

# Gold ETF commentary

## Outflows slowed in October, but holdings now down y-t-d

November 2022

www.gold.org

### Highlights

- Global gold ETFs saw a net outflow of 59t (US\$3bn) in October, the sixth straight month of declines in holdings
- iShares Gold Trust and SPDR® Gold Shares led global outflows
- In October, y-t-d changes in gold ETF holdings turned negative for the first time in 2022, now 1% lower on the year

Global gold ETFs saw a net outflow of 59t (US\$3bn) in October, the sixth straight month of declines in holdings.<sup>1</sup> But October's outflow was less pronounced than September's (-95t) as the gold price held relatively steady. Headwinds from persistent dollar strength and rising yields were partially offset by higher inflationary concerns. For more analysis of gold's performance, please see: [Gold Market Commentary](#).

October tipped the y-t-d performance of global gold ETFs into net outflows, now down 52t (US\$785mn). Nonetheless, the 1% fall in tonnage holdings so far is much milder than the 9% drop in the gold price.<sup>2</sup> Gold ETFs saw a strong start to 2022 as intensifying geopolitical risks and rising inflationary concerns drove net inflows of 316t between January and April. However, a strong dollar alongside an increasingly hawkish US Federal Reserve (Fed) resulted in net outflows of 368t from May to October. At the end of the month, total asset under management (AUM) stood at nearly 3,490t (US\$184bn), the lowest since April 2020 in tonnage terms.

### October highlights

All regions experienced tonnage outflows in October, although to varying degrees. Due to their dominant market shares, funds in North America (-40t, US\$2bn) and Europe (-14t, US\$750mn) led global outflows. Top US funds saw

the largest reduction in holdings globally, possibly driven by fears over [another 75bp rate hike from the US Fed](#) in November and a stubbornly high dollar. In the European area, UK listed funds (-13t, US\$711mn) led outflows as political and economic turmoil clouded market sentiment. Another [75bp rate hike from the ECB](#) may have played a key role in driving outflows from Germany funds (-3t, US\$144mn).

Asian outflows during October were entirely contributed by Chinese funds (-6t, -US\$308mn). It was likely a result of Chinese investors' profit-taking activities as the RMB gold price capped another monthly gain. Meanwhile, funds in other regions saw a minor outflow of 0.02t (US\$0.5mn).<sup>3</sup>

### Gold market sentiment remains cloudy

Daily trading volumes ground lower in October, averaging US\$114bn in the month, 12% lower than September. M-o-m falls were seen across the board with exchange-traded derivatives registering the largest decline (16%). According to Commitment of Traders (COT) reports, net managed money positioning has been swinging between net longs and net shorts during October as investors weighed intensifying inflation expectations against the Fed's hawkish path. Towards the end of October, net managed money position totalled -103t, a slim rebound from September's -128t.<sup>4</sup>

<sup>1</sup> We calculate gold-backed ETF flows both in ounces/tonnes of gold and in US dollars because these two metrics are relevant in understanding funds' performance. The change in tonnes gives a direct measure of how holdings evolve, while the dollar value of flows is a finance-industry standard that gives a perspective on how much investment reaches the funds. We have made a few adjustments and improvements to our calculation methodology as of 1 August 2021 that will impact historical and future data. Specifically, we revised the methodology used to estimate changes in gold holdings as described below: Previously, changes in tonnes were calculated by converting a fund's AUM (in USD) into gold holdings (in tonnes) and computing the difference over periods. However, currency movements and large daily and weekly gold price movements could distort the difference between tonnage change and US-dollar fund flows during brief time

horizons. We therefore adjusted tonnage change as a function of fund flows versus AUM and replaced the tonnage change field with fund flows (tonnes).

<sup>2</sup> Percentage changes in tonnage holdings based on the y-t-d net outflows in 2022 and holdings at 31 December 2021. Gold price changes based on the LBMA Gold Price PM between 31 December 2021 and 31 October 2022.

<sup>3</sup> 'Other' regions include Australia, South Africa, Turkey, Saudi Arabia, and the United Arab Emirates.

<sup>4</sup> Comparison made between positioning data on 27 September 2022 and 25 October 2022.

## Regional flows<sup>5</sup>

All regions saw outflows

- North American funds saw outflows of 40t (US\$2bn, 2%)
- European holdings declined by 14t (US\$750mn, 1%)
- Asian funds lost 5t (US\$256mn, 4%)
- Other regions were virtually unchanged with a 0.02t (US\$0.5mn, 0.01%) outflow

**Table 1: October regional flows\***

	Total AUM (bn)	Flows (tonnes)	Flows (US\$m)	Flows (% AUM)
North America	91.7	-40.2	-2,109.8	-2.2%
Europe	82.7	-14.0	-750.2	-0.9%
Asia	6.7	-4.8	-255.8	-3.6%
Other	3.2	-0.0	-0.5	-0.0%
Total	184.2	-59.1	-3,116.3	-1.6%
Global inflows		9.3	1,847.0	1.0%
Global outflows		-68.3	-4,963.3	-2.6%

\*As of 31 October 2022. 'Global inflows' refers to the sum of changes of all funds that saw a net increase in ounces held over a given period (e.g., month, quarter, etc.). Conversely, 'global outflows' aggregates changes from funds that saw ounces held decline over the same period. Please note that the estimates for US dollar flows and the equivalency for changes in tonnes may diverge due to differences in the methodology used to compute each metric. For more information, see ETF Flows Data Methodology.

Source: Bloomberg, World Gold Council

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

Country	Total AUM (US\$m)	Holdings tonnes	October Flows (US\$m)	2022 Flows
US	88.0	-38.9	-2,040.1	-2.22%
UK	38.4	-13.2	-711.2	-1.79%
Germany	21.7	-2.7	-143.8	-0.65%
Switzerland	17.7	0.1	7.8	0.04%
France	4.0	0.3	18.8	0.47%
Canada	3.7	-1.3	-69.7	-1.83%
China P.R. Mainland	2.8	-5.6	-307.7	-9.68%
India	2.4	0.7	41.3	1.74%
Australia	2.3	0.1	6.8	0.30%
Japan	1.3	0.2	10.5	0.83%
South Africa	0.9	-0.2	-12.1	-1.32%
Ireland	0.6	1.0	55.6	9.18%
Italy	0.3	0.4	22.0	7.28%
Hong Kong SAR	0.2	0.0	0.0	0.00%
Turkey	0.1	0.1	4.8	9.09%
Liechtenstein	0.0	0.0	0.5	1.48%
Saudi Arabia	0.0	0.0	0.0	0.00%
Malaysia	0.0	0.0	0.0	0.00%

\*As of 31 October 2022. 'Global inflows' refers to the sum of changes of all funds that saw a net increase in ounces held over a given period (eg, month, quarter, etc.). Conversely, 'global outflows' aggregates changes from funds that saw ounces held decline over the same period. Please note that the estimates for US dollar flows and the equivalency for changes in tonnes may diverge due to differences in the methodology used to compute each metric. For more information, see ETF Flows Data Methodology. Please note that the estimates for US dollar flows and the equivalency for changes in tonnes may diverge due to differences in the methodology used to compute each metric. For more information, see ETF Flows Data Methodology.

Source: Bloomberg, World Gold Council

5 We calculate gold-backed ETF flows both in ounces/tonnes of gold and in US dollars because these two metrics are relevant in understanding funds' performance. The change in tonnes gives a direct measure of how holdings evolve, while the dollar value of flows is a finance-industry standard that gives a perspective on how much investment reaches the funds. We have made a few adjustments and improvements to our calculation methodology as of 1 July 2021 that will impact historical and future data. Specifically, we revised the methodology used to estimate changes in gold holdings as described below:

- Previously, changes in tonnes were calculated by converting a fund's AUM (in USD) into gold holdings (in tonnes) and computing the difference over periods. However, currency movements and large daily and weekly gold price movements could distort the difference between tonnage change and US-dollar fund flows during short time horizons. We therefore adjusted

tonnage change as a function of fund flows versus AUM and replaced the tonnage change field with fund flows (tonnes).

- Now, for most funds, we estimate US-dollar fund flows, as described in section 2.3.2 below, and then convert those flows to fund flows (tonnes).
- Fund flows (tonnes) and US-dollar fund flows will now represent a more aligned explanation of investment demand for gold ETFs, while the true holdings of a fund, in US dollars and tonnage, will remain a close estimate, impacted by the currency and price volatility described above.
- Based on our initial analysis, the changes are not likely to have a material long-term effect on historical information, particularly on a global or regional aggregate basis, but will adjust short-term fluctuations that can sometimes occur due to input data and timing variations.

## Individual flows (Oct)

iShares Gold Trust and SPDR® Gold Trust in the US as well as Invesco Physical Gold ETC and iShares Physical Gold ETC in the UK drove global outflows during October

- In North America, iShares Gold Trust led outflows, with holdings declining by 21t (US\$1bn, 4%), followed by SPDR® Gold Trust which lost 19t (US\$988mn, 2%)
- In Europe, UK funds saw the largest outflows as Invesco Physical Gold ETC lost 4t (US\$235mn, 2%) and iShares Physical Gold ETC saw its AUM declining by 3t (US\$183mn, 1%); meanwhile, ZKB Gold ETF in Switzerland capped the region's largest inflow of 1t (US\$81mn, 1%)
- In Asia, outflows were entirely contributed by Chinese ETFs: Huan Yifu registered a 14% (4t, US\$198mn) AUM drop while E Fund lost 1t (US\$63mn, 11%)

**Table 3: October individual top and bottom flows\***

Top 10 flows	Country	Flows (tonnes)	Flows (US\$m)	Flows (% AUM)
SPDR Gold MiniShares Trust	US	2.8	147.8	3.19%
ZKB Gold ETF ‡	CH	1.5	80.5	0.96%
Royal Mint Responsibly Sourced Physical Gold ETC	IE	1.0	55.6	9.18%
BetaShares Gold Bullion ETF Currency Hedged	AU	0.7	38.3	19.92%
WisdomTree Core Physical Gold	GB	0.4	22.7	4.49%
WisdomTree Physical Gold EUR Daily Hedged	IT	0.4	22.0	7.28%
ICICI Prudential Gold iWIN ETF	IN	0.4	21.8	5.71%
Amundi Physical Gold ETC	FR	0.3	18.8	0.47%
Pictet CH Precious Metals Fund - Physical Gold ‡	CH	0.3	15.3	0.67%
Nippon India ETF Gold BeES	IN	0.2	11.8	1.50%

Bottom 10 Flows	Country	Flows (tonnes)	Flows (US\$m)	Flows (% AUM)
iShares Gold Trust	US	-20.6	-1,095.6	-4.26%
SPDR Gold Shares	US	-19.1	-987.9	-1.96%
Invesco Physical Gold ETC	GB	-4.3	-235.1	-1.70%
Huan Yifu Gold ETF	CN	-3.6	-198.3	-14.43%
iShares Physical Gold ETC	GB	-3.5	-183.0	-1.37%
WisdomTree Physical Gold	GB	-2.9	-154.8	-3.30%
WisdomTree Physical Swiss Gold	GB	-1.9	-103.8	-3.86%
Xetra-Gold	DE	-1.3	-70.5	-0.55%
E Fund Gold Tradable Open-end Securities Investment Fund	CN	-1.2	-63.4	-11.30%
VanEck Merk Gold Shares	US	-1.0	-54.4	-9.14%

## Long-term trends

- In October, y-t-d changes in gold ETF holdings turned negative for the first time in 2022, now 1% lower on the year in tonnage terms
- Flows from larger, liquid funds continued to move with the price of gold, while low-cost funds remained positive
- European funds led global y-t-d inflows

**Table 4: Y-t-d regional flows\***

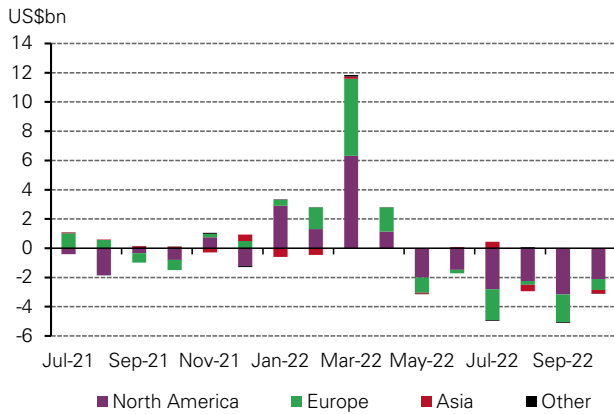
	Total AUM (bn)	Flows (tonnes)	Flows (US\$m)	Flows (% AUM)
North America	91.7	-60.8	-2,178.3	-2.07%
Europe	82.7	26.9	2,462.8	2.68%
Asia	6.7	-20.1	-1,174.9	-13.96%
Other	3.2	1.6	105.5	2.99%
Total	184.2	-52.4	-784.9	-0.38%
Global inflows		131.7	43,928.4	20.99%
Global outflows		-184.1	-44,713.3	-21.37%

\*As of 31 October 2022. 'Global inflows' refers to the sum of changes of all funds that saw a net increase in ounces held over a given period (e.g., month, quarter, etc.). Conversely, 'global outflows' aggregates changes from funds that saw ounces held decline over the same period. Please note that the estimates for US dollar flows and the equivalency for changes in tonnes may diverge due to differences in the methodology used to compute each metric. For more information, see ETF Flows Data Methodology.

Source: Bloomberg, World Gold Council

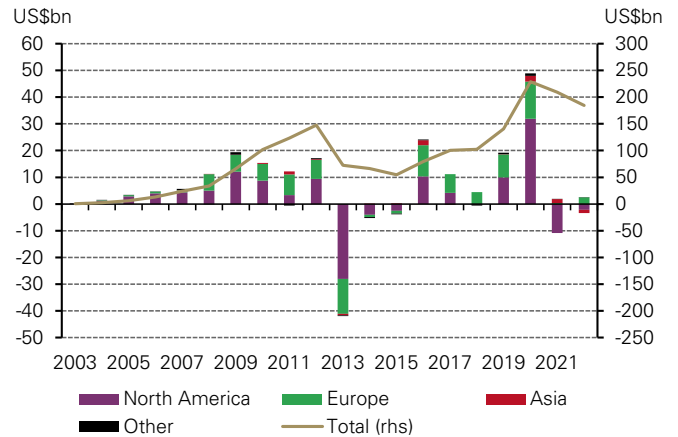
# Relevant Charts

**Chart 1: Gold-backed ETFs (and similar) flows by month\***



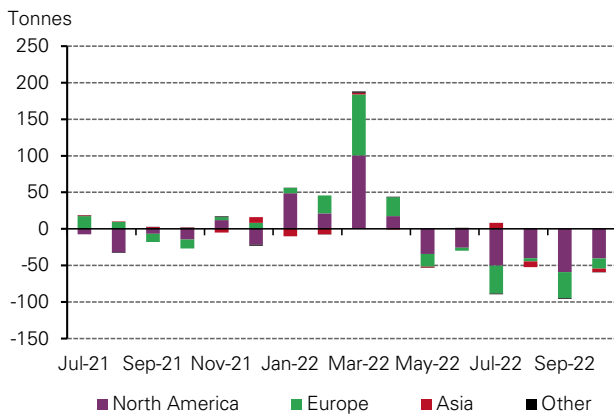
\*As of 31 October 2022.  
Source: Bloomberg, World Gold Council

**Chart 2: Gold-backed ETFs (and similar) change in holdings by year\***



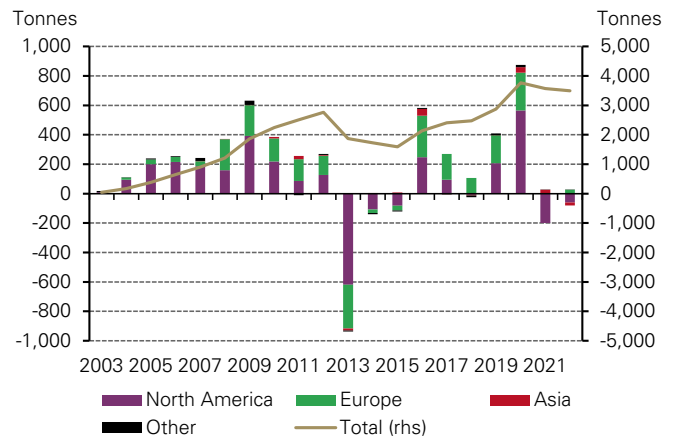
\*As of 31 October 2022.  
Source: Bloomberg, World Gold Council

**Chart 3: Gold-backed ETFs (and similar) change in holdings by month\***



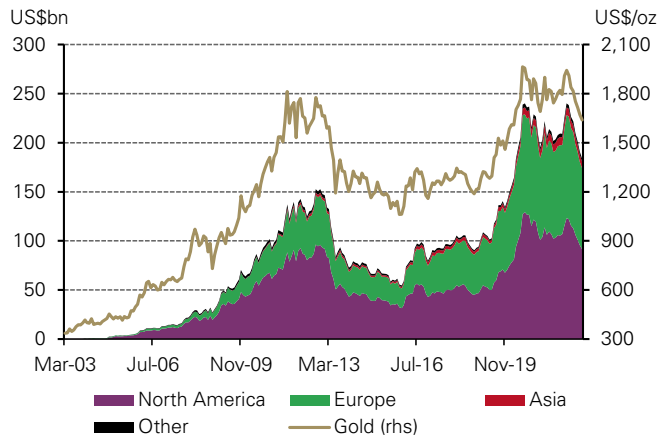
\*As of 31 October 2022.  
Source: Bloomberg, World Gold Council

**Chart 4: Gold-backed ETFs (and similar) change in holdings by year\***



\*As of 31 October 2022.  
Source: Bloomberg, World Gold Council

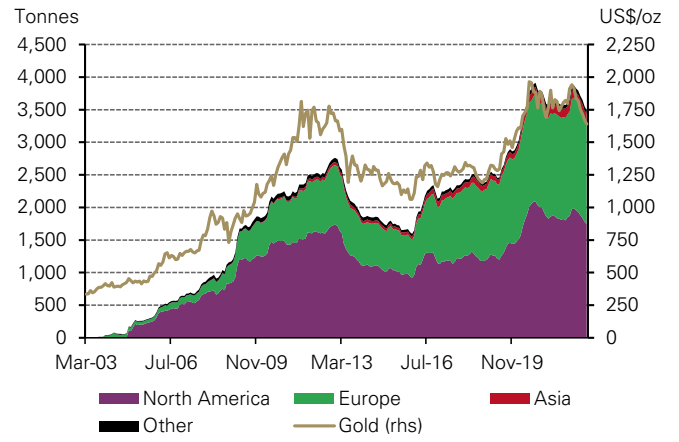
**Chart 5: Gold-backed ETFs (and similar) holdings\***



\*As of 31 October 2022.

Source: Bloomberg, World Gold Council

**Chart 6: Gold-backed ETFs (and similar) holdings\***



\*As of 31 October 2022.

Source: Bloomberg, World Gold Council

## Notes

Gold-backed ETFs and similar products account for a significant part of the gold market, with institutional and individual investors using them to implement many of their investment strategies. The data on this page tracks gold held in physical form by open-ended ETFs and other products such as closed-end funds, and mutual funds. Most funds included in this list are fully backed by physical gold. While a few funds allow exposure to gold through other holdings such as cash or derivatives, we only monitor those investing at least 90% through physical gold and appropriately adjust their reported assets to estimate physical holdings only. Similarly, the data only estimates the corresponding gold holdings of ETFs that include other precious metals. For funds that include physical holdings of multiple precious metals, the total AUM depicted for such funds is lower than their actual total AUM.

### Definitions

Flows represent net creations or redemptions of shares of open-ended ETFs, or changes to the physical gold holdings that back shares of closed-end funds or similar products over a given period. ETF flows in tonnes measure demand for gold during a given period and generate the quarterly demand estimates reported in Gold Demand Trends. ETF flows in US dollars estimate the monetary value of gold demand for a given period, considering daily fluctuations in the price of gold. Holdings correspond to the total assets under management (AUM) of gold-backed ETFs and similar products (other than funds holding more than one precious metal), measured in either tonnes or US dollars. Where tonnage holdings are not directly reported, we calculate these by dividing the US dollar value of AUM by the LBMA Gold Price (or for China and India, using a local index for price) per tonne – where one tonne is equivalent to 32,150.7466 Troy ounces.

Note: We calculate gold-backed ETF flows both in ounces/tonnes of gold and in US dollars because these two metrics are relevant in understanding funds' performance. The change in tonnes gives a direct measure of how holdings evolve, while the dollar value of flows is a finance industry standard that gives a perspective of how much investment reaches the funds. There are some months where the reported flows measured in tonnes of gold and their dollar-value equivalent seem inconsistent across regions. Both figures are correct. The disparity is due to the interaction between the performance of the gold price intra-month, the direction and movement of the US dollar and the timing of the flows. For example, hypothetically, if European funds were to experience outflows early in the month when the price of gold was low but gained assets later in the month when the price of gold increased, and/or if the euro/dollar currency rate moved meaningfully when there were flows, there might be a discrepancy between tonnage change and flows.

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We're the global experts on gold.

Leveraging our broad knowledge and experience, we work to improve understanding of the gold market and underscore gold's value to individuals, investors, and the world at large.

Collaboration is the cornerstone of our approach. We're an association whose members are the world's most forward-thinking gold mining companies. Combining the insights of our members and other industry partners, we seek to unlock gold's evolving role as a catalyst for advancements that meet societal needs.

We develop standards, expand access to gold, and tackle barriers to adoption to stimulate demand and support a vibrant and sustainable future for the gold market. From our offices in Beijing, London, Mumbai, New York, Shanghai, and Singapore, we deliver positive impact worldwide.

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