

China gold market update

Wholesale demand fell in August

Highlights

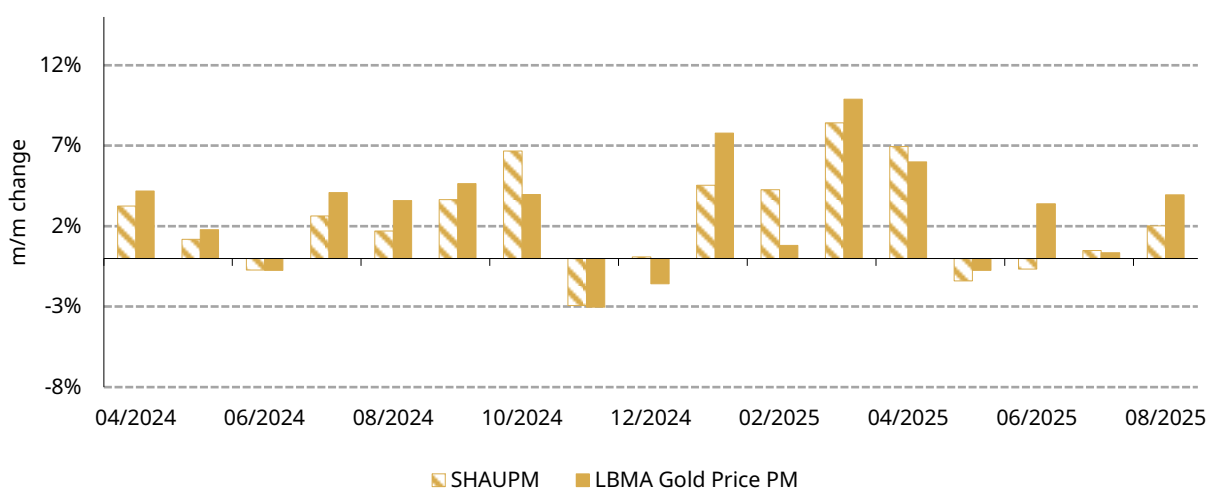
- Gold climbed higher in August. The LBMA Gold Price PM in USD rose 3.9% while the SHAUPM in RMB climbed 2% – the narrower increase was mainly due to an appreciating RMB against the dollar.
- Gold withdrawals from the Shanghai Gold Exchange (SGE) saw another m/m decline in August: investment weakness masked a rebound in jewellery demand.
- Amidst local investors' improving risk appetite, Chinese gold ETFs witnessed further outflows (RMB6bn, US\$834mn) in August and gold futures trading volumes on the Shanghai Futures Exchange (SHFE) also fell
- In August, the People's Bank of China (PBoC) reported a 1.9t gold reserve increase, the tenth consecutive monthly gold purchase.
- China's gold imports rebounded in July, rising 50t m/m to 89t.

Looking ahead

- Despite a recent slowdown, we expect investment demand for gold to rebound amid the renewed gold price strength
- Jewellery retailers may step up their efforts in replenishment for the National Day Holiday in early October; various jewellery fairs in September also tend to support wholesale demand.

Chart 1: Gold rose in August

Monthly returns of the SHAUPM in RMB and the LBMA Gold Price PM in USD*



*Data as of 29 August 2025.
Source: Bloomberg, World Gold Council



Gold registered further gains

Gold recorded another positive month in August (**Chart 1**). This is mainly supported by higher inflation expectations, intensifying expectations of a Fed cut and continued dollar weakness. Meanwhile, sustained geopolitical and trade risks also contributed to gold's gains in the month.

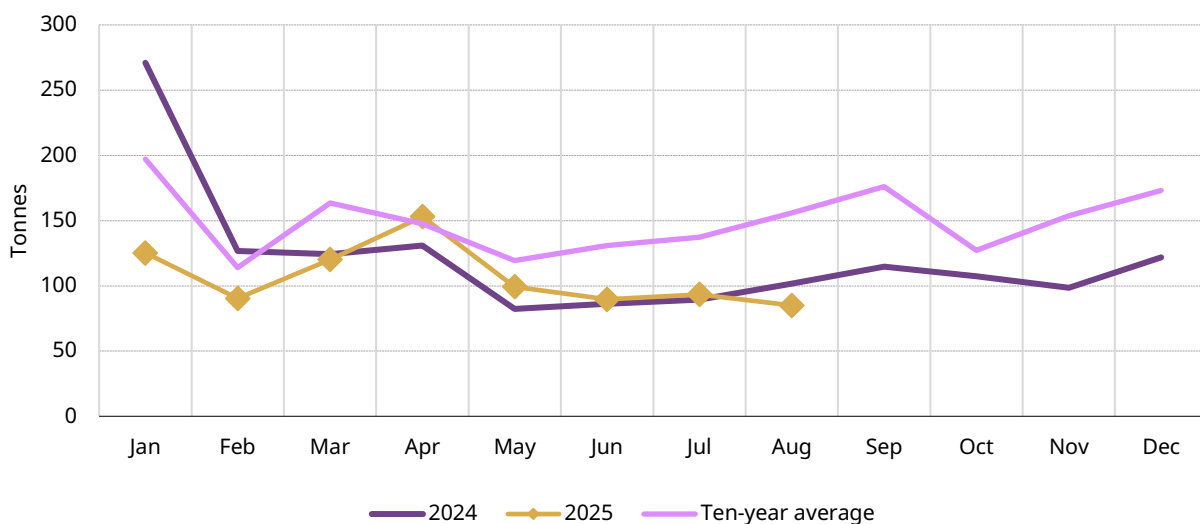
Wholesale demand weakened

China's wholesale gold demand fell 9t m/m to 85t last month. This represents a 17t y/y decline, the weakest August since 2010 – the unseen gold price level has kept tonnage demand low so far in 2025 compared to previous years.

The m/m decline was against seasonality - where demand often gradually picks up towards the end of Q3. Conversations with industry participants indicated that the August wholesale gold demand weakness mainly came from subdued bar and coins sales, as investors directed their attention to rallying equities.¹ Meanwhile, the lack of a clear trend in the gold price in most of August also led to investors waiting on the sidelines.

The cooling investment momentum overshadowed improving jewellers' replenishment activities amid the Chinese Valentine's Day and the price stability during most of August.²

Chart 2: Wholesale gold demand fell in August*



*The 10-year average is based on data between 2015 and 2024.
Source: Shanghai Gold Exchange, World Gold Council

Chinese investors continued to sell gold ETFs

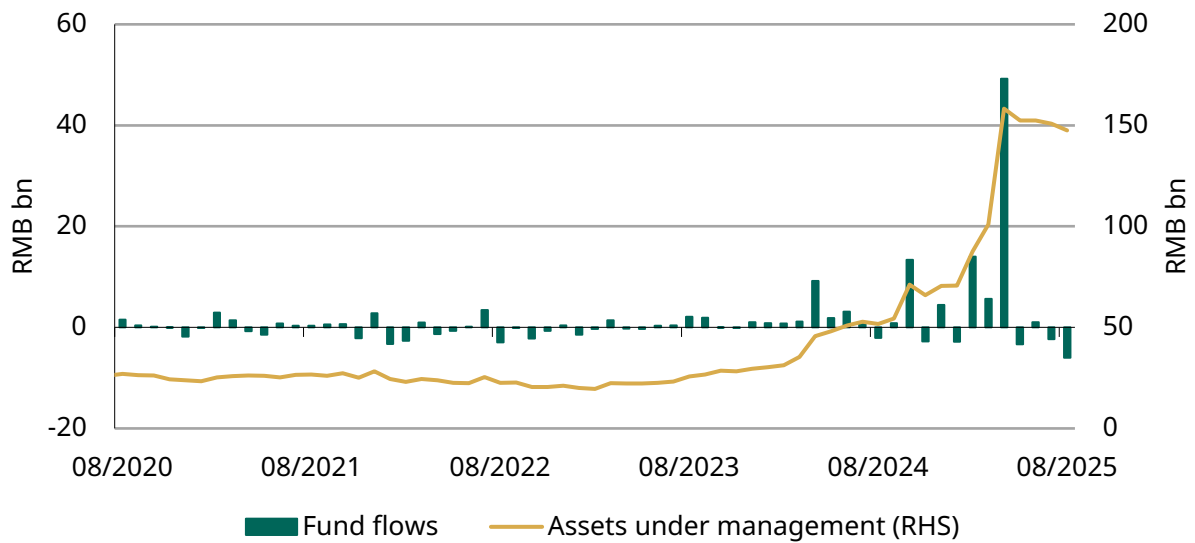
Chinese gold ETFs witnessed another month of outflows, shedding RMB6bn (US\$834mn) in August (**Chart 3**). The rising gold price was insufficient to offset the outflow, leading to a 2% m/m decline in Chinese gold ETFs' total assets under management (AUM), which now stands at RMB148bn (US\$21bn). Meanwhile, holdings fell 7.7t to 189t.

Similar to factors denting bullion sales as noted above, The strong equity performance - the CSI300 Stock Index jumped 10% in August, the strongest month since September 2024 – and the range-bound gold price movements during most of August also weighed on gold ETF demand.

1. See: [China retail investors are using savings to fuel stock market bull run, 25 August 2025](#).
2. Chinese Valentine's Day in 2025 occurred on 29 August.



Chart 3: Chinese gold ETFs saw further outflows in August
Total AUM and monthly flows of Chinese gold ETFs*

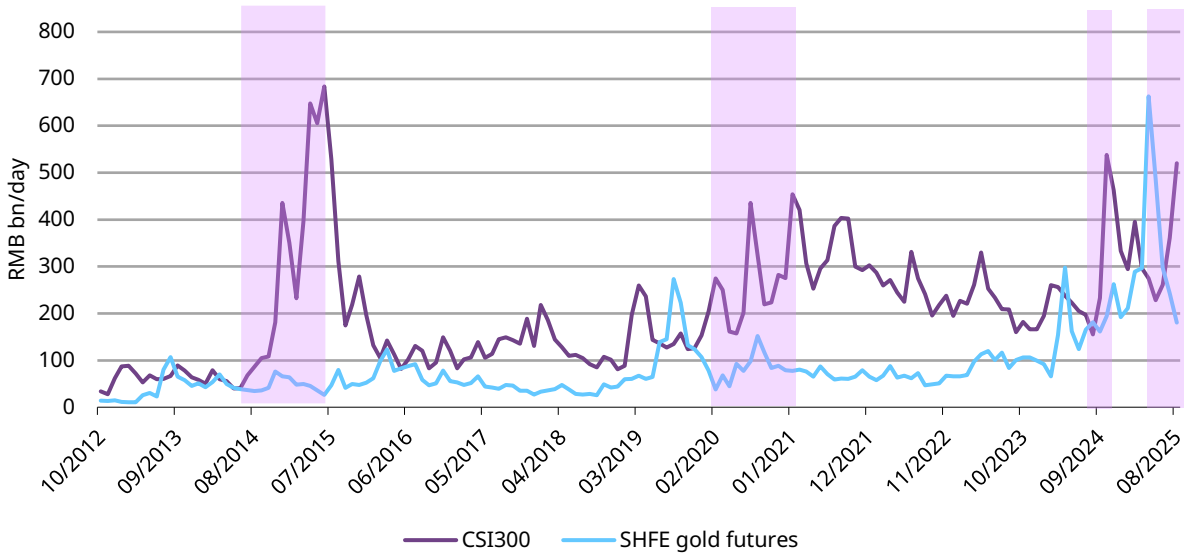


*As of 29 August 2025.
Source: Company filings, World Gold Council

Trading volumes of gold futures at the SHFE fell in August, declining 26% m/m to 231t/day – though remaining above the five-year average of 216t. Surging equity market volumes (**Chart 4**) and a low gold price volatility also dimmed future traders' interest.

Chart 4: Investor attention was diverted to the strong equity market

Daily average trading volumes of SHFE gold futures and CSI300 Stock Index*



*As of 29 August 2025. The shaded areas refer to equity bull runs, alongside surging equity trading volumes, which coincide with falling gold futures volumes.
Source: Shanghai Futures Exchange, World Gold Council

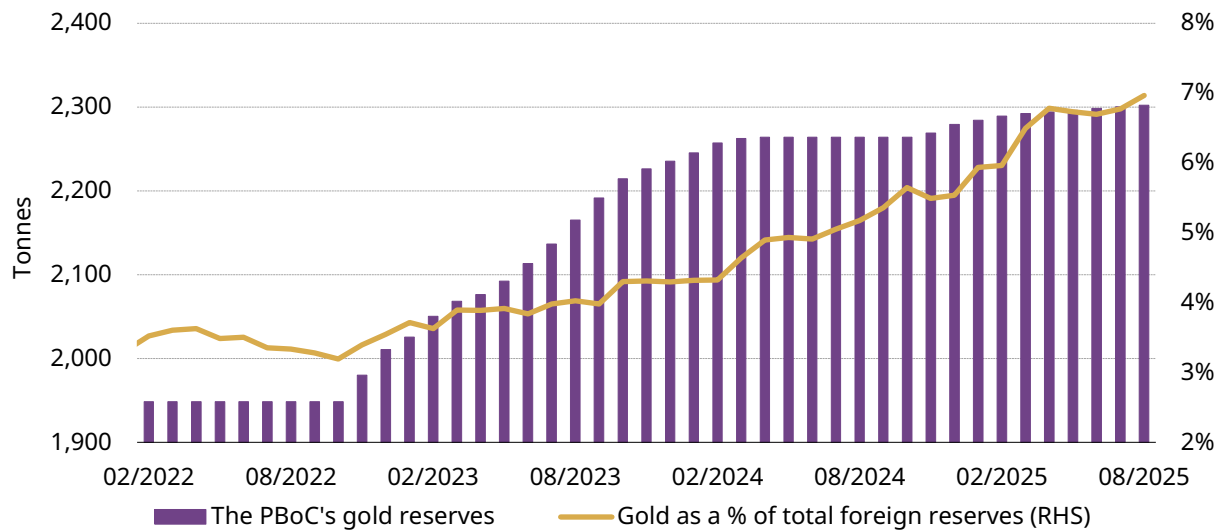
Ten months of non-stop PBoC gold accumulation

The PBoC reported its tenth consecutive monthly gold purchase, adding 1.9t to its total reserves in August. Now gold accounts for 7% of China's total foreign exchange reserves, standing at 2,302t (**Chart 5**). Y-t-d, China has announced official gold purchases of 22.7t.

Chart 5: China's official gold holdings rose further



Reported official gold holdings and gold as a percentage of total foreign exchange reserves*



*As of August 2025.

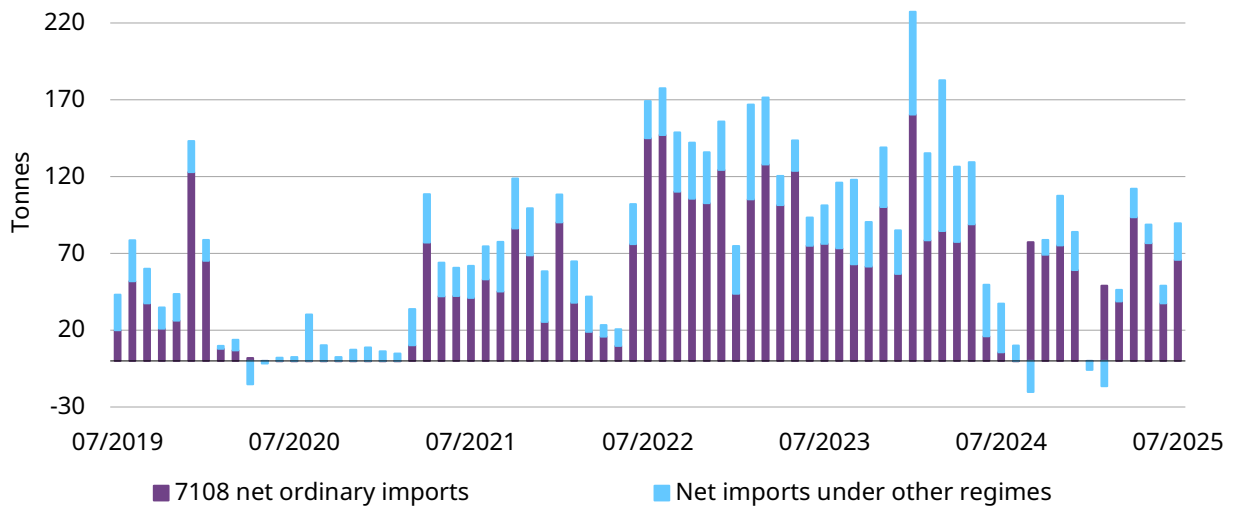
Source: State Administration of Foreign Exchange, World Gold Council

Imports rebounded in July

China's gold imports reached 89t in July, based on the latest data from China Customs, a 50t rise m/m and 53t higher y/y. We believe importers' anticipation of rising wholesale gold demand towards the end of Q3 and positive local gold price premiums in the month encouraged imports.

Chart 6: July gold imports bounced higher

Net 7108 gold imports under various regimes*



*Based on the latest data available. Data to June 2025.

Source: China Customs, World Gold Council



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We drive industry progress, shaping policy and setting the standards for a perpetual and sustainable gold market.

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