

## China's central bank returns to gold buying

China, the biggest official sector buyer of gold, is expected to resume its bullion shopping spree once prices ease from the record highs hit in May, as the fundamental case for the metal remains, industry players said at a conference this week.

After adding to its gold reserves for 18 consecutive months, official data from the People's Bank of China (PBOC) showed its holdings were unchanged in May, sending global spot prices down sharply on Friday. [GOL/]

"China's data did show a pause," David Tait, CEO of the World Gold Council (WGC), told Reuters on the sidelines of the Asia Pacific Precious Metals Conference in Singapore.

"(But) they are just waiting and watching. If prices correct to the \$2,200 per ounce level, they will resume again."

Benchmark spot gold traded around \$2,300 per ounce on Monday after its biggest daily drop in 3-1/2 years in the wake of China's data on holdings.

The market hit a record \$2,449.89 per ounce on May 20, driven by interest rate cut expectations and firm central bank buying, fuelled by geopolitical tensions.

The PBOC controls the amount of gold entering China via quotas to commercial banks.

It was the largest official sector buyer of gold in 2023, with net purchases of 7.23 million ounces, or 224.9 metric tons, according to the WGC, the most for any year since at least 1977.

**Important Note:** The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement

