

Factors underpinning platinum's all time high price remain entrenched

After a final 25% surge, which lasted only three weeks, the record platinum price rally reset between 29 January and 02 February 2026 before finding support levels that lifted platinum back above US\$2,000/oz. Although the precious metals complex is currently moving largely in unison, it is worth noting that platinum's specific and compelling market fundamentals have not changed. The price increase has not solved for the ongoing shortage of metal, which is illustrated by sustained high lease rates and strong OTC backwardation. Looking back, as platinum reached an all-time high of US\$2,923/oz on 26 January our platinum price attribution model (PPAM) was increasingly showing a large residual component to price setting, indicative of the significant impact that the macro-economic and geopolitical environment was having on commodity markets.

From the start of 2025 to the 2026 YTD peak, platinum prices increased by 220%, with **three distinct phases to the price rally**. The first step change in platinum prices occurred during Q2 2025 when, reacting to a record discount to gold (Fig 2), Chinese jewellers rotated towards platinum, which coincided with global end-users pivoting away from leasing towards ownership (Fig 6). The second leg up in prices occurred during late Q3 2025. Platinum stocks held on the CME rose (Fig. 3) as the US's rhetoric on critical minerals supplies intensified, announcing tariffs on copper and launching the Section 232 investigation, followed by the palladium anti-dumping investigation.

Edward Sterck
Director of Research
+44 203 696 8786
esterck@platinuminvestment.com

Wade Napier
Analyst
+44 203 696 8774
wnapier@platinuminvestment.com

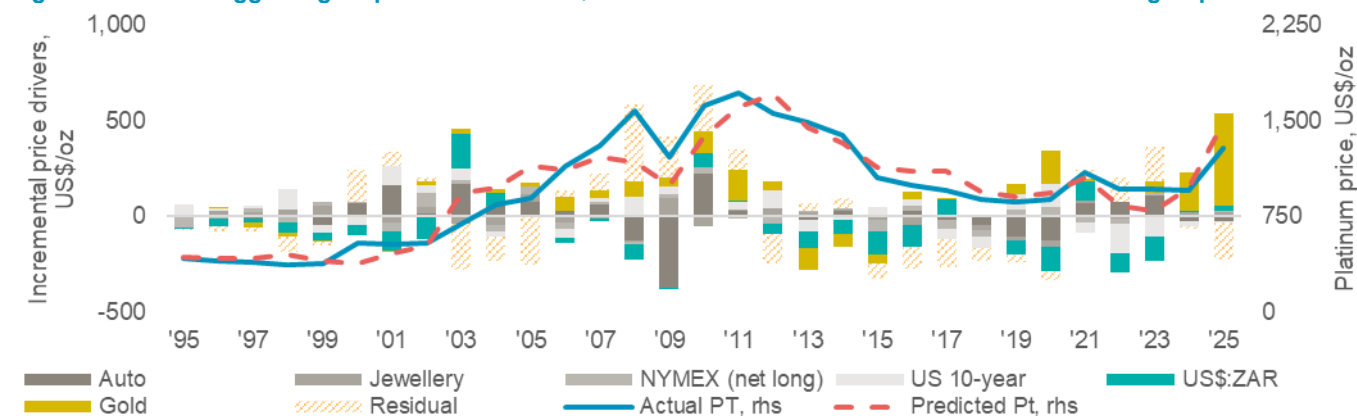
Kaitlin Fitzpatrick-Spacey
Associate Analyst
+44 203 696 8771
kfitzpatrick@platinuminvestment.com

Brendan Clifford
Head of Institutional Distribution
+44 203 696 8778
bclifford@platinuminvestment.com

World Platinum Investment Council
www.platinuminvestment.com
166 Piccadilly,
London, W1J 9EF

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Fig 1. Our PPAM suggests gold prices and the US\$:ZAR are the dominant incremental factors setting Pt prices



Source: Bloomberg, WPIC research

The third phase of platinum's price rise occurred from December 2025 as precious metals sentiment became increasingly bullish. Optimism around precious metals has been underpinned by geopolitical risks, expectations of monetary policy easing, and growing concerns surrounding fiscal policy amongst large economies. Platinum was further buoyed by the launch of futures and options contracts on Guangzhou Futures Exchange.

Our PPAM reflects the tailwind of precious metals sentiment, with gold underpinning much of platinum's price setting in 2025 (Fig. 1). Notably, through January 2026, platinum's early price momentum increasingly began to disconnect from the expected price derived from our PPAM (Fig. 5). The residual factor (i.e. unexplained price drivers) between spot and our PPAM exceeded US\$500/oz by 26 January 2026 when platinum achieved an all-time high of US\$2,923/oz. With the late January 2026 platinum price correction, the residual factor in our PPAM has declined to -US\$11/oz suggesting prices are now aligned with traditional drivers.

In our view, platinum's mild price recovery in February 2026 likely reflects some consolidation with investors returning their focus to tangible market dynamics such as platinum's elevated lease rates (Fig. 6) and compelling supply demand outlook (Fig. 7).

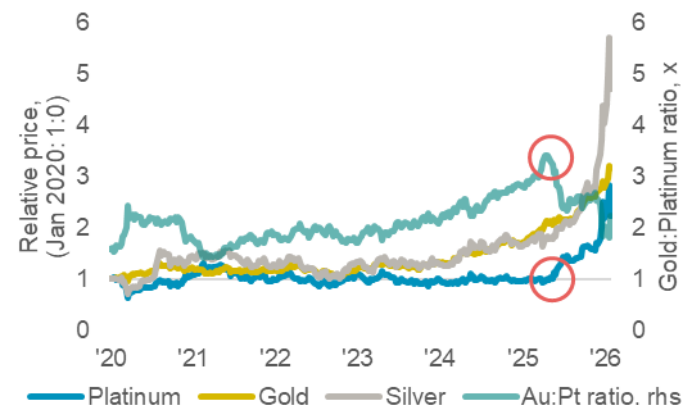
Our platinum price attribution model highlights that non-fundamental factors such as gold price and exchange rates have had an outsized role in initiating platinum's price rally through 2025.

The re-basing of platinum prices is likely to have refocused the market's attention on compelling supply demand fundamentals where market deficits have and will continue to draw down above ground stocks.

Platinum's attraction as an investment asset arises from:

- WPIC research indicates that the platinum market entered a period of consecutive supply deficits from 2023, although a balanced market is forecast in 2026 it is not expected to alleviate current market tightness
- Platinum supply remains challenged, both in terms of primary mining and secondary recycling supply
- Although US tariffs present some downside risks to demand, these are likely offset by tailwinds to jewellery demand and Chinese investment demand
- Elevated lease rates and OTC London backwardation highlight tight market conditions
- The platinum price remains significantly below the price of gold

Figure 2: A record discount to gold led Chinese jewellery wholesalers to switch to platinum during Q2 2025 kickstarting platinum's price rally



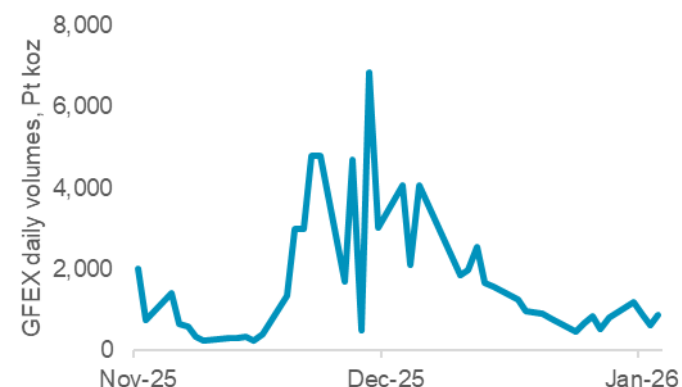
Source: Bloomberg, WPIC research

Figure 3: Uncertainties surrounding the US's trade policies have led to an increase in metal held on exchange, restricting physical supply in Europe



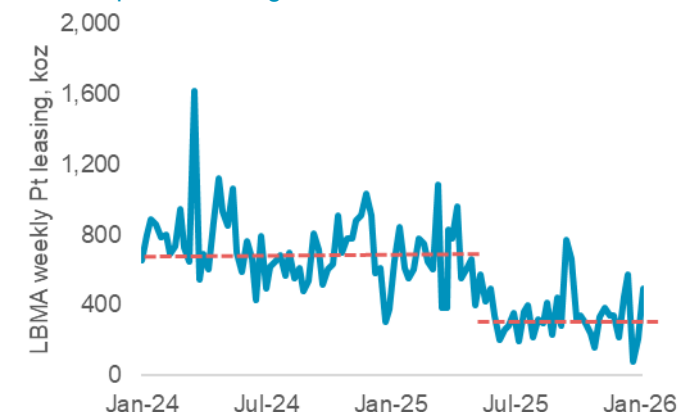
Source: Bloomberg, WPIC research

Figure 4: GFEX launched in November 2025 and the increase in volumes coincided with higher prices before the exchange implemented position limits



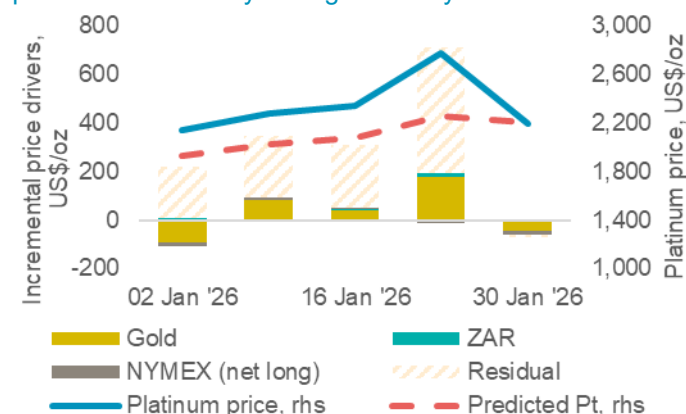
Source: CITIC, WPIC research

Figure 6: The increase in lease rates has led to a reduction in leasing volumes as end users shift to ownership over leasing



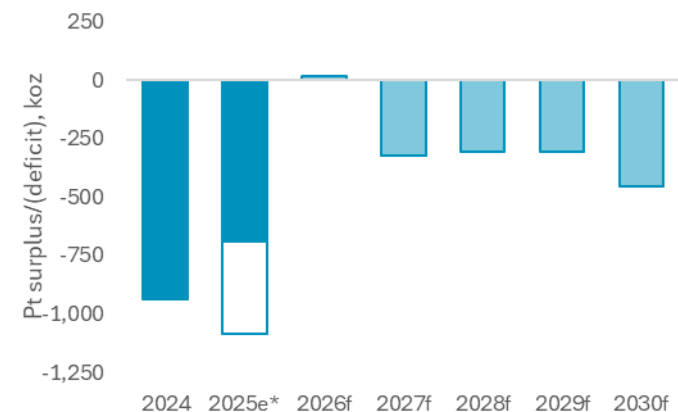
Source: Bloomberg, WPIC research

Figure 5: The residual or "unexplained" factors in platinum's price formation became increasingly large with platinum's initial rally through January 2026



Source: Bloomberg, WPIC research

Figure 7: Higher platinum prices are likely to support supply and erode demand at the margin which should reduce deficits over the medium-term



Source: Metals Focus (2024 to 2026f), WPIC research, *2025e have adjusted our published PQ forecasts for full year changes in EFT and exchange stock holdings for 2025

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