

China gold market update

October's unseasonable strength

Highlights

- Gold capped further gains in October. The LBMA Gold Price PM and the Shanghai Benchmark Gold Price PM (SHAUPM) rose 4.9% and 5.5% respectively in the month
- Wholesale gold demand defied seasonal patterns, rising both m/m and y/y to 124t in October
- Chinese gold ETFs added the notable amount of RMB32bn (+US\$4.5bn, +34t) last month, and gold futures volumes surged at the Shanghai Futures Exchange (SHFE)
- The People's Bank of China (PBoC) has reported gold purchases 12 months in a row, adding 0.9t in October, lifting the total to 2,304t, 8% of China's foreign exchange reserves.

Looking ahead

- The recent [Chinese gold market value-added tax \(VAT\) change](#) is likely to put pressure on local gold jewellery demand as the sector is impacted by additional tax. But consumer sensitivity to price may also be lessening as the gold price has been rising steadily for more than three years now
- The VAT change does not apply to gold bars sold by SGE members, gold ETFs or gold accumulation plans (GAPs).¹ And there may be further room for growth in gold bar sales, as consumers may purchase them for jewellery making purposes.

Chart 1: Global gold prices ended October with further gains

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



*Data to 31 October 2025.

Source: Shanghai Gold Exchange, World Gold Council

1. While these products are not impacted by the VAT reform, product providers may adjust their specific policies such as threshold of trading.



A divided but positive month for gold

For gold, October was a tale of two halves. The metal initially soared, setting successive records on various risks and strong ETF buying, before cooling later in the month as geopolitical concerns eased and profit-taking emerged. Ultimately, both the LBMA Gold Price PM and SHAUPM finished the month positive (**Chart 1**), extending their stellar y-t-d gains to 44% and 42%, respectively.

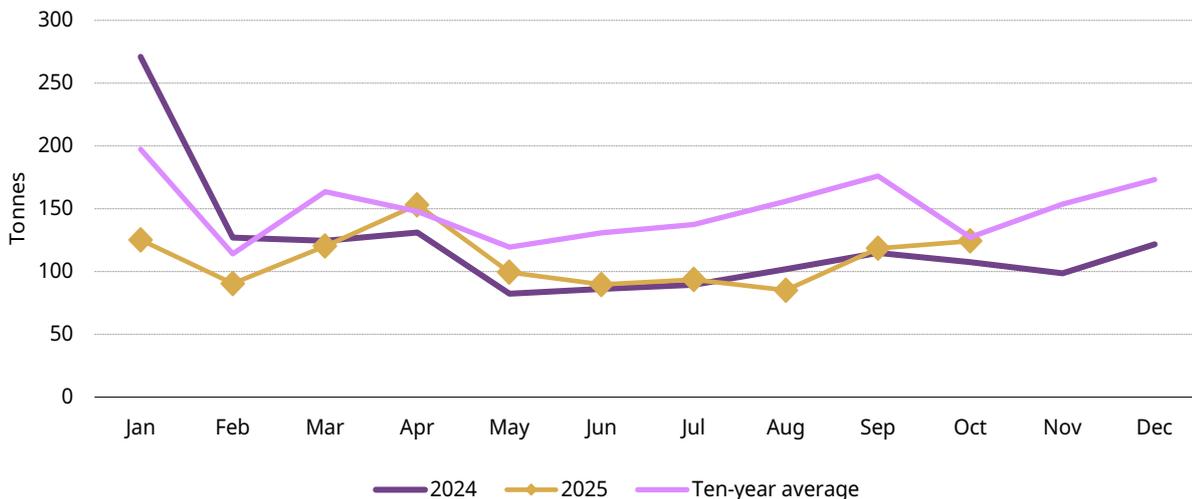
And gold bounced higher in the first half of November, supported by rising risks and improving gold ETF inflows. The LBMA Gold Price PM in USD and the SHAUPM in RMB rose by 1.5% and 3.3% respectively during the first two weeks of November.

Wholesale gold demand defied seasonal weakness

Gold withdrawals from the SGE totalled 124t in October, 6t higher m/m and 17t higher y/y (**Chart 2**). This is almost on a par with the ten-year average of 127t. Investment demand improved further, especially in the first half of October when US-China trade tensions flared up, momentum in local equities cooled and the gold price surged, and this supported wholesale gold demand. Although gold jewellery consumption was robust during the early October nine-day National Day + Mid-Autumn Day holiday,² retailers remained cautious in restocking amid the amplified gold price volatility earlier in the month.

Chart 2: Against seasonality, wholesale gold demand rose further in October

Monthly gold withdrawals from the SGE*



*The 10-year average is based on data between 2015 and 2024. Source: Shanghai Gold Exchange, World Gold Council

Gold ETF flows tracked the gold price

Chinese gold ETFs saw notable inflows in October, adding RMB32bn (US\$4.5bn) in the month, the strongest since April. Their total AUM, supported by the hefty inflow and a higher gold price, jumped 24% to RMB210bn (US\$29bn) whilst holdings surged 33t to 227t – both at their month-end peaks (**Chart 3**).

Earlier in the month geopolitical risks and equity market weaknesses drove Chinese investors toward the safe-haven of gold ETFs. But trade risks lessened after President Trump met President Xi in Korea, and the Fed’s hawkish cut tempered further bets of easing. And in response to lower safe-haven demand and a weakening gold price, local investor interest in gold ETF faded.

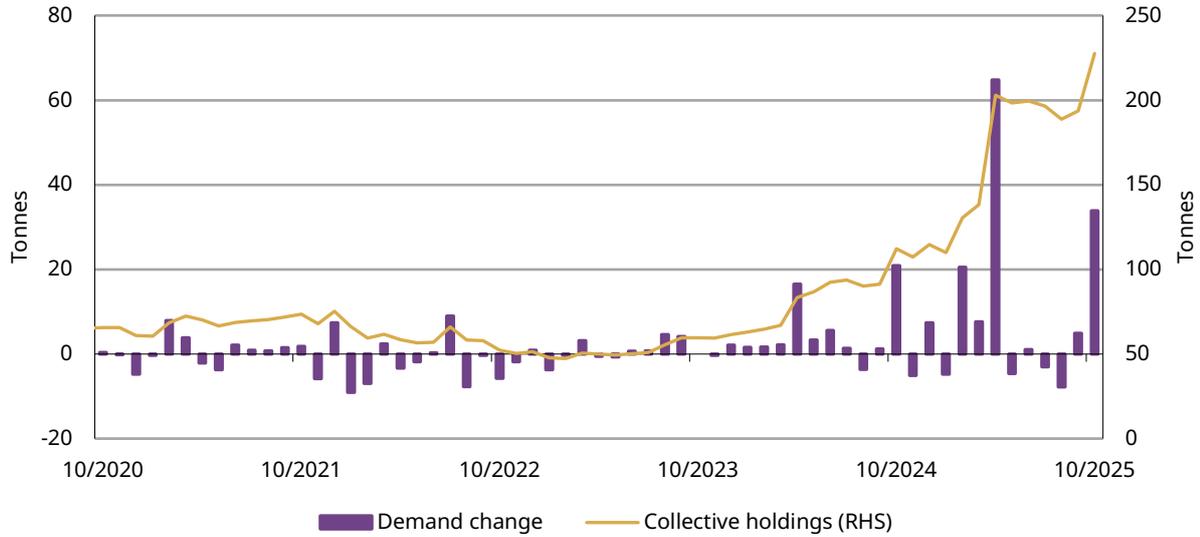
Investor interest in gold ETFs revived in early November, supported by local equity pullbacks, a rebounding gold price and rising geopolitical tensions.

2. See: [增值税发票数据显示：国庆中秋假期消费市场增势较好](#) 国家税务总局, 9 October 2025.



Chart 3: Chinese gold ETFs saw notable demand in October

Monthly Chinese gold ETF demand and month-end holdings*

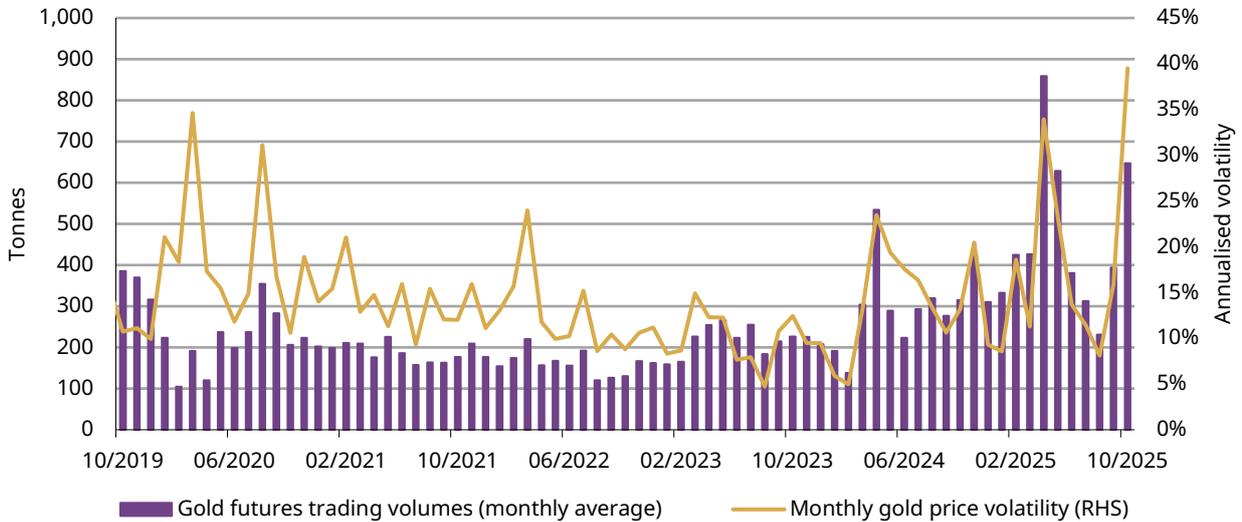


*Data to 31 October 2025.
Source: Company filings, World Gold Council

As gold price volatility surges, gold futures trading activity soars at the SHFE, averaging 647t per day in October, 64% higher m/m (Chart 4). And with the gold price volatility rising further, gold futures' volumes in Shanghai stayed elevated in early November.

Chart 4: Gold futures trading activity surged in October

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



*As of 31 October 2025. The monthly gold price volatility is based on the daily gold price change in the active SHFE gold futures.
Source: Shanghai Futures Exchange, World Gold Council

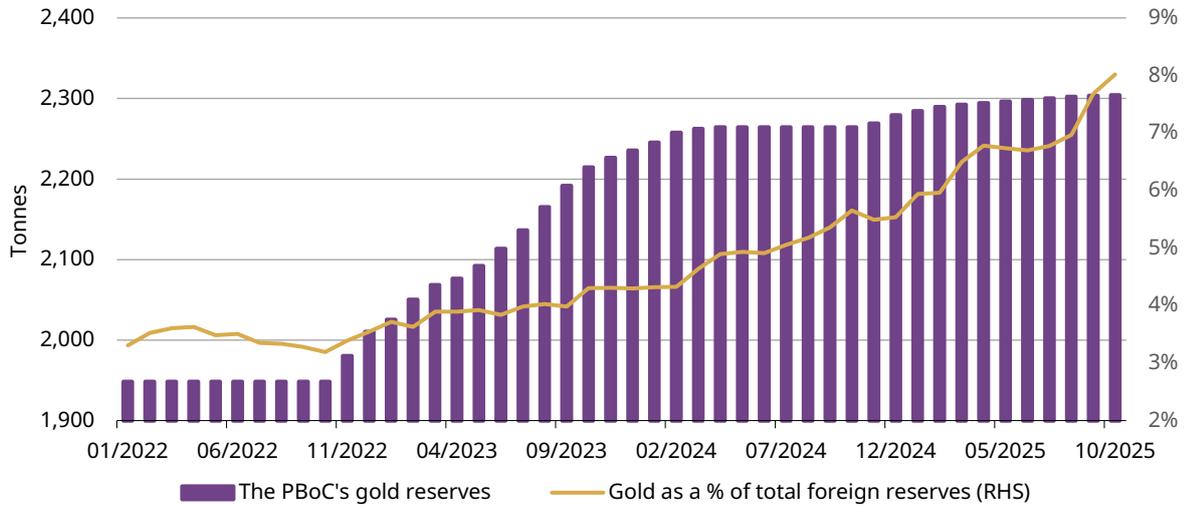
China's official gold holdings climbed further

The PBoC reported its 12th consecutive monthly gold addition to its reserves in October, adding 0.9t (Chart 5). Continual purchasing so far in 2025 has pushed China's official gold holdings to 2,304.5t, 24t higher than at the end of 2024. Meanwhile, gold's share of China's foreign exchange reserves has increased from 5.5% to 8%.



Chart 5: China's official gold reserves have risen 12 months in a row

The PBoC's reported gold holdings and their share of total foreign exchange reserves*



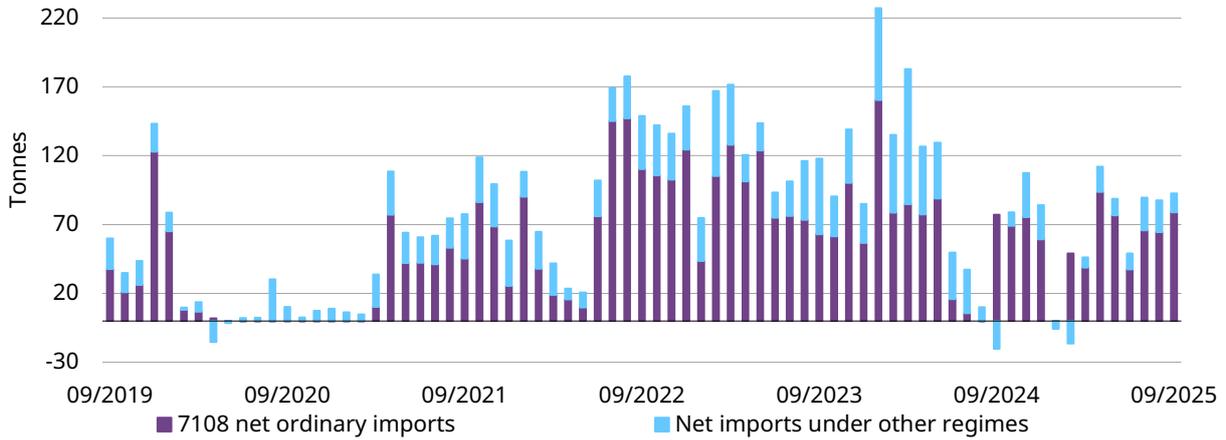
*Data to October 2025. Source: State Administration of Foreign Exchanges, World Gold Council

September imports bounced higher

China's net gold imports amounted to 93t in September; data from China Customs shows that imports were 5t higher m/m and 36t higher y/y (Chart 6). This is consistent with the pattern we saw from [September's wholesale demand](#) – the month's gold withdrawals rebounded both m/m and y/y.

Chart 6: Gold imports rebounded in September

Net 7108 gold imports under various regimes*



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

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