

Gold Demand Trends

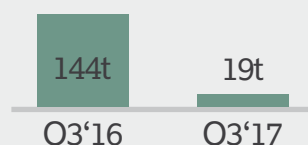
Q3 2017



Gold demand dropped 9% to an eight-year low of 915t. Modest ETF inflows fell far short of last year's levels. Disruption in India undermined already weak jewellery demand.

ETFs

Modest Q3 ETF growth well below lofty 2016 inflows



Gold remained an important risk-hedge, but the market lacked a catalyst



Jewellery demand slipped to 479t - the weakest Q3 on record



But China witnessed a recovery, boosted by holiday demand, particularly for the Qixi festival



Bar and coin investment strengthened

+17%

from relatively weak Q3 2016, but remains soft compared with longer-term levels

Highlights



Gold technology demand increased by 2%



Increasingly popular high-end smartphones drove production of memory chips and 3D sensors



Gold prices gained 3% in Q3

Gold initially rose sharply due to tensions in North Korea and falling US real yields

Much of this move was later undone as US interest rate expectations were adjusted



China took one-third of the consumer market in Q3



Fourth consecutive quarter of bar and coin growth as jewellery demand recovered from a 5-year low



Indian demand shackled by regulation



Anti-money laundering measures curbed jewellery demand, already under strain from new Goods and Services Tax



Central banks boosted global official gold reserves by 11t



Turkey accelerated its gold purchases, buying 30t in Q3



Q3 gold supply contracted by 2% to 1,146t

Recycling activity

-6%

from last year's spike, but in line with long-term average of 315t