
PRESS RELEASE

London, 6 March 2019

Global platinum demand forecast to increase by 5% in 2019

- **2019 demand up on resurgent investor demand for ETFs**
- **2019 surplus of 680koz up on 2018 as supply rises by 5%**
- **Platinum's demand growth prospects up due to higher palladium price**

London, 6th March 2019: 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 2018, the full year 2018 and a forecast for 2019.

The 2019 forecast shows global demand for platinum is set to increase by 5% to 7,740koz. This increase is due to the expected significant rise in investment demand, which offsets weaker forecast demand in automotive, jewellery and industrial segments. Supply growth of 5% exceeds demand growth resulting in the market balance rising from a surplus of 645koz last year to 680koz.

Total investment demand in 2019 is forecast to be 530koz, as strong growth in ETF holdings reverses the net reduction in 2018 and adds another year of strong bar and coin demand. Despite a fall in ETF holdings towards the end of 2018, investors rapidly increased their ETF holdings in the first few weeks of 2019 across western markets and South Africa.

Chemical demand is set to be up by 35koz in 2019, which will offset declines in the glass and other industrial segments. This will see overall industrial demand come close to the high level in 2018 at 1,885koz. The decline in jewellery demand should slow, dropping just 1% to 2,325koz, (2018 was 4% below 2017) due to an easing of the decline in Chinese demand and growth in other regions.

Automotive demand is projected to fall at a far slower rate than in 2018, declining 3% year-on-year to 3,000koz in 2019, compared to a 7% decline in 2018. The smaller decline is partly attributable to a stabilisation of demand in light-duty diesel autocatalysts in India.

Recycling platinum supply is expected to rise 3% to 1,960koz in 2019 due to an acceleration in European autocatalyst recycling, but with slower growth in the US.

Paul Wilson, chief executive officer of WPIC commented:

“It is encouraging to see investment demand for platinum growing rapidly in 2019, and we expect this trend to continue. We believe our ongoing efforts in product development through global partnerships, plus platinum's discount to gold will support continued, solid retail investment in bars and coins.

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Forecast 2019 refined production from South Africa, is higher than previously forecast, mainly due to some one-off releases from work-in-progress inventory. Three factors in 2019 strengthen platinum's investment case: possible ongoing disruption of South African mining output could reduce supply; recovering Western Europe diesel market share may increase automotive demand; also, the significant increase in the palladium price makes future demand growth for platinum as a replacement for palladium in gasoline cars more likely."

2018

Total platinum supply fell marginally in 2018 to 8,010koz owing to lower mining supply, as recycled platinum increased modestly. Platinum demand contracted by 5% to 7,365koz, which resulted in a surplus of 645koz. Low levels of demand were due to declines in jewellery, automotive and investment demand that outweighed improved industrial demand.

Industrial demand was the only segment to see growth in Q4 2018, which was up 7% year-on-year to 460koz owing primarily to a recovery in petroleum requirements. In this quarter, automotive demand declined by 8% year-on-year to 780koz driven by ongoing decline in the Western Europe diesel car market, however this was up 10% from the prior quarter, Q3 18. Demand for jewellery in Q4 2018 dropped 12% to 600koz due to poor retail sales in China leading to weak demand from fabricators. Net investment demand was negative in the quarter as bar and coin sales were unable to offset the net reduction in ETF holdings.

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

PRESS RELEASE

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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.

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

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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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