

PLATINUM PERSPECTIVES

London Platinum Week Review: Broad confidence on the underlying markets albeit with some Iran war trepidation

Last week, the PGM industry gathered for London Platinum Week where the primary themes included price resilience during external market uncertainty, recycling supply growth, increasing end uses in datacentres, and the need for more coordinated market development efforts. Against this backdrop, updated supply demand projections were released by several industry participants including the WPIC. Aggregating the outlooks, the platinum market is forecast to remain in deficit during 2026f, equivalent to 4% of average demand projections.

During platinum week, Johnson Matthey (JM), SFA (Oxford), BASF and WPIC (independently produced by Metals Focus) each released updated platinum supply demand estimates for 2025 and 2026f (Fig. 1). Supply is expected to be, on average across the forecasts, stable during 2026f (Fig. 2) as recycling growth offsets erosion across mining. Mine supply expectations were largely consistent, while recycling was topical during the week, and growth estimates across the four forecasts range from +1.7% to +13.7% YoY during 2026f. Notably, the large PGM recyclers, JM and BASF, diverge on the rate of growth in recycling volumes for 2026f. We recently highlighted that higher PGM prices are supporting recycling supply growth but that several headwinds may be capping the market's potential output ([link](#)). Onerous working capital financing conditions and lower feed grades may be weighing on recycling supply growth and if the Iran war lingers on, slower economic growth could defer new car purchases and similarly scrappage rates. Reflecting on the variability of recycling supply, since 2022, recycling growth has consistently underperformed initial forecasts (Fig. 3).

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Figure 1. Summary platinum supply demand forecasts presented during London Platinum Week

(koz)	2025				2026				Average		
	WPIC	JM	SFA	BASF	WPIC	JM	SFA	BASF	2025	2026	YoY %
Mine supply	5,561	5,557	5,315	5,300	5,551	5,455	5,195	5,122	5,433	5,331	-2%
Recycling supply	1,679	1,547	1,460	1,540	1,826	1,576	1,485	1,751	1,556	1,660	7%
Total supply	7,240	7,104	6,775	6,840	7,377	7,031	6,680	6,873	6,990	6,990	0%
Automotive	3,031	3,329	3,395	3,688	2,959	3,226	3,215	3,514	3,361	3,229	-4%
Jewellery	2,214	1,507	1,495	1,660	1,958	1,349	1,445	1,542	1,719	1,574	-8%
Industrial	2,049	2,627	2,535	2,073	2,238	2,656	2,275	2,036	2,321	2,301	-1%
Investment	1,136	556*	N/A**	N/A**	519	171*	N/A**	N/A**	846	345	-59%
Total demand	8,431	8,019	7,425	7,421	7,674	7,402	6,935	7,092	7,824[†]	7,276[†]	-7%
Market balance	-1,191	-915	-650	-581	-297	-371	-255	-219	-834	-285	-66%

Source: Metals Focus, BASF, Johnson Matthey, SFA (Oxford), WPIC. *Excludes changes in exchange stock holdings **excludes all investment demand

[†] Average total demand is not the sum of the average automotive, jewellery, industrial and investment demand. It is the average of each forecaster's total demand.

Turning to demand, average platinum demand is forecast to decline by 7% YoY during 2026f mainly due to lower investment demand (Fig. 5). As we previously noted, the Middle East is not a large direct PGM market ([link](#)), however, the Iran war is weighing on platinum investment. Non-yielding precious metals markets have been negatively impacted by upwardly revised interest rate expectations as inflation forecasts are raised due to restricted trade flows through the Strait of Hormuz. Platinum ETF holdings have decreased by 331 koz or 10%, since the end of February. Elsewhere, platinum demand is declining across jewellery (-8% YoY), automotive (-4%) and industrial (-1%) markets in 2026f with the drop in jewellery demand reflecting the 97% increase in the average monthly platinum price in May 2026 versus May 2025.

With a protracted Iran war representing some demand risk, the consolidated platinum market outlooks reflect an average annual deficit of 285 koz during 2026f. While the 2026f platinum market deficit is forecast to be smaller than that reported in 2025, above ground platinum stocks (AGS) are required to meet supply shortfalls. The WPIC estimates that four consecutive years of platinum market deficits will have depleted AGS by 65% (Fig. 7). **In our view, depleting AGS combined with geopolitical competition for critical minerals and investors seeking physical asset exposure remain compelling aspects of the platinum investment case.**

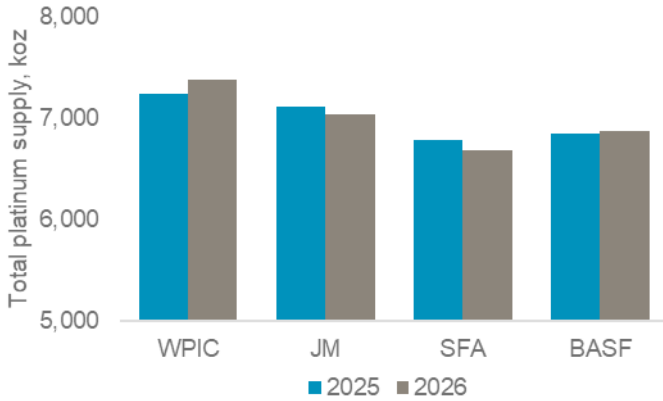
The average forecast platinum market deficit is 285 koz in 2026f.

Despite some investment outflows and uncertainty around the Iran war, platinum markets are expected to remain tight, underpinned by constrained mine supply.

Platinum's attraction as an investment asset arises from:

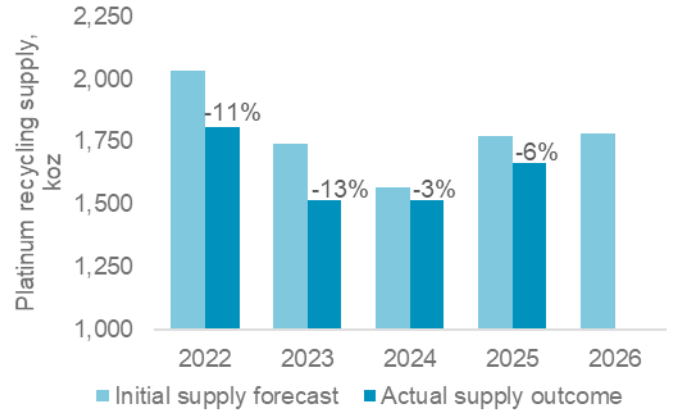
- WPIC research indicates that the platinum market entered a period of consecutive supply deficits from 2023, although a smaller deficit is forecast in 2026 it is not expected to alleviate current market tightness
- Platinum supply remains challenged, materially for mining supply, less so for recycling supply
- Platinum's end markets are the most diversified of any of the PGMs which is supportive of long-term demand and mitigates future downside risks from external events (Iran War) or structural trends (drivetrain electrification)
- Elevated lease rates and OTC London backwardation highlight sustained tight market conditions
- The platinum price remains significantly below the price of gold

Figure 2: Total platinum supply is expected to be, on average, stable in 2026f



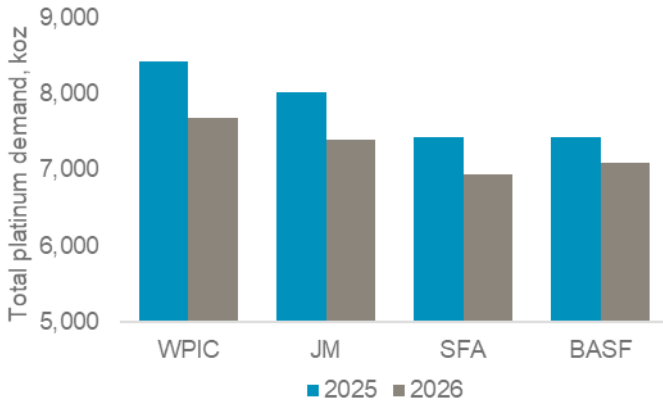
Source: Metals Focus, Johnson Matthey, SFA (Oxford), BASF, WPIC research

Figure 3: Platinum recycling has, in recent periods, underperformed initial forecasts



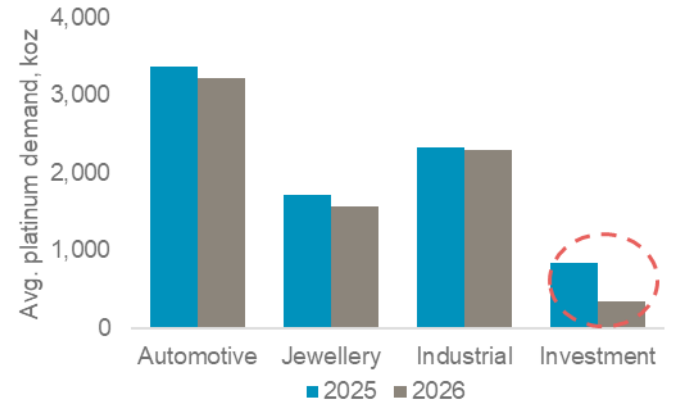
Source: Metals Focus, WPIC research

Figure 4: Total platinum demand is, on average, expected to decline by 7% year-on-year in 2026f



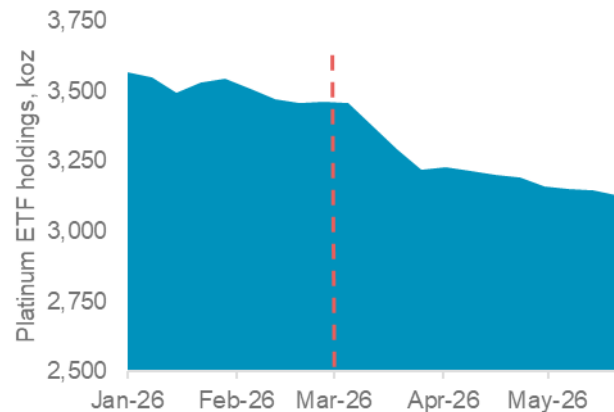
Source: Metals Focus, Johnson Matthey, SFA (Oxford), BASF, WPIC research

Figure 5: A decline in platinum investment demand is the largest factor underpinning lower platinum demand in 2026f



Source: Metals Focus, Johnson Matthey, SFA (Oxford), BASF, WPIC research

Figure 6: Since the start of the Iran war on 28 February 2026, platinum ETF holdings have decreased by 10%



Source: Bloomberg, WPIC estimates

Figure 7: Four years of consecutive platinum market deficits are expected to deplete AGS by 66% from 2022 to 2026f.



Source: Metals Focus, WPIC research

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