
PRESS RELEASE

London, 21 November 2017

Rebound in jewellery and industrial demand to drive 2018 platinum deficit

- Jewellery posts growth of 3%, the first in 4 years
- Industrial demand recovers to 2016 levels with an increase of 9%
- Supply to stall with South African output set to fall by 2%

London, 21st November 2017: The World Platinum Investment Council (WPIC) today announces the publication of its latest *Platinum Quarterly* - the first independent, freely-available, quarterly analysis of the global platinum market. This report incorporates analysis of platinum supply and demand for the third quarter of 2017, the full year 2017 and a forecast for 2018. A deficit of 275 koz is expected in 2018, further reducing the availability of Above Ground Stocks of the metal.

Today's report shows that overall demand for platinum is forecast to increase by 2% in 2018 compared to the full year 2017. Meanwhile, supply is predicted to fall by 1%, due in part to a 2% reduction in South African mine supply compounded by closures in the second half of 2017.

The global platinum jewellery market is predicted to recover by 3% in 2018, buoyed by double-digit growth in the rapidly expanding Indian market, with demand from China currently expected to stabilise. 2018 is predicted to see the first annual increase in platinum jewellery demand since 2014.

After a tough 2017, industrial demand is expected to rebound by 9% in 2018, largely driven by increasing demand from the petroleum and glass sectors. Meanwhile, global automotive demand is expected to remain largely stable, down 1% over 2017, with growth in auto sales in Germany, Spain and Italy being offset by a fall in the UK.

Recycling supply is predicted to increase by 2%, however, the report warns that the increasing complexity of autocatalysts is making recovery of the metal increasingly tough.

Investment demand is predicted to remain flat at 250 koz for 2018, in line with a conservative approach to assessing future demand from the sector.

Paul Wilson, chief executive officer of WPIC commented:

“2017 has undoubtedly been a challenging year for the platinum market, but our independent forecast of the fundamental supply and demand drivers for 2018 shows a new, more positive picture emerging. In particular, jewellery demand is expected to return to growth for the first time in four years in 2018. Industrial demand was weak in 2017, but will sharply rebound in the coming year.

On the supply side, as we highlighted in September's Platinum Quarterly report, supply continues to tighten with the long-term effects of falling capital expenditure and recent closures becoming evident.

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Demand from the automotive sector will remain firm, and there is increasing anecdotal evidence that automakers in the US and Europe are actively considering switching from palladium to platinum loadings on gasoline vehicles, which will likely have a considerable impact on short to medium-term platinum demand should it come to fruition.”

Alongside a favourable forecast of 2018 supply and demand, today’s report shows that 2017 is likely to end the year in balance with a 15 koz deficit.

Global 2017 platinum supply is expected to fall 1% year-on-year, with mining production projected to be 95 koz lower. South African output is predicted to end the year down 1%, while production from Zimbabwe is estimated to fall by as much as 10%. Recycling supply is expected to remain flat in 2017 as a normalisation of jewellery recycling is offset by modest growth in automotive recycling.

Global demand for platinum is expected to end the year down 6%, largely due to a dip in industrial demand, particularly in the petroleum, glass, chemical and electrical sectors, outweighing gains in the medical sector.

Autocatalyst and jewellery demand are both predicted to be down 1% on the previous year, while investment demand remains at 250 koz as forecast.

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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For media requests, please contact CNC Communications:

Simon Evans or Alexandra Downs
T: +44 (0) 20 3219 8803 / +44 (0) 20 3817 9922
wpic@cnc-communications.com

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 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,

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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 strong 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 37% and 41% of total demand in the last five years. Platinum's diverse other industrial uses account on average for 20% of total global demand (five year average). Over the same period, global annual jewellery demand has averaged 35% of total platinum demand. Investment is the smallest category of platinum demand and also the most variable over the past five years, ranging between 2% and 11% of total demand (excluding movements in vaulted investor holdings).

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