

# Gold Market Commentary

## The return of transitory

### Risk on

Gold closed at US\$4,611/oz, flat for the month of April. Across most major currencies, gold lost a little ground on a weaker US dollar (**Table 1**).

Our Gold Return Attribution Model (GRAM) suggests that a sizeable drop in market volatility – as risk appetite returned – was a major negative contributor. But this was countered by strong ETF inflows, a moderately weaker US dollar and other dip buying as a result of the sharp March sell-off (**Chart 1**).

April saw strong inflows into global gold ETFs. Surprisingly, these were led by Europe, likely due to concerns from European investors that the region would be harder hit by the Strait of Hormuz closure. Asia and the US contributed about a third as much as Europe during the month.

COMEX managed money net long positions saw a very modest increase in April to US\$1bn (5t), but remain firmly in neutral territory.

### Highlights

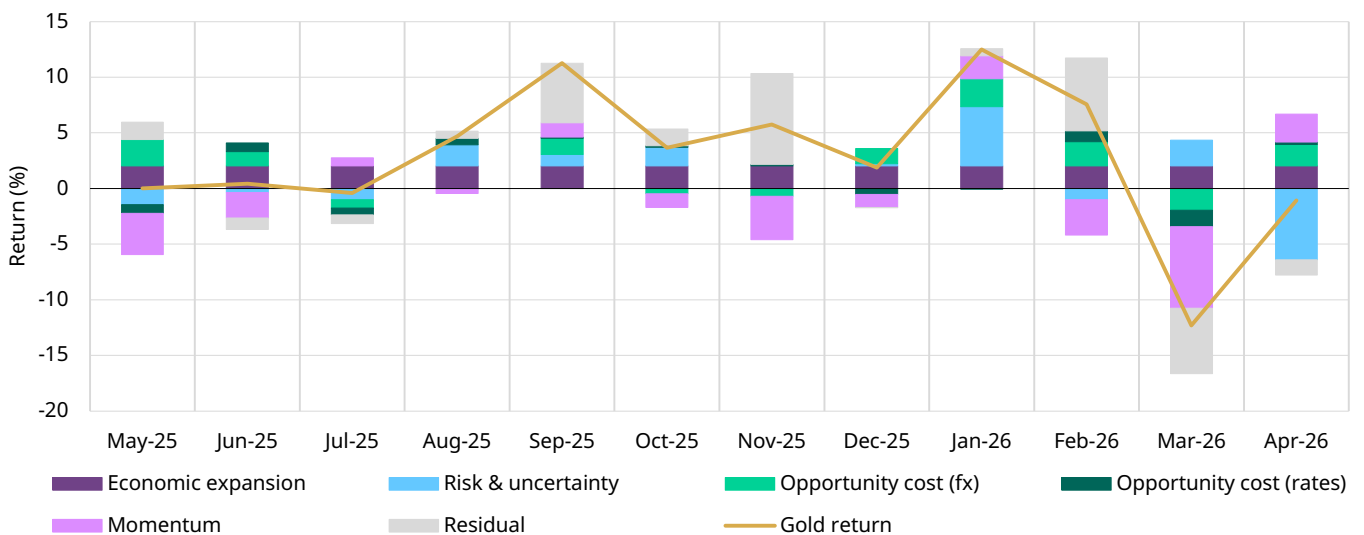
#### April review

Gold ended April flat, weighed down by a return of risk appetite. But a weaker US dollar and ETF inflows led by Europe provided support.

#### Looking forward

Short-term headwinds could sustain some gold weakness as it searches for a catalyst to regain the structural uptrend.

Chart 1: A sharp drop in overall market volatility\*



\*Data to 30 April 2026. Our Gold Return Attribution Model (GRAM) is a multiple regression model of monthly gold price returns, which we group into four key thematic driver categories of gold's performance: economic expansion, risk & uncertainty, opportunity cost, and momentum. These themes capture motives behind gold demand; most importantly, investment demand, which is considered the marginal driver of gold price returns in the short run. The 'residual' represents the percentage change in the gold price that is not explained by factors already included. Source: Bloomberg, World Gold Council



Table 1: Gold saw modest falls across most currencies in April\*

	USD (oz)	EUR (oz)	JPY (g)	GBP (oz)	CAD (oz)	CHF (oz)	INR (10g)	RMB (g)	TRY (oz)	AUD (oz)
April price*	4,611	3,933	23,214	3,396	6,277	3,608	149,777	1,013	208,363	6,421
April return*	0.1%	-1.5%	-1.4%	-2.6%	-2.3%	-2.3%	2.5%	-0.4%	1.7%	-4.1%
Y-t-d return*	5.6%	5.8%	5.7%	4.7%	5.0%	4.4%	12.9%	4.1%	11.1%	-1.5%
Record high price*	5,405	4,539	26,884	3,961	7,305	4,143	175,231	1,248	234,639	7,701
Record high date*	29-Jan-26	02-Mar-26	02-Mar-26	02-Mar-26	29-Jan-26	29-Jan-26	29-Jan-26	29-Jan-26	29-Jan-26	29-Jan-26

\*Data to 30 April 2026.  
Source: Bloomberg, World Gold Council

## The return of transitory

Markets appear to be treating the Middle East crisis and Hormuz shutdown as transitory, a word that carries baggage after 2021-22.

The shock has been large, but markets are not extrapolating it into a meaningful shift in inflation or growth...yet.

US near-term inflation breakeven rates (two-year) spiked as the crisis intensified, but have since retraced much of that rise. US equities have rallied strongly on a return of risk appetite; options markets appear relaxed too.

Last month, we highlighted several reasons why gold struggled as the crisis unfolded: prior strong performance, broad deleveraging, a rate shock and liquidity needs.

The crisis remains unresolved, but markets – led by the US – have become sanguine. The US remains relatively sheltered from the energy shock and its consumers appear resilient enough for now.

This presents a quandary for investors: a major geopolitical crisis is unfolding, but the triggers to tactically shift into gold seem absent. There is a tug-of-war between short-term pressure and longer-term structural support.

### Figure 1: Technically vulnerable but holding up

Gold spot price (XAU) in US\$/oz\*



\*Data to 30 April 2026.  
Source: Bloomberg, World Gold Council

### Near-term pressure

Our take on the negative factors:

- Gold is technically vulnerable, but the long-term uptrend is not yet broken. March's decline held key support near the 200-day average and US\$4,075/oz retracement level, but the rebound has stalled below the 55-day average. A renewed 200-day test looks likely; only a sustained break below US\$4,075/oz would confirm a more serious technical top
- US markets are treating the shock as containable. Equity and bond volatility premia have eased (**Chart 2**) – breakeven inflation rates have retraced; safe-haven appeal has diminished
- The Fed backdrop has become less gold-friendly, with policy rate futures pricing higher-for-longer (**Chart 3**)
- US equities have a much larger expected earnings cushion with a big bounce in expectations for the year ahead<sup>1</sup>
- Central bank demand remains structurally solid, but the crisis has reminded investors that gold can also be mobilised for liquidity in stress. Concerns about further official-sector sales or swaps could remain a headwind while the Hormuz disruption persists.

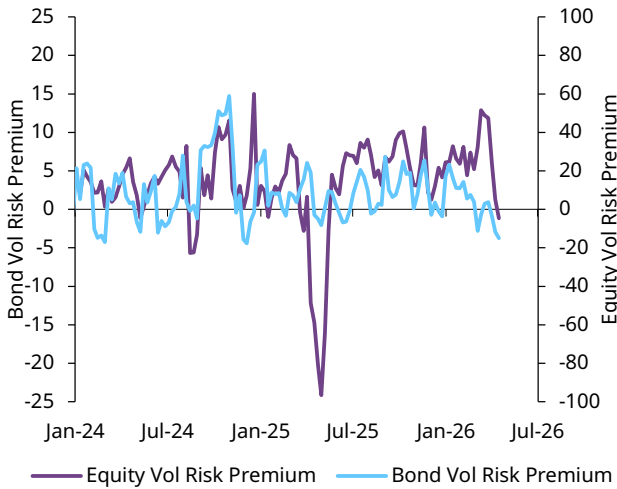
Taken together, the near-term setup is not especially friendly. Gold is technically vulnerable, rate-cut expectations have moved out, and markets are treating the shock as temporary. Absent a fresh catalyst, this could remain a weak period for gold.

1. [S&P 500 Earnings Season Update: April 24, 2026](#)



### Chart 2: Markets feeling strangely calm

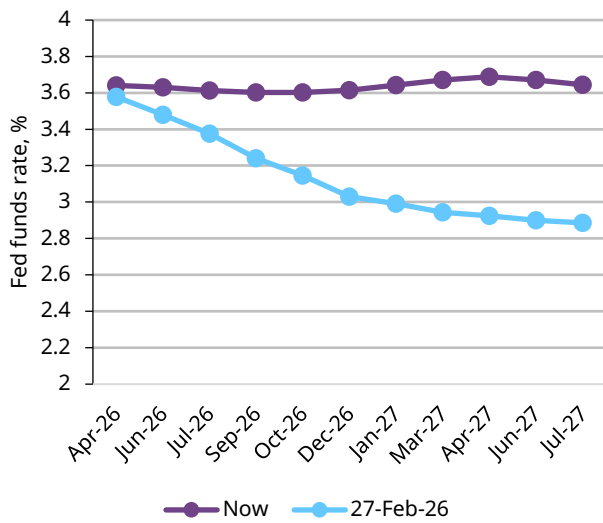
Equity and bond volatility risk premia\*



\*Data to 30 April 2026. Equity volatility risk premium measured as VIX index less realised 21-day S&P 500 return volatility. Bond volatility risk premium measured as MOVE index less 21-day realised US7-10y Treasury index yield volatility in bps  
Source: Bloomberg, World Gold Council

### Chart 3: Probability of a hike is non-zero

Fed funds futures curve, before and after M.E. crisis\*



\*Data as of 30 April 2026.  
Source: Bloomberg, World Gold Council

### Calm before the storm

But the calm could prove fragile. If the shock is less temporary than markets assume, gold could regain support quickly, given that:

- On a global level, stagflation risks are edging up even if markets have faded the immediate inflation scare (**Chart 4**). Brent and WTI are pricing December contracts at a 22-25% premium compared to before the crisis (**Chart 5**)
- J.P Morgan estimates that the operational floor for global oil inventories could be reached by September, should the situation remain unresolved.<sup>2</sup> This could result in

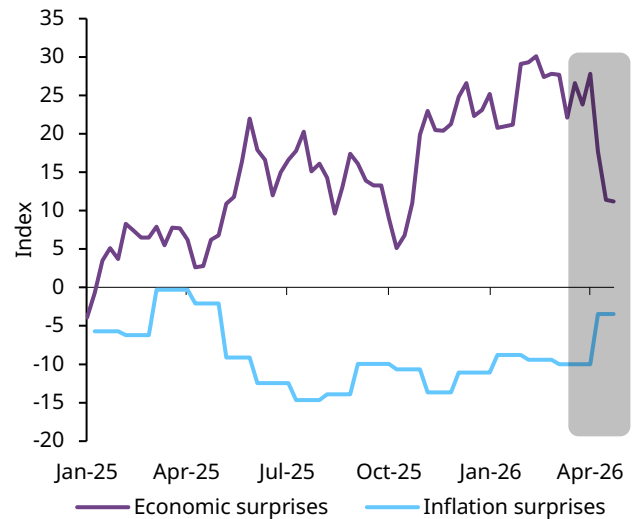
2. [Research - Oil Flash Note - J.P. Morgan Markets](#), 30 April 2026.

disorderly pricing of global oil and severe demand destruction

- Gold futures market positioning remains neutral, with room to rebuild
- A disorderly unwind of impactful leveraged Treasury basis trades could worsen a new deleveraging episode.<sup>3</sup>

### Chart 4: Data surprises wax stagflationary

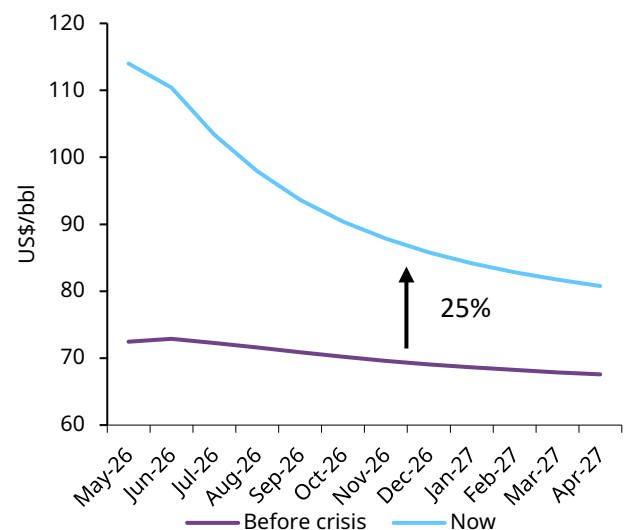
Global economic and inflation surprises\*



Data to 30 April 2026.  
Source: Bloomberg, World Gold Council

### Chart 5: Oil markets are pricing in higher for longer

Brent crude futures curve before and after M.E. crisis\*



\*Data as of 30 April 2026.  
Source: Bloomberg, World Gold Council

3. [Hedge Fund Bond Market Bets Risk Yield Spikes, BIS Chief Warns - Bloomberg](#), 27 November 2025



And the more structural support factors should come back into play:

- Central bank buying continues, as per our most recent [Gold Demand Trends](#) report
- Rates are likely to fall eventually, even if cuts lag the growth slowdown
- Elevated debt levels and fiscal deficits remain unresolved
- Bonds are less reliable diversifiers when shocks are inflationary<sup>4</sup>
- Dollar diversification, while gradual, remains directionally supportive.<sup>5</sup>

### **In summary...**

Markets appear to be treating the Middle East crisis as transitory, which is weighing on gold. Technical momentum looks more vulnerable, rate-cut expectations have moved out the curve and US-led risk appetite has recovered. But the crisis has also reinforced many of the structural reasons investors own gold in the first place: inflation uncertainty, geopolitical risk, unreliable bond diversification, fiscal pressure and gradual reserve diversification. A catalyst - exogenous or perhaps via a weaker price - will be needed to re-establish the structurally supported uptrend.

4. [Beyond bonds: How to protect against inflation-led shocks | J.P. Morgan Private Bank U.S.](#), 22 August 2025

5. However, the demise of the US dollar is premature. Dollar invoicing remains dominant, the Eurodollar market is deep, and there is no full-scale alternative to US financial

markets. But diversification does not need to be dramatic to matter. Even marginal shifts in reserve preferences can have a meaningful impact on gold.



## 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.

## Lead Author



**Johan Palmberg**  
Senior Quantitative Analyst  
World Gold Council

## Research

**Jeremy De Pessemer, CFA**  
Asset Allocation Strategist

**Johan Palmberg**  
Senior Quantitative Analyst

**Kavita Chacko**  
Research Head, India

**Krishan Gopaul**  
Senior Analyst, EMEA

**Louise Street**  
Senior Markets Analyst

**Marissa Salim**  
Senior Research Lead, APAC

**Ray Jia**  
Research Head, APAC ex-India &  
Trade Engagement Deputy Head,  
China

**Taylor Burnette**  
Research Lead, Americas

**Juan Carlos Artigas**  
Regional CEO, Americas and  
Global Head of Research

## Market Strategy

**John Reade**  
Senior Market Strategist,  
Europe and Asia

**Joseph Cavatoni**  
Senior Market Strategist,  
Americas

Further information:

**Data sets and methodology visit:**  
[www.gold.org/goldhub](http://www.gold.org/goldhub)

**Contact:**  
[research@gold.org](mailto:research@gold.org)



### **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.

Reproduction or redistribution of any of this information is expressly prohibited without the prior written consent of World Gold Council or the appropriate copyright owners, except as specifically provided below. Information and statistics are copyright © and/or other intellectual property of the World Gold Council or its affiliates or third-party providers identified herein. All rights of the respective owners are reserved.

The use of the statistics in this information is permitted for the purposes of review and commentary (including media commentary) in line with fair industry practice, subject to the following two pre-conditions: (i) only limited extracts of data or analysis be used; and (ii) any and all use of these statistics is accompanied by a citation to World Gold Council and, where appropriate, to Metals Focus or other identified copyright owners as their source. World Gold Council is affiliated with Metals Focus.

The World Gold Council and its affiliates do not guarantee the accuracy or completeness of any information nor accepts responsibility for any losses or damages arising directly or indirectly from the use of this information.

This information is for educational purposes only and by receiving this information, you agree with its intended purpose. Nothing contained herein is intended to constitute a recommendation, investment advice, or offer for the purchase or sale of gold, any gold-related products or services or any other products, services, securities or financial instruments (collectively, "Services"). This information does not take into account any investment objectives, financial situation or particular needs of any particular person.

Diversification does not guarantee any investment returns and does not eliminate the risk of loss. Past performance is not necessarily indicative of future results. The resulting performance of any investment outcomes that can be generated through allocation to gold are hypothetical in nature, may not reflect actual investment results and are not guarantees of future results. The World Gold Council and its affiliates do not guarantee or warranty any calculations and models used in any hypothetical portfolios or any outcomes resulting from any such use. Investors should discuss their individual circumstances with their appropriate investment professionals before making any decision regarding any Services or investments.

This information may contain forward-looking statements, such as statements which use the words "believes", "expects", "may", or "suggests", or similar terminology, which are based on current expectations and are subject to change. Forward-looking statements involve a number of risks and uncertainties. There can be no assurance that any forward-looking statements will be achieved. World Gold Council and its affiliates assume no responsibility for updating any forward-looking statements.

### **Information regarding the LBMA Gold Price**

The LBMA Gold Price is administered and published by ICE Benchmark Administration Limited (IBA). The LBMA Gold Price is a trademark of Precious Metals Prices Limited and is licensed to IBA as administrator of the LBMA Gold Price. ICE and ICE Benchmark Administration are registered trademarks of IBA and/or its affiliates. The LBMA Gold Price is used by the World Gold Council with permission under license by IBA and is subject to the restrictions set forth [here](http://www.gold.org/terms-and-conditions) ([www.gold.org/terms-and-conditions](http://www.gold.org/terms-and-conditions)).

### **Information regarding Qaurum<sup>SM</sup> and the Gold Valuation Framework**

Note that the resulting performance of various investment outcomes that can be 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 provides any warranty or guarantee regarding the functionality of the tool, including without limitation any projections, estimates or calculations.

### **Information from ICRA Analytics Limited**

All information obtained from ICRA Analytics Limited contained in this document is subject to the disclaimer set forth [here](http://www.icraanalytics.com/terms-of-use/disclaimer) ([www.icraanalytics.com/terms-of-use/disclaimer](http://www.icraanalytics.com/terms-of-use/disclaimer)).