tau t}$$

- Eq (4)

- *Long-Run Equilibrium:*

$$GP_t = \lambda_0 + \lambda_1 UI_t + \lambda_2 PT_t + \lambda_3 (UI_t \times PT_t) + u_t$$

- Eq (5)

Hypotheses

H_1: Gold prices and economic uncertainty are positively correlated; as economic uncertainty rises, investors seek gold as a safe-haven asset, driving up its price.

H_2: Public trust moderates the relationship between economic uncertainty and gold prices, weakening the effect of uncertainty on gold price fluctuations.

H_3: The gold-uncertainty-trust dynamic varies across countries due to differences in economic structures and institutional environments.

Methods

Econometric Techniques:

- Panel cointegration for long-term equilibrium relationships
- Panel quantile regression to assess uncertainty's impact on gold prices & trust's moderating role

Robustness Checks:

- Panel unit root tests
- Pesaran CD test
- Pedroni, Kao, & Westerlund cointegration tests

Advanced Analysis:

- Wavelet analysis for multi-scale relationships across time horizons
- Comparative study across five nations, including China & India
- Juodis et al. (2021) Granger non-causality test to confirm causal links

Variables and Data Sources

Table 1: Variables and data source

#	Code	Variable	Description	Data Source
Focus variables				
1	GP	Gold Price	The World Gold Council provides extensive gold price data from 1978 onward, sourced from ICE, Bloomberg, and DataStream, covering futures, premiums, returns, volatility, correlations, and trading volumes.	World Gold Council. (2024). Gold Price per Troy Ounce - Major Consumer and Producer Currencies. Sourced from Bloomberg, DataStream, and ICE Benchmark Administration. Retrieved from the World Gold Council website. Gold Spot Prices & Market History | World Gold Council
2	UI	Economic Uncertainty Index	This time series tracks the World Uncertainty Index (WUI) for 71 nations since January 2008, based on the frequency of "uncertainty" in EIU reports; higher values indicate greater uncertainty.	Ahir, H., Bloom, N., & Furceri, D. (2022, February). The World Uncertainty Index (Working Paper No. 29763). National Bureau of Economic Research. http://www.nber.org/papers/w29763
3	PT	Public Trust	It measures the percentage of respondents who believe that "Most people can be trusted" when asked about their general perception of trust. The dataset covers the period from 1984 to 2022.	Integrated Values Survey (2022) – with major processing by Our World in Data. “Trust in others” [dataset]. Integrated Values Survey, “Integrated Values Survey (IVS) Version 3” [original data]. Trust - Our World in Data

Variables and Data source..

Table 1: Variables and data source

#	Code	Variable	Description	Data Source
Control Variables				
4	PIR	Policy Interest Rate	The policy rate often called the discount rate, is the interest rate that a central bank sets to affect banks' cost of borrowing and lending in the economy.	The Economic Research Division of The Federal Reserve Bank of St. Louis using the FRED dataset. They are updated monthly and indicated as a percentage per year. https://fred.stlouisfed.org/
5	CPIGR	Consumer Price Index	This statistic shows monthly inflation by measuring the annual percentage change in the cost of a standard consumer goods and services basket.	The Federal Reserve Bank of St. Louis Economic Research Division using the FRED dataset. https://fred.stlouisfed.org/
6	RBEER	Real Broad Effective Exchange Rate	The Real Broad Effective Exchange Rate is a monthly index measuring a country's inflation-adjusted currency value against a basket of trade partners' currencies, with a 2020 base year of 100.	The Economic Research Division of The Federal Reserve Bank of St. Louis using the FRED dataset. https://fred.stlouisfed.org
7	WUI	World Uncertainty Index	The World Uncertainty Index (WUI), a widely used uncertainty measure, represents global uncertainty levels as a GDP-weighted average across 71 nations.	Ahir, H., Bloom, N., & Furceri, D. (2022, February). The World Uncertainty Index (Working Paper No. 29763). National Bureau of Economic Research. http://www.nber.org/papers/w29763

Panel Descriptive Statistics

Table 2.2 Panel Descriptive Statistics

Stats	GP	UI	PT	WUI	CPIGR	PIR	RBEER
Mean	8.76	0.28	3.52	9.98	5.00	4.90	4.62
Median	8.68	0.22	3.63	9.97	2.00	3.00	4.60
Maximum	12.02	1.85	4.33	10.96	85.52	30.75	5.22
Minimum	6.54	0.00	2.18	9.11	-2.95	0.10	4.26
Std. Dev.	1.66	0.26	0.59	0.36	10.75	4.94	0.18
Skewness	0.50	2.08	-0.66	0.31	5.09	1.48	1.42
Kurtosis	1.93	9.72	2.27	2.74	31.91	5.51	5.20
Jarque-Bera	78.95	2293.40	84.35	16.81	34519.92	556.28	477.03
Probability	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Observations	882	882	882	882	882	882	882

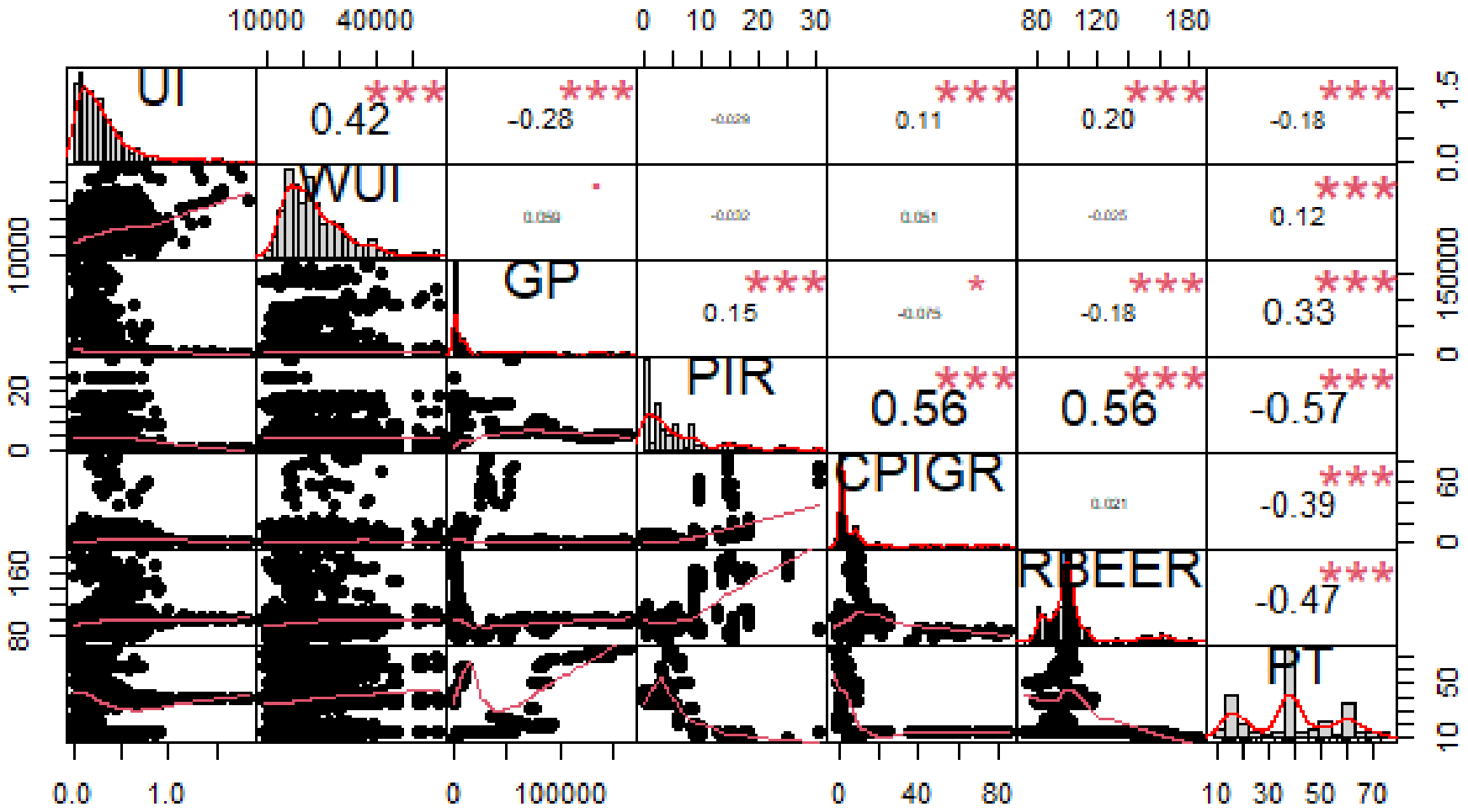
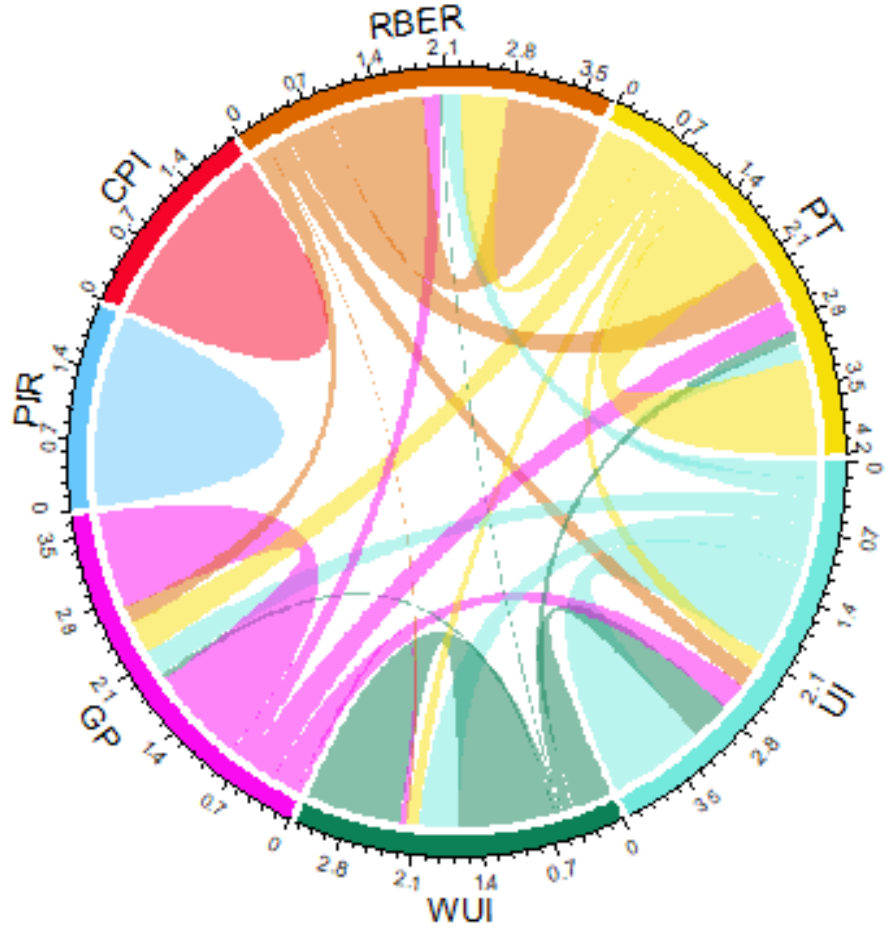


Figure 2: Bivariate Distributions and Correlations

Figure 3:
Chord Diagram of Interrelationships



Quantile Regression Models

$$Q_{GP_{i,t}}(\tau_k|\alpha_i, x_i) = \alpha_i + \beta_1 \mathrm{UI}_{lag1i,t} + \beta_3 \mathrm{WUI}_{lag1i,t} + \beta_4 \mathrm{CPIGR}lag1_{i,t} + \beta_5 PIR_{i,t} + \beta_6 RBEER_{i,t}$$

Table 5A: Quantile Regression Models without Public Trust

Dependent Variable: GP	(tau = 0.10)	(tau = 0.25)	(tau = 0.50)	(tau = 0.75)	(tau = 0.90)
UI(-1)	-0.0867	-0.3468	-1.3243***	-1.5227***	-1.7340***
	(0.0872)	(0.1471)	(0.1624)	(0.1424)	(0.2836)
WUI(-1)	0.0447	0.1216	0.6871***	0.9040***	0.7892***
	(0.0849)	(0.1230)	(0.1364)	(0.1460)	(0.2075)
CPIGR(-1)	-0.0013	-0.0226	-0.0822***	-0.0586***	-0.0630***
	(0.0161)	(0.0261)	(0.0279)	(0.0052)	(0.0075)
PIR	0.1249***	0.1745***	0.3324***	0.3679***	0.4030***
	(0.0202)	(0.0298)	(0.0185)	(0.0226)	(0.0540)
RBEER	-1.8311***	-2.8656***	-4.5688***	-5.5147***	-7.0519***
	(0.3076)	(0.4407)	(0.3546)	(0.3941)	(0.8718)
Intercept	14.7828***	19.0153***	22.1834	24.8158***	33.7503***
	(1.8332)	(2.4115)	(2.0549)	(2.5839)	(5.3672)
Pseudo R-squared	0.2647	0.2426	0.3401	0.3850	0.2468
Adjusted R-squared	0.2605	0.2383	0.3363	0.3815	0.2425
S.E. of regression	1.9950	1.7196	1.2497	1.4774	2.0254
Quantile dependent var	6.9093	7.2225	8.6838	9.6302	11.3562
Sparsity	2.2715	2.3528	2.4918	3.0514	6.1876
Quasi-LR statistic	454.7054	433.6448	677.9985	723.4575	224.7188
Prob(Quasi-LR stat)	0.0000	0.0000	0.0000	0.0000	0.0000
Obs.	877	877	877	877	877

Note: We used Kernel (Epanechnikov) sparsity approach employing residuals and the Huber Sandwich Standard Errors & Covariance approach. Estimates from Quantile Regression are shown for quantiles 10, 25, 50, 75, and 90. Asterisks (*, **, and *) indicate significance levels for coefficients of 10%, 5%, and 1%, respectively. Standard errors are shown in parenthesis.**

Quantile Regression Models with Public Trust

$$Q_{GP_{i,t}}(\tau_k|\alpha_i, x_i) = \alpha_i + \beta_1 \mathrm{UI}_{lag1i,t} + \beta_2 \mathrm{PTI}_{lag1i,t} + \beta_3 \mathrm{WUI}_{lag1i,t} + \beta_4 \mathrm{CPIGR}lag1_{i,t} + \beta_5 PIR_{i,t} + \beta_6 RBEER_{i,t}$$

Table 5B: Quantile Regression Models with Public Trust

Dependent Variable: GP	(tau = 0.10)	(tau = 0.25)	(tau = 0.50)	(tau = 0.75)	(tau = 0.90)
UI(-1)	-0.0210 (0.1015)	-0.2514*** (0.1112)	-0.2118*** (0.0918)	-0.7711*** (0.1413)	-0.9372*** (0.1164)
PT(-1)	2.5103*** (0.1401)	2.2609*** (0.1319)	2.2544 (0.1506)	1.4592*** (0.0921)	1.9525*** (0.0978)
WUI(-1)	-0.1486* (0.0810)	0.1614*** (0.0900)	0.1034 (0.0829)	0.2416*** (0.1162)	0.0564*** (0.1185)
CPIGR(-1)	-0.0686*** (0.0186)	-0.0558 (0.0602)	-0.0311* (0.0170)	-0.0476*** (0.0031)	-0.0172*** (0.0035)
PIR	0.3432*** (0.0244)	0.3660*** (0.0382)	0.4746*** (0.0288)	0.4975*** (0.0198)	0.5210*** (0.0247)
RBEER	-1.3592*** (0.2516)	-1.8141*** (0.3217)	-1.6704*** (0.3489)	-4.0050*** (0.2801)	-4.4465*** (0.2607)
Intercept	5.2646*** (1.5618)	5.3970*** (1.9602)	5.3376*** (2.0948)	18.3797*** (1.9829)	20.9476*** (1.6902)
Pseudo R-squared	0.3540	0.3999	0.4502	0.4872	0.3991
Adjusted R-squared	0.3496	0.3957	0.4464	0.4837	0.3950
S.E. of regression	1.7150	1.3852	1.2109	1.4188	1.8642
Quantile dependent var	6.9093	7.2225	8.6838	9.6302	11.3562
Sparsity	2.0090	1.5682	1.3231	2.3306	3.9234
Quasi-LR statistic	687.5118	1072.2608	1690.5208	1198.6529	573.1565
Prob(Quasi-LR stat)	0.0000	0.0000	0.0000	0.0000	0.0000
Obs.	877	877	877	877	877

Note: We used Kernel (Epanechnikov) sparsity approach employing residuals and the Huber Sandwich Standard Errors & Covariance approach. Estimates from Quantile Regression are shown for quantiles 10, 25, 50, 75, and 90. Asterisks (*, **, and *) indicate significance levels for coefficients of 10%, 5%, and 1%, respectively. Standard errors are shown in parenthesis.**

Quantile Regression Models with Interaction Effect

$$Q_{GP_{i,t}}(\tau_k|\alpha_i, x_i) = \alpha_i + \beta_1 UIPT_{lag1i,t} + \beta_2 \mathrm{PTI}_{lag1i,t} + \beta_3 \mathrm{WUI}_{lag1i,t} + \beta_4 \mathrm{CPIGR}lag1_{i,t} + \beta_5 PIR_{i,t} + \beta_6 RBEER_{i,t}$$

Table 6: Panel Quantile Regression Models with Interaction Effect

Dependent Variable: GP	(tau = 0.10)	(tau = 0.25)	(tau = 0.50)	(tau = 0.75)	(tau = 0.90)
$UIPTlag_1$ (Interaction term)	0.01	-0.06	-0.22***	-0.24***	-0.30***
	(0.01)	(0.04)	(0.06)	(0.07)	(0.13)
$PIRlag_1$	0.13***	0.17***	0.34***	0.36***	0.43***
	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)
$RBEERlag_1$	-1.90***	-2.82***	-5.13***	-6.38***	-8.28***
	(0.07)	(0.28)	(0.38)	(0.43)	(0.75)
$GPRlag_1$	3.32	4.97	-4.81	2.24	9.42
	(2.34)	(9.54)	(12.87)	(14.74)	(25.32)
$CPIGRlag_1$	-0.01***	-0.02***	-0.08***	-0.06***	-0.07***
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Intercept	15.51***	19.93***	31.38***	37.71***	47.03***
	(0.31)	(1.27)	(1.72)	(1.97)	(3.38)
Pseudo R-sq	0.2393	0.2293	0.3168	0.3566	0.2221
Obs.	882	882	882	882	882

Note: The Quantile Regression estimates are provided for quantiles 10, 25, 50, 75, and 90. The coefficients are marked with asterisks *, **, and *** to represent significance levels of 10%, 5% and 1% respectively. Standard errors are reported in parentheses.

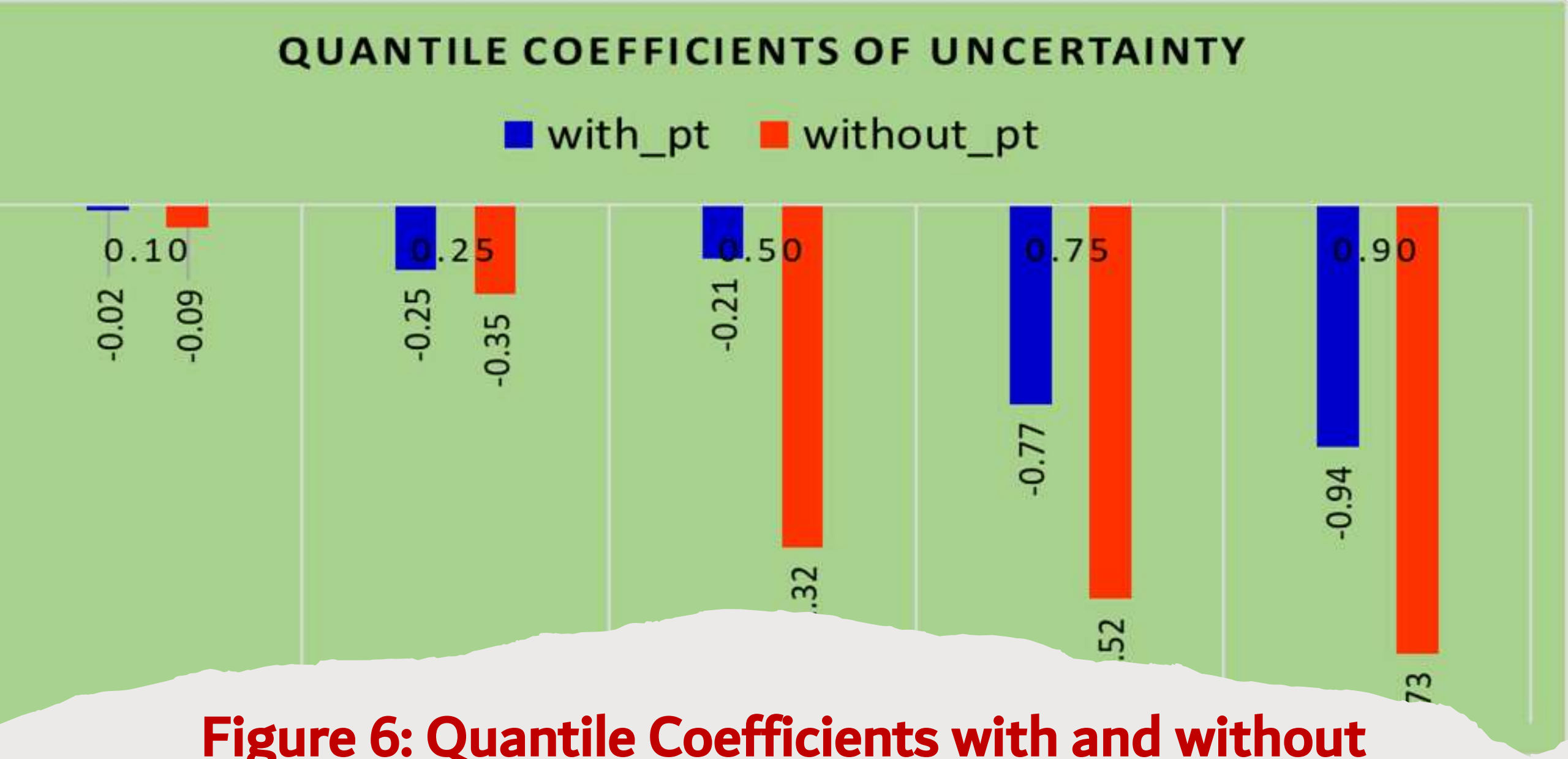


Figure 6: Quantile Coefficients with and without Public Trust

QR Results

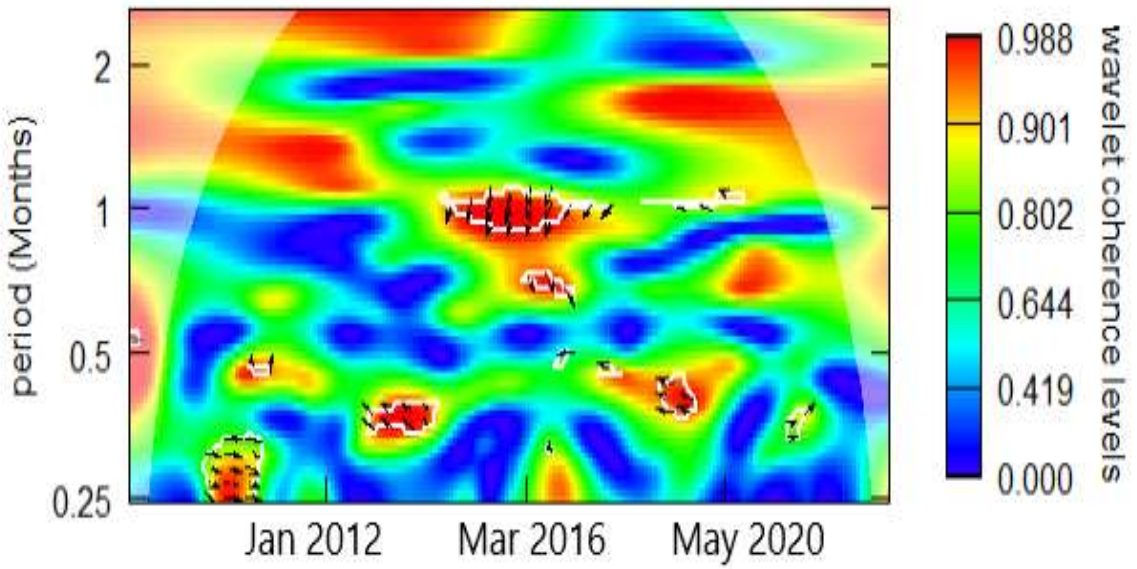
Panel quantile regression estimates show:

- Lower quantiles: Uncertainty weakly affects gold prices
- Higher quantiles: Stronger impact of uncertainty
- Public trust dampens the uncertainty effect

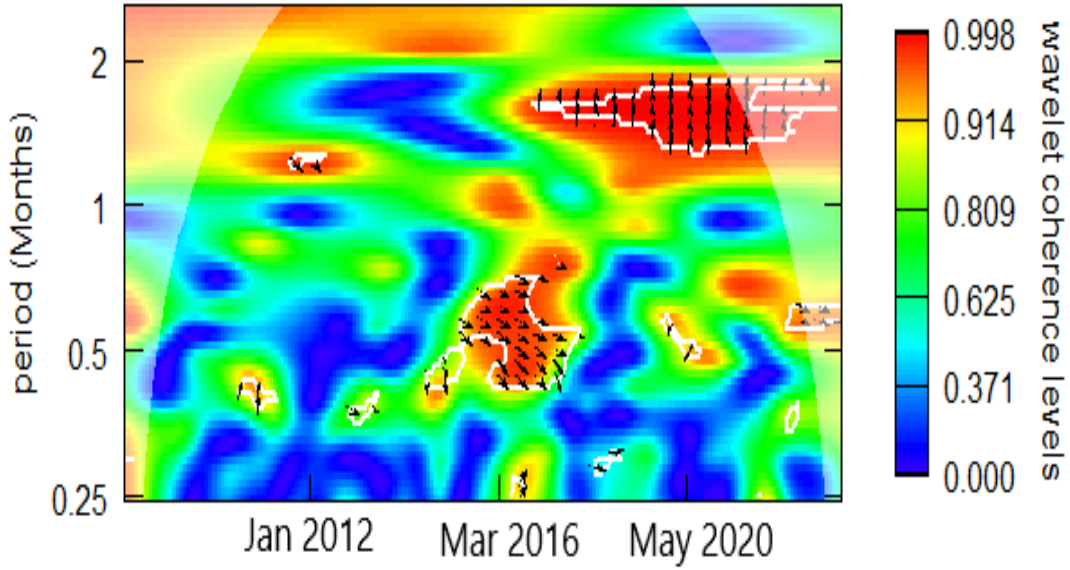
- Economic uncertainty significantly drives gold prices
- Public trust moderates this effect, reducing gold demand under high trust
- Stronger effects at higher gold price quantiles
- Cross-country variations in GUT dynamic

Figure 7.1: Wavelet Coherence of Uncertainty over Gold Price

India



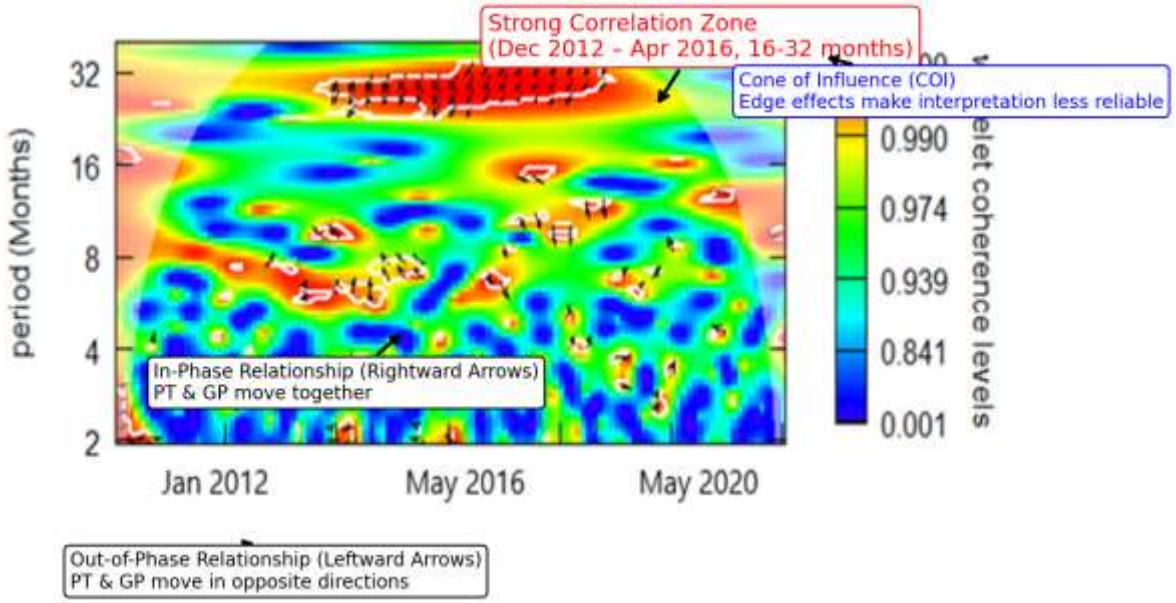
China



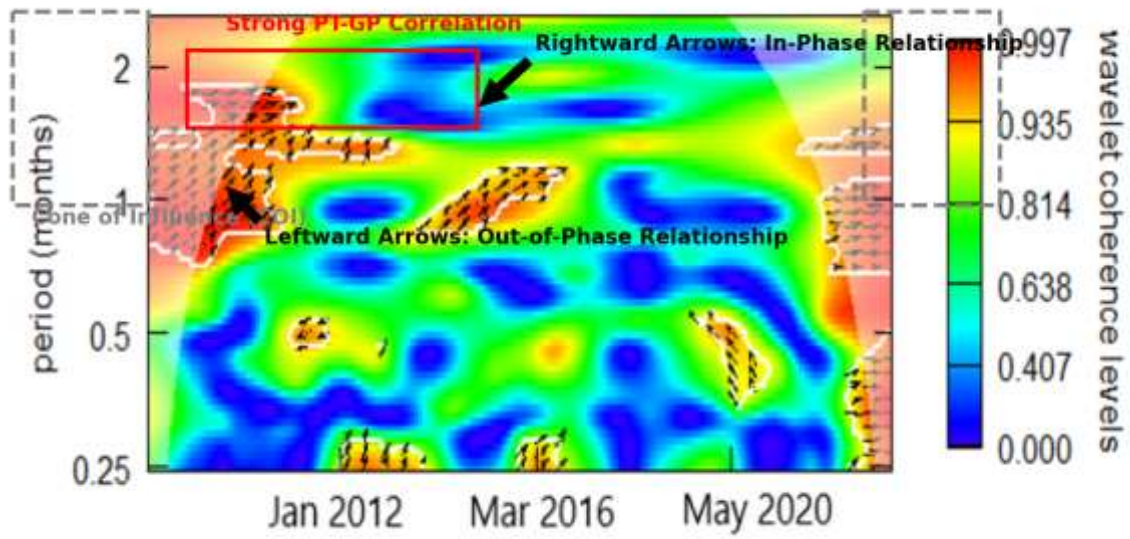
- Strong coherence (red zones) from March 2016 to May 2020, especially in 1- to 2-month cycles, indicating a strong UI-GP relationship.
- Right-pointing arrows show in-phase movement (UI and GP rise together), while left-pointing arrows indicate an out-of-phase relationship.
- The cone of influence marks areas where results may be less reliable due to edge effects.

Figure 7.2: Wavelet Coherence of PT over GP

India



China



- **Strong PT-GP Link:** The red region (Dec 2012 – Apr 2016, 16-32 month cycles) shows a high coherence between Public Trust (PT) and Gold Prices (GP), confirming PT's influence on gold prices.
- **Phase Relationship:** Rightward arrows indicate PT and GP moving together, while leftward arrows show an inverse relationship, highlighting trust's moderating effect.
- **Statistical Significance:** White contours outline significant areas, while the Cone of Influence (faded edges) marks less reliable data, ensuring precise interpretation.

- High coherence zones in early 2012 and late 2016 indicate strong short-term correlations between Public Trust (PT) and Gold Prices (GP).
- These correlations occur at shorter cycles (0.5–2 months), showing that trust fluctuations influenced gold prices in the short run.
- Unlike India, China's trust effects on gold prices were immediate rather than sustained over longer periods.

Wavelet Analysis Results

Time-Frequency Dynamics:

- Wavelet analysis strengthens results by examining relationships among Gold Prices (GP), Uncertainty (UI), and Public Trust (PT).
- WTC (Wavelet Coherence) shows a strong positive correlation between high PT and elevated GP, particularly in high-frequency ranges.

Phase Difference Analysis:

- Uncertainty leads changes in gold prices, confirming gold as a leading indicator of economic uncertainty.
- Public trust weakens this effect, especially in periods of high trust.

- Time-frequency dynamics confirm GUT Theory
- Uncertainty leads gold prices, but public trust reduces fluctuations
- Cross-country variations in trust's impact on gold markets

Testing Causality

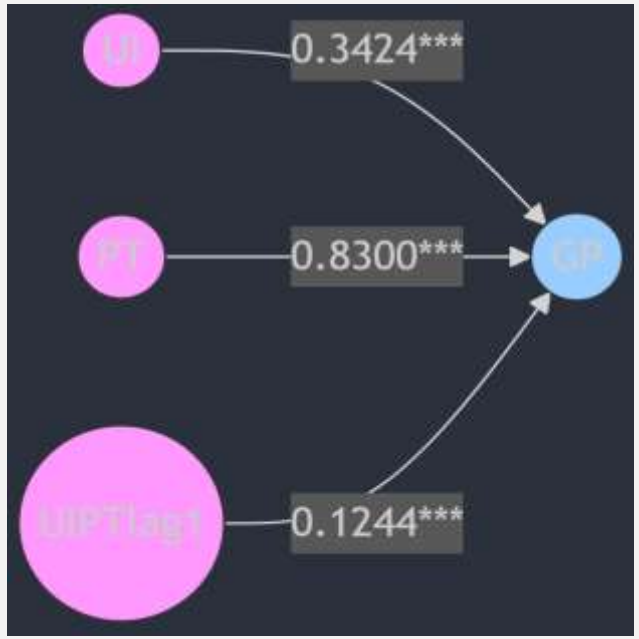


TABLE 7: RESULTS OF THE JKS NON-CAUSALITY TEST

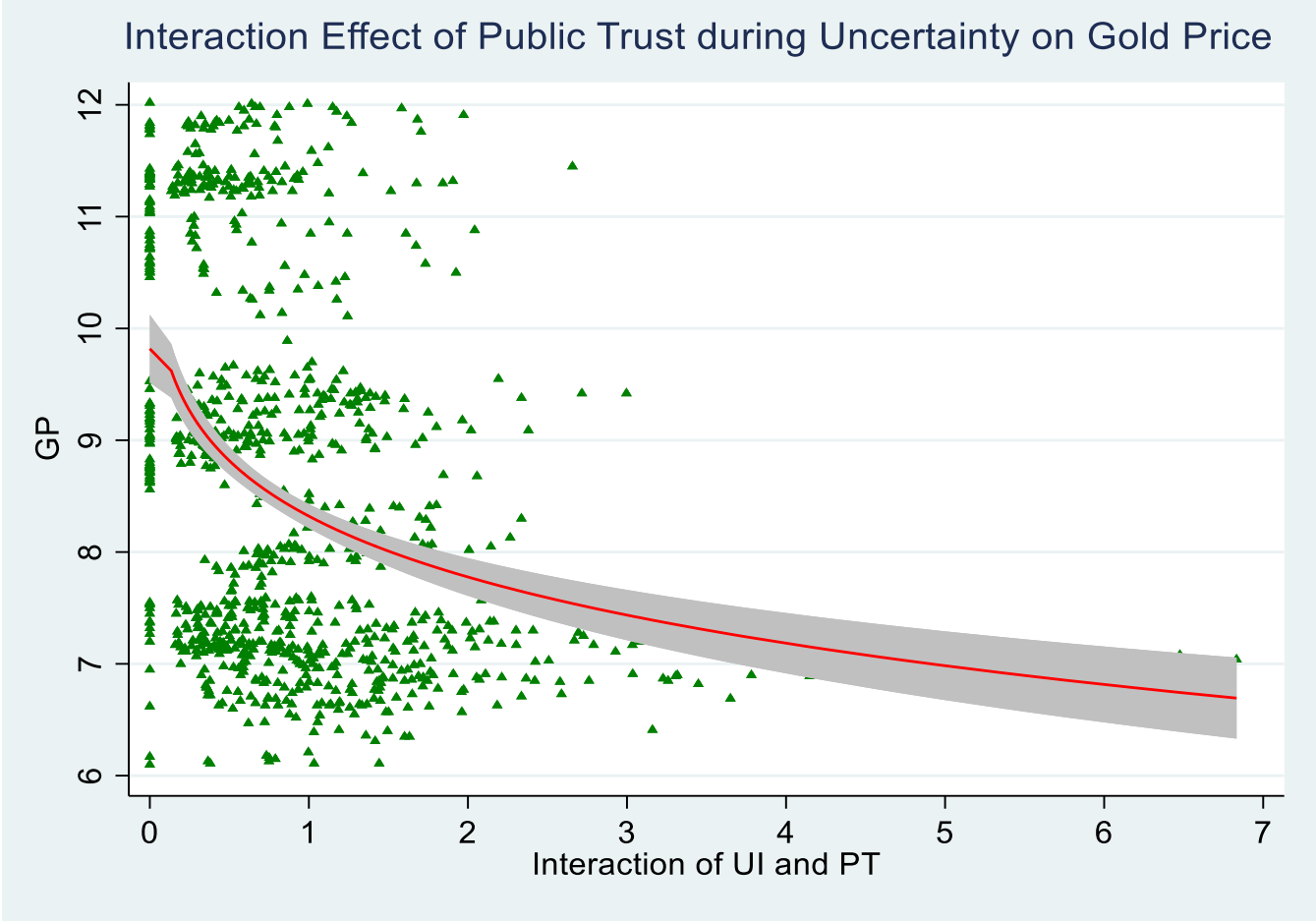
Variable	Coefficient	Std. Err.	z	p>z	HPJ Wald test statistic	BIC
1. H0: UI does not Granger-cause GP						
UI ↛ GP	0.3424	0.0385	8.8900	0.0000	136.90***	-1619.63
2. H0: PT does not Granger-cause GP						
PT ↛ GP	0.8300	0.2363	3.5100	0.0000	132.00***	-1760.54
3. H0: $UIPT_{lag1}$ does not Granger-cause GP						
UIPTlag1 ↛ GP	0.1244	0.0186	6.6900	0.0000	-1626.52*	-1626.52

Note: For Granger non-causality, we employ the Half-Panel Jackknife (HPJ) Wald-type test created by Juodis, Karavias, and Sarafidis (2021). According to the null hypothesis, y ↛ f. To determine the optimal model fit, this technique uses the Bayesian information criterion (BIC) criteria to determine the number of lags.

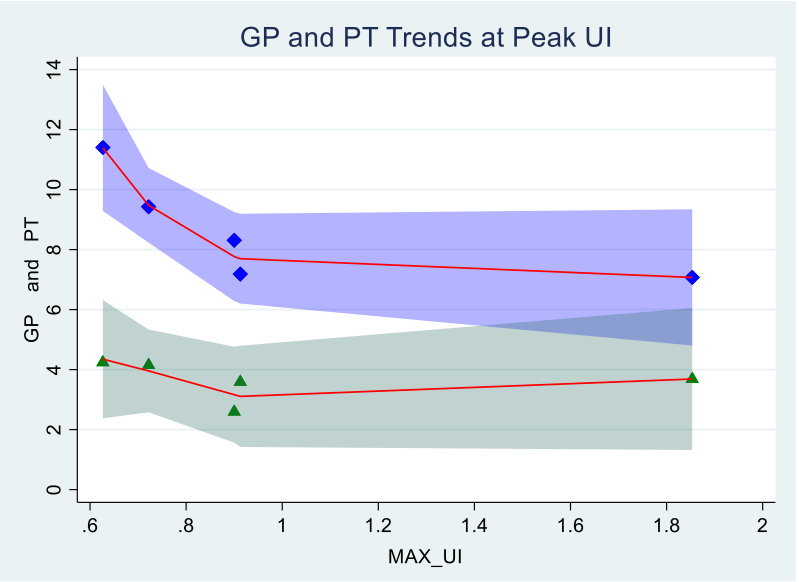
Key Finding #1: Trust Tames Uncertainty's Impact

GUT Theory Confirmed: High Trust Lessens Gold's Safe Haven Appeal

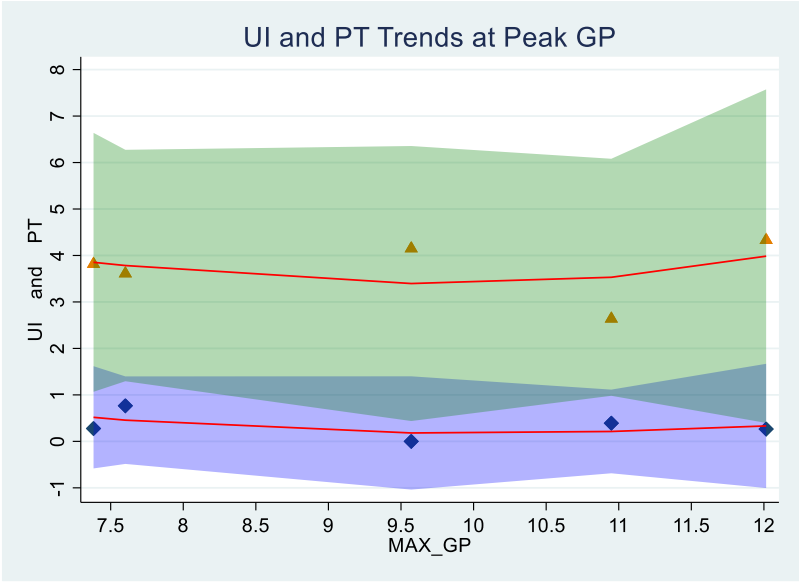
- Uncertainty *does* drive gold prices... BUT...
- ...Higher public trust *significantly weakens* this link.
- Trust acts as a coping mechanism for risk and influences financial decisions
- Robust across econometric approaches!



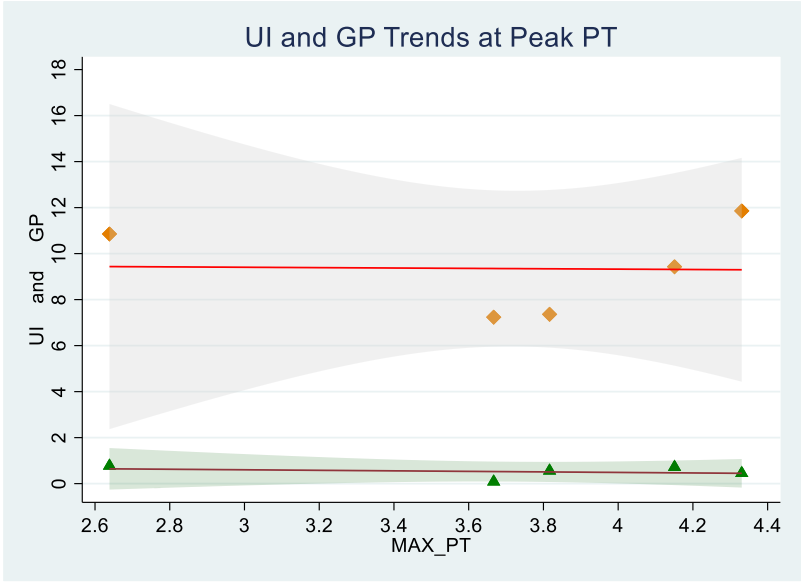
Respective Peak Interrelationships



- Gold prices (GP) decline over time during periods of peak uncertainty.
- Public trust (PT) remains stable or slightly increases during these periods.
- A possible inverse relationship is suggested, though causality isn't established by this chart.



- Uncertainty (UI) shows a stable or slightly decreasing trend when gold prices (GP) are at their peak.
- Public trust (PT) exhibits a more pronounced increasing trend during these peak GP periods.
- This suggests a possible positive relationship between public trust and peak gold prices, though causality is not shown.



- Uncertainty (UI) is low and stable when Public Trust (PT) is at its peak.
- Gold prices (GP) show more variation, possibly with a slight upward trend, at peak PT.
- High public trust appears associated with low uncertainty and potentially slightly higher gold prices, though causality isn't established.

Peak uncertainty is linked to declining gold prices and stable/rising public trust, while peak trust coincides with low, stable uncertainty and potentially rising gold prices.

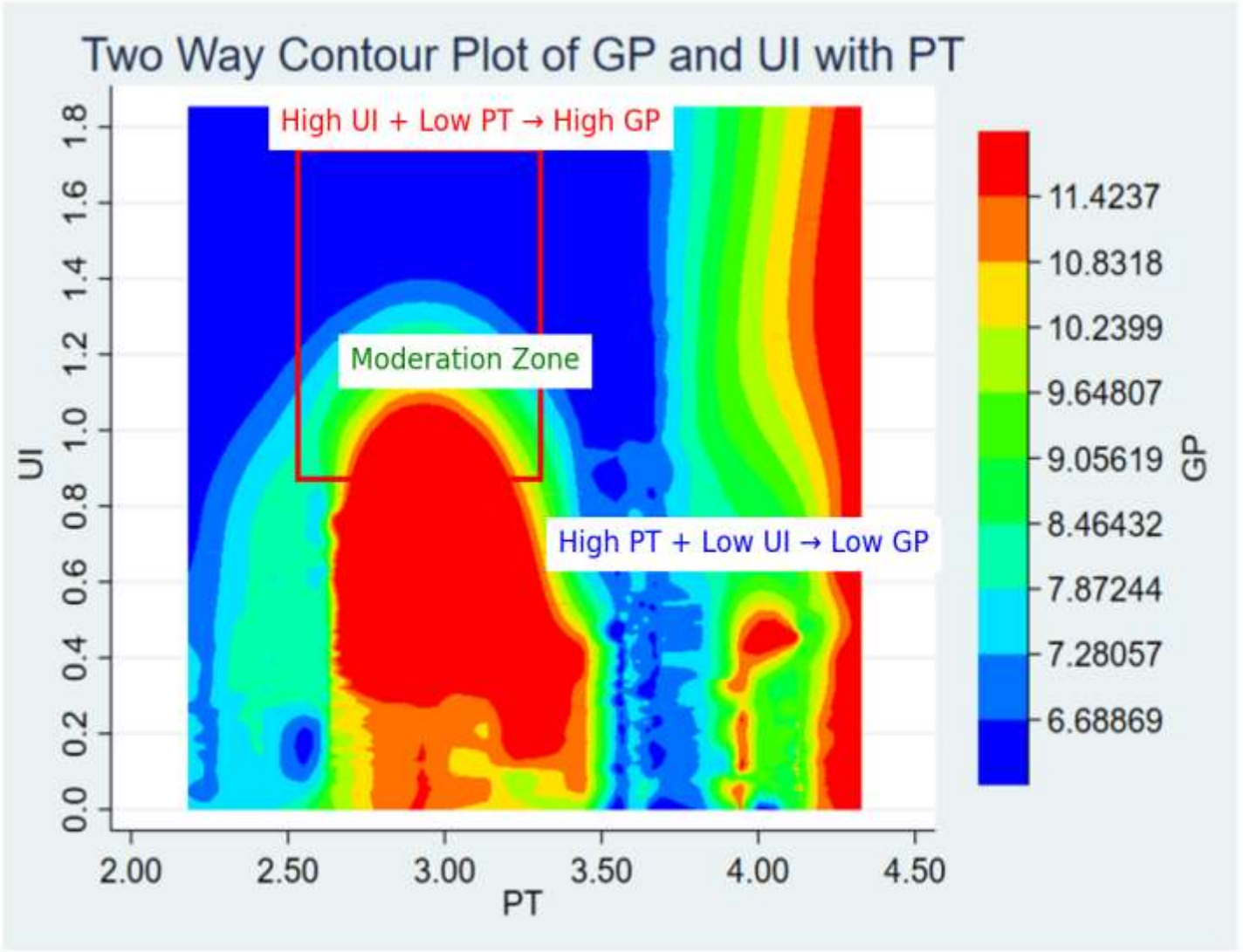
Key Finding #2: Quantile Insights: Trust Matters Most When Gold is High

The Effect of Trust is greatest during higher gold demand

- When Gold is high, Trust matters even more.
- The Safe Haven effect is more pronounced during periods of high demand for Gold.
- Public trust in society and key institutions substantially impacts economic behaviour

Figure 6: The Gold-Uncertainty-Trust (GUT) Dynamic

- **High Gold Price Zone (Red Area)**
  - Located in the lower PT (2.5 - 3.0) and higher UI (>0.6) region.
  - When uncertainty (UI) is high, and public trust (PT) is low, gold prices (GP) surge, reinforcing gold's safe-haven role.
- **Low Gold Price Zone (Blue Area)**
  - Found in the higher PT (above 4.0) and lower UI region.
  - When trust is high and uncertainty is low, gold prices drop as investors feel more confident in stability.
- **Moderation Zone (Green-Yellow Area)**
  - Transitional area where UI and PT interact (around PT = 3.5, UI = 0.4 to 1.2).
  - This region shows how increasing PT can mitigate the uncertainty effect, leading to intermediate gold prices.



Conclusion:

✓ Uncertainty drives gold prices up.

✓ Public trust stabilizes and reduces gold price fluctuations.

✓ Trust mitigates uncertainty's impact, supporting the GUT theory.

How Public Trust Influences the Gold-Price-Uncertainty Nexus

Mechanisms of Public Trust's Moderation:

Risk Perception

- High trust reduces perceived economic risk (Abdelsalam et al., 2024).
- Investors less inclined to seek gold, easing price pressure.

Investor Confidence

- Strong trust boosts confidence in markets (Ang et al., 2015).
- Lower uncertainty-driven demand for gold, stabilizing prices.

Market Sentiment

- Trust fosters a positive investment climate (Cline et al., 2022).
- Investors diversify away from gold, reducing its price surge.

Policy Effectiveness

- Confidence in governance stabilizes markets (Lind & Arndt, 2017).
- Effective policies reduce uncertainty, lessening gold demand.

Policy Implications:
Building a Trust-Based Economy

For Investors:

✓ **Strategic Framework** – Helps navigate market fluctuations during uncertainty

✓ **Informed Decisions** – Incorporate trust indicators in investment strategies

✓ **Broader Asset Allocation** – Beyond traditional economic indicators

For Policymakers:

✓ **Public Trust as a Market Stabilizer** – Reduces uncertainty's impact on gold prices

✓ **Policy Actions** – Enhance transparency, accountability & communication

✓ **Economic Resilience** – Strengthen public trust to stabilize financial markets

For Scholars:

✓ **New Perspective on Safe-Haven Hypothesis** – Public trust's role in gold pricing

✓ **Beyond Gold** – Extend GUT Theory to other asset classes

✓ **Longitudinal Studies** – Exploring shifts in trust & market trends

Future Research

Broader datasets, alternative asset classes, policy interventions

Impact of specific trust-building initiatives on gold demand.

Role of social media and information in shaping trust and gold decisions.

Global events and the GUT nexus: A dynamic interplay.

Conclusion

The GUT Theory: A Paradigm Shift

- GUT Theory highlights a new dimension in gold price dynamics
- Trust as a crucial stabilizing factor
- Public trust is KEY to understanding gold price dynamics in India.
- Trust mitigates the safe-haven effect of gold.
- **Policy Focus**: Building a high-trust economy for greater financial stability and sustainable growth.
- **Final Thought**: By prioritizing public trust, India can foster a more

Thank You