

# Gold Demand Trends Third Quarter 2015

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November 2015



## Q3 2015 Demand



# The price dip buoyed consumer demand

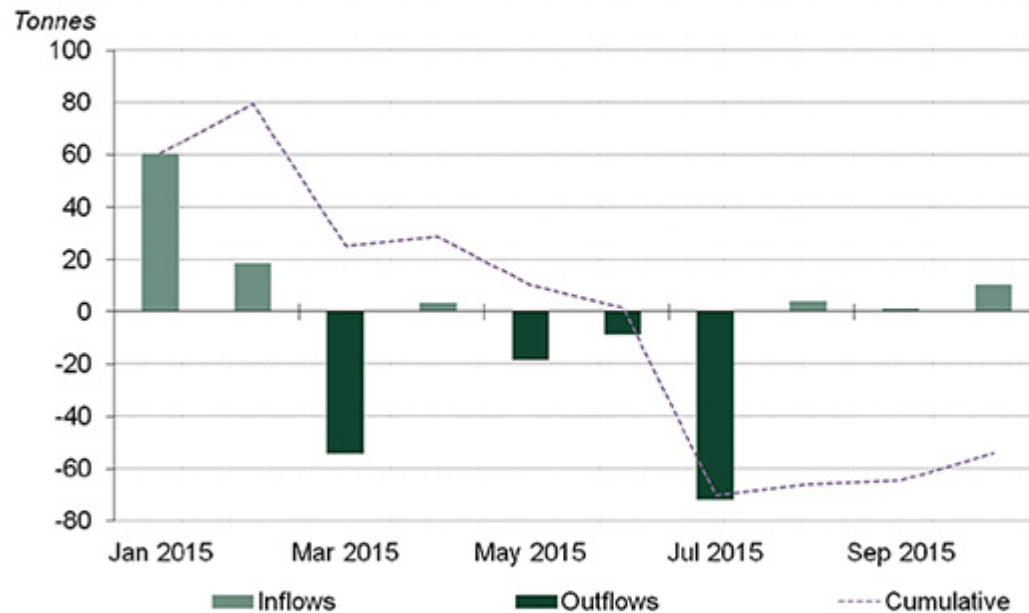
Year-on-year changes in gold demand, by category



Source: Metals Focus; World Gold Council

## ETF outflows in July; inflows from August to October

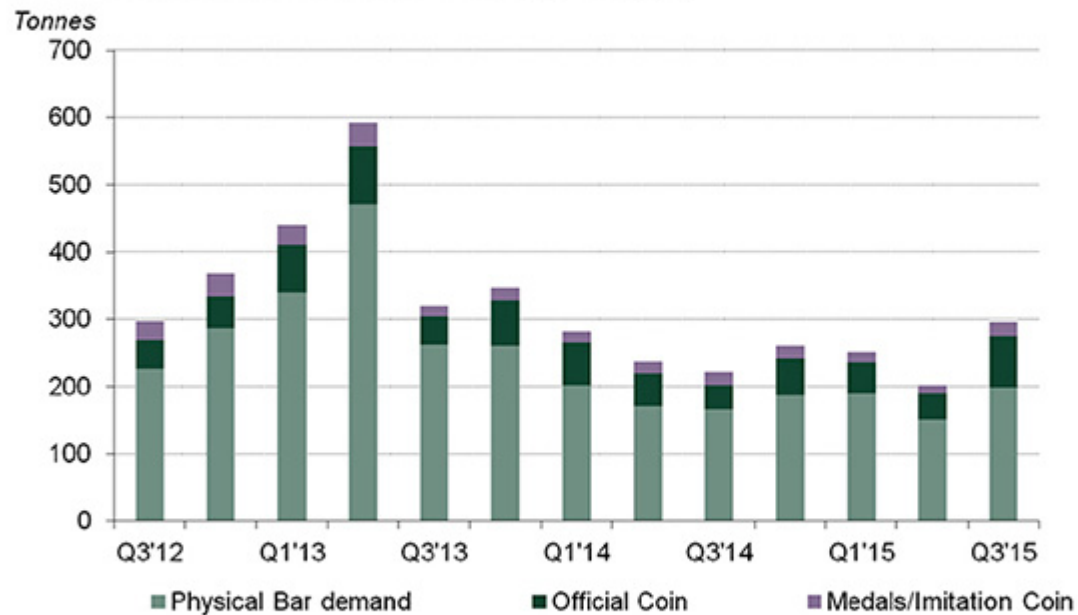
October was the third successive month of inflows as gold sentiment improved



Source: Respective ETP providers, Bloomberg, ICE Benchmark Administration, World Gold Council

## Bar and coin drove gains in gold demand, +33% YoY

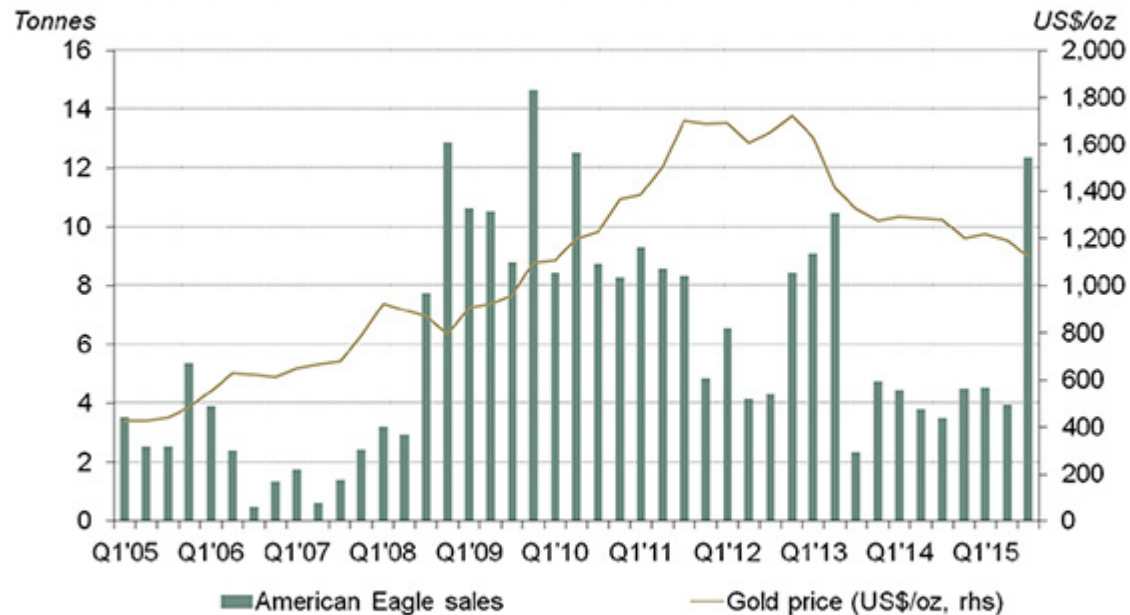
Total bar and coin demand in tonnes, by category



Source: Metals Focus; GFMS, Thomson Reuters; World Gold Council

## Heightened price-sensitivity by US consumers

US gold Eagle coin sales rose to levels not seen since the financial crisis

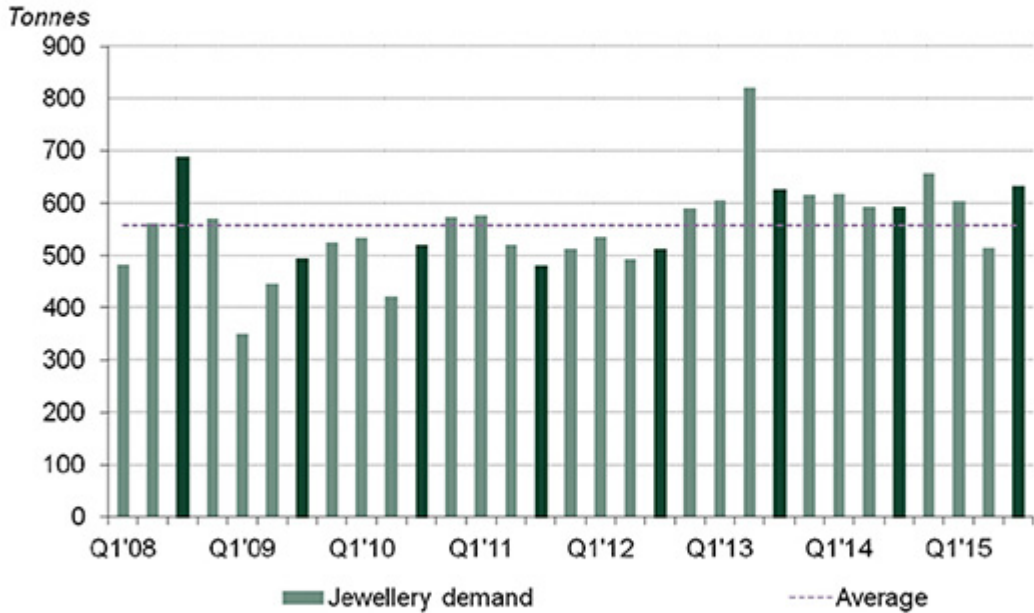


Source: US Mint; Bloomberg; ICE Benchmark Administration; World Gold Council

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# The price fall boosted jewellery demand

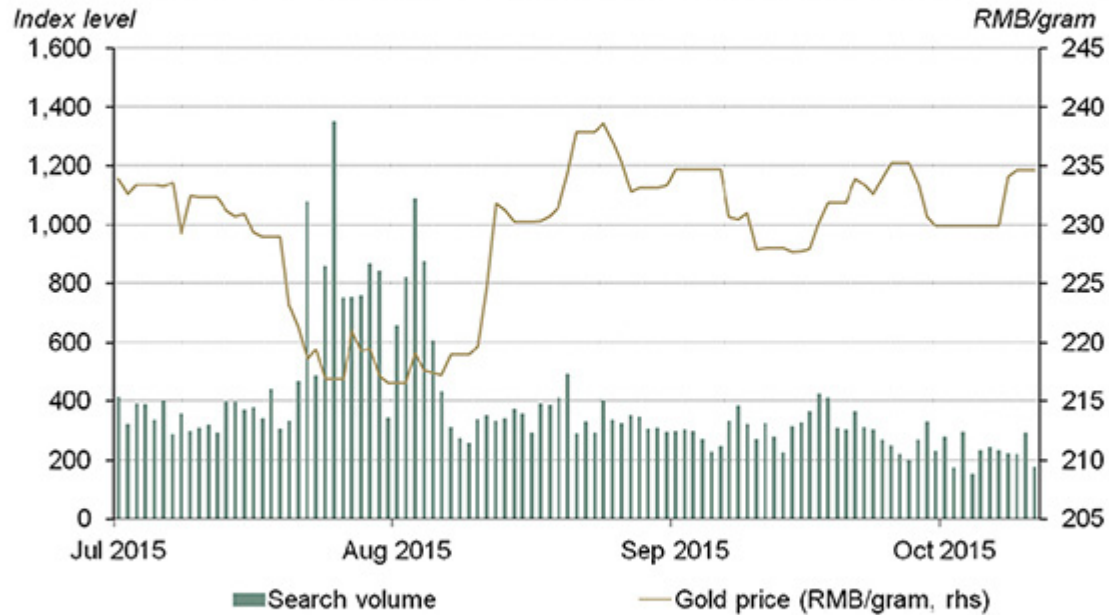
The price drop steered jewellery demand to a 6% increase



Source: Metals Focus; GFMS, Thomson Reuters; World Gold Council

# Chinese consumers acutely aware of price changes

Online search trends illustrate strength of price response by Chinese consumers

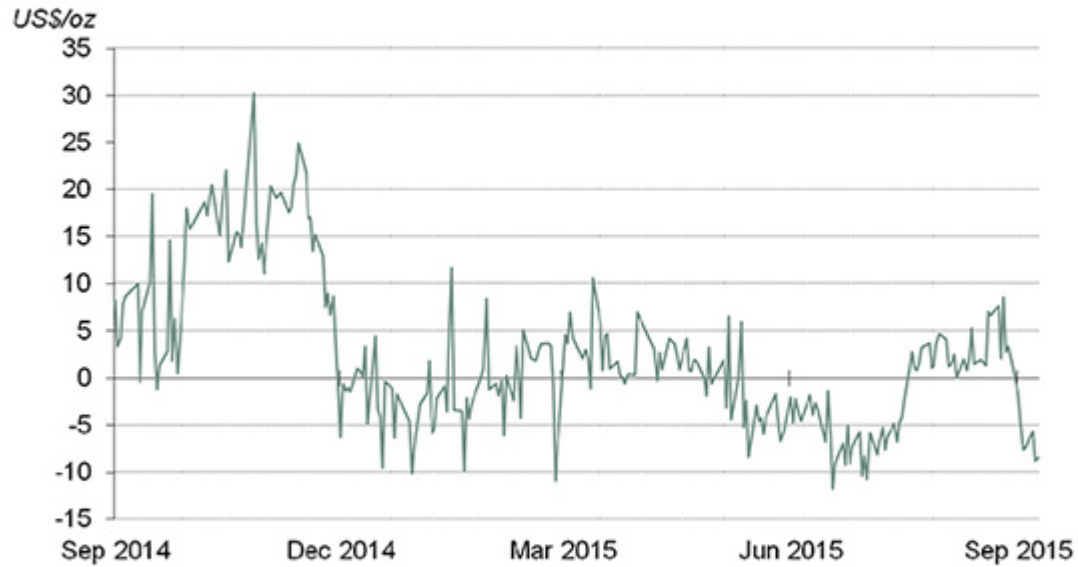


Source: Taobao; Shanghai Gold Exchange; World Gold Council

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## Indian jewellery consumers reacted to July price dip

### Indian gold price premium

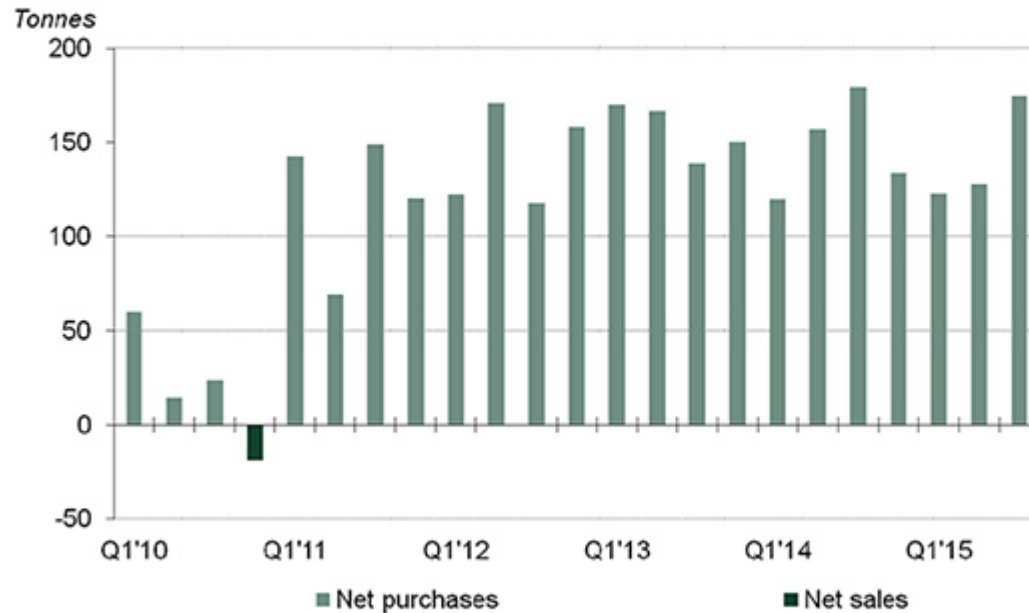


Source: Thomson Reuters Eikon; Multi Commodity Exchange of India; Reserve Bank of India; World Gold Council

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# Central banks continue to buy, greater transparency

Net purchasing by central banks is now a familiar theme



Source: Metals Focus; GFMS, Thomson Reuters; World Gold Council

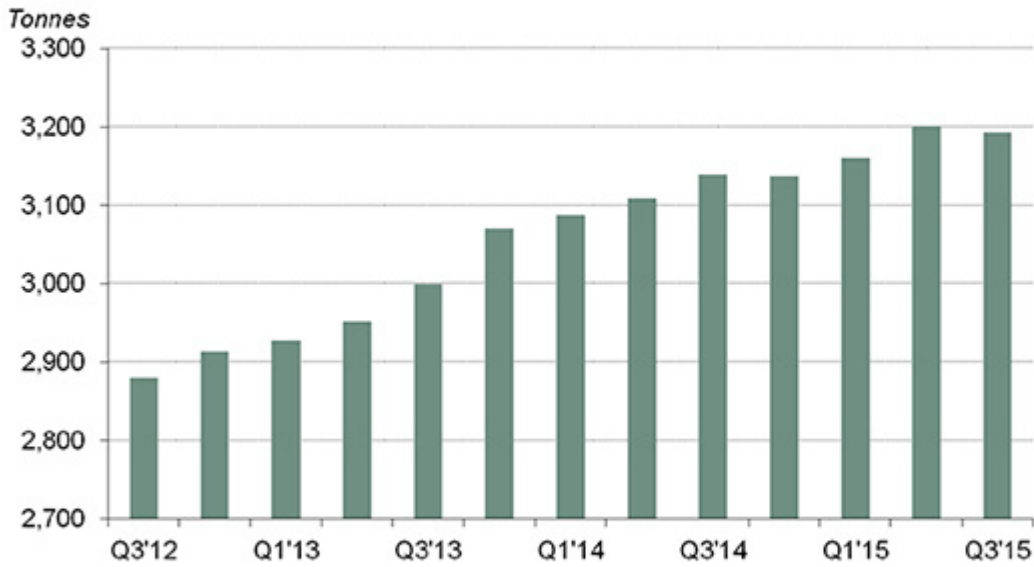
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## Q3 2015 Supply



# Mine production remains on course to plateau

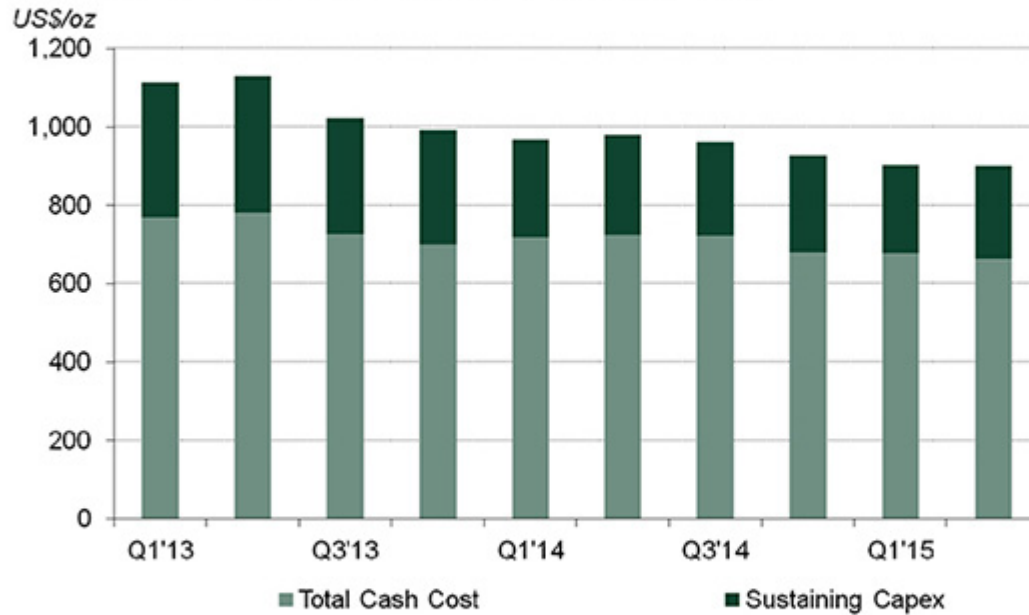
Mine production in tonnes, 4-quarter rolling total



Source: Metals Focus; GFMS, Thomson Reuters; World Gold Council

## Reductions in costs slowing

The scope for further reductions in cost is diminishing



Note: All-in sustaining cost (AISC) is the sum of total cash costs and sustaining capex.

Source: Metals Focus; World Gold Council

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# Summary

- Demand rose 8% to 1,121t. The global consumer response to the July price dip was strong
- Bar and coin demand rose by 33% year-on-year to 296t
  - China's bar and coin demand increased 70%. India's bar and coin demand grew 6%, the first time in four quarters
  - US bar and coin demand rose 207%, reaching levels last seen during the financial crisis. European bar and coin demand increased 35%
- Jewellery demand rose 6% to 632t, an impressive performance in what is a traditionally quiet time of the year for jewellery
  - India's jewellery demand rose by 15% and China by 4%. Iranian jewellery demand increased 40%, supported by the price drop and thawing US-Iranian relations
- ETFs saw outflows of 66t.
- Central bank demand continues; 19 consecutive quarters of net purchases
- Total supply was steady at 1,100t; 1% contraction in mine production and 6% fall in recycling was off-set by an increase in net producer hedging

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