
PRESS RELEASE

London, 6 September 2018

Global platinum supply to contract by 2% in 2018

- **Full year supply forecast revised downwards following reduced jewellery recycling**
 - **Overall global demand to fall by 2% compared to 2017**
- **Industrial demand to strengthen by 5% to highest level in 6 years**

London, 6th September 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 second quarter of 2018 and includes revisions to the full year forecast.

Today's report predicts a further tightening of global platinum supply prompted by a reduction in the level of recycling in the jewellery sector. Global platinum supply is forecast to slip by 2% year-on-year to 7,910 koz with most mining regions expected to post lower refined production in 2018 with notable declines in South Africa, Zimbabwe and Russia.

Overall recycling supply is expected to increase this year, although the size of this uptick has today been revised downwards due to an anticipated 10% fall in jewellery recycling.

Global demand for platinum is expected to fall by 2% in 2018 prompted by reductions in automotive, jewellery and investment demand. These declines are expected to outweigh an expected increase in demand for platinum from the industrial sector, with a 60% rebound in petroleum demand following a raft of refinery closures in 2017.

Automotive demand for the year is forecast to fall to 3,130 koz, due to lower diesel production in Western Europe. Although, outside Europe, demand is expected to increase slightly in India and North America in 2018.

Today's report forecasts that investment demand will be largely flat compared to 2017 as robust demand for bars and coins, spurred by Japanese bar buying, is outweighed by a marked reduction in ETF holdings in the second quarter.

The market is forecast to be in surplus for the year with Above Ground Stocks (the year-end estimate of the cumulative platinum holdings not associated with ETFs, metal held by exchanges or working inventories of mining producers, refiners, fabricators or end-users) expected to end the year at 2,495 koz.

Paul Wilson, chief executive officer of WPIC commented:

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“Today’s report shows that the global platinum market faces a number of key challenges to both supply and demand. As we have remarked in the past, supply remains constrained and we expect this to remain the case for the foreseeable future.

“An encouraging increase in industrial demand cannot mask a disappointing, but anticipated, fall in demand from the automotive sector. Diesel sales in Western Europe remain weak but we think this story has a long way to run. We continue to scrutinise the extent to which automakers address declining diesel car sales and are switching out palladium for platinum in gasoline cars, while we have been particularly encouraged by a positive shift in the global sentiment towards the inclusion of fuel cell electric vehicles in the future vehicle mix.

“Investment demand fell in the second quarter of the year as reduced ETF holdings outweighed strong bar and coin sales. However, indications from Q3 already suggest this decline will reverse itself during the remainder of 2018. Bar and coin demand remain encouraging with the launch of new coins in the United Kingdom and bars in China, through the WPIC’s partnership with the Royal Mint and Shenzhen Hengfu Yingjia, announced in July. We look forward to making a number of new announcements in the final quarters of the year.”

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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For media requests, please contact CNC Communications:

Claire Maloney or Simon Evans

T: +44 (0) 20 7551 604 / +44 (0) 203 7551 620

wpic@cnc-communications.com

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

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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 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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