

# Gold ETF Commentary

## Western demand strength persists

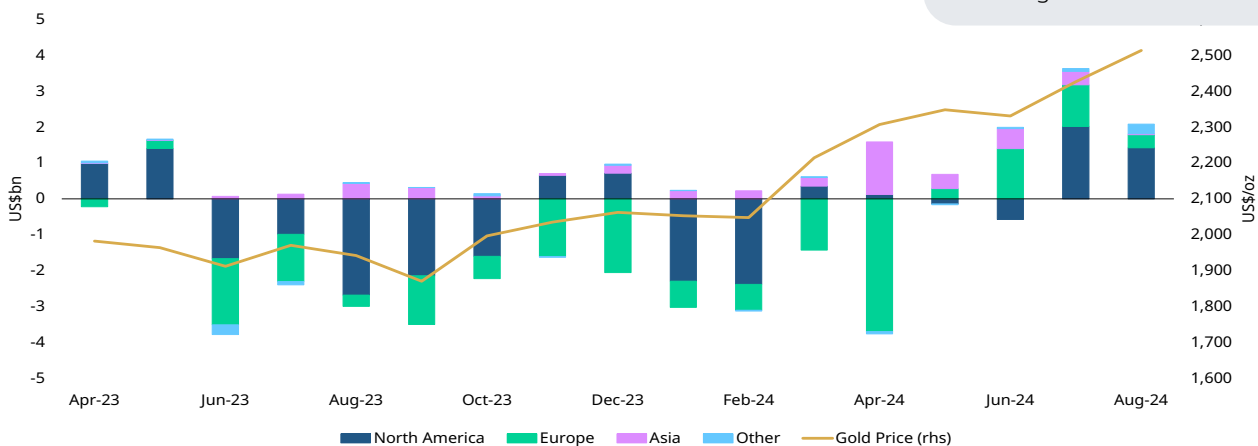
### August in review

**Global physically backed gold ETFs<sup>1</sup> added US\$2.1bn in August, extending their inflow streak to four months (Table 1, p2).**<sup>2</sup> All regions reported positive flows: Western funds once again contributed the lion's share. The 3.6% rise in the gold price, paired with further inflows, lifted global assets under management (AUM) by 4.5% to another month-end peak of US\$257bn.<sup>3</sup> Collective holdings continued to rebound, increasing by 29t to reach 3,182t by the end of the month.

**Thanks to non-stop inflows between May and August, global gold ETFs' y-t-d losses further narrowed to US\$1bn.** The decline in holdings so far in 2024 has also been trimmed down to 44t. Meanwhile, the total AUM jumped by 20% during the first eight months of 2024. Y-t-d, Asia has attracted the largest inflows (+US\$3.5bn) while Europe (-US\$3.4bn) and North America (-US\$1.5bn) lead outflows.

**Chart 1: Global gold ETFs experience four months of inflows**

Regional gold ETF flows and the gold price\*



\*As of 31 August 2024.

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

### Highlights

Global gold ETFs saw inflows four months in a row: all regions recorded positive flows with Western funds leading the way

Strength in the gold price and recent inflows have increased global AUM by 20% y-t-d, to another month-end peak of US\$257bn

Global gold trading remained active: over-the-counter (OTC) and gold ETF volumes rose while exchange-traded activities cooled.

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.
3. Based on the LBMA Gold Price PM.



## Regional overview

**North America saw inflows two months in a row, adding US\$1.4bn in August.** Easing inflation readings, a cooling labour market, and dovish messages in both the Fed's meeting minutes and Powell's speech at the Jackson Hole symposium all cemented the deal for a cut from the Fed in September.<sup>4</sup> As a result, the US 10-year Treasury yield and the dollar both experienced sharp declines in August. Lowering opportunity costs, among other factors, have led gold to another record high and fuelled gold ETF inflows. Meanwhile, the strong gold price performance led to exercises of in-the-money call options of major gold ETFs, creating sizable inflows at the expiry date.<sup>5</sup> Additionally, rapidly escalating geopolitical tensions in the Middle East and the Russia-Ukraine conflict during the month, we believe, were another key contributor.

**European funds attracted US\$362mn in August, their fourth consecutive monthly inflow, albeit at a slower pace than previous months.** Funds listed in Switzerland and the UK led inflows. Earlier in the month, fear stemming from headlines around the unwind of the popular "yen carry trade" resulted in a spike of volatility in global equity markets. This likely boosted safe-haven demand as gold ETFs concurrently saw increased inflows in the region. And prospects of further interest rate cuts from local central banks may have provided support – albeit they are expected to adopt a steadier and slower pace than the US Fed.<sup>6</sup>

Inflows related to FX hedging products were notable, especially in Switzerland, amid the strengthening local currencies against the dollar. And intensifying geopolitical risks were another key contributor to the region's inflows.

**Asian funds extended their inflow streak to 18 months.** Nonetheless, the US\$32mn addition is the smallest since May 2023. India once again led inflows in the region, marking the strongest month since April 2019, mainly driven by continued positive momentum from [the budget announcement](#) in July and the local gold price strength.<sup>7</sup> Japan also saw notable inflows – for the six consecutive month – which might be related to amplified equity market volatility and lower Japanese government bond yields in August. In contrast, China led outflows, ending its eight-month inflow streak.

**Funds in other regions recorded their third consecutive monthly inflow in August, totalling US\$264mn, the largest ever.** South Africa registered its strongest monthly inflow on record, likely boosted by plunging yields amid cooler-than-expected inflation, which has fuelled expectations for a domestic rate cut next month. Meanwhile, Australia has now recorded three consecutive months of inflows.

Table 1: August regional flows\*

	Total AUM (bn)	Fund flows (US\$m)	Holdings (tonnes)	Demand (tonnes)	Demand (% of holdings)
North America	129.9	1,423.9	1,607.7	17.2	1.08%
Europe	107.2	362.4	1,327.2	7.9	0.60%
Asia	15.1	31.6	184.2	0.3	0.15%
Other	5.1	263.9	62.7	3.2	5.37%
<b>Total</b>	<b>257.3</b>	<b>2,081.7</b>	<b>3,181.7</b>	<b>28.5</b>	<b>0.90%</b>
<b>Global inflows / Positive demand</b>		<b>7,022.2</b>		<b>53.8</b>	<b>2.85%</b>
<b>Global outflows / Negative demand</b>		<b>-4,940.5</b>		<b>-25.2</b>	<b>-2.01%</b>

\*As of 31 August 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

4. See: [Fed Minutes Showed Officials Discussed July Rate Cut, Ready to Cut in September \(msn.com\)](#); and [Jackson Hole highlights: Powell's cutting rates, Bailey's lifting weights \(msn.com\)](#)  
 5. Options expiry: While many ETFs have weekly or end-of-month option expirations, we refer to regular monthly expiration of ETF options that occur on the third Friday of each month, which generally have the most significant open interest. When gold prices rally into a major options expiration, it often elicits additional call options to be exercised, creating primary activity in the ETFs.

6. See: [UK inflation, July 2024 \(cnbc.com\)](#); and [ECB minutes highlight openness to September interest rate cut \(ft.com\)](#).

7. Please note that we have made a revision to Indian gold ETF data, for the updated version see: [Gold ETF: Stock, Holdings and Flows | World Gold Council](#). Also note that flows data only date back to April 2019 due to data availability of [Association of Mutual Funds in India](#).



## Trading volumes remain elevated

**Global gold trading volumes slightly fell, reaching US\$241bn/day in August, 3.2% lower m/m.** Average trading volumes over-the-counter (OTC) rose further by 5.9% m/m to US\$158bn/day. In tonnage terms, OTC volumes saw a 2% m/m increase. Exchange-traded activities cooled to US\$80bn (-18% m/m), mainly due to a 28% m/m decline in COMEX volumes. In contrast, gold trading at the Shanghai Futures Exchange rose by 11% m/m. Global gold ETF trading volumes increased by 17% m/m – mainly contributed by North American funds (+20% m/m).

COMEX **total net longs** continued to rise, arriving at 917t by the end of August, a 17% m/m rise and the highest month-end level since February 2020. Increasing net longs were mainly contributed by money managers – their net positions reached 737t as of August, 25% higher than the end-July level and 71% above the H1 average of 430t. Similar to previous months, gold's eye-catching performance and investors' rising bets on the Fed's future rate cuts were main drivers.

**Table 2: August flows by country\***

Countries list (by AUM)	Total AUM (bn)	Fund flows (US\$m)	Holdings (tonnes)	Demand (tonnes)	Demand (% of holdings)
US	124.5	1,015.5	1,540.7	11.9	0.78%
UK	48.4	306.5	598.6	4.2	0.71%
Switzerland	26.4	119.3	326.3	3.9	1.22%
Germany	26.2	111.4	323.9	2.0	0.63%
China P.R. Mainland	7.3	-291.8	90.2	-3.6	-3.84%
Canada	5.4	408.4	67.0	5.3	8.51%
France	5.0	-199.8	61.3	-2.6	-4.07%
India	4.4	237.5	51.8	2.8	5.77%
Australia	3.3	66.3	41.4	0.9	2.16%
Japan	3.0	80.9	38.0	1.0	2.66%
South Africa	1.5	197.5	18.7	2.3	14.21%
Ireland	0.9	-5.7	11.7	-0.1	-0.62%
Italy	0.4	30.7	4.8	0.4	8.72%
Hong Kong SAR	0.3	2.3	3.9	0.0	0.70%
Turkey	0.2	0.1	2.5	0.0	-0.13%
Liechtenstein	0.0	-0.1	0.6	0.0	-0.67%
Malaysia	0.0	2.7	0.3	0.0	14.00%
Saudi Arabia	0.0	-0.1	0.1	0.0	-0.89%

\*As of 31 August 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: August individual top and bottom flows\*

Top 15 flows	Country	Fund flows (US\$m)	Holdings (tonnes)	Demand (tonnes)	Demand (% of holdings)
SPDR Gold Shares	US	1,351.8	862.5	16.7	1.97%
SPDR Gold MiniShares Trust	US	504.3	107.8	6.3	6.19%
BMO Gold Bullion ETF	CA	389.7	5.0	4.9	3374.78%
iShares Physical Gold ETC	GB	231.8	206.3	2.8	1.40%
NewGold Issuer Ltd	ZA	162.3	17.5	1.9	12.02%
Sprott Physical Gold Trust	US	153.3	100.3	1.9	1.96%
Pictet CH Precious Metals Fund - Physical Gold ‡	CH	149.4	47.9	1.9	4.21%
Nippon India ETF Gold BeES	IN	114.1	17.7	1.4	8.35%
Japan Physical Gold ETF	JP	80.9	38.0	1.0	2.66%
SMO Physical Gold ETC	GB	80.2	5.9	1.0	20.45%
Xtrackers IE Physical Gold ETC	DE	63.6	64.4	0.8	1.24%
iShares Gold Trust Micro	US	62.6	17.4	0.8	4.67%
Kotak Gold ETF	IN	57.6	6.3	0.7	12.23%
abrdn Gold ETF Trust	US	56.1	43.4	0.7	1.66%
Invesco Physical Gold ETC	GB	43.3	213.4	0.5	0.26%
Bottom 15 flows	Country	Fund flows (US\$m)	Holdings (tonnes)	Demand (tonnes)	Demand (% of holdings)
iShares Gold Trust	US	-1,151.8	366.7	-14.9	-3.92%
Huaan Yifu Gold ETF	CN	-234.0	41.0	-2.9	-6.57%
Amundi Physical Gold ETC	FR	-199.8	61.3	-2.6	-4.07%
WisdomTree Physical Gold	GB	-54.6	62.0	-0.7	-1.12%
E Fund Gold Tradable Open-end Securities Investment Fund	CN	-50.1	15.8	-0.6	-3.76%
Xtrackers Physical Gold ETC	DE	-46.3	4.8	-0.6	-10.87%
CSIF CH II Gold Blue DB USD ‡	CH	-42.4	20.1	-0.2	-0.94%
Gold Bullion Securities Ltd	GB	-35.5	37.3	-0.5	-1.22%
ICICI Prudential Gold iWIN ETF	IN	-31.8	6.6	-0.4	-5.46%
Bosera Gold Exchange Trade Open-End Fund ETF	CN	-27.5	20.9	-0.3	-1.65%
abrdn Precious Metals Basket ETF Trust	US	-13.0	8.1	-0.2	-2.13%
Graniteshares Gold Trust	US	-12.1	10.4	-0.2	-1.47%
Fullgoal Shanghai Gold ETF	CN	-11.4	0.8	-0.1	-15.75%
ChinaAMC Gold ETF	CN	-9.7	0.8	-0.1	-13.85%
UBS ETF Gold	CH	-7.2	33.5	-0.1	-0.27%

\*As of 31 August 2024.

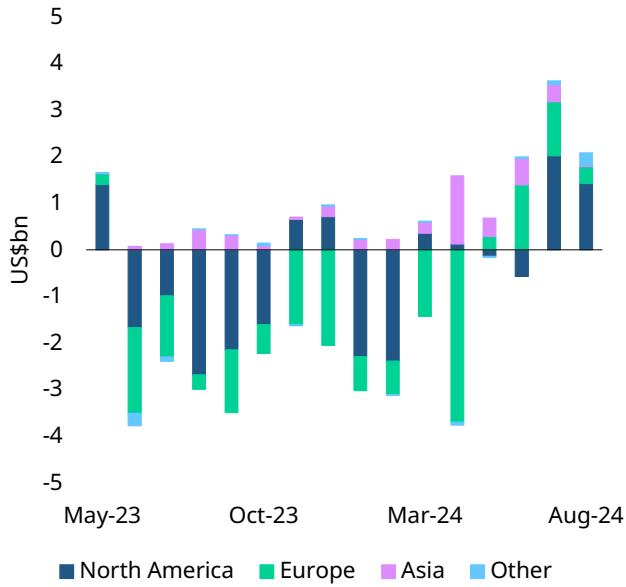
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Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council



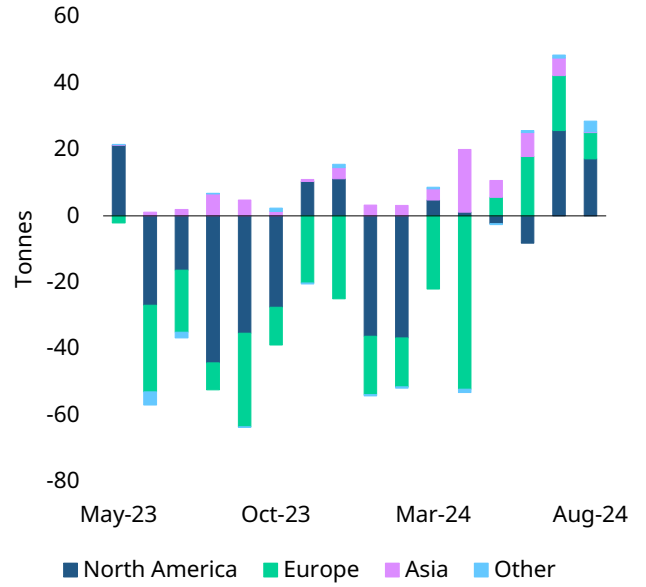
# Relevant charts

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



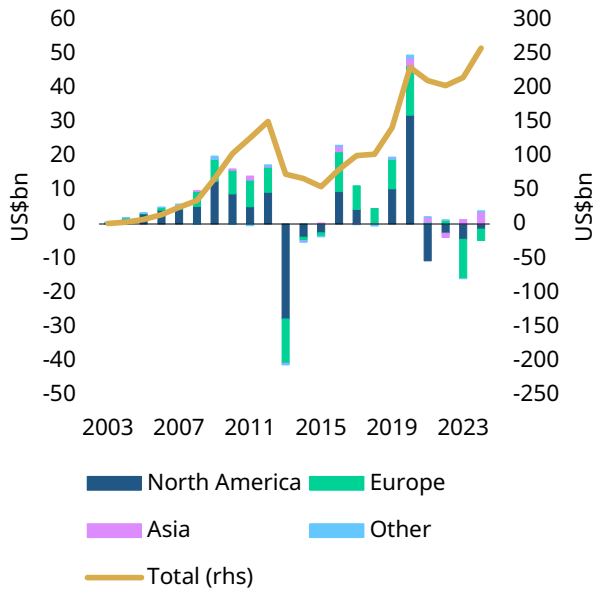
\*As of 31 August 2024. Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

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



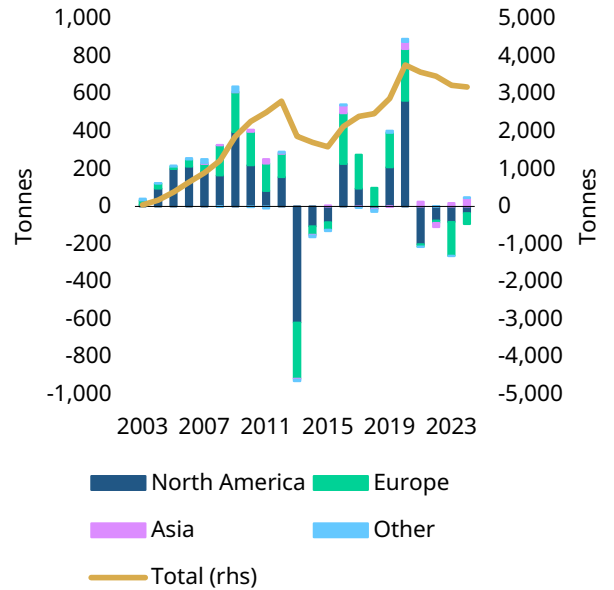
\*As of 31 August 2024. Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

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



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

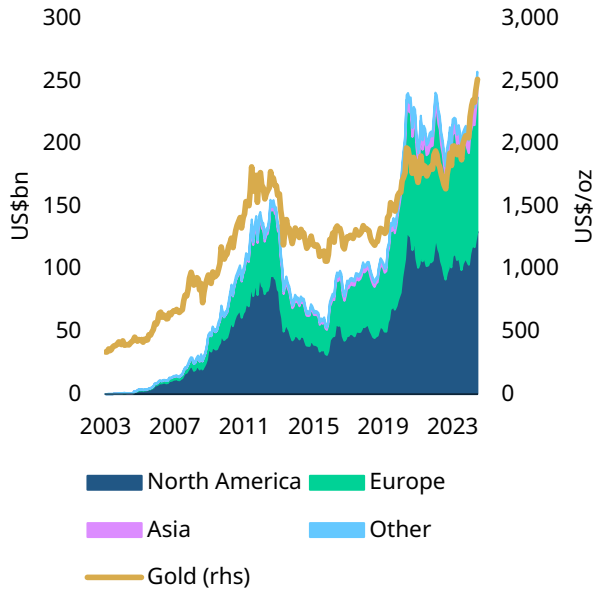
Chart 5: Physically backed gold ETFs (and similar) demand and total holdings by year\*



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

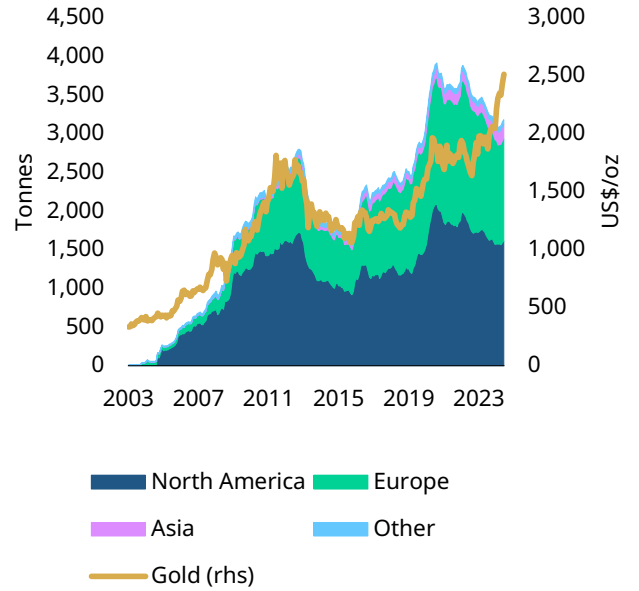


Chart 6: Physically backed gold ETFs (and similar) AUM and the gold price\*



\*As of 31 August 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 August 2024.  
Source: Bloomberg, Company Filings, ICE Benchmark Administration, 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.

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