

ETF inflows have steadied after sharp slowdown



European-listed funds absorbed 83% of total H1 inflows; US investors instead focused on the improving domestic economy.

Continued growth in technology driven by wireless applications



Ongoing demand for smartphones, games consoles and vehicles has fuelled seven quarters of growth in the technology sector.

Central banks bought 89.4t of gold in Q2, down 7% y-o-y



After a strong Q1, total H1 net purchases of 193.3t were the highest since 2015.

cent below the same period in 2017, according to the World Gold Council's latest Gold Demand Trends report. Slower inflows into gold-backed exchange-traded funds (ETFs) created a weak comparison against the highs of last year, contributing to the lowest H1 demand since 2009. Whilst China, the world's largest gold market, saw a 7 per cent rise in consumer demand.

ETF inflows continued, albeit at a much slower pace compared with the high levels seen in 2016 and 2017. Inflows were down 46 per cent Y-O-Y. However, European-listed funds saw decent inflows we believe due to uncertainty stemming from Italian elections and monetary policy outlook. In contrast, holdings of North American-listed funds fell by 30.6t as investors focused on domestic economic strength.

Q2 2018 saw the seventh consecutive quarter of Y-O-Y growth in the technology sector, with demand up 2 per cent to 83t. Gold used in electronics continued to thrive, due to enduring demand for Smartphone, games consoles and vehicles. H1 demand reached a three-year high of 165t.

Global bar and coin investment was virtually unchanged at 248t. Stronger demand in China and Iran – fuelled by increasing geopolitical tensions with the U.S. – were offset by falls in Turkey, India and Europe, where local prices remained elevated.

Central banks added 89t of gold to global official reserves in Q2 2018, down

7 per cent compared with Q2 2017. Cumulative H1 2018 purchases of 193t were the highest since 2015. Alongside the familiar cast list of Russia, Turkey and Kazakhstan, the Reserve Bank of India returned to the market, albeit with only a very small purchase (+2.5t).

Alistair Hewitt, Head of Market Intelligence at the World Gold Council, commented:

“It's interesting how investors around the world have reacted to some of the risks staking financial markets. Weaker economic prospects and tumbling currencies off the back of heightened tensions with the U.S. boosted Chinese and Iranian gold demand, while the U.S. investors shrugged off any geopolitical concerns. Demand from tech companies continued to grow, with H1 demand reaching a three-year high, while economic growth boosted jewellery demand in the US with Q2 demand hitting a ten-year high.”

The total supply of gold increased by 3 per cent in Q2 2018 to 1,120t, supported by increased mine production and recycling growth. Mine production in Q2 saw a rise of 3 per cent to 836t, the highest Q2 on record, as projects in Russia, Indonesia and Canada continued to ramp-up. Gold recycling also grew, as currency weakness in India, Turkey and Iran boosted local gold prices and encouraged consumers to lock in profits from their holdings. ■



Kumar Rajagopalan, Richa Singh, A Shivaram, Nirupa Bhatt, Aftab Bandukwala (L - R)

India's Coolest Store Awards

ESTEEMED JURY SELECTS CONTENDERS FOR THE 1ST EDITION OF INDIA'S COOLEST STORE AWARDS

Winners will be announced in a gala awards night to be conducted during the 3rd edition of COUTURE INDIA show at TAJ Diplomatic Enclave in New Delhi on 29th September 2018.

Indian Jeweller will be awarding excellence in jewellery retail space as the Jury Meet for the 1st edition of India's Coolest Store Awards (ICSA) concluded recently in Mumbai.

The jurors included Nirupa Bhatt, MD – GIA

India & Middle East, Richa Singh, MD-India, Diamond Producers Association, Aftab Bandukwala, MD, V-Design Architectural Solutions Private Limited, A Shivaram, Founder, Retail Gurukul and, Kumar Rajagopalan, CEO, Retailers Association of India (RAI).

After months of careful selection process, 30 select jewellery retail stores from across India were evaluated on five important factors like brand story, their individuality (cool factor), store interiors, store exteriors and media presence (print, digital and

social media). Winners will be announced in a gala awards night to be conducted during the 3rd edition of COUTURE INDIA show at TAJ Diplomatic Enclave in New Delhi on 29th September 2018.

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