
PRESS RELEASE

London, 14 May 2018

Global platinum market sees rising demand, lower supply and a reduced surplus in 2018

- **Q1'18 SA mine supply falls to lowest level for two years**
- **Rebound in jewellery and industrial demand to continue in 2018**
- **Investment demand buoyed by strong bar and coin buying in Q1'18**

London, 14th May 2018: 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 first quarter of 2018 and revisions to both the full year 2018 forecast and 2017 actual.

Today's report predicts that supply will tighten in 2018 compared to 2017, with South African mine supply falling in Q1 to its lowest level since 2016.

Global demand for platinum is forecast to be marginally up for the year, despite a fall in total global automotive demand, with growth in commercial vehicles insufficient to offset lower demand from passenger cars.

These fundamental shifts will contribute to a reduction in the level of overall surplus for the year, down to 180 koz from a revised surplus figure of 315 koz in 2017. Q1 2018 was in deficit by 125 koz.

Key highlights from today's report include a predicted recovery in both jewellery and industrial demand for 2018. Global demand for platinum jewellery is predicted to climb by 2% in 2018. This will be powered by strong global economic growth, alongside continued demand from India as larger retailers with multiple stores gain market share from the independent sector. Demand from China is predicted to increase as a platinum campaign to target millennials bears fruit.

An increase in industrial demand (+60 koz) is expected to be fuelled by requirements from the petroleum industry, with use in refining up, led by the recovery in Japan.

In line with previous forecasts, investment demand is predicted to be 250 koz in 2018. Demand in the first quarter of the year was buoyed by strong bar and coin sales, helped by the release of the US Mint's bullion and proof platinum American Eagle coins.

Paul Wilson, chief executive officer of WPIC commented:

"Today's report shows resilient demand for platinum, which will rise modestly this year when compared to 2017. We are still convinced that supply remains constrained. The year will be in surplus overall, albeit it at lower level than 2017."

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“We publish today’s figures at the start of the hugely important Platinum Week in London. The price of platinum, which remains at historic lows compared to gold, will be high on the agenda for most attendees. I will certainly be urging those I meet to focus on the fundamentals, rather than short-term negative sentiment that is clouding opinions at present.

“The opportunity for the global platinum market to grow remains undiminished. I have been personally encouraged by recent activities in China, where a number of new WPIC product partnerships, clearly focussed on retail investors, are in the pipeline.”

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 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

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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 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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