China gold market update
Strong official sector buying in July

Highlights

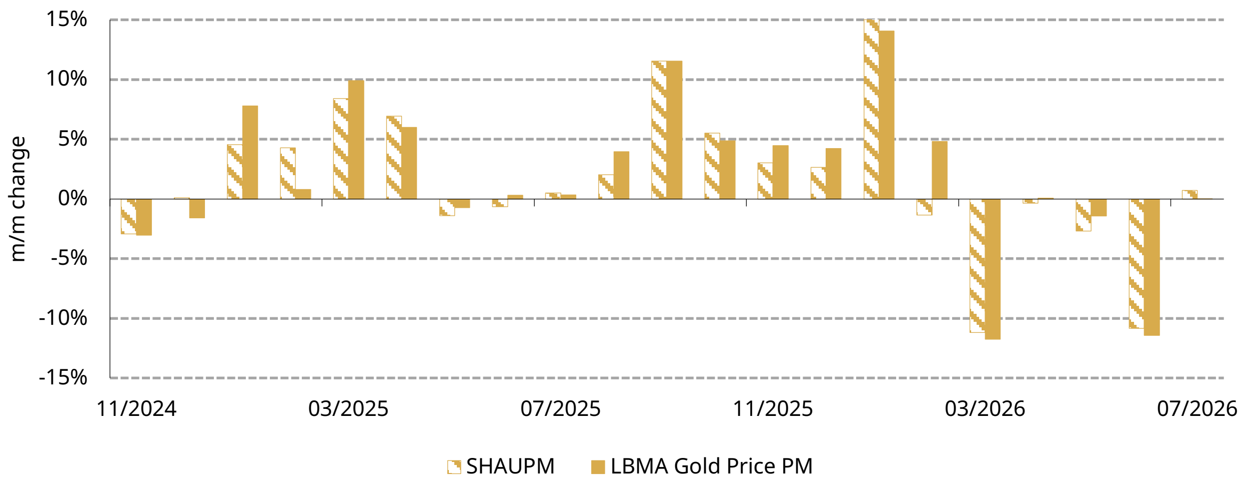
- Gold prices stabilised in July: the LBMA Gold Price PM was unchanged and the Shanghai Benchmark Gold Price PM rose mildly by 0.7%; both broke higher in early August
- Chinese gold ETFs recorded positive flows, lifting total holdings 5t higher in July to 282t; this positive trend has continued so far in August, with inflows recorded almost every trading day[1]
- As the gold price volatility declined, gold futures' trading volumes cooled but net longs rose in July
- Wholesale demand stayed tepid last month, reflecting ongoing weakness in the jewellery sector
- The People's Bank of China (PBoC) reported an addition of 20t of gold during July, the largest since late 2023 and the 21st consecutive monthly purchase.

Looking ahead

- If the gold price continues to break higher investment demand for gold may improve. However, the domestic equity market rebound in early August – should it persist – could divert attention. Wholesale gold demand could receive seasonal support from a rise in jewellers' inventory replenishment ahead.

Chart 1: Gold stabilised in July

Monthly returns of gold prices in USD and RMB*



*Data to 31 July 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

1. Based on daily flows data as of 12 August; Chinese gold ETFs recorded non-stop inflows every day during the period except for 12 August.

Gold steady in July

Gold stabilised in July. The LBMA Gold Price PM in USD and SHAUPM in RMB were almost unchanged during the month. Our gold return attribution model shows that a weaker dollar and improved investor positioning supported gold, offsetting pressure from rising yields (**Chart 1, p1**). And in early August, gold rose higher on softer US labour market data and cooling inflation, which delayed expectations of rate hikes from the Fed; the RMB gold price rallied above its 60-day moving average of around RMB920/gram for the first time since mid-March.[2]

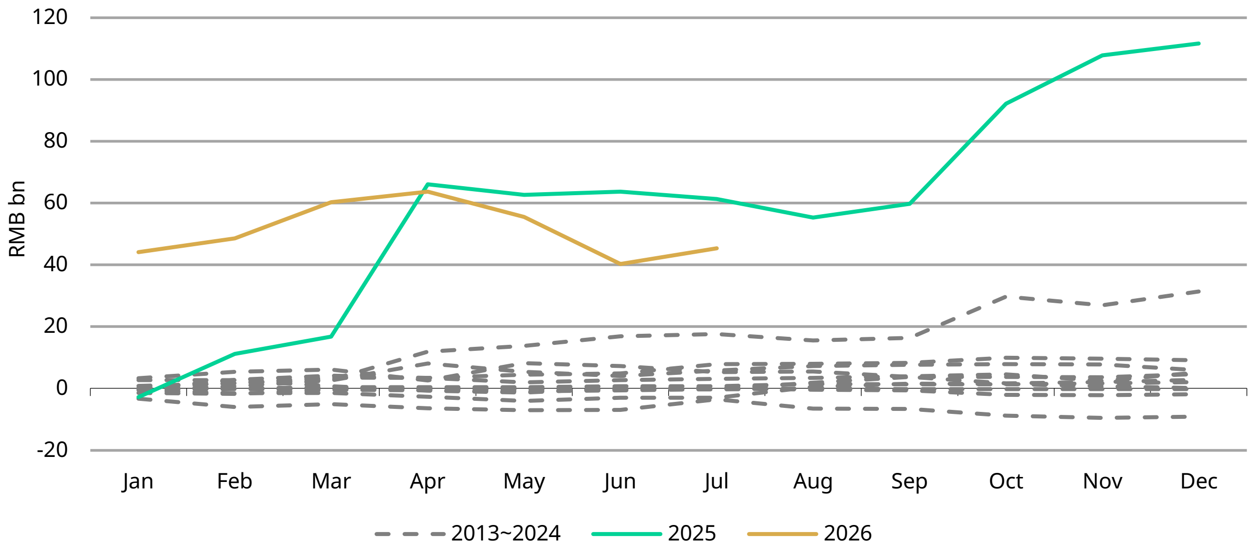
Chinese gold ETF flows flipped positive

Chinese gold ETFs attracted inflows of RMB5bn (US$744mn) in July, reversing the sizeable outflows over previous months. Healthy inflows lifted Chinese gold ETFs' total AUM by 3% to RMB 250bn (US$37bn). In tonnage terms, holdings increased 5t to 282t. In July, investor interest was buoyed by recurring geopolitical uncertainty, weaker equities and persistent gold accumulation by the PBoC. Meanwhile, rising institutional investor participation as the gold price stabilised also supported demand in the month.

Despite outflows in May and June, Chinese gold ETFs attracted RMB45bn (US$6.3bn, 34t) between January and July, the second strongest y-t-d performance on record (**Chart 2**), reflecting increased institutional participation and higher allocations amid various uncertainties.

Chart 2: Strong y-t-d performance of Chinese gold ETFs

Chinese gold ETF demand and holdings in tonnes*



*Data to 31 July 2026.
Source: Company filings, World Gold Council

And it is worth noting that so far in August, Chinese gold ETFs have added ~8t with inflows seen almost every day in the month, mainly supported by the strong gold price momentum.[3]

Gold futures volumes down, net longs up last month

Gold futures trading volumes on the SHFE further moderated in July, falling 4% m/m to 292t/day. Trading activity cooled slightly as gold price volatility declined. Top 20 gold futures participants' net longs – due to data limitation – at the SHFE rose 24t to 117t by the end of July, reflecting improved market sentiment.

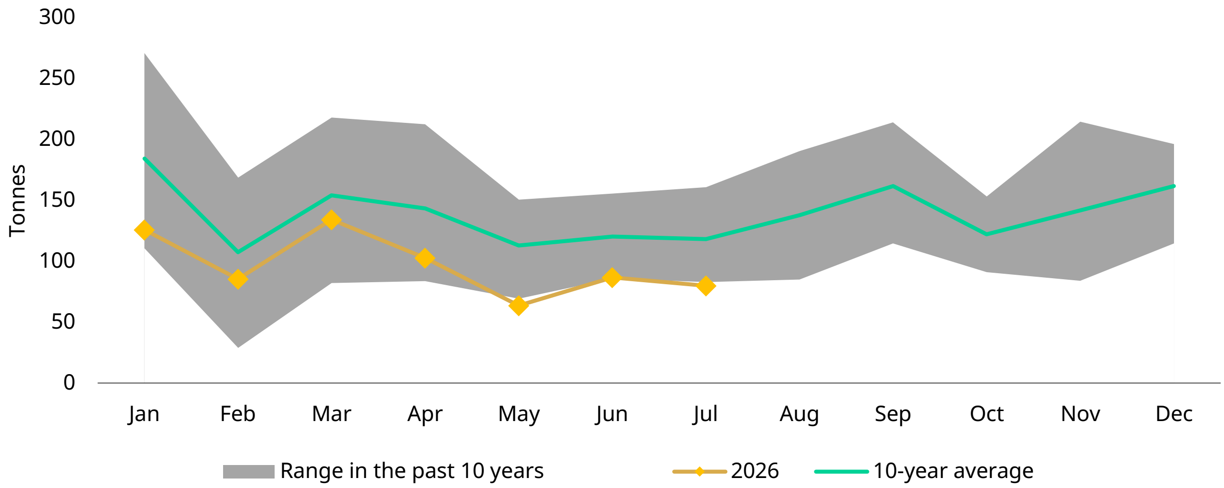
2. Based on the daily close prices of Au99.99 as of 12 August. For more, see: Gold Spot Prices & Market History | World Gold Council
3. Based on Chinese gold ETF demand as of 12 August. For more, see: Gold ETF: Stock, Holdings and Flows | World Gold Council

Wholesale demand stayed tepid last month

Wholesale gold demand, as measured by SGE withdrawals by banks, jewellers and refiners, fell 8% m/m to 80t in July (**Chart 3**). The decline was largely seasonal, as the jewellery sector is typically tepid in Q2 and early Q3. Industry feedback also suggests that investment demand was broadly unchanged from June and therefore failed to offset softer jewellery-related buying. On a y/y basis, SGE withdrawals were down 15%, reflecting subdued jewellery consumption amid higher gold prices than a year ago and still-weak consumer confidence.

Chart 3: Wholesale demand remains tepid in July

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



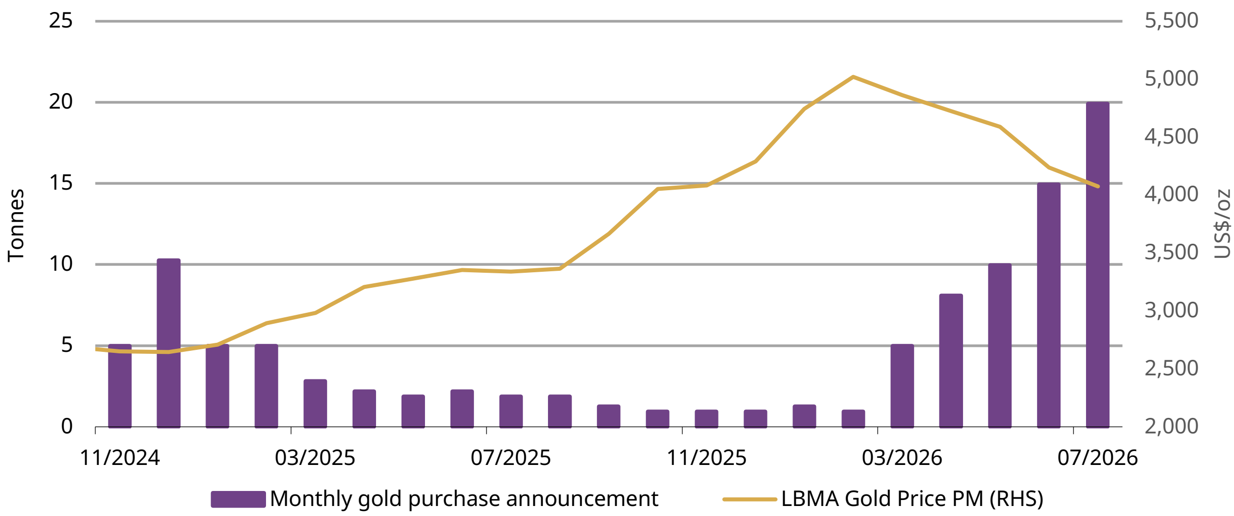
*As of 31 July 2026. Ten-year average based on data between 2016 and 2025.
Source: Shanghai Gold Exchange, World Gold Council

The PBoC added more gold in July

The PBoC reported a 20t increase in gold reserves in July (**Chart 4**), bringing official gold holdings to 2,366t, 8% of total foreign exchange reserves. Following the largest monthly addition since October 2023, the PBoC's gold-buying streak has now reached 21 months, the longest on record. The central bank continued to accelerate its buying, likely taking advantages of a lower gold price and underscoring gold's strategic role in reserve diversification amid an increasingly fragmented geopolitical landscape.

Chart 4: The PBoC ramped up gold purchasing efforts as the price softened

The PBoC's reported gold purchases and the gold price*



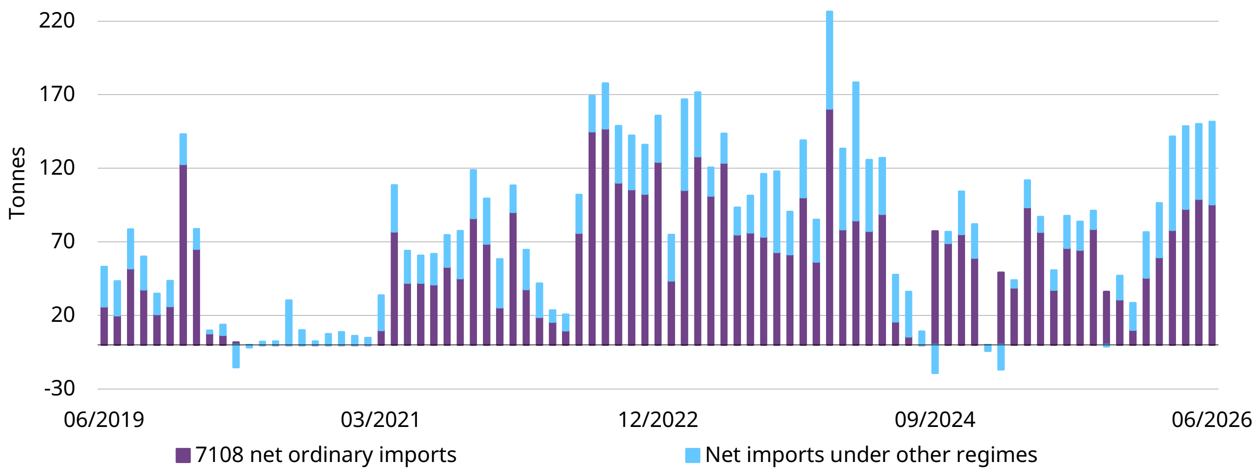
*Data to 31 July 2026.
Source: State Administration of Foreign Exchanges, World Gold Council

Imports elevated in June

China's net gold imports totalled 152t in June (**Chart 5**) according to the latest available data, a mild 2t m/m rise, but the highest since March 2024. Over the course of H1 China imported 764t of gold, 138% higher y/y, reflecting strong investment buying during the period.

Chart 5: Gold imports were higher in June

Net gold imports under HS7108*



*Data to June 2026.
Source: China Customs, World Gold Council

World Gold Council

We are a membership organisation that champions the role gold plays as a strategic asset, shaping the future of a responsible and accessible gold supply chain. Our team of experts builds understanding of the use case and possibilities of gold through trusted research, analysis, commentary and insights.

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

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