

Gold ETF Commentary

Flows turned positive in May

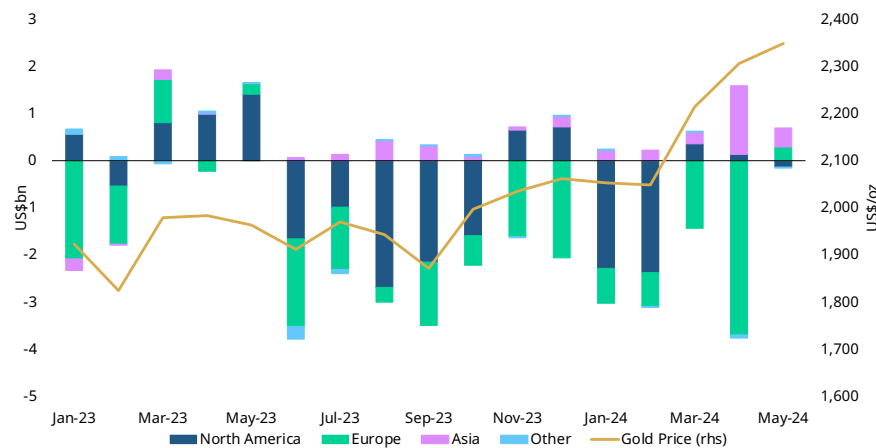
May in review

Physically backed gold ETFs¹ saw their first monthly inflow since last May, amounting to US\$529mn (Table 1, p2).² A stronger gold price (+2%) and inflows pushed gold ETFs' total assets under management (AUM) 2% higher to US\$234bn, the highest since April 2022. And with improved gold ETF demand in May, collective holdings rebounded to 3,088t, but remaining -8.2% below the 2023 average (3,363t).

European and Asian funds drove global inflows. While May marks Asia's 15th consecutive monthly inflow, Europe recorded their first positive flow since last May. Meanwhile, North American fund flows turned negative again, albeit only slightly.

Chart 1: Flows flipped to the positive territory in May

Regional gold ETF flows and the gold price*



*As of 31 May 2024.

Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

Highlights

Global gold ETFs saw inflows in May, ending their twelve-month losing streak.

Europe and Asia led global inflows while North America and other regions registered mild losses.

Global gold ETF holdings rose to 3,088t by the month end. Driven by inflows and a higher gold price, total AUM rose to US\$234bn, a 2% increase during the month.

Trading activities across global gold markets fell in May – cooling momentum at the Shanghai Futures Exchange and major ETF markets contributed to the decline. Meanwhile, OTC trading volumes fell only mildly.

1. We define gold ETFs as regulated securities that hold gold in physical form. These include open-ended funds traded on regulated exchanges and other regulated products such as closed-end funds and mutual funds. A complete list is included in the [gold ETF section of Goldhub.com](#).

2. We track gold ETF assets in two ways: the quantity of gold they hold, generally measured in tonnes, and the equivalent value of those holdings in US dollars (AUM). We also monitor how these fund assets change through time by looking at two key metrics: demand and fund flows. For more details, see our [ETF methodology note](#).



May regional overview

Flows in North America flipped back to negative in May (-US\$139mn) following two consecutive monthly inflows. But compared to the region's outflows in prior months the negative May figure was the smallest since December 2019. The gold price rally leading up to the expiry date of major gold ETF options triggered exercises of in-the-money (ITM) calls linked to derivatives strategies, resulting in net share creations and bringing sizable inflows. Investor interest appeared to be drawn to spikes in geopolitical risks as sporadic gold ETF inflows coincided with upticks in the [Geopolitical Risk Index](#). During the remainder of the month gold ETF flows fluctuated with the gold price; for instance, hawkish Fed minutes from its latest meeting weighed on the gold price towards the end of May, leading to outflows in the region. Furthermore, the rallying equity market may also have diverted investor attention away from gold.

May widened North America's y-t-d outflows to US\$4.3bn, second only to Europe, mainly from large funds during January and February. But thanks to the gold price strength, the region's total AUM climbed further to US\$119bn. Meanwhile, collective holdings fell to 1,573t, -8% below the 2023 average of 1,701t.

Europe experienced inflows in May (+US\$287mn), putting a stop to its twelve-month losing streak. The region experienced a tale of two policies. Inflows were mainly driven by expectations that the ECB would cut rates in early June, as primarily reflected in Swiss and German funds: May marks the second occasion this year that Germany has experienced inflows, and the first time Switzerland has recorded inflows since July 2023. However, an earlier-than-expected UK election paired with stickier-than-anticipated inflation pushed back investor expectations for rate cuts by the Bank of England. As a result, UK-listed funds dominated outflows (-US\$150mn) over the course of the month.

In addition, the strengthening Euro against the dollar also led to positive flows of FX-hedged funds, primarily from Switzerland.

May narrowed European funds' y-t-d outflows to US\$6.3bn, mainly from Germany and the UK, despite recent improvements. The region's collective holdings rebounded and total AUM rose to a 12-month peak, 6% higher than the end-2023 level.

Asia registered its 15th consecutive monthly inflow, capturing US\$398mn in May. Although this marks the region's smallest inflow since November 2023, Asia's continued inflow streak is the second longest on record.³ China once again drove regional demand, capturing US\$253mn. Key drivers of gold ETF demand in the country were the local gold price rise, which refreshed its all-time high, and continued weakness in the local currency. Japan also saw healthy inflows amid attractive local gold price gains. Asia has attracted US\$2.6bn so far in 2024; the only region that has captured inflows. AUM in Asian funds have risen by 41% this year – the highest in history – with China as the main contributor and Japan witnessing robust inflows.

Funds listed in other regions once again experienced minor outflows (-US\$18mn) as Turkish losses offset South African gains. Y-t-d, outflows from other regions have totalled -US\$75mn, mainly from Australian and Turkish funds.

Table 1: May regional flows*

	Total AUM (bn)	Fund flows (US\$m)	Holdings (tonnes)	Demand (tonnes)	Demand (% of holdings)
North America	118.8	-138.8	1,573.1	-2.3	-0.15%
Europe	97.0	287.4	1,284.8	5.7	0.44%
Asia	13.6	398.5	172.1	5.0	3.02%
Other	4.4	-18.1	57.9	-0.2	-0.40%
Total	233.7	529.0	3,087.9	8.2	0.26%
Global inflows / Positive Demand		3,974.2		17.8	1.74%
Global outflows / Negative Demand		-3,445.2		-9.7	-1.50%

*As of 31 May 2024. 'Global inflows/Positive demand' refers to the sum of changes of all funds that saw a net increase in holdings over a given period (e.g. month, quarter, etc.). Conversely, 'Global outflows/Negative demand' aggregates changes from funds that saw holdings decline over the same period.

Note: Differences between fund flows and changes in holdings (demand) are driven by the mechanics of FX-hedged funds. For more information, see [ETF Flows Data Methodology](#).

Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

3. The longest inflow streak was recorded between June 2010 and January 2012.



Gold trading volumes remain elevated

The average trading volume across global gold markets stood at US\$216bn per day in May, 13% lower than April. But overall, volumes across markets remained well above the 2023 average of US\$163bn/day. Trading activities at key exchanges fell by 19%: while volumes at the COMEX remained stable, a more significant drop at Shanghai Futures Exchange (-45%) and Shanghai Gold Exchange (-36%) were the main contributors. Gold ETF trading volumes also fell across major markets, averaging a 39% m/m decline globally. OTC physical gold trading activities held up, only shedding 6% m/m, based on the most recent information.

Total net longs at the COMEX climbed further to 768t at the end of May, 7% higher m/m. Money manager net longs rose to 557t, a 38t m/m increase and the highest month-end level since June 2020. They are now 78% above the 2023 average of 312t.

Table 2: May flows by country*

Countries list (by AUM)	Total AUM (bn)	Fund flows (US\$m)	Holdings (tonnes)	Demand (tonnes)	Demand (% of holdings)
US	114.1	-112.8	1,511.0	-2.0	-0.13%
UK	43.7	-149.9	578.3	-1.5	-0.26%
Germany	24.2	66.6	320.1	1.3	0.39%
Switzerland	23.6	294.8	312.4	4.9	1.60%
China P.R. Mainland	6.6	252.6	86.8	3.3	3.91%
Canada	4.7	-26.0	62.1	-0.3	-0.46%
France	4.3	29.6	57.5	0.4	0.65%
India	4.0	86.5	45.9	1.0	2.22%
Australia	3.0	-1.0	40.1	0.1	0.18%
Japan	2.7	45.1	35.2	0.6	1.70%
South Africa	1.1	55.0	15.1	0.6	4.40%
Ireland	0.9	55.0	11.4	0.7	6.95%
Italy	0.3	-7.7	4.6	-0.1	-2.17%
Hong Kong SAR	0.3	12.8	3.9	0.2	4.53%
Turkey	0.2	-72.0	2.6	-0.9	-26.75%
Liechtenstein	0.0	-1.1	0.6	0.0	-1.12%
Malaysia	0.0	1.5	0.2	0.0	8.07%
Saudi Arabia	0.0	-0.1	0.1	0.0	-0.69%

*As of 31 May 2024.

Note: Differences between fund flows and changes in holdings (demand) are driven by the mechanics of FX-hedged funds. For more information, see [ETF Flows Data Methodology](#).

Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council



Table 3: May individual top and bottom flows*

Top 15 flows	Country	Fund flows (US\$m)	Holdings (tonnes)	Demand (tonnes)	Demand (% of holdings)
UBS ETF Gold	CH	325.7	27.9	4.3	18.23%
Huaan Yifu Gold ETF	CN	250.9	37.9	3.3	9.38%
Pictet CH Precious Metals Fund - Physical Gold ‡	CH	64.0	43.0	0.8	1.91%
Royal Mint Responsibly Sourced Physical Gold ETC	IE	55.0	11.4	0.7	6.95%
Xtrackers Physical Gold Euro Hedged ETC	DE	46.5	17.5	0.8	4.97%
E Fund Gold Tradable Open-end Securities Investment Fund	CN	46.4	16.5	0.6	3.78%
Japan Physical Gold ETF	JP	45.1	35.2	0.6	1.70%
Invesco Physical Gold ETC	GB	35.8	202.0	0.4	0.22%
SPDR Gold Shares	US	32.8	831.9	0.0	0.00%
Amundi Physical Gold ETC	FR	29.6	57.5	0.4	0.65%
NewGold Issuer Ltd	ZA	29.2	14.0	0.3	2.30%
ICICI Prudential Gold iWIN ETF	IN	27.1	6.7	0.3	4.91%
VanEck Merk Gold Shares	US	26.9	12.6	0.4	2.87%
1invest Gold ETF	ZA	25.8	1.1	0.3	43.31%
Xetra-Gold	DE	25.5	174.7	0.3	0.19%
Bottom 15 flows	Country	Fund flows (US\$m)	Holdings (tonnes)	Demand (tonnes)	Demand (% of holdings)
iShares Gold Trust	US	-163.3	381.1	-2.3	-0.59%
WisdomTree Physical Gold	GB	-90.9	63.5	-1.2	-1.87%
ZKB Gold ETF ‡	CH	-77.4	159.8	-0.6	-0.40%
Istanbul Gold Exchange Traded Fund	TR	-72.0	2.6	-0.9	-26.75%
Bosera Gold Exchange Trade Open-End Fund ETF	CN	-60.2	21.0	-0.8	-3.59%
Xtrackers IE Physical Gold GBP Hedged ETC	GB	-39.9	3.2	-0.5	-12.86%
Gold Bullion Securities Ltd	GB	-36.9	38.0	-0.5	-1.31%
SPDR Gold MiniShares Trust	US	-32.0	97.9	-0.5	-0.51%
iShares Physical Gold ETC	GB	-25.5	197.1	-0.3	-0.18%
iShares Gold Bullion ETF ‡	CA	-16.6	10.0	-0.2	-1.68%
Xtrackers Physical Gold ETC	DE	-15.6	5.6	-0.2	-3.59%
UBS ETF CH-Gold CHF hedged CHF	CH	-15.0	19.3	0.0	0.17%
abrdn Gold ETF Trust	US	-13.2	41.8	-0.1	-0.23%
Global X Physical Gold	AU	-11.2	26.8	-0.2	-0.63%
CSIF CH II Gold Blue DB USD ‡	CH	-10.9	20.2	0.0	0.05%

*As of 31 May 2024.

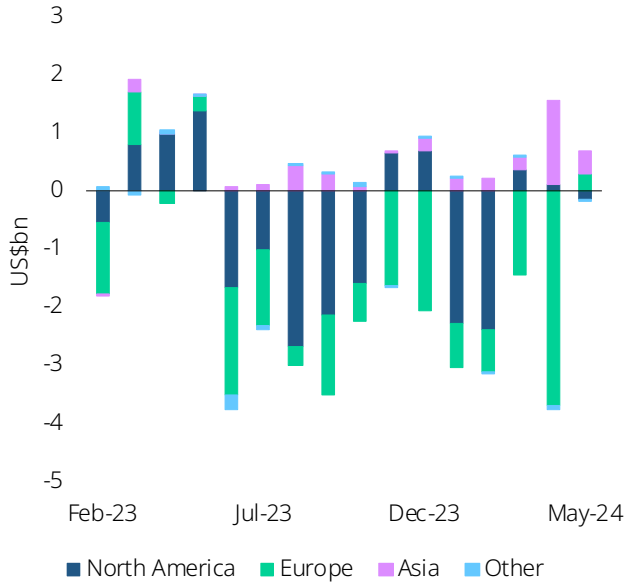
Note: Differences between fund flows and changes in holdings (demand) are driven by the mechanics of FX-hedged funds. For more information, see [ETF Flows Data Methodology](#).

Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council



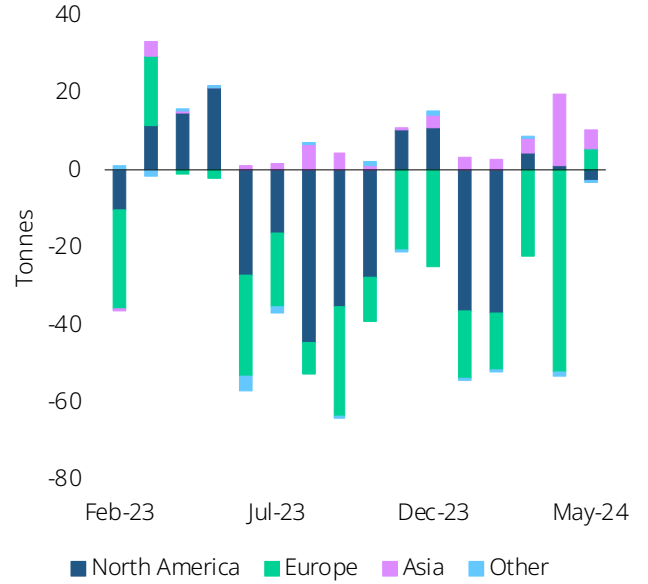
Relevant charts

Chart 2: Physically backed gold ETFs (and similar) fund flows by month*



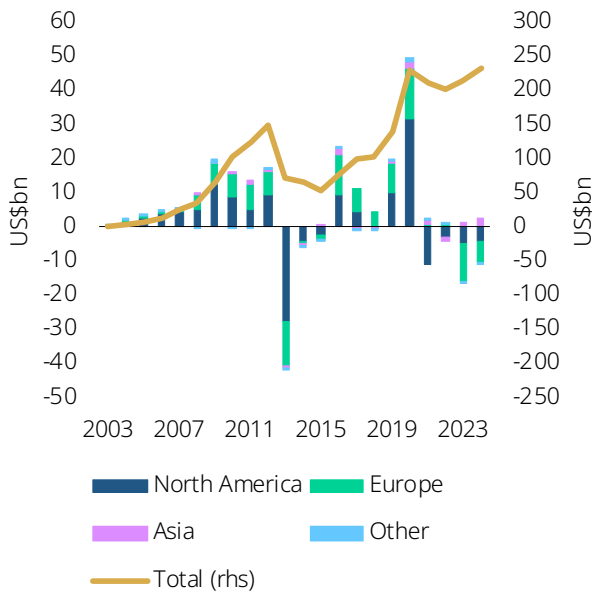
*As of 31 May 2024. Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

Chart 3: Physically backed gold ETFs (and similar) demand by month*



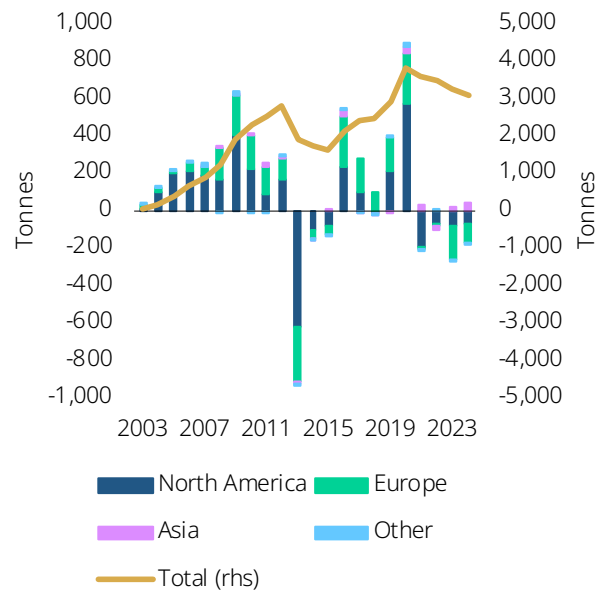
*As of 31 May 2024. Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

Chart 4: Physically backed gold ETFs (and similar) fund flows and AUM by year*



*As of 31 May 2024. Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

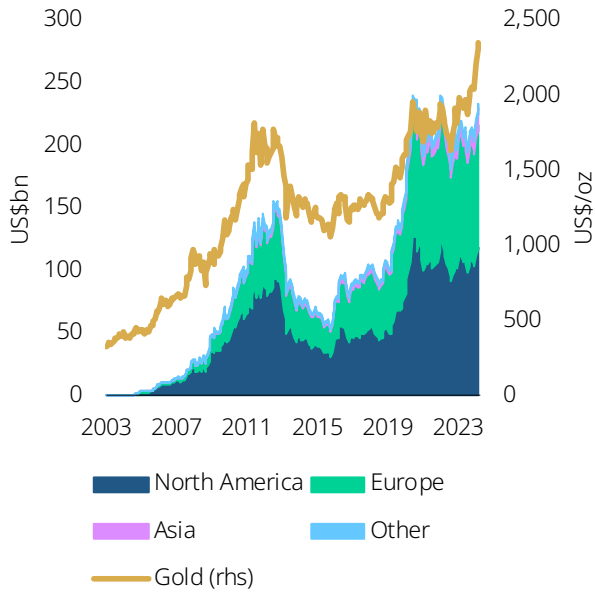
Chart 5: Physically backed gold ETFs (and similar) demand and total holdings by year*



*As of 31 May 2024. Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

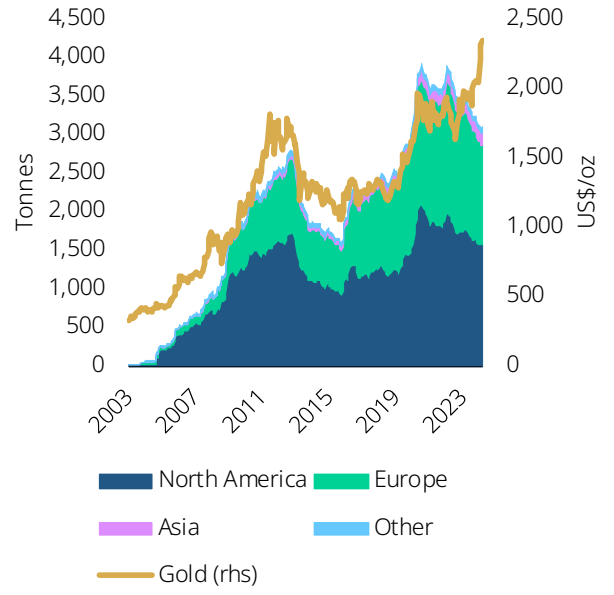


Chart 6: Physically backed gold ETFs (and similar) AUM and the gold price*



*As of 31 May 2024.
Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

Chart 7: Physically backed gold ETFs (and similar) holdings and the gold price*



*As of 31 May 2024.
Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council



World Gold Council

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Research

Jeremy De Pessemier, CFA
Asset Allocation Strategist

Johan Palmberg
Senior Quantitative Analyst

Kavita Chacko
Research Head, India

Krishan Gopaul
Senior Analyst, EMEA

Louise Street
Senior Markets Analyst

Ray Jia
Research Head, China

Taylor Burnette
Research Lead, Americas

Juan Carlos Artigas
Global Head of Research

Market Strategy

John Reade
Senior Market Strategist,
Europe and Asia

Joseph Cavatoni
Senior Market Strategist,
Americas

Further information:

Data sets and methodology visit:
www.gold.org/goldhub

Contact:
research@gold.org



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