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# A DYNAMIC CAUSALITY ANALYSIS BETWEEN THE GOLD PRICE FLUCTUATIONS AND STOCK MARKET PRICES EVIDENCE FROM NEW YORK STOCK EXCHANGE

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**Abstract:**

This study is very significant as the study is carried out with an objective of identifying the type of relationship of gold prices and New York Stock Exchange and to guide the investors on stock exchanges to better understand the gold price impact on their money invested and keep an eye on gold price trends. The study has applied several statistical tools like Augmented Dickey Fuller Test to test Unit Root, Phillips-person test to test Unit Root, VAR lag length selection criteria, Johansen Cointegration Test, Error correction mode, determination of serial correlation, and test of normality to get to a conclusion relating to the type of relationship between gold prices and New York Stock Exchanges. The study has found that the data has no long run relationship and there was a short run relationship between the two variables considered for the study. In addition, the results proved that there is serial correlation and residuals have not been normality distributed. The study recommends investors and policy makers to consider the results to invest their portfolios in stocks or gold prices, it is also advised that investors to go for investments in both the portfolios namely stock prices and gold prices to reduce the risk factor.

***Keywords***: Gold, New York, Stock Exchange, Investing, Policy Making.