
PRESS RELEASE

London, 6 September 2019

2019 global platinum market surplus shrinks with strong investment demand

- Further platinum ETF growth in second quarter after record growth in Q1
- SA mine supply up 1% year-on-year from one-off pipeline stock release
- Annual surplus shrinks towards a balanced market on investment demand gains

London, 6th September 2019: The World Platinum Investment Council (WPIC) has today published its *Platinum Quarterly* for the second quarter of 2019 together with revisions to both the full year 2019 forecast and 2018 actual.

Today's report forecasts a substantial 9% increase in total platinum demand in 2019, owing to solid investment demand that more than offsets expected demand decreases in the automotive and jewellery segments of 4% and 5% respectively. The unprecedented 855 koz of investment demand in H1'19 is driven by a surge in ETF holdings, which gained 720 koz.

Total platinum supply is expected to rise by 4% this year but growth is mostly due to the refining of mined metal built up in the processing pipeline in South Africa in 2018. Potential power disruptions and industrial action in the second half of 2019 continue to represent risks that could reduce South African mining supply.

With demand projected to increase by more than supply, the annual 2019 market balance will narrow to a surplus of 345 koz from the previously forecast surplus of 375 koz.

In Q2'19 refining of some of built-up pipeline stocks and higher autocatalyst recycling led to a surplus of 220 koz. Following the record deficit of 590 koz in the first quarter, this left the market with a deficit of 370 koz for the first half of the year.

Although Q2'19 automotive demand was softer year-on-year by 50 koz, the rate of decline continues to ease as independent evidence emerges of exceptionally low NO_x emissions from new diesel cars and their low CO₂ emissions. Diesel vehicles will have a vital role to play in the lower EU CO₂ fleet emissions required for automakers to avoid heavy fines. There has been a significant increase in news flow related to more widespread application of fuel cell electric cars and trucks as well as in non-road applications including trains. This highlights the increased likelihood of fuel cell electric vehicles being part of a multi-drivetrain solution to achieve zero on-road emissions.

Quarterly jewellery demand slipped further year-on-year by 30 koz due to a continued decline in Chinese demand. Q2'19 industrial demand was up slightly compared to Q2'18 as growth in demand for platinum in chemical catalysts and glass manufacturing was offset by a decline in the other industrial demand segment.

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Paul Wilson, chief executive officer of WPIC, commented: “Today’s report shows continued investment demand growth, driven by investor recognition of platinum’s demand and price growth potential. This has been supported by uncertain capital markets that have seen inflows for most precious metals ETFs this year, of which platinum has been a standout beneficiary. Institutional investment demand has had an unprecedented start this year with ETF buying of 720 koz in H1’19.

European automakers continue to highlight that lower CO₂ emitting diesel vehicles have a vital role to play in meeting European fleet CO₂ emissions levels. Along with the likely substitution of palladium by platinum in gasoline autocatalysts, this bolsters platinum’s future demand growth potential.

We continue to develop product partnerships in two of our key target markets, China and North America. We are pleased to note good progress with two new partnerships in the US with A-Mark Precious Metals and Sunshine Minting Inc. and in China the engagement with Bank of China has led to the Agricultural Bank of China also using our insights to promote their platinum investment offerings. Two new partners, Shenzhen Jin Zheng Long and Dalian Qian Hai Jin, are now producing retail platinum bars in China. These partnerships will further increase the number and availability of platinum investment options for investors in these regions and worldwide.”

To download this edition of Platinum Quarterly and/or subscribe to receive the research in the future, without charge, please visit our website: www.platinuminvestment.com

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Notes to Editors:

About *Platinum Quarterly*

Platinum Quarterly is the first independent, freely-available, quarterly analysis of the global platinum market. *Platinum Quarterly* is a World Platinum Investment Council publication. It is largely based upon research and detailed analysis commissioned with, and conducted by, SFA (Oxford) (SFA), an independent authority on the platinum group metals market.

About the World Platinum Investment Council

The World Platinum Investment Council Ltd. (WPIC) is a global market authority on physical platinum investment, formed to meet the growing investor demand for objective and reliable platinum market

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intelligence. WPIC's mission is to stimulate global investor demand for physical platinum through both actionable insights and targeted product development. WPIC was created in 2014 by the leading platinum producers in South Africa. WPIC's members are: Anglo American Platinum, Impala Platinum, Lonmin, Northam Platinum, Royal Bafokeng Platinum and Sibanye-Stillwater.

For further information, please visit www.platinuminvestment.com.

WPIC's offices are located at: 64 St James's Street, London, SW1A 1NF.

About SFA (Oxford)

Founded in 2001, SFA (Oxford) is regarded as one of the most important independent authorities on the platinum group metals market. The company's in-depth market research and integrity is underpinned by extensive consulting from mine to market to recycler, as well as an unrivalled global industry network.

SFA have a team of nine dedicated PGM analysts with wide and varied industry expertise and knowledge, each one specialising in a core area of the value chain, as well as many internationally-based associates. SFA is able to provide its clients with answers to the most difficult questions affecting the future of the industry.

No part of the data or commentary shall be used for the specific purpose of accessing capital markets (fundraising) without the written permission of the authors.

For more information go to: <http://www.sfa-oxford.com>

About Platinum

Platinum is one of the rarest metals in the world with distinctive qualities making it highly valued across a number of diverse demand segments. Platinum's unique physical and catalytic properties have established its value in industrial applications. At the same time, its unique precious metal attributes have made it the premier jewellery metal.

Platinum's supply comes from two main sources: primary mining output, and recycling, which typically comes from end of life auto catalysts and jewellery recycling. Over the last five years, between 72% and 78% of total annual platinum supply (in refined ounces) has come from primary mining output.

Global demand for platinum is robust and becoming more diverse. There are four core segments of platinum demand: automotive, industrial, jewellery and investment demand.

Platinum demand from autocatalysts has equated to between 41% and 43% of total demand in the last five years. Platinum's diverse other industrial uses account on average for 22% of total global demand (five-year average). Over the same period, global annual jewellery demand has averaged 33% of total platinum demand. Investment is the smallest category of platinum demand and also the most variable over the past five years, ranging between 0% and 6% of total demand (excluding movements in vaulted investor holdings).

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