

Gold Market Primer

Market size and structure





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Executive summary

The gold market is notable for both its long history and its significant scale. Gold's role as a consumer good and an investment asset is shaped by its scarcity, the durability of its above-ground stock, and its usefulness to individuals and institutions alike. This primer outlines the market's size, structure, and essential characteristics, providing a foundation for understanding gold's ongoing relevance in the global economy, financial portfolios and official reserves.

- **A US\$31tn market:** approximately **220,000t of gold** are available above ground – making gold scarce but large enough to enable a wide range of participants, from consumers and investors to central banks
- **A deep and diverse financial market:** investable gold, mostly in bullion form, amounts to more than **US\$15tn** – US\$9tn in physical bars, coins, gold ETFs and over-the-counter holdings by private investors; US\$5tn managed by central banks and other official institutions, and nearly US\$1.5tn in derivatives
- **Institutional-grade liquidity:** gold traded a record **US\$361bn per day** on average in 2025, equivalent to 3,000t exchanging hands daily– London is a key trading hub with more than US\$160bn in over-the-counter volumes per day, mostly in the form of spot contracts, while COMEX leads in derivatives trading, followed by the fast-growing Shanghai Futures Exchange
- **An under-owned strategic investment:** gold makes up **3%** of global financial assets (excluding central bank reserves); however, it is not uniformly distributed and remains significantly under-allocated in many investor portfolios
- **A core foreign reserve asset:** central banks and official institutions collectively hold nearly **39,000t of gold, worth US\$5tn**, equivalent to **26%** of global allocated reserves as of 2025. For developed countries, the average share of gold is larger at 30%, and although emerging markets are catching up, they still hold around 15%
- **Its diverse structure supports stability:** gold's dual demand from consumption and investment, combined with its geographically far-reaching mine supply and a significant contribution from recycled gold, creates a natural balance for the market and limits outsized shocks.



Gold is a scarce asset with a large market

Nearly 220,000t of gold, valued at US\$31tn, have been mined throughout human history.

Scale is one of the standout attributes of the gold market. The total above ground stock is large in both physical and financial terms: almost 220,000t of gold have been mined throughout history, valued at approximately US\$31tn at the end of 2025.¹ A useful way to visualise this is the 'gold cube': if the entire above-ground stock were melted down it would fit into a cube with sides of roughly 22.5 metres (74 feet) (Figure 1). Of this:

- Jewellery accounts for 44% (97,650t, US\$14tn)
- Central banks and other official institutions hold 18% (38,670t, US\$5tn) as reserves
- Bars and coins represent 21% (46,950t, US\$7tn)²
- Physically-backed gold ETFs hold 2% (4,025t, US\$0.6tn)
- We estimate that over-the-counter (OTC) holdings by institutions and high net worth investors are approx. 5% (up to 10,000t, US\$1.5tn)
- The remainder, consisting primarily of technology and other industrial applications, amounts to 10% (22,600t, US\$3tn).³

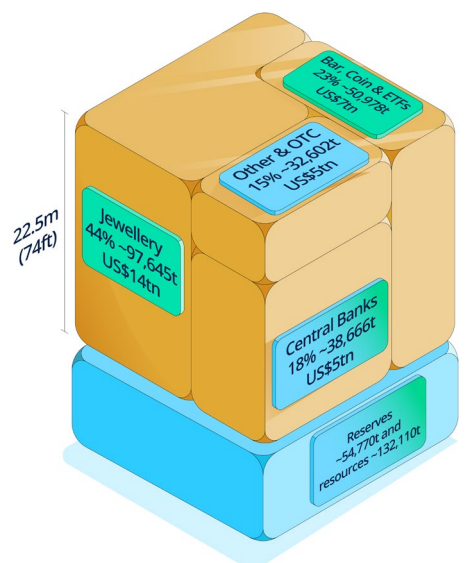
Importantly, the stock is permanent. Gold is virtually indestructible, so unlike many industrial commodities, historical production continues to exist as potential inventory in some form – held as jewellery, coins, bars, central bank reserves, or in other applications.

This persistence means the market is not solely determined by new mine production, but also by a large existing stock that can respond to changes in price, risk and preferences (i.e., the flow of gold between various parts of the market).

The stock also grows slowly – by around 1.8% per year through newly mined metal – reinforcing gold's scarcity over time.⁴ This gradual growth also contributes to gold's long-run performance and it explains why short-run changes in demand, often through investment flows, can have meaningful effects on price.

This combination of scarcity and scale underpins gold's relevance to all investor types.

Figure 1: The total amount of gold above ground is estimated at 219,890t*



*End-2025 estimates. 'Other' includes technology stocks, OTC investment, and estimated unaccounted or lost gold. Reserves are the portion of an ore deposit that can be economically extracted. Resources are the portion of a deposit in which companies have less geological knowledge and confidence, i.e. less drilling data and only simple economic modelling applied to it, or in some instances no economic modelling at all – it's a broad category ranging from inferred, indicated, or measured. Estimates for reserves and resources can vary, for example reserves are currently estimated to be ~64,000t by the US Geological Survey. Source: Metals Focus, Refinitiv GFMS, World Gold Council

Financial gold is synonymous with bullion

The total investible gold market is worth US\$15tn, comprising physical investment (US\$14tn) and derivatives (US\$1.5tn).

The physical investment gold market is comprised of several key components, starting with bars and coins: tangible forms of investment bullion commonly held by individuals and institutions. Next, physically-backed gold ETFs offer investors exposure to gold without the need to own the metal directly, making these a popular choice for those seeking convenience and liquidity.

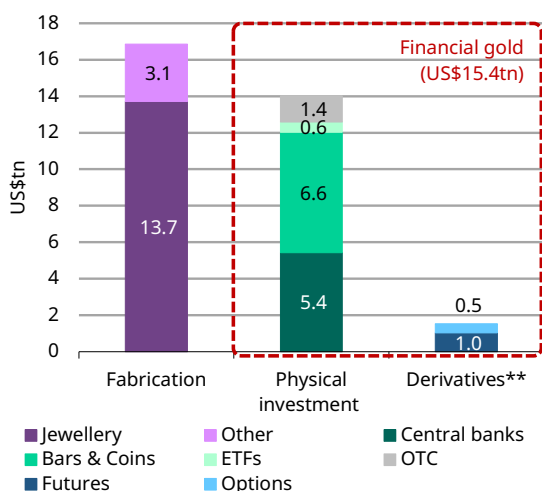
In addition, OTC gold investment stands out as a particularly important segment. OTC holdings, estimated to as high as 10,000t,⁵ represent positions acquired through private transactions rather than on exchanges, rendering them less visible than exchange-traded products (Chart 1, p5).

1. As at end 2025; value calculated using the LBMA Gold Price PM in USD.
2. Net investment in small gold bars (1kg and below) and gold bullion coins (i.e. gross purchases less gross sales) sold at the retail level. See: [Notes and Definitions](#)
3. Totals may not sum due to rounding.

4. 10-year average to end 2025.
5. Our estimated range of 5,000-10,000t is derived by removing technology stocks and estimated unaccounted gold from the 'Other' above-ground stocks segment, while also accounting for less visible, non-OTC investment holdings.



Chart 1: Value of above-ground gold by use and gold derivatives*



*As of 31 December 2025.
 **Represents open interest in COMEX, SHFE, SGE and OTC transactions.
 Source: Bloomberg, Bank for International Settlements, ETF company filings, ICE Benchmark Administration, Metals Focus, Refinitiv GFMS, World Gold Council

Central bank reserves also play a significant role in this market, as governments hold substantial quantities of gold for financial stability and strategic reasons.

Taken together, these segments – bars, coins, ETFs, central bank reserves and OTC investments – constitute the total financial physical gold market, with a value of approximately US\$14tn (estimated to total around 100,000t). This represents about 45% of all above-ground gold stocks. The sheer scale of this market enables gold to accommodate significant institutional flows as large transactions can be processed across various venues and holders without causing major price distortions.⁶

Gold derivatives are a fraction of physical gold holdings, yet important for liquidity and price discovery.

Alongside physical holdings, gold has an actively traded derivatives market. Exchange-traded and OTC derivatives support overall liquidity, offering opportunities for hedging and leveraged trading, and serving as a complement to the spot market.

At the end of 2025 derivatives open interest – futures and options – were worth around US\$1.5tn, a fraction compared to physical gold. But these products help create massive liquidity for gold. Average daily trading volumes in 2025 reached US\$114bn on COMEX and US\$51bn on the Shanghai Futures Exchange. These volumes illustrate how futures markets can concentrate activity, contribute to price discovery, and offer liquidity even when physical settlement is less frequent than financial turnover.

It is important to interpret derivatives in context. Derivatives markets allow participants to transfer price risk without necessarily moving physical gold, which can increase turnover and improve the efficiency of price discovery. At the same time, the derivatives market remains smaller than physical holdings, which helps keep the financial system’s gold exposure grounded in a large underlying physical market.

Gold’s liquidity is on a par with other major assets

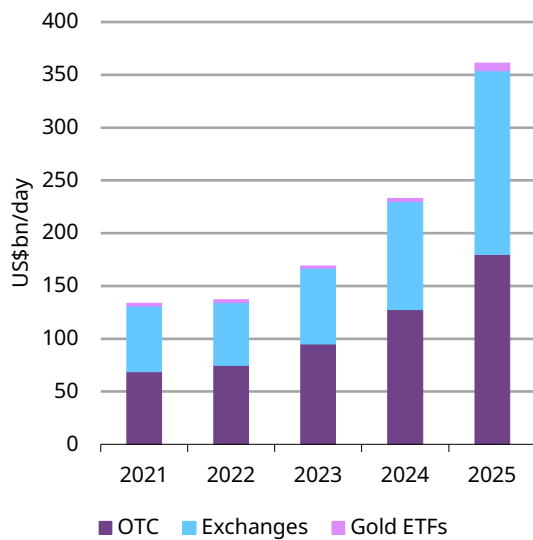
Gold can be entered/exited at scale across venues and market conditions, supported by deep OTC activity and liquid listed futures markets.

Liquidity – the ease with which an asset can be bought or sold without significantly affecting its price – is frequently cited as one of gold’s core attributes. Gold’s liquidity is linked to both its physical properties and its market structure. Because gold can be recycled indefinitely, a sizeable portion of above-ground stocks can potentially be mobilised and sold on the secondary market.

In terms of observable turnover, global gold trading volumes averaged approximately US\$361bn per day in 2025 (Chart 2). While OTC trading in London plays a central role (US\$180bn/day), other on-exchange markets are growing in importance (US\$174bn/day) to overall liquidity.

Chart 2: Gold trading volumes have increased significantly, highlighting its liquidity

Average daily gold trading volumes in US\$bn*



*Data as of 28 February, 2026.
 Source: Bloomberg, Nasdaq, COMEX, ICE Benchmark Administration, Shanghai Gold Exchange, Shanghai Futures Exchange, ETF providers, Multi Commodity Exchange of India, Dubai Gold & Commodities Exchange, Japan Exchange Group, Thailand Futures Exchange, Borsa Istanbul, Bursa Malaysia, Korea Exchange, World Gold Council

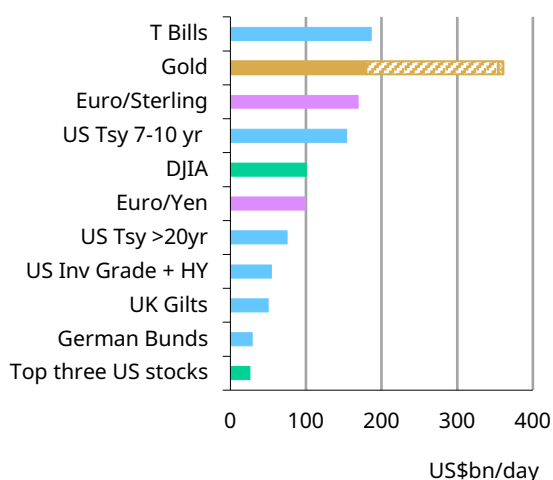
6. Is Gold a High-Quality Liquid Asset? Dirk Baur et al, February 2025, SSRN



Few financial assets can match the gold market's liquidity, especially during times of financial stress. In 2025 London OTC volumes alone were significantly higher than comparable statistics for UK Gilts and German Bunds, and broadly in line with 7–10 year US Treasuries and T-bills (**Chart 3**). This combination of a large existing stock, active trading venues, and the ability to recycle and remobilise metal, supports trading across a range of market conditions.

Chart 3: Gold trades more than many other major financial assets

Average daily trading volumes for gold and other major asset classes*



■ Stocks ■ Bonds ■ Currencies ■ OTC ■ Exchanges ■ ETFs

Note: Based on estimated average daily trading volumes from 1 January 2025 to 31 December 2025, except for currencies that correspond to April 2025 daily volumes due to data availability, and UK Gilts and German Bunds that correspond to 2024 data. Top three US most-traded stocks represents the average of Apple, Nvidia and Tesla. A detailed breakdown of the composition and calculation of gold trading volumes is available on Goldhub.com. Source: Bloomberg, Bank for International Settlements, Bundesrepublik Deutschland Finanzagentur GmbH, FINRA, United Kingdom Debt Management Office, World Gold Council

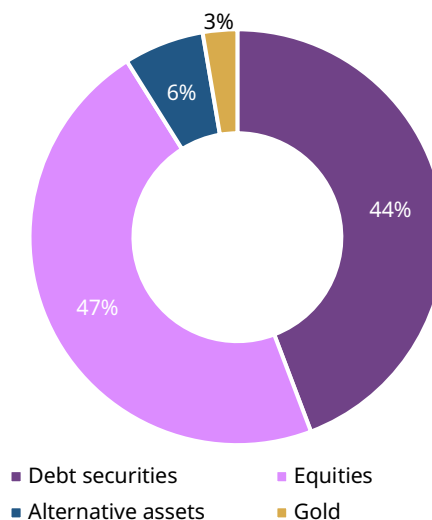
Gold is a small but meaningful fraction of investable assets

Despite gold's large market size, the low average allocation means even incremental shifts in positioning can be important.

One of the most striking comparisons is between gold's absolute size and its relative share within global financial markets. Despite being a large and liquid market, gold bullion held by investors is still only a small portion of global investable assets.

We estimate that the ~US\$9tn of gold bullion held by individual and institutional investors (bars, coins, gold ETFs and OTC) accounts for 3% of the estimated US\$320tn invested in financial assets globally (**Chart 4**).⁷ Historically, this share was significantly higher – around ~14% – about 40 years ago.⁸

Chart 4: A small slice of the global investment pie Gold's share of investable assets*



*Data to 31 December 2025, with the exception of debt securities which is to June 2025 (latest data available). Source: BIS, ICE Benchmark Administration, Metals Focus, Preqin, World Federal of Exchanges, World Gold Council

7. The 3% figure is an aggregate share of gold bullion held by investors relative to global financial assets; it does not imply a typical portfolio holds 3% in gold.

8. Historical estimate based on available data at the time; asset coverage and definitions may differ from the current calculation.

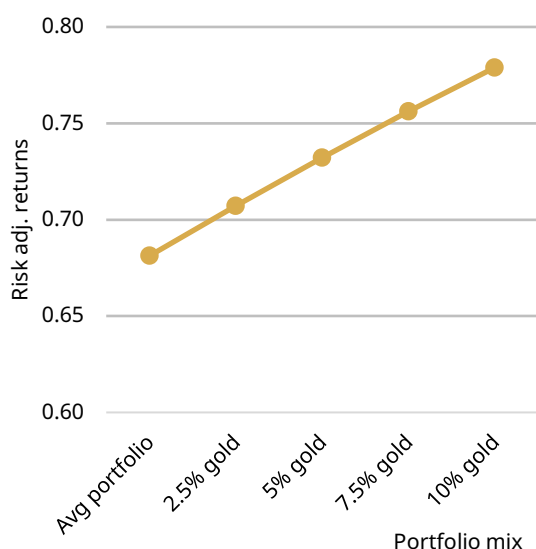


But gold holdings are not uniform across portfolios. For example, our market research across various segments suggests that up to 30% of investors may not have any allocation to gold. And among those investors who do hold gold, institutions in particular tend, on average, to be significantly under-allocated.

In contrast, our analysis shows that investors can benefit from a 5% strategic allocation in a well-balanced portfolio, with a range between 2% to 10% depending on their investment objectives (Chart 5). For investors in some markets, such as [India](#) or [Japan](#), the optimal allocations may be higher.

Chart 5: Adding gold over the past 20 years would have increased risk-adjusted returns

Risk-adjusted returns of a hypothetical USD portfolio with and without gold*



*Based on US dollar performance between 31 December 2005 and 31 December 2025. Note: For more information on the hypothetical portfolio, please see: [Portfolio impact - 1. Risk/reward profile | World Gold Council](#). Source: Bloomberg, ICE Benchmark Administration, World Gold Council

Gold's role in international reserves has grown

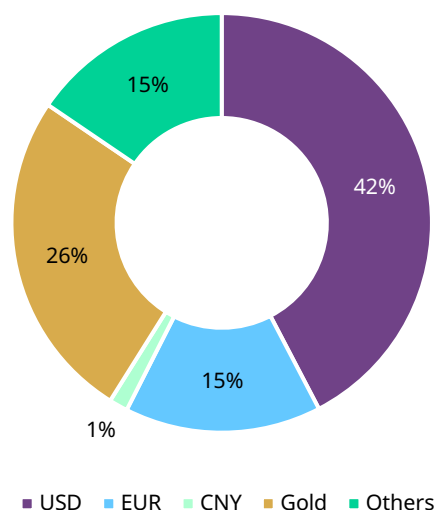
Gold is not only an investor asset; it is also an important official reserve asset. Reserve managers commonly adhere to the principles of safety, liquidity and return, making gold a natural reserve asset alongside major currencies such as the US dollar, euro, British pound and Japanese yen (often held via sovereign debt securities).

At the end of 2025 central banks held around 38,670t of gold, according to our estimates, worth approximately US\$5tn. By Q3 2025 gold accounted for 26% of total global allocated reserves, according to IMF COFER data, with only the US dollar holding a greater share (Chart 6).

Why do central banks hold so much gold? Our [2025 central bank survey](#) shows that gold's performance during times of crisis, its effectiveness as a diversifier, and its long-term store of value are key drivers behind gold ownership.

Chart 6: Gold is a key component of central bank reserves

Composition of total reserves (foreign exchange and gold)*



*Latest COFER data available at the time of writing was for Q3 2025. Excludes unallocated reserves. Note: This calculation uses data from our monthly central bank statistics, which comprises mostly IMF data supplemented with data directly from central bank websites where needed and available. Totals may not sum to 100% due to rounding. Source: ICE Benchmark Administration, IMF COFER, IMF IFS, Metals Focus, Refinitiv GFMS, World Gold Council

However, there can be a sizeable divergence in gold holdings among central banks. For example, in 2025 developed market central banks held, on average, 30% of their total reserves in gold. In comparison, their emerging market counterparts held just 15%; this compares with around 4% in 2010, after which emerging market central bank demand for gold expanded rapidly.

Our survey also found that the majority of respondents (73%) expected moderate or significantly lower US dollar holdings within global reserves over the next five years. Contrastingly, respondents also believed that the share of other currencies, such as the euro and renminbi, as well as gold, would increase over the same period.



Supply and demand are diverse – supporting market stability

Gold is a truly global market with diversity across both supply and demand sectors

Gold's market structure is shaped by diversity – across both supply sources and demand uses (**Figure 2, p9**). And this diversity, which has increased over the last three decades, supports stability within the market.

Supply: gold is supplied from a mix of mined (74%) and recycled (26%) sources.⁹ Mine production is well diversified geographically, with no single region producing more than a quarter of the global total. This reduces the risk of supply shocks and contributes to gold's relatively low volatility compared to commodities, for which mining is more geographically concentrated. And recycling acts as a buffer when gold from primary production cannot meet demand, responding to fill the gap and balance the market. This is an important structural feature: unlike many commodities where supply responds primarily via new production, gold has a large existing stock that can be recycled and resold.

Demand: gold is bought around the world for multiple purposes – as a consumer good, a component in electronics, a safe-haven investment, or a portfolio diversifier. Gold demand is also geographically diverse, with major gold markets present across the world.

Emerging markets – dominated by China and India – represent around 50% of annual global gold demand, while developed markets account for the remainder.¹⁰

Gold has a “dual nature”

A distinctive element of gold's market structure is what we call its ‘dual nature’.

Gold has a diverse demand base spanning consumer use – jewellery (29%) and technology (6%) – and investment use – investment (43%) and central banks (21%) – meaning different drivers can dominate at different points in the economic cycle (**Figure 3, p9**).¹¹ During periods of economic expansion, pro-cyclical consumer demand can support gold's performance. During periods of economic uncertainty, counter-cyclical investment demand tends to rise and can drive the gold price higher. This framework is a concise way to explain why gold can behave differently from many assets, depending on the macro backdrop.

In practical terms, this dual nature can influence both annual demand composition and price dynamics. Consumer demand – especially jewellery – can be sensitive to income growth, cultural factors and price levels. Investment demand can respond to risk appetite, real rates, currency moves, and the broader macro environment.

This also helps explain why gold can be relevant to both investors and policymakers. Investors may value gold for diversification and liquidity. Central banks may value gold for similar reasons, particularly its crisis performance and its role as a long-term store of value.

Major trends have reshaped gold demand over the past 30 years

Although gold has played a notable role in economies for millennia, the modern gold market has undergone significant structural change over the last 30 years. Four key structural developments underpin this transformation:

- **EM economic growth:** wealth expansion and economic growth have supported jewellery consumption, technology demand, and the acquisition of bars and coins
- **Advent of gold ETFs:** the introduction of physically-backed gold ETFs has had a material impact on investment demand
- **Re-emergence of central bank demand:** Since late 2009, central banks have returned as sustained net buyers, seeking diversification, liquidity and crisis protection
- **The Global Financial Crisis:** reinforced gold's appeal as a liquid diversifier during systemic stress, increasing its relevance for strategic allocations.

This evolution matters for market stability. A broader demand base can reduce dependence on a single sector and can help the market adjust when one source of demand weakens.

For more detail, our '[30 years of Gold Demand Trends](#)' report provides deeper historical context and supporting data.

9. Based on the 10-year annual average between 2016 and 2025.

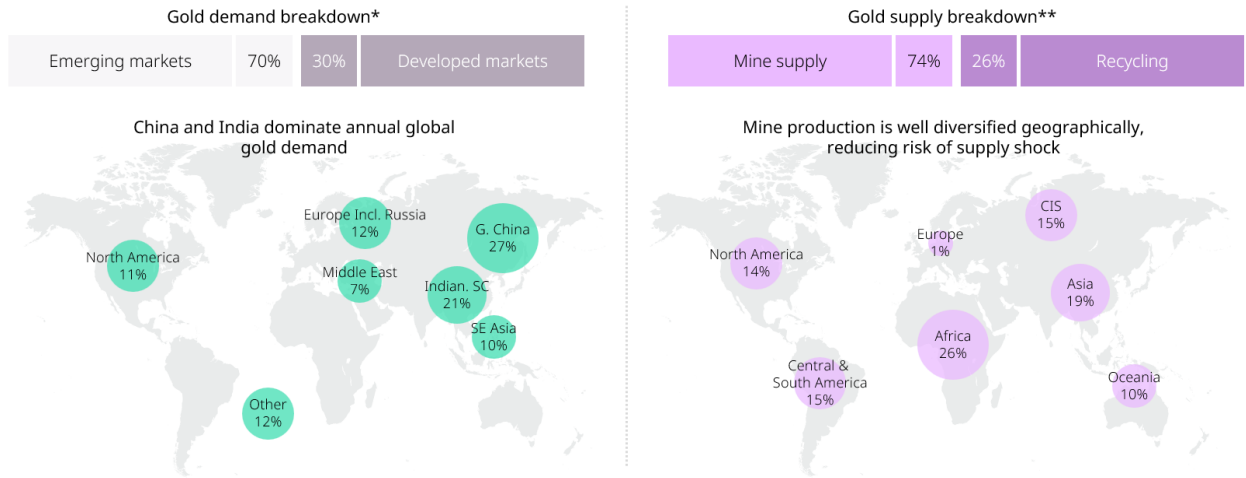
10. Based on the 10-year annual average between 2015 and 2024. Gold demand here includes jewellery, technology, bars and coins, and gold ETFs.

11. Totals may not sum to 100% due to rounding.



Figure 2: Demand and supply are geographically diverse

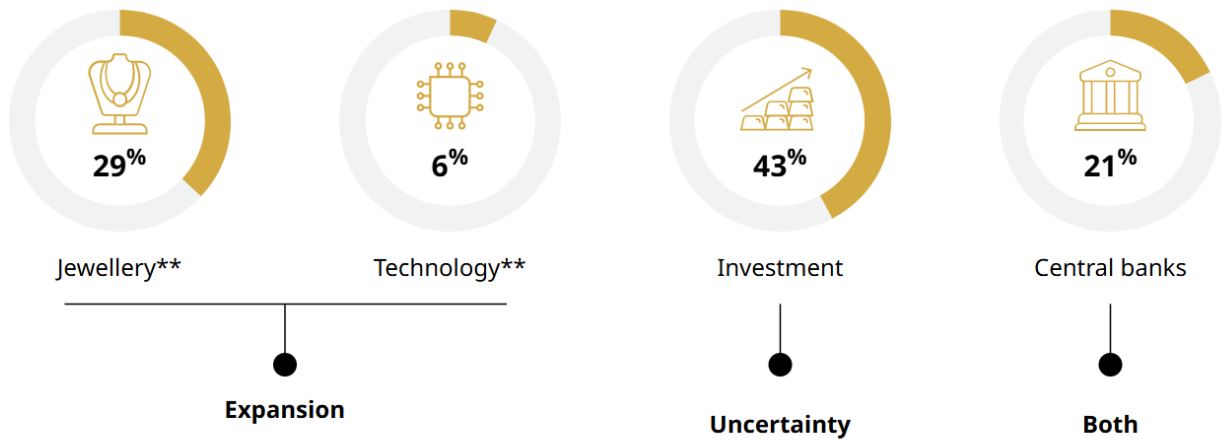
Regional breakdown of gold demand and supply*



*Based on 10-year average demand estimates ending in 2025. Includes jewellery, bars, coins, ETF demand, and technology demand. Excludes over-the-counter transactions and central bank purchases. **Based on 10-year average supply estimates ending in 2024. Regional supply breakdown includes mine production only. Developed and emerging market categorisations are taken from the IMF World Economic Outlook. Source: IMF, Metals Focus, World Gold Council

Figure 3: Gold has a diverse demand base: a luxury good, a technological component, and an investment

Average annual net demand approx. US\$351bn)*



*Based on 10-year average annual net demand estimates ending in 2025. Includes: jewellery and technology net of recycling, in addition to bars and coins; ETFs and central bank demand, which are historically reported on a net basis. It excludes over-the-counter demand owing to limitations in data availability. Figures may not add up to 100% due to rounding. US dollar value computed using the 2025 annual average LBMA Gold Price PM of US\$3,431.5/oz.

** Net jewellery and technology demand computed assuming 90% of annual recycling comes from jewellery and 10% from technology. For more details, see: [Gold Recycling Primer](#).

Source: ICE Benchmark Administration, Metals Focus, 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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