

China gold market update

June concludes a divided H1

Highlights

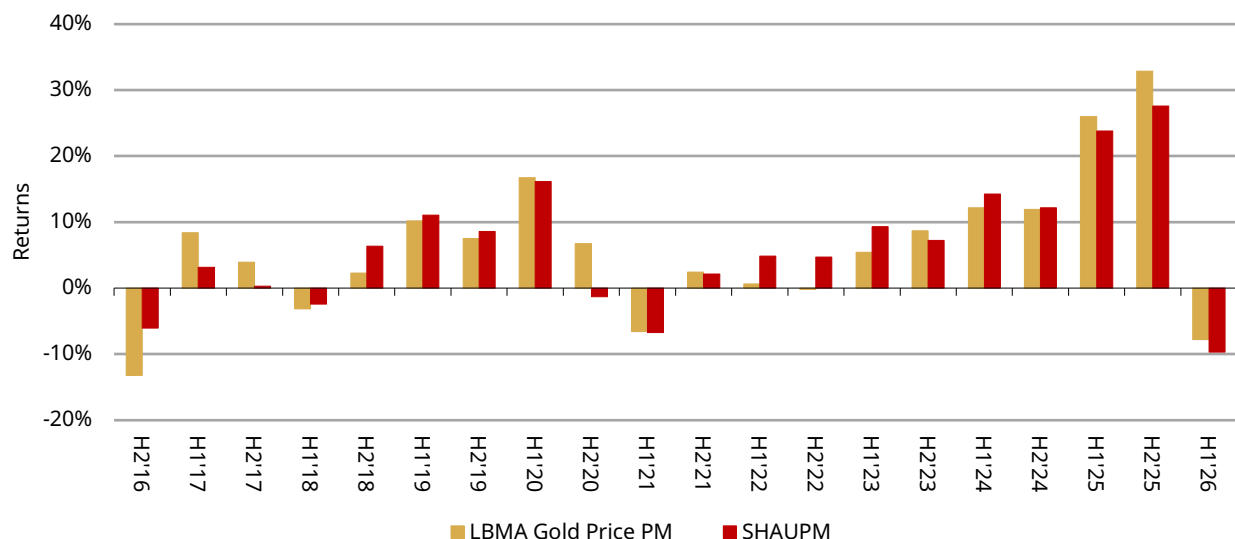
- A weak June erased gold's earlier gains, ending H1 with losses
- Despite June outflows, Chinese gold ETFs witnessed notable inflows in H1, pushing their total assets under management (AUM) mildly higher to RMB243bn (US\$36bn) and holdings up by 29t to 277t
- Wholesale demand rebounded m/m in June, yet the H1 total remains well below the ten-year average
- The People's Bank of China (PBoC) announced a 15t gold purchase in June, the largest monthly purchase since October 2023, accumulating a 40t increase in official holdings during H1
- Entering H2, local gold ETF outflows narrowed significantly as prices stabilised. Yet weak Au9999 trading volumes and subdued local price spreads indicate continued softness in physical demand in early July.

Looking ahead

- Gold jewellery consumption is likely to remain weak during the off-season but we expect the stabilising gold price to offer some support. Meanwhile, investment demand continues to depend on the gold price trend and local equity market strength.

Chart 1: Gold saw the first semi-annual decline since 2021

Semi-annual returns of gold prices in USD and RMB*



*Data to 30 June 2026. Based on the LBMA Gold Price PM in USD and the Shanghai Benchmark Gold Price PM in RMB.
Source: Shanghai Gold Exchange, ICE Benchmark Administration, World Gold Council



June weakness wiped out H1 gains

Gold fell further in June. Messages from the new Fed Chair, Kevin Warsh, at the monetary policy meeting last month were seen as hawkish, pushing up real yields and the dollar. This has led to investors reducing their gold ETF holdings and tilting their option positioning to bearish – rising opportunity costs and cooling momentum were the two major factors denting gold in June.¹ Both the LBMA Gold Price PM and the Shanghai Benchmark Gold Price PM were down by 11%.

A weak June reversed gold's earlier gains, leading to losses in H1. As detailed in our [Gold Mid-Year Outlook 2026](#), gold has had a roller-coaster ride over the first half year – various risks, changes in investor positioning and opportunity costs explain most of its variability. The international gold price in USD was down 8% in H1 while the RMB gold price plummeted 10% – the strengthening Chinese currency against the dollar amplified local gold price weakness (**Chart 1, p1**).

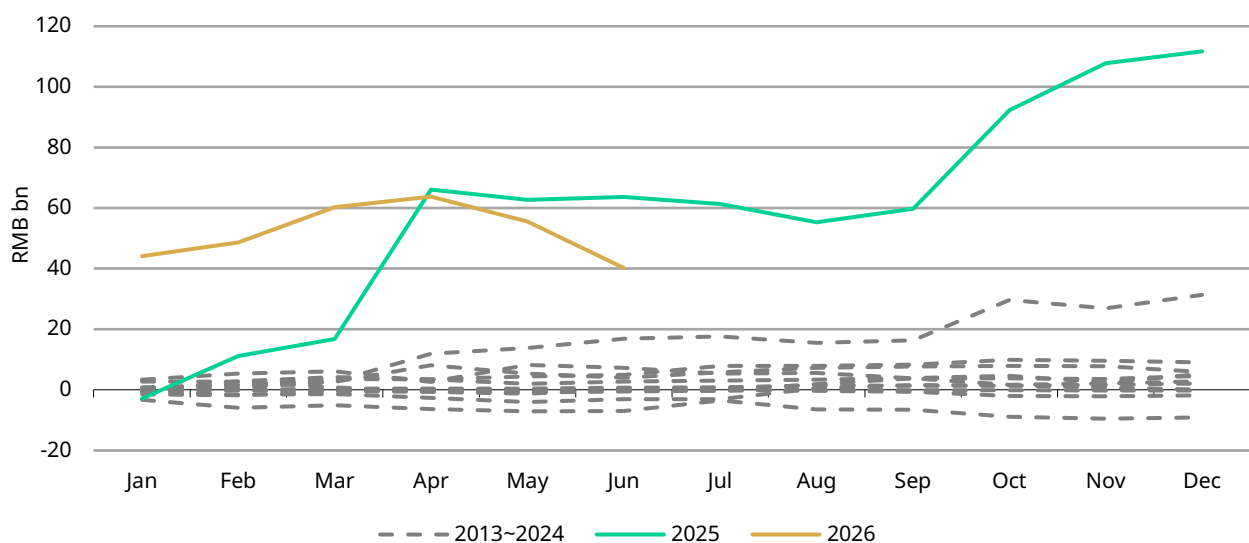
Chinese gold ETFs saw notable inflows in H1 despite June's loss

Chinese gold ETFs lost RMB15bn (US\$2.2bn) in June, the worst month on record. The sizable outflow and a falling gold price brought Chinese gold ETFs' total AUM down 16% to RMB243bn (US\$36bn), the lowest level since December 2025. Meanwhile, holdings decreased 17t to 277t. A weaker gold price dimmed local investor interest during the month while their enthusiasm towards equities – reflected in surging new account openings – further diverted attention away from gold.²

June weakness cut Chinese gold ETFs' y-t-d inflow to RMB40bn (US\$5.6bn). Nonetheless, this is the second strongest H1 on record (**Chart 2**). In tonnage terms, H1 demand for gold ETFs in China totalled 29t and their total AUM rose slightly by 1%. Demand for gold ETFs stayed robust amid growing geopolitical and economic uncertainties, while the PBoC's non-stop gold purchases continued to provide a supportive backdrop for sentiment. Institutional investor participation in Chinese gold ETFs has also risen, supporting demand for these products.

Chart 2: The second strongest H1 inflows on record

Chinese gold ETFs' monthly cumulative flows*



*Data to 30 June 2026.
Source: Company filings, World Gold Council

Gold futures trading volumes on the SHFE saw a mild m/m rebound of 4t in June, reaching 305t/day (**Chart 3, p3**). While activities were below the 2025 level (457t per day), they remain well above the five-year average of 265t/day. Over the course of H1 Shanghai gold futures' turnovers averaged 386t per day – the heightened price volatility as well as rising hedging needs from market participants provided some support, keeping overall volumes elevated.

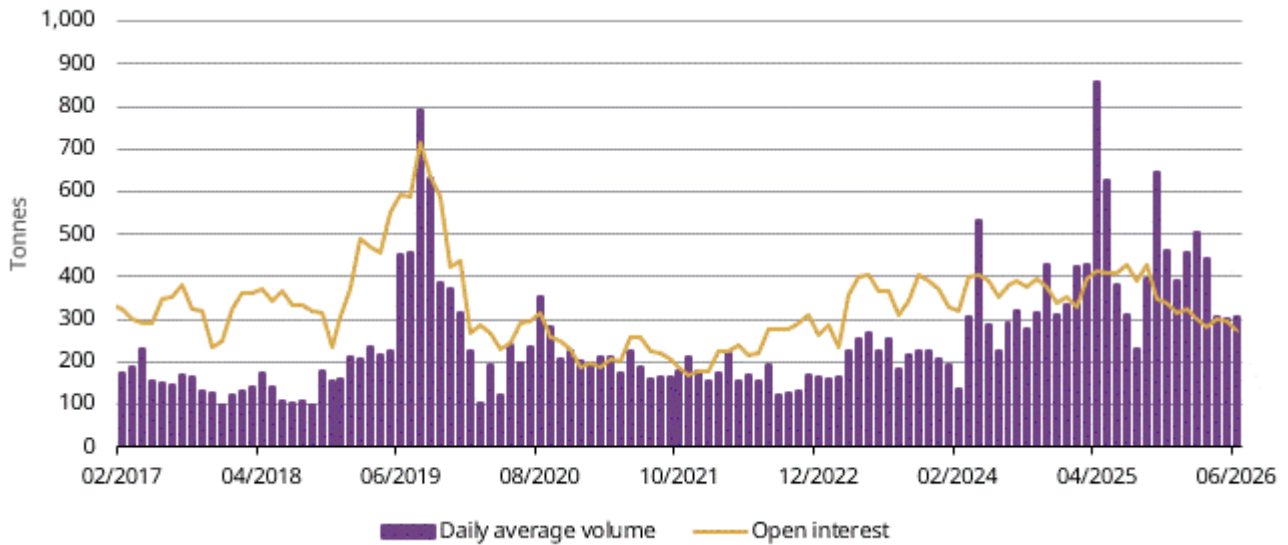
Meanwhile, open interest in gold futures reached 274t by the end of June, an 8% decline in the month and 13% lower than the end-2025 level.

1. For more, see: [Gold Return Attribution Model | World Gold Council](#).
2. For more, see: [6 月，A 股新开户人数大增!](#)



Chart 3: Gold futures volumes stayed elevated while open interests were down

Daily average trading volumes of SHFE gold futures and end-of-period open interests*



*As of 30 June 2026.

Source: Shanghai Futures Exchange, World Gold Council

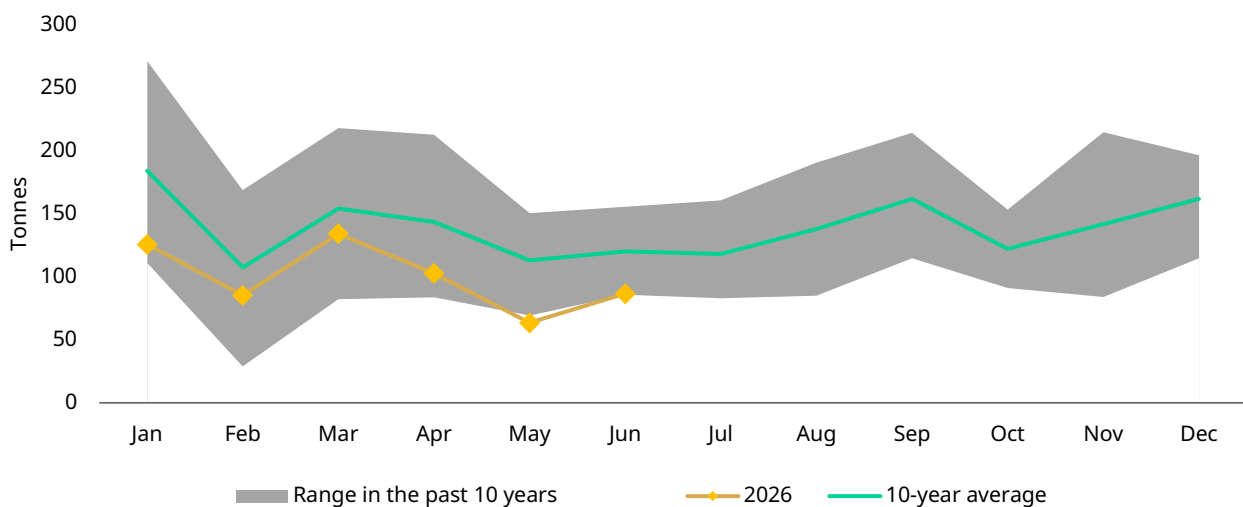
Wholesale demand concluded H1 with a rebound

Gold withdrawals from the SGE rebounded in June, rising 36% m/m to 87t (**Chart 4**). The m/m recovery was mainly driven by opportunistic restocking across the supply chain as the gold price fell. Still-healthy bar and coin investment helped too, as retail investors bought on dip. A very low base – the weakest May in 16 years – also contributed to the m/m rebound. Nonetheless, wholesale demand in June remained close to the lowest level seen over the past decade amid ongoing weakness in the gold jewellery sector.

Market participants withdrew 598t of gold from the SGE during the first half, 12% lower y/y and 27% below the ten-year average. As noted [previously](#), while bullion demand remained robust, sustained weakness in jewellery consumption made manufacturers and retailers cautious about replenishing, weighing on overall wholesale gold demand.

Chart 4: Wholesale demand rebounded in June yet stayed below the 10-year average

Gold withdrawals from the SGE by month and the ten-year monthly average*



*Ten-year average based on data between 2016 and 2025.

Source: Shanghai Gold Exchange, World Gold Council



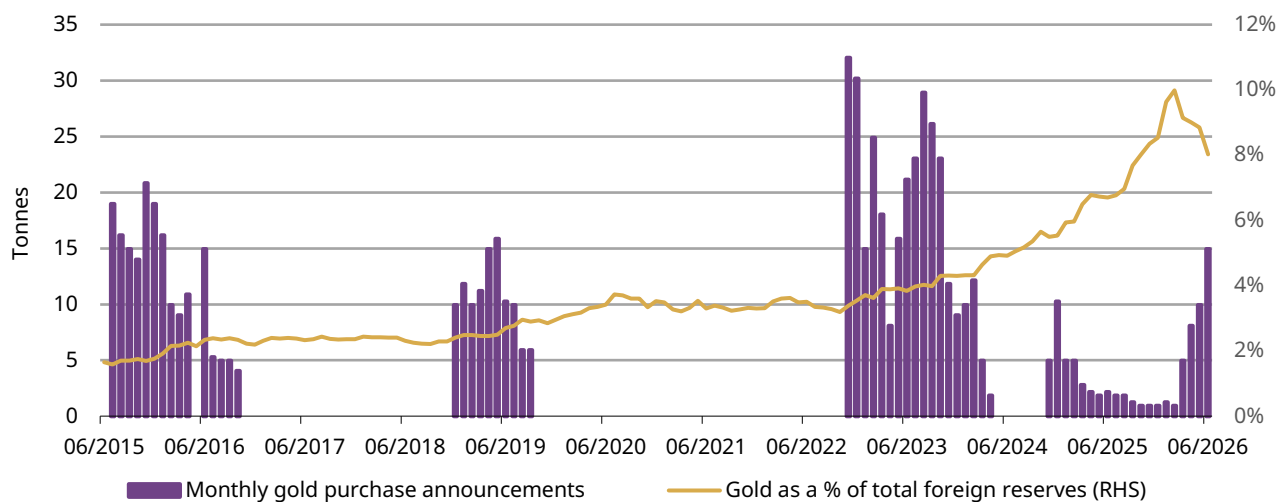
The PBoC extends its gold purchasing streak

The PBoC reported a 15t gold purchase in June, the largest since October 2023 (**Chart 5**). China's official gold holdings have now increased for 20 months in a row, the longest rising streak on record.³ June's sizable addition pushed China's gold reserves to 2,346t, 8% of total official foreign exchange assets.

Notably, purchases by the Chinese central bank went on throughout the first half despite the gold price volatility, accumulating a 40t increase in official gold holdings. Over the past 20 months the PBoC has announced total gold purchases of 82t. During this period global geopolitical tensions, trade orders and financial market volatilities have all heightened, highlighting gold's strategic edge as a safe, credit risk-free and stable asset – proving that these attributes matter to global central banks, as our [2026 Central Bank Gold Survey](#) shows.

Chart 5: A long streak of official gold purchases

The PBoC's reported gold purchases and gold's share of total foreign exchange reserves*



*Data to June 2026.

Source: State Administration of Foreign Exchanges, World Gold Council

Imports moderated in May

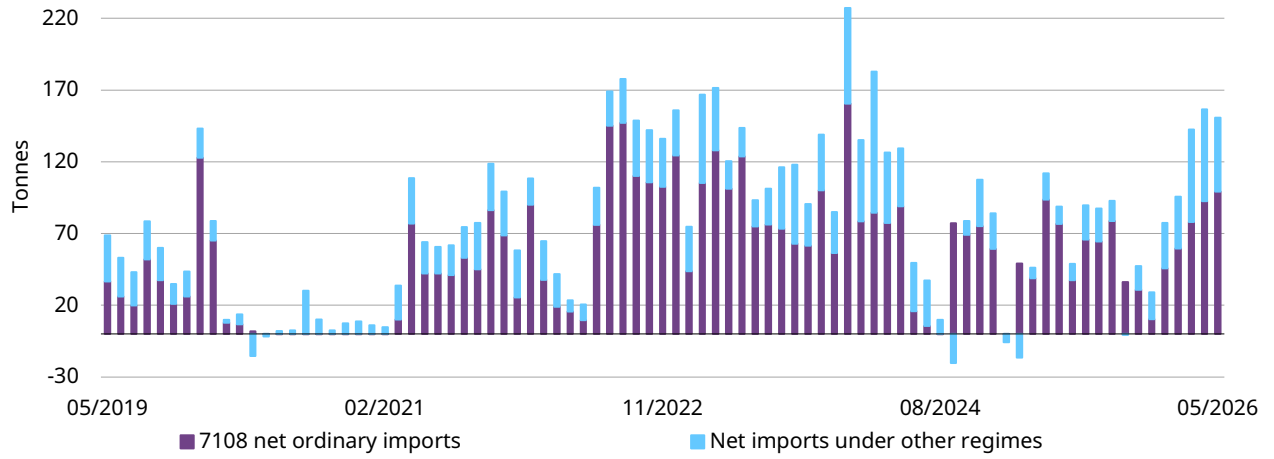
China imported 151t of gold in May (**Chart 6, p5**) – latest data available, 6t lower m/m, reflecting weaker wholesale gold demand. But the amount is notably higher y/y as positive local gold price premiums continued to support importer interest.

3. Due to data availability, public data records date back to January 1979.



Chart 6: Gold imports fell slightly in May

Net gold imports under HS7108*



*Data to May 2026.
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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