

India gold market update

Investment-led support



Highlights

- Gold prices continue their uptrend on weakening US dollar and investment flows
- Jewellery volumes fall but value rises; investment demand holds firm
- Indian gold ETF inflows remain strong through November, although slower than prior two months
- RBI gold purchases slow, valuation gains lift reserve share
- November sees sharp drop in gold imports as post-festive demand slows.

Looking ahead

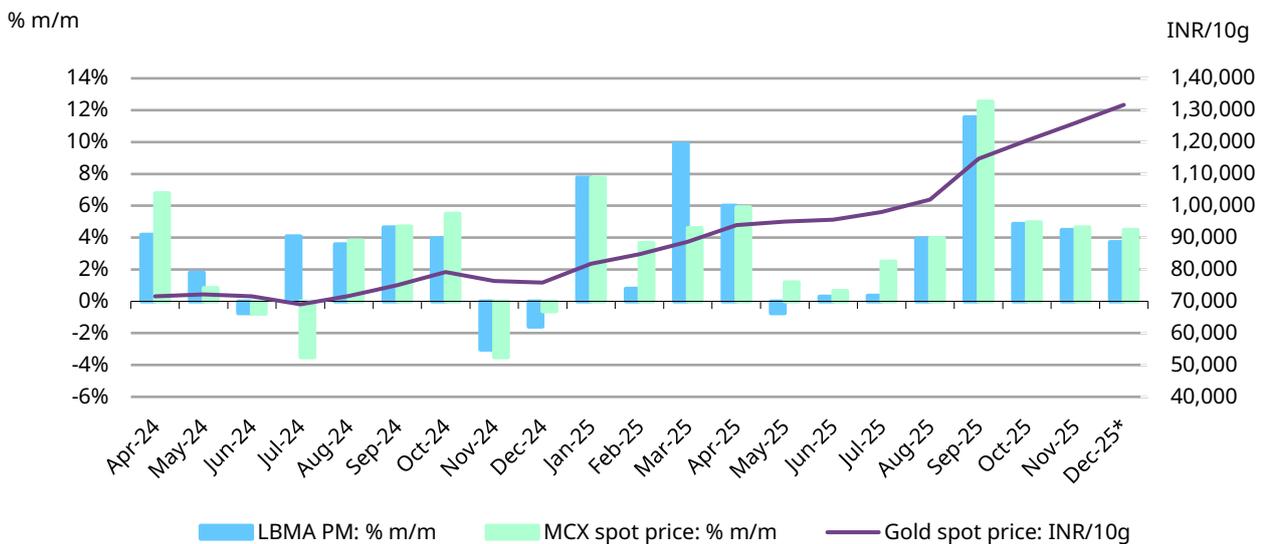
- The inauspicious period from mid-December to mid-January is likely to weigh on jewellery demand, while investment interest is expected to be sustained.

Extended price rally

International gold prices extended their sharp rally beyond October, ending November up 4.5% and gaining a further 3.7% to US\$4,347/oz by 12 December, taking y-t-d returns to 67%. Domestic gold prices mirrored this trajectory but outperformed, rising 73% y-t-d, aided by a 5.6% depreciation in the INR. Our [Gold Return Attribution Model \(GRAM\)](#) suggests that the rally has been supported by a weakening US dollar, persisting geopolitical tensions, and gold ETF inflows.

Chart 1: Further uptick in gold prices

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



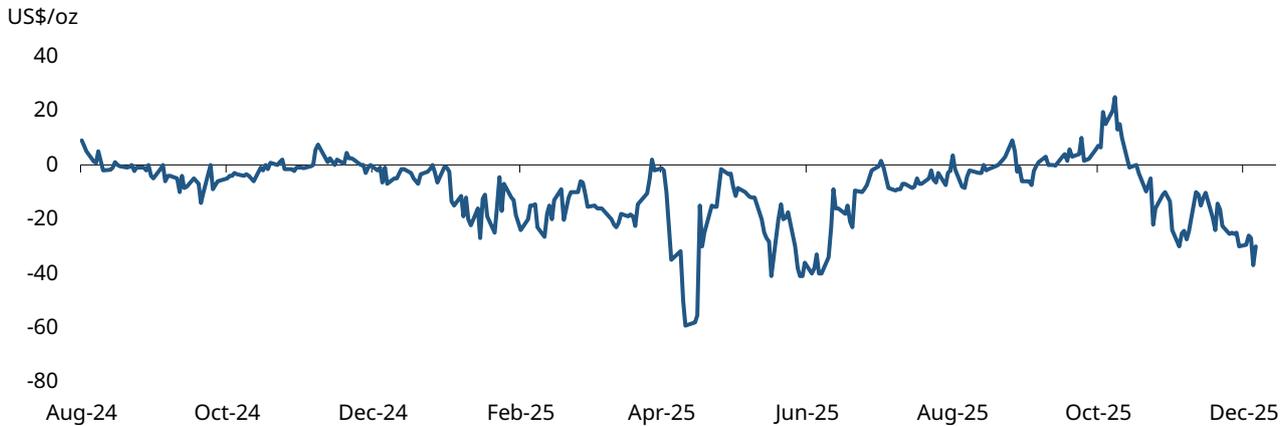
*Based on the LBMA Gold Price PM in USD and MCX spot gold price as of 12 December 2025.
Source: Bloomberg, World Gold Council



Discounts on domestic gold prices have widened significantly, increasing from around US\$11/oz at the start of November to nearly US\$30/oz as of 12 December (**Chart 2**), partly reflecting a slowdown in jewellery demand.

Chart 2: Domestic gold prices at a deeper discount

NCDEX gold premium/discount relative to the international price*



*As of 12 December 2025.

Source: NCDEX, World Gold Council

Mixed gold demand: volume pressure in jewellery; investment holds the fort

Gold demand in India continues to diverge: sustained strength in investment demand contrasts with weakness in the jewellery segment. Feedback from industry stakeholders, mainly manufacturers and retailers, indicates that gold jewellery volumes are lower y/y, despite the wedding season, as higher prices and affordability weigh on consumption. While value growth remains positive due to higher prices, volumes – particularly in the mid- and small-ticket segments that underpin mass demand – remain pressured. Although demand in the luxury segment remains strong, it is insufficient to offset the broader volume weakness. Price volatility is further constraining discretionary and everyday jewellery purchases.

This divergence is also evident across the retail landscape. Large and medium-sized jewellers continue to report relatively healthy sales, supported by higher ticket prices and need-based wedding purchases, whereas small and standalone jewellers are under pressure.

Meanwhile, demand for gold investment products, particularly bars and coins, remains strong. The preference towards investment-focused buying is reflected in the volume of gold imports, which rose sharply to 340t between July and October, compared with 204t between January and June, underscoring the resilience of investment-led demand.

ETFs: inflows moderate but momentum stays firm

Inflows into Indian gold ETFs remained strong in November, although at a slower pace than in the preceding two months. Net inflows totalled INR37.4bn (US\$421mn), about half of the previous month but still comfortably above the average monthly inflows of INR27.6bn (US\$315mn) during the first 10 months of the year. Gold holdings rose by nearly 3t during the month, taking cumulative holdings to 86.4t,¹ broadly in line with our estimates. The momentum has carried into December, with net inflows from 1 to 10 December estimated to be INR29.5bn (US\$324mn).²

Investor interest in gold ETFs continues to strengthen, as reflected in sustained inflows and the broadening of investor participation. Over the first 11 months of 2025 cumulative net inflows reached a record INR313bn (US\$3.6bn), while holdings rose by 28.6t – the highest annual addition on record and nearly double that of the previous year. Investor participation has expanded significantly, with 3.4mn new accounts (folios) added between January and November, representing a 152% y/y increase and taking total accounts to 9.8mn.

Assets under management (AUM) of gold ETFs have grown to INR1,105bn (US\$12.4bn), lifting their share of total mutual fund AUM from 0.8% at the beginning of the year to 1.4%.

1. Based on portfolio disclosures of various gold ETFs for November 2025.

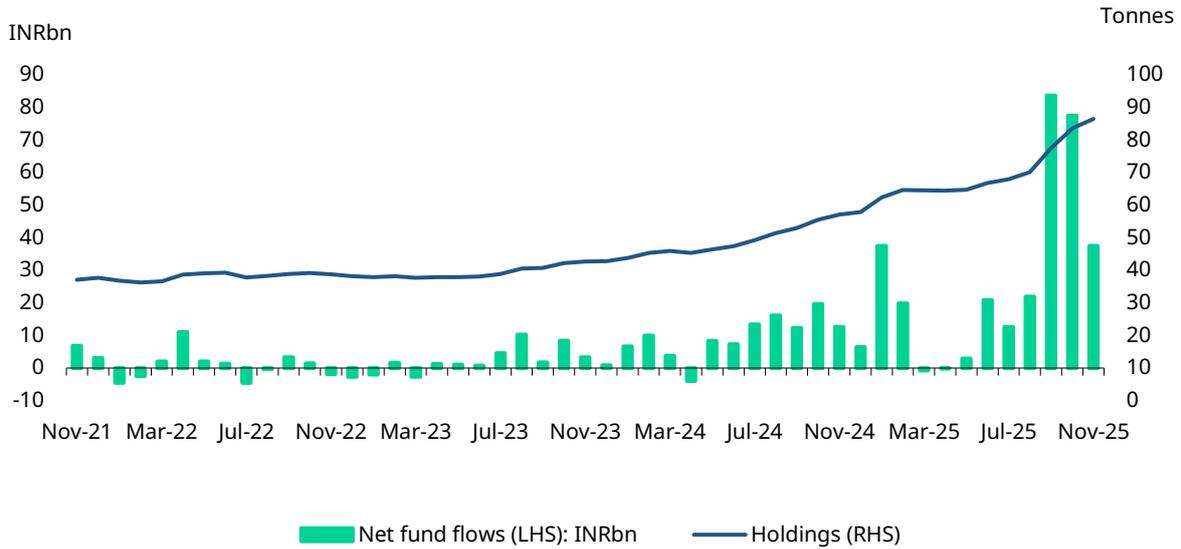
2. Based on World Gold Council's estimates of fund-wise net inflows from 1 to 10 December 2025.



Two new gold ETFs were launched in December,³ taking the total number of gold ETFs in India to 25. Seven gold ETFs have been launched so far in 2025, underscoring the growing depth of the segment.

Chart 3: Resilient inflows

Monthly gold ETF flows in INRbn, and total holdings in tonnes*



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

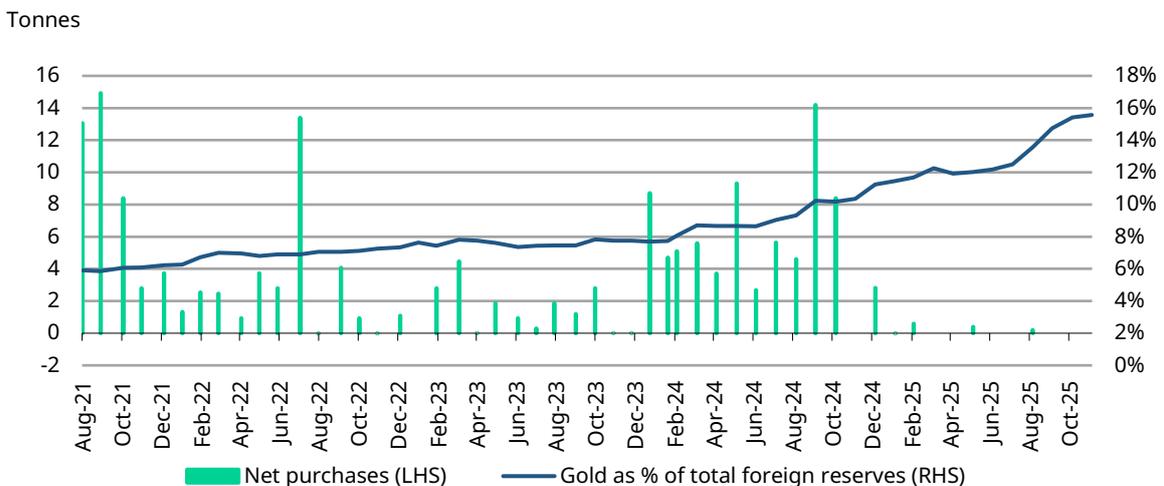
RBI gold holdings strengthened by valuation

The Reserve Bank of India’s (RBI) gold accumulation has moderated sharply this year, marking a clear departure from the aggressive buying seen in 2024. Gold has been purchased during just four months this year, with no additions since September, resulting in net purchases of just 4t compared with 72.6t last year. Nevertheless, the central bank’s gold holdings stand at a record 880.2t.

Despite the slowdown in buying, gold’s share in India’s foreign exchange reserves has risen from 10% to 15.6% y/y, largely due to higher gold prices and the growing valuation impact of gold within the reserve’s portfolio.

Chart 4: Gold reserves gain value

RBI’s monthly gold purchases and share in total foreign reserves*



*As of 5 December 2025. Source: RBI, World Gold Council

3. [Bandhan Gold ETF](#) was launched on 1 December, and [The Wealth Company Gold ETF](#) was launched on 16 December 2025.



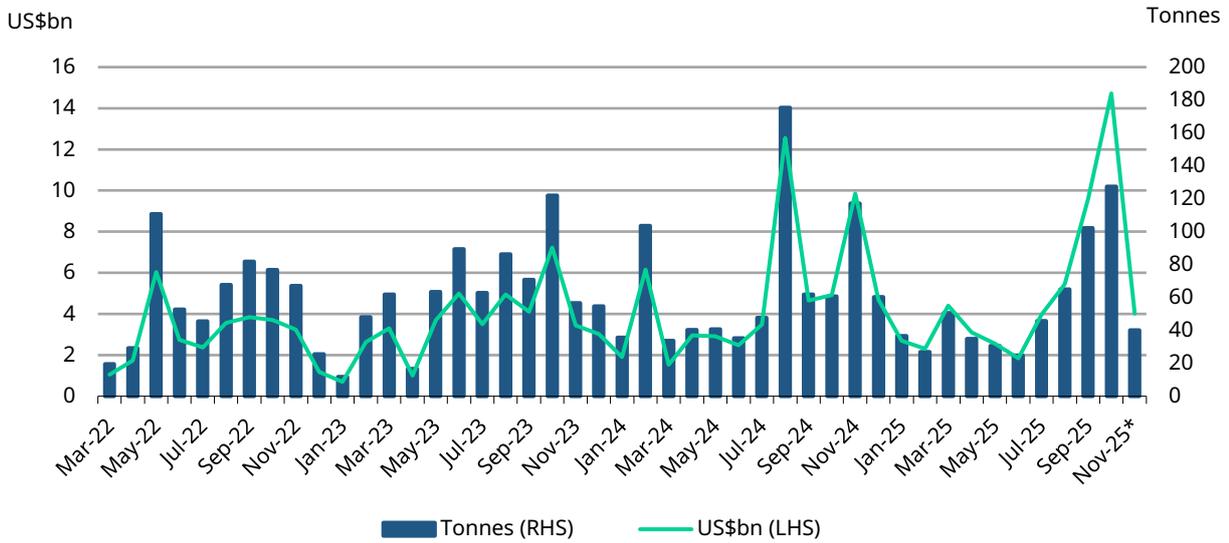
Imports moderate

Gold imports saw a significant decline in November, dropping 73% m/m and 59% y/y to US\$4bn, following three consecutive months of growth. This sharp decrease can be attributed to the moderation in post-festive demand. Import volumes for the month are estimated between 32t and 40t.

Total gold imports have reached US\$55bn y-t-d, marking a 2% increase over the previous year. However, the volume of imports has fallen by approximately 20% to around 580t, making the value increase purely a factor of higher prices.

Chart 5: Post-festive drop in imports

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



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



Kavita Chacko
Research Head, India
World Gold Council



Important information and disclosures

© 2025 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.

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).