
PRESS RELEASE

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2024 platinum market deficit forecast to exceed one million ounces

- Supply forecast to weaken further, falling 1% to 7,089 koz in 2024, 6% below the 5-year average, while total demand now expected to grow 3% to 8,118 koz
- Investment demand of 517 koz forecast for the year, boosted by ETF inflows and strong growth in bar and coin demand in China, especially in the large bullion bar category (500g and above, now included in demand figures)
- A jump in jewellery demand in Q2'24 contributes to overall 7% increase for the year in this segment
- Automotive and industrial demand both forecast to increase 1% in 2024, from already elevated levels

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

Global platinum demand in Q2'24 rose 13% year-on-year to 2,421 koz. This increase was driven by robust growth in the investment (+137% year-on-year) and jewellery (+5%) sectors, complementing stable demand from the automotive and industrial segments. On the supply side, despite growth in mine production and a stabilisation in secondary supply, total global supply, at 1,958 koz, fell well short of demand, resulting in a 464 koz deficit.

For the full year, total platinum supply is expected to decline by 1% from the already weak levels of 2023, reaching 7,089 koz. While recycled supply is forecast to see a modest year-on-year increase of 2% to 1,581 koz, this gain will be offset by a 2% year-on-year decrease in mined supply, which is projected to drop to 5,508 koz. On the demand side, robust growth is expected to drive total demand to 8,118 koz, leading to a substantial market deficit of 1,028 koz in 2024.

Investment demand projected to reach 517 koz in 2024

It is important to note that, for the first time, the Q2'24 Platinum Quarterly report includes an expanded scope that accounts for purchases of bullion bars, 500g and above, in China, made possible by access to more granular market data. In Q2'24, these purchases doubled from Q2'23 levels, reaching 41 koz, and are expected to achieve 40% year-on-year growth for full year 2024, reaching 188 koz.

During Q2'24 investment demand surged to its highest level since Q3'20, driven by a substantial inflow of 444 koz into platinum ETFs. This strong ETF performance, along with large bar (500g and above) demand in China, more than offset a sharp 63% decline in bar and coin investment, which fell to 17 koz due to net disinvestment in Japan and reduced buying in North America. Exchange-held stocks decreased by 40 koz to 174 koz.

Total investment demand in 2024 is projected to reach 517 koz, marking a 15% year-on-year increase. Platinum ETF holdings are expected to increase by 150 koz (albeit a reduction on the inflows seen during Q2'24). Strong growth in physical investment in China, especially in the large bar (500g and above) category, will more than offset weak bar and coin demand elsewhere.

Platinum jewellery demand set to increase 7% driven by high gold prices

This quarter, global platinum jewellery demand surpassed 500 koz for the first time since Q4' 21, marking a 5% year-on-year increase, aided by the widening price gap between platinum and gold. Platinum jewellery fabrication in India surged 15% year-on-year, fuelled by strong exports to the US, UK, and UAE, while fabrication in Europe and China increased 7% and 5%, respectively.

For full year 2024, historically high gold prices will help platinum jewellery demand grow by a projected 7% (+126 koz) year-on-year, reaching 1,994 koz. In India, jewellery fabrication is expected to demonstrate further strong growth with a 28% increase, while Japan's demand is forecast to rise by 8% year-on-year to 365 koz, the highest level since 2019. Offtake in Europe is expected to reach a record high in our time-series, growing 4%. Meanwhile, demand in North America this year is also projected to reach a record high, growing 3%. Notably, fabrication in China is set to improve by 3%, reversing a decline in demand that has persisted since 2013.

Robust industrial demand boosted by 47% increase in glass demand

Industrial demand is forecast to reach 2,369 koz in 2024, marking a 1% year-on-year increase over the elevated levels of 2023. Glass demand in Q2 2024 increased by 48% year-on-year to 216 koz, due to Chinese LCD capacity expansions that were delayed from 2023. As a result, a 47% year-on-year increase in glass demand is expected for full year 2024.

Demand in the medical sector (+4% to 303 koz) and for hydrogen-based applications (+123% to 64 koz) is projected to rise year-on-year in 2024. Meanwhile, petroleum demand will soften (-3% to 153 koz), while electrical (+1% to 90 koz), and other industrial sectors (+2% to 582 koz) are expected to show modest year-on-year growth.

Overall, gains will offset a sharp decline in platinum chemical offtake, which dropped 48% year-on-year (-111 koz) to 122 koz in Q2'24, primarily due to a slowdown in China's petrochemical industry. For the full year, chemical demand is expected to decrease by 31%, to 542 koz.

Automotive demand to increase 1% in 2024, despite fall in vehicle production

In Q2'24, global automotive platinum demand increased by 1% (+6 koz) to 820 koz, driven by a higher share of hybrid vehicles and the expanded use of platinum-rich trimetallic catalysts, particularly in North America.

Automotive platinum demand in 2024 is forecast to reach a seven-year high, growing by 1% year-on-year to 3,237 koz, despite a downward revision in global vehicle production estimates to 91.1 million units. This growth continues to be underpinned by softer consumer demand for battery electric vehicles (BEVs) and the continuation of growth in hybrid vehicle numbers, alongside stricter emissions legislation and an increase in platinum-for-palladium substitution, which is forecast to reach 752 koz this year.

Total supply in 2024 to fall a further 1%, despite 4% pickup in Q2

Refined mine supply in Q2'24 saw a 4% year-on-year increase, reaching 1,540 koz, thanks largely to a 7% increase in output from South Africa, offsetting declines in other regions.

However, for full year 2024, cost-driven restructuring in South Africa is expected to result in a 2% year-on-year reduction in the country's mined supply, which is forecast to fall to 3,883 koz. This, coupled with forecast declines in Russian output, is expected to lead to a 2% decrease in total mined platinum supply, falling to 5,508 koz, a four-year low.

Meanwhile, global recycling remained suppressed in Q2'24, with only a 1% year-on-year increase (+4 koz), driven by a slight rise in spent autocatalyst recycling, offsetting declines in jewellery and electronic scrap. Recycling is expected to reach 1,581 koz for the full year, a 2% year-on-year increase, with the spent autocatalyst market expected to show some signs of stabilising after two years of declines, supported by improvements in the factors that previously disrupted the flow of materials from consumers to scrapyards and from scrapyards to refiners.

Finally, above ground stocks are forecast to decline for the second year in succession, with a 25% decline to 3,006 koz, hitting a four-year low and resulting in just over four months' worth of demand cover.

Trevor Raymond, CEO of the World Platinum Investment Council, commented: "2024 will be the second consecutive year where the platinum market will experience a significant deficit, driven by robust demand and ongoing supply vulnerabilities. However, even with deficits of this magnitude, the platinum price appears unresponsive. For a long time, price setting has been influenced more by sentiment than by supply/demand fundamentals. Arguably, one of the key factors driving sentiment has been expectations of a continued and inevitable decline in automotive demand for platinum in the wake of Dieselgate, in combination with expectations of a rapid electrification of the global drivetrain. As things stand, while Dieselgate has led to a dramatic decline in diesel passenger vehicle production, growing substitution of platinum into gasoline catalytic converters, coupled with much slower than anticipated electrification, means that automotive demand for platinum is now well above pre-Covid levels. Drivetrain electrification is expected to continue to slow, and with increasing hybridisation of the drivetrain, we see sentiment shifting toward higher-for-longer automotive platinum demand. We expect this shift in sentiment, supported by consecutive deficits that are rapidly depleting above ground stocks, will result in platinum's strong underlying fundamentals playing a more prominent role in establishing its market value.

"WPIC's market development activities, including the annual Shanghai Platinum Week, and growing number of product partners in China have been instrumental in achieving the significant growth in investment demand in that region. This area of demand, which has been growing for several years, from 31 koz in 2019 to 186 koz in 2023 and is now fully included in our published demand data, is making a significant contribution to the overall market deficit and is poised for further growth. Notably, combining coin and both small and large bars in China, overall demand is forecast to surge by an impressive 34% this year.

"The relevance of platinum's growing role in the hydrogen economy remains as strong as ever. Our forecast for 2024 predicts a significant increase in demand, albeit off a small base, but demonstrating the momentum in the industry. The ongoing allocation and deployment of over US\$300 billion in tax incentives and subsidies from governments worldwide continue to support and potentially accelerate platinum demand in the hydrogen sector. This trend is steadily capturing the attention of global investors, offering a compelling opportunity to engage with assets connected to global decarbonisation efforts."

Platinum Supply-demand Balance (koz)	2020	2021	2022	2023	2024f	2023/2022 Growth %	2024f/2023 Growth %	Q2 2023	Q1 2024	Q2 2024
SUPPLY										
Refined Production	4,988	6,295	5,520	5,604	5,508	2%	-2%	1,486	1,224	1,540
South Africa	3,298	4,678	3,915	3,957	3,883	1%	-2%	1,051	794	1,126
Zimbabwe	448	485	480	507	504	6%	-1%	126	132	125
North America	337	273	263	275	273	5%	-1%	73	71	61
Russia	704	652	663	674	646	2%	-4%	190	178	181
Other	200	206	200	190	203	-5%	7%	46	48	48
Increase (-)/Decrease (+) in Producer Inventory	-84	-93	+43	+11	+0	-74%	-100%	+8	+9	+30
Total Mining Supply	4,904	6,202	5,563	5,615	5,508	1%	-2%	1,494	1,233	1,570
Recycling	1,996	2,107	1,764	1,545	1,581	-12%	2%	383	377	388
Autocatalyst	1,508	1,619	1,323	1,144	1,161	-14%	2%	290	275	297
Jewellery	422	422	372	331	344	-11%	4%	76	85	72
Industrial	66	67	69	71	76	3%	8%	17	17	19
Total Supply	6,900	8,309	7,327	7,160	7,089	-2%	-1%	1,877	1,610	1,958
DEMAND										
Automotive	2,275	2,492	2,769	3,215	3,237	16%	1%	814	822	820
Autocatalyst	2,275	2,492	2,769	3,215	3,237	16%	1%	814	822	820
Non-road	†	†	†	†	†	N/A	N/A	†	†	†
Jewellery	1,830	1,953	1,899	1,868	1,994	-2%	7%	478	484	501
Industrial	2,102	2,532	2,315	2,356	2,369	2%	1%	663	627	638
Chemical	633	663	673	786	542	17%	-31%	233	145	122
Petroleum	109	169	193	158	153	-18%	-3%	40	38	38
Electrical	130	135	106	89	90	-16%	1%	23	22	23
Glass	473	753	505	432	635	-14%	47%	146	195	216
Medical	256	267	278	292	303	5%	4%	72	72	77
Hydrogen Stationary and Other	28	17	12	29	64	133%	123%	5	12	14
Other	473	528	548	571	582	4%	2%	145	142	148
Investment	1,582	(3)	(516)	451	517	N/A	15%	195	117	462
Change in Bars, Coins	593	349	259	323	180	25%	-44%	47	64	17
China Bars ≥ 500g	23	27	90	134	188	49%	40%	20	53	41
Change in ETF Holdings	507	(241)	(558)	(20)	150	N/A	N/A	155	11	444
Change in Stocks Held by Exchanges	458	(139)	(307)	14	0	N/A	-100%	(27)	(11)	(40)
Total Demand	7,789	6,972	6,467	7,892	8,118	22%	3%	2,151	2,051	2,421
Balance	-888	1,337	860	-731	-1,028	N/A	N/A	-273	-441	-464
Above Ground Stocks	2,569**	3,906	4,765	4,034	3,006	-15%	-25%			

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.

-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 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

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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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