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## PRESS RELEASE

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London, 29 January 2016

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### **Platinum market to see a decade of annual deficits to 2021**

**WPIC commissioned report by GlauX Metal forecasts an average annual deficit of 250,000 ounces for six-year period to 2021**

**London, 29<sup>th</sup> January 2016:** Fundamental analysis of the global platinum market for the next six-year period to 2021 supports a bullish price forecast for the metal, a World Platinum Investment Council-commissioned report by GlauX Metal, the trading name for the independent research of Dr. David Jollie, predicts.

The report also suggests that there are numerous factors within the platinum market pointing towards potential upside in demand and greater downside in supply.

Dr Jollie highlights that automotive demand will remain robust with, for example, demand for platinum from the global truck market potentially doubling over the next five years. Higher loadings necessary to meet stricter emissions standards will also increase light duty demand even with some expected loss of diesel car market share.

Global jewellery demand is predicted to grow by around one per cent per annum over the forecast period, buoyed by growth in the Indian market, despite little growth forecast for the Chinese market.

Delivering a cautious forecast for investment demand growth, the report says that additional demand will be dependent on an increase in the availability of new products. Such developments could drive 'several hundred thousand ounces of additional demand' over the forecast.

On the supply side Dr Jollie's report details that it is unlikely that primary supplies of platinum will rise above 2015 levels before 2021, with the potential for downside production risk higher than upside potential.

The report also flags that the threat of further capital expenditure cutbacks by the major producers, and corresponding falls in mine output, remain acute if the price of platinum remains weak for an extended period of time.

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**David Jollie, GlauX Metal, said:**

“My independent analysis of the fundamentals of the global platinum market supports a bullish price forecast for the metal over the next six-year period. Recycling will increase but primary supply remains constrained, while the demand side of the fundamental equation should be stronger over the period than many might initially estimate.”

**Trevor Raymond, Director of Research at WPIC, said:**

“One of the central roles of the World Platinum Investment Council is the provision of actionable insights to meet the needs of investors considering an investment in platinum. Our well-established *Platinum Quarterly* provides detailed insight into supply and demand from 2013 to 2016. We believe that Dr Jollie’s analysis provides essential understanding of the critical medium-term market drivers at this time.”

He added: “The report also highlights the impact that the WPIC’s market development pipeline could have, supporting demand growth for platinum in the coming years. We are now licenced to extend the global reach of platinum bullion coin custodial certificates and our recent Singapore announcement on broader market development in Asia, provides a clear indication of our intentions.”

The full copy of the GlauX Metal report is available to download at [www.platinuminvestment.com](http://www.platinuminvestment.com), as are all WPIC-commissioned reports.

**-Ends-**

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**Notes to Editors:**

**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 six leading platinum producers in South Africa: Anglo American Platinum Ltd, Aquarius Platinum Ltd, Impala Platinum Ltd, Lonmin plc, Northam Platinum Ltd and Royal Bafokeng Platinum Ltd.

For further information, please visit: [www.platinuminvestment.com](http://www.platinuminvestment.com)

WPIC’s offices are located at: 64 St James’s Street, London, SW1A 1NF.

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### **About Glaux Metal**

Glaux Metal is the trading name for the independent research of David Jollie in the precious metals sector. Dr. Jollie has over eighteen years' experience of the precious metals sector in a range of roles from research and development to market research. He previously wrote Johnson Matthey's market-leading reports on the platinum group metal sector from 2006 to 2010 before leading Mitsui & Co. Precious Metals' research on the same sector from 2010 to 2015.

Dr. Jollie can be contacted at [david.jollie@glauxmetal.com](mailto:david.jollie@glauxmetal.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 77% of total annual platinum supply (in refined ounces) has come from primary mining output.

Global demand for platinum is growing 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 a little over 20% of total global demand (five year average). Over the same period, global annual jewellery demand has averaged 34% 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 increases or decreases in above ground stocks).

The diversity of platinum's demand drivers can be explored further through an infographic on our website: [www.platinuminvestment.com](http://www.platinuminvestment.com)