
PRESS RELEASE

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2024 platinum market deficit forecast revised upwards to 476 koz, as weaker supply outstripped by sustained automotive and industrial demand

- Total platinum supply in Q1'24 was the second lowest in our time series, with full year 2024 also forecast to be a near-record low
- Automotive demand at a seven-year high in both Q1'24 and forecast full year 2024
- Jewellery demand increased 5% in Q1'24 driven by 53% year-on-year growth in India
- Industrial demand fell from a record high in 2023, yet remains 17% above the pre-COVID average
- Investment demand set to remain positive in 2024 for second consecutive year, supported by bar and coin demand in China

The World Platinum Investment Council - WPIC® - today publishes its Platinum Quarterly for the first quarter of 2024 and a revised full year 2024 forecast.

Global platinum demand in the Q1'24 rose quarter on quarter to 1,994 koz, as an upswing in jewellery demand added to steady demand growth in the automotive sector. Meanwhile, total platinum supply fell to its second lowest level in our time series at 1,625 koz, as mining and recycling supply remain depressed. This resulted in a market deficit of 369 koz.

For the full year, total supply is expected to remain flat on the weak levels of 2023 at 7,111 koz, with an improvement in recycled supply (+ 5%, +85 koz year-on-year) offset by a 3% decrease in mined supply (-147 koz to 5,468 koz). Meanwhile, demand is projected at a robust 7,587 koz, resulting in a market deficit of 476 koz. This marks platinum's second consecutive annual deficit.

Recycling headwinds set to ease while mined supply challenges remain

Global recycling supply in Q1'24 remained historically low at 390 koz, as weakness prevailed in both automotive and industrial recycling. For full year 2024, global recycling is projected to increase by 5% to 1,642 koz, as spent autocatalyst supplies begin to recover. Further, a modest recovery in jewellery demand in China is expected to filter through to recycling supply as a result of increased use of product sell-backs to fund new purchases.

Refined mine production rose 4% year-on-year in Q1'24 to 1,235 koz, driven primarily by a 5% year-on-year rise in South African production. Zimbabwean output also rose 5%, while, in North America, refined mine supply was essentially flat. For full year 2024, however, total mined platinum supply is forecast to decrease by 2% to 5,468 koz. South African supply is projected to decline by 2% due to cost-driven infrastructure closures offsetting increases from some expansion projects, while Russian output is set to decrease significantly by 9% to a multi-decade low due to planned maintenance and the impact of Western sanctions on business operations.

Above ground stocks are forecast to decline for the second year in succession, with a further 12% decline to 3,620 koz, hitting a four-year low.

Automotive platinum demand in Q1'24 at a seven-year high

In Q1'24, platinum demand in the automotive sector increased to 832 koz, the highest figure since Q4'17, benefiting from rising vehicle production and a greater hybrid vehicle share. Additionally, platinum demand was bolstered by the increased use of platinum-rich trimetallic catalysts, especially in North America where demand rose by 13% year-on-year.

Automotive platinum demand in 2024 is expected to grow by 2% to 3,269 koz. This is due to slowing consumer demand for battery electric vehicles (BEVs) and the continuation of growth in both heavy-duty and hybrid vehicle numbers, alongside stricter emissions legislation and an increase in platinum-for-palladium substitution, which is forecast to reach 742 koz this year.

Increase in platinum jewellery demand with Indian fabrication jumping by 53%

Global platinum jewellery demand rose by 5% to 486 koz in Q1'24, supported by a strong increase in India and growth across most regions except China. Indian platinum jewellery fabrication saw a substantial jump of 53% to 59 koz, fuelled by a nine-fold increase in exports to the US and UAE, more men's jewellery promotion, and new store openings. Elsewhere, demand in Europe is projected to grow by 2% to a record high, North America is expected to see a modest gain, the bridal market is supporting demand in Japan, and in the depressed China market a slight year-on-year improvement is expected. Global jewellery demand is projected to rise by 6% (+109 koz) to reach 1,978 koz in 2024, with India's growth matching the increase in demand from Europe, North America and China combined.

Industrial demand in 2024 remains robust

With the completion of capacity expansion cycles in the glass and chemical sectors that boosted industrial demand to record highs last year, demand is forecast to decline as expected by 15% in 2024. Nevertheless, it will be 17% above the pre-COVID average (2013-2019) at 2,242 koz.

Chemical demand fell by 52% (-152 koz) in Q1'24 year-on-year and is expected to fall by 33% to historical norms of 529 koz in 2024. Similarly, glass demand, which actually increased in Q1'24 by 117% (+95 koz), is expected to fall by 25% to 524 koz in full year 2024. Medical sector (+3% to 299 koz) and hydrogen-based application demand (+128% to 75 koz) are both expected to grow in 2024, while demand from the petroleum (-1% to 156 koz), electrical (-1% to 88 koz), and other industrial sectors (0% at 571 koz) will remain broadly similar to 2023 levels.

Second year of positive net investment in 2024

In Q1'24, global bar and coin investment dropped to 64 koz due to sharp year-on-year declines in Japan and North America, which offset gains in Europe and China. Platinum ETF holdings saw an overall increase of 11 koz to 3,077 koz, with gains in Western-held funds partially offset by declines in South Africa.

In 2024, net platinum investment is expected to remain positive for the second consecutive year at 99 koz. In North America, bar and coin demand remains above pre-pandemic levels, and is expected to continue to do so for the full year. China's retail investment in platinum is forecast to exhibit double digit growth to 60 koz, driven by perceptions of the metal being undervalued relative to gold. European investment will likely stay flat due to high interest rates. Meanwhile, platinum ETF holdings are projected to decrease by 120 koz to 2,946 koz, as high interest rates continue to discourage investment in non-yielding assets. The change in Stocks Held by Exchanges (combined Nymex and TOCOM) is expected to increase by 38%, albeit to only 20 koz.

Trevor Raymond, CEO of the World Platinum Investment Council, commented: "For the second consecutive year, the platinum market will post a meaningful deficit underscored by platinum's sustained demand and supply vulnerability amidst global economic challenges. While we currently forecast a deficit of 476 koz, it is worth mentioning that a revision to the bar and coin investment series, based on new field research and information, could mean this deficit is potentially deeper. An ongoing review by Metals Focus, the organisation which

independently supplies our data, identified the strong growth in platinum bars manufactured and sold in China and has included bars less than 500g in our published data. While 500g and 1kg bars are currently excluded from demand data, sales of these larger bars in 2023 exceeded 100 koz, with signs of strong growth into 2024. Inclusion of these investment bars in demand data would have materially increased the published platinum market deficit.

“Platinum’s significant demand in 2024 is to a large extent predicated on continued platinum automotive demand growth. This is despite a forecast rise in battery electric vehicles and reduction in internal combustion engine vehicle production. Platinum demand is bolstered by stricter emissions legislation, increased hybrid vehicles that contain an internal combustion engine, and growth in the substitution of platinum for palladium. It is important to note that once platinum is substituted for palladium in specific vehicle platforms, this demand for platinum is likely to remain constant throughout the platform’s seven-year lifecycle, even if platinum prices rise to, or exceed, those of palladium for an extended period.

“Meanwhile continuing challenges present downside risks to supply into next year, not least as miners look to reassess production plans and restructure operations to manage the negative impact of the significant decrease in the PGM basket price on mining profitability. It is worth noting that the effects of supply rationalisation plans will have both a short-term downside effect as well as severely constrain any near-term supply response to demand growth or higher platinum prices. Meanwhile, recycling supply continues to run well below historical levels and there are risks to the pace of the projected recovery that could make it more protracted, further exacerbating deficits.

“Finally, we are now seeing signs that platinum’s role in the hydrogen economy is gaining momentum, with our forecast for 2024 indicating a significant increase in demand to meaningful levels. This year will also witness the allocation and deployment of over US\$300 billion in tax incentives and subsidies from various governments around the world, potentially further accelerating hydrogen’s demand for platinum. Gradually, this trend is capturing global investor interest, offering investors a way to engage with assets associated with global decarbonisation.”

Platinum Supply-demand Balance (koz)	2020	2021	2022	2023	2024f	2023/2022 Growth %	2024f/2023 Growth %	Q1 2023	Q4 2023	Q1 2024
SUPPLY										
Refined Production	4,988	6,295	5,520	5,604	5,468	2%	-2%	1,192	1,532	1,235
South Africa	3,298	4,678	3,915	3,956	3,871	1%	-2%	778	1,143	816
Zimbabwe	448	485	480	507	502	6%	-1%	116	133	121
North America	337	273	263	276	276	5%	0%	71	72	72
Russia	704	652	663	674	616	2%	-9%	180	136	178
Other	200	206	200	190	203	-5%	7%	48	48	48
Increase (-)/Decrease (+) in Producer Inventory	-84	-93	+43	+11	+0	-1	-100%	+33	-23	+0
Total Mining Supply	4,904	6,202	5,563	5,615	5,468	1%	-3%	1,226	1,509	1,235
Recycling	1,996	2,108	1,764	1,557	1,642	-12%	5%	400	338	390
Autocatalyst	1,508	1,619	1,323	1,138	1,201	-14%	6%	287	235	275
Jewellery	422	422	372	349	366	-6%	5%	95	85	98
Industrial	66	67	69	71	75	3%	7%	17	18	17
Total Supply	6,900	8,309	7,327	7,172	7,111	-2%	-1%	1,626	1,847	1,625
DEMAND										
Automotive	2,274	2,483	2,763	3,211	3,269	16%	2%	810	816	832
Autocatalyst	2,274	2,483	2,763	3,211	3,269	16%	2%	810	816	832
Non-road	†	†	†	†	†	N/A	N/A	†	†	†
Jewellery	1,830	1,953	1,899	1,868	1,978	-2%	6%	463	476	486
Industrial	2,100	2,531	2,316	2,626	2,242	13%	-15%	656	737	612
Chemical	633	663	673	786	529	17%	-33%	295	132	142
Petroleum	109	169	193	158	156	-18%	-1%	41	38	39
Electrical	130	135	106	89	88	-16%	-1%	23	22	22
Glass	473	753	505	701	524	39%	-25%	80	310	175
Medical	254	265	275	289	299	5%	3%	75	71	78
Hydrogen Stationary and Other	28	18	15	33	75	114%	128%	5	13	14
Other	473	528	548	571	571	4%	0%	137	150	142
Investment	1,559	-30	-606	318	99	N/A	-69%	198	-71	64
Change in Bars, Coins	593	349	259	323	199	25%	-38%	128	61	64
Change in ETF Holdings	507	-241	-558	-20	-120	N/A	N/A	40	-116	11
Change in Stocks Held by Exchanges	458	-139	-307	14	20	N/A	38%	29	-16	-11
Total Demand	7,763	6,936	6,372	8,023	7,587	26%	-5%	2,128	1,959	1,994
Balance	-863	1,373	955	-851	-476	N/A	N/A	-502	-112	-369
Above Ground Stocks	2,619**	3,992	4,947	4,097	3,620	-17%	-12%			

Source: Metals Focus 2020 – 2024

Notes:

1. **Above Ground Stocks 3,650 koz as of 31 December 2018 (Metals Focus).
2. † Non-road automotive demand is included in autocatalyst demand.

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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 by WPIC and conducted by Metals Focus, an independent authority on the platinum group metals markets.

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.

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About Metals Focus

Metals Focus is one of the world's leading precious metals consultancies. They specialise in research into the global gold, silver, platinum, palladium and rhodium markets producing regular reports, forecasts and bespoke consultancy. The Metals Focus team, spread across eight jurisdictions, has an exhaustive range of contacts across the world. As such, Metals Focus is dedicated to delivering world-class statistics, analysis and forecasts for the precious metals markets.

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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.

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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