

India gold market update

Investment upheld amid seasonal lull



Highlights

- Gold extends gains in July, remains top performer with y-t-d gains of 28%¹
- Seasonal weakness weighs on jewellery sales; investment buying gains ground
- Listed jewellers post double-digit revenue growth in April -June quarter despite flat or lower volumes
- Gold ETFs record second-highest monthly inflows in June
- After a two-month pause, RBI makes a modest gold purchase in June
- Gold imports drop to a 14-month low in June.

Looking ahead

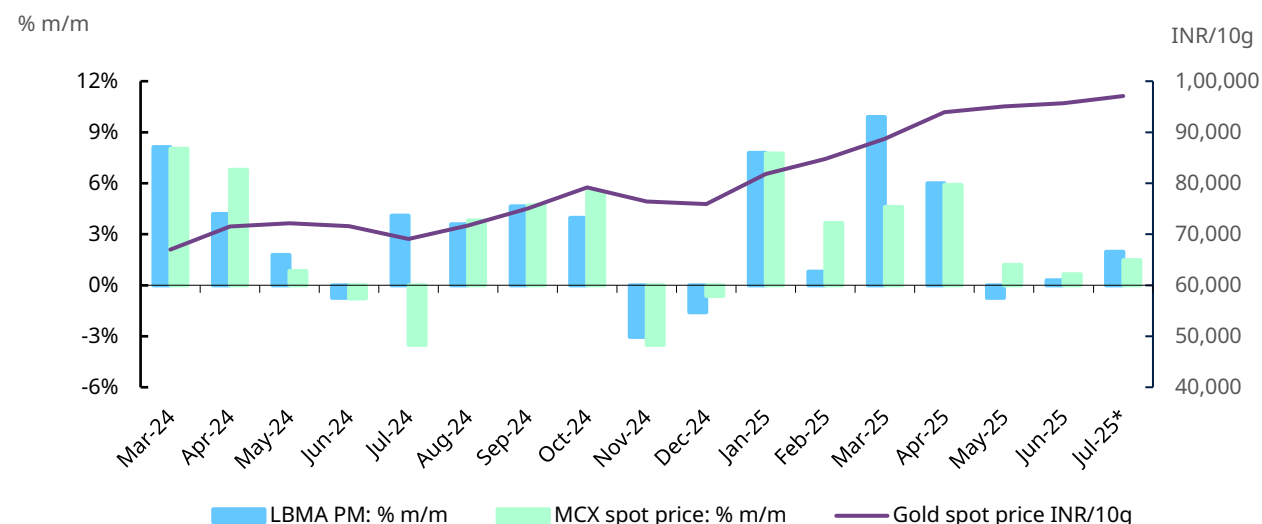
- Festive season is anticipated to drive a recovery in jewellery demand from mid-August, while investment buying is expected to remain steady.

Gold holds ground in June, rebounds in early July

Gold prices lost momentum toward the end of June, ² closing the month with modest gains of 0.3% at US\$3,287/oz. Earlier in the month, prices were supported by a weaker dollar, heightened geopolitical tensions, softer US Treasury yields, and increased inflows into gold ETFs. However, growing risk-on sentiment among investors capped any further upside.

Chart 1: Gold momentum resumes

End of month LBMA Price PM and domestic spot price changes and movement*



*Based on the LBMA Gold Price PM in USD and MCX spot gold price as of 11 July 2025.
Source: Bloomberg, World Gold Council

1. As of 11 July 2025.
2. LBMA Gold Price PM.



The re-emergence of trade risks has pushed gold prices higher in July, with month-to-date gains of 2%.³ Gold's year-to-date performance stands out, with prices up 28% in USD terms.

Domestically, gold prices largely tracked international trends, ending June up 0.7% at INR 95,676/10g.⁴ So far in July, prices have gained an additional 1%, reaching INR97,095/10g.⁵

Jewellery demand slows amid seasonal lull and price pressures; investment purchases sustained

Jewellery demand succumbed to seasonal weakness in June and early July, following the conclusion of the wedding season. Persistently high gold prices further suppressed demand, prompting consumers to defer non-essential purchases and opt for more affordable alternatives such as lightweight, lower-carat, or studded jewellery. The trend of exchanging old jewellery to manage costs continued to gain traction as per market reports. Meanwhile, the shift toward investment-oriented buying persisted, with a growing preference for gold bars, coins and plain gold chains (seen as quasi-investments), which are favoured for their lower fabrication charges. As per anecdotal reports, demand has been concentrated in lower-grammage coins, particularly those weighing less than 10g.

Key festivals, wedding demand and elevated prices boost quarterly corporate performance

Leading listed gems and jewellery companies⁶ delivered a strong performance in the April–June quarter, reporting a y/y revenue growth between 18% and 31%. This growth was largely price-led even as volumes remained flat or moderated. A ~32% y/y rise in gold prices during the quarter and key festivals⁷ and wedding demand during April–May boosted sales revenue.

High gold prices saw consumers shift toward lighter, lower-karat jewellery, while retailers effectively leveraged old gold exchange programs to drive sales. Some companies reported that old gold exchange was involved in as many as 40% of their sales. Studded jewellery continued to gain traction, while digital channels and franchise-led formats saw notable expansion - highlighting the industry's evolving retail strategies. Store expansion continued, with corporate retailers adding between two to 19 new outlets⁸ during the quarter, increasing footprint of organised players in the sector.

Strong uptick in gold ETF investments

Indian gold ETFs saw a significant surge in inflows during June, outpacing peers across Asia and, likely driven by elevated geopolitical tensions in the Middle East which reinforced gold's traditional resilient and strategic asset attributes. Net inflows soared to INR20.8bn (US\$242mn), the highest monthly inflow since January 2025 and the second-largest on record, broadly in line with our initial estimated flows.⁹ This momentum has continued into July, with healthy inflows recorded in the first 10 days of the month.

Data from the Association of Mutual Funds in India (AMFI) shows that cumulative assets under management (AUM) in Indian gold ETFs rose to INR648bn (US\$7.5bn), an 88% y/y increase. Total gold holdings climbed to 66.7t, with 2t added in June and 9t in the first half of 2025, the largest half-yearly addition ever recorded.

Investor participation also remained strong, with 280k new accounts (or folios) opened during the month (27% m/m and 41% y/y rise), taking the total number of accounts to 7.65mn. The expanding investor base underscores the growing strategic role of gold in Indian portfolios.

3. As of 11 July 2025.

4. MCX spot gold price in June 2025

5. As of 11 July 2025.

6. Titan Company Ltd, Kalyan Jewellers India Pvt Ltd, Senco Gold Ltd, and P N Gadgil Jewellers.

7. Key festivals during Apr–May: Gudi Padwa/ Ugadi, Ram Navmi, Vishu/ Baisakhi/ Pohela Boishakh, Eid al-Fitr, and Akshay Tritiya.

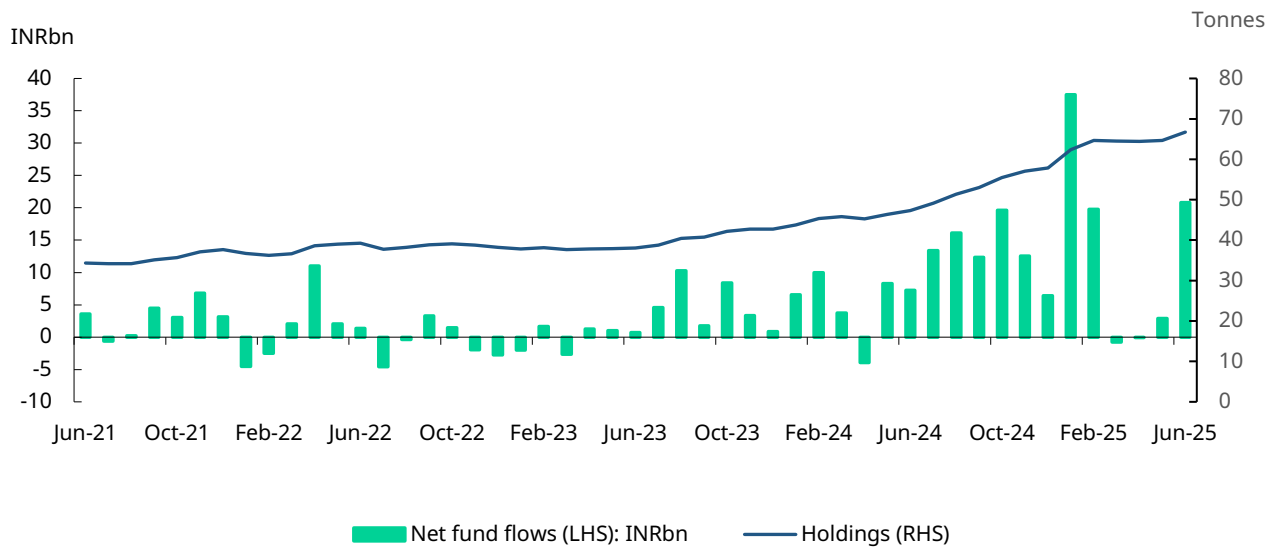
8. Titan Company Quarterly update, 7 July 2025.

9. Net fund inflows of US\$227mn as per available partial data.



Chart 2: Gold ETFs gain momentum

Monthly gold ETF fund flows in INRbn, and total holdings in tonnes*



*As of end June 2025

Source: AMFI, ICRA Analytics, CMIE, World Gold Council

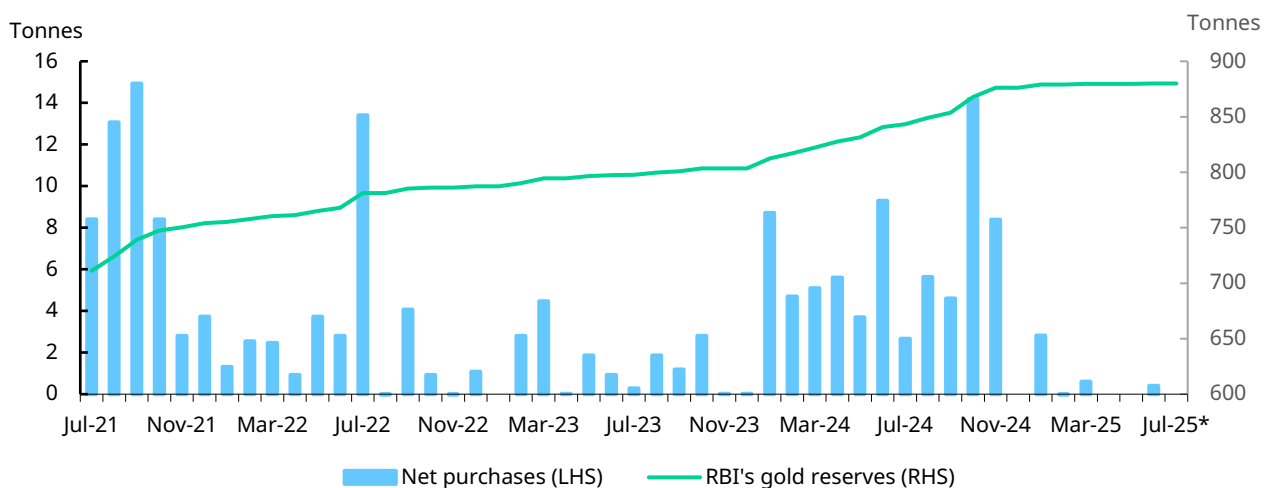
RBI resumes buying with a modest purchase

The Reserve Bank of India resumed gold purchases in June with a modest addition of 0.4t, its first since March. With this, India's gold reserves have risen to an all-time high of 880t. However, the pace of gold accumulation has slowed in 2025 compared to previous years. In the first half of the year the RBI added just 3.8t, the lowest H1 tally in six years and a steep drop from 37.1t in H1 2024, when monthly purchases averaged 6.1t. The pullback likely reflects a more measured approach by the RBI, possibly influenced by the sharp rise in global gold prices.

Despite the moderation, gold's role in India's foreign exchange reserves has grown. It now accounts for 12.1% of total reserves, up from 8.7% a year ago, the highest proportion on record.

Chart 3: Slight boost to reserves

RBI's monthly net purchase and reserves, tonnes*



*As of 11 July 2025

Source: RBI, World Gold Council

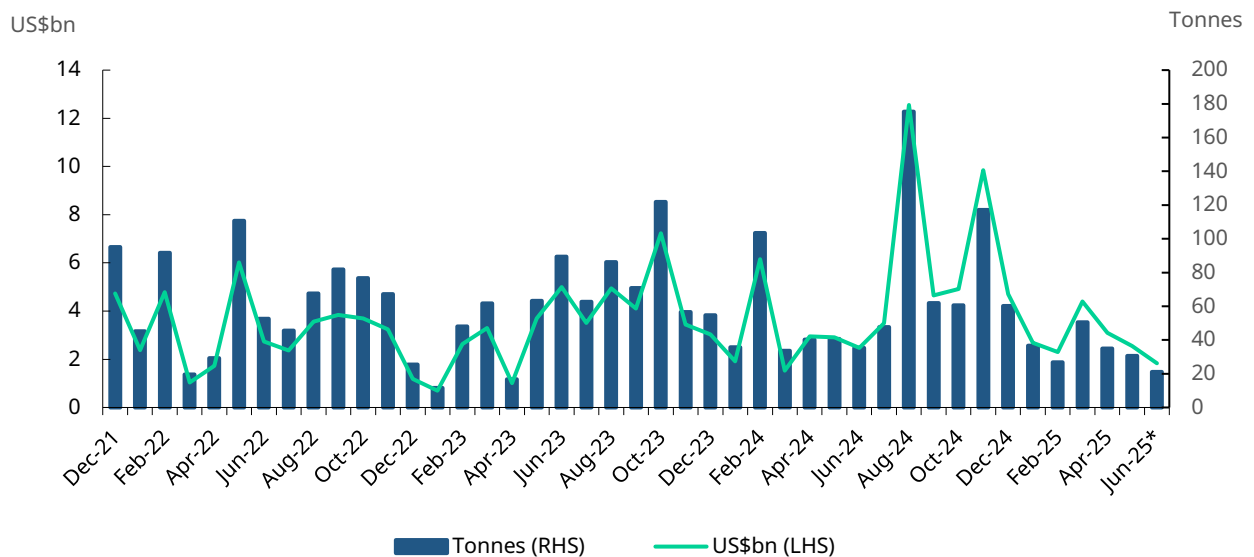


Sharp drop in imports

Gold imports in June dropped to their lowest level in 14 months, extending the decline for a third consecutive month. At US\$1.8 billion, imports were down 26% y/y and 28% m/m. Our estimates suggest that the volume of gold imported in June ranged between 19t to 24t, a significant drop from the 31t recorded in May. Persistently high prices have pressured demand, which has subsequently held back imports.

Chart 4: Imports take a hit

Monthly gold imports in tonnes and US\$bn*



* Includes World Gold Council estimates

Source: Ministry of Commerce and Industry, CMIE, World Gold Council



World Gold Council

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

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

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