



Johnson Matthey

News Release

For immediate release

PLATINUM MARKET TO RECORD FOURTH YEAR OF SIGNIFICANT DEFICIT IN 2016, DRIVEN BY CONTINUED STRENGTH IN AUTOMOTIVE AND INDUSTRIAL MARKETS, AND LACK OF GROWTH IN COMBINED PRIMARY AND SECONDARY SUPPLIES.

PLATINUM MARKET TO RECORD DEFICIT OF 861,000 OZ IN 2016.

A fall in South African supplies in 2016 will be broadly offset by an increase in autocatalyst and jewellery recycling, leaving total supplies static.

Euro 6b legislation will apply to all new diesel cars sold in Europe this year, lifting global consumption of platinum in autocatalysts by nearly 2% to 3.50 million oz. Despite a current slowdown in global growth, demand in other industrial sectors will rise by nearly 10%, driven by capacity expansions in the chemicals and glass sectors. Manufacturing demand from the Chinese jewellery industry will recover from the 2015 dip, lifting global Jewellery demand to 2.93 million oz. Physical investment demand is expected to slow, but strong buying by Japanese investors should keep overall purchasing in positive territory at around a third of a million ounces.

PALLADIUM MARKET TO RECORD DEFICIT OF 843,000 OZ IN 2016

Primary palladium supplies will fall slightly to 6.39 million oz, but this will be more than offset by an increase in autocatalyst recycling, leaving combined supplies marginally up at 9.02 million oz.

Growth in global production of gasoline cars will once again push autocatalyst demand higher to 7.76 million oz. Combined consumption in autocatalyst, industrial and jewellery applications is forecast to exceed 10 million oz for the first time. Reduced selling is expected from ETFs, but physical investment is likely to remain negative.

The full text of the PGM Market Report May 2016 will be available to download from 2pm (BST) 16th May 2016 at www.platinum.matthey.com/services/market-research/pgm-market-reports.

The PGM Market Report provides detailed data, analysis and commentary on the platinum group metal markets. It includes estimates of supply by country and demand by application for platinum, palladium and rhodium, and demand figures for ruthenium and iridium, detailed by application. Figures include a five-year history, as well as our forecast for the current year. Information will be updated on a six-monthly basis in May and November.

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