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## PRESS RELEASE

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London, 15 May 2017

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### Platinum mining supply predicted to fall further in 2017

- **Automotive demand for platinum in 2016 and 2017 revised upwards**
  - **ETF assets climb to highest level since 2015**
  - **Recycling projected to drop in 2017**

**London, 15<sup>th</sup> May 2017:** The World Platinum Investment Council (WPIC) today announces the publication of its latest *Platinum Quarterly* - the first independent, freely-available, quarterly analysis of the global platinum market. This report incorporates analysis of platinum supply and demand during the first quarter of 2017, during which time total mine supply hit 1,330 koz, down 6.3% year-on-year and the lowest since Q3 2014.

Today's report shows that overall platinum supply is projected to fall by 2% year-on-year to 7,330 koz in 2017, with both primary and secondary supply expected to decline.

Recycling is projected to fall by 6% year-on-year to 1,760 koz in 2017. Secondary supply from jewellery recycling is projected to decline by 20% year-on-year with recycling trends normalising following unusually large stock flows in China last year.

Automotive demand for 2016 and 2017 is revised upward by 45 koz. The revisions reflect higher than expected global vehicle sales with increased loadings, while greater scrutiny of emissions is also believed to be limiting moves to thrift platinum loadings.

Global platinum ETF holdings grew by 65 koz in the first quarter, with increases observed across most regions. ETF assets in the quarter were at their highest level since the fourth quarter of 2015. Bar and coin demand during the first three months of 2017 was supported by the minting of 20,000 one-ounce US American Eagle bullion coins in January, all of which were sold in just three days. Overall platinum investment demand is now projected to be 250 koz this year.

Global platinum jewellery demand for the quarter increased 3% year-on-year, buoyed by increased Chinese retail sales during the quarter. However, global jewellery demand for 2017 is forecast to slip 1% from 2016, with anticipated declines in China and Japan outweighing gains in India and other regions.

The platinum market is expected to be broadly balanced over the year, with a deficit of 65 koz in 2017 predicted. Above Ground Stocks are expected to end the year at 1,885 koz, a 3% fall on 2016, but more than 54% down from 2012.

**Paul Wilson, chief executive officer of WPIC commented:** "This quarter's report reinforces our long held view that supply will become increasingly constrained in 2017, while revisions to the data

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show that 2016 was more heavily in deficit than previously detailed. Today's analysis once again shows how robust demand for platinum from the automotive sector continues to confound many negative expectations in the market. We believe that the upward revisions of automotive platinum demand in 2016 and 2017, contained in the report, indicate that automakers are increasing platinum loadings on vehicles in the face of increased scrutiny of emissions levels. The launch of the recent C40 independent road-testing initiative, led by the Mayors of London and Paris, sent the strongest of messages to carmakers that they need to act quickly to clean up the most polluting elements of their fleets or face the consequences. We believe that platinum will be an integral part of the solution that the carmakers turn to in 2017 and beyond."

To download this edition of *Platinum Quarterly* and/or subscribe to receive the research in the future, without charge, please visit our website: [www.platinuminvestment.com](http://www.platinuminvestment.com)

**-Ends-**

**For media requests, please contact CNC Communications:**

Claire Maloney or Simon Evans

T: +44 (0) 20 3219 8803 / +44 (0) 20 3219 8809

[wpic@cnc-communications.com](mailto:wpic@cnc-communications.com)

**Notes to Editors:**

**About *Platinum Quarterly***

*Platinum Quarterly* is the first independent, freely-available, quarterly analysis of the global platinum market. *Platinum Quarterly* is a World Platinum Investment Council publication. It is largely based upon research and detailed analysis commissioned with, and conducted by, SFA Oxford (SFA), an independent authority on the platinum group metals market.

**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 SFA (Oxford)**

Founded in 2001, SFA (Oxford) is regarded as one of the most important independent authorities on the platinum group metals market. The company's in-depth market research and integrity is underpinned by extensive consulting from mine to market to recycler, as well as an unrivalled global industry network.

SFA have a team of nine dedicated PGM analysts with wide and varied industry expertise and knowledge, each one specialising in a core area of the value chain, as well as many internationally-based associates. SFA is able to provide its clients with answers to the most difficult questions affecting the future of the industry.

For more information go to: <http://www.sfa-oxford.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 78% of total annual platinum supply (in refined ounces) has come from primary mining output.

Global demand for platinum is strong 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 20% of total global demand (five year average). Over the same period, global annual jewellery demand has averaged 35% 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 movements in vaulted investor holdings).