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Gold Demand Trends

Q1 2025

Gold demand firms to Q1 record

Surging ETF inflows were pivotal to gold's price rise

Total Q1 gold demand (inclusive of OTC investment) was 1% higher y/y at 1,206t – the highest for a first quarter since 2016.

Central banks bought 244t of gold in Q1, a slowdown from the previous quarter but comfortably within the quarterly range of the last three years.

A sharp revival in gold ETF inflows fuelled a more-than-doubling of total investment demand to 552t (+170% y/y); its highest since Q1'22.

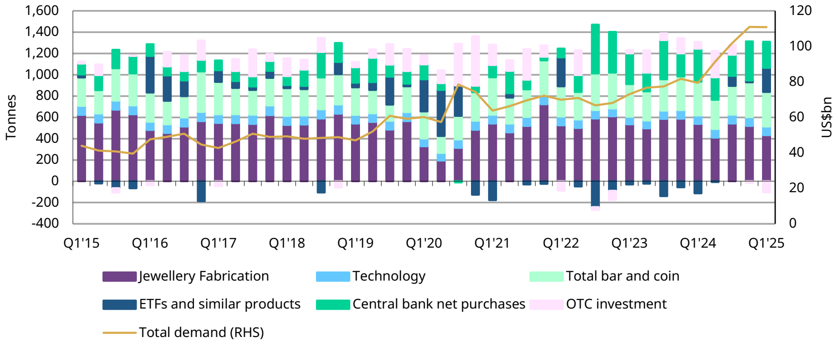
Bar and coin demand remained elevated at 325t – 15% above the five-year quarterly average. China drove much of this increase, posting its second-highest quarter of retail investment.

Technology demand of 80t was unchanged y/y. Ongoing AI adoption drove continued growth in the electronics sector, but uncertainty over tariffs makes for a challenging environment for the remainder of the year.

Gold jewellery demand fell sharply in the record price environment: volumes reached their lowest since demand was halted by COVID in 2020. In value terms, consumer spending on gold jewellery grew 9% y/y to US$35bn.

Chart 1: Gold demand is buoyed by strong Q1 ETF inflows

Quarterly gold demand by sector, tonnes, and value, US$bn*



*Data to 31 March 2025.
Source: ICE Benchmark Administration, Metals Focus, World Gold Council

Highlights

The LBMA (PM) gold price has continued to set multiple new record highs during 2025. The quarterly average price reached US$2,860/oz in Q1, up 38% y/y.

Key factors fuelled gold's price rise: the spectre of US tariffs, geopolitical uncertainty, stock market volatility and US dollar weakness.

Total gold demand in value terms almost matched the Q4 record of US$111bn. The slight uptick in demand volumes translated to a 40% y/y rise in value, due to the surging price.

Total Q1 gold supply grew 1% y/y to 1,206t. Mine production inched up to a Q1 record of 856t. In contrast, recycling declined 1% y/y as consumers held onto their gold hoping for higher prices.

OTC investment and stock changes were negative in Q1. Institutional and high net worth investors continued to show strong interest in gold, but this was offset by other factors, including changes in stock levels and a likely shift in investor focus from OTC to ETFs.

For more information please contact: research@gold.org

Gold supply and demand

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

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Quarter-on-quarter % change	Year-on-year % change
Supply							
Mine production	853.4	901.0	961.5	957.1	855.7	-11	0
Net producer hedging	-8.8	-19.8	-6.8	-19.3	5.0	-	-
Recycled gold	349.6	334.8	326.3	358.7	345.3	-4	-1
Total supply	**1,194.2**	**1,216.0**	**1,280.9**	**1,296.6**	**1,206.0**	**-7**	**1**
Demand							
Jewellery fabrication	538.5	411.0	542.3	520.4	434.0	-17	-19
Jewellery consumption	480.1	391.8	459.0	547.5	380.3	-31	-21
Jewellery inventory	58.4	19.1	83.3	-27.1	53.6	-	-8
Technology	80.2	80.2	82.9	82.9	80.5	-3	0
Electronics	66.0	66.8	69.1	68.8	67.0	-3	2
Other industrial	11.9	11.1	11.6	11.9	11.3	-5	-5
Dentistry	2.3	2.3	2.2	2.2	2.1	-2	-6
Investment	204.4	267.5	365.2	344.7	551.9	60	170
Total bar and coin	317.3	274.6	270.5	326.0	325.4	0	3
Bars	226.8	199.7	198.7	236.6	257.6	9	14
Official coins	66.0	49.6	32.1	53.5	45.2	-16	-32
Medals/Imitation coins	24.6	25.4	39.8	35.8	22.6	-37	-8
ETFs & similar products	-113.0	-7.1	94.7	18.7	226.5	1,114	-
Central banks & other inst.	309.9	211.5	199.5	365.1	243.7	-33	-21
Gold demand	**1,133.0**	**970.2**	**1,189.8**	**1,313.0**	**1,310.0**	**0**	**16**
OTC and other	61.2	245.9	91.1	-16.5	-104.0	-	-
Total demand	**1,194.2**	**1,216.0**	**1,280.9**	**1,296.6**	**1,206.0**	**-7**	**1**
LBMA Gold Price (US$/oz)	2,069.8	2,338.2	2,474.3	2,663.4	2,859.6	7	38

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

Outlook

Our FY2025 forecasts have shifted slightly in light of the risky economic environment and Q1 data. Broadly, we expect:

- Investment to continue to gather pace on near-term stagflation risks, medium-term recession risk, [1] elevated stock-bond correlations, an expected acceleration in US deficits,[2] and continued geopolitical tensions
- Jewellery to be weaker than expected on lower growth and higher than anticipated prices. Any stronger jewellery recycling response may be tempered by low near-market stocks, trade-ins, old-gold collateral activity, and little distress-driven selling
- Technology to slow slightly from waning global growth, but to remain within a healthy range from AI-related demand
- Bar and coin buying to stay resilient rather than strong as geopolitical risk motives are tempered by sensitivity to surging prices
- Central banks to repeat buying close to the range seen over the past three years on continued elevated trade-related risks and uncertainty premia in US assets
- Mine supply to stay close to its 2024 record level. And while recycling could be expected to respond to higher prices, it is likely to be kept in check by the factors mentioned above.

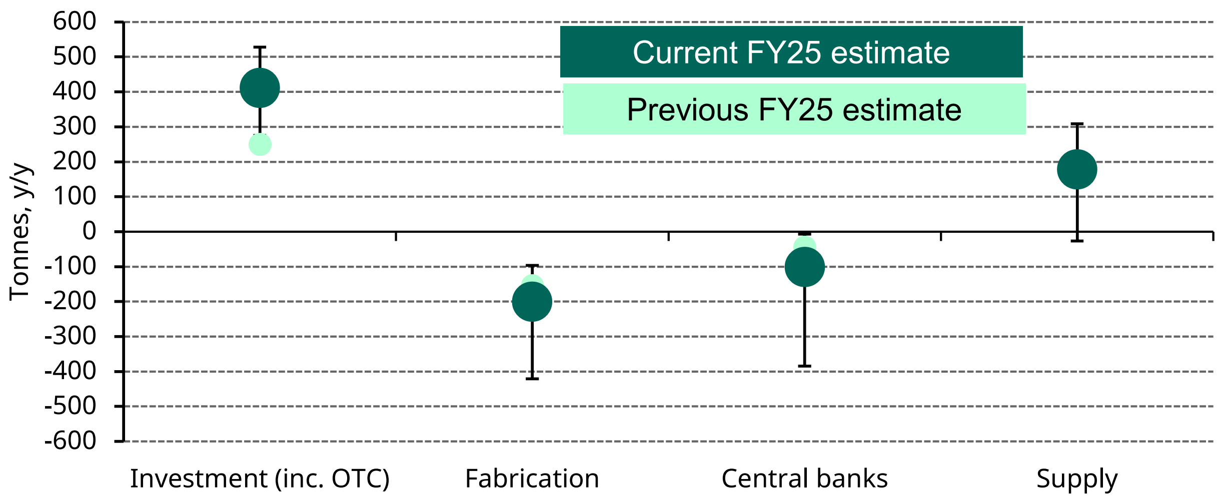
Investment

The correlation between equities and bonds – a pillar of asset allocation – is likely to remain high and therefore undermine the hedging potential of bonds. Research has found that it is inflation volatility rather than the absolute level of inflation that is the key driver of this relationship.[3] The level of inflation across much of the West may be in a receding trend, but constant shifts in tariff tensions are likely to keep the market and policy makers on tenterhooks with regard to possible inflationary spikes[4] – particularly as general goods inventories are run down and new orders, which will be subject to tariffs, are completed. Such concerns are likely to keep the stock-bond correlation elevated, reinforcing the benefits of investment into an uncorrelated asset such as gold.

This trend is likely to be seen across gold-backed ETFs as well as in the OTC segment of demand. Intermittently, futures demand will act as a brake, on or accelerant to, prices. Net long exposure has reduced in Q1, leaving a little more capacity to add to positions in Q2 and beyond.

Chart 2: Investment gathers pace and joins strong central bank demand but consumers retreat

Expected change in annual gold demand and supply*



*Data to 31 March 2025.
Source: Metals Focus, World Gold Council

1. IMF warns of rising US recession risk and defends Fed rate policy | Financial Times | April 2025.
2. CBO sees US deficits rising over 30 years, economic growth slowing | Reuters | March 2025.
3. A Changing Stock-Bond Correlation |AQR.com.
4. Where We Stand: The Fiscal, Economic, and Distributional Effects of All U.S. Tariffs Enacted in 2025 Through April 2 | The Budget Lab at Yale | April 2025.

Bar and coin demand is also likely to stay resilient as we posited last quarter. While at times a price sensitive source of demand, a lack of alternatives for some investors, widespread media attention and elevated economic concerns will be more important drivers going forward, in our view.

Naturally, this perfect storm for gold presents risks as well as opportunities. While there is little evidence of a saturated investment market, some flow reversals could be sparked by periods of relief for risk assets, lulls in geopolitical wrangling and periods of profit taking, but not to the extent that they undermine the positive trend.

Jewellery demand turned out to be weaker than we had anticipated in Q1 given gold's strong price performance. Yet even ex-post analysis suggests jewellery has been weaker than our model predicted given price, income and currency dynamics. It is possible that in some regions, the quasi-investment nature of gold jewellery was eschewed in favour of bars and coins – with lower purchase margins and typically great purity of such products trumping the store-of-value and aesthetics of gold jewellery in the very elevated risk environment. The **technology** sector is expected to benefit from AI-related demand but pressured by slowing growth and high prices, although forecasting technology demand is made all the more difficult by continued tariff uncertainty.

Central banks

The diversification of central bank reserves continues with a reduction in US assets, albeit with a slight uptick in February.[5] We don't see an end to this narrative unless there is a material shift in geopolitical tensions. The IMF has downgraded growth prospects in the US more than in other major economies, citing policy uncertainty. This suggests that other countries may have leverage in negotiations, although these typically last months and years, not weeks. Hence, we don't expect any near-term resolutions.

What may cause a slower pace of buying is if target allocations, where they exist, are reached more quickly – given both strong prices and/or slowing reserves' growth as global trade ebbs. Our expectation is that this won't happen quickly and that another strong year of buying, similar to the previous three years, is likely. We are instead reflecting any potential slowdown through a wider uncertainty bar around our central estimate

Supply

We anticipate that unprecedented cash generation will allow announced development plans to be advanced and **mine production** to stay strong.[6] Ghana, Chile and Canada have healthy production pipelines. But disruptions in Turkey and Russia, and cutbacks in Australia highlight the potentially volatile nature of mine production in certain areas. Hedging activity is expected to remain negligible.

Recycling posted a surprising decline, showing a weaker response to price than it has done in the past. There are a few likely reasons for this: consumer preferring to trade in old gold for new rather than sell; an increase in gold loans, which use gold jewellery as collateral and avoid or defer selling back; and low near-market supply. Furthermore, an absence of sufficient economic distress may reduce recycling even in response to very strong price gains as consumers hope to sell later at even higher prices.

5. Percent of global FX reserves in dollars ticks up, amounts fall, IMF data shows | Reuters| March 2025.

6. Newmont Q1 2025 slides: Record free cash flow, divestiture program completed | Investing.com | April 2025.

Jewellery

Gold jewellery tonnage falls as record prices impact affordability

- Record gold prices dictated global trends in gold jewellery demand in the first quarter
- Demand volumes declined across virtually all markets, while values were almost universally higher
- China was the sole market to see a fall in the value measure of demand as domestic consumers had to contend with a challenging economic environment.

Tonnes	Q1'24	Q1'25	Year-on-year % change
World total	480.1	380.3	-21 ▼
India	95.5	71.4	-25 ▼
China, P.R.: Mainland	184.4	125.3	-32 ▼

The headline-grabbing gold price rise dominated the jewellery sector in Q1 causing a notable decline in global volumes to 380t (-21% y/y) through its impact on consumer affordability. But the value of Q1 gold jewellery consumption increased 9% y/y to US$35bn. Value growth was seen in every market except China, suggesting that consumers were prepared to stretch their budgets.

China

Record gold prices at a time of sluggish income growth and a shift towards pure gold investment products drove a sharp decline in China. Demand of 125t marked a five-year low for a first quarter – traditionally the seasonal high point for China's gold jewellery market – at 19% below the ten-year quarterly average. Demand in value terms was more resilient, down just 6% y/y at US$12bn (RMB84bn).

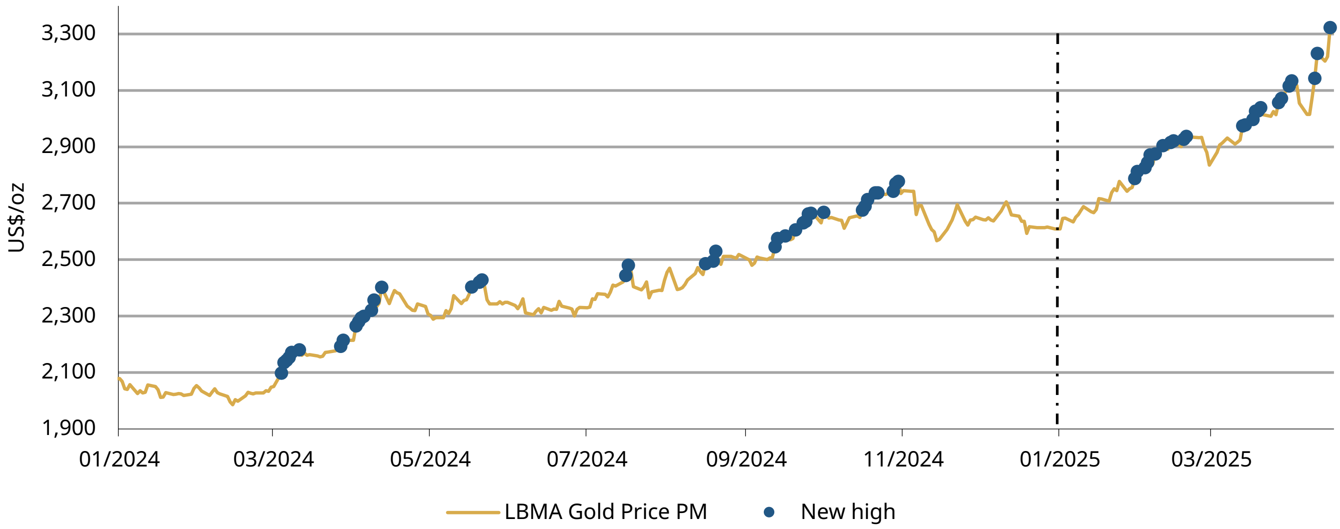
As the price continued to set new record highs, consumers preferred to sit on the sidelines and/or to shift to lighter-weight, more affordable items. The tentative environment was reflected at the trade level, as retailers adopted a cautious approach to stock levels ahead of the Chinese New Year holiday.

In coming quarters, we expect affordability to remain a key influence on gold jewellery consumption. Should the gold price remain elevated and economic growth slow in Q2 – also a traditional off season for jewellery sales – tonnage demand for gold jewellery is likely to drop further.

Although pure gold investment items (bars, coins, GAP, etc.) were increasingly a focus in Q1, investment motives in China remain an important driver for buying gold jewellery – particularly as other local assets have underperformed. This is likely to provide support to gold jewellery demand going forward, especially if expected rate cuts are implemented, which may boost disposable income.

Chart 3: Gold continues to set successive new records so far in 2025

Daily gold price, US$/oz



*Data to 31 March 2025.
Source: ICE Benchmark Administration, World Gold Council

Table 2: Jewellery demand in selected countries, tonnes

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Quarter-on-quarter % change	Year-on-year % change
India	95.5	106.5	171.6	189.8	71.4	-62	-25
Pakistan	4.6	4.3	4.0	4.6	4.2	-10	-10
Sri Lanka	1.7	1.7	1.1	1.3	1.0	-18	-41
Greater China	195.5	92.1	109.5	114.2	133.0	16	-32
China, P.R.: Mainland	184.4	86.2	102.4	106.1	125.3	18	-32
Hong Kong SAR	9.8	4.9	6.2	7.1	6.4	-9	-34
Taiwan Province of China	1.3	1.0	0.9	1.0	1.2	22	-6
Japan	3.2	3.7	4.0	4.2	3.0	-30	-8
Indonesia	5.5	4.3	5.4	7.7	4.1	-47	-25
Malaysia	3.9	2.7	2.3	2.6	3.8	45	-4
Singapore	2.1	1.6	1.5	1.6	1.7	9	-20
Korea, Republic of	3.5	2.8	2.7	2.8	4.1	47	16
Thailand	1.9	1.9	2.4	2.9	1.7	-41	-8
Vietnam	4.1	3.1	2.6	3.3	3.5	5	-15
Australia	1.4	2.5	2.0	2.9	1.3	-56	-10
Middle East	42.8	39.7	33.7	40.9	40.8	-0	-5
Saudi Arabia	8.5	8.4	8.3	9.8	11.5	17	35
UAE	9.6	9.2	7.1	8.8	7.9	-11	-18
Kuwait	3.1	3.1	2.6	3.5	2.4	-30	-20
Egypt	8.0	6.8	5.1	6.3	6.4	2	-20
Islamic Republic of Iran	7.2	6.5	6.2	6.8	7.2	6	0
Other Middle East	6.5	5.7	4.4	5.7	5.4	-5	-17
Turkey	11.3	8.3	9.4	11.9	9.0	-24	-20
Russian Federation	8.3	8.9	10.6	11.6	7.5	-35	-10
Americas	33.1	43.2	37.2	61.4	31.8	-48	-4
United States	24.5	32.6	27.9	47.1	23.3	-50	-5
Canada	2.7	3.3	2.4	5.5	2.6	-53	-3
Mexico	3.0	3.4	3.4	3.7	2.8	-24	-5
Brazil	3.0	4.0	3.5	5.1	3.1	-39	3
Europe ex CIS	11.0	14.9	12.5	28.8	10.7	-63	-3
France	3.2	2.9	1.9	5.9	3.0	-49	-4
Germany	1.0	2.5	2.0	4.1	0.9	-77	-6
Italy	2.4	3.7	2.8	9.0	2.3	-74	-3
Spain	1.9	2.1	2.0	2.6	1.9	-27	3
United Kingdom	2.6	3.8	3.9	7.2	2.5	-66	-4
Switzerland	-	-	-	-	-	-	-
Austria	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-
Total above	429.5	342.3	412.4	492.3	332.5	-32	-23
Other & stock change	50.5	49.6	46.6	55.1	47.9	-13	-5
World total	480.1	391.8	459.0	547.5	380.3	-31	-21

Source: Metals Focus, World Gold Council

India

Price was the key factor driving a 25% y/y fall in gold jewellery demand in India to 71t. While this was the lowest quarterly volume since Q3 2020, the value of demand was 3% higher y/y.

The record gold price, which broke through the key Rs90,000/10g threshold for the first time, impacted affordability. Consumers to buy smaller or more lightweight pieces, or hold back on purchases altogether in the hope that prices may dip and offer a more affordable buying opportunity. Wedding-related demand was relatively resilient, given the essential nature of such purchases.

Interestingly, the record price level did not encourage a rise in recycling. This in part reflects the relative strength of the Indian economy, with little need for distress selling. Instead, more buyers opted to trade in old jewellery for new; by the end of the quarter around 40-45% of purchases were reportedly involving some form of exchange.

Similarly, Q1 saw a continuation of the recent growing trend in gold loans – whereby gold jewellery is pledged as collateral – as consumers sought to leverage the high gold price. The outstanding credit of scheduled commercial banks against gold jewellery rose 87% y/y as of end Feb.

While gold jewellery demand saw a notable decline in the quarter, arguably it held up relatively well in the face of prices approaching Rs100,000/10g. Such price levels will continue to restrict jewellery volumes, albeit that sentiment remains very positive and Indian buyers are likely to use any price dips as opportunities to buy. Needs-based purchases – such as those for festivals and weddings – will likely hold up, but may not offset the drop in discretionary buying. Amid broader financial market turmoil and uncertainty, gold's role as a store of value is becoming more pronounced, and this is reflected in consumer behaviour as buyers shift from consumption-driven purchases to wealth preservation.

Middle East and Turkey

As well as the jump in the gold price, political unrest disrupted gold jewellery demand in Turkey during Q1. Demand fell by 20% y/y but was in line with the quarterly average of the last five years at 9t. Uncertainty generated by US tariff turmoil reportedly contributed to a pause in fabrication at a domestic manufacturing hub in the face of weak local demand.

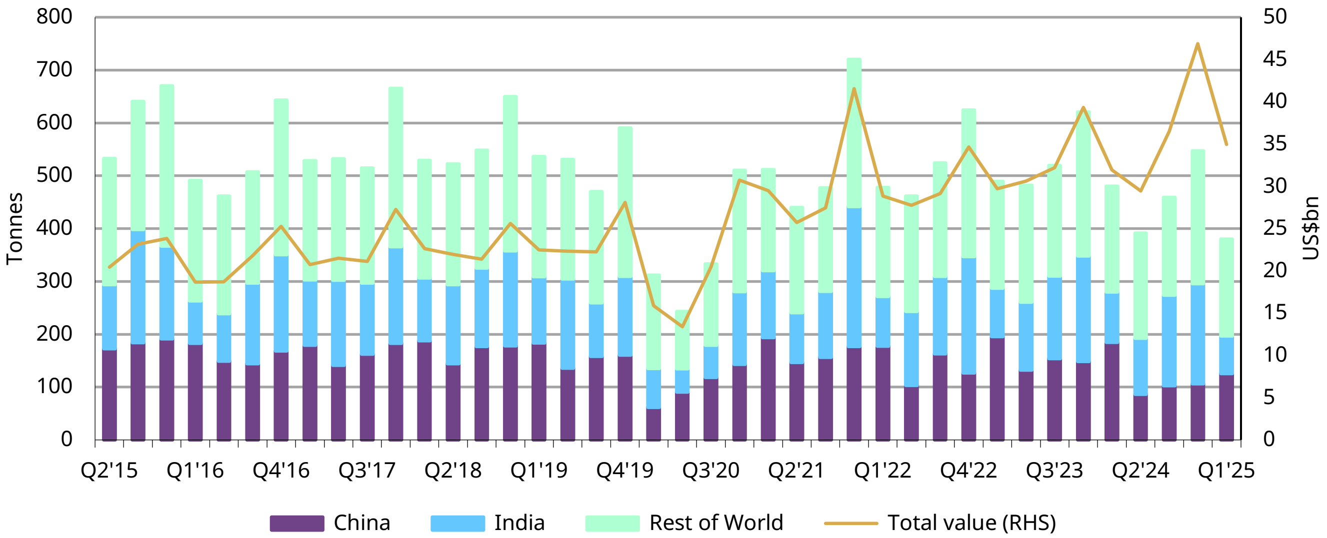
Demand in the Middle East eased by 5% y/y, with strong growth in Saudi Arabia offsetting sharp declines across much of the region. The gold price was responsible for the bulk of the regional drop in jewellery volumes, with continued added pressure in the UAE from the cut in Indian import duty, which has hit Indian tourist demand. Saudi bucked the trend; consumer sentiment during the Eid festival was buoyed by the rising price and festive demand was strong.

US and Europe

Jewellery demand in the US was down 5% y/y in volume terms, while the rising price drove a 32% increase in the value of demand to US$2bn. The decline in volume was purely down to the price rise, particularly against the background of continued cost-of-living pressures. Still-low unemployment and continued enthusiasm for 'bold gold' pieces suggests that demand is not currently at risk of a slump.

Chart 4: Record gold price subdues gold jewellery volume but boosts value

Quarterly gold jewellery demand, tonnes, and value, US$bn



*Data to 31 March 2025
Source: Metals Focus, ICE Benchmark Administration, World Gold Council

The pace of decline in European jewellery demand slowed in the first quarter, with a 3% y/y drop. In contrast, the value measure of demand was 34% higher y/y. Record high gold prices, which breached the €90/g threshold in February, added to pressure from the weak economic backdrop. At the margin, some markets seemed to witness migration from gold to platinum.

ASEAN markets

The ASEAN markets covered in our data aligned with the global trend: demand was down in response to record gold prices. In some markets the trade responded with attempts to meet the changing needs of consumers. In Indonesia, for example, manufacturers have catered to a growing preference for more affordable items by shifting production capacity towards lower-carat jewellery. In Malaysia, jewellers introduced incentives for consumers to exchange old jewellery for new; exchanged gold jewellery does not have a net impact on jewellery consumption, but the promotions were designed to support sales revenues and maintain interest in gold jewellery.

Rest of Asia

Japan posted a modest y/y decline in Q1 jewellery demand. High prices kept volumes under pressure, although demand for kihei chains (plain, quasi-investment product) was firm.

South Korea was one of only a very small number of countries where jewellery demand increased during the quarter. Investment motives underpinned the upturn as turbulent domestic economic and political conditions drove safe-haven demand for gold. Tight domestic supply conditions for gold bars prompted investors to buy plain 24k jewellery as an alternative.

Australia

Demand in Australia responded to the record gold price with a 10% decline. While the price environment will remain the key driver of demand, easing domestic inflationary pressures and the impact of the February RBA rate cut may support consumer sentiment going forward.

Investment

Gold investment demand reaches a three-year high on rocketing ETF inflows and solid bar and coin demand

- Investment in gold jumped to 552t in Q1, almost matching the level seen in Q1'22 on the outbreak of the Russia-Ukraine war
- Q1 saw the strongest quarterly demand for global gold ETFs for three years, as inflows were boosted by trade tensions and gold price momentum
- Bar and coin investment put in another solid quarter, with China being a notable contributor to that performance.

Tonnes	Q1'24	Q1'25	Year-on-year % change
Investment	204.4	551.9	170 ▲
Bar & Coin	317.3	325.4	3 ▲
India	43.6	46.7	7 ▲
China, P.R.: Mainland	110.5	124.2	12 ▲
Gold-backed ETFs	-113.0	226.5	- ▲

Gold's price rise dominated headlines in recent months as it repeatedly set new record highs. The latest leg of the uptrend was set in motion by a pick-up in investment flows in January, initially sparked by US tariffs and cemented by concerns over erratic and unpredictable US policy announcements, fears of stagflation and/or recession, continued geopolitical jitters and the consequent turmoil in equity markets of such an uncertain environment.

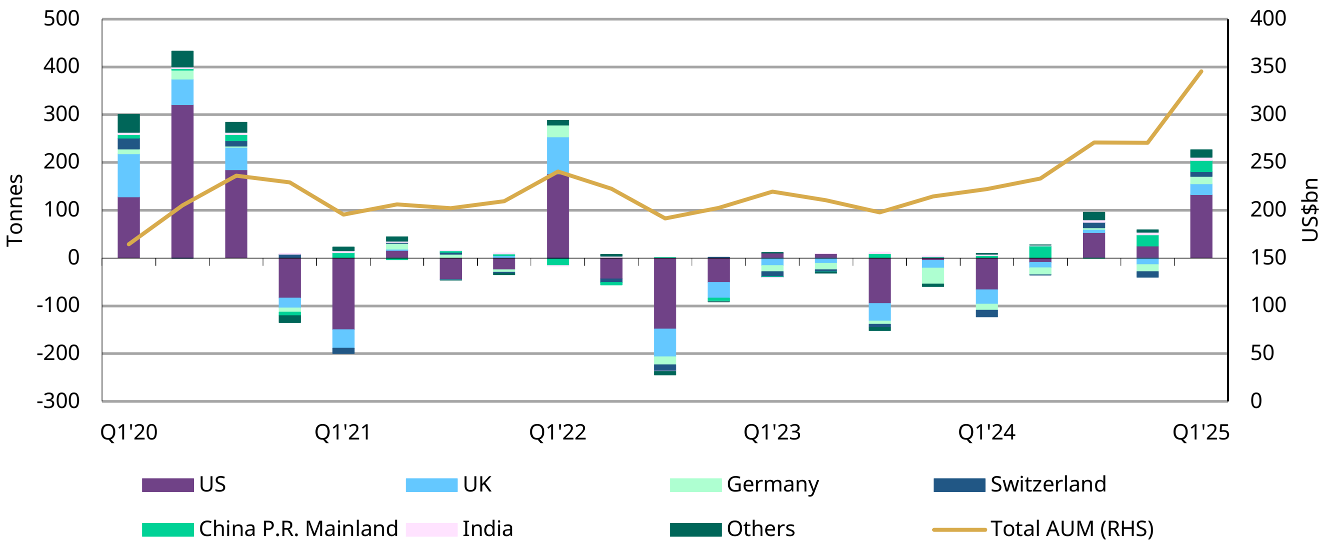
All this has focused attention on gold's diversification benefits, with investors from across the spectrum – small individuals to high net worths to institutions – recognising the need for a safe-haven allocation. The strength of the price rally itself helped to drive further momentum in investment flows.

Global gold-backed ETFs witnessed a broad-based revival, with investors from across the world adding significantly to their holdings. This has been replicated in investment interest for gold bars and coins, with very few markets witnessing a decline in holdings.

Anecdotally, high net worth and institutional investment flows remained positive. These are captured in our OTC and stock flows figure, which also reflects any statistical residual from the balance of other demand and supply estimates. This balance shows a negative print for Q1, which may seem counter intuitive at first glance. We believe it is likely explained by a variety of factors, including a shift in investor interest from OTC to gold ETFs; effects from the relocation of gold stocks across borders; as well as higher-than-usual uncertainty in some of these estimates given their significant magnitude. Shifts in positioning on COMEX can also be reflective of investment in this category and net long managed money futures positioning witnessed a 75t decline over the course of the quarter.[7] This may have been replicated elsewhere by investors who were quick to go long gold early in the quarter, then sought to unwind some of these positions as the price rose.

Chart 5: Q1 ETF inflows show a broad based surge

Gold ETF flows by key market, tonnes*



*Data as of March 31 2025.
Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

7. This figure reflects the decline in net long positioning in futures only; if options positioning is also included, net longs declined by 18t over the quarter.

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

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Quarter-on-quarter % change	Year-on-year % change
India	43.6	43.1	76.7	76.0	46.7	-39	7
Pakistan	4.8	4.5	4.1	5.6	5.0	-10	5
Sri Lanka	-	-	-	-	-	-	-
Greater China	113.5	82.2	63.9	86.2	126.7	47	12
China, P.R.: Mainland	110.5	80.0	62.1	83.6	124.2	48	12
Hong Kong SAR	0.5	0.4	0.3	0.4	-0.4	-	-
Taiwan Province of China	2.5	1.8	1.4	2.2	2.9	31	16
Japan	-1.3	4.6	0.1	-0.9	0.1	-	-
Indonesia	6.6	4.5	7.6	5.8	8.9	52	35
Malaysia	1.8	1.3	1.3	2.0	2.5	21	34
Singapore	1.8	1.6	1.2	1.9	2.5	29	35
Korea, Republic of	5.1	4.1	4.2	5.9	7.0	18	36
Thailand	5.9	7.2	12.1	14.6	7.4	-49	25
Vietnam	14.1	11.8	7.9	8.2	12.0	46	-15
Australia	2.2	3.1	2.5	3.6	3.1	-14	44
Middle East	27.5	29.4	25.3	27.6	28.4	3	3
Saudi Arabia	3.8	3.9	3.3	4.3	4.4	4	15
UAE	3.3	3.3	3.6	3.4	3.1	-8	-5
Kuwait	1.5	1.6	1.6	1.4	1.4	-3	-5
Egypt	5.2	7.6	5.3	5.9	4.7	-20	-10
Islamic Republic of Iran	11.5	10.9	9.5	10.4	12.7	22	10
Other Middle East	2.2	2.1	2.0	2.2	2.1	-8	-5
Turkey	45.3	30.8	12.7	23.5	20.2	-14	-55
Russian Federation	7.4	8.9	9.1	9.0	7.6	-16	3
Americas	22.5	21.1	22.3	21.7	19.3	-11	-14
United States	20.1	18.9	19.9	18.6	15.7	-16	-22
Canada	1.6	1.7	1.8	2.4	3.0	22	85
Mexico	0.3	0.2	0.2	0.2	0.2	18	-39
Brazil	0.4	0.4	0.4	0.5	0.4	-10	-4
Europe ex CIS	14.8	11.1	18.2	23.2	26.5	14	79
France	-1.2	-0.6	-0.3	-0.5	-1.2	-	-
Germany	6.6	-2.0	3.5	8.7	10.5	21	59
Italy	-	-	-	-	-	-	-
Spain	-	-	-	-	-	-	-
United Kingdom	2.0	2.6	3.5	2.2	3.4	59	72
Switzerland	1.4	5.1	5.0	5.4	5.8	7	313
Austria	0.2	0.5	0.6	1.1	0.6	-44	231
Other Europe	5.7	5.4	5.8	6.3	7.3	15	27
Total above	315.5	269.4	269.0	313.9	323.6	3	3
Other & stock change	1.9	5.2	1.5	12.1	1.8	-85	-4
World total	317.3	274.6	270.5	326.0	325.4	-0	3

Source: Metals Focus, World Gold Council

The dynamic pace of change in the gold market in Q1 makes for a challenging environment in which to identify various supply and demand flows, and this may make some of the data more susceptible to future revisions.

ETFs

Gold ETFs saw a striking start to the year: holdings increased by 226t during Q1. This took collective holdings to 3,445t, the highest since May 2023 but still well below their historical peak from November 2020 of 3,929t.

In US-dollar terms, demand of US$21bn was the second highest quarterly inflow on record, only outdone by the US$24bn inflow set in Q2'20. Consequently, total AUM reached an all-time high of US$345bn by quarter-end, aided by the surging gold price.

Global demand for ETFs – which has been positive in 10 out of the last 12 months – accelerated in Q1. Already encouraged by gold's price momentum, investors spooked by somersaulting US tariff policy rushed for the safety of gold.

North American-listed funds attracted the highest inflows in Q1 (+134t) as stock market volatility, combined with fears of stagflation, further highlighted the investment case for gold.

The prospect of further ECB rate cuts added to the gold-positive environment in Europe: regional-listed funds added 55t during the quarter.

Asian-listed funds were a stand out, rising by 34t in Q1. The bulk of this demand was for funds listed in China, given the escalating domestic threat of a trade war with the US. India also showed strong growth: holdings increased by 11% over the period.

Funds listed in Other regions added a relatively minor 4t, with Australia registering the most significant increase, up almost 3t.

The first few weeks of Q2 have seen an acceleration in demand for global gold ETFs, most notably in Asia, where flows have already surpassed their Q1 total. Should demand continue at the current pace throughout April, we could see the strongest three-month consecutive run of inflows since the outbreak of COVID drove investors to gold in 2020, particularly as holdings still remain round 10% below the record high reached during that period.

For a detailed review of regional gold-backed ETF flows, please see our ETF Flows Commentary.

Bar and coin

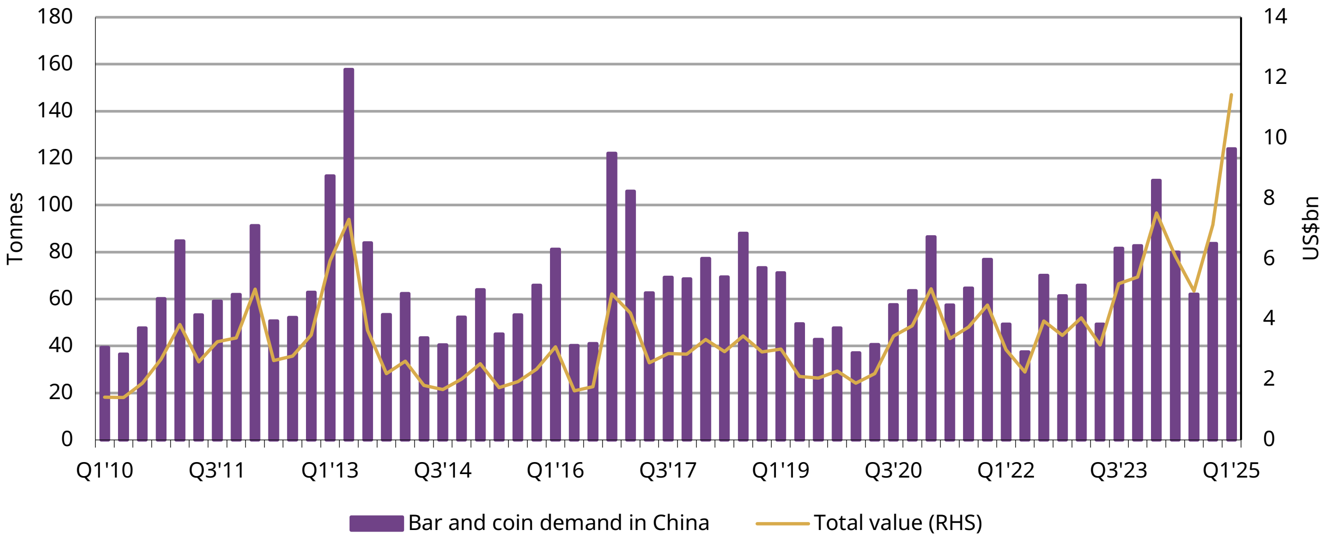
Investment demand for gold at the retail level posted a healthy 3% y/y increase in Q1. At 325t, bar and coin demand was in line with the prior quarter and 15% above the five-year average.

Gold's stellar price run was the key driver of investment growth. Momentum took the price to 20 new record highs during the quarter, garnering global media attention and encouraging investors to ratchet up their future price expectations. This had a twofold impact: it encouraged fresh buying by investors keen to capitalise on further expected gains, and discouraged selling by investors who chose to wait for higher levels before taking profits.

A generally weaker US dollar in Q1 slightly tempered gold's price rise when measured in other currencies, although price strength remained impressive across the board.

Chart 6: Q1Chinese bar and coin demand sees the second strongest quarter on record

Chinese quarterly gold bar and coin demand, tonnes, and value, US$bn*



*Data to 31 March 2025
Source: Metals Focus, ICE Benchmark Administration, Refinitiv GFMS, World Gold Council

China

Demand for gold bars and coins in China surged in Q1 to 124t (+12% y/y; +48% q/q) – its second strongest quarter on record. This performance was particularly impressive given the y/y growth is built on an already-strong Q1 2024. In volume terms, China was by far the largest contributor to the global y/y rise, accounting for 38% of total Q1 bar and coin investment.

The record-shattering gold price rally has been key in pushing up bar and coin demand during the quarter. With local assets – such as equities and bonds – underperforming, investors flocked to gold for returns.

Meanwhile, the escalating trade tension between the US and China, alongside expected currency depreciation, also drove safe-haven demand for gold; this was further encouraged by continued announcements of buying by the PBoC.

We expect gold investment demand to stay robust in Q2 as trade tensions, economic growth concerns and rate cut expectations continue to enhance its investment appeal.

India

Bar and coin demand in India saw its seventh consecutive quarter of y/y growth, increasing 7% to 47t. This was sharply lower compared with the previous two very strong quarters, but Q1 typically sees a drop compared with wedding- and festival-driven fourth-quarter buying.

The heightened investment interest was largely driven by local prices approaching the key psychological level of Rs100,000/10g, and boosted yet further by a number of regional festivals during the quarter.

Despite the healthy macro backdrop, domestic equity markets corrected lower during the quarter, which likely encouraged some rotation into gold.

Gold investment sentiment remains positive in India. The quarter's strong bar and coin demand, coupled with inflows into gold ETFs and the reluctance of Indians to sell their existing gold, is indicative of continued healthy investment demand. Gold price expectations remain bullish, particularly in an environment of uncertain global geopolitics and underwhelming performance from other domestic assets. Meanwhile, the prospect of a normal monsoon bodes well for rural investment demand later in the year.

Middle East and Turkey

In Turkey, Q1 investment demand of 20t was down sharply from the very high Q1 2024, and below the prior quarter. Interest rates remained high, despite being eased during the quarter, and this attracted investment funds into savings accounts and away from gold.

Investment demand remained elevated in the Middle East region, hovering just above the average level of the last three years.

Growth was concentrated in Saudi Arabia (driven by positive price expectations) and Iran (due to currency depreciation, high inflation and concern over unpredictable US foreign policy). This outweighed declines in the UAE, where higher prices curbed volumes, and in Egypt, where relative economic and currency stability diminished safe-haven investment flows.

The West

Quarterly bar and coin investment in the US dipped to its lowest level for almost five years on continued profit-taking. In value terms, Q1 investment was higher y/y at US$1.5bn, but below the average quarterly US$1.6bn that has typified the last three years. This is not altogether surprising given that, historically, Republican presidencies have generally resulted in lower retail demand; however, fieldwork suggests that investment interest picked up late in the quarter and continued through early Q2 as tariff announcements dominated headlines. Meanwhile, high net worth investor demand – mostly captured through OTC investment – apparently remains contrastingly elevated.

Gold investment in Europe staged a strong y/y recovery, albeit from a very low base. Demand jumped to 26t, largely due to growth in German-speaking markets. Price expectations have been revised higher on the back of gold's remarkable run, encouraging fresh investors while simultaneously slowing profit-taking. In this high-price environment, smaller investment pieces (in denominations from 1g to 20g) saw the best growth, particularly in light of the limits on anonymous cash transactions (in Germany, for example, cash transactions of more than €2,000 require ID).

Investment in the UK has been boosted by demand for CGT-compliant gold in light of last year's budget changes to CGT thresholds.

ASEAN markets

Investment was generally stronger y/y among the ASEAN markets covered in this report. Vietnam was the exception, where limited availability of gold products pushed up premiums. Currency depreciation further exacerbated the rise in the US dollar price of gold, which impacted affordability.

Safe-haven demand for gold as a hedge against inflation, currency depreciation and geopolitical risk drove the y/y improvement in Indonesian investment. In Thailand, positive price expectations underpinned gold investment, although demand here halved from the previous quarter as the gold price rally drew out profit-taking.

Rest of Asia

Profit-taking and fresh investment in Japan broadly balanced out in Q1. Given the historical tendency for Japanese investors to take profits on price rallies, it was notable that demand was not negative despite the unprecedented price level. As well as a continuation of the recent interest in gold among younger investors, fieldwork suggests that older investors were also buying into the gold rally during the quarter.

Investment in South Korea jumped to the second highest quarter in our data series as domestic political and economic instability sparked safe-haven demand. Coupled with supply constraints, this caused domestic gold premiums to surge.

Australia

Bar and coin investment jumped sharply, in response to both the gold price rally and a February rate cut by the Reserve Bank of Australia. A further boost came from rising safe-haven demand amid notable equity market weakness.[8]

8. Statement by the Reserve Bank Board: Monetary Policy Decision | Media Releases | RBA | February 2025.

Central banks

Central banks' bullion bonanza continues in 2025

- Central banks' net purchases totalled 244t in Q1[9]
- The National Bank of Poland accelerated its gold buying
- Similar to previous quarters, sale volumes remained modest.

Tonnes	Q1'24	Q1'25	Year-on-year % change
Central banks and other institutions	309.9	243.7	-21 ▼

Central banks' impressive demand for gold continued in Q1 as a further 244t was added to global official reserves. While this demand was markedly lower than the previous quarter, in absolute terms it was still healthy at 24% above the five-year quarterly average, and just 9% below the average seen over the last three years of very elevated demand.

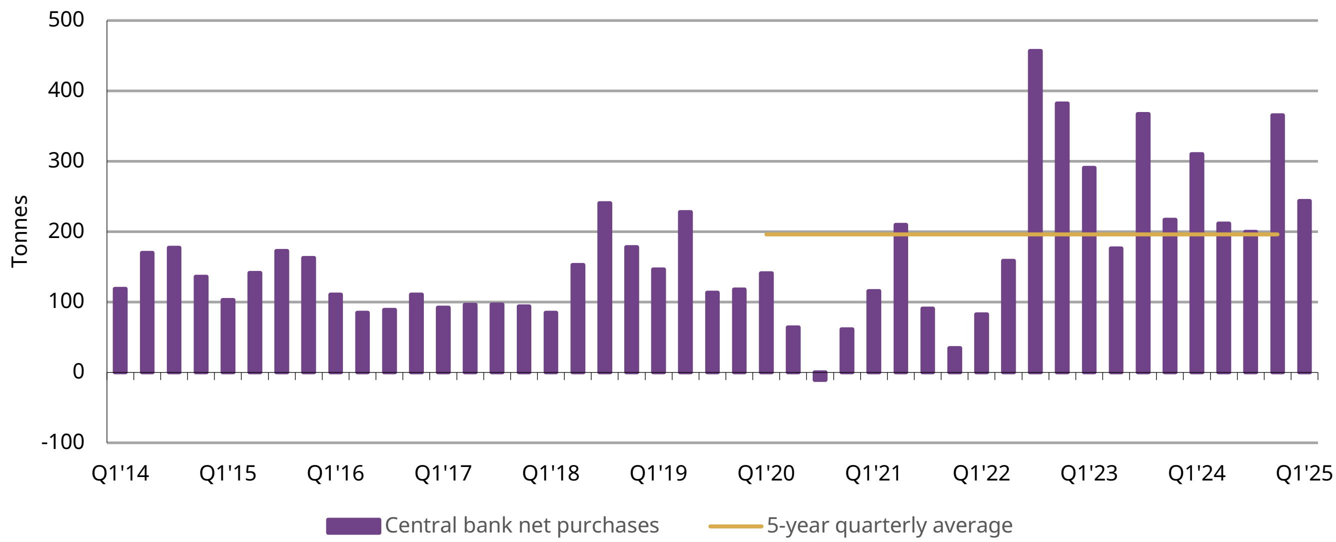
Uncertainty, which leapt during the quarter and helped propel the gold price to record highs, likely reinforced central banks' interest in gold. Gold as a store of value and its performance during times of crisis were highlighted as key reasons for holding gold in our 2024 Central Bank Gold Survey, and the turbulent events in Q1 played to its strengths. This, in turn, provided further support for gold's rally.

Both buying and selling in the quarter remained concentrated among those emerging market central banks that have shown recent activity.[10]

- The **National Bank of Poland**, the leading buyer last year, was once again at the forefront of gold acquisitions and at an accelerated pace. The bank added a further 49t during the quarter, representing 54% of its total gold demand last year (90t). This lifts its total gold holdings to 497t (21% of its total reserves)
- The **People's Bank of China** reported adding 13t to its gold reserves in Q1. As a result, reported gold reserves climbed to 2,292t by the end of the quarter, nudging gold's share of total reserves to 6.5%
- The **National Bank of Kazakhstan** added 6t during the quarter, lifting its official gold reserves to 291t. In early April, National Bank of Kazakhstan Deputy Governor, Aliya Moldabekova, told Bloomberg that the bank would hold off on gold sales until uncertainty declines and prices stabilise
- The **Czech National Bank**'s gold reserves rose by 5t in Q1. The bank's steady accumulation in recent years lifted gold holdings to 56t by the end of Q1, over four times higher than at the end of 2021
- The **Reserve Bank of India** (RBI) added 3t in Q1. Buying has been less consistent in recent months than it was in 2024, when the RBI bought gold every month except December. Its gold holdings stood at 880t at the end of March, accounting for 12% of total reserves

Chart 7: Central bank gold demand remains healthy in Q1

Quarterly central bank net purchases, tonnes*



*Data to 31 March 2025.
Source: Metals Focus, World Gold Council

9. Central bank demand presented here comprises aggregate reported changes as well as an estimate for unreported buying. This differs from our monthly central bank statistics, which consist solely of reported changes.

10. Country-level data is based on reported figures available at the time of writing. Revisions may occur as more data is released.

- The **Central Bank of Turkey**[11] was again a significant buyer in the quarter, adding 4t based on available data at the time of publication
- There was also continued interest from Middle Eastern central banks, with **Qatar** (3t), and **Egypt** (1t) both increasing their gold reserves in Q1
- The **State Oil Fund of Azerbaijan (SOFAZ)**, the country's sovereign wealth fund, increased its gold reserves by 19t over the quarter, to 165 tonnes. Gold now accounts for 26% of SOFAZ's portfolio
- Sales during the quarter were modest and limited to the **Central Bank of Russia** (3t) and the CIS central banks of **Uzbekistan** (15t) and the **Kyrgyz Republic** (2t).

Akin to recent quarters, reported purchases only accounted for 22% of central bank demand in Q1, implying widespread buying interest beyond what was captured by the IMF IFS data. This may be explained by a number of factors, including delays to reporting and purchasing by non-central bank official institutions.

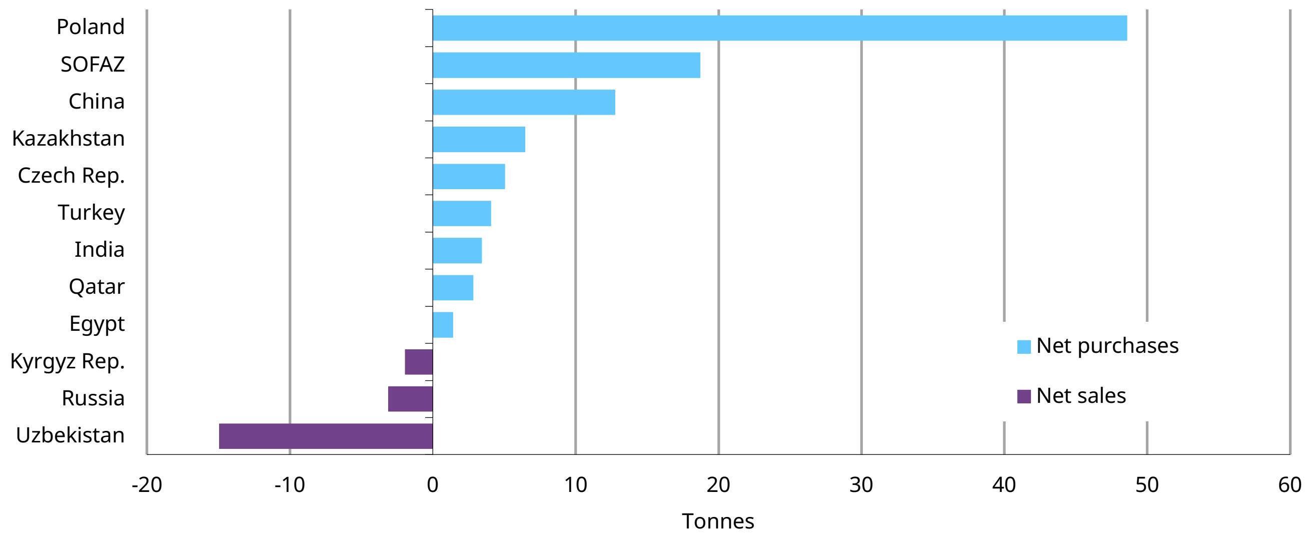
There is also anecdotal evidence that central bank lending increased during the quarter as the supply of gold was squeezed.[12] Lending rates leapt in response to the rush of gold into COMEX amid uncertainty around the new US Administration's tariff policy, although they normalised before the end of the quarter. As lending activity represents a movement of gold rather than a change in ownership, it is not included in our demand estimates.

Further, the turmoil in Q1 also led to renewed interest in the topic of gold storage by central banks.[13] Although there have been calls for repatriation of gold from the US as confidence fell, some central banks have dismissed any change in their storage policies.[14]

The overall buying trend is now entering its sixteenth year, fresh off the back of colossal buying in the last three years.[15] But what's next for central bank gold demand? We anticipate that heightened levels of uncertainty will maintain gold's role as a valuable component of international reserves going forward, and this will support demand in the near term. See our Outlook section for more information.

Chart 8: The National Bank of Poland buys the most gold in Q1

Net purchases and sales by country, tonnes*



*Data to 31 March 2025 where available at the time of writing. Note: chart includes only purchases/sales of 1t or more. SOFAZ represents the State Oil Fund of Azerbaijan (SOFAZ).
Source: IMF IFS, respective central banks, World Gold Council

11. Turkey data for December 2024 was delayed at time of publication.
12. London gold market queues up to borrow central bank gold after big shipments to US, sources say | Reuters | January 2025.
13. German politicians fret over gold reserves held in the US |Mining.com |March 2025.
14. Korea's gold reserve is entirely abroad. The BOK has no intention of reshoring it. | Korea JoongAng Daily | April 2025.
15. Annual central bank demand for 2024 has been revised up to 1,086t from 1,045t as more data became available.

Technology

A steady Q1 in the technology sector is overshadowed by tariff uncertainties

- Demand for gold used in technology was flat y/y at 80t during Q1
- Electronics demand rose 2% y/y to 67t, with AI-related applications providing ongoing support
- This was countered by a drop in gold used in other industrial applications and a continuation of the long-term decline in dental demand.

Tonnes	Q1'24	Q1'25	Year-on-year % change	
Technology	80.2	80.5	0	▲
Electronics	66.0	67.0	2	▲
Other Industrial	11.9	11.3	-5	▼
Dentistry	2.3	2.1	-6	▼

Demand for gold used in industrial applications held steady during the first quarter of 2025. But uncertainty around the imposition of tariffs around the world is likely to cause the sector significant volatility in the near term. Some frontloading of electronics shipments from the Far East into Europe and the US – in an attempt to avoid tariffs – has been noted, as has a rebound in the consumer electronics market as buyers look to make purchases prior to any price hikes. At the time of writing, some electronic devices have apparently been exempted from additional tariffs, but this situation is likely to change, adding to the uncertainty and volatility in the sector. Additionally, some large chip makers such as Nvidia[16] and TSMC[17] have announced they will commission manufacturing facilities in the US.

Such an uncertain environment makes it difficult to pin down forward-looking expectations and may make demand data more susceptible to future revision.

Electronics

Gold demand in the electronics sector grew by 2% y/y in Q1. Demand for AI-related apps and devices remained strong, supported by new product launches in China. The Semiconductor Industry Association also reported healthy worldwide y/y sales figures for both January and February.[18] However, manufacturers are feeling the pressure from record gold prices. Our fieldwork suggests that some are seeking ways to cut material costs as a matter of urgency. In the PCB sector, for example, some chip makers are apparently looking to optimise metal layer formulations in order to reduce costs.

Gold used in Light Emitting Diodes (LEDs) grew slightly during Q1. This was driven, in part, by panel manufacturers and consumer device makers stockpiling to mitigate tariff disruption. However, this is expected to be short-lived as capacity cuts are likely during Q2 and beyond. Demand in sensor applications, such as biosensors, advanced automation systems, and big data applications remains healthy.

AI-related applications drove growth in memory chips and semiconductors during the quarter. Ongoing demand for technologies such as AI server memory in both China and the US were key to growth. This should continue into Q2 as AI-enabled smartphones and PCs are launched, with penetration rates potentially reaching ~30% by the end of 2025. Separately, the NAND flash market has seen inventories fall to healthier levels, improving the recent over-supply situation.

The wireless sector saw a modest decline in demand during Q1. Supply chain adjustments, which lowered inventory levels, meant orders in this sector were relatively flat y/y. Manufacturers remain cautious in their forecasts for consumer electronics, but continued adoption of WiFi-7 should underpin wireless demand in the coming quarters as the shift from WiFi-6 requires a significant uplift in power amplifiers per unit. Other areas of demand for wireless infrastructure, such as low earth orbit satellites (LEOs), may be less impacted by tariffs, so offer further hope for demand in the sector.

Finally, the Printed Circuit Board (PCB) sector registered growth during the quarter. Although Q1 is traditionally a low season for PCBs, the robust demand was thanks to a number of rush orders from consumer electronics manufacturers and ongoing strength from AI applications. However, the overall market sentiment is becoming increasingly cautious.

At the aggregate level, three of the four major electronics fabrication hubs around the world saw gold demand either flat or higher y/y during Q1: Japan - 19t (+1%); South Korea – 6t (0%); and Mainland China and Hong Kong SAR – 19t (+5%). Meanwhile, the US fell to 17t (-1%).

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) was down 5% y/y in Q1. Meanwhile, the ongoing decline in gold used in dentistry continued with a 6% y/y drop in volumes to 2t.

16. NVIDIA to Manufacture American-Made AI Supercomputers in US for First Time | blogs.nvidia.com | April 2025.
17. TSMC Intends to Expand Its Investment in the United States to US$165 Billion to Power the Future of AI | TSMC press release | March 2025
18. Global Semiconductor Sales Increase 17.1% Year-to-Year in February | Semiconductor Industry Association | April 2025.

Supply

Recycling volumes softened but record mine production boosted total supply by 1% in Q1

- Q1 mine production increased marginally to 856t – a record level for a first quarter
- Gold recycling volumes declined by 1% despite much higher gold prices
- Net producer hedging of 5t in Q1 was mostly linked to debt-financing.

Tonnes	Q1'24	Q1'25	Year-on-year % change	
Total supply	1,194.2	1,206.0	1	▲
Mine production	853.4	855.7	0	▲
Net producer hedging	-8.8	5.0	-	▲
Recycled gold	349.6	345.3	-1	▼

Total gold supply increased by 1% y/y to 1,206t in the first quarter. This was driven by record mine production of 856t – an all-time Q1 high in our data series, which dates back to 2000 – and despite a 1% y/y decline in recycling to 345t. Total supply was supplemented by a small increase in our estimates of the aggregate producer hedge book. As usual, there is room for future revision to the underlying elements of supply data: to production and hedging because not all mining companies have released their quarterly reports; and to recycling as the record price environment makes the task of accurately measuring exchange and recycling more challenging.

Mine production

Mine production of 856t in Q1 was a fraction (less than one tonne) above the previous Q1 record of 855t, set in 2016. On a q/q basis, however, production fell by 11%, due primarily to seasonal fluctuations.

Notable Q1 production increases – based on data available at the time of publication – were from the following countries:

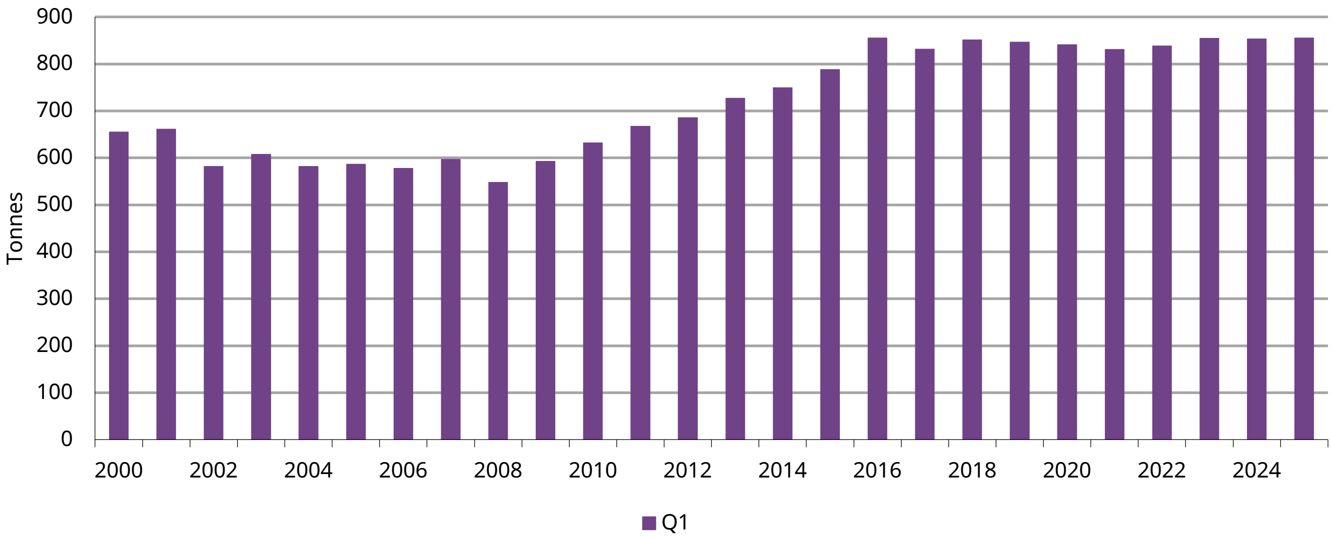
- Chile (+45% y/y) after the Salares Norte mine returned to steady state operations following adverse weather in 2024
- Ghana (+11% y/y) due to expansion in existing operations, including Asante Gold's Bibiani mine, together with higher output from the ramp-up of Shandong Gold's Namdini operation
- Canada (+4% y/y) driven by ramp-ups at newer operations such as Cote and Greenstone and higher production from existing mines
- China (+2% y/y) as higher gold prices boosted margins at lower grade operations.

In contrast, operations in some countries were hit by a mix of mining and geological factors, resulting in the following Q1 production declines:

- Turkey (-25% y/y) due to the ongoing suspension of activities at the Copler mine and production sequencing at the Oksut mine

Chart 9: Global mine production reaches new Q1 record

Q1 mine production by year, tonnes*



*Data to 31 March 2025.
Source: Metals Focus, Refinitiv GFMS, World Gold Council

- **Indonesia** (-16% y/y) due to mine sequencing at Batu Hijau as the mine enters Phase 8 of mining operations, necessitating high volumes of waste stripping
- **Mexico** (-9% y/y) as production was suspended indefinitely at the Los Filos mine after expiry of a land access agreement, while the Morelos mine saw a planned four-week maintenance shut down
- **Australia** (-3% y/y) due to planned lower grades at a number of mines including Cadia Valley.

Now that all listed companies have reported full-year production it is possible to fully assess industry trends for 2024. Last year gold production rose by 1% to 3,673t, a new all-time record for gold mining, marking the first time since 2019 that major gold mining companies have delivered annual gold production in line with their start-of-year guidance.

In Q4'24, based on the latest data available, average all-in sustaining costs (AISC) for the gold mining industry reached a record high, up 8% y/y to US$1,438/oz. Despite the rise, average AISC for the industry fell q/q in Q4'24 as tonnage treated was stable but average grades increased. This quarterly fall in industry AISC is unlikely to continue as underlying cost pressures remain, not least due to royalty payments that are tied to the gold price.

Net producer hedging

Net producer hedging in Q1 is estimated at 5t, based on available data. Some fresh hedges were reported during the quarter, linked to debt financing, while producers with existing debt commitments will need to replace expired hedges. However, overall hedging activity is likely to remain limited given investor preference for full exposure to elevated spot gold prices.

Recycled gold

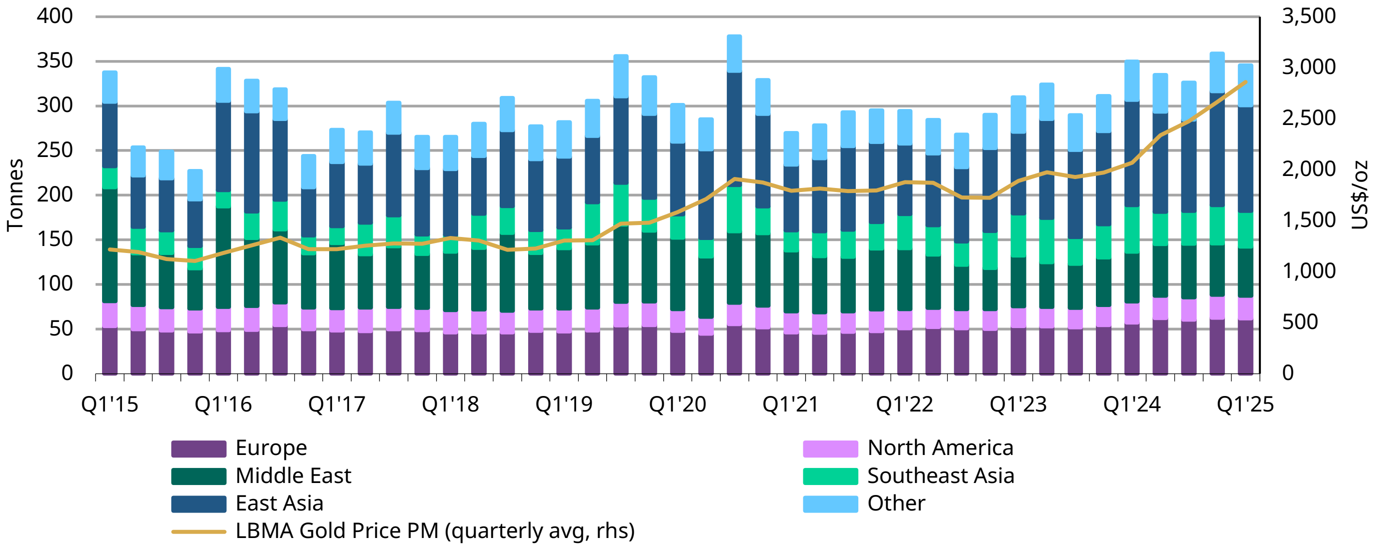
Gold recycling in Q1 fell to 345t (-4% q/q and -1% y/y) despite the gold price reaching multiple new record highs. The decline in recycling was something of a surprise given the concurrent increase in the average quarterly gold price (+38% y/y and +7% q/q). But as we've explained previously, q/q changes in the gold price are arguably more important for recycling.

At a country level we observed the following during the first quarter:

- Recycling in **India** fell sharply, but there was a jump in exchange of old gold jewellery for new, and in the use of gold jewellery as collateral for loans – a common reaction to rapidly rising gold prices. These uses of gold jewellery have no net impact on supply and are therefore not captured in recycling data
- Mounting political and economic concerns fuelled higher recycling activity in **South Korea**. Tight supply conditions drove domestic prices to a large premium – as high as 17% – and this encouraged recycling flows
- With the exception of strong flows in **Germany**, recycling activity in Europe was broadly steady. The **UK** was quiet in Q1'25, although some evidence of a rapid pick-up was seen in late March
- **China** saw retailers clearing out 24- and 18-carat gold jewellery ranges in order to stock up with lighter, cheaper jewellery items
- A large decline in **Thailand**, which almost offset strength in China, was largely due to base effects.

Chart 10: Recycled gold volumes fall in Q1 despite the jump in gold prices

Quarterly supply of recycled gold by region, tonnes*



*Data to 31 March 2025.
Source: ICE Benchmark Administration, Metals Focus, World Gold Council

The volume of gold recycled has trended higher over the past two years and – on a rolling four-quarter basis – is just below the highest level seen over the past decade. But from a longer-term view, recycling volumes remain some way below the exceptional levels seen in 2011 and 2012, which is quite remarkable considering the gold price increase and larger retail holdings of jewellery compared to previous peaks.

A number of global themes help explain this relative stability in recycling volumes:

- Price expectations among gold holders appear to be positive, encouraging them to hold back as they anticipate further gains
- Many markets saw substantial selling-back last year as gold prices started to move rapidly higher, and this seems to have depleted near-market stocks in a lot of countries
- Currently, there is only limited evidence of distress selling
- In countries experiencing economic and political stress, a lack of alternative safe-haven options means that gold is viewed as the last asset to sell, rather than as a ready source of cash.

Gold has already made further substantial price gains in early Q2 and it will be interesting to see whether recycling supply responds. Perhaps slowing economic growth and rising unemployment will start to generate some distress selling, or perhaps recycling volumes will remain relatively light while unrelentingly positive sentiment towards the gold price persists. 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.

Research

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