

ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

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PARKROYAL on Beach Road, Singapore

Platinum market review 2017/18 and outlook

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Market review 2017 & 2018 - Platinum

- Platinum had stayed in a lackluster range of \$900-1050 in the last 2 years.
- Supply and demand stayed balanced.
- Diesel cars problem in Europe – switch to gasoline engine
- Weaker Jewelry demand in China
- Weaker Rand
- Less investment interest – Investment money goes to gold
- Gold is the strongest motivator to other precious metals

Platinum forecast

- Global cost of Pt production is \$909. (by Metals Focus)
- Although Pt is surrounded by bearish factors, the downside seems limited at below \$900.
- Upside depends largely on gold price. If the gold price went up to \$1400, then Pt will regain \$1000.
- Gold-Pt spread continued for 4 years and widen to \$400. These are the longest and the biggest reversal of the prices.
- With investment interest going solely for gold, Pt will still be traded in a lackluster range only following gold price passively.

Market review 2017&2018 - Palladium

- The strong fundamentals of Pd continues - physical supply/demand deficit kept on going at least last 6 years and will surely continue with the bigger gap.
- The demand for the autocatalyst is increasing past 10 years while the mine production stays the same level.
- The contrast against Pt is so clear that Pd price went above Pt in September 2017 for the first time in last 16 years.
- Substitution by Pt will not be easy and Pd will be even bigger shortage in coming years – price remain firm expecting well above \$1000 mark.

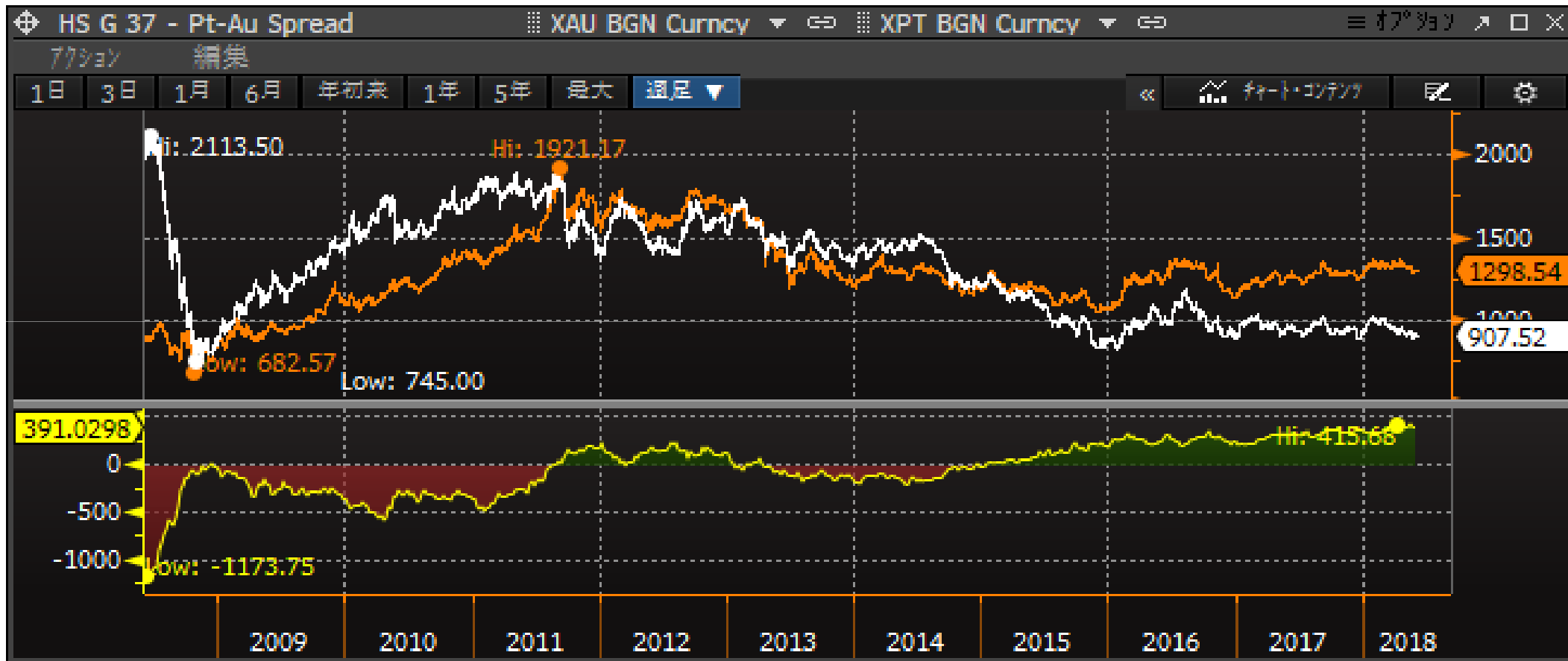
Platinum 3 years



Palladium 3 years



Gold – Platinum Spread 10 years



Pt/Pd Ratio

