

Special Commentary — February 6, 2026

Gold Is Fixing the Trade Deficit, but Only on Paper

Summary

Soaring gold prices and heavy overseas demand have pushed large volumes of physical gold out of the U.S., mechanically narrowing the trade deficit. But don't mistake this for an economic improvement.

Gold transfers reflect asset reallocation under geopolitical stress, not *real* economic activity, which is why the Bureau of Economic Analysis largely strips it out of GDP. When gold is excluded, the trade deficit looks worse than the headline suggests.

All That Glitters Is Not Growth

From 2000 through 2020, the spot price of gold averaged less than \$1,000 per ounce. In 2020, gold broke above \$2,000 for the first time. By March 2025 it crossed \$3,000, by October it surpassed \$4,000, and today gold is trading near \$5,000 per ounce.

Gold and other precious metals are now at- or near-record highs as investors and central banks seek protection from geopolitical risk, policy uncertainty, and declining real interest rates. Offering forward-looking price guidance is outside the scope of this report. The boneyard of economists who have tried to forecast gold prices is already crowded enough without adding ours to the pile.

What matters for understanding gold right now is not the price forecast, but the composition of demand. The appetite for gold is increasingly being driven by large institutional buyers and ETFs, as well as by overseas investors. Some crypto-related firms are also purchasing physical gold to back gold-linked tokens.¹ As a result, substantial quantities of gold are being *shipped out* of the United States.

This surge in precious-metals exports has mechanically narrowed the U.S. trade deficit. Under normal circumstances, a narrowing trade deficit would be supportive of measured GDP growth. In this case, however, appearances are misleading.

The reason is straightforward: most gold moving across borders reflects asset reallocation, not *real* economic activity. Non-monetary gold trade does not represent the production of new goods or services, so it does not meaningfully contribute to GDP. Consequently, the recent "gold rush" will not show up as stronger economic growth, even though it is having a visible impact on headline trade statistics.

This distinction matters because it underscores why the apparent "normalization" in the trade deficit is anything but.

Economist(s)

Tim Quinlan

Senior Economist | Wells Fargo Economics
Tim.Quinlan@wellsfargo.com | 704-410-3283

Shannon Grein

Economist | Wells Fargo Economics
shannon.grein@wellsfargo.com | 704-410-0369

Andrew L Thompson

Economic Analyst | Wells Fargo Economics
Andrew.L.Thompson@wellsfargo.com | 704-410-2911

Why Gold Trade Is Largely Excluded From GDP

The Bureau of Economic Analysis (BEA) is tasked with measuring economic production, not the reshuffling of existing assets. Gold generally serves one of two purposes: it is either used as an input into production (for example, jewelry or electronics), or it is held as a store of value (bullion, bars, and coins). The bulk of gold crossing borders lately falls squarely into the second category ([Figure 1](#)).

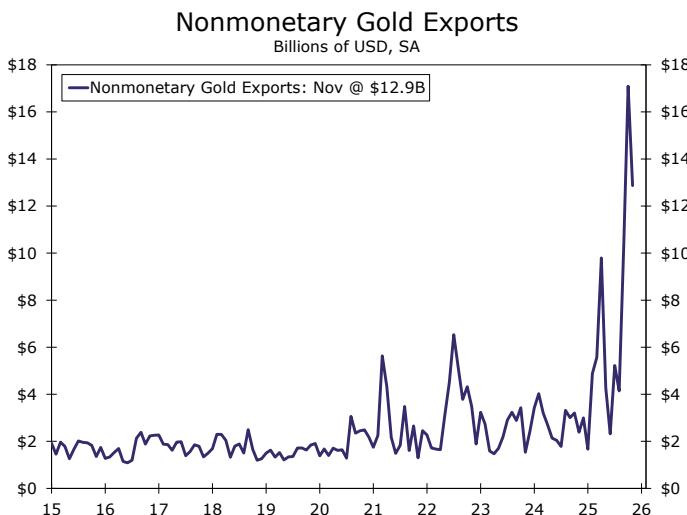
Because most non-monetary gold trade represents investment flows rather than production, the BEA strips gold imports and exports out of GDP. Instead of relying on volatile trade flows, the BEA uses a simpler proxy for gold net exports: domestic gold production minus industrial use.² Under normal conditions, this adjustment is small enough to go unnoticed. When gold trading surges, however, the wedge between headline trade data and GDP-relevant activity can become large.

That is precisely what is happening now. Large swings in gold imports and exports are distorting the trade numbers without signaling any meaningful change in underlying economic activity.

What the Latest Trade Data Show

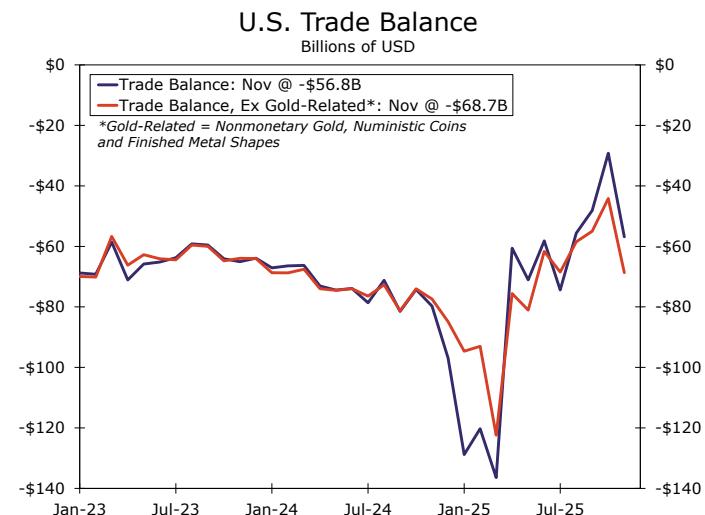
If non-monetary gold—along with a small handful of other investment-driven categories—is excluded from both exports and imports, the trade deficit is actually wider than headline figures suggest by almost \$12 billion ([Figure 2](#)).³ The gold trade has been masking ongoing imbalances rather than resolving them. A similar dynamic was at play in late 2024/early 2025, when imports of finished metal shapes surged ahead of expected tariff increases.

Figure 1



Source: U.S. Department of Commerce and Wells Fargo Economics

Figure 2



Source: U.S. Department of Commerce and Wells Fargo Economics

Two components are almost entirely responsible for the surge in gold exports today: bullion (unmarked or minimally processed gold) and gold bars.

Bullion exports have been running at more than twice their typical volume. Over the past three months, an average of roughly 75 metric tons of gold bullion has left the United States each month, compared with a post-pandemic monthly average closer to 30 metric tons. While this series has always been volatile, recent outflows have clustered near the upper end of the historical range.

The move in gold bars has been far more dramatic. For several years through mid-2025, gold bar exports averaged just 0.5 metric tons per month. That changed abruptly in late summer. Gold bar exports surged to approximately 11 metric tons in September—a more than sixteen-fold increase—before jumping again to over 50 metric tons in October. Exports then collapsed back toward trend in November.

When combined with soaring prices, these volume swings become even more striking in dollar terms. A sixteen-fold increase in the physical quantity of gold bars exported in September translated into

roughly a twenty-fold increase in their dollar value. In other words, the volatility in gold exports reflects not just higher prices, but unusually large movements of physical metal out of the country.

Bottom Line

Gold's role in the recent trade data is a reminder that not all cross-border flows are created equal. Capital moving to shelter looks very different from goods moving to market, even if both pass through the same statistical tables. The BEA's treatment of non-monetary gold is not a technical footnote—it is a recognition of that fundamental distinction.

For readers of the data, the takeaway is simple but important: a narrower trade deficit driven by gold exports is not evidence of renewed economic strength. It is evidence of caution. And in moments like this, separating signal from noise matters more than ever.

Endnotes

1 - [Reuters](#) and [Bloomberg](#) both quote interviews with Paolo Ardonio, the CEO of Tether, about adding several tons of physical gold to its storage sites in Switzerland. ([Return](#))

2 - See "[How Are Exports and Imports of Nonmonetary Gold Treated in BEA's National Economic Accounts?](#)" for more detail. ([Return](#))

3 - The BEA BOP-basis category of non-monetary gold adds the census-basis categories of *non-monetary gold* (end-use code 12260 for exports and 14270 for imports), *numismatic coins* (end use 41300), and *finished metal shapes* (end use 12300 for exports, 15200 for imports) and then a separate BOP adjustment for gold transactions not captured by the Customs Protection Bureau. Note, this last category is not something we proxy in our gold-adjusted trade balance in [Figure 2](#). ([Return](#))

Subscription Information

To subscribe please visit: www.wellsfargo.com/economicsemail

Via The Bloomberg Professional Services at WFRE

Economics Group

Tom Porcelli	Chief Economist	212-214-6422	Tom.Porcelli@wellsfargo.com
Tim Quinlan	Senior Economist	704-410-3283	Tim.Quinlan@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Charlie Dougherty	Senior Economist	212-214-8984	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Senior Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Brendan McKenna	International Economist	212-214-5637	Brendan.Mckenna@wellsfargo.com
Jackie Benson	Economist	704-410-4468	Jackie.Benson@wellsfargo.com
Shannon Grein	Economist	704-410-0369	Shannon.Grein@wellsfargo.com
Nicole Cervi	Economist	704-410-3059	Nicole.Cervi@wellsfargo.com
Delaney Conner	Economic Analyst	704-374-2150	Delaney.Conner@wellsfargo.com
Ali Hajibeigi	Economic Analyst	212-214-8253	Ali.Hajibeigi@wellsfargo.com
Azhin Abdulkarim	Economic Analyst	212-214-5154	Azhin.Abdulkarim@wellsfargo.com
Anagha Sridharan	Economic Analyst	704-410-6212	Anagha.Sridharan@wellsfargo.com
Andrew Thompson	Economic Analyst	704-410-2911	Andrew.L.Thompson@wellsfargo.com

Required Disclosures

This report is produced by the Economics Group of Wells Fargo Bank, N.A. ("WFBNA"). This report is not a product of Wells Fargo Global Research and the information contained in this report is not financial research. WFBNA distributes this report directly and through affiliates including, but not limited to, Wells Fargo Securities, LLC, Wells Fargo & Company, Wells Fargo Clearing Services, LLC, Wells Fargo Securities International Limited, Wells Fargo Securities Europe S.A., and Wells Fargo Securities Canada, Ltd. Wells Fargo Securities, LLC is registered with the Commodity Futures Trading Commission as a futures commission merchant and is a member in good standing of the National Futures Association. WFBNA is registered with the Commodity Futures Trading Commission as a swap dealer and is a member in good standing of the National Futures Association. Wells Fargo Securities, LLC and WFBNA are generally engaged in the trading of futures and derivative products, any of which may be discussed within this report. All reports published by the Economics Group are disseminated and available to all clients simultaneously through electronic publication to our public website. Clients may also receive our reports via third party vendors. We are not responsible for the redistribution of our reports by third-party aggregators. Any external website links included in this report are not maintained, controlled or operated by WFBNA. WFBNA does not provide the products and services on these websites and the views expressed on these websites do not necessarily represent those of WFBNA.

This publication has been prepared for informational purposes only and is not intended as a recommendation, offer or solicitation with respect to the purchase or sale of any security or other financial product, nor does it constitute professional advice. The information in this report has been obtained or derived from sources believed by WFBNA to be reliable, but has not been independently verified by WFBNA, may not be current, and WFBNA has no obligation to provide any updates or changes. All price references and market forecasts are as of the date of the report or such earlier date as may be indicated for a particular price or forecast. The views and opinions expressed in this report are those of its named author(s) or, where no author is indicated, the Economics Group; such views and opinions are not necessarily those of WFBNA and may differ from the views and opinions of other departments or divisions of WFBNA and its affiliates. WFBNA is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this report. Neither WFBNA nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this report, and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. WFBNA is a separate legal entity and distinct from affiliated banks, and is a wholly-owned subsidiary of Wells Fargo & Company.

You are permitted to store, display, analyze, modify, reformat, copy, duplicate and reproduce this report and the information contained within it for your own use and for no other purpose. Without the prior written consent of WFBNA, no part of this report may be copied, duplicated or reproduced in any form by any other means. In addition, this report and its contents may not be redistributed or transmitted to any other party in whole or in part, directly or indirectly, including by means of any AI Technologies (defined below) through which this report or any portion thereof may be accessible by any third-party. "AI Technologies" means any deep learning, machine learning, and other artificial intelligence technologies, including without limitation any and all (a) proprietary algorithms, software, or systems that make use of or employ neural networks, statistical learning algorithms (such as linear and logistic regression, support vector machines, random forests or k-means clustering) or reinforcement learning, or curated data sets accessible by any of the foregoing or (b) proprietary embodied artificial intelligence and related hardware or equipment. In addition, certain text, images, graphics, screenshots and audio or video clips included in this report are protected by copyright law and owned by WFBNA, its affiliates or one or more third parties (collectively, "Protected Content"). Protected Content is made available to clients by Wells Fargo under license or otherwise in accordance with applicable law. Any use or publication of Protected Content included in this report for purposes other than fair use requires permission from WFBNA or, in the case of content attributed to any third party, the third-party copyright owner. You may not alter, obscure, or remove any copyright, trademark or any other notices attached to or contained within this report. All rights not expressly granted herein are reserved by WFBNA or the third-party providers from whom WFBNA has obtained the applicable information. © 2026 Wells Fargo Bank, N.A.

Important Information for Non-U.S. Recipients

For recipients in the United Kingdom, this report is distributed by Wells Fargo Securities International Limited ("WFSIL"). WFSIL is a U.K. incorporated investment firm authorized and regulated by the Financial Conduct Authority ("FCA"). For the purposes of Section 21 of the UK Financial Services and Markets Act 2000 (the "Act"), the content of this report has been approved by WFSIL, an authorized person under the Act. WFSIL does not deal with retail clients as defined in the Directive 2014/65/EU ("MiFID2"). The FCA rules made under the Act for the protection of retail clients will therefore not apply, nor will the Financial Services Compensation Scheme be available. For recipients in the EFTA, this report is distributed by WFSIL. For recipients in the EU, it is distributed by Wells Fargo Securities Europe S.A. ("WFSE"). WFSE is a French incorporated investment firm authorized and regulated by the Autorité de contrôle prudentiel et de résolution and the Autorité des marchés financiers. WFSE does not deal with retail clients as defined in MiFID2. This report is not intended for, and should not be relied upon by, retail clients.

SECURITIES: NOT FDIC-INSURED - MAY LOSE VALUE - NO BANK GUARANTEE