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## PRESS RELEASE

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London, 13 May 2019

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### Global platinum market sees lower surplus in 2019 after record Q1 investment demand

- Highest quarterly platinum ETF growth since their launch in 2007
- SA mine supply seasonally strong but from pipeline stock release
- Highest quarterly deficit since WPIC commenced publication

**London, 13<sup>th</sup> May 2019:** The World Platinum Investment Council (WPIC) today announces the publication of its nineteenth *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 first quarter of 2019, and revisions to both the full year 2019 forecast and 2018 actual.

Today's report shows a significant increase in overall platinum demand in 2019, owing to strong investment demand that more than offsets softer demand in the automotive and jewellery segments. The increase in investment demand was driven by a surge in ETF holdings, which gained 690 koz in the first quarter of this year, the largest quarterly ETF gain ever. Demand in quarter one significantly exceeded the strong mine supply, due to release of refined platinum from smelter pipeline stock built up in 2018. The result is the largest quarterly deficit, of 550 koz, since the WPIC commenced publication in 2014.

Although Q1'19 automotive demand was down year-on-year, the rate of decline continues to reduce as independent evidence emerges of exceptionally low NO<sub>x</sub> emissions from new diesel cars and their importance to automakers (due to their low CO<sub>2</sub> emissions) in avoiding heavy fines by meeting EU CO<sub>2</sub> emissions targets.

Quarterly jewellery demand fell further year-on-year due to a continued decline in Chinese demand, mitigated by a rise in all other regions. Q1'19 industrial demand was down slightly compared to Q1'18 as growth in demand for platinum in chemical catalysts was offset by declines in the glass manufacturing and other industrial demand segments.

Total global demand for platinum is expected to increase by 8% in 2019 on the back of a strong increase in investment demand. Supply is expected to rise by 4% this year. However, potential power disruptions and industrial action represent risks that could materially reduce South African mining supply during the year. With demand projected to increase more than supply, the annual 2019 market balance will narrow sharply to a surplus of 375 koz from the previously forecast surplus of 680 koz.

**Paul Wilson, chief executive officer of WPIC commented:** "Today's report shows significant investment demand growth – an indication that platinum demand growth potential is finally outweighing long standing negative sentiment. The market may have previously underestimated the

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significant positive impact on platinum demand likely as more platinum is used in emissions control in gasoline cars and the prospect of more clean new diesels on the road.

We publish today's figures at the start of the hugely important annual Platinum Week in London. The marked turnaround by investors, that has been anticipated for several years yet failed to materialise, will be high on the agenda for most attendees. We believe this turnaround follows the combination of several demand growth signals, downside supply risk and rising price."

"The opportunity for the global platinum market to grow remains undiminished. I have been personally encouraged by the number of leading global players keen to partner with us to deliver further platinum investment growth, particularly in the US and China."

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](http://www.platinuminvestment.com)

- Ends -

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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.

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

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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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