
PRESS RELEASE

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GFEX reveals details of China's first platinum and palladium futures contracts at Shanghai Platinum Week

New ingot and sponge monthly contracts offer domestic mechanism to hedge price risks

Guangzhou Futures Exchange (GFEX), a Chinese national futures exchange dedicated to green commodities essential for the energy transition, has today revealed the details of its platinum and palladium futures contracts during a keynote speech at Shanghai Platinum Week (SPW). The RMB-denominated new contracts will be the first platinum and palladium derivatives available in China and mark a significant milestone in global Platinum Group Metals (PGMs) markets.

The new platinum and palladium futures contracts represent a significant shift in the way both metals are purchased, traded and how price risks are managed, particularly for domestic market participants in China, but also internationally.

Key features of the new products include twelve monthly contracts, rather than the quarterly contracts typically offered by other exchanges, providing increased hedging flexibility and more frequent opportunities for settlement. Participants will also be able to opt to offset the position or to take delivery of either form of the metals if they hold contracts to expiry.

Uniquely, platinum and palladium in the form of both ingots and sponge (pure metal in powder form), as opposed to just ingots, will be accepted if delivery is required. The ability to take delivery of sponge could be transformative for industrial users of PGMs, as well as automakers, as this is the main form typically used for their manufacturing purposes. No other exchange in the world allows delivery of sponge.

Other benefits of the GFEX's new futures include providing a mechanism for businesses involved in the market to hedge price risk and better manage their operations, something which is currently not freely accessible in China. For example, the removal of price risk will allow platinum jewellery and investment product fabricators to reduce the premium charged for platinum products as well as the discount on buyback.

Mr. Chen Xuanchen, R&D Lead of Platinum and Palladium Futures at Guangzhou Futures Exchange highlighted the impact this was likely to have on both the domestic and global platinum and palladium markets. "Our exchange fills a gap in the Chinese market, providing the mechanisms to discover the domestic prices of platinum and palladium in China and help businesses hedge price risk, opening up working with the two metals to a greater number of market participants throughout the metal value chains. The ability to hedge price risk will provide a welcome boost to the ongoing development of China's PGMs market which is essential to the country's energy transition and ongoing decarbonisation efforts. The availability of domestic futures could potentially boost consumer confidence in both metals, increase the availability of recycled metal and further accelerate demand growth."

Trevor Raymond, CEO of the World Platinum Investment Council, one of the co-organisers of Shanghai Platinum Week, highlighted the global significance of this development. “The launch of the **GFEX**’s platinum and palladium contracts is a ground-breaking development for the **PGMs** market globally. Any mechanism that enhances the overall stability and efficiency of the Chinese platinum market will have significant benefits for the broader global market.

“It comes at a particularly important time for platinum investment demand growth in China, with last year’s demand for coins and bars under 500g in size growing 37% to 52 koz, with an additional 134 koz of demand from platinum bars in the 500g to 1 kg range. Importantly, the ability to reduce business risks and increase platinum’s competitiveness will potentially act to accelerate the pace of growth of platinum investment in China.”

“Platinum investment is a natural mechanism for attracting metal into any geography, providing a pool of future liquidity to supply future demand. For a strategically important metal, like platinum, which is an essential ingredient for the future hydrogen economy and global decarbonisation, this is likely to prove particularly important for major end users, such as China, that do not have meaningful domestic sources of supply beyond recycling.”

Mr. Jiang Bian, Deputy Chairman of China Precious Metals Industrial Committee, added: “This announcement is one of the highlights among a variety of significant activities at this year’s Shanghai Platinum Week, including the China PGMs Market Summit, where industry experts are discussing trends and future directions for platinum group metals and their markets. It underscores the important role of Shanghai Platinum Week as a platform for industry innovation and collaboration.”

The GFEX is set to finalize the contract specifications and date of listing in the coming months.

Shanghai Platinum Week, co-organised by the WPIC, China Gold Association Platinum Committee, and the Precious Metals Industrial Committee, China Material Recycling Association, continues until 11 July, featuring a range of keynote speeches, seminars, exhibitions, and corporate events. The main focus of SPW is the China PGMs Market Summit, taking place on 9-10 July, including presentations from a wide range of PGM industry leaders and innovators speaking on various relevant and informative PGM-related themes.

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Notes to Editors:

About the Guangzhou Futures Exchange

The Guangzhou Futures Exchange (GFEX) is a pioneering financial institution dedicated to transforming the trading and hedging landscape for green commodities including platinum and palladium. GFEX plans to offer innovative monthly contracts that provide more frequent opportunities for platinum and palladium risk management compared to traditional quarterly contracts. Uniquely, the GFEX’s contracts can accept physical delivery of platinum or palladium ingots and sponge (pure metal in powder form), ensuring robust and reliable market operations. By filling a critical gap in the Chinese market, GFE facilitates enhanced price stability, supports local industries, and promotes closer integration with the global commodities market. With a commitment to excellence and transparency, the Guangzhou Futures Exchange is set to become a cornerstone in the global platinum and palladium trading ecosystem. For more information, visit www.gfex.com.cn.

About Shanghai Platinum Week

Shanghai Platinum Week (SPW) is a premier annual event dedicated to the platinum group metals (PGMs) industry. Co-organized by the World Platinum Investment Council (WPIC), China Gold Association Platinum Committee, and the Precious Metals Industrial Committee of the China Material Recycling Association, SPW serves as a vital platform for industry leaders, experts, and stakeholders to discuss trends, innovations, and future directions. The event features a series of keynote speeches, seminars, exhibitions, and corporate events, with the China PGMs Market Summit being the central highlight. Since its inception, SPW has grown to become a significant gathering for fostering international collaboration and communication within the PGM market. For more information, visit [Shanghai Platinum Week](#).

About the World Platinum Investment Council - WPIC®

The World Platinum Investment Council Ltd. 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, Implats, Northam Platinum, Sedibelo Platinum and Tharisa.

For further information, please visit www.platinuminvestment.com

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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. Excluding jewellery and investment demand, more than 80% of platinum's end uses are reducing energy requirements and harmful emissions, providing an invaluable aspect of global decarbonisation efforts.

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 30% and 44% of total demand in the last five years. Platinum's diverse non-automotive industrial uses account on average for 32% of total global demand (five-year average). Over the same period, global annual jewellery demand has averaged 26% of total platinum demand. Investment demand is the most variable category over the past five years, ranging between -10% and 20% of total demand (excluding movements in unpublished vaulted investor holdings).

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