

China gold market update

Unseen investment passion



Highlights

- Gold's rally continued. The Shanghai Benchmark Gold Price PM rose 6.9% – its fifth consecutive monthly gain – and the LBMA Gold Price PM was up by 6%, witnessing positive returns for four consecutive months
- Jewellers, banks and other market participants withdrew 153t gold from the Shanghai Gold Exchange (SGE) in April, notably higher m/m and y/y
- Chinese gold ETFs added RMB49bn (US\$6.8bn, 65t) in April, the strongest month ever. Their total assets under management (AUM) and collective holdings both surged to month-end peaks – but it is worth noting that inflows slowed at the start of May. Gold futures volumes at the Shanghai Futures Exchange (SHFE) also soared to a record high in April and remained elevated in early May
- The People's Bank of China (PBoC) reported its sixth consecutive monthly gold purchase in April, adding 2.2t to its gold holdings, which now stand at 2,295t, 6.8% of total reserve assets
- The most recent information suggests tepid gold imports in March and a weak Q1 total. We believe this is due to lower gold price premiums – sometimes discounts – and cooling gold jewellery demand.

Looking ahead

- We expect gold jewellery consumption, in tonnage terms, to remain tepid as it enters its off season after the five-day Labour Day Holiday, although the recent price adjustment could provide some support
- Gold investment demand may also cool in the near term possibly due to profit taking, the range-bound price movements and cooling US-China trade tensions. But in the longer term, gold's investment demand should be well supported amid its attractive performance, lingering global economic and geopolitical risks, as well as institutional allocations from Chinese insurers.

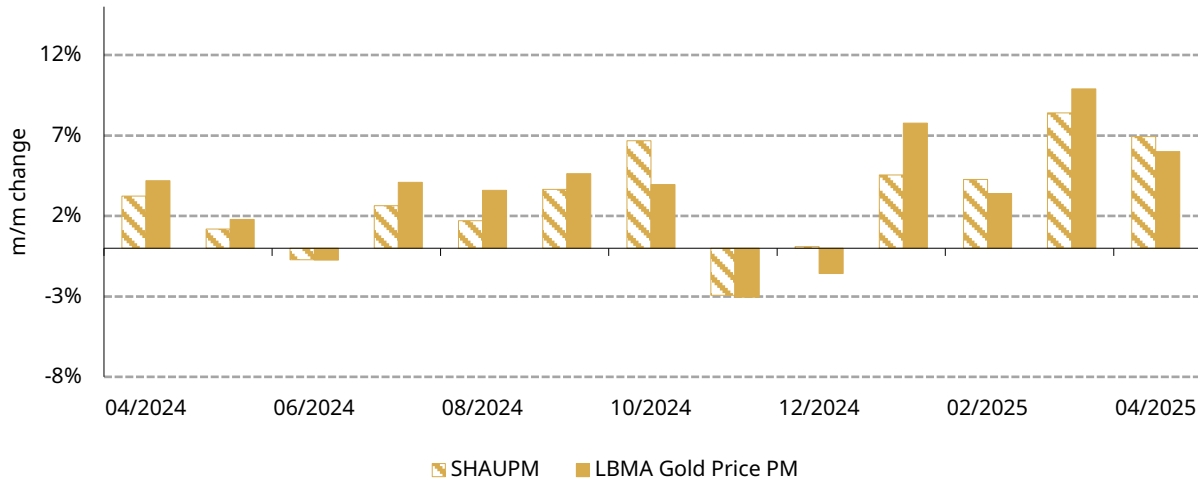


April saw continued gold price strength

Global gold prices kept rising in April (**Chart 1**). [Our model](#) shows that a weaker dollar, elevated geopolitical/economic uncertainties and strong gold ETF inflows drove gold up. While the LBMA Gold Price PM in USD saw its strongest April since 2011, the SHAUPM in RMB recorded its highest April return in 19 years.

Chart 1: The gold price rally extended into April

Monthly returns of the SHAUPM in RMB and the LBMA Gold Price PM in USD*



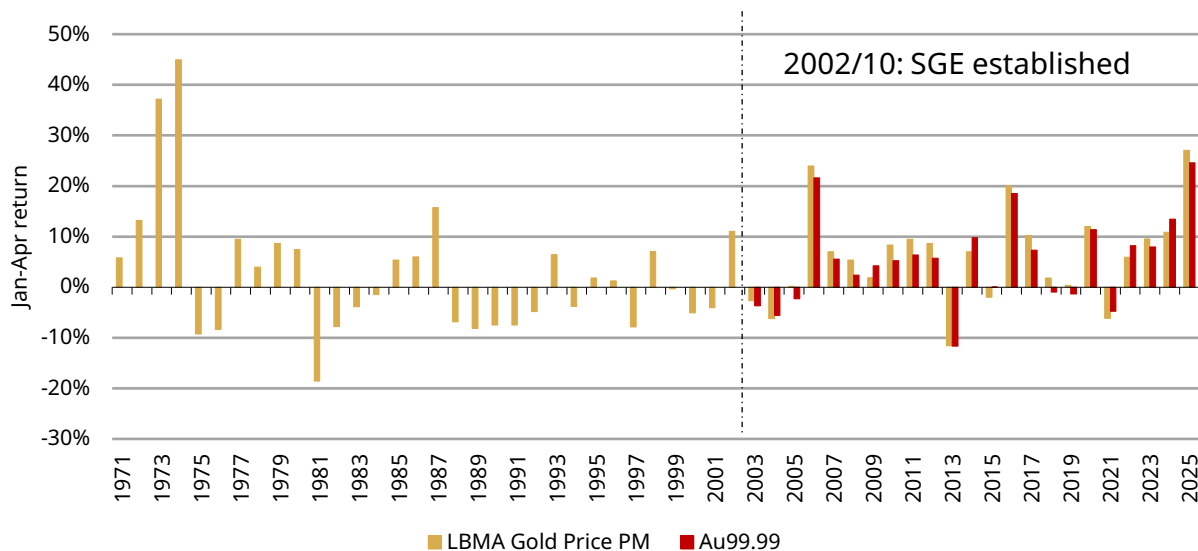
*Data as of 30 April 2025.

Source: Bloomberg, World Gold Council

Over the past four months, the RMB gold price has witnessed a cumulative return of 24%, the strongest January to April performance on record (**Chart 2**). And the LBMA Gold Price PM soared 27% during the same period. The difference is mainly a result of a stronger RMB, which has appreciated 1% so far in 2025.

Chart 2: Gold prices saw unprecedented y-t-d returns

Y-t-d returns of the Au9999 in RMB and the LBMA Gold Price PM in USD*



*We use Au99.99 – the main spot gold contract at the SGE – and the gold price in RMB as it has a longer history than SHAUPM.

Source: Bloomberg, World Gold Council



Wholesale demand continued to rebound

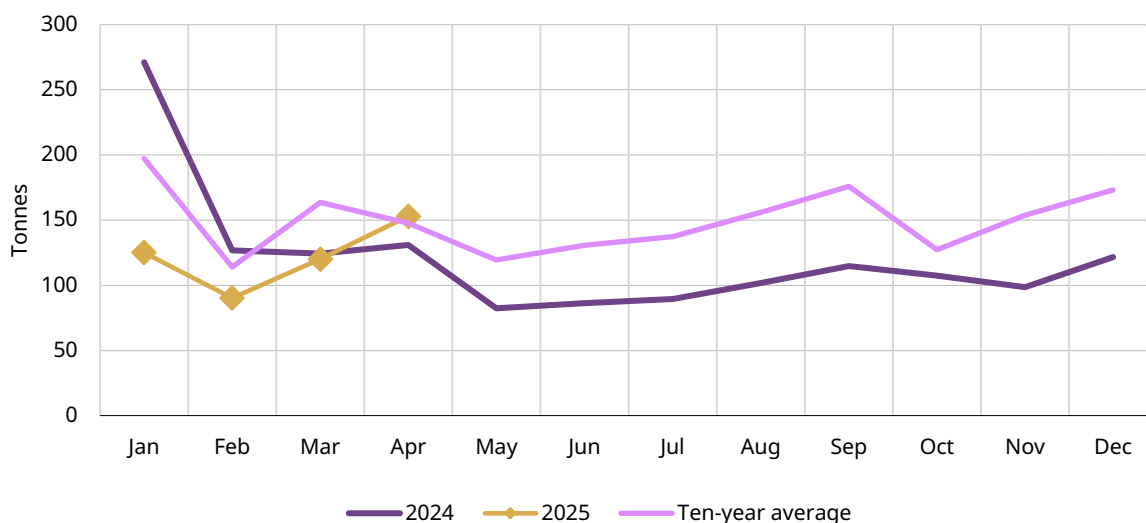
The industry withdrew 153t gold from the SGE, a rise of 27% m/m and 17% y/y (**Chart 3**). The improving wholesale gold demand is also reflected in the rising local gold price premium, which averaged US\$37/oz in April, significantly higher than March's US\$2/oz.

We believe the following factors underpinned the April strength:

- Continued robustness in bar and coin sales amid strong investor buying: gold remains a top-performing asset in China as US-China trade tensions intensified
- Jewellers re-stocking for the early May Labour Day Holiday following Q1 withdrawals that were lower than usual.¹

Chart 3: Wholesale demand improved in April

Gold withdrawals from the SGE*



*As of April 2025.

Source: Shanghai Gold Exchange, World Gold Council

Surging gold ETF demand in April

Chinese gold ETFs recorded their strongest month on record, adding RMB49bn (US\$6.8bn) (**Chart 4**). The third consecutive monthly inflow and the continued surge in the gold price lifted their total AUM to RMB158bn (US\$22bn); a rise of 57% in April and the highest month-end value ever. Meanwhile, holdings surged by 65t to 203t, also a record high.

This unprecedented demand surge was mainly driven by the attractive local gold price performance, US-China trade war concerns and falling local bond yields amid intensified easing expectations. During the first four months of 2025 Chinese gold ETFs' total AUM and holdings have jumped by 125% and 77%, respectively.

As we enter May, ETF demand in China remains positive yet slows notably compared to April. This is, likely due to investors having mostly priced in previous trade uncertainties – which have eased following the US-China Geneva trade talk – and a stabilisation of the local gold price.²

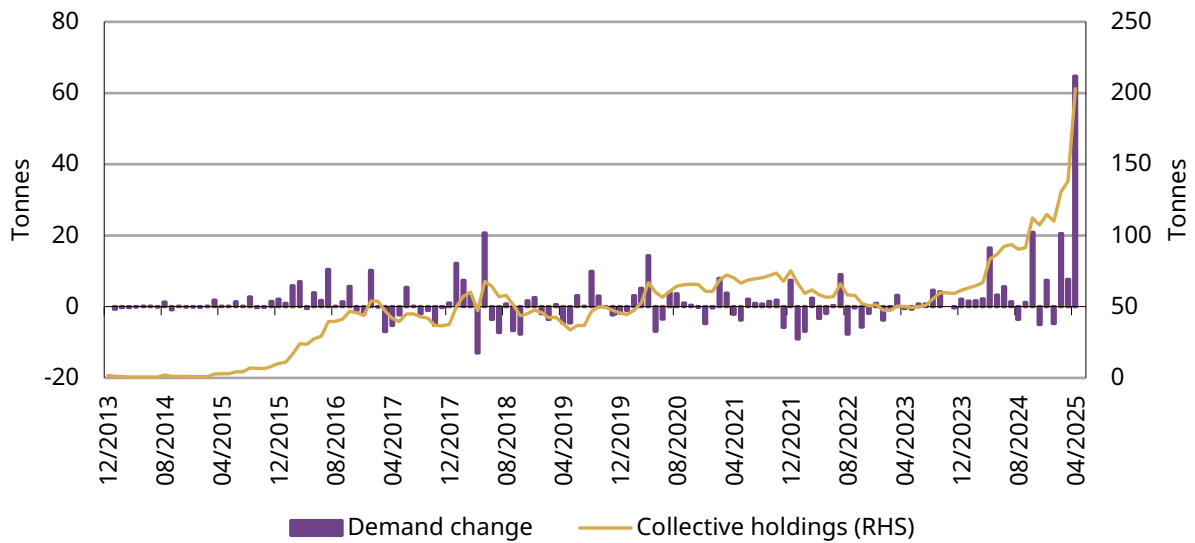
1. The 2025 Labour Day Holiday was between 1 and 5 May.

2. See: [Joint Statement on U.S.-China Economic and Trade Meeting in Geneva – The White House, 12 May 2025](#).



Chart 4: The strongest monthly gold ETF demand on record

Collective holdings and monthly demand of Chinese gold ETFs*



*As of 30 April 2025.

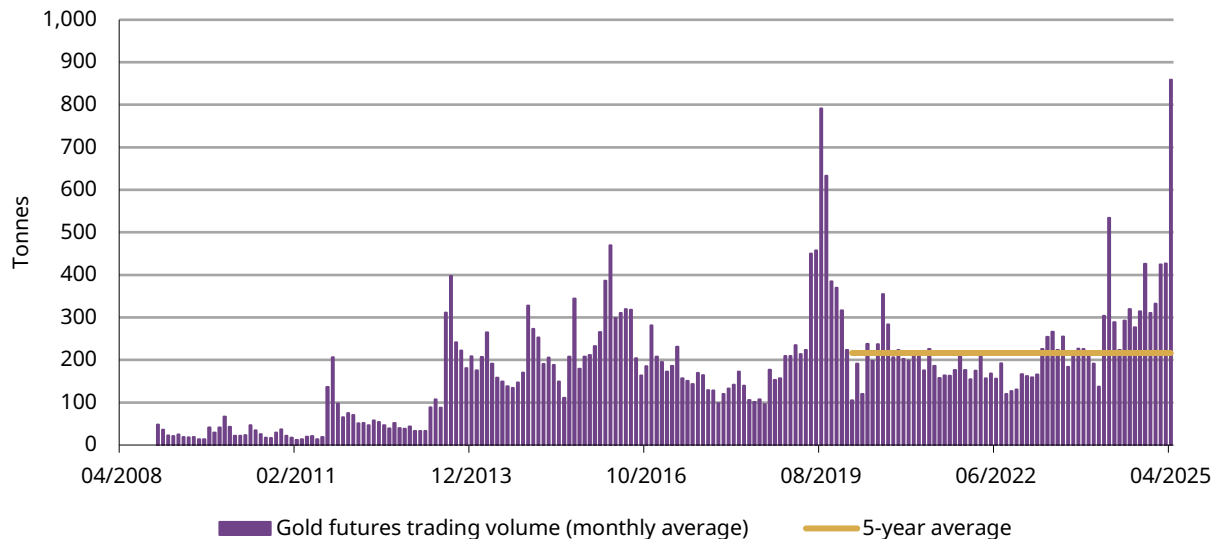
Source: Company filings, World Gold Council

Chinese investor interest in gold futures also reached unseen levels in April (**Chart 5**). The average daily trading volume of SHFE's gold futures doubled m/m to reach a record 859t. We believe amplified gold price volatility and the strong gold price performance attracted trader attention, pushing volumes of gold futures notably higher.

Although gold futures trading activities cooled mildly in early May, the average volume during the first five trading days stays near the record high at 756t/day.³ This marks traders' continued enthusiasm in gold futures despite the price adjustment recently.

Chart 5: Active gold futures trading amidst the strong gold price rally

Average daily trading volume of SHFE gold futures*



*As of 30 April 2025.

Source: Shanghai Futures Exchange, World Gold Council

3. Based on average daily trading volumes of SHFE's gold futures between 6 and 12 May 2025. 1 – 5 May was the Labour Day Holiday.

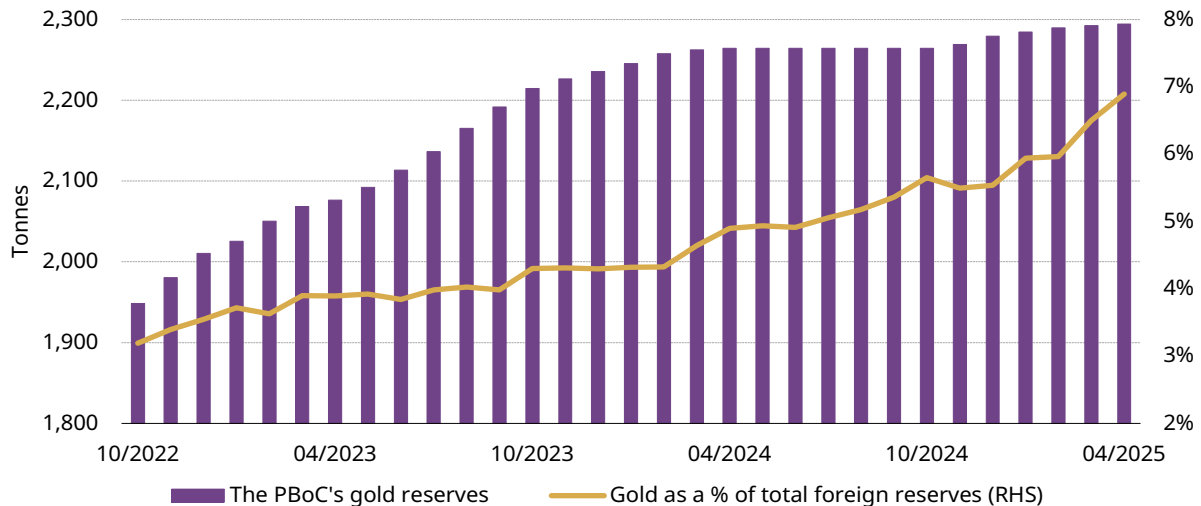


The PBoC reported another gold purchase in April

The PBoC's gold purchasing streak has now extended to six months. Reported gold reserves in China rose 2.2t in April, lifting the total to 2,295t, or 6.8% of overall reserve assets (**Chart 6**). In value terms, China's gold reserves rose to US\$243.6bn, 6% higher m/m. So far in 2025 China has announced an increase of 14.9t in its official gold holdings.

Chart 6: China reported official gold holdings increase for the sixth consecutive month

Reported official gold holdings and gold as a percentage of total foreign exchange reserves*



* As of 30 April 2025.

Source: Administration of Foreign Exchange, World Gold Council

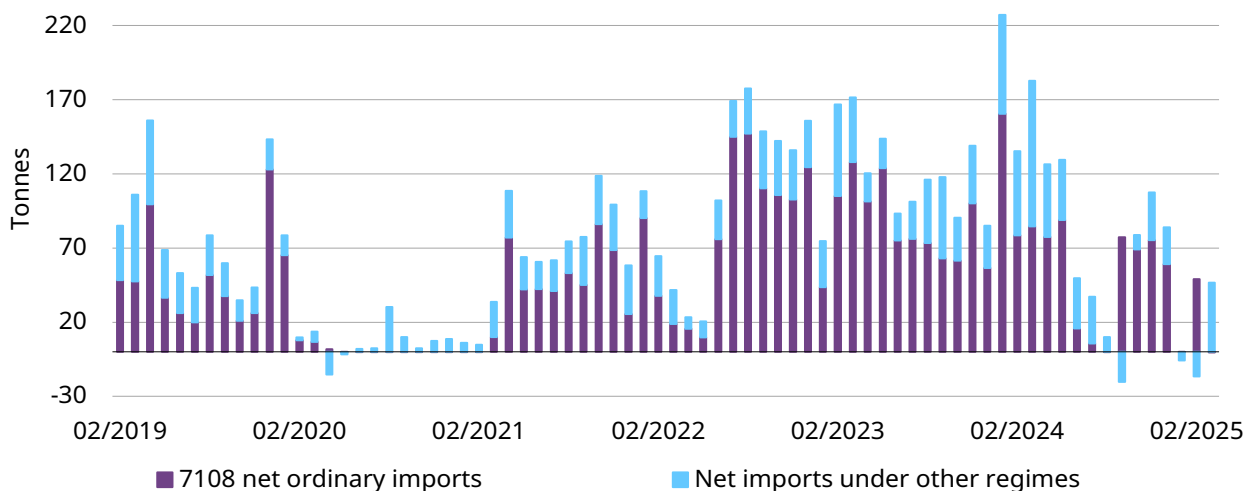
Imports remained tepid at the start of 2025

According to the latest data, China imported 46t of gold on a net basis in March (**Chart 7**). Despite a 14t m/m rebound, this was well below last March's 183t. And Q1 total imports amounted to 73t, the lowest since 2021 when COVID-related restrictions limited imports, and far below the 545t level in Q1 2024.

Weaker gold jewellery demand during the quarter was a key reason for the slowdown as it helped squeeze the local gold price premium, at times pushing it to a discount, which further discouraged gold importers.

Chart 7: Imports remained tepid in March

7108 gold imports under various regimes*



*Based on the latest data available. Data to March 2025.

Source: China Customs, World Gold Council



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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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