India Physical Gold Import Demand As A Gold Price Signal

Why India HS7108 gold-import monthly data captures physical-demand regimes that drive gold price action; the 2025 pre-wedding-season surge and 2019 duty-hike episode as archetypes.

David Stendahl · Market Lab Analytics · November 6, 2026

What this signal is

India is the largest physical gold consumer in the world, absorbing roughly a quarter of global gold through wedding-season buying, festival demand like Diwali, Dhanteras, and Akshaya Tritiya, and household investment allocation.

Monthly customs data captures the physical-demand trajectory with a short reporting lag. This signal reads India HS7108 gold-import monthly data (USD-denominated), takes 12-month year-on-year change, z-scores on a rolling window, and bounds through hyperbolic tangent. A composite near plus one is sustained elevated import demand. A composite near minus one is weak imports.

Across 9 years of coverage Phase +1 elevated-imports state has delivered plus 4.10 percent mean forward 60-day gold return versus baseline plus 2.14 percent. The 196-basis-point edge reflects physical demand lifting spot price.

On March 4, 2025 the composite reached its series maximum plus 0.9616 during the pre-wedding-season buying surge. On September 4, 2019 the composite reached minus 0.7616 during the India gold-import-duty-hike window.

Today the composite reads near zero, in Normal territory as the current India demand regime is near baseline.

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How the inputs compose

The engine reads India customs HS7108 monthly gold-import data from publicly available trade statistics. HS7108 is the trade classification code for gold (unwrought, semi-manufactured, or powder forms). The monthly USD-value is the primary input.

For each month the engine computes the trailing 12-month year-on-year change: current 12-month sum divided by prior 12-month sum minus one. This captures the demand-growth trajectory while smoothing single-month reporting noise.

The YoY change is z-scored on a rolling baseline window, passed through tanh with scale 1.5, and bounded between minus one and plus one. The polarity is as-is positive. Higher composite equals elevated import demand.

The engine also computes four confirming features: five-day composite velocity, 60-day volatility regime, 60-day correlation with gold daily returns, and 63-day lag-1 autocorrelation.

Note on engine name: the script was originally scoped to include China imports but the current implementation uses India only. China import data has reliability issues that made the two-country composite unstable; the signal was narrowed to India-only while retaining the original filename.

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What the state-conditional returns have actually done

The gold forward-60-day return baseline (unconditional) is mean plus 2.14 percent, median plus 1.88 percent. Standard deviation 6.32 percent.

> **Reference baseline (2,312 gold-aligned forward-60-day windows from June 2017 through November 2026)**
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> Gold forward-60-day return baseline: mean plus 2.14 percent. Phase 0 source: Z99196 engine parquet joined with COMEX gold back-adjusted continuous closes.

Elevated imports (Phase +1), 339 trading days, delivered mean plus 4.10 percent. Plus 196 basis points above baseline. The 2025 pre-wedding-season window dominates the state-day count.

Normal (Phase 0), 1,595 trading days, delivered mean plus 1.86 percent.

Weak imports (Phase –1), 438 trading days, delivered mean plus 1.57 percent. Minus 57 basis points below baseline.

The pattern is monotonic as expected: elevated physical demand supports gold, weak demand underperforms.

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Three cases that frame how to read the signal

Case 1: March 2025 pre-wedding-season buying surge series maximum

On March 4, 2025 the composite reached its series maximum plus 0.9616 during the pre-wedding-season buying surge. India monthly gold imports had accelerated through Q1 2025 as the extended wedding season drove physical demand to the highest YoY rate in the sample. Gold rallied through the subsequent window.

Case 2: September 2019 India import-duty-hike series minimum

On September 4, 2019 the composite reached its series minimum minus 0.7616 during the India gold-import-duty-hike window. The government raised the gold import duty from 10 to 12.5 percent in the

July 2019 budget. Reported imports fell sharply as domestic premium spiked; some demand shifted to unreported channels.

Case 3: 2024 through 2025 sustained elevated-imports regime

Across 2024 and 2025 the composite was in elevated-imports territory as sustained Indian wedding-season and festival demand combined with ongoing retail investment flows. Gold rallied through the window from roughly 2,000 dollars to above 4,000.

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How to use the signal today

This is a physical-demand regime detector on a 60-day forward horizon.

Three best uses. First, as a physical-demand regime filter for gold exposure. Second, as a cross-check against CB-buying signals for complete demand view. Third, as a seasonal context: October through March is the primary Indian demand window.

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Methodology notes

The composite is tanh of z-scored 12-month year-on-year change in India HS7108 gold-import monthly USD-value.

The 2017 start reflects reliable India HS7108 monthly reporting coverage onset.

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What this signal does not cover

Four caveats on the signal's reach.

First, China imports are not in the composite despite the engine name. Unreported Chinese accumulation and reporting reliability issues prevented a two-country composite.

Second, India import-duty shocks can create artificial swings in reported imports. Pair with Indian domestic price-premium data for a fuller picture.

Third, monthly cadence with 3-to-4-week reporting lag. Intra-month composite moves reflect rolling-window dynamics.

Fourth, 9-year sample window is short relative to gold's full cycle. The signal has fired through 2019 duty-shock, 2020 COVID, 2022-2024 Russia-Ukraine, and 2025-2026 BRICS de-dollarization but has not been observed through other regime types.

Not investment advice. Signal readings and empirical statistics are derived from publicly available data (India customs HS7108 monthly gold imports; COMEX end-of-day gold back-adjusted continuous settles). (c) 2026 David Stendahl.