



CHINA GOLD MARKET UPDATE: A NOTABLE RISE IN GOLD RESERVES

Mr Ray Jia, Head of Research (Asia Pacific, ex-India)
and Deputy Head of Trade Engagement (China), World Gold Council

China’s gold market presented a mixed but strategically significant picture in April 2026, marked by steady prices, continued investment inflows, and a notable increase in official reserves. While seasonal softness weighed on physical demand and trading activity moderated, investor interest remained resilient supported by geopolitical uncertainty and shifting domestic financial conditions. Most notably, the People’s Bank of China extended its gold-buying streak, reinforcing gold’s growing role within the country’s reserve strategy.

A FLAT MONTH FOR GOLD

Gold traded sideways in April, ending the month flat. The LBMA Gold Price PM in USD and the SHAUPM in RMB were little changed. Early in the month gold rebounded from March weakness as easing Middle East tensions tempered inflation concerns and weighed on yields. However, renewed uncertainty around the Strait of Hormuz later in April drove oil

prices higher, dampened Fed easing expectations, and reversed gold’s earlier gains (**Chart 1**).

CHINESE GOLD ETFS EXPANDED FURTHER WHILE FUTURES VOLUMES COOLED

Chinese gold ETFS witnessed their eighth consecutive monthly inflow in April, attracting RMB3.5bn (US\$498mn). Following another monthly expansion their total AUM reached RMB306bn (US\$45bn), 1%

higher m/m. Meanwhile, collective holdings increased 3t to 301t, another month-end peak

Continued global and regional geopolitical tensions during the month, as well as falling local government bond yields, sustained Chinese investor interest in gold. Nonetheless, inflows slowed as investors may have been diverted to the rallying equity market. With the local gold price stabilising in

Chart 1: Gold was almost flat in April

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



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

May, we see continued allocation to gold ETFs from local investors even as the local stock market kept rallying.

Chinese gold futures trading activities cooled further in April (Chart 2). Despite a 31% m/m decline, volumes of gold futures traded at the Shanghai Futures Exchange (SHFE) – at 307t/day – remained well above the five-year daily average of 265t. Trader interest in gold futures weakened as amid local stock market strength and easing gold price volatility.

WHOLESALE DEMAND WEAKENED SEASONALLY

Gold withdrawals from the SGE totalled 103t in April, a 23% m/m fall. The m/m weakness followed a seasonal pattern: restocking falls in April as gold jewellery consumption enters its traditional Q2 off season. Although there was some replenishment ahead of the early May Labour Day holiday – historically a boost for jewellery sales – the impact was limited as consumer spending continues to shift toward experiences such as travel. Meanwhile, bullion sales, while still healthy, cooled from the previous buying frenzy as strong equities and the easing gold price momentum dimmed investor interest in gold.

On a y/y basis, April wholesale demand fell 33%, due in part to a high comparison base: in 2025 demand reached its strongest April level since 2018. Weaker wholesale demand has, however, been evident generally this year, due mainly to the downturn in the gold jewellery sector.

THE PBOC ADDED THE MOST GOLD IN 15 MONTHS

The PBoC reported an 8t gold purchase in April, its 18th consecutive monthly addition and the highest since December 2024 (Chart 3). This addition brought Chinese official gold

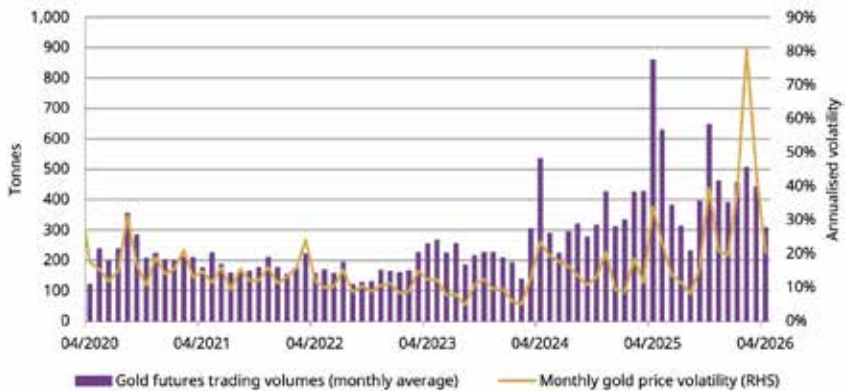
holdings to 2,322t, 9% of the country's total official reserves, which rose 2% to US\$3.8tn.

IMPORTS REBOUNDED NOTABLY IN Q1

China imported 143t of gold on a net basis in March, a notable 49% m/m rise. The March rebound brought

Q1 net gold imports to 316t, surging both q/q (+182%) and y/y (+333%) (Chart 4). This is in line with robust Chinese gold consumption, as strong bullion investment offset weak jewellery buying, during the quarter. Meanwhile, positive local gold price spread throughout the quarter also encouraged importers.

Chart 2: Gold futures volumes fell alongside the cooling price volatility
Daily average trading volumes of SHFE gold futures and monthly gold price volatility*



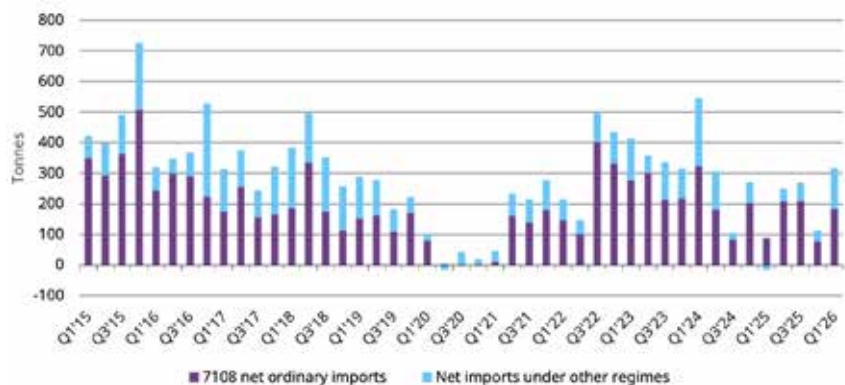
Source: Shanghai Futures Exchange, World Gold Council

Chart 3: The 18th non-stop monthly Chinese gold reserve addition
The PBoC's reported gold purchases and gold's share of total foreign exchange reserves*



Source: State Administration of Foreign Exchanges, World Gold Council

Chart 4: Q1 gold imports rose notably
Net gold imports under HS7108*



Source: China Customs, World Gold Council

Source - <https://www.gold.org/goldhub/gold-focus/2026/05/china-gold-market-update-notable-rise-gold-reserves>