WORLD GOLD COUNCIL

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Gold Demand Trends
Q2 2026

Demand steadies in Q2 as price softens

H1 total demand volume slightly firmer, value rockets

Total gold demand, including OTC, was unchanged y/y at 1,269t in Q2. This took demand for the first half year to 2,522t (+2% y/y), with a record value of US$380bn.[1]

Gold ETFs came under selling pressure in Q2 (-45t). Moderate outflows were in response to weaker gold prices and, particularly in North America, upward adjustments to both inflation and interest rate expectations alongside a strengthening US dollar.

Bar and coin investment held steady y/y (307t) in Q2. This signalled a return to more typical levels of buying following two extraordinarily strong quarters.

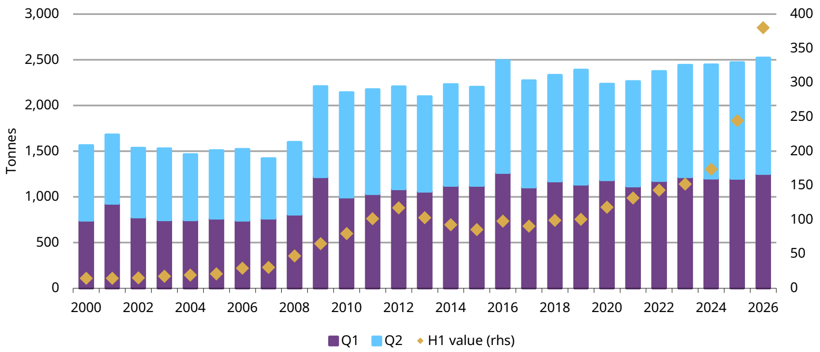
Central banks made significant gold purchases in Q2 (289t). After a notable Q1 slowdown following a downward revision to our data, buying among this cohort recovered sharply to the lofty levels that have been typical in the last four years.

Jewellery demand fell to its lowest quarterly volume since the pandemic (278t), as high gold prices and broader inflationary pressures continued to constrain affordability. In comparison, spending on gold jewellery was up 14% y/y at US$40bn, confirming gold's continued importance in share of wallet.

Technology usage of gold again firmed slightly (80t) as AI-related demand offset weakness in the consumer electronics market.

Chart 1: Q2 demand stabilised following modest Q1 growth

Quarterly demand, tonnes and US$ value*



*Data as of 30 June 2026.
Source: ICE Benchmark Administration, Metals Focus, World Gold Council

1. Calculated using quarterly average LBMA Gold Price PM in US$ for Q1 and Q2

Highlights

The LBMA (PM) gold price averaged US$4,506.29/oz in Q2
The price was 8% lower than the Q1 record, but 37% higher than the average from Q2 2025.

Total gold supply held steady at 1,269t in Q2
A 2% y/y increase in mine production offset a 6% y/y decline in recycling as lower q/q gold prices discouraged selling of old gold jewellery.

Outlook
We expect investment to remain the primary driver of demand growth through the second half, supported increasingly by OTC activity and Asian buying. Central banks remain on course for another strong year, although likely lower than 2025. Jewellery volumes will likely remain under pressure from high gold prices. We see only modest growth potential from mine production and recycling.

For more information please contact: research@gold.org

Gold supply and demand

Table 1: Quarterly gold supply and demand by sector, tonnes

	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	q/q % change	y/y % change
Supply							
Mine Production	947.7	1,028.1	986.6	901.3	965.6	7	2
Net Producer Hedging	-25.8	-0.2	-20.2	-22.1	-22.8	-	-
Recycled Gold	346.7	342.7	365.8	373.8	326.1	-13	-6
Total Supply	**1,268.6**	**1,370.6**	**1,332.2**	**1,253.1**	**1,268.9**	**1**	**0**
Demand							
Jewellery Fabrication	354.2	420.0	438.9	332.1	310.3	-7	-12
Jewellery Consumption	335.3	375.6	434.8	294.2	278.2	-5	-17
Jewellery Inventory	18.9	44.4	4.1	37.8	32.1	-15	70
Technology	78.6	81.7	82.1	81.6	80.4	-2	2
Electronics	65.8	68.6	69.1	69.3	68.3	-1	4
Other Industrial	10.8	11.1	11.0	10.4	10.1	-3	-7
Dentistry	2.1	2.0	2.0	1.9	1.9	0	-6
Investment	486.8	554.1	603.9	539.2	262.2	-51	-46
Total Bar and Coin	315.6	328.4	428.1	476.8	307.1	-36	-3
Bars	250.7	251.0	331.4	397.1	247.8	-38	-1
Official Coins	40.1	31.6	54.3	51.8	33.5	-35	-16
Medals Imitation Coins	24.8	45.9	42.4	27.9	25.8	-8	4
ETFs and Similar Products	171.1	225.7	175.7	62.4	-44.8	-	-
Central Bank and Other Institutions	177.9	226.3	208.2	56.5	288.9	411	62
Gold Demand	**1,097.4**	**1,282.1**	**1,333.1**	**1,009.4**	**941.8**	**-7**	**-14**
OTC and other	171.1	88.5	-0.9	243.7	327.1	34	91
Total Demand	**1,268.6**	**1,370.6**	**1,332.2**	**1,253.1**	**1,268.9**	**1**	**0**
LBMA Gold Price (US$/oz)	3,280.4	3,456.5	4,135.2	4,872.9	4,506.3	-8	37

Note: For an explanation of these terms, please see the Notes and definitions download: www.gold.org/goldhub/data/gold-demand-by-country.
Source: Metals Focus, Refinitiv GFMS, ICE Benchmark Administration, World Gold Council

Outlook

Investment is expected to be the principal source of demand growth through the rest of 2026, supported increasingly by OTC activity and Asian buying. Central banks should remain significant buyers. High prices will continue to weigh on jewellery volumes but elicit only a measured response from mine production and recycling.

- Investment demand should remain constructive over the remainder of 2026. OTC activity and Asian investment are expected to make a greater contribution, while Western gold ETF flows may remain sensitive to real yields, monetary policy expectations and the US dollar
- Bar and coin demand is likely to moderate following a strong start to the year, but geopolitical uncertainty, inflation concerns and limited alternative investment options should continue to provide support
- Jewellery demand will remain under pressure as elevated prices weigh on volumes, even where consumer spending remains comparatively resilient; technology demand should benefit further from AI investment, although downside risks are building
- Central banks remain on course for another strong year of net purchases, supported by portfolio diversification, and inflation- and risk-hedging requirements, but annual demand is expected to finish below the 2025 total
- Mine production should edge higher as elevated prices and healthy margins support output, although operational constraints and long project lead times will limit the scale of the response
- Recycling is expected to rise only modestly, constrained by expectations of further price appreciation, limited near-market stocks and an absence of widespread economic distress.

Investment remains the engine, but the mix is changing

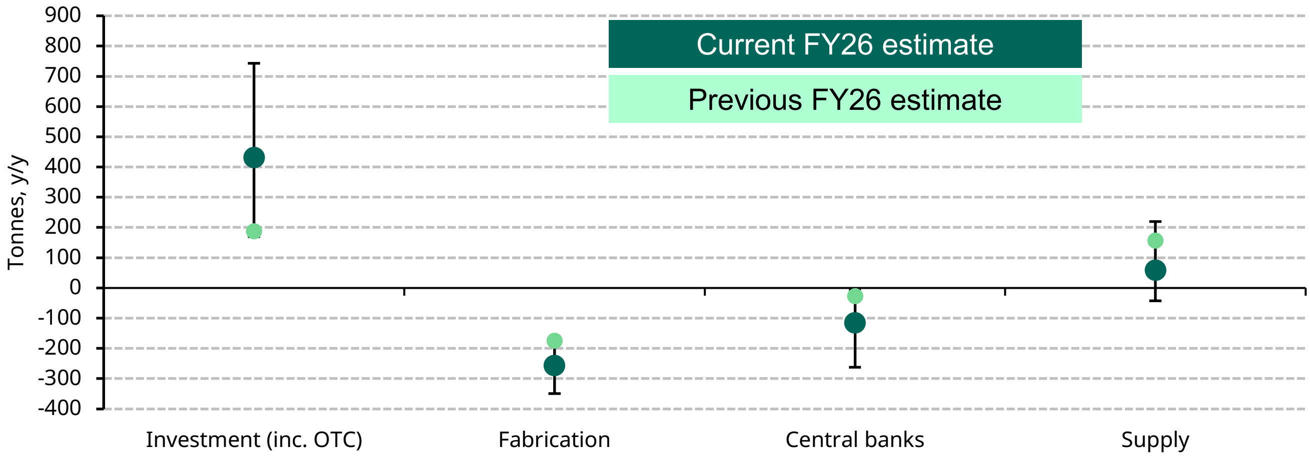
Investment should be the main driver of gold demand growth through the remainder of 2026, although a repeat of 2025's exceptional strength looks unlikely.

Demand is expected to be driven increasingly by OTC activity and Asian investment, while gold ETF flows in North America and Europe may be more episodic. Bar and coin demand is also likely to moderate after a strong start to the year, but the forces supporting gold ownership – geopolitical uncertainty, inflation concerns and a shortage of compelling alternatives in some markets – remain firmly in place.

For North American ETFs, the principal near-term headwind is the opportunity cost of holding gold. Higher real yields and shifting expectations for monetary policy could restrain Q3 flows. Markets are currently pricing one rate hike in October 2026, while the US 10-year TIPS yield is edging towards 2.5% – a level traditionally associated with a higher opportunity cost for gold – although a hike, when it arrives, is not a guaranteed negative for gold (**Chart 3).**

Chart 2: Healthy investment countered by weak jewellery; central bank buying sustained; supply constrained

Expected change in annual gold demand, tonnes*



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

Yet those pressures sit alongside several potential catalysts: a softer US dollar, weaker credit conditions, or a deterioration in equity-market prospects would likely strengthen gold's relative appeal. Furthermore, seasonal factors could provide some support as thinner summer liquidity and portfolio rebalancing have also historically coincided with firmer August performance, while crowded positioning in large-cap tech stocks and the US mid-term election cycle could generate market volatility later in the year that may improve gold's appeal. With speculative positioning less extended than it was earlier in 2026, renewed inflows would not require investors first to unwind crowding to the same degree.

Europe has entered Q3 more positively after lagging other regions, but rising real Bund yields may cap momentum in the absence of a clear catalyst. In Asia, the ETF picture has been softer, yet physical investment should remain resilient.

In China the drivers of first-half bullion demand have changed little: domestic interest rates remain low, geopolitical risk is elevated, the property sector remains weak despite tentative improvement, and the VAT framework favours investment products. Further reports of central bank buying could reinforce investor interest. Indian investors retain their positive expectations for the gold price and have added to holdings on price dips. This is tempered by the potential for a lower-than-normal monsoon, which would impact rural incomes. Taken together, these factors suggest that Asian demand will continue to provide an important counterweight to less consistent Western ETF flows.

Fabrication remains under pressure

Fabrication is likely to remain the weakest component of demand. High prices continue to suppress jewellery tonnage, even where spending remains comparatively resilient: consumers respond by buying fewer, lighter or more investment-oriented products.

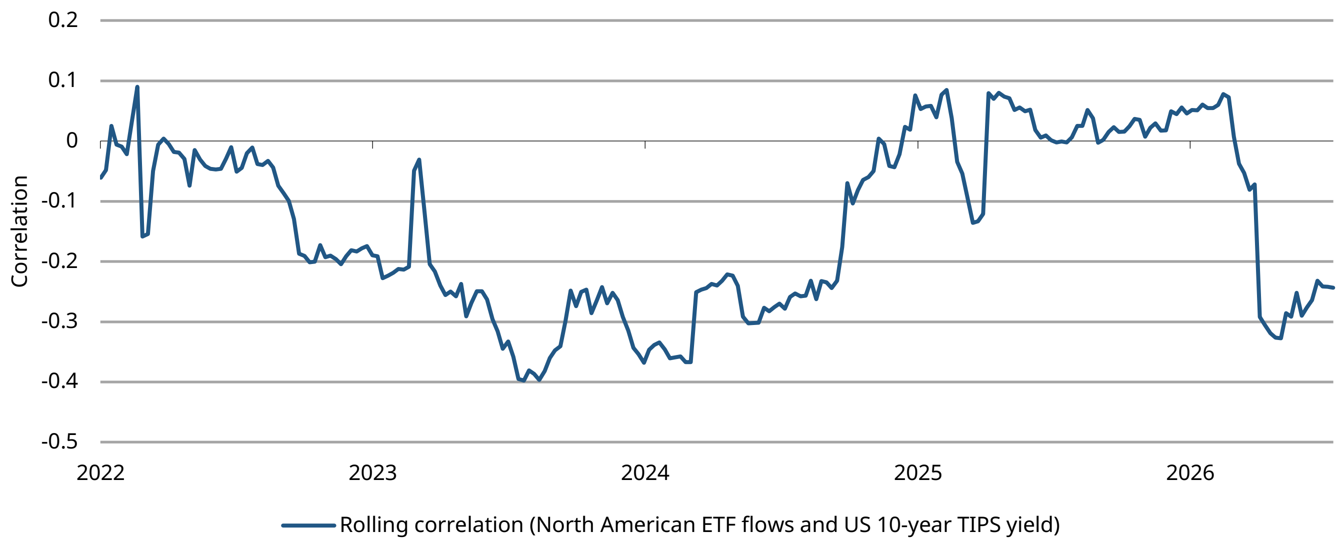
China faces the greatest pressure: although targeted stimulus may offer some support, the preference for bars and coins, together with recent VAT changes, is delaying a normalisation in jewellery demand. Our quarterly models indicate that adjustment to a higher price environment occurs gradually, implying that a recovery in volumes could take several quarters even if prices were to stabilise or retreat.

India remains comparatively resilient, but lighter-weight pieces and investment products will likely continue to increase their share of purchases.

Technology demand should benefit from continued AI-related investment, although the balance of risk is becoming less favourable: if returns on that spending disappoint, or the wider electronics cycle weakens, support for gold use in technology could fade.

Chart 3: North American ETF demand has resumed its negative relationship with US rates

Rolling weekly correlation between changes in North American ETF demand in tonnes and the US 10-year TIPS yield, %*



*Data as of 17 July 2026. Correlation calculated on a rolling 52-week basis on changes in ETF demand and changes in the US 10-year TIPS yield.
Source: Bloomberg, World Gold Council

Central bank demand: strategically strong, but below 2025

Central banks remain on course for another strong year of net purchases. The structural case for gold – diversification, crisis performance, and protection against geopolitical and financial risk – remains well established, and the Q2 recovery is more consistent with the positive intentions captured in our latest Central Bank Gold Reserves survey.

As the Q2 rebound did not fully reverse the revised Q1 demand weakness, we expect annual demand to finish below the 2025 total. Tactical sales linked to liquidity needs or foreign-exchange management remain possible, but these should be viewed against an enduring strategic trend: reserve managers continue to see gold as a long-term diversifier rather than a short-term trade.

A measured supply response

Supply should increase modestly in 2026. Elevated prices and healthy producer margins are expected to lift mine output, but operational constraints and long project lead times will limit the pace of growth.

Recycling has risen only modestly and remains subdued relative to the gold price. Unless H2 brings a decisive directional price move or broader economic stress, a sharp increase in selling back looks unlikely. Expectations of further price gains, limited near-market stocks, and the absence of visible financial distress continue to encourage consumers to hold rather than sell. Collateralised gold in India and old-gold-for-new exchange in China also diminish outright flows into recycling.

Overall, supply is likely to respond positively to the price environment – but only gradually, leaving the market's second-half outlook defined more by the strength and composition of investment demand than by a surge in available metal.

Jewellery

High prices continued to weigh on gold jewellery volumes

- Global gold jewellery demand fell to 278t in Q2, one of the weakest second quarters in our data series. H1 demand was also sharply lower y/y
- Despite lower tonnage, consumer spending remained resilient in many markets and the value of demand saw widespread growth
- Consumers continued to adapt through lighter-weight jewellery, old-for-new exchanges, and a growing preference for lower-premium investment products.

Tonnes	Q2'25	Q2'26	y/y % change
World Total	**335.3**	**278.2**	**-17** ▼
India	88.8	75.1	**-15** ▼
China, P.R. Mainland	69.2	50.0	**-28** ▼

Global jewellery demand remained under pressure in Q2, falling to 278t as elevated prices continued to constrain affordability, and encouraged consumers to reduce purchase weights. The weakness was broad-based, with China and India again accounting for much of the decline.

But the quarter also reinforced the split between volume and value: consumers bought less gold in fine-weight terms, but spending remained far more resilient.

That divergence was even more striking across H1. The global value of jewellery demand rose to US$86bn in H1'26, up 22% y/y from US$71bn in H1'25, despite weaker tonnage demand. This points to a market in which high prices are suppressing volumes but consumer expenditure remains strong, particularly where gold jewellery retains a strong saving, gifting or wealth-preservation role.

Consumers continue to adapt to the price environment. Lightweight products gained share across many markets, while lower-carat designs expanded in parts of Asia. Old-for-new exchange also remained important, particularly in China and India, allowing consumers to manage affordability while maintaining exposure to gold jewellery. The growing appeal of gold investment products also remained a headwind for jewellery volumes, particularly where lower premiums – and in some cases more favourable tax treatment – made bars and coins more attractive.

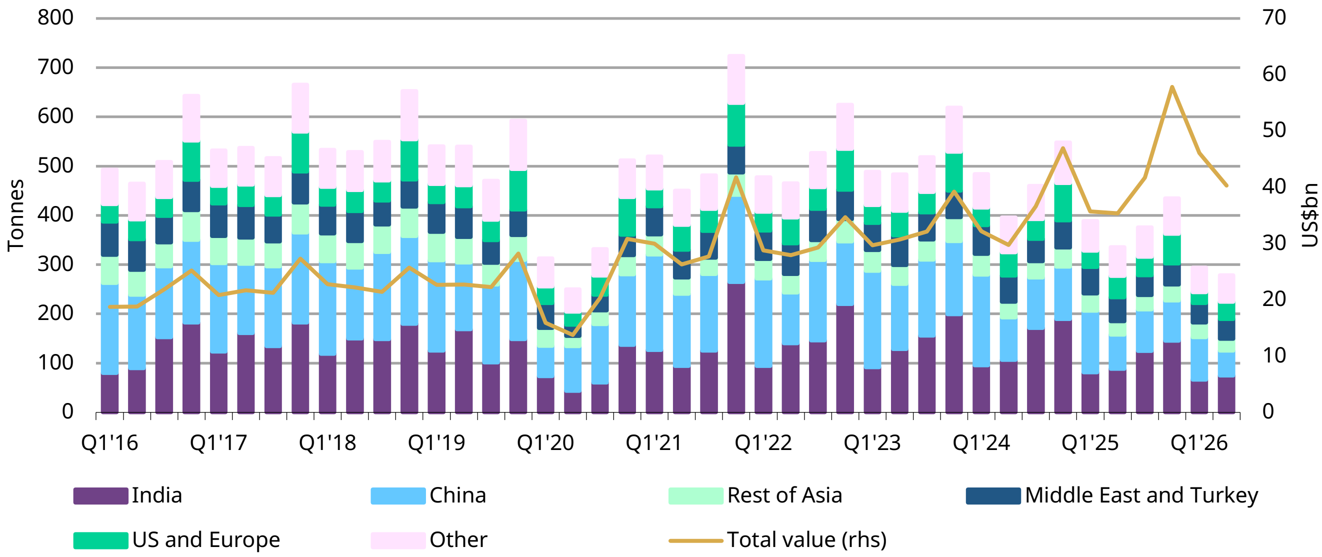
China

Chinese gold jewellery demand weakened further in Q2, falling 28% y/y to its lowest second-quarter level since 2004. The decline was partly seasonal, with Q2 typically a quieter period for jewellery buying, but it also reflected the same pressures that weighed on the market earlier in the year: fragile consumer confidence and the deterrent effect of elevated, volatile gold prices.

Demand for the first half year was 30% lower y/y at 136t, but the picture was notably more positive in value terms.

Chart 4: Weaker gold jewellery demand volumes continue to diverge from rising value

Quarterly jewellery consumption by region, tonnes and US$ value*



*Data to 30 June 2026
Source: ICE Benchmark Administration, Metals Focus, World Gold Council

Table 2: Jewellery demand in selected countries, tonnes

	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	q/q % change	y/y % change
India	88.8	125.0	145.3	66.1	75.1	14	-15
Pakistan	4.1	3.7	3.9	3.5	3.5	-2	-15
Sri Lanka	1.2	1.0	0.9	1.1	0.9	-22	-30
Greater China	**73.8**	**90.7**	**89.0**	**92.2**	**55.2**	**-40**	**-25**
China PR Mainland	69.2	84.1	81.9	86.3	50.0	-42	-28
Hong Kong SAR	3.7	5.8	6.2	4.8	4.3	-10	15
Taiwan Province of China	0.9	0.8	0.9	1.1	0.9	-20	3
Japan	3.0	3.3	4.0	3.0	2.2	-24	-25
Indonesia	3.3	3.8	5.4	3.3	3.0	-8	-10
Malaysia	2.5	2.3	2.4	2.9	2.1	-27	-13
Singapore	1.5	1.4	1.4	1.5	1.4	-8	-7
Korea Republic of	2.6	2.5	2.4	3.9	2.8	-28	6
Thailand	1.6	2.1	2.3	1.7	1.6	-10	-5
Vietnam	2.5	2.2	2.4	3.0	1.8	-40	-28
Australia	1.1	1.8	2.3	1.3	1.0	-23	-4
Middle East	**39.8**	**33.4**	**35.0**	**33.2**	**32.2**	**-3**	**-19**
Saudi Arabia	11.2	9.3	9.0	12.7	10.3	-19	-8
UAE	7.7	6.4	7.5	4.7	5.6	17	-28
Kuwait	2.7	2.4	2.8	1.8	2.2	19	-19
Egypt	5.7	4.4	5.1	5.2	4.9	-5	-14
Islamic Republic of Iran	7.3	6.5	5.4	5.0	5.4	9	-26
Other Middle East	5.2	4.4	5.1	3.8	3.9	1	-26
Turkey	9.0	7.1	7.7	6.9	7.9	16	-12
Russian Federation	8.0	10.1	11.0	6.7	7.2	7	-10
Americas	**40.0**	**34.5**	**50.1**	**20.7**	**31.0**	**49**	**-23**
United States	29.7	25.6	36.8	13.4	22.2	65	-25
Canada	3.0	2.4	4.6	1.6	2.0	21	-35
Mexico	3.2	3.2	3.7	2.7	3.0	13	-6
Brazil	4.0	3.3	5.0	3.0	3.8	27	-6
Europe ex CIS	**13.9**	**12.0**	**23.5**	**8.2**	**12.5**	**52**	**-10**
France	2.4	2.2	5.0	2.0	2.4	17	-2
Germany	2.3	1.9	3.3	0.8	2.0	157	-15
Italy	3.6	2.5	6.2	1.4	2.9	103	-19
Spain	2.0	1.9	2.5	1.8	1.9	2	-5
United Kingdom	3.6	3.5	6.5	2.1	3.4	57	-7
Switzerland	-	-	-	-	-	-	-
Austria	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-
Total above	**296.6**	**336.8**	**389.0**	**259.3**	**241.4**	**-7**	**-19**
Other & stock change	38.7	38.9	45.8	35.0	36.8	5	-5
World total	**335.3**	**375.6**	**434.8**	**294.2**	**278.2**	**-5**	**-17**

Source: Metals Focus, Refinitiv GFMS, ICE Benchmark Administration, World Gold Council

Consumers continued to spend big on gold jewellery despite buying less in fine-weight terms: H1 spending was up 11% at US$21bn. This underscores the continued appeal of gold jewellery in China, even as high prices push consumers towards lighter-weight products.

Affordability remained a key constraint. Many consumers either delayed purchases or exchanged old jewellery for new; investment-minded buyers continued to favour lower-premium bars or coins over jewellery, helped by the preferential VAT treatment of investment products. This added to the pressure on fresh jewellery demand and reinforced the shift from heavier, more conventional items.

Market polarisation deepened in Q2: lightweight Hard Pure Gold products continued to outperform, supported by affordability and design innovation. Competition also intensified in the high-end premium heritage segment as new brands targeted affluent consumers.

Looking ahead, seasonal factors should offer some support in H2, including wedding demand and holiday spending. But any recovery is likely to remain constrained by a cautious consumer mindset, particularly if the gold price remains elevated. Demand for lightweight, innovative and higher-value products should remain relatively resilient.

India

Indian jewellery demand fell 15% y/y to 75t in Q2, the lowest second quarter since the pandemic, despite improving 14% q/q from a weak Q1. H1 demand was down 17% y/y at 141t, whereas demand value rose 26% y/y to US$21bn.

The quarter was characterised by two contrasting phases. Jewellery demand received support from Akshaya Tritiya and wedding-related buying in April, while the correction in gold prices from earlier peaks also helped improve consumer sentiment. Conditions weakened markedly from mid-May through mid-June, however, due to Adhik Maas,[2] the sharp hike in import duty from 6% to 15%, and a series of government measures aimed at moderating gold imports, including a direct appeal from Prime Minister Modi to avoid buying gold.

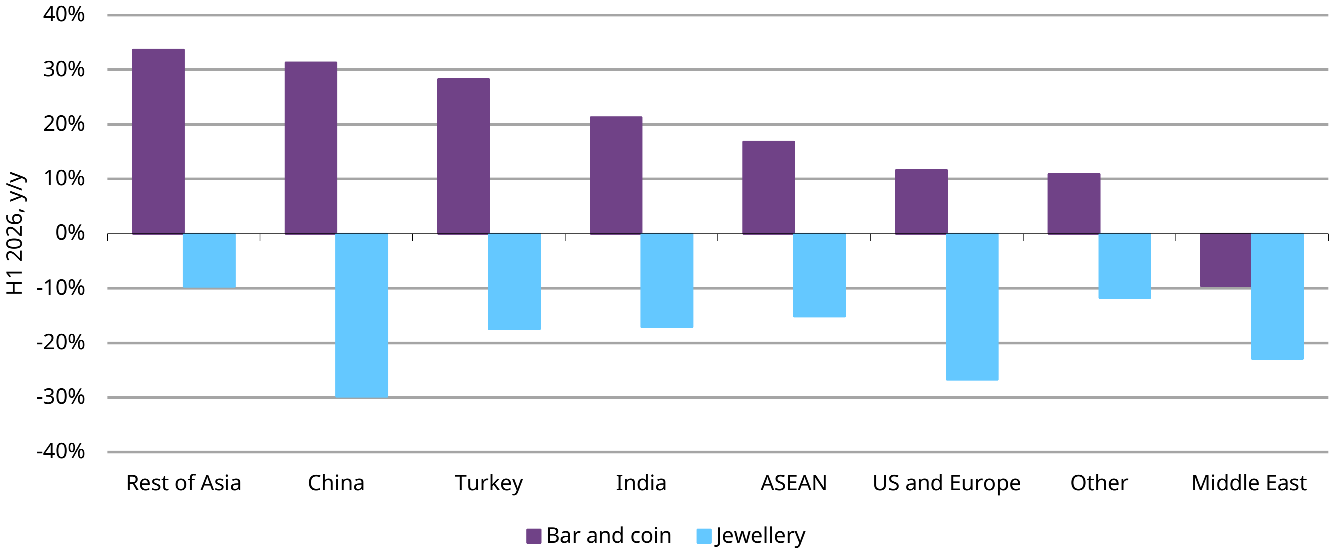
Consumers continued to adapt to high prices through product substitution. Demand increasingly gravitated towards lighter-weight jewellery, while organised retailers continued to benefit from growing sales of studded jewellery and lower-carat products. These trends were particularly evident among larger chain stores, whose customer base is more heavily weighted towards urban consumers.

A divergence between organised and traditional retail channels also remains evident. While larger retailers continue to expand inventories and increase their network of stores, many independent and mid-sized jewellers find themselves more exposed to the weakness in traditional 22k jewellery demand. Nevertheless, consumer affinity towards gold jewellery appears intact and spending remained resilient despite lower tonnage volumes.

Looking ahead, jewellers reported stronger activity in July as consumers took advantage of lower prices ahead of the forthcoming wedding season. This seasonal demand should provide further support in H2, although the monsoon and outlook for rural incomes remain important variables.

Chart 5: Substitution from jewellery to lower-premium investment gold was a notable trend across Asia during H1

Y/y % change in H1 jewellery demand and bar and coin investment*



*Data as of 30 June 2026
Source: Metals Focus, World Gold Council

2. Adhik Maas is a period in the Hindu calendar considered inauspicious for buying gold jewellery.

Middle East and Turkey

Middle Eastern jewellery demand remained weak in Q2 as elevated prices continued to weigh on affordability. Despite the backdrop of regional geopolitical disruption, some support came from prices below their earlier peaks.

Saudi Arabia was among the region's stronger performers. Demand saw a relatively modest 8% y/y decline as Hajj-related tourism, wedding demand and Eid-related buying offset price-led weakness. Anecdotal reports suggest that demand strengthened noticeably from mid-May onwards as the price correction improved sentiment.

Demand in Egypt fell 14% y/y amid persistent inflation and currency volatility. Meanwhile, the UAE recorded a 14th consecutive quarterly y/y decline. It was also one of the few markets to see a y/y drop in US dollar demand value. Given the UAE's reliance on tourists as a source of jewellery demand, the Iran conflict weighed on activity as tourist arrivals slumped. The market gained some support from lower prices and Indian expatriate demand, the latter of which will likely be boosted during H2 thanks to India's import duty hike affording the region a price advantage.

Iran also remained heavily affected by the regional conflict, which continued to disrupt economic activity and weigh on consumer sentiment. Selling back of gold jewellery was seen by some as an accessible source of funds to cover expenses and relocations.

Turkey remained under pressure, where elevated inflation and subdued consumer confidence constrained demand. Nevertheless, lower local premiums and the correction in local gold prices helped support a modest q/q recovery, with further support from wedding-related purchases later in the quarter.

US and Europe

US gold jewellery demand remained weak during Q2, but value held up better. Elevated gold prices continued to restrict sales in volume terms and consumers increasingly favoured lighter-weight and lower-carat products. Weakness was concentrated in the mass market, while higher-end jewellery proved more resilient.

European demand followed a similar pattern. Consumption across the region fell as elevated prices weighed on affordability. Italy saw the sharpest regional decline in consumer demand (-19% y/y), while its struggling fabrication sector had again to contend with weak export markets.

ASEAN Markets

Jewellery demand across ASEAN markets remained under pressure. High prices weighed on affordability and encouraged substitution towards investment products. Lower-carat jewellery gained further market share throughout the region as consumers adjusted their buying behaviour to the high-price environment.

Indonesia experienced a thirteenth consecutive y/y decline as consumers – dealing with challenging economic conditions – increasingly shifted towards lower-purity jewellery. Malaysia continued to see a structural shift towards lower-carat products, while consumer sentiment in Thailand was undermined by gold price volatility. Vietnam posted the region's largest y/y drop (-28%) as elevated local prices added to broader cost of living pressures.

Rest of APAC

Japan remained one of the more resilient jewellery markets. Although demand continued to soften, spending in yen terms remained comparatively healthy and asset-style jewellery retained appeal among consumers seeking products with investment characteristics.

South Korea was a clear outlier, recording modest growth in jewellery demand (+6% y/y). Wedding-related purchases benefited from the correction in gold prices, although the market's ongoing shift towards lower-carat and lighter-weight products continued and this will likely pose a headwind to any long-term recovery in the jewellery sector.

Elsewhere, Australia saw jewellery demand weaken in line with global trends as elevated prices constrained discretionary spending.

Investment

Investment demand (ex OTC) stalled in Q2, along with the gold price

- Investment outside OTC fell to 262t in Q2, due to a swing to gold ETFs outflows alongside a moderation in bar and coin demand
- Bar and coin buying was broadly in line with both Q2'25 and longer-term average levels, but well below Q1's exceptional 477t
- OTC buying of gold jumped in Q2, building on a strong Q1 total, reflecting particularly strong demand in Asia.

Tonnes	Q2'25	Q2'26	y/y % change	
Investment	**486.8**	**262.2**	**-46**	▼
Bar and coin	315.6	307.1	-3	▼
India	46.1	50.3	9	▲
China, P.R.: Mainland	115.1	107.2	-7	▼
Gold ETFs	171.1	-44.8	-	▼

Investment demand excluding OTC fell to 262t in Q2. The main driver of the decline was a y/y shift to moderate ETF outflows alongside broadly stable bar and coin buying. This marked a shift from the exceptionally strong momentum seen in the previous two quarters as gold corrected from record highs and weakened near-term price expectations.

Investors showed more caution in the face of this price correction and period of consolidation, and their caution was underscored by the potential prospect of higher interest rates in some markets. Bouts of dip-buying were seen during the quarter, with investors broadly continuing to view gold as a strategic asset.

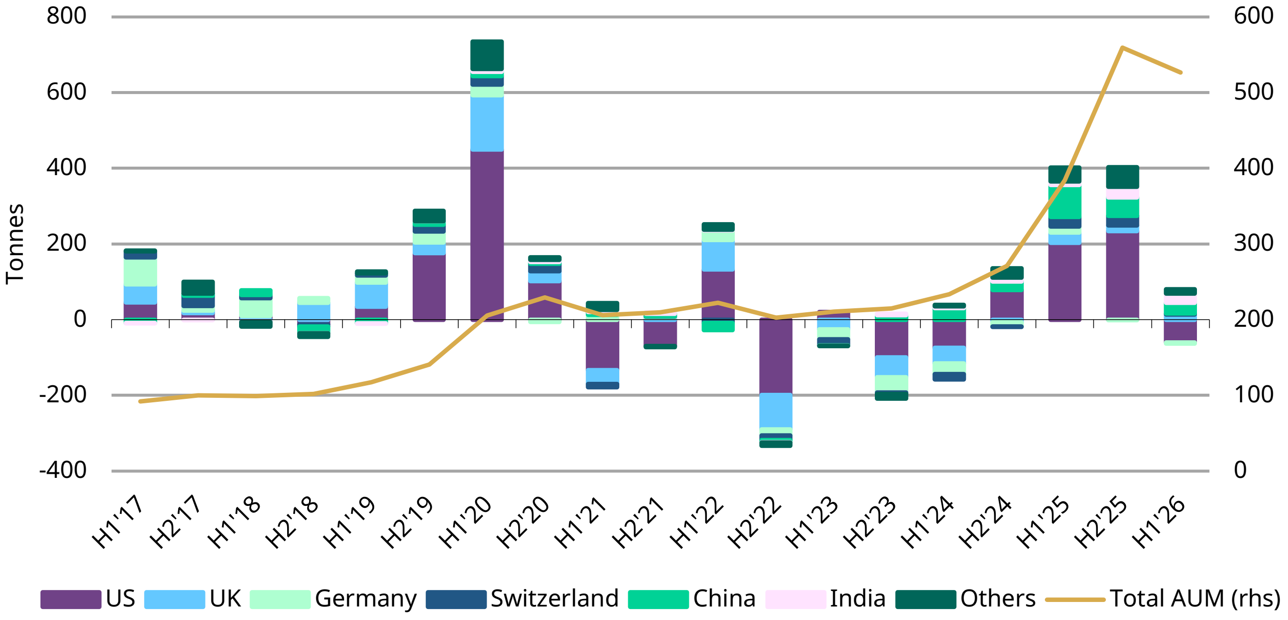
The OTC and stock flows element of demand, which captures less visible elements of investment demand as well as any statistical residual from the data, was 327t in Q2. Added to the upwardly revised Q1 figure (244t), the H1 total for this category of demand was a sizable 571t.

While OTC demand is not directly observable, the positioning of speculative investors in the US futures market can be somewhat indicative: net long positions held by money managers have increased steadily from late April, reaching levels not seen since the gold price peaked in late January.

Anecdotal reports suggest that much of the OTC buying was concentrated among Asian markets rather than being globally distributed. This broadly reflects the increasing dominance of Asian investors across the more visible investment channels (bars, coins and ETFs) in recent quarters.

Chart 6: Global ETFs registered modest net inflows over the first half year

Global quarterly ETF demand, tonnes, and AUM, US$bn*



*Data as of 30 June 2026

Source: Bloomberg, Company filings, ICE Benchmark Administration, World Gold Council

Table 3: Total bar and coin demand in selected countries, tonnes

	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	q/q % change	y/y % change
India	46.1	91.6	96.0	62.3	50.3	-19	9
Pakistan	4.8	4.3	5.4	6.7	5.0	-25	5
Sri Lanka	-	-	-	-	-	-	-
Greater China	**118.3**	**76.6**	**122.7**	**210.7**	**109.9**	**-48**	**-7**
China PR Mainland	115.1	73.7	118.7	206.9	107.2	-48	-7
Hong Kong SAR	0.8	1.0	0.6	0.2	0.2	14	-68
Taiwan Province of China	2.4	1.9	3.4	3.6	2.4	-32	1
Japan	-0.3	1.0	3.1	2.4	-2.7	-	-
Indonesia	10.4	17.7	11.7	23.6	14.5	-38	40
Malaysia	2.0	2.1	3.7	3.8	2.5	-34	28
Singapore	2.2	1.8	3.3	3.5	2.3	-34	6
Korea Republic of	5.3	5.9	11.5	12.5	6.6	-47	24
Thailand	10.0	15.1	18.9	10.0	10.9	9	10
Vietnam	9.5	7.7	7.0	9.1	6.5	-28	-31
Australia	3.6	3.2	5.2	4.0	1.5	-63	-59
Middle East	**31.0**	**28.3**	**30.6**	**26.4**	**27.2**	**3**	**-12**
Saudi Arabia	3.4	4.5	5.3	5.1	4.2	-18	23
UAE	4.1	3.4	4.2	4.0	5.3	34	30
Kuwait	1.9	1.5	1.9	1.8	2.4	34	25
Egypt	5.9	5.6	7.4	5.7	6.2	9	6
Islamic Republic of Iran	13.1	11.4	9.1	7.3	6.2	-15	-53
Other Middle East	2.6	2.0	2.7	2.6	2.9	12	14
Turkey	15.3	14.3	21.3	26.1	19.5	-25	27
Russian Federation	8.5	9.5	9.9	11.3	9.3	-18	10
Americas	**13.7**	**16.0**	**25.6**	**21.2**	**15.6**	**-26**	**14**
United States	10.8	13.5	21.4	17.4	13.8	-20	28
Canada	2.3	1.8	3.4	3.1	1.1	-66	-54
Mexico	0.1	0.1	0.2	0.3	0.3	0	84
Brazil	0.4	0.5	0.6	0.5	0.5	-5	18
Europe ex CIS	**29.8**	**29.5**	**41.7**	**40.9**	**21.7**	**-47**	**-27**
France	-0.3	0.1	2.5	1.9	-0.6	-	-
Germany	10.9	9.8	13.6	12.3	8.5	-31	-22
Italy	-	-	-	-	-	-	-
Spain	-	-	-	-	-	-	-
United Kingdom	3.2	4.2	6.8	6.0	3.0	-50	-8
Switzerland	6.3	6.0	6.9	7.9	2.8	-65.0	-55.9
Austria	0.9	1.2	1.4	1.7	1.2	-26.8	42.7
Other Europe	8.8	8.2	10.6	11.1	6.9	-37.5	-21.9
Total above	**310.1**	**324.6**	**417.5**	**474.7**	**300.8**	**-37**	**-3**
Other & stock change	5.5	3.9	10.6	2.1	6.3	196	14
World total	**315.6**	**328.4**	**428.1**	**476.8**	**307.1**	**-36**	**-3**

Source: Metals Focus, Refinitiv GFMS, ICE Benchmark Administration, World Gold Council

ETFs

Physically-backed gold ETFs reversed course in Q2, thanks to heavy June selling. Global holdings fell by 45t during the quarter, reducing the H1 increase to 18t. The quarterly reversal was concentrated in June, when global investors cut holdings by 74t.

In value terms, Q2 outflows totalled US$4bn, bringing H1 inflows down to US$8bn. Total global AUM fell to US$526bn at end-June, with the decline driven mainly by the lower gold price despite the modest increase in tonnage holdings over the first half.

Regional trends shifted notably during Q2. North American-listed funds bore the brunt of the selling, losing 45t during the quarter and 61t over H1, the region's weakest first half since 2013. The pullback in the price was a key trigger, while hawkish signals from the new Fed Chair, inflation concerns linked to the US-Iran conflict, rising real yields, and a stronger dollar, all raised the opportunity cost of holding gold.

Asia remained the standout region for H1 despite suffering its worst monthly outflow on record in June. Funds listed in the region increased by 70t over the first half (their strongest H1 on record) but lost 15t in Q2 as Chinese investors rotated towards stronger local equity markets and away from gold amid weaker price momentum. Japanese funds also saw Q2 outflows after the Bank of Japan raised rates. Indian funds bucked the regional trend, adding 4t during the quarter as local investors treated the price correction as an entry opportunity.

European-listed funds were the sole region to see positive Q2 demand (16t) despite giving back some ground in June. Regional demand for the first half year netted out at a modest 8t (US$3bn). The UK dominated positive flows in Q2 with 17t of increased demand, likely aided by domestic political uncertainty. In contrast, Switzerland and France both saw minor outflows over the quarter; these were concentrated in June, likely – at least in part – a response to the ECB's 25bp rate hike.

Funds listed in other regions saw mild Q2 declines of 1t (-US$173mn), leaving H1 buying marginally higher at US$106mn. The Q2 decline was led by Australian funds, which shed 1t (US$139mn).

Despite the weak close to the quarter, the H1 picture remains modestly positive. Global gold ETF holdings were up 18t over the first half, with Asian inflows (70t) dominating the regional picture and Europe contributing healthy buying (8t), while North America was the only region to record H1 outflows (-61t). This confirms that ETF demand cooled sharply in Q2 after the strong start to the year, but did not fully unwind the broader positive H1 trend.

Bar and coin

Global bar and coin investment was broadly unchanged y/y but down sharply from the exceptionally strong Q1 (-36%). Even so, H1 demand of 784t was one of the strongest first-half performances on record. The steep quarterly decline occurred as investment normalised following the extraordinary activity seen in Q4'25 and Q1'26. Demand in Q2 returned to levels consistent with the longer-term trend: average quarterly bar and coin buying over the five-year period from Q4'20 to Q3'25 was 305t.

While tonnage demand was little changed y/y, elevated gold prices lifted the value of bar and coin investment to US$44.5bn compared with US$33.3bn a year earlier.

The q/q drop in volumes was widespread across markets and largely reflected a return to more typical buying patterns after two unusually strong quarters. Viewed in this context, Q2's weakness appears more a normalisation from elevated levels than a deterioration in underlying investment demand; H1 comparisons remain broadly positive across most markets, with a handful of notable exceptions from Vietnam, Iran, Australia and Switzerland.

China

China remains the largest bar and coin market globally. Demand reached 107t in Q2, down from the exceptional 207t recorded in Q1 and 7% lower y/y. Even so, Q2 was historically strong, underscoring the depth of investor appetite for gold and helping to deliver the strongest first half on record: H1 demand climbed to 314t.

Buying was strongest in April as investors responded to heightened market uncertainty. Activity softened at times in May as price volatility increased, before recovering in June as price pullbacks encouraged dip-buying.

The core drivers of demand remain firmly in place. Safe-haven motives, subdued local yields, weakness in the property sector – despite a mild rebound – and concerns over the economic outlook all continued to support investment demand. Continued PBoC gold purchases also reinforced confidence in gold among domestic investors.

The Chinese VAT reform continues to provide an additional tailwind. With investment products remaining exempt, some consumers who might previously have bought jewellery for investment purposes favoured bars, coins and gold accumulation products instead.

We have also observed sustained strong demand for gold accumulation plans (GAPs) – bank-offered products linked to physical gold with trading features.

Looking ahead, demand should remain relatively resilient. Periods of price volatility may create temporary pauses in buying, but the broader investment case for gold remains well supported by elevated uncertainty, low bond yields and limited alternative investment opportunities. Any sustained correction in the gold price could generate fresh buying interest.

India

Indian bar and coin investment increased 9% y/y to 50t. Although demand eased from Q1's elevated level, H1 demand reached 113t, the strongest first half since 2013.

Buying activity was strongest around Akshaya Tritiya in mid-April, before softening as the price rally cooled and gold corrected lower. Uncertainty over the near-term price outlook tempered fresh demand, which also faced notable barriers from the hike in gold import duty and government messaging aimed at deterring gold purchases.

Nevertheless, investors largely retained their positive expectations for gold. And the pullback in the local price in mid-June to below the psychologically important Rs150,000/10g level signalled an important buying opportunity, sparking a pick-up in activity late in the quarter. This was also reflected in demand for digital gold products, which rebounded in June.

The prospects for Indian gold demand remain closely tied to the price and the monsoon. Cumulative rainfall as of mid-July was significantly lower than normal, implying a potential risk to demand for H2. But a period of continued relative stability in the local price could offset this to some degree and may offer the market some support.

Middle East and Turkey

Investment demand remained relatively resilient across the Middle East during Q2, as regional geopolitical uncertainty supported safe-haven buying and the price correction later in the quarter encouraged bargain hunting.

Saudi Arabian demand was fairly robust at 4t; buying picked up in May and June on positive price expectations.

Investment in the UAE strengthened notably (+30%). Gold bar and coin demand benefitted from safe-haven buying and the sharp rise in India's import duty, which improved the relative appeal of buying gold in the UAE.

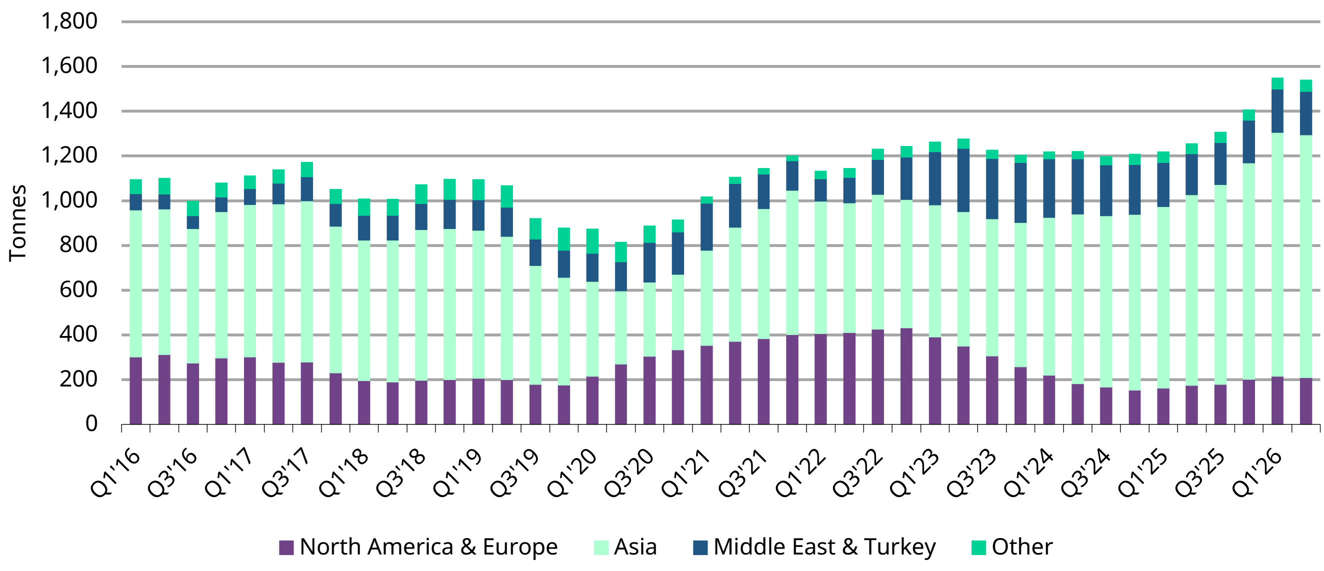
By contrast, Iranian demand weakened sharply from a high Q2’25 base as the war subdued investment activity.

Turkey remains one of the world's largest physical investment markets, with Q2 bar and coin demand of 19t, albeit that demand saw a steep q/q drop from its high Q1 base. Persistent inflation and macroeconomic uncertainty continue to support gold's appeal as a store of value.

Demand was strongest in April, as investors bought into the gold price rebound following the sharp Q1 correction. This was followed by a lull until June, when investors returned to the market in bargain-hunting mode as the price corrected back to US$4,000/oz.

Chart 7: Asian markets have increasingly dominated global bar and coin demand in recent years

Four-quarter rolling bar and coin investment by region, tonnes*



*Data as of 30 June 2026
Source: Metals Focus, World Gold Council

US and Europe

Investment demand in Western markets showed diverging trends. In the US, bar and coin buying (14t) was higher y/y but well below Q1. Investors were disappointed by the lack of upside in gold prices during a period of heightened geopolitical tensions. Largely range-bound prices proved to be a significant headwind, punctuated by short-lived bouts of bargain hunting. Selling-back activity was also subdued relative to Q1.

In contrast, European retail investment slowed sharply as the correction in gold prices during Q2 encouraged investors to adopt a more cautious approach. Demand across the region fell to its weakest level since Q3'24, as elevated levels of selling back continued to dampen demand for newly manufactured products.

ASEAN

ASEAN markets delivered, for the most part, healthy y/y growth despite steep q/q corrections as investment normalised from exceptional Q1 levels.

Indonesia remains one of the strongest-performing markets globally, with investment demand 40% higher y/y at 15t. Currency weakness and concerns about the domestic economic outlook continued to reinforce gold's role as a store of value. The Indonesian government formalised its gold ambitions earlier this year with the launch of a bullion system roadmap, a strategic initiative aimed at strengthening the national bullion ecosystem, supporting downstream development in the gold sector.

Thailand recorded its strongest second quarter since 2019 as the correction in the local gold price encouraged bargain hunting. Market participants reported growing participation from younger investors, along with strong interest in gold savings accounts.

By contrast, Vietnamese demand weakened as lower local prices undermined sentiment and constrained import quotas distorted market conditions, keeping the local price premium discouragingly high. Malaysia remains comparatively resilient, despite uncertainty caused by regulatory changes that affect imported bullion products.

Rest of APAC

South Korea maintained healthy growth from a low base despite a significant q/q decline. Investor attention increasingly shifted towards more buoyant domestic equity markets as gold prices corrected through the quarter.

Gold's lacklustre Q2 performance sparked a shift to net disinvestment in Japan – a significant decrease from the minor levels of selling back seen in Q2'25.

Some bargain hunting appeared in June, but the uptick in fresh purchases was comfortably offset by liquidations from investors who were tempering their expectations for the gold price.

Australia was among the weakest markets globally. Investment demand fell to 1t, the lowest quarterly level in our data series. The drop reflected softer prices, increased profit taking and the higher opportunity cost of holding gold following 75bps of rate hikes in the first half of the year.

Although the quarter started on a healthy note, buying slowed sharply through May and June as the gold price continued to weaken and investors increasingly favoured interest-bearing assets.

Central banks

Central bank buying rose in Q2, but Q1 slowdown weighed on H1 pace

- Net purchases totalled a healthy 289t in Q2; H1 demand was the lowest since 2022
- Poland added the most, while China increased the pace of accumulation, based on reported data
- Central banks intend to continue buying over the next 12 months.

Tonnes	Q2'25	Q2'26	y/ y % change
Central banks and other institutions	177.9	288.9	62 ▲

Central bank net gold demand picked up significantly in Q2, reaching 289t[3] – a fivefold increase on Q1's revised estimate of 57t and a record high for a second quarter.[4] The positive Q2 total was supported by continued accumulation from Poland and China, supported by further purchases from other familiar names.

Sales also moderated compared with Q1. Turkey's disposals slowed materially, leaving Russia as the only sizeable seller in the quarter.

The wider geopolitical backdrop, as well as softer gold prices, are likely to have provided some support for the increased Q2 buying. With ongoing heightened uncertainty and a longstanding desire for reserve diversification, this likely helped sustain central bank appetite.

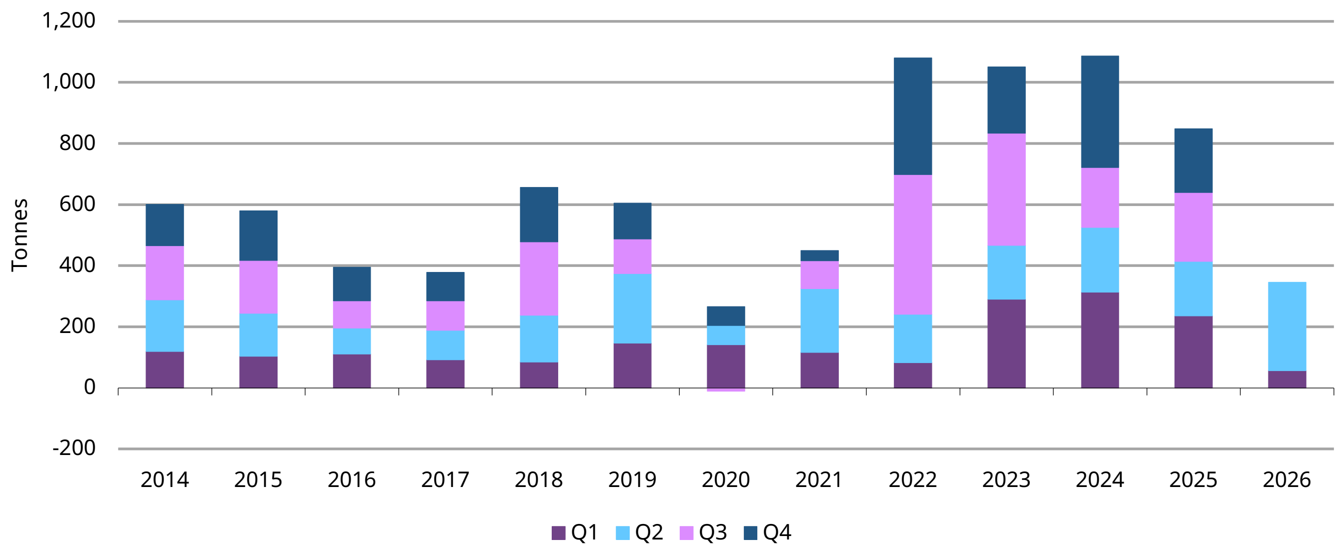
Central bank H1 net demand of 345t was the lowest for a first half since 2022 (241t). A closer look at reported activity reveals that while central bank demand remains fundamentally healthy and broad-based, the hefty Q1 selling by Turkey, Russia and Azerbaijan[5] weighed on the year-to-date total.

Reported buying was spread across several markets in Q2:

- The **National Bank of Poland** was the largest buyer, adding 51t during the quarter and taking its gold reserves to 632t by end-June. This lifted Poland's H1 purchases to 82t, reinforcing its position as the dominant buyer so far this year and edging it closer to its 700t target[6]
- The **People's Bank of China** added a further 33t in Q2, its largest quarterly addition since Q4'23 (44t). The H1 increase of 40t brings the PBoC's reported holdings to 2,346t. Although China's monthly additions remain modest relative to earlier phases of accumulation, the continued buying underlines the strategic nature of its gold programme
- As usual, buying was not limited to the largest reserve holders. **The Central Bank of Uzbekistan** (+16t), the **National Bank of Kazakhstan** (+15t), the **Central Bank of Jordan** (6t) and the **Czech National Bank** (+6t) were also notable buyers during Q2, while smaller additions from the Bank of Ghana, the Monetary Authority of Singapore,

Chart 8: Central bank buying rebounded sharply in Q2 following a Q1 lull

Quarterly central bank net purchases, tonnes*



*Data to 30 June 2026.
Source: Metals Focus, Refinitiv GFMS, World Gold Council

3. In this section, 'central banks' is used as shorthand for central banks and other official institutions. Reported data are captured to 24 July 2026; delayed reporting could result in subsequent revisions.
4. New data and analysis led to a sizable revision to our Q1 central bank demand estimate from 244t to 57t. For more information, see: Gold Demand Trends: Q1 2026
5. Azerbaijan represents the gold reserves of the State Oil Fund of Azerbaijan (SOFAZ).
6. Poland lifts gold reserves, Warsaw Business Journal, January 2026

the Central Bank of the UAE, and the National Bank of Kyrgyzstan point to continued breadth in reported activity

- Sales slowed dramatically in Q2. The **Central Bank of Turkey** – the largest seller in Q1 – reported a modest Q2 sale of 4t and a reduction in outstanding swaps from a maximum of over 80t to around 60t as of the end of June. The **Central Bank of Russia** was the largest seller in Q2, reducing holdings by 22t. The **Bundesbank**'s reported decline of 1t was small and consistent with the pattern of limited coin-minting related transactions.

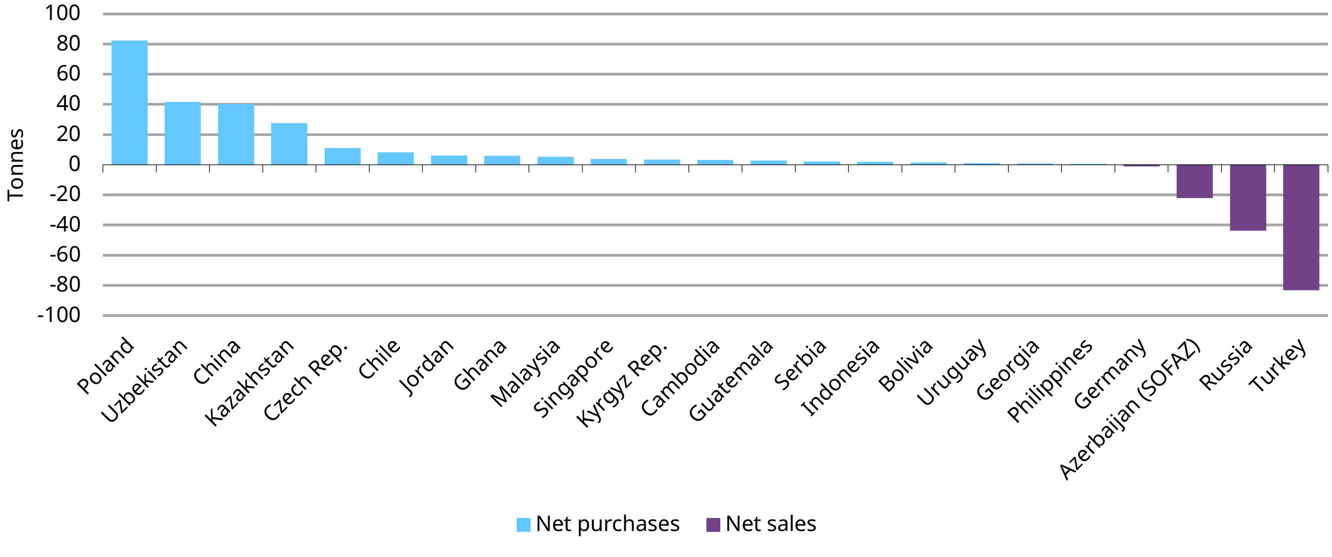
Unreported buying – central bank and other official institutions' activity that has yet to be disclosed – was again elevated in Q2 and continued to be a notable feature of the market.

The broader message from H1 activity is therefore one of continued, but uneven, central bank gold demand. Notably, central bank sentiment towards gold remains exceptionally strong. This is evidenced by the findings from our latest Central Bank Gold Reserves Survey, in which 89% of respondents expected global reserves to rise over the next year and a record 45% expected to increase their own holdings over the same period. We expect central bank demand to remain above its long-term average (more detail in the Outlook section).

The survey also demonstrates that the strategic case for gold remains firmly in place: reserve diversification, protection against geopolitical and financial-market uncertainty, and gold's role as a long-term store of value continue to feature prominently in central bank thinking. Reserve managers continue to view gold as an important component of official reserves, even though high prices and country-specific liquidity needs influence the timing and scale of individual transactions.

Chart 9: Reported data puts Poland in pole position y-t-d

Y-t-d reported central bank net purchases and sales, tonnes*



*Data to 30 June 2026 where available. Note: The Bulgarian National Bank's transfer of 2t to the European Central Bank as part of its adoption of the euro is excluded from the chart.
Source: IMF, respective central banks, World Gold Council

Technology

Electronics demand remained resilient thanks to AI strength, but price pressure continued to weigh on consumer sectors

- Gold used in industrial applications saw a modest rise of 2% y/y to 80t
- Electronics demand rose 4% y/y to 68t, supported by AI infrastructure, high-end semiconductors and advanced components
- Other areas of industrial demand declined as high gold prices encouraged continued substitution and reduced discretionary usage.

Tonnes	Q2'25	Q2'26	y/y % change	
Technology	**78.6**	**80.4**	**2**	▲
Electronics	65.8	68.3	**4**	▲
Other industrial	10.8	10.1	**-7**	▼
Dentistry	2.1	1.9	**-6**	▼

In a continuation of our Q1 observations, gold usage in the electronics space very much remained on a two-speed setting: strong AI infrastructure investment offset weakness in smartphone and laptop shipments, primarily due to surging memory costs. High gold prices also continued to accelerate thrifting and substitution in many low- and mid-range applications, adding further pressure to some traditional consumer electronic applications.

Electronics

Gold demand in the electronics sector rose by 4% y/y to 68t in Q2. Demands from AI infrastructure remained the dominant growth engine for high-end electronics, with many manufacturers struggling to keep up with seemingly insatiable appetites for these products. The world's largest chipmaker, Taiwan Semiconductor Manufacturing Company (TSMC), announced a 77% jump in second-quarter net profits to $22bn – making it Asia's most valuable company – and a $100bn expansion of its production facilities in the US.[7] Other parts of Asia also reported strong growth, with many fabrication facilities in China and South Korea operating at high utilisation rates to keep up with AI infrastructure demand.

In contrast, demand in consumer electronics continued to weaken as memory shortages, rising oil prices and transportation costs all piled pressure on an already struggling sector. For example, IDC, a leading data analytics group, has forecast that 2026 smartphone shipments could experience the steepest annual contraction in history, falling almost 14%.[8]

The first half of 2026 has seen a clear and ongoing bifurcation of the market, and this is likely to continue for the remainder of the year.

Gold used in wireless and compound semiconductors saw an increase across the board. Rapid WiFi 7 penetration continued alongside robust demand for radio-frequency modules and rising demand for electric vehicle (EV) and AI data centre components. Additionally, a steady expansion in low earth orbit (LEO) satellites and 4D imaging sensors has been reported. These high-end devices require more enhanced electronic component metallisation than many other commercial applications as they need to satisfy elevated thermal and reliability criteria; gold is therefore used as standard.

Gold usage in the LED segment grew slightly during Q2 as a surge in intelligent automotive lighting was reported. The penetration of high-power exterior lighting, particularly in vehicle head and tail lamps, continued to grow across the EV and luxury car segments. Due to the demanding reliability requirements of automotive applications, particularly in high-temperature and high-vibration environments, gold wire and gold-tin bonding materials remain the industry standard. Elsewhere, advanced sensors and high-end wearables continued to support gold demand in the segment. Persistent weakness in the standard consumer backlighting market, however, reinforced the polarised demand trends seen in recent quarters.

Demand for gold used in Printed Circuit Boards (PCBs) also rose, but remained polarised across end-use markets. Precious metal consumption is being driven by premium AI server mainboards, integrated circuit substrates and high-frequency LEO satellite PCBs, while gold for use in standard consumer PCBs is decelerating as surging component costs constrain hardware shipments. Manufacturers continue to identify opportunities to reduce gold usage in response to persistently high prices, although localised precision thrifting, rather than outright substitution, appears to be the preferred option currently. Looking ahead, the outlook for gold demand across the PCB sector remains positive, underpinned by the robust growth of high-end AI and satellite systems.

7. BBC | Chip giant TSMC pledges another $100bn to expand US production | 16 July 2026

8. IDC | Smartphone Market Forecast 2026: Record 13.9% Decline | 26 May 2026

Gold demand in the memory and semiconductor sectors rose strongly again in Q2, driven by continued growth in AI-related applications. Despite manufacturers prioritising supply into this sector, capacity constraints continued to create shortages of high-end memory chips, contributing to rapid price rises. Traditional wire bonding remained under pressure as manufacturers continue to pursue aggressive thrifting strategies in the face of severe cost pressures, but surging demand from AI-related uses more than offset these declines, driving robust growth across the memory and semiconductor sectors. This structural shift is expected to continue in the coming quarters, providing ongoing support for gold demand.

Other industrial and dentistry

Gold used in other industrial and decorative applications (primarily gold-plated items and jewellery, as well as gold thread used in traditional Indian clothing) fell by 7% to 10t as ongoing high gold prices prompted lower demand. This is the ninth consecutive quarter of y/y losses recorded in this sector. Gold usage in the dental sector also continued to fall, dropping a further 6% to 2t on the back of continued substitution to ceramic alternatives.

Supply

Total supply unchanged y/y despite modest growth in mine production

- Q2 mine production increased by 2% y/y to 966t – a record level for a second quarter
- Gold recycling volumes fell 6% y/y, mostly due to the q/q fall in the gold price
- Net producer de-hedging continued in Q2, marking the tenth successive quarterly decline in the aggregate producer hedge book.

Tonnes	Q2'25	Q2'26	y/y % change	
Total supply	**1,268.6**	**1,268.9**	0	▲
Mine production	947.7	965.6	2	▲
Net producer hedging	-25.8	-22.8	-	-
Recycled gold	346.7	326.1	-6	▼

Total gold supply in Q2 was unchanged y/y at 1,269t. A 2% rise in mine production to 966t – an all-time Q2 high in our data series, which dates back to 2000 – was almost exactly offset by a 6% y/y decline in recycling to 326t.

An estimated decline in the aggregate outstanding producer hedge book reduced total supply by 23t in the quarter as those gold companies with hedge books delivered into commitments or restructured their positions.

Record H1'26 mine production of 1,867t was 3% higher than the 1,808t seen in H1'25, which at the time was the highest first half mine production in our data series.[9]

Mine production

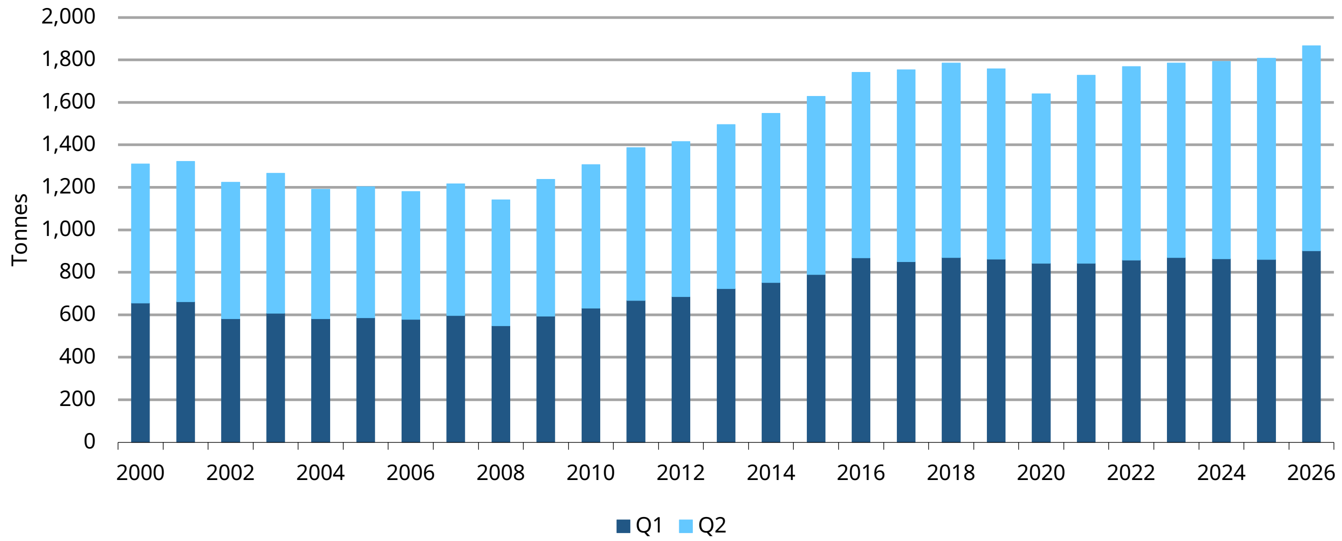
Q2'26 mine production was almost 2% above the previous second-quarter record of 948t set in Q2'25. Output increased by 7% q/q due mostly to seasonal reasons.

Notable Q2 production increases – based on data available at the time of publication – were from the following countries:

- **Canada** (+29% y/y) The ramp-up of new and expanding operations such as Agnico Eagle's Detour Lake was responsible for this large increase in production
- **Chile** (+24% y/y) driven by Gold Fields' Salares Norte, as it reached steady mine production, alongside newly commissioned projects such as Rio2's Fenix
- **Burkina Faso** (+17% y/y) due to increased mill throughput at several operations, including West African Resources' Kiaka, and Orezone Gold's Bombore, which saw its first full quarter of hard rock production in Q1'26
- **Ghana** (+8% y/y) as Newmont's Ahafo North continued to ramp up, while output grew at a number of operations including Asante Gold's Bibiani mine.

Chart 10: Mine production saw modest gains in Q2, building on Q1 growth

Annual H1 mine production, tonnes*



*Data to 30 June 2026.
Source: Metals Focus, Refinitiv GFMS, World Gold Council

9. As is typical with mine production and hedging data, there is room for future revision because not all mining companies have yet released their quarterly reports.

In contrast, operations in some countries were hit by a mix of safety, mining and geological factors, resulting in the following Q2 production declines:

- **Nicaragua** (-33% y/y) principally due to a decline at Equinox Gold's operations in the country, which are heavily weighted to Q1'26
- **Mexico** (-23% y/y) where Newmont's Peñasquito mine saw lower output due to a transition to Phase 8 operations and lower grade stockpile processing; Peñasquito is not expected to return to higher grade mining until 2028.
- **United States** (-12% y/y) lower mine production occurred at a number of mines including Barrick's Carlin site due to mine sequencing, and at Kinross' operations due to lower mill head grades
- **China** (-8% y/y) due to ongoing safety stoppages following a fatal accident at a mine in the Shandong province.

Metals Focus, who provide mine production data, has made further revisions to output estimates for the past decade. The revisions – which are due to improved data on ASGM output in a number of countries – have resulted in an increase of 117t in cumulative global mine production since 2013. As Metals Focus directs more resources towards ASGM data gathering and more complete data becomes available, we are likely to see further revisions to mine production estimates over coming quarters.

Based on the latest available data which comes with a lag, average all-in sustaining costs (AISC) for the gold mining industry reached a record high in **Q1'26**, up 5% q/q and 16% y/y to US$1,785/oz. This was underpinned by a rise in royalties and corporate G&A expenses.

The first signs of higher energy prices resulting from the conflict in the Middle East were seen at some operations during Q1, but we expect a greater impact to be seen in Q2'26 and beyond.

Net producer hedging

Following the 22t decline in the aggregate producer hedge book in Q1, we believe that de-hedging continued in Q2'26 by an estimated 23t. Legacy hedging contracts with agreed prices much lower than the current spot prices have impacted margins at a number of operations. Some mining companies have therefore restructured out-of-the-money positions, in some cases converting forward sales to put options.

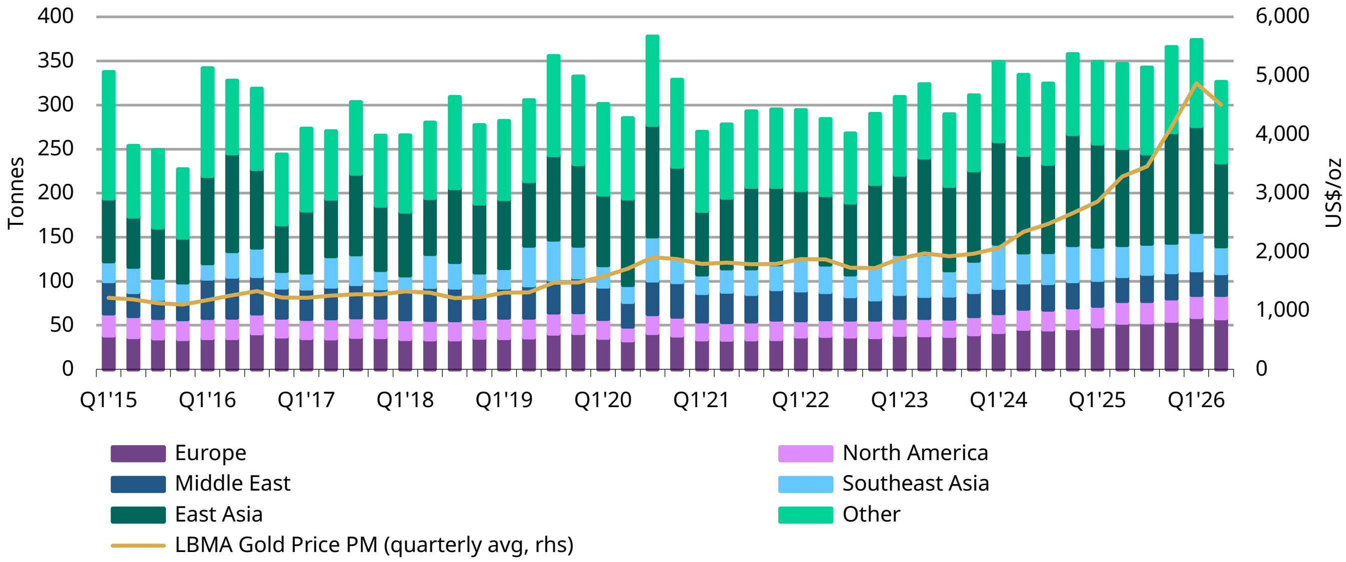
Metals Focus has revised historical estimates of the contribution of hedging to total gold production over the past five years, based on newly acquired information. For example, one privately owned Australian gold mining company disclosed a large, previously unknown hedging position during corporate restructuring.

Recycled gold

Gold recycling in Q2 fell to 326t, (-6% y/y and -13% q/q) as the gold price corrected from the multiple new record highs seen in the first quarter. The decline in Q2 volumes came despite more recycling-friendly market conditions – namely, an easing of the disruptions caused by the Middle Eastern conflict and a reduction in the capacity constraints that had contained recycling in Europe, and to a lesser extent in North America, during Q1.

Chart 11: Recycling activity in Asian markets subsided, while Western flows saw mild growth

Quarterly supply of recycled gold by region, tonnes*



*Data to 30 June 2026.
Source: ICE Benchmark Administration, Metals Focus, World Gold Council

Looking at country and regional-level data, one clear trend stands out: recycling volumes in emerging markets fell sharply during Q2, while activity in Europe and North America was much more resilient.

The following trends were observed during the quarter:

- Recycling in **India** fell sharply, -17% y/y and -38% q/q. The decline was due to the lower gold price and an increase in the exchange proportion – i.e. jewellery buyers fund, at least partially, the purchase of new items by trading-in old pieces. The exchange of gold jewellery has no net impact on supply and therefore is not captured in recycling data
- In **China** recycling volumes fell 15% y/y and were 19% lower q/q. Activity here continues to be influenced by the introduction of 7% VAT on jewellery sales. Buyers can, however, offset much of this new VAT charge by trading in old gold jewellery. The resulting shift in purchasing behaviour may reduce recycling of old gold jewellery in the future, while increasing the exchange of old gold jewellery for new
- The **Middle East** saw lower recycling activity during the quarter (-13% y/y and -11% q/q). We believe that the disruption to recycling activity as a result of the conflict with Iran receded somewhat during Q2, particularly as some commercial air travel resumed. All countries reported lower y/y and q/q recycling volumes, indicating that lower prices influenced behaviour across the region
- Recycling activity in **Europe** increased 9% y/y but was down -2% q/q; this was one of the regions where buyers of old jewellery were constrained by refinery capacity and financing limitations in the first quarter, so it is possible that some catch-up was seen here. European recycling of old gold jewellery has been strong over the past couple of years, which may be linked to relatively weak economic performance in the region
- The **United States** saw higher recycling volumes in Q2, +5% y/y and +3% q/q. As in Europe, this may be partly due to a catch up from capacity limitations in Q1'26.

Recycling trends in the second quarter reinforce our view that short-dated, i.e. q/q changes in the gold price, are more important than y/y comparisons. In Q2'26, the average gold price fell by 7% q/q and recycling volumes declined by 6%. Gold prices in Q2'26 were up 37% y/y but this didn't drive recycling volumes higher over that comparison period – in fact, recycling fell by 13% y/y.

The impact of increased energy prices, higher inflation and some evidence of growing unemployment has not yet triggered widespread signs of consumer distress-led selling of gold. Anecdotal evidence suggests that holders of gold expect prices to recover or, in countries with weak currencies, that gold will continue to help protect them from further economic turmoil. We discuss our expectations for annual recycling supply in the Outlook section.

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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