PLATINUM PERSPECTIVES

World Platinum Investment Council

The macro-economic environment is driving platinum's market value, accentuated by underlying fundamentals

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Platinum and gold have been almost perfectly correlated since 2025, and that relationship — not fundamentals — is likely to dominate the near-term investment case. Despite a potential platinum market surplus in 2026f due to ~750 koz of combined year-to-date ETF outflows and exchange stock holdings reductions, we expect platinum to continue to trend in line with gold, which would likely mean a move higher if the Fed holds off on rate hikes over the remainder of the year.

The platinum–gold correlation has been 0.95 since the start of 2025 (Fig. 1). Platinum entered 2025 projecting to record a third consecutive market deficit (Fig. 2). These sustained deficits and tight physical supply were the initial catalysts for prices breaking away from the ±US$1,000/oz level that platinum had traded around since mid-2015 (Fig. 4).

Fundamentals would not explain why platinum's correlation to gold and other metals has risen post-2025 compared to the 2010 to 2024 period (Fig. 1). Arguably, the broader metals basket has correlated due to the world's shift from globalisation to a multi-polar landscape. Trade policies, technology and commodities have become tools for advancing regional agendas. PGM's concentrated supply side and high value-in-use have seen the metals placed on a number of countries' critical minerals lists.

Figure 1. Platinum's correlation to the wider precious metals basket has realigned since 2025

2010-2024	Platinum	Gold	Silver	Palladium	Copper	Nickel
Platinum	1.00	-0.15	0.60	-0.45	0.33	0.42
Gold	-0.15	1.00	0.60	0.44	0.68	0.40
Silver	0.60	0.60	1.00	0.00	0.73	0.53
Palladium	-0.45	0.44	0.00	1.00	0.30	0.26
Copper	0.33	0.68	0.73	0.30	1.00	0.77
Nickel	0.42	0.40	0.53	0.26	0.77	1.00

2025 - current	Platinum	Gold	Silver	Palladium	Copper	Nickel
Platinum	1.00	0.95	0.97	0.96	0.75	0.64
Gold	0.95	1.00	0.96	0.91	0.77	0.65
Silver	0.97	0.96	1.00	0.91	0.80	0.76
Palladium	0.96	0.91	0.91	1.00	0.64	0.49
Copper	0.75	0.77	0.80	0.64	1.00	0.76
Nickel	0.64	0.65	0.76	0.49	0.76	1.00

Source: Bloomberg, WPIC, Analysis is based on week over week price correlation

At the same time, high national debt and expanding fiscal budgets are pushing investors to physical assets that hedge inflation and US dollar weakness. Gold unequivocally leads the debasement trade, but silver and platinum offer higher-beta alternatives, and investors added exposure as the Au:Ag and Au:Pt ratios hit records in 2025. Since 2025, the platinum-gold beta has been 1.3x while the silver-gold beta has been 1.8x (Fig. 5). Platinum's higher beta likely reflects recent years of deficits and ongoing deficits averaging 339 koz, or 4% of demand over 2027f-2030f.

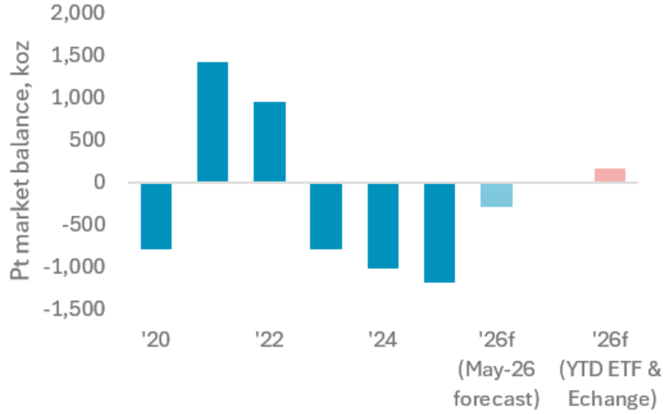
The market's expectations for US rate hikes over the rest of 2026 have eased which should support pricing and investment demand across the broader precious metals complex, despite platinum markets potentially facing a surplus due to investment demand outflows.

In our view, year-to-date investment outflows (Fig. 3) could push platinum markets into modest surplus in 2026f (Fig. 2), albeit one too small to meaningfully rebuild depleted above ground stocks. However, since the Fed appears reluctant to hike rates, platinum's short-term fundamentals are being overshadowed by the macro environment, which should support precious metal prices and H2'26 investment demand. From 1 August to 19 August 2026, the market's expectation for a September 2026 US rate hike has declined from 64% to 32% after Q2'26 GDP growth slowed to 1.5%, the Jul'26 payroll report showed 23k fewer jobs and July's CPI slowed 0.1% m/m to 3.4%. If this changing dynamic brings back sufficient investment volumes, it could bring the market back into deficit for full year 2026f.

Platinum's attraction as an investment asset arises from:

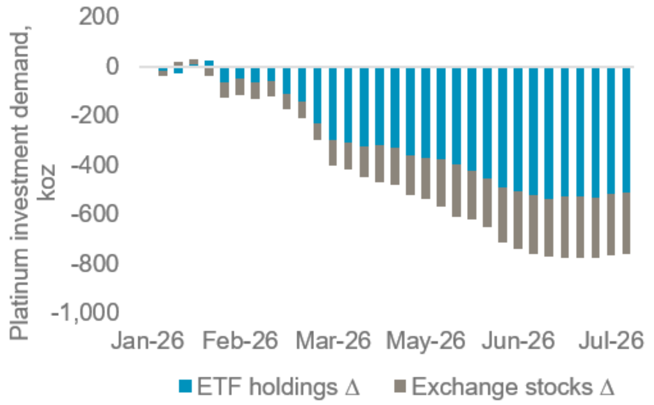
- WPIC research indicates that the platinum market entered a period of sustained supply deficits from 2023 which are depleting above ground stocks
- Although higher platinum prices have supported increased recycling supply, total supply demand remains challenged
- Platinum is a critical mineral in the global energy transition underpinning a key role in the hydrogen economy, as well as being an increasingly key input in semiconductor production and AI datacentres
- The platinum price remains historically undervalued and significantly below the price of gold

Figure 2: Platinum is projected to record a market deficit in 2026f, although YTD ETF and exchange stock moves may push markets to surplus



Source: Metals Focus, Bloomberg, WPIC research

Figure 3: Platinum exchange traded fund holdings and NYMEX exchange stocks have decreased by ~750 koz year-to-date*

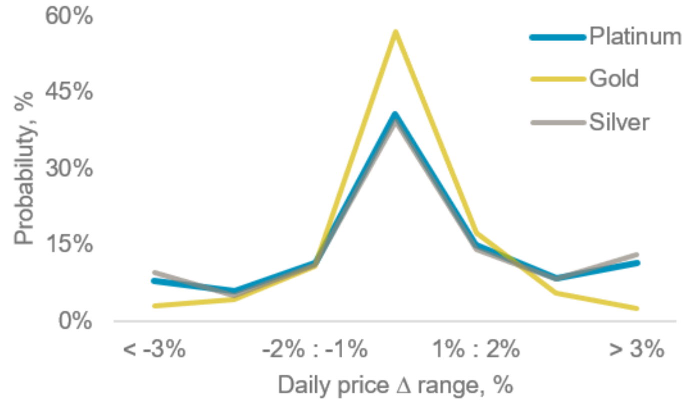


*Source: Bloomberg, WPIC Research, n.b. excludes GFEX stock build, *07/08/2026*

Figure 4: Platinum prices broke out of a decade long ±US$1,000/oz price level in 2025

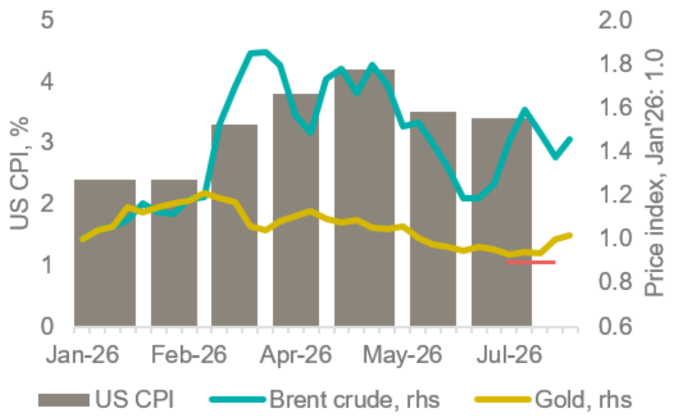
Source: Bloomberg, WPIC research

Figure 5: Platinum and silver are high-beta proxies of gold with sharper price swings and greater upside skew



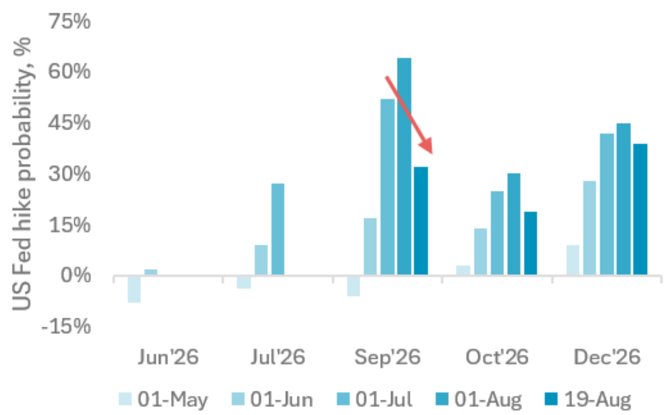
Source: Bloomberg, WPIC research, N.B. since 2025

Figure 6: Gold's pullback appears to have bottomed and it is staging a recovery as US inflation has been somewhat contained through the summer



Source: Bloomberg, WPIC research

Figure 7: Precious metals prices should benefit if expectations for future Fed rate hikes continue to moderate after peaking in early August 2026



Source: Bloomberg, WPIC research

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