

# Gold Demand Trends

## Full Year and Q4 2023

### High gold price reflects strong demand

Another year of blistering central bank buying, together with resilient jewellery consumption, offset sizable ETF outflows.

Annual gold demand (excluding OTC) of 4,448t was 5% below a very strong 2022. Inclusive of significant OTC and stock flows (398t), total gold demand in 2023 was the highest on record at 4,899t.

Central bank buying maintained a breakneck pace. Annual net purchases of 1,037t almost matched the 2022 record, falling just 45t short.

Global gold ETFs saw a third consecutive annual outflow, losing 244t. The pace of outflows slowed markedly into year-end, but October's hefty outflows dominated the Q4 picture.

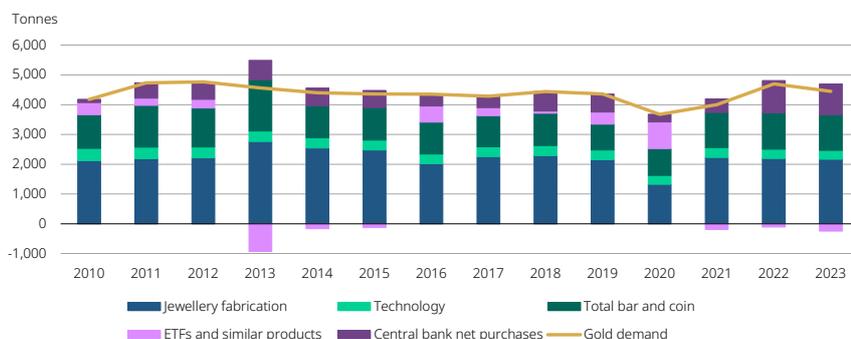
Annual bar and coin investment saw a mild contraction (-3% y/y) as divergent trends in key Western and Eastern markets offset one another.

Annual jewellery consumption held steady at 2,093t, even in the very high gold price environment. China's recovery supported the robust global total.

Despite a Q4 recovery in electronics, the annual volume of gold used in technology fell below 300t for the first time in our data series.

#### Chart 1: Gold demand (ex-OTC) dipped 5% from a strong 2022\*

Annual gold demand by sector, tonnes



\* Data as of 31 December 2023

Source: Metals Focus, Refinitiv GFMS, World Gold Council

### Highlights

The LBMA (PM) gold price ended 2023 at US\$2,078.4/oz – a record high year-end close – generating an annual return of 15%. The average 2023 gold price of US\$1,940.54 /oz – also a record – was 8% higher than 2022.

**Q4 gold demand of 1,150t (excluding OTC and stock flows) was 8% above the five-year average.** But this is 12% weaker y/y when compared with the record quarter of 1,303t in Q4'22. Positive y/y comparisons in Technology and ETFs were outweighed by the y/y decline in central bank buying.

**OTC investment was reflected in gold price strength during 2023.** This source of gold demand, while opaque, was clearly evident again in Q4 as the gold price rallied despite continued ETF outflows.

**Annual mine production increased 1% y/y to 3,644t, but fell short of the 2018 record.** Full year recycling responded to high gold prices, rising to 1,237t (+9% y/y). Total gold supply was 3% higher y/y as a result.

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## Gold supply and demand

	2022	2023		Annual y/y % change	Q4'22	Q4'23	Quarterly y/y % change
<b>Supply</b>							
Mine production	3,624.8	3,644.4 ▲	1		946.7	930.8 ▼	-2
Net producer hedging	-13.1	17.0 ▲	-		-13.6	-22.3 ▲	-
Recycled gold	1,140.1	1,237.3 ▲	9		290.7	312.9 ▲	8
<b>Total supply</b>	<b>4,751.9</b>	<b>4,898.8 ▲</b>	<b>3</b>		<b>1,223.8</b>	<b>1,221.4 ▼</b>	<b>0</b>
<b>Demand</b>							
Jewellery fabrication	2,195.4	2,168.0 ▼	-1		601.9	581.5 ▼	-3
Jewellery consumption	2,088.9	2,092.6 ▲	0		627.9	621.6 ▼	-1
Jewellery inventory	106.5	75.4 ▼	-29		-26.1	-40.0 ▲	-
Technology	308.7	297.8 ▼	-4		72.1	80.6 ▲	12
Electronics	252.0	241.3 ▼	-4		57.9	65.9 ▲	14
Other industrial	46.5	47.1 ▲	1		11.7	12.3 ▲	5
Dentistry	10.3	9.5 ▼	-8		2.4	2.4 ▼	-3
Investment	1,113.0	945.1 ▼	-15		247.4	258.3 ▲	4
<b>Total bar and coin</b>	<b>1,222.6</b>	<b>1,189.5 ▼</b>	<b>-3</b>		<b>336.6</b>	<b>313.8 ▼</b>	<b>-7</b>
Bars	802.7	775.9 ▼	-3		222.2	221.1 ▼	0
Official coins	320.9	297.1 ▼	-7		85.5	60.3 ▼	-30
Medals/Imitation coins	98.9	116.5 ▲	18		28.9	32.4 ▲	12
ETFs & similar products	-109.5	-244.4 ▼	-		-89.2	-55.6 ▲	-
Central banks & other inst.	1,081.9	1,037.4 ▼	-4		382.1	229.4 ▼	-40
<b>Gold demand</b>	<b>4,699.0</b>	<b>4,448.4 ▼</b>	<b>-5</b>		<b>1,303.4</b>	<b>1,149.8 ▼</b>	<b>-12</b>
OTC and other	52.8	450.4 ▲	753		-79.7	71.5 ▲	-
<b>Total demand</b>	<b>4,751.9</b>	<b>4,898.8 ▲</b>	<b>3</b>		<b>1,223.8</b>	<b>1,221.4 ▼</b>	<b>0</b>
LBMA Gold Price (US\$/oz)	1,800.09	1,940.54 ▲	8		1,725.9	1,971.5 ▲	14

Source: ICE Benchmark Administration, Metals Focus, World Gold Council