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## PRESS RELEASE

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London, 9 March 2017

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### World Platinum Investment Council 2017 platinum market deficit forecast increases

- Automotive demand remains resilient
- Total supply is predicted to fall by 4% in 2017
- Q4 2016 turnaround in ETF buying boosts investment demand

**London, 9<sup>th</sup> March 2017:** The World Platinum Investment Council (WPIC) *Platinum Quarterly* today raised the predicted platinum market deficit for 2017 to 120 koz for the year. The upward revision comes after confirmation that the market ended 2016 270 koz in deficit, a deeper shortfall than previously estimated.

2017 will be the sixth consecutive year that global platinum consumption has outstripped supply, with total supply, from mining and recycling, this year predicted to fall by 4 per cent compared to 2016.

Today's *Platinum Quarterly* report, the tenth published by the WPIC since 2014, also reveals that there was a marked increase in the buying of platinum Exchange Traded Funds (ETFs) in the final quarter of 2016, which saw net buying 200 koz higher than in the previous quarter.

Demand from the automotive sector defied some expectations, ending the year up 1 per cent. The report reveals that year-on-year platinum demand from the Western Europe automotive sector has been higher in every quarter since the third quarter of 2015.

Jewellery demand in 2016 was down 11 per cent on 2015, with 2017 predicted to see demand stabilise with only a small 1 per cent decline during the year. However, the Indian market is expected to continue its strong growth with demand predicted to be up by more than 11 per cent this year.

**Paul Wilson, chief executive officer of WPIC commented:** "The upward revisions of the 2016 deficit and the forecast 2017 deficit, which would be the sixth consecutive annual shortfall, show that the platinum market is tightening amid solid demand and increasingly constrained supply. It is notable to see that buying of platinum ETFs spiked significantly at the end of the year boosting investment demand for platinum. This has continued into the first quarter of 2017 as the price of platinum has risen. Should investment demand in 2017 end up matching that of 2016, this would significantly offset the decrease in total demand currently forecast for 2017. Today's report is also a timely reminder that automotive platinum demand remained strong in 2016."

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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 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 six leading platinum producers in South Africa: Anglo American Platinum Ltd, Aquarius Platinum Ltd, Impala Platinum Ltd, Lonmin plc, Northam Platinum Ltd and Royal Bafokeng Platinum Ltd.

For further information, please visit [www.platinuminvestment.com](http://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.

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

**About Platinum**

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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).