

India gold market update

Enduring demand strength



Highlights

- Gold rally continues, largely fuelled by global uncertainty
- Domestic demand sustained, backed by investment buying
- Listed jewellers post strong revenue growth in the October-December quarter
- December inflows into Indian gold ETFs are unprecedented; 2025 demand at a historic high
- Digital gold purchase trends higher, reflecting its growing role in the domestic gold market
- RBI slows gold accumulation amid rising valuations; 4t added in 2025
- December gold import bill is up, but remains well below festive-season levels.

Looking ahead

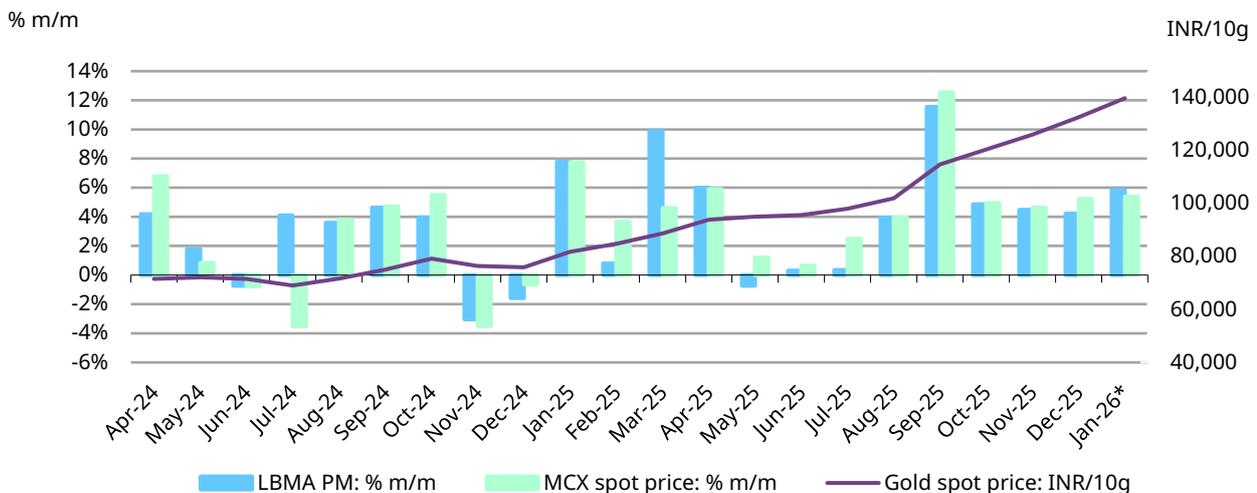
- Seasonal festival and wedding demand could lend incremental support to jewellery, while investment demand is likely to remain the key driver.

Gold breaks new ground in 2026 as it hits multiple record highs

Gold prices have extended their uptrend in 2026, scaling fresh record highs. International gold prices advanced by nearly 6% in the first 13 days of the new year, registering five new all-time highs and breaching the US\$4,600/oz mark. This follows a 4.2% rise in December and a strong 67% gain during 2025, the highest annual increase since 1979. Domestic gold prices have closely tracked the global rally, rising to INR139,799/10g. The sustained uptrend has been largely driven by elevated geopolitical tensions, persistent policy uncertainty, and resilient safe-haven demand. In addition, positive momentum, reflected in the continued inflows into global gold ETFs has further underpinned prices.

Chart 1: Rally accelerates

End of month LBMA Gold Price PM and MCX domestic spot price levels and m/m changes*



*Based on the LBMA Gold Price PM in USD and MCX spot gold price as of 13 January 2026. Source: Bloomberg, World Gold Council



Domestic demand resilient, though measured

Market feedback and interactions with trade participants indicate that the domestic gold demand environment remains resilient, though measured.

Elevated gold prices have tempered gold jewellery purchase volumes and average ticket sizes, as consumers adhere to fixed budgets and shift towards lightweight jewellery with lower making charges. While 22k gold jewellery remains the preferred choice, demand for lower purity jewellery, particularly 18k and 14k, has seen an uptick, reflecting heightened price sensitivity. Needs-based wedding purchases remain steady, providing key support to overall jewellery demand. Jewellery exchange activity continues to be robust, highlighting value-conscious consumer behaviour: some retailers report that over 40% of their jewellery sales are driven by old jewellery exchange.

Retailers are adopting a cautious and disciplined approach to inventory management. Stocking decisions are increasingly data-led and selective, with a focus on commercially efficient assortments, faster inventory churn, and design-led differentiation.

Meanwhile, investment demand remains strong and is reportedly drawing in new buyers who are attracted by the gold price momentum.

Strong revenue growth for listed jewellers

Listed jewellery retailers¹ reported strong revenue growth ranging from 37% to 51% y/y in the October–December quarter – supported by festive and wedding demand. Growth, however, was largely price-led: a price rise of more than 15% during the quarter boosted average selling prices and offset the decline in volume. Plain gold jewellery reportedly recorded strong growth and gold coin sales nearly doubled year-on-year, reflecting heightened investment demand amid rising prices. Digital and e-commerce channels also saw a sharp acceleration, with some companies reporting annual revenue growth of over 100%.

Sales momentum reportedly remained resilient, even after the main festive period and despite volatility in gold prices. Aggressive store additions, targeted marketing campaigns, gold exchange and promotional offers, and new design launches supported performance.

Management commentary suggests this positive revenue momentum will continue into the January–March quarter, with demand likely to remain resilient despite the elevated gold price.

Gold ETF demand hits new peaks

Indian gold ETFs ended 2025 on a strong note, with net inflows reaching an all-time high of INR116bn (US\$1.29bn) in December, according to data from the Association of Mutual Funds of India. This marked the eighth consecutive month of net additions, underscoring sustained investor demand for gold-backed funds. Cumulative holdings increased by a record 8.6t in December, lifting the total to a historic high of 95t,² [in line with our estimates](#). Investor appetite was supported by muted equity market performance and sustained gold price momentum, reinforcing the role of gold ETFs as a preferred portfolio diversifier.

2025 was a standout year for Indian gold ETFs. Net inflows of INR430bn (US\$4.9bn) and net demand of 37t were the highest on record, accounting for 5% of global gold ETF flows and demand. Assets under management (AUM) of gold ETFs grew to INR1,279bn (US\$14.2bn), increasing India's share in global gold ETF AUM from 1.9% in 2024 to 2.5% a year later. Within the domestic mutual funds universe, the share of gold ETFs also increased from 0.7% to 1.6%.

The investor base also expanded sharply during the year, with a 60% y/y increase in accounts (folios). At the end of December total folios reached 10.2mn, with 3.8mn new accounts added in 2025, underscoring the growing adoption of gold ETFs among investors.

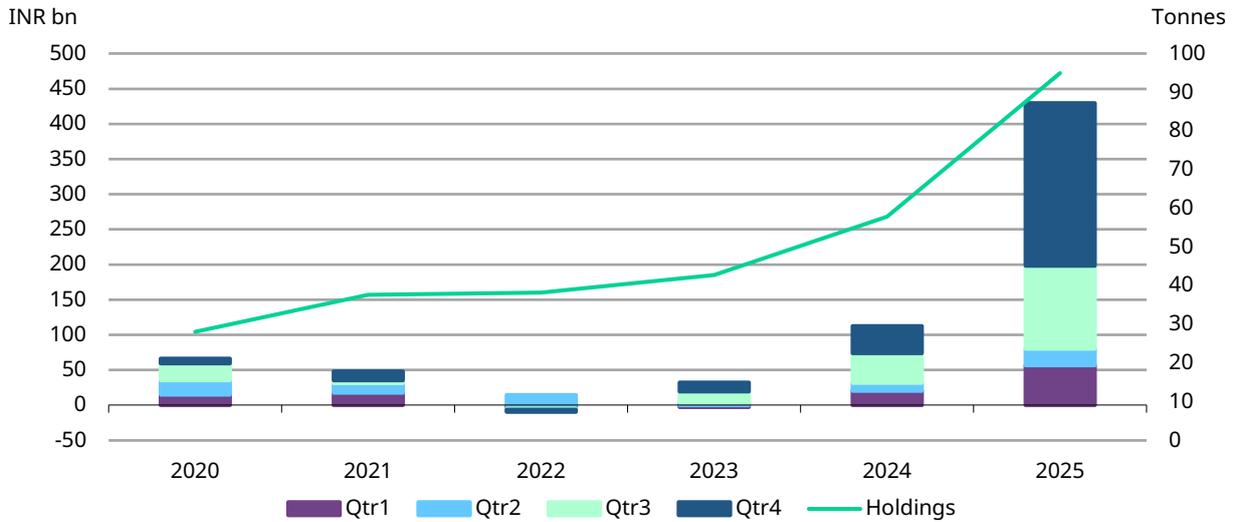
1. Titan Company, Kalyan Jewellers, PN Gadgil Jewellers, PC Jewellers, and Senco Gold.

2. Based on portfolio disclosures of various gold ETFs for December 2025.



Chart 2: Record demand

Gold ETF flows in INRbn, and total holdings in tonnes*



*As of end December 2025.
Source: AMFI, ICRA Analytics, CMIE, World Gold Council

Digital gold gains ground

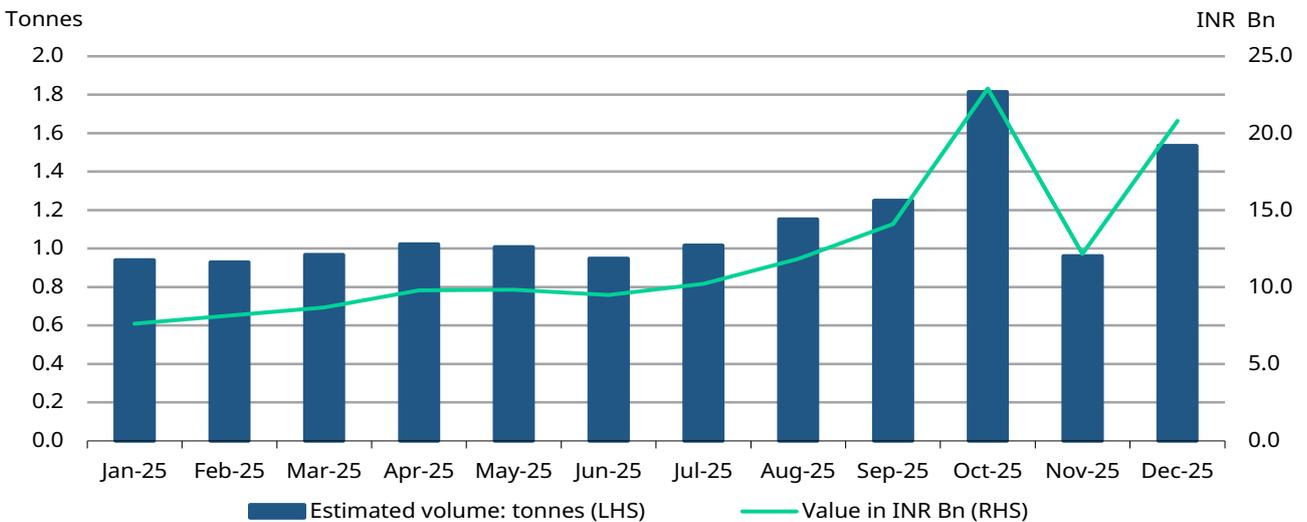
Purchases of digital gold³ via the Unified Payments Interface (UPI) increased steadily through 2025. Transaction values rose from INR8bn (US\$88mn) in January to INR21bn (US\$231mn) in December, a near three-fold increase, with an estimated 13.5t purchased over the year. Market feedback indicates that this growth has been supported by the ease of purchase, participation from a broader and newer set of buyers, and the expanding range of service providers, including jewellers and fintech platforms.

Activity rebounded after a brief dip in November following an advisory from the Securities and Exchange Board of India (SEBI),⁴ which noted that digital gold products are not regulated under existing market frameworks.

Transaction trends point to the growing presence of this format within the domestic gold markets, highlighting the importance of appropriate regulatory oversight.

Chart 3: Digital gold purchases gather pace

Purchase of digital gold, by value and estimated volume



Source: NPCI, World Gold Council

3. Digital gold is a physical gold product that is purchased electronically by customers and held in professionally managed vaults until the customer chooses to sell the gold or take physical delivery. Providers of digital gold include payment application, jewellers and online investment platforms.

4. [Caution to public regarding dealing in 'Digital Gold', SEBI, November 8, 2025.](#)



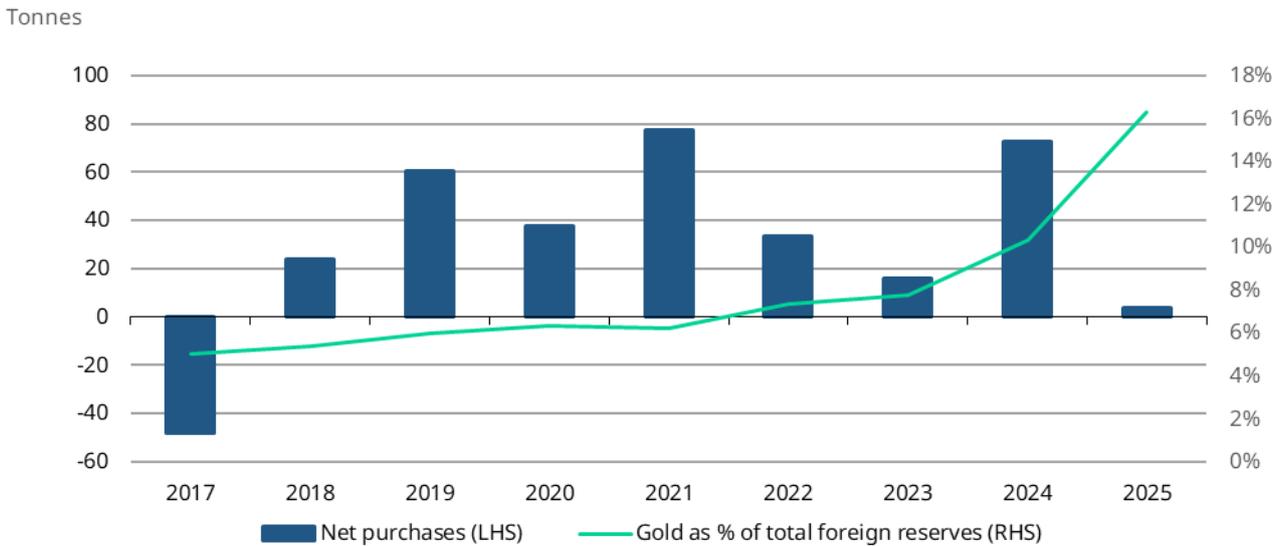
RBI's gold buying cools

The Reserve Bank of India's (RBI) 2025 gold purchases fell to their lowest level in eight years, totalling just 4t; a sharp decline from the 72.6t acquired in 2024. Despite this slowdown, the RBI's total gold holdings stand at a record 880.2t. The substantial accumulation of gold in 2024, combined with a sharp rise in gold prices in 2025, has materially increased the share of gold in the RBI's foreign exchange reserves – up from around 10% to 16% within a year. This underscores the role of price appreciation in strengthening reserve valuations, even with limited incremental buying.

Overall, we believe this points to a measured approach in reserve management, with higher gold prices and the increased share of gold in foreign exchange reserves likely influencing the pace of additional purchases.

Chart 4: Valuation effect

RBI's gold purchase and share in total foreign reserves*



*As of 2 January 2026.
Source: RBI, World Gold Council

Imports: value up, volume down

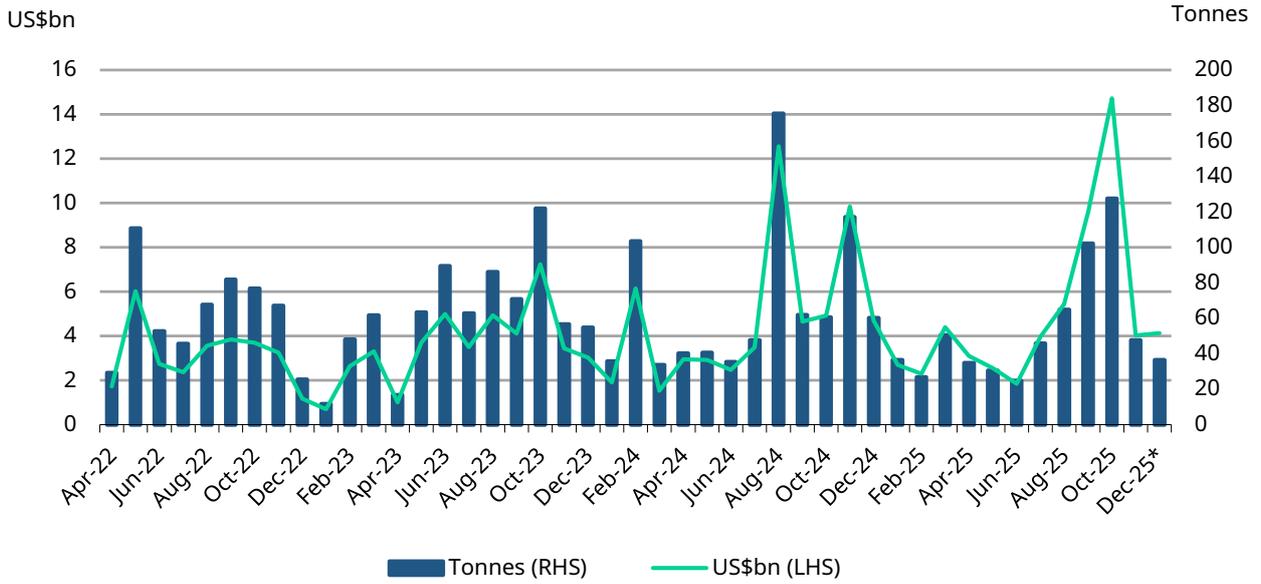
Gold imports recorded a sequential increase in value terms during the month, although volumes are estimated to have declined due to an average 6% rise in the landed gold price.⁵ Import value stood at US\$4.1bn, marking a 3% m/m increase but a 12% y/y decline. In volume terms, imports are estimated⁶ to be in the range of 35t to 40t in December, down from the 48t imported in November. Notably, monthly imports have moderated significantly from the elevated levels seen between September and October ahead of the festive season, which averaged around 115t and US\$12bn in value. For the full year, the gold import bill remained broadly steady at US\$59bn compared with the previous year; however, volumes declined by over 20%, largely a reflection of higher gold prices.

5. Landed price is the international price adjusted for import taxes.
6. Based on World Gold Council's estimates.



Chart 5: Imports cool after seasonal high

Monthly gold imports in tonnes and US\$bn*



*Includes World Gold Council estimates on volume of imports.
Source: Ministry of Commerce and Industry, CMIE, World Gold Council



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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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