

Platinum's use in a wide range of end-markets sets it up well to recover if the current macro volatility eases

Platinum's fundamentals have been overshadowed by macroeconomic factors in 2026. We expect the uncertain external environment to remain a foremost investor consideration in the short term; however, the pullback in platinum prices during 2026 offers an opportunity to build exposure. An important characteristic of platinum is how its diverse end-use consumption helps insulate it from demand shocks. China is illustrative of this as platinum's 2026 demand narrative starkly differs from 2025 despite net platinum imports recording little change between the years. Platinum's demonstrable utility reinforces conviction in our medium-term demand outlook and platinum's investment case beyond the currently unsupportive macro backdrop.

The Fed hiked interest rates by 25 bps in September, and there is a >80% probability of a second hike in December 2026 (after the US mid-terms). Inflation-led interest rate pressure is coinciding with rising real yields (Fig. 3) which appear as likely short-term price headwinds. The 20% YTD price decline (Fig. 4) could be an attractive entry point for platinum as macroeconomic factors overshadow several underappreciated fundamental narratives.

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

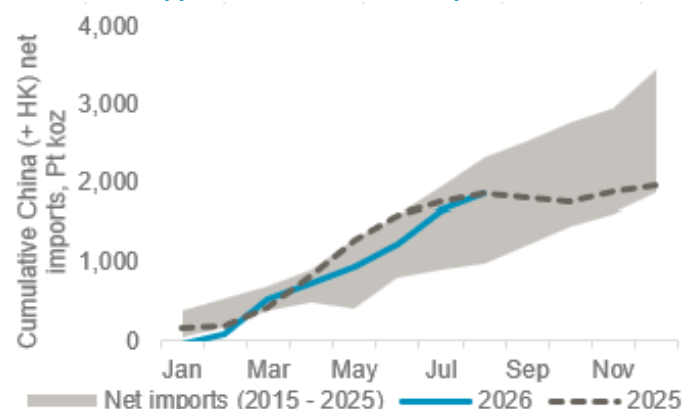
Wade Napier
Analyst
+44 203 696 8774
wnapier@platinuminvestment.com

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

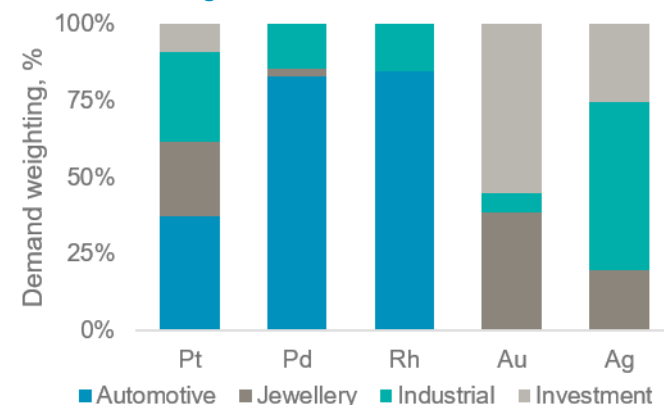
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Fig. 1 China's cumulative Pt imports in 2026 are edging towards the upper bound of historic imports since 2015



Source: Bloomberg L.P., WPIC

Fig. 2 Platinum demand is well diversified, supporting our conviction in long-term resilience



Source: Metals Focus, World Gold Council, Silver Institute, WPIC

Platinum has the most diversified mix of demand amongst PGMs and the wider precious metals complex of gold and silver (Fig. 2). China, the largest single platinum user, shows how a diverse base of end-markets can insulate demand. The 2025 narrative of jewellery's resurgence and bar and coin growth (Fig. 5) has reversed in 2026. Jewellery due to higher prices and bar and coin due to the drop in prices from Feb'26. China's catalysed vehicle production has also declined by >10% YTD (Fig. 6). Despite these headwinds, China's YTD net platinum imports (incl. Hong Kong) reached 1.85 Moz by August and are matching the 2025 run rate (Fig. 1). While domestic recycling is expected to decline by 56 koz in 2026, demand growth from GFEX warehouse stocks (Fig. 7, ~150 koz) and AI applications (glass, electronics and crucibles) is supporting China's platinum import demand.

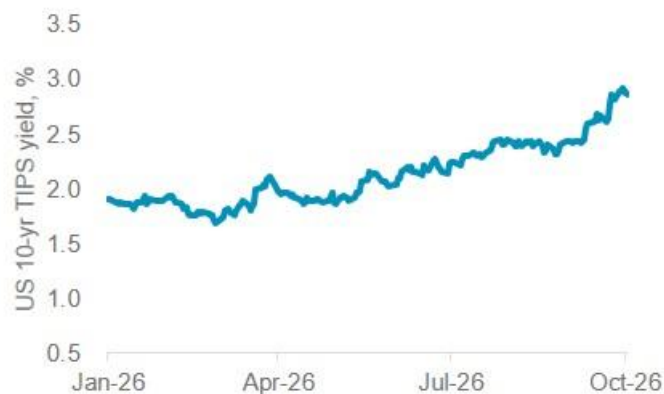
Reflecting on China's import stability in response to meaningful market shifts offers confidence in platinum's resilient demand outlook beyond the current macroeconomic environment. Accordingly, we expect platinum markets to revert to a deficit from 2027f following a projected 265 koz surplus in 2026f.

The benefits of platinum's diverse demand mix are evidenced by stable YTD Chinese platinum imports where growth in AI demand and exchange stocks have offset lower jewellery and bar & coin demand.

Platinum's attraction as an investment asset arises from:

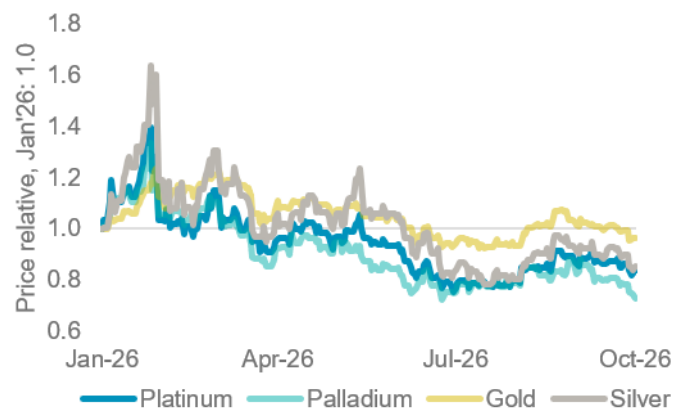
- WPIC research indicates that the platinum market entered a period of sustained supply deficits from 2023 to 2025 which depleted above-ground stocks
- Although higher platinum prices have supported increased recycling supply, total supply remains challenged
- Platinum is a critical mineral in the global energy transition with 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 3: Alongside rising inflation due to the Iran war, real yields have risen on fiscal and Fed independence concerns



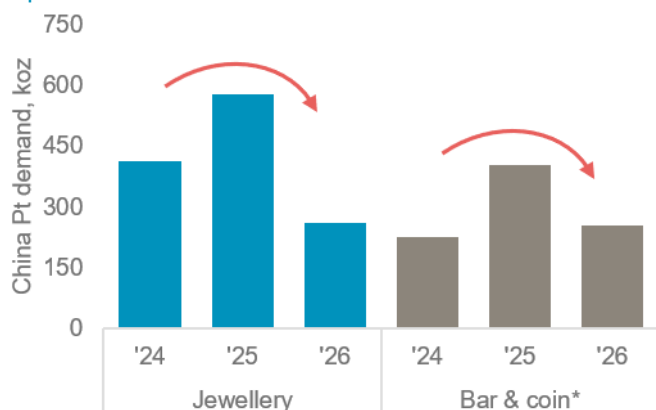
Source: Bloomberg L.P., WPIC research

Figure 4: Rising yields have weighed on non-yielding assets with precious metals prices declining during 2026



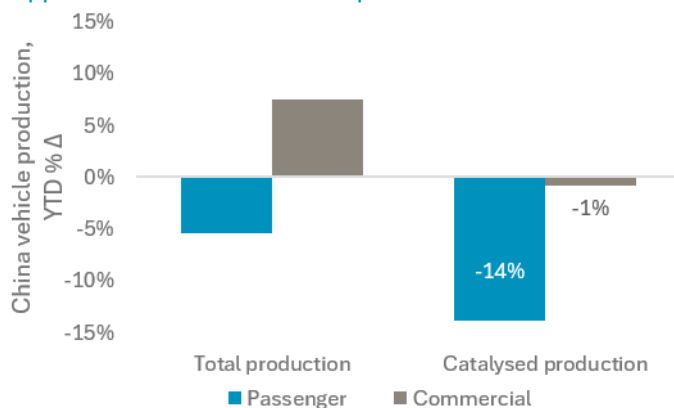
Source: Bloomberg L.P., WPIC research

Figure 5: After strong growth in 2025, China's platinum jewellery and bar & coin* investment demand are expected to decline in 2026f



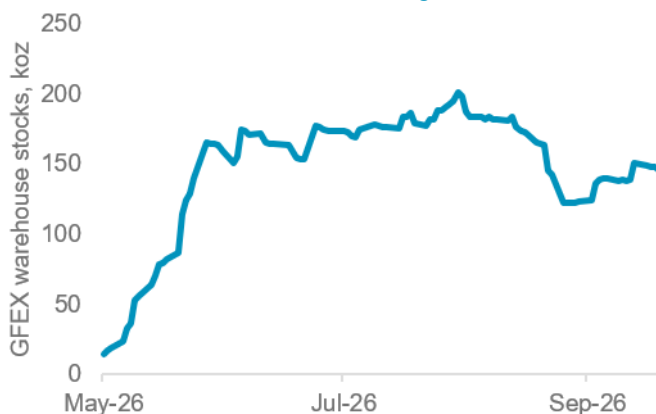
Source: Metals Focus, WPIC research, *Includes large bars ≥ 500g

Figure 6: China's YTD passenger and commercial vehicle production has declined 14% and 1% respectively which supports forecasts a -9% less platinum demand in 2026f



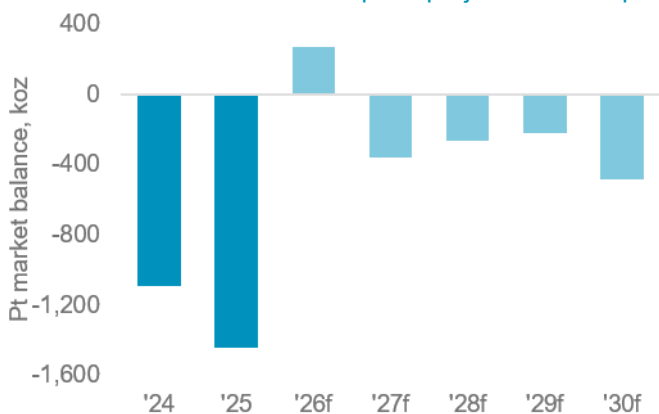
Source: Bloomberg L.P., WPIC research

Figure 7: The launch of GFEX platinum futures and forward contracts in 2025 has underpinned the accumulation of warehouse exchange stocks



Source: GFEX, WPIC research

Figure 8: Platinum markets are expected to return to deficits from '27f following the significant H1'26 investment outflows that underpin a projected FY surplus



Source: Metals Focus (2024-2026f), WPIC research (2027f-2030f)

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