

Gold Demand Trends

Q1 2018

Out now!

Jewellery Demand Trends Q1 2018

2018/5/3

Source: World Gold Council

Gold Demand Trends

- Global jewellery demand was roughly flat at 487.7t. Q1 demand down 7%
- China was buoyed by holiday spending and the supportive economic backdrop improved US demand. By contrast, Indian consumers were discouraged by rising local gold prices.

Tonnes	Q1'17	Q1'18		YoY
Jewellery	491.6	487.7	▼	-1%
India	99.2	87.7	▼	-12%
China	175.6	187.8	▲	7%

Global Q1 Jewellery Demand

Global gold jewellery demand was stable at 487.7t in Q1, just 3.9t below Q1 2017. A combination of relatively stable gold prices and a broadly supportive economic environment sustained demand. However, the sector remains weak when compared with longer-term historical average levels: five- and ten-year quarterly average demand was 592.1t and 556.3t respectively.

After the strongest Q4 on record Indian jewellery demand saw a sharp downturn in Q1, falling 12% y-o-y to 87.7t. This was the third weakest quarter in India's jewellery market for ten years as a depreciating rupee magnified the rise in the international US\$ gold price.

Jewellery demand in China grew 7% in Q1 to 187.8t – a three-year high. 18-carat K Gold and 3D hard gold jewellery continued to gain market share. Consumers are increasingly tempted by the innovative, fashionable, non-traditional designs offered in these categories.

The introduction of a 5% VAT rate on gold jewellery in the UAE contributed to a 23% y-o-y decline. Q1 demand sank to 10.5t, the lowest Q1 in our data series. Consumer sentiment was further undermined by rising living costs and fears over job security.

For more details, please visit <https://www.gold.org/research/gold-demand-trends/gold-demand-trends-q1-2018>.