

India's Gold Demand in Q1 2026: Investment Takes the Lead

World Gold Council,
Gold Demand Trends – India Focus Q1 2026



Overview

In Q1 2026, India's total gold demand rose 10% year on year to 151 tonnes, but the value of that demand nearly doubled to about INR 2,275 billion (around US\$25 billion) because prices hit record highs. Domestic gold averaged roughly INR 151,000 per 10 grams, supported by an 81% year on year jump in rupee prices and strong gains on MCX. India remained the world's second largest market for both jewellery and investment gold.

Jewellery vs investment

Jewellery demand fell 19% by volume to about 66 tonnes as high prices forced consumers to buy lighter and lower carat pieces. Even so, the value of jewellery demand still hit a Q1 record of around US\$10 billion, up 47% year on year, because of the elevated price level.

By contrast, investment demand surged 54% to 82 tonnes, meaning bars, coins and ETFs made up nearly 70% of India's total gold demand in the quarter. Bar and coin demand alone reached about 62 tonnes, almost matching jewellery volumes, and ETF holdings climbed to record levels.

Price, currency and digital trends

A weaker rupee—down 3% quarter on quarter and 6% year on year—amplified international price gains and pushed domestic gold to record intraday highs before a roughly 15% correction. Even after this pullback, Q1 ended with domestic prices about 10% higher and international prices 6% higher, keeping gold attractive as a hedge.

Digital gold also gained traction: UPI based digital gold purchases nearly quadrupled year on year in January–February, with gross buying of about INR 70 billion, equivalent to around 3.3 tonnes. This points to a gradual shift toward more formal and tech enabled investment channels.

Outlook

Looking ahead, high prices, geopolitical risks and limited compelling alternatives in local financial markets are likely to keep investment at the centre of India's gold story. Jewellery demand, however, may stay under pressure if prices remain elevated and if growth, inflation or a weaker monsoon hit household purchasing power, especially in rural India.

