As an organisation independent from the gold market, with no vested interest in price direction, the data generated by the GFMS analysts at Thomson Reuters data are widely regarded as preeminent in the gold industry.

Data are collected from a variety of sources, as outlined below, however the core principle remains that data are collected confidentially from market participants and collated by GFMS at Thomson Reuters. The GFMS team at Thomson Reuters never publishes company specific information unless this is already in the public domain, or we are given specific permission to do so.

By maintaining this strict confidentiality we are able to build a bottom-up picture of the gold market. We also rely on our contacts and the market constantly to question and add to our data, something which over the past 47 years has developed into the robust and respected data series published today.

The GFMS team at Thomson Reuters methodology is based on:

- Detailed and knowledgeable scrutiny and interpretation of published data sources;
- Substantial primary research to fill in the many gaps left from published data and to enhance understanding of the market and new developments;
- Gaining the confidence of market participants and thus gaining access to sensitive information and unpublished data;
- Cross-checking of data to ensure internal consistency and consistency over time;
- Regular review and, where necessary, revision to incorporate new information.

The gold supply demand balance includes all primary mine production on the supply side along with our assessment of old gold scrap returned to the market (this excludes run-around scrap that is reused immediately in industry). In addition we include the net pull on the gold market, in the labelled time period, of producer hedging activity.

On the demand side the supply demand balance adds together all carat jewellery fabrication by gold contained (plated jewellery is included in "other industrial) and also makes estimates for gold used in electronics, dental and medical applications and other industrial uses. We then include retail investment, which is the net consumption of gold bars and fabrication of gold coins. Finally, on the physical demand side we include the net transfer of gold from official stockpiles, primarily central bank holdings.

Total supply minus total physical demand give us a simple physical surplus/ deficit in the market. Gold is also widely used as an investment, however, where physical flows to and from the market can be monitored, to a degree. As such we include the highly visible net-ETF inventory build and also published changes at gold held by futures exchanges. This gives a partial indication of the flow of physical gold from above ground stocks and our net balance for the market. It should be noted, however, that ETF and exchange inventory flows account for only a small percentage of the opaque Over the Counter market in gold which we estimate had a volume of approximately 570,000 tonnes in 2013 with a value of $26 trillion – almost 190 times higher than 2013 mine production.

Thomson Reuters definitions as of Gold Survey 2014:

Central Bank Sales and Purchases: data are used from both the IMF's published gold holdings and also sourced directly from meetings with central banks and companies and organisations supplying central banks with gold. Where data are not published, not updated, or inaccurate an internal estimated is produced. Data are presented on a net basis (gross sales less gross purchases by central banks and other official institutions); swaps and the effect of delta hedging are excluded.

We also make estimates for non-monetary gold held by central banks (not considered part of their official reserves), of gold held by quasi-official bodies and of gold held by those few central banks which neither report to the IMF nor publish their own data.

Fabrication is defined as the first transformation of gold from its initially refined form, normally bar or grain, into another form. This transformation may be direct into the final product (such as coin or certain forms of jewellery) or it may be into an intermediate product such as gold bonding wire, gold potassium cyanide, or semi-manufactured jewellery. Fabrication is divided into official coins, unofficial coins and medallions, jewellery, and industrial and dental uses.

Identifiable investment: is the sum of physical bar investment and all coin fabrication, plus the net change in Exchange Traded Fund (ETF) holdings.

Industrial Demand has three elements: electronics; dental; and other industrial use. Industrial demand covers the first transformation of raw gold into intermediate or final products destined for industrial use such as gold potassium cyanide, gold bonding wire and sputtering targets. This includes gold destined for plating jewellery. Also the first transformation of raw gold into intermediate or final products destined for dental applications such as dental alloys.

Jewellery: All newly-made carat jewellery and gold watches, whether plain gold or combined with other materials. It excludes second-hand jewellery, other metals plated with gold, coins and bars used as jewellery and purchases funded by the trading in of existing jewellery.

Jewellery Consumption measures the purchases of fine gold jewellery either by the final customer or as close to the final customer as it is possible to get (i.e. it does not include exchanged or second hand pieces) at the retail level. It is calculated as being equal to jewellery fabrication, plus imports less exports (i.e. the net inflow of jewellery). An adjustment is also made for retail stock movements.

Other than in the short term jewellery consumption and jewellery fabrication will be equal on a global basis. Short-term differences will be due to changes in stockholdings. These changes are inherently difficult to measure; they are more important in “western” countries than in the Middle East and Asia where turnover by retailers and manufacturers is typically rapid. By convention Thomson Reuters assumes that on an annual basis jewellery fabrication is equal to jewellery consumption; for shorter time periods estimates are made, where appropriate, for stock changes.

Net Producer Hedging: The change in the physical market impact of mining companies’ gold forward sales and option positions.

Mine Production: Mine production statistics are collected on an ongoing basis by our analysts from published company reports and government sources. These data are also supplemented by our estimates of artisanal output. To provide an example, Chinese data is supplied by the China Gold Association and incorporates a Thomson Reuters adjustment for undeclared production.

Forecasts are also produced based upon a company’s past success in meeting its production guidance, current price forecasts and the likelihood of project finance availability.

Net Balance: The physical surplus or deficit of gold when accounting also for highly visible ETF and exchange inventory changes.

Official Coins: These data are collected from a combination of published data from mints and also a proprietary survey conducted by Thomson Reuters detailing where coins are sold as well as produced.

Physical Surplus / Deficit: the difference between the supply of new and secondary gold to the market in a calendar year and measurable demand for physical gold. This excludes opaque Over the Counter investment in gold and commercial bank transactions.

Retail investment is identifiable net investment in physical gold in bar and coin form. The bars may or may not conform to London Good Delivery status, but will be in a form that is commonly traded in the country of origin. Coins include all official and unofficial coins and medallions, with and without a face value.

Scrap: Gold sourced from old fabricated products which have been recovered and refined into bars. New run-around scrap and shavings that are reused immediately are not counted. Old gold scrap can be split further by its use.

Scrap used in jewellery: domestically generated scrap supply from any source (jewellery, coins, dental etc), which is then used in the country’s jewellery fabrication.

Other Scrap: domestically generated scrap supply from any source (jewellery, coins, dental etc), which is not used for jewellery fabrication in the country in which it is generated. This scrap can be refined into bars and shipped overseas or exported in some other form, e.g. a crude gold bar or even as jewellery for melting overseas, or used in the country's industrial or dental industry.

In the case of gold the bulk of scrap comes from jewellery and there are issues of definition in certain markets. In Asia and the Middle East, it is common for consumers to buy jewellery by trading in an existing piece of their own. It is likely that the jeweller himself will, if he does not resell the traded-in piece as it stands, melt it down and make a new piece from it. The question arises as to whether this is scrap or not, given that no new gold is involved. There are two equally legitimate approaches to this. If it is considered as scrap the jewellery fashioned from it should be counted as a new piece of jewellery so that supply and demand balances. Alternatively the transaction can be ignored (since no new gold is involved) in which case it appears neither under scrap nor as additional jewellery fabrication.

For practical purposes, Thomson Reuters GFMS adopts the second of these approaches since collecting data on all such transactions would be extremely difficult. In addition it can be argued that when a consumer trades in a piece of jewellery for another they are not buying additional gold but simply a new design.

Unofficial Coins and Medallions: Where medallions (coins without face value) are minted by national mints these are collated as above. It excludes second hand coins and is measured as net purchases. Estimates are made for private mints where data is not published in annual accounts and on websites