

# e-Gold and e-Silver are unique products for retail investors

Every investor, big or small, practices investment management in one form or the other. Popular forms of investment for retail investors are savings deposits, fixed deposits, equities, mutual funds and real estate. Gold has always been an asset class for investors, but mostly in the form of jewellery. However, investment in Gold and Silver, and for that matter in various other commodities such as Copper, Zinc, Aluminum, Steel, etc. were not available has not been feasible for retail investors with seamless entry and exit as well as least impact cost. E Gold and E silver, recently launched by National Spot Exchange, has filled this vacuum. More importantly, similar products are being launched in various other commodities, which include a basket of metals as well as some agri commodities. This is popularly known as E series products, which are catching investors' interest like wild fire.

E series products enable retail investors to park their small savings into Gold, Silver and other commodities. They can buy even 1 gram of gold or 100 grams of silver, hold it in demat form and whenever they wish to sell it, they can do so on National Spot Exchange platform through any member of NSEL. Investors can even take physical deliveries in various denominations such as 8 grams, 10 grams, 100 grams or 1 Kg of Gold. In case of Silver, they can take delivery, if they so desire, in terms of 500 grams, 1 Kg, 5 kg or 30 Kg multiples.

NSEL has made available deliveries in

these instruments at various locations across the country. The entire process of buying, selling, demat transfers, etc. is very simple and seamless. Most of the leading stock brokers have taken membership of NSEL and have made these products available at their various branch offices across the country. Besides, investors can log in themselves through the on line trading systems of their brokers and participate in trading themselves.

For the first time, Gold and silver are being traded on an on line trading platform, accessible from any location in the country at a single price. Moreover, investor buying 1 gram or 1 Kg can do the same at the same price. Geographical distance is also not an issue, as the same price is applicable whether the investor is located in Mumbai or in Sikkim.

Looking at the advantages of these products, a number of investors have started their own SIP (Systematic Investment Plan) by investing fixed amount every month and buying relevant quantity of Gold and silver through these products. Some investors have also started accumulating gold through this instrument for the purpose of marriage in their family, which is due after 3-4 years. This is a real revolution in terms of promoting savings and investment and channelizing investment in gold and silver by large number of retail investors. While small investors are using these products for investing their paltry savings, HNIs are using it for diversifying their portfolio.