

China gold market update

Official buying accelerated in May

Highlights

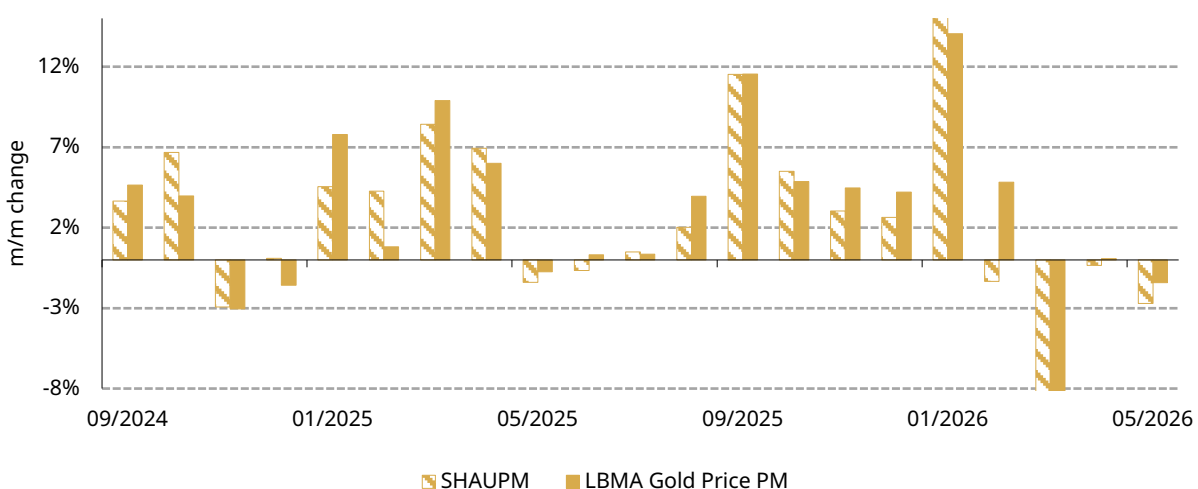
- Gold weakened in May as geopolitical uncertainties kept investors wary of inflation risks and higher rates
- Outflows in May ended an eight-month inflow streak for Chinese ETFs and brought total assets under management (AUM) down 5% to RMB289bn (US\$43bn). Gold futures trading volumes at the Shanghai Futures Exchange (SHFE) remained stable
- Wholesale demand fell notably in May amid easing investment momentum and a still-weak jewellery sector
- The People's Bank of China (PBoC) reported a 10t gold purchase in May, the highest since December 2024, pushing total official gold holdings to 2,332t, 9% of total reserves
- Gold trended down further in the first week of June; Chinese gold ETFs' outflows continued. Meanwhile, trading volumes of Au9999 lowered, indicating tepid gold demand in early June.

Looking ahead

- Seasonality suggests stability in the gold jewellery sector as the industry replenishes following weak buying in previous months. The lower gold price may help boost these re-stocking activities, although jewellers may sit on the sidelines if the price weakness accelerates. On the investment side, a cooling gold price momentum could further limit bullion buying.

Chart 1: Gold was weaker in May

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



*Data to 31 May 2026.

Source: Shanghai Gold Exchange, ICE Benchmark Administration, World Gold Council



Gold weakened

Gold ended May with a modest decline. The LBMA Gold Price PM was down 1.4% and the Shanghai Gold Benchmark Price PM (SHAUPM) fell by 2.7% – as the RMB strengthened it exacerbated the weakness in the Chinese gold price (**Chart 1, p1**). Uncertainties in the Middle East and related inflationary concerns – which pushed yields and the dollar up – were key drivers of gold in the month.

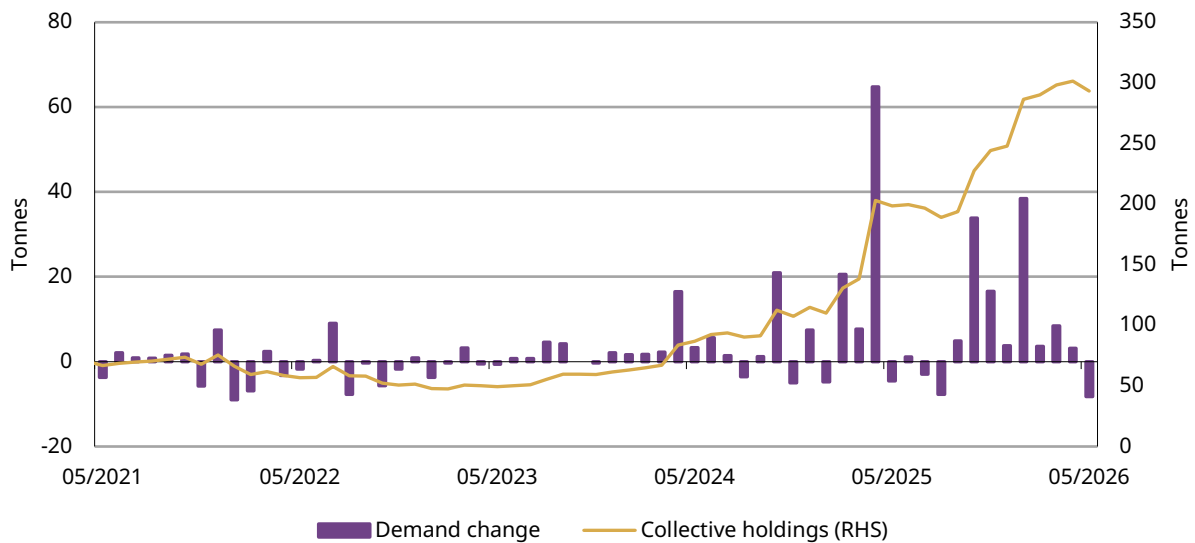
Chinese gold ETFs saw outflows and futures volumes stabilised

Chinese gold ETFs saw their first monthly outflow since August 2025, shedding RMB8.2bn (US\$1.2bn) in May. Combined with a lower gold price, total AUM declined by 5% to RMB289bn (US\$43bn). Chinese gold ETF holdings had dropped 8.3t to 293t by the end of the month (**Chart 2**).

Sustained local equity market strength diverted investor interest away from gold. And the lack of a clear gold price trend prompted some to sell their gold ETF holdings.

Chart 2: Chinese gold ETFs saw their first monthly outflow in eight months

Chinese gold ETF demand and holdings in tonnes*



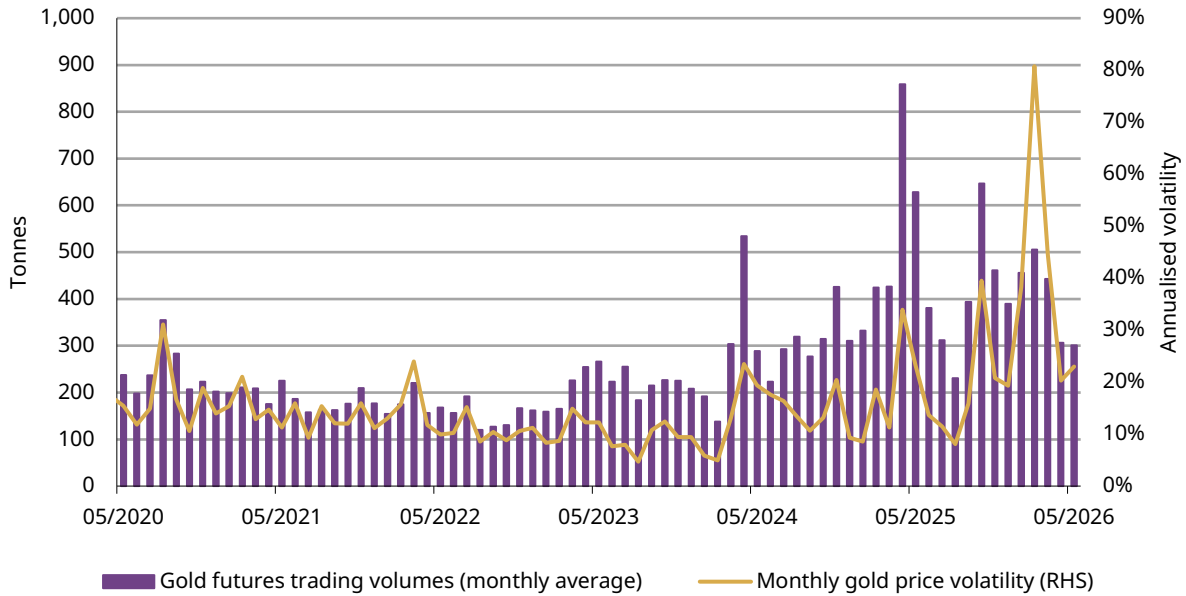
*Data to 31 May 2026.
Source: Company filings, World Gold Council

Gold futures trading volumes on the SHFE stayed stable, averaging 301t per day in May (**Chart 3, p3**). This was little changed from April's 307t/day as trading activities were constrained by the consolidating local gold price and elevated investor interest in the local equity market.



Chart 3: Gold futures volumes almost unchanged in May

Daily average trading volumes of SHFE gold futures and monthly gold price volatility*



*As of 31 May 2026. Source: Shanghai Futures Exchange, World Gold Council

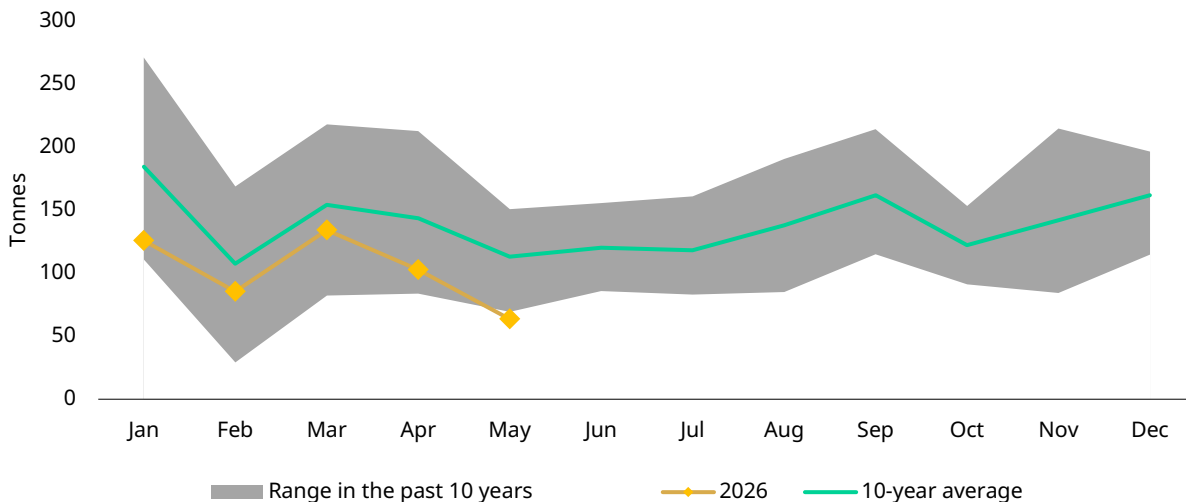
Wholesale demand kept declining

Wholesale gold demand fell notably in May (Chart 4). Gold withdrawals from the SGE totalled 64t, 38% lower m/m. The m/m decline is mainly seasonal, as noted [previously](#).

On a y/y basis, withdrawals declined by 36%, making this the weakest May since 2010. The weakening gold price during the month, along with attention-grabbing equities, dented safe-haven demand for gold investment products. And persistent weakness in the gold jewellery sector amid affordability issues and additional tax burdens – despite mild upticks during May as the price stabilised – kept jewellers cautious in restocking. Taken together, May’s wholesale demand took a hit, falling to a multi-year low.

Chart 4: Wholesale demand fell to a multi-year low in May

Gold withdrawals from the SGE by month and the ten-year monthly average*



*Ten-year average based on data between 2016 and 2025. Source: Shanghai Gold Exchange, World Gold Council

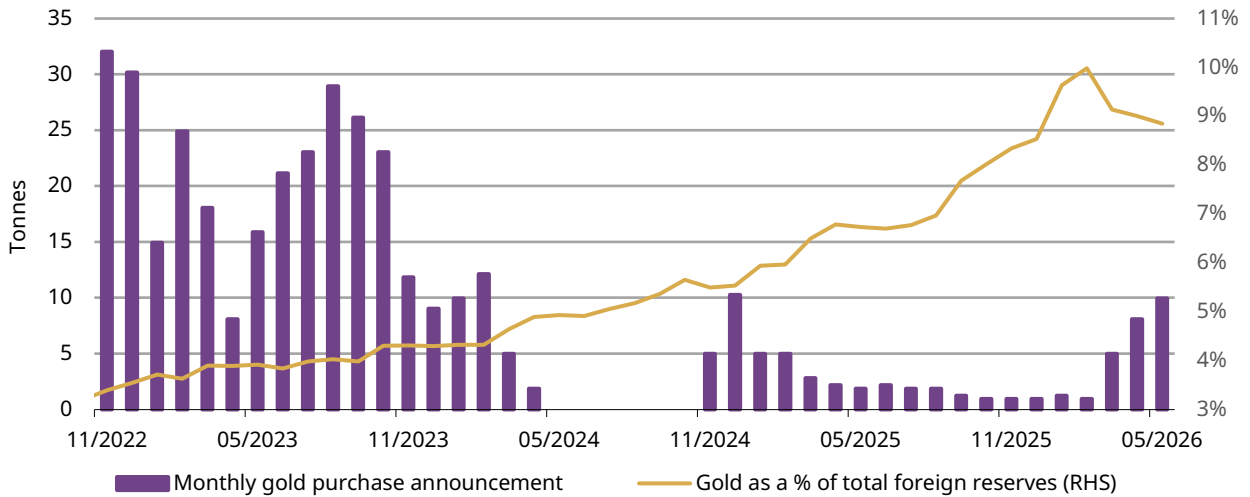


The PBoC ramped up gold buying

The PBoC announced its 19th consecutive monthly gold reserve increase in May, pushing official holdings 10t higher to 2,332t (Chart 5). This marks the strongest month of official sector gold purchases since December 2024. Official gold holdings have risen by 25t y-t-d and now account for 8.9% of China’s foreign exchange reserves. The country’s official sector has accumulated 67t of gold during the past 19 months.

Chart 5: Official gold purchases picked up in May

The PBoC’s reported gold purchases and gold’s share of total foreign exchange reserves*



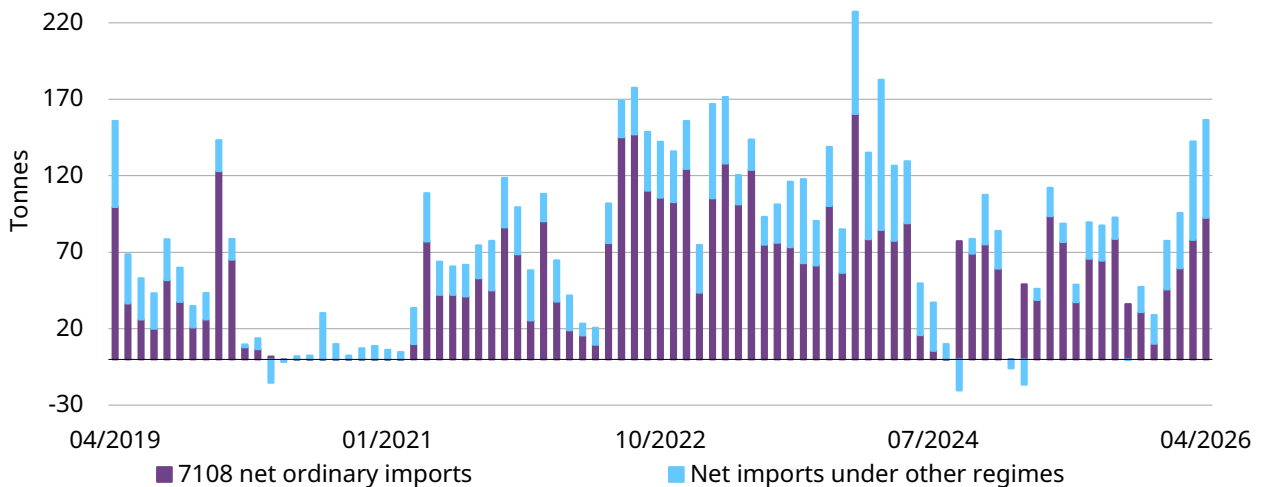
*Data to May 2026. Source: State Administration of Foreign Exchanges, World Gold Council

Imports rose further in April

Net gold imports into China totalled 157t in April, according to the most recent data from China Customs, rising 10% m/m and 40% higher y/y and making this the strongest month since March 2024. The positive local gold price spread remained a key factor in encouraging imports.

Chart 6: Gold imports continued to rise in April

Net gold imports under HS7108*



*Data to April 2026. Source: China Customs, 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.

Author



Ray Jia

Research Head APAC ex India &
Trade Engagement Deputy
Head China
World Gold Council



Important information and disclosures

© 2026 World Gold Council. All rights reserved. World Gold Council and the Circle device are trademarks of the World Gold Council or its affiliates.

The use of the statistics is permitted, in line with fair industry practice, subject to: (i) only limited extracts of data or analysis being used; and (ii) use of a citation to the World Gold Council, and, where appropriate, to Metals Focus (a World Gold Council affiliate) or other identified copyright owners as their source.

This information is not a recommendation or offer for the purchase or sale of gold or any gold-related products or services or any securities. Diversification does not guarantee any investment returns and does not eliminate the risk of loss. The World Gold Council does not guarantee or warranty the accuracy or completeness of any information or of any calculations and models used in any hypothetical portfolios or any outcomes resulting from any such use.

This information may contain forward-looking statements which are based on current expectations and are subject to change.

Information regarding the LBMA Gold Price

The LBMA Gold Price is used by the World Gold Council with permission under license by ICE Benchmark Administration Limited and is subject to the restrictions set forth [here \(www.gold.org/terms-and-conditions\)](http://www.gold.org/terms-and-conditions).

Information regarding QaurumSM and the Gold Valuation Framework

Note that the resulting performance of various investment outcomes that can generated through use of Qaurum, the Gold Valuation Framework and other information are hypothetical in nature, may not reflect actual investment results and are not guarantees of future results. Neither World Gold Council (including its affiliates) nor Oxford Economics provide any warranty or guarantee regarding the functionality of the tool, including without limitation any projections, estimates or calculations.