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Who is selling gold

Central banks bought 42% more gold in the third quarter than a year earlier, and gold funds hold a record 4,256 tonnes. Gold has still lost about 30% since its January record. The sellers are traders in the futures market, and the buyers who stepped back are households. Both are responding to the same number: the return on a US government bond after inflation.

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–30%
Gold since its record of $5,594.82 in late January [1] [2]

2.86%
Yield on a 10-year US bond after inflation, up from 1.90% at gold's record [3]

321t
Gold bought by central banks, July to September, up 42% on a year earlier [4]

4,256t
Gold held by exchange-traded funds, a record [4]

533t
Net bets on higher gold in US futures, down from 560 tonnes a week earlier [5] [6]

The short answer

The buyers that are supposed to hold gold up are still buying. Central banks added 321 tonnes between July and September, 42% more than a year earlier, and exchange-traded funds added 211 tonnes to reach a record 4,256 tonnes, the World Gold Council reported on 3 November. [4]

Gold has fallen anyway, from a record of $5,594.82 in late January to $3,885.30 on Thursday. Two groups explain it. Traders who hold gold through futures contracts with borrowed money have been cutting their positions, and households, who buy jewellery, bars and coins, bought far less: jewellery demand was the weakest for any third quarter on record.[1][2][4][6]

What links them is the real yield, the return on a 10-year US government bond after inflation. It was 1.90% when gold peaked and 2.86% on Thursday. Gold pays nothing, so each rise in that yield raises the cost of holding it. Central banks buy on a different logic and slow the fall. They do not set the price.[3]

Who bought gold, July to September

Three months to 30 September 2026. Tonnes of gold. Source: World Gold Council.

BUYER	TONNES	WHO THEY ARE	CHANGE ON A YEAR EARLIER
Central banks	321t	Official reserves	+42%
Gold funds	211t	Long-term investors	–6%
Bars and coins	268t	Retail savers	–19%
Jewellery	313t	Households	–17%
All demand	**1,369t**	**Includes other categories**	**–1%**

- Central banks: 675 tonnes in the first nine months, up 6% on a year earlier.
- Gold funds: a return to buying after net selling between April and June.
- Jewellery: the weakest third quarter in the Council’s records, at an average price of $4,262 an ounce.
- All demand: worth $188 billion, up 22%, because the average price was higher than a year earlier.

Sources[4]. Tonnes are net purchases in the quarter. See the note on method below.

The buyers have not left

The usual explanation for a falling gold price is that the large holders are selling. The figures say otherwise. Central banks bought 321 tonnes in the third quarter and 675 tonnes in the first nine months of the year, 6% more than in the same period of 2025. [4]

Exchange-traded funds, which hold gold on behalf of investors, sold between April and June and bought again between July and September, adding 211 tonnes. Their holdings ended September at a record 4,256 tonnes. [4]

The Council's weekly notes describe the same split in October. Long-term allocations to gold funds continued to see inflows while the price fell below $4,000 for the first time since mid-July. [6]

The sellers are in the futures market

Most short-term trading in gold happens in futures contracts on the COMEX exchange in New York, where a trader puts up a fraction of a position's value and borrows the rest. That makes these holders the quickest to sell when prices fall or when borrowing costs rise. [6]

The Council attributed October's selling mainly to these leveraged investors and described it as driven by a need for cash. Net bets on higher prices across all categories of trader fell by about 70 tonnes from mid-October to 560 tonnes on 27 October, and to 533 tonnes a week later. Money managers alone held 324.4 tonnes on 3 November, down 9.7 tonnes in a week. [5] [6]

October also shows the limit of the real yield as an explanation. The real yield fell that month, from 2.95% on 5 October to 2.60% on 30 October, and gold fell with it. Stocks were falling hard at the time, and traders sold gold to cover losses elsewhere. Our own call that falling yields would rescue gold, F-004, failed on 30 October for that reason. [3] [6]

Households stepped back

The second gap is in physical buying. Jewellery demand fell 17% to 313 tonnes, the weakest third quarter in the Council's records, and purchases of bars and coins fell 19% to 268 tonnes. The average price in the quarter was $4,262 an ounce, well above a year earlier. [4]

Supply did not shrink to match. Mines produced 1,071 tonnes, a record for a third quarter. Recycling fell 8% to 314 tonnes, so holders of old gold were not adding to supply. [4]

The number that links them

A 10-year US Treasury bond protected against inflation yielded 1.90% on 30 January, around the time gold set its record. It reached 2.95% on 5 October and stood at 2.86% on Thursday. An investor can now lock in almost three percentage points a year above inflation for ten years with no risk of default. Gold offers no income at all. [3]

The Federal Reserve is the reason. Core consumer prices rose 0.3% in October for a third month running, futures fully price a rate rise in December, and the 10-year Treasury yield closed at 5.10% on Thursday. The Council's 9 November note called Fed rate expectations gold's main driver. [2] [5] [7]

This is why hot inflation has hurt gold this year. Gold protects against inflation that a central bank tolerates. When the central bank answers inflation with higher rates, bonds pay more after inflation and gold loses the comparison. [3] [7]

The same squeeze in bitcoin

Bitcoin pays no income either, and it has traded the same way. It fell 4.03% to about $71,500 on Thursday, the day the 10-year yield reached 5.10% and the dollar index its highest since April 2025. It is down about 18% this year against about 11% for gold. [2] [5] [8]

The difference is the buyer underneath. Gold has central banks adding hundreds of tonnes a quarter whatever the price. Bitcoin has no buyer of that kind, which is one reason its falls are steeper when real yields rise. [4]

Three ways this resolves

These are not forecasts. Each comes with the signal that would show it is happening.

1 **The Fed keeps going**

Inflation stays hot, the Fed raises rates in December and signals more. Real yields climb past their October high and leveraged holders keep cutting. Central bank buying slows the fall without stopping it. [2] [3]

Signal: The 10-year real yield closes above 2.95%, its high for the year.

2 **Rates peak**

Inflation data soften or growth weakens, and markets price the end of the rate rises. Real yields fall back and the cost of holding gold falls with them. Futures traders rebuild positions quickly because they cut them quickly. [3] [5]

Signal: The 10-year real yield closes below 2.50% and net futures positions rise for two weeks running.

3 **Households return**

Lower prices bring back jewellery and bar buyers in Asia while central banks keep buying. Physical demand puts a floor under the price even with real yields high. [4]

Signal: The Council's figures for October to December, due around the end of January, show jewellery and bar and coin demand rising on the quarter.

Our read is that the first path holds until the Fed's December meeting. The sellers are a small, leveraged part of the market and the absent buyers are price-sensitive households, and neither changes course

while real yields are rising. Gold finds its floor when the real yield stops climbing, and central bank buying alone will not set it.

What would prove this report wrong

> **This report is wrong if, on any session to 31 December 2026, gold closes above $4,300 while the 10-year real yield closes at or above 2.75%, or the 10-year real yield closes below 2.50% while gold closes below $3,800.**
>
> The first would mean gold recovered without relief from real yields. The second would mean relief came and gold kept falling. We will check gold futures closes against the Federal Reserve's published real yield and publish the outcome here and in the Brief in the first week of January 2027.

What to watch

20 November	Five of our calls reach their deadline. F-033 fails if gold closes back above $4,100. F-031 fails if the 10-year yield closes below 4.75%, and F-029 tests the dollar. Those three rest on the same rate path as this report. [2]
9 December	The Fed's December decision. A rise is fully priced. The size, and what the statement says about 2027, decide whether real yields keep climbing. [2]
Each Monday	The World Gold Council's weekly positioning figures. Net futures positions show whether leveraged holders are still selling. They stood at 533 tonnes on the latest count. [5]

Open calls this report connects to: F-033 (test closes 20 Nov), F-031 (test closes 20 Nov), F-029 (test closes 20 Nov).

Method

Demand figures come from the World Gold Council's Gold Demand Trends for the third quarter of 2026, published on 3 November, and futures positioning from its

Weekly Markets Monitor, which reports US regulator data in tonnes. The real yield is the Federal Reserve's 10-year inflation-indexed Treasury yield at constant maturity, series DFII10, as published by the Federal Reserve Bank of St. Louis. Gold's record is the spot price reported by Reuters. Thursday's price is the futures close, so the fall of about 30% compares two slightly different measures and is rounded for that reason.

The table shows the four largest categories of buyer. They do not add up to total demand, which also includes technology and over-the-counter purchases. Year-to-date changes for gold and bitcoin are calculated from the Council's 6 November figures and Thursday's closes. Data are as of the close on Thursday 12 November 2026.

Causa explains why markets moved. This report is general information, not investment advice, and it does not recommend buying or selling anything.

Sources

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