

Chinese Retail Investors' Asset Allocation amid Regime Shifts in Gold–A-Share Correlation

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Abstract: By 2026, the relationship between gold prices and A-share indices in China's domestic market had shifted from a traditional negative correlation to a sustained positive correlation, indicating structural deterioration in gold's safe-haven attributes and a transition toward a new steady-state of asset correlation. Despite this market transformation, retail investors largely adhered to conventional investment paradigms, frequently exhibiting irrational allocation behaviors. Grounded in behavioral finance, dynamic correlation theory, and modern portfolio theory, this study combines literature review, theoretical analysis, questionnaire surveys, and statistical testing methods to examine 313 A-share retail investors, investigating their asset allocation patterns, behavioral biases, and influencing factors under the new correlation dynamics. The findings reveal that investors actively adjust their equity allocations during such transitional periods, yet their decisions remain markedly impulsive and irrational; behavioral biases including risk perception distortions, mental accounting effects, experience anchoring, and herd behavior are significantly amplified, undermining rational asset allocation; extreme market fluctuations diminish the influence of individual characteristics such as risk appetite, age, income, and investment duration. These findings provide empirical evidence for understanding retail investor behavior under regime shifts and offer practical implications for investor education and capital market risk management.

Keywords: Gold–stock market correlation; Correlation regime shift; Retail investors; Asset allocation; Behavioral bias

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1. Introduction

For a long time, gold and the stock market have been regarded as classic hedging counterparts, with a widely accepted negative correlation that has long shaped the conventional investment logic of retail investors. However, since 2026, the co-movement between gold prices and the A-share index in China's domestic market has intensified markedly, indicating a structural shift away from gold's traditional safe-haven function and toward a new steady-state of positive correlation. However, most retail investors continue to rely on the outdated perception of a negative gold-stock relationship, failing to adjust their investment frameworks accordingly. This cognitive inertia has led to frequent issues such as imbalanced asset allocations, distorted risk

perceptions, and irrational trading decisions.

Theoretically, existing research primarily focuses on macro-level quantitative validation and long-term correlation analysis of gold-stock market correlation shifts, with few studies specifically examining retail investors' micro-level behavior during the transition to a new equilibrium state. This paper concentrates on the 2026 transition scenario, addressing gaps in current research perspectives and enriching findings on specific behavioral patterns within behavioral finance and cross-asset allocation theory. Practically, this study provides a theoretical foundation for retail investors to optimize their asset allocation strategies, offers empirical insights for financial institutions conducting investor education, and supplies data support for regulatory authorities to identify common challenges among retail investors and develop targeted protection measures, thereby delivering dual value in both theoretical exploration and practical guidance.

2. Conceptual framework and research design

2.1. Definition of core concepts

2.1.1. Sudden transition to a regime shift in gold–stock market correlation

The correlation structure between gold and stocks has undergone a historic shift from traditional negative correlation to strong positive correlation. Baur and Lucey were the first to propose academically that hedging refers to gold's negative correlation with stocks under normal market conditions, while safe-haven functionality denotes its role in providing price support during extreme market downturns ^[1]. This framework has long served as the foundational paradigm for studying gold's functions. However, Faraj *et al.* identified two distinct regimes in the gold market: a “stable period” (1980–2005) and a “high-volatility period” (2006–2024) ^[2]. During the latter period, gold exhibited a positive correlation with the S&P 500 index across most high-volatility phases; its safe-haven function continued to decline, and gold increasingly displayed characteristics akin to those of a risk asset.

This paper defines the “gold-stock market correlation transition to a regime shift” as a market condition where, triggered by significant shocks, the correlation between gold and the stock market shifts from the traditional negative relationship to a stable positive one.

2.1.2. Individual investors

Retail investors are individual investors who invest as individuals, characterized by small capital scales, limited information and decision-making capabilities, and susceptibility to emotional influences. In the China A-share market, the scale and influence of retail investors are particularly prominent: as of the end of December 2025, the total number of A-share investors had exceeded 240 million, among which individual investors accounted for approximately 239 million, representing over 99.76%, yet they held only about 30% of the circulating market value. This structural feature—dominated by a large number of participants but with relatively limited capital and pricing power—makes retail investors the core subject for understanding the micro-level operating mechanisms of China's capital market ^[3].

2.1.3. Asset allocation practices

Asset allocation refers to the decision-making process by which investors allocate and dynamically adjust funds among different asset classes (such as stocks, bonds, gold, cash, etc.) based on their risk preferences, investment objectives, and constraints ^[4]. This study focuses on three dimensions in volatile environments: position

adjustment (buy/sell operations), asset selection (adjustment of portfolio composition), and risk management (overall portfolio risk assessment).

2.2. Current research status and innovations

Traditionally, gold was regarded as a risk-hedging instrument in the stock market ^[1], but recent empirical studies have generally found that this relationship undergoes fundamental changes. Zhang *et al.* employed quantile correlation network analysis on data from G7 and E7 countries between 2000 and 2024, revealing that gold still serves as a safe haven under extreme market conditions in G7 countries, while playing a more diversified role in China and other E7 nations ^[5]. Zou *et al.*, using the DCC-GARCH model, discovered that gold acts as a net risk absorber for Chinese stocks, with negative spillovers significantly intensifying during the pandemic ^[6]. These findings demonstrate that the correlation between gold and stocks exhibits time-varying characteristics and structural shifts.

Behavioral finance reveals various irrational biases among retail investors: overconfidence, herd behavior, loss aversion, disposition effect, and mental accounts ^[7–9]. Extreme events such as financial crises and pandemics can further amplify panic selling and herd behavior among retail investors ^[7]. The sudden shift in gold-stock market correlation challenges investors' fundamental allocation frameworks—specifically, whether gold remains a safe-haven asset and whether stock portfolios can effectively diversify risk.

Based on a review of the aforementioned literature, existing research exhibits three key gaps: (1) studies on gold-stock market correlations predominantly focus on macro-level quantitative analysis, lacking specialized investigations into retail investors' micro-level behavior during transition periods to regime shifts; (2) behavioral finance research has not treated “gold-stock correlation transitions” as a central analytical context; (3) integrated studies linking macro-market structures with micro-investor behavior remain scarce.

Addressing research gaps, this paper introduces innovations across three dimensions: scenario, research perspective, and methodology. (1) Scenario innovation: Focusing on the novel frontier scenario of a sudden mutation-induced regime shift in gold-stock market correlation by 2026, it supplements behavioral analysis in abrupt market transitions; (2) Perspective innovation: Centering on China's retail investors as the core participants, it reveals allocation patterns under the sudden regime shift from a micro-behavioral perspective; (3) Methodological innovation: Combining theoretical analysis with specialized micro-level questionnaire surveys, the study enhances the relevance, timeliness, and practical guidance value of its conclusions.

2.3. Theoretical basis and research hypotheses

This study integrates dynamic correlation theory, behavioral finance theory, and investor asset allocation theory to establish a comprehensive logical analytical framework.

The dynamic correlation theory demonstrates that asset correlation coefficients are not constant but undergo structural shifts depending on market conditions. When gold and equities transition from negative to positive correlations, their original diversification function becomes ineffective. This theory elucidates the macroeconomic drivers behind the strong positive correlation observed in 2026 and explains why traditional portfolio allocation strategies prove inadequate ^[10].

Behavioral finance theory explains why investors struggle to adapt to such changes. Due to cognitive biases and emotional influences, investors are not entirely rational ^[11]. Loss aversion gives rise to the disposition effect ^[12]; herd behavior leads to herd mentality ^[13]; mental accounting causes investors to overlook overall risk

^[14], among other mechanisms. In contexts of sudden correlation shifts, these biases are amplified, resulting in irrational behaviors such as panic selling by retail investors and misjudgments of risk.

The theory of investor asset allocation provides a benchmark for assessing the rationality of investment decisions. Modern portfolio theory advocates holding assets with low correlation to diversify risk ^[4]. If investors re-optimize their portfolios based on updated correlations, their behavior is considered rational; conversely, adjustments driven by emotions or cognitive biases indicate irrational behavior.

Based on the aforementioned theoretical framework, four hypotheses are proposed for this study:

H1: Under the mutant steady-state condition, retail investors actively adjust their stock portfolio allocations, exhibiting blind and irrational behavior.

H2: A continuously evolving mutation environment exacerbates retail investors' risk perception biases and herd behavior, undermining the rationality of asset allocation.

H3: Retail investors' risk appetite significantly moderates their asset allocation behavior.

H4: Personal characteristics such as age, income, and investment experience exert varying influences on allocation decisions.

2.4. Research methods

This study employs a mixed-method approach that combines literature review, theoretical analysis, and a questionnaire survey with statistical techniques including descriptive statistics, chi-square independence tests, cross-analysis, and other relevant methods.

3. Market context in 2026 regime shift

3.1. Criteria for defining the mutation phase

The correlation between gold and the stock market exhibits significant time-varying characteristics and structural shifts. Ngene *et al.* demonstrated that gold's hedging and safe-haven functions display pronounced cyclical dependence: their effectiveness is strong during periods of low correlation but markedly weakens during periods of high correlation ^[15]. Domestic research corroborates this trend; CITIC Construction Securities, through long-term data analysis, found that the correlation between gold and stocks/bonds exhibits distinct time-varying patterns and is closely linked to liquidity pressures ^[16]. When liquidity pressures intensify, traditional safe-haven and hedging mechanisms undergo dramatic shifts or even fail entirely.

The World Gold Council's "Gold Outlook 2026" report further confirms that global gold prices rose by over 60% in 2025, hitting more than 50 record highs during the year, while the market entered a period of high volatility in 2026 ^[17]. In contrast, gold prices surged only by approximately 5% to 8% in the first quarter, eventually erasing all previous gains. The A-share market also exhibited a pattern of "high performance followed by decline": the Shanghai Composite Index rose 3.76% in January, gained 1.09% in February, and fell 6.51% in March. This created a clear temporal and spatial resonance between the two markets, challenging the traditional empirical rule of negative correlation.

These annual market analyses from authoritative institutions collectively indicate that by 2026, the correlation between gold and the stock market has entered a phase of structural transformation and stabilization—a distinct characteristic of this stage compared to historical patterns.

3.2. Key market characteristics of the mutational steady-state in 2026

3.2.1. Asset correlation relationship and gold's safe-haven status

The most notable change between gold and the stock market in 2026 was the reversal of the long-standing negative correlation. Morgan Stanley noted that historically, gold has typically moved independently from stocks, but this pattern reversed in 2026 as the two began moving in tandem, rising together for the majority of the time ^[18]. Former Goldman Sachs chief foreign exchange strategist Robin Brooks further stated on June 5, 2026, that calculated using a 30-day rolling correlation, the correlation coefficients between gold and both the S&P 500 and Nasdaq 100 indices were close to 0.5 or even higher; if gold remained a pure safe-haven asset, its correlation should have remained low or even negative, but the current situation reflects investors' simultaneous allocation between gold and equities driven by liquidity considerations ^[18]. Brooks explicitly stated that gold trading now more closely resembles that of a high-beta risk asset; when risk aversion rises, gold tends to decline more closely with the stock market. He further compared this trend with historical data: during periods when the S&P 500 experienced maximum drawdowns exceeding 12%, gold consistently delivered an average positive return of +4.7%; however, during the 2026 market volatility, gold completely lost this characteristic, marking a fundamental shift in its safe-haven status ^[19].

3.2.2. Market volatility characteristics: Gold volatility exceeds that of A-shares

According to **Figure 1** and data from the World Gold Council's 2026 report, gold price volatility rose in 2026 to the top 5% range of the data series since 1971, exceeding the conventional upper limit for volatility. The actual price movement showed that on January 30, the daily decline exceeded 9%, with an intraday low falling below \$4,400 per ounce; on February 28, the outbreak of conflict in the Middle East triggered a surge in oil prices and further heightened global inflation expectations, causing gold prices to fluctuate significantly driven by macroeconomic factors. In contrast, volatility in the A-share market did not increase correspondingly—the Shanghai Composite Index fell by approximately 1.7% in the first quarter, while gold prices retreated by about 20%, demonstrating a clear divergence in volatility between the two markets amid high overall fluctuations ^[20].

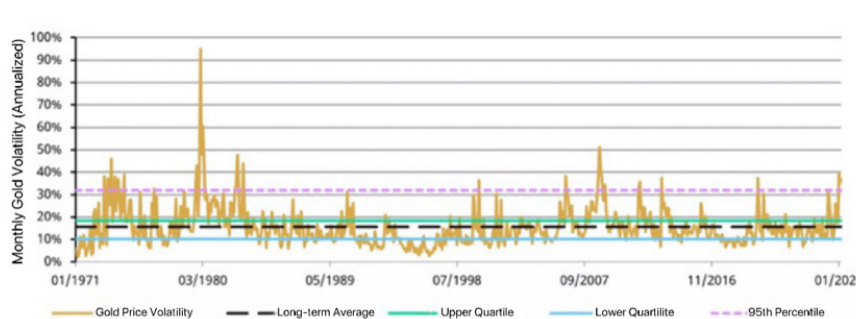


Figure 1. Monthly volatility of gold. *Based on daily returns of LBMA PM gold price (denominated in US dollars) from January 1, 1971 to March 31, 2026. The long-term average is calculated using monthly volatility data spanning January 1971 to March 2026. Source: ICE Benchmark Administration, World Gold Council

3.2.3. The divergence in investment behaviors between individuals and institutional investors has intensified

During the market downturn in Q1 2026, Shanghai A-shares saw a cumulative increase of 12.04 million new accounts, representing a year-on-year growth of 61.15% ^[21]. Retail investors demonstrated a strong willingness

to enter the market, creating a counter-trend trading pattern characterized by “buying more as prices fell,” whereas institutional investors exhibited significant net selling activity during the same period. Wind data shows that net outflows from major and ultra-large institutional funds exceeded 1.35 trillion yuan, resulting in a rare scenario where small-scale investors and institutional funds moved in completely opposite directions ^[22].

In the gold market, demand for Chinese gold bars and coins rose by 67% year-on-year to 207 tons in the first quarter, with the majority coming from individual investors. Globally, investment in gold bars and coins surged by 42% year-on-year, while inflows into gold ETFs slowed significantly, reflecting a clear trend of increased preference among retail investors for direct gold allocation alongside declining participation from institutional investors.

4. Questionnaire design and statistical analysis of data

4.1. Questionnaire design

The survey instrument consists of four dimensions: respondent demographics (age, gender, investment tenure, income, and financial literacy); investors’ established perception of gold-stock hedging; asset allocation adjustments during the 2026 regime shift, measured by changes in gold/equity holdings, portfolio weights, trading frequency, and risk management; and behavioral biases, including risk perception, information channels, herding, decision-making emotions, and cognitive errors.

4.2. Questionnaire distribution and data collection

The survey questionnaire was distributed online from April 23 to April 28, 2026. After excluding invalid responses, a total of 313 valid questionnaires were collected.

The sample is predominantly young to middle-aged (26–35 years: 66.5%), with middle-to-low disposable income (6,000–10,000 RMB: 56.2%) and moderate investment experience (≤ 10 years: 84.3%).

5. Empirical analysis

5.1. Overall characteristics of retail investors’ asset allocation behavior during the mutation period in 2026 (based on the sample)

Using descriptive statistics and frequency analysis, this subsection profiles the respondents’ investment experience, confidence in gold’s safe-haven properties, risk appetite, and current gold-equity allocation patterns, thereby revealing their fundamental demographic profiles and overall investment behavior.

(1) Investment tenure is moderate, and proactive adjustment behavior is widespread.

The sample predominantly consists of investors with relatively short to moderate investment horizons. Specifically, 84.3% of respondents have ten years or less of investment experience. Notably, proactive adjustment behavior is widespread during the correlation shift: 70.9% of respondents reported actively adjusting their asset allocations (39.3% frequently and 31.6% occasionally), while only 29.1% made no adjustments. This indicates a general awareness of the changing market environment, though the rationality of such adjustments requires further examination.

(2) Trust in gold’s safe-haven role has declined.

Confidence in gold as a traditional safe-haven asset has notably fragmented under the new correlation regime. The combined proportion of respondents expressing high or fairly high trust stands at approximately 45%, whereas about 34% report little or no trust. Moreover, when gold prices fall in tandem with stock market

declines, a considerable share of respondents tend to sell off or liquidate their gold holdings. This suggests that the conventional “gold as a safe haven” rationale has been substantially weakened in the current volatile environment, forcing investors to reconsider its portfolio role.

(3) The sample’s investment risk preference.

In terms of risk preference, the sample exhibits a moderate overall profile. Balanced risk preference is the most common category, accounting for 33.23%, followed by aggressive (19.81%), prudent (18.53%), and conservative (18.21%). The remaining respondents identified with other mixed categories. Overall, this distribution suggests that the sample leans toward a generally moderate risk tolerance rather than purely aggressive or extremely conservative approaches, providing a representative cross-section of typical retail investors.

(4) The asset allocation profile of the sample.

Gold and stock allocations span four tiers (1–10%, 11–20%, 21–30%, >30%) without clustering in any one bracket. This dispersed pattern indicates that both gold and equities serve as common core holdings among retail investors, with their portfolio weights varying considerably across individuals rather than clustering uniformly at minimal levels.

5.2. Analysis of deviations in individual investors’ asset allocation behavior

As summarized in **Table 1**, retail investors exhibited widespread behavioral biases during the abrupt correlation shift. Mental accounting was the most prevalent anomaly (55.3%), followed closely by anchoring and experience-dependence (53.0%). Risk perception bias (37.7%) and loss aversion (34.5%) also appeared frequently. Additionally, chasing rising assets (24.0%), herding behavior (22.4%), and panic trading (11.2%) were observed to varying degrees. Overall, these findings collectively highlight pervasive irrationality in retail investors’ decision-making patterns under volatile market conditions.

Table 1. Description and proportions of behavioral anomalies

Description of behavioral anomalies	Number of occurrences	Proportion of occurrences
Treating gold and stocks as independent “mental accounts,” and not adjusting the position even when the overall risk rises	173	55.30%
When stocks plummet, believing that “gold should rise for sure,” and thus buying gold	166	53.00%
When seeing both gold and stocks fall, believing that “gold is no longer safe,” and thus selling gold	118	37.70%
When seeing a severe loss of a certain asset in the account, being unwilling to stop the loss, and instead continuing to hold or cover the position	108	34.50%
Chasing high to buy assets that have already risen due to fear of missing out (FOMO)	75	24.00%
Following the operation because people around are discussing/ buying and selling a certain asset	70	22.40%
Liquidating all risk assets due to panic	35	11.20%
None of the above	15	4.80%

5.3. Empirical analysis of factors influencing configuration behavior

5.3.1. Frequency of asset allocation adjustments and level of decision-making rationality

Questionnaire data (see **Table 2**) show that when correlations undergo abrupt changes, 70.9% of retail investors

reported proactively adjusting their asset allocation (31.6% occasionally and 39.3% frequently), significantly higher than the 29.1% who chose “no adjustment,” indicating that proactive adjustments are widespread in environments with sudden stability shifts.

Table 2. Cross-analysis table of adjustment frequency and degree of decision-rationality

Question	Name	Overall self-assessment of asset allocation decision-making during the period of abnormal gold-stock market correlation					Total	χ^2	P
		Very rational	Relatively rational	Partially rational	Relatively irrational	Very irrational			
Frequency of adjusting asset allocation during the correlation mutation period	No adjustment	6	22	13	40	10	91	56.275	0.000**
	Occasional adjustment	15	35	20	22	7	99		
	Frequent adjustment	20	48	30	4	21	123		
	Subtotal	41	105	63	66	38	313		

* $P < 0.05$; ** $P < 0.01$

Although retail investors actively adjust their asset allocations in a volatile environment, the rationality of these adjustment decisions remains limited. As shown in **Table 3**, the proportion of high-anomaly individuals is highest in the frequent-adjustment group (100/123 = 81.3%), compared with the occasional-adjustment group (69/99 = 69.7%) and the no-adjustment group (51/91 = 56.0%). The chi-square test is significant ($\chi^2(4) = 22.15$, $P < 0.001$, $V = 0.188$), indicating that a higher adjustment frequency is significantly associated with a higher level of behavioral anomalies. This supports H1: frequent active adjustments are positively associated with self-assessed irrationality during the abnormal correlation period.

Table 3. Cross-analysis of adjustment frequency and behavior anomaly index

Adjustment frequency	0 points (low anomaly)	1 point (medium anomaly)	≥ 2 points (high anomaly)	Total	χ^2	P
No adjustment	10	30	51	91	22.15	0.000**
Occasional adjustment	5	25	69	99		
Frequent adjustment	0	23	100	123		
Total	15	78	220	313		

In conclusion, although retail investors tend to actively adjust their asset allocations in response to sudden market changes, this adjustment process is generally influenced by sentiment, inherent cognitive biases, and mental accounting effects, failing to demonstrate sufficient rationality; blind behavior and irrational tendencies remain pronounced. Thus, Hypothesis H1 is confirmed.

5.3.2. Cognitive and behavioral biases of retail investors and their degree of decision-rationality

When the correlation between gold and the stock market undergoes a sudden shift—manifesting as synchronized price movements—the traditional risk-hedging rationale of “gold rises when stocks fall” is undermined, posing significant challenges to retail investors’ risk perception. Survey data reveal marked divergence in retail investors’ confidence in gold’s safe-haven status, with this shift closely linked to their level of decision-making rationality.

As shown in **Table 4**, retail investors with lower trust in gold’s safe-haven characteristics also exhibit

significantly lower decision-making rationality. Among those who “little trust” or “no trust,” the proportions of “relatively irrational” and “very irrational” respondents rise markedly. This indicates that under conditions of sudden correlation shifts, retail investors’ perception of gold’s traditional safe-haven role is notably distorted, and this risk perception bias directly undermines the rationality of asset allocation decisions.

Table 4. Cross-analysis table of trust level in gold as a safe-haven asset and degree of decision-rationality

Question	Name	Overall self-assessment of asset allocation decision-making during the period of abnormal gold-stock market correlation					Total	χ^2	P
		Very rational	Relatively rational	Partially rational	Relatively irrational	Very irrational			
Trust in gold’s safe-haven property	High trust	6	20	12	3	0*	41	94.749	0.000**
	Relatively trust	13	48	22	3	15	101		
	Neutral	11	20	12	9	13	65		
	Little trust	3	12	12	35	8	70		
	No trust	8	5	5	15	3	36		
	Subtotal	41	105	63	66	38	313		

* $P < 0.05$; ** $P < 0.01$

Similarly, **Table 5** shows that respondents who reported stronger agreement with herd-effect statements also tended to rate their own decisions as less rational. For instance, among those who “strongly agree” with the herding statement, 21 out of 35 (60.0%) rated themselves as “Relatively irrational” or “very irrational,” whereas among those who “strongly disagree,” only 5 out of 39 (12.8%) gave such low rationality ratings. The chi-square test is significant ($\chi^2(16) = 80.79$, $P < 0.001$, $V = 0.275$), indicating a positive association between herding tendency and self-reported irrationality.

Table 5. Cross-analysis table of the degree of agreement with the herd effect and the degree of decision-rationality

Question	Name	Overall self-assessment of asset allocation decision-making during the period of abnormal gold-stock market correlation					Total	χ^2	P
		Very rational	Relatively rational	Partially rational	Relatively irrational	Very irrational			
The degree of agreement of the herd effect	Strongly agree	1	5	8	13	8	35	80.79	0.000**
	Relatively agree	4	15	15	35	4	73		
	Neutral	8	18	12	11	12	61		
	Relatively disagree	22	42	20	3	13	105		
	Strongly disagree	6	15	8	4	1	39		
	Subtotal	41	105	63	66	38	313		

* $P < 0.05$; ** $P < 0.01$

Furthermore, analysis of the behavioral anomaly index similarly demonstrates that in contexts of sudden correlation shifts, investors are more susceptible to influences from market sentiment, others’ behavior, and established experiential judgments. For instance, some respondents purchased gold when stocks were plummeting, believing it was bound to rise, or sold it upon observing both gold and stocks decline, perceiving

gold as less secure—a finding that further confirms the negative impact of abnormal market conditions on investor psychology and behavior.

In conclusion, correlation mutations undermine trust in gold as a safe-haven asset (a risk perception bias), significantly exacerbating behavioral anomalies such as mental accounts and herd behavior, ultimately leading to a marked decline in the overall rationality of retail investors' asset allocation—thereby confirming Hypothesis H2.

5.3.3. The impact of retail investors' risk appetite on allocation behavior

Table 6 presents the cross-analysis between retail investors' self-reported risk preferences and their frequency of asset allocation adjustments during the correlation shift. The chi-square test yields a value of $\chi^2 = 9.83$ with a *P*-value of 0.277, which is not statistically significant at conventional levels. This result indicates that, under the abrupt market transition, investors' inherent risk attitudes do not exert a significant moderating effect on their allocation adjustment behavior.

Table 6. Cross-analysis table of individual investors' risk appetite and adjustment frequency

Question	Name	Asset allocation adjustment frequency during the correlation mutation period			Total	χ^2	<i>P</i>
		No adjustment	Occasional adjustment	Frequent adjustment			
Your self-identified risk preference type	Conservative	16	18	23	57	9.834	0.2763
	Balanced	24	29	51	104		
	Aggressive	11	11	10	32		
	Moderate	22	21	15	58		
	Progressive	18	20	24	62		
	Subtotal	91	99	123	313		

P* < 0.05; *P* < 0.01

5.4. Heterogeneity analysis

To examine whether personal characteristics moderate retail investors' allocation behavior under the correlation shift, we conducted chi-square tests between adjustment frequency and three key individual factors: age, monthly disposable income, and investment tenure (**Tables 7–9**). Additionally, the moderating effect of risk appetite was tested in the preceding subsection (**Table 6**).

Table 7. Cross-analysis table of age and adjustment frequency

Age	No adjustment	Occasional adjustment	Frequent adjustment	Total
18–25	6	5	9	20
26–35	61	71	76	208
36–45	17	17	22	56
46–55	6	6	15	27
Above 56	1	0	1	2
Subtotal	91	99	123	313

(no significant)

Table 8. Cross-analysis table of income and adjustment frequency

Average monthly income	No adjustment	Occasional adjustment	Frequent adjustment	Total
≤3,000 RMB	5	7	9	21
3,001–6,000 RMB	16	9	19	44
6,001–10,000 RMB	46	60	70	176
10,001–20,000 RMB	19	15	20	54
Above 20,000 RMB	5	8	5	18
Subtotal	91	99	123	313
(no significant)				

As shown in **Tables 7–9** and the risk appetite test in **Table 6**, none of the individual characteristic variables—risk preference, age, income, or investment tenure—exhibited a statistically significant association with adjustment frequency (all $P > 0.05$). Therefore, Hypotheses H3 and H4 are both rejected.

In normal market environments, one would expect risk-tolerant, high-income, or experienced investors to behave differently from their conservative, low-income, or novice counterparts. However, the gold-stock correlation shift in 2026 represents an extreme and rare market event that fundamentally challenges the conventional investment logic most retail investors have relied upon. Under such conditions of heightened uncertainty and information ambiguity, contextual factors, including panic sentiment, information cascades, and the breakdown of traditional heuristic rules (e.g., “gold rises when stocks fall”), appear to override individual predispositions. Consequently, conservative and aggressive investors, as well as novices and veterans, tend to converge toward similar behavioral responses, such as confusion, herding, or panic-driven trading. This finding also helps explain why the strong homogeneity in the sample (66.5% aged 26–35, 84.3% with ≤10 years of experience) may have further attenuated observable heterogeneity, though the overarching driver appears to be the extraordinary market context itself rather than sample composition alone.

Table 9. Cross-analysis table of investment period and adjustment frequency

Years of investment experience	No adjustment	Occasional adjustment	Frequent adjustment	Total
Less than 1 year	6	4	9	19
1–3 years	45	49	53	147
4–10 years	33	39	45	117
More than 10 years	7	7	16	30
Subtotal	91	99	123	313
(no significant)				

6. Research conclusions and recommendations

6.1. Main research findings

Based on the unique market scenario of the abrupt transition to a regime shift in gold-stock market correlation in 2026, this study systematically examines the asset allocation behavior characteristics, cognitive biases, and their influencing factors among China’s retail investors when cross-asset linkage patterns undergo structural changes, through theoretical analysis and questionnaire surveys. Comprehensive empirical analysis yields the following key conclusions.

- (1) Based on authoritative research and market data, it is confirmed that 2026 marks a stable phase of structural transformation in the correlation between gold and the stock market; the traditional risk-hedging

rationale for gold investments becomes entirely obsolete, while cross-asset linkages exhibit entirely new stable characteristics.

- (2) Under the mutant steady-state market environment in 2026, China's retail investors' asset allocation behavior exhibited significant characteristics of blindness and irrationality, with widespread behavioral deviations such as cognitive rigidity, irrational trading, and allocation imbalance.
- (3) The impact of retail investors' risk appetite and personal characteristics on their portfolio allocation decisions during periods of market volatility is not significant;

6.2. Study limitations and future prospects

First, the analysis focuses solely on the transient steady-state scenario for the year 2026. Future research could incorporate multi-year mutation cycle data to conduct cross-cycle comparative studies.

Second, the survey sample coverage is limited. This questionnaire was distributed via online channels, with the sample primarily comprising individuals aged 26–35 with middle incomes and investment experience ranging from 1 to 10 years. It lacks adequate representation of older age groups, high-net-worth investors, and ultra-long-term investors, which may explain why risk appetite and personal characteristics did not show significant correlations. Future studies could employ stratified sampling or offline surveys to include a more diverse sample.

Third, the behavioral anomaly index is based on self-report and may be biased. Future research could integrate real trading account data to objectively measure trading behaviors, or employ machine learning algorithms to identify patterns in high-frequency trading data, thereby enhancing the external validity and depth of insights.

Fourth, there has been insufficient in-depth analysis of the mediating mechanisms of variables such as financial literacy and information channels.

In the future, structural equation modeling can be employed to investigate the mediating role of cognitive biases in the knowledge-behavior relationship, as well as the differential impacts of various information channels (e.g., social media and professional reports) on behavioral anomalies.

Disclosure statement

The author declares no conflict of interest.

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