GoldSquawk

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ETF leakage contrasts with India's still-firm local gold market

GoldSquawk Research

Key takeaways

- SPDR GLD holdings fell to 1,034.4t on 20 November, down 11.2t over the past month and marking a third straight decline, while combined GLD/GLDM weekly flows were -10.5t[1,2].
- That softness should not be overstated as a global ETF collapse: World Gold Council data showed global gold ETF holdings rose 19t in October to 4,275t, with flows of US$2.7bn, even as North American outflows contrasted with firmer European demand[3,4].
- India's local market remains expensive by domestic benchmarks: GoldSquawk's India premium measure was +US$412.28/oz on 20 November, with a 7-day average of +US$406.45/oz[5]. At the same time, WGC said festive demand was strong and India's official parity discount had narrowed sharply to US$5/oz by 12 November from US$66/oz in September[6].
- Official import weakness does not fully describe physical conditions. India's unwrought gold imports were 23.2t in September, down 77% y/y, but WGC said higher import duty, unofficial inflows and old-gold exchange were increasingly shaping supply, while Q3 unofficial inflows rose to around 50t[7,8].

Figure 1: GLD holdings have drifted lower into late November



Source: SPDR Gold Shares (World Gold Trust Services), as of 20 November 2026.

ETF flows have softened, but the weakness is uneven

- SPDR Gold Shares held 1,034.4t on 20 November, down 11.2t over one month and 5.0t over 12 months; the latest reading sits near the lower part of its 1-year range and extends a three-session run of declines[1].

- Broader ETF flow data also point to softer U.S.-linked appetite at the margin: GLD and GLDM saw outflows of 10.5t in the latest week and 3.9t over four weeks, although flows remain positive by 26-week lookback at +26.1t[2].
- That said, October's global picture was firmer than the daily GLD tape implies. World Gold Council data showed global gold ETF holdings rose 19t in October to 4,275t, with US$2.7bn of net inflows[3].
- WGC noted that recent gold weakness reflected repricing of the Fed path and more attractive bond competition, while regional ETF behaviour was mixed: North America saw outflows as Europe continued to add gold amid bond-market volatility[9,4].

India's local market is still firm despite weak import optics

- GoldSquawk's India premium measure stood at +US$412.28/oz on 20 November, with a 7-day average of +US$406.45/oz, indicating that local pricing remained far above London spot once the benchmark and import-duty structure are incorporated[5].
- WGC's official import-parity series gives a different but still supportive message: India's domestic discount narrowed from an average US$66/oz in September to just US$5/oz by 12 November as festive demand improved, even if prices were still described as at a modest discount to import parity[6].
- Demand conditions strengthened materially through Dhanteras and Diwali, with higher footfall and sales across jewellery and bars and coins. Retailer estimates indicated festive demand rose 15%-25% y/y in value terms, while volumes were flat to slightly higher[6].
- India's domestic gold price averaged INR148,891 per 10g in Q3, up 45% y/y, showing that the local market remained historically expensive in rupee terms even as outright tonnage demand adjusted[8].

Imports are weak officially, but supply is being rerouted

- India's unwrought gold imports were 23.2t in September, down 77% from September 2025 and down 11.1t on the month[7]. Ministry of Commerce quick estimates also showed October gold imports of US$1.3019bn and April-October imports of US$3.6095bn, down 59.57% y/y and 34.72% y/y respectively on that measure[10].
- WGC's market estimate for October was stronger than the official quick estimate, at about US$5.51bn or roughly 70t, up from 23t in September though still 63% lower y/y, highlighting how single data series can understate actual market supply[6].
- WGC said September-October combined imports were only about 93t versus a 2021-25 average near 180t for the same period, suggesting that some demand was being met through unofficial imports and recycled gold rather than formal channels[6].
- In Q3, official bullion imports including doré fell 70% y/y to 64t, but unofficial inflows rose to around 50t from 3t a year earlier after May's import-duty increase to 15%. Recycled gold contributed 19t, or about 14% of total supply[8].

Scenarios

- **Physical resilience case:** If Indian festive and wedding demand remains firm, local premiums stay elevated and unofficial or recycled supply continues to bridge the gap left by weak official imports, gold's physical market could remain more resilient than ETF outflows alone suggest[6,8,5].
- **Macro pressure case:** If higher yields, a firmer dollar and stronger bond competition continue to weigh on investor positioning, ETF leakage could broaden beyond recent GLD declines and dominate the near-term narrative even if India stays relatively firm physically[9,1,2].

- **Fragmentation persists:** A mixed market could continue, with North American ETF demand soft, Europe more supportive and Asian physical markets firmer. In that setting, headline import weakness in India may still understate actual demand because supply is being rerouted rather than eliminated[4,3,8].

Levels to watch

- Gold last close $3,641.0/oz on 23 Nov 2026 [chart data]
- 50-day moving average $4,096.6/oz [chart data]
- 200-day moving average $4,438.0/oz [chart data]
- 52-week low $3,515.4/oz set on 20 Nov 2026 [chart data]
- 52-week high $5,318.4/oz set on 29 Jan 2026 [chart data]

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Glossary

Import parity: The theoretical domestic gold price implied by international gold, exchange rates, freight and duties; used to judge whether a local market is trading at a premium or discount [7].

Unofficial inflows: Gold entering a market outside formal import channels, often encouraged when import duties are high [3].

Recycled gold: Old jewellery or other gold sold back into the market and refined or reused, adding to supply without new imports [1][3].

ETF holdings: The amount of physical gold held by an exchange-traded fund on behalf of investors; changes can indicate investment demand or selling pressure [13][15].

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