
PRESS RELEASE

London, 8 March 2018

Platinum market forecast to remain in balance in 2018

- **Global platinum supply predicted to fall by 2% in 2018**
- **Industrial and jewellery demand expected to rebound**
- **Investment demand buoyed by robust ETF buying in 2017**

London, 8th March 2018: 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 fourth quarter of 2017, the full year 2017 and a forecast for 2018.

Today's report shows that platinum supply and demand will be closely matched in 2018, returning the market to equilibrium (+25koz). Global platinum supply is forecast to be 7,815 koz in 2018, a decline of 2% from 2017, despite an anticipated increase in recycling of 60 koz to 1,965 koz. Total mining supply for 2018 is expected to decline by 4% to 5,850 koz, mostly owing to reduced output from South Africa following some mine closures in 2017 and lower production in Russia.

Global demand is projected to grow marginally in 2018 to 7,790 koz, as a recovery in industrial demand and an increase in jewellery demand outweigh a decline in automotive demand and slightly lower investment demand.

Paul Wilson, chief executive officer of WPIC commented:

"While 2017 was a challenging year for platinum, early indications show signs of a market that is moving in the right direction in 2018. Supply is tightening and demand remains resilient. These promising fundamentals, paired with elevated global uncertainty and a better economic growth outlook, mean macro conditions are becoming increasingly helpful to the platinum market.

"The importance of China to platinum is underlined in today's report. The final quarter of 2017 has shown welcome, albeit tentative, signs that jewellery demand in the country is improving. We expect this trend to continue through 2018, with ongoing strength across other regions.

"While concerns about automotive demand weigh negatively on platinum sentiment, we believe that these concerns are, once again, overdone. The policy environment for diesel vehicles remains in flux, especially in Europe. Nevertheless, our broad perspective, including the environmental need to reduce CO₂ emissions, significant hurdles to mass battery electric vehicle adoption, and automakers already able to genuinely clean up diesel NO_x emissions, means we firmly believe clean diesel vehicles will be on the road for years to come."

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Alongside the 2018 forecast, today's report shows a shift in the market balance for the full year 2017. Total platinum supply grew 1% in 2017, with the market ending 2017 in a 250 koz surplus. This revision is largely due to higher than expected supply from South Africa and a jump in recycling volumes in the fourth quarter of 2017. Global demand, meanwhile, fell 7% year-on-year, amid lower demand in all major market segments.

Automotive demand fell 3% in 2017, due primarily to falling demand in Western Europe. The market did, however, experience growth in commercial vehicles in China and the rest of the world.

Global jewellery demand slipped 2% to 2,460 koz as gains in other regions struggled to offset a decline in China.

Total investment demand was also lower in 2017 at 260 koz, due primarily to a decrease in Japanese bar buying. However, ETF investment rebounded strongly in 2017 after two years of declines, with global holdings rising by 95 koz. The largest increase took place in the US, where investors added 90 koz to their holdings last year.

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 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.

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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 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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