WORLD GOLD COUNCIL

Gold market shows resilience as price momentum cools in Q2

LONDON, 30 July - The World Gold Council's Q2 2026 *Gold Demand Trends* report reveals that total gold demand[1] was flat year-on-year at 1,269t, as the gold price eased from the record highs seen at the start of 2026. This pushed demand for H1 2% higher year-on-year to an estimated 2,522t worth US$380bn.

Investment in gold ETFs, bars and coins dropped to 262t in Q2, as the lower gold price tempered the strong momentum seen earlier in the year. The decline was primarily driven by 45t of outflows from gold-backed ETFs in Q2, although first-half ETF demand remained modestly positive at 18t. Bar and coin investment was relatively stable, down just 3% year-on-year in Q2, while first-half demand was still 21% higher than at this point last year, supported by an exceptional first quarter. On the other hand, demand in the OTC market, helped by Asian investment, came in at 327t in Q2 and a healthy 571t in H1.[2]

Central banks and other official institutions added a net 289t to reserves in Q2, up 62% year-on-year, as buying picked up across several markets. Despite the stronger second quarter, first-half demand remained below the elevated levels seen in recent years due to weaker activity in Q1.[3] The WGC's Central Bank Gold Reserves Survey showed that 45% of respondents intend to increase their own gold reserves over the next 12 months, highlighting gold's enduring importance in official reserves.

High prices continued to weigh on jewellery demand in Q2, which fell 17% year-on-year as consumers bought less gold and shifted towards lighter products. This pulled first-half volumes lower, but the value of jewellery demand was resilient, rising 22% year-on-year in H1 to a global total of US$86bn.

Second quarter total gold supply was unchanged year-on-year at 1,269t, as mine production and recycling diverged. Mine supply rose an estimated 2% year-on-year to 966t, supported by new production from Canada and Chile. At the same time, recycling declined 6% year-on-year despite higher prices.

Louise Street, Senior Markets Analyst, World Gold Council, commented:

"Gold's early-year rally reversed in the second quarter, with prices consolidating after correcting from record highs. But the market remained well supported, reflecting gold's established role as a diversifier and store of value.

[1] Total gold demand includes jewellery, technology, central banks, bar and coin, ETFs, and over-the-counter activity (or demand).

[2] The OTC and stock flows element of demand captures less visible elements of investment demand as well as any statistical residual from the data. OTC demand is not directly observable, but the positioning of speculative investors and anecdotal reports help to verify the estimated demand.

[3] Based on newly available market data and additional analysis, Metals Focus has revised its estimate for **Q1 2026** central bank gold demand from 244t to 57t. The 187t difference has been reclassified as over-the-counter (OTC) and other demand.

“While gold ETF flows receded in step with prices, continued central bank buying, and growth in OTC investment contributed to total gold demand edging 2% higher across the first half of the year.

“For the second half of 2026, investment is likely to drive growth, however the demand mix could shift. OTC activity and demand from Asian investors are expected to play an increasingly prominent role, while Western gold ETF interest may be more closely linked to real yields, US monetary policy expectations and the dollar. Central banks will remain significant buyers, albeit at a slightly slower pace than we’ve seen over the last four years. High prices will keep pressure on jewellery volumes, though consumers may continue to hold rather than sell, with recycling showing little sign of increasing.”

The Gold Demand Trends Q2 2026 report, which includes comprehensive data provided by Metals Focus, can be viewed here.

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World Gold Council

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