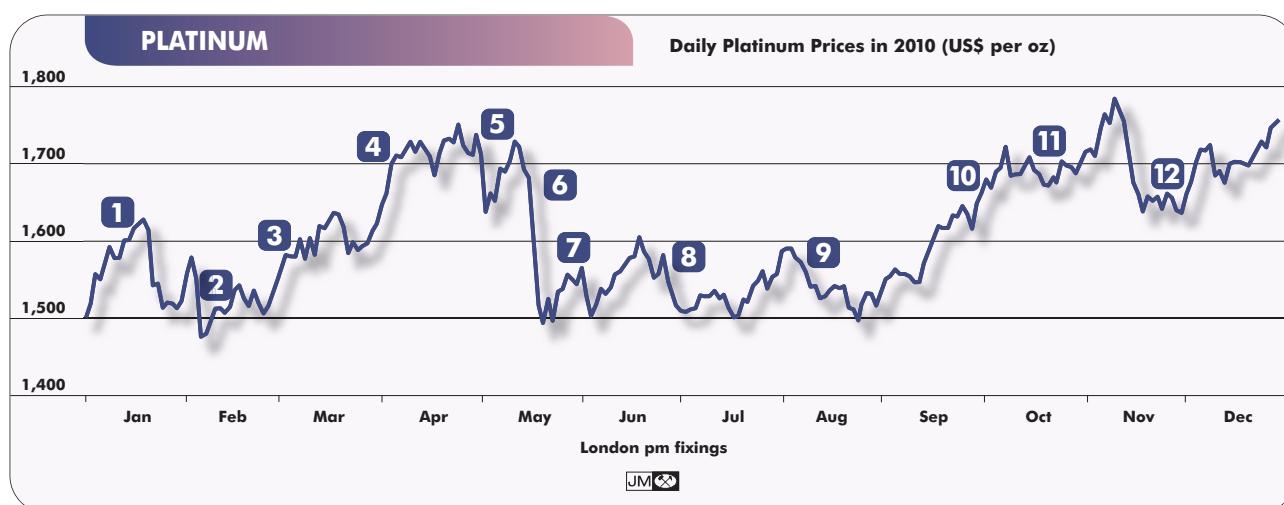


PRICES



Supported by positive supply–demand fundamentals, platinum gained 17% in 2010 and the average annual price was an all-time record high in dollar terms. This followed a steadily rising price throughout 2009. The recovery of automotive and industrial demand in the early part of 2010, as well as demand for physically-backed platinum ETFs, saw prices return to over \$1,700 from an opening price of \$1,500; levels last seen in mid-2008. Concerns over European sovereign debt contributed to a substantial price correction across the commodities sector in mid-May, during which time platinum’s price lost all the gains it had made in the early part of the year. Platinum traded generally below \$1,600 for the subsequent four months, with periods of heavy physical buying emerging during price dips, which helped to somewhat cushion the fall. From September onwards, platinum’s price staged a remarkable recovery, reaching a year-high of \$1,786 in the fix of 9th November. This rally during the second half of the year was largely on the back of solid physical investment demand and general speculative fund buying, led by gold, across the precious metals complex.

1 Opening 2010 at \$1,500, and appreciating rapidly, platinum breached \$1,600 for the first time in eighteen months on 14th **January**. Platinum was to revisit this level for a number of sustained periods throughout the year. Heavy investment inflows into the new US-based platinum ETF suggested a good deal of latent demand, and investor confidence in platinum grew as the price strengthened. The launch of a second Swiss-based ETF also helped boost demand. After peaking at \$1,627 on the 20th, platinum trended downwards for the remainder of January as the dollar gained on the back of concern over fiscal tightening in China. Limits on bank proprietary trading announced by the US government also served to dent investor confidence, affecting precious metals.

2 After a brief fillip in early February as platinum tracked the rising gold price, a mounting sense of crisis over Greek sovereign debt saw investors flock to the perceived safety of the US dollar. In consequence, the platinum price briefly plunged to \$1,475 on 5th **February**, its low point for 2010, before recovering the \$1,500 level as Germany indicated fiscal support for ailing European economies. With limited physical demand from China during their New Year holiday, platinum was buffeted by a resilient dollar as the Federal Reserve tightened the US discount rate.

3 Early **March** saw the start of a price rally for platinum, which was to last until mid-May. A second rally was to take place between September and November. Underlying both of these rallies was robust industrial and automotive demand due to the global economy continuing to recover, albeit with some setbacks, a good deal of physically-backed and speculative investment demand, and a weak dollar. With a well-received

Average PGM Prices in \$ per oz			
	2009	2010	Change
Platinum	1,205	1,611	(34%)
Palladium	264	526	(99%)
Rhodium	1,592	2,458	(54%)
Ruthenium	95	197	(107%)
Iridium	425	642	(51%)

Platinum and palladium prices are averages of London am and pm fixings. Other pgm prices are averages of Johnson Matthey European Base Prices.

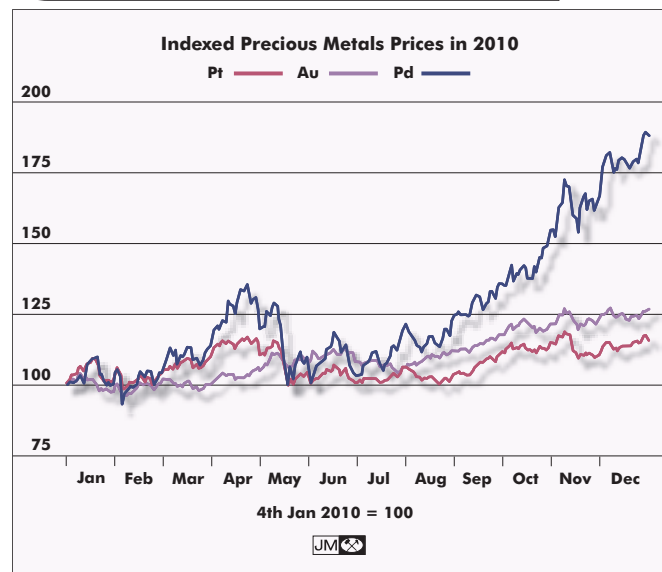
Greek eurobond offer and improved auto sales data, platinum broke through \$1,600 on 8th March then fluctuated around this level in response to variations in the US dollar, rather than supply–demand fundamentals. Physical demand emerged on the Shanghai Gold Exchange (SGE) during platinum’s dips beneath \$1,600. News of the failure of Lonmin’s No. 1 furnace, initially shrugged off by the market, reinforced negative sentiment about the South African supply side and provided a background for further price rises.

4 Rising through the \$1,700 level in early **April**, as part of a general rise across the commodity sector, platinum’s price initially followed that of gold. However, a noticeable disconnect emerged: gold resumed its ‘safe haven’ role as the Greek debt crisis and fears of its contagion unfolded. Platinum, on the other hand, faltered as the implications of the crisis for recovering industrial demand across Europe was factored into the price. Nonetheless, investors continued to pile into platinum, with total physically-backed ETF holdings exceeding 1 million ounces for the first time in mid-April. Platinum resumed its upwards trend on 19th April, peaking at \$1,752 on 26th April, its highest level since August 2008 and a level that would not be reached again until November.

5 Further fears of European debt contagion contributed to a stronger dollar, fragile stock markets and limited physical demand. This led investors to liquidate positions at the end of April and the price corrected sharply downwards into the first week of **May**, fixing at \$1,651 on the 7th. With plans by the European Union to support Greece and austerity measures being announced to aid Spain’s ailing economy, gold resumed its ‘safe haven’ status and this gave some support to the precious metals complex. However, a large degree of volatility remained in the market, with price swings of almost \$100 within just a few days.

6 The following week, the speculative bubble that had been building since March finally burst, prompted by the external shock of a German ban on ‘naked’ short selling of financial products and government bonds, which triggered a substantial market sell-off in both equities and commodities. Although by itself the German ban was a fairly minor event, the response to it reflected continuing nervousness surrounding the euro economies, particularly regarding sovereign debt. Platinum plunged from \$1,728 on 13th May to \$1,492 on the 21st, the most significant downward correction since July 2008. Despite the supply–demand fundamentals for platinum remaining

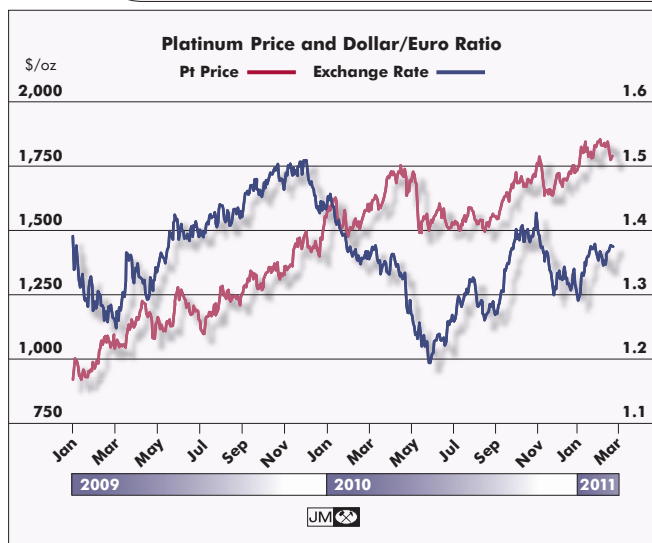
Overall, palladium’s price outperformed both that of gold and platinum during 2010.



strong, and signs of a recovering global economy helping to lift the demand outlook, the failure of investor confidence in mid-May affected the whole precious metals complex. Futures markets fell, with net long platinum positions on NYMEX reducing by a third between the 18th and 25th May. However, physically-backed ETF investments remained fairly sticky, with net platinum ETF holdings actually increasing by around 10,000 oz during the same period. This suggested that ETF investors were perhaps more confident of the underlying fundamentals for platinum and that those who had bought into funds earlier in the year were willing to weather temporary price corrections to make longer-term gains.

7 At the sub-\$1,500 level, physical demand re-emerged from China, enabling the platinum price to gain some ground. Platinum’s recovery was also boosted by news of another smelter run-out at Lonmin, raising South African supply-side concerns once more. A wage dispute at the South African utility Eskom, together with rumours of South African power supply restrictions during the imminent football World Cup helped boost platinum later in **June**, although these supply concerns ultimately turned out to be overstated. A modest rally was staged by platinum during June as heavy physical demand in Asia was augmented by positive reports of new car sales in emerging markets, particularly BRIC countries. Although a number of discouraging signs of faltering global economic growth emerged in June, such as poorer than expected US employment data and low UK business confidence, the rising gold price and the removal of the Chinese renminbi / US dollar peg helped boost platinum, which fixed at \$1,605 on the 21st.

The dollar strengthened in early 2010 as the European debt crisis took hold; this led to a correction in platinum's price in May. July to October saw a weakening of the dollar and a boost to platinum.



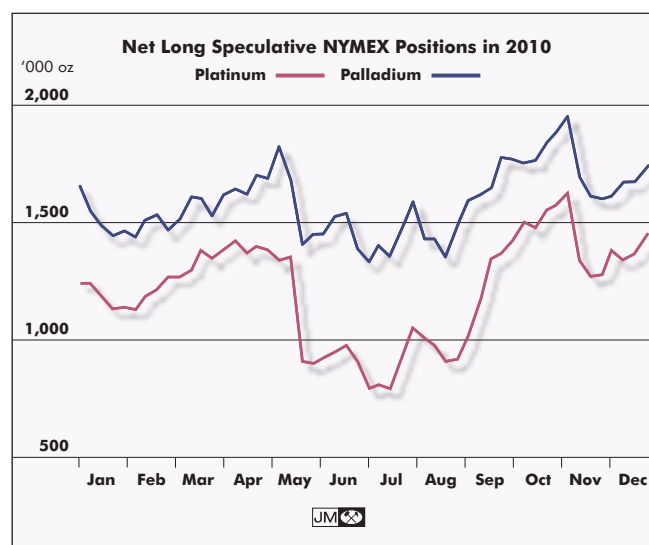
8 Platinum's price softened once again in late June as a lack of confidence in the strength of the global recovery undermined all commodity prices. The downward drift continued into early **July** as eurozone debt concerns persisted and US unemployment remained at stubbornly high levels, raising concerns about the strength of the economic recovery in key markets. An associated liquidation of speculative futures positions also added to the downward pressure. Reasonable physical demand from Asia helped to lift the price as July wore on; this was supported by concerns on the supply side. In particular, news of a production suspension at Aquarius's Marikana mine following a fatal accident and a wage dispute between Impala and the National Union of Mineworkers led to nervousness about supplies. This and thin trading conditions helped give a boost to the price in early **August**.

9 The threat of strike action in South Africa was insufficient to maintain upward momentum in the price during August. Amid light trading, platinum softened to \$1,494 on the 24th with news of wage settlements. Visiting the sub-\$1,500 level for the last time in 2010, platinum recovered well, driven by physical demand on the SGE, and embarked on its second rally of 2010. After its subdued August performance, platinum trended upwards, reaching \$1,550 by 2nd **September** as investors returned to the market after the August holiday. There was further mixed news from the automotive sector, with car production in Asia reportedly up but European car sales continuing to be sluggish. A strike at Northam Platinum helped keep the price fairly firm into mid-September even as the dollar regained some strength due to sovereign debt concerns in Europe. As the gold price reached nominal record highs in

mid-September, platinum pushed through \$1,600 on the 16th, and remained above this level for the rest of the year.

10 In **October**, platinum continued to gain ground, breaking through the \$1,700 level on the 7th for the first time in over four months. Signs that the Federal Open Market Committee would loosen monetary policy with a further round of quantitative easing put downward pressure on the dollar. Platinum regained some momentum but struggled to sustain the \$1,700 level. An interest rate rise in China on 20th October, designed to constrain domestic inflation, caused some turmoil in equity markets, but had a relatively minor effect on platinum, with the price returning to an upward trend the following day, and little discernible effect on either ETF investments or net long speculative positions. Although the Chinese interest rate rise, and consequent strengthening of the renminbi at the expense of the dollar, would nominally make imports of platinum into China cheaper, there remained some uncertainty over its effect on economic growth, and therefore on commodity demand.

As the US dollar continued to slide against a basket of currencies, concerns about a stronger rand and its negative impact on pgm producer earnings began to re-emerge. These concerns were seemingly justified when Aquarius Platinum reported it was closing its Number One shaft at the Marikana mine, citing the strengthening rand. Although this had the immediate effect of strengthening the platinum price, it further emphasised the knock-on effects of the rand basket price, and also the currently high levels of price and wage inflation for South African producers. In the last week of October, platinum flirted once again with the \$1,700 level, finally fixing at \$1,700 on the last trading day of October.

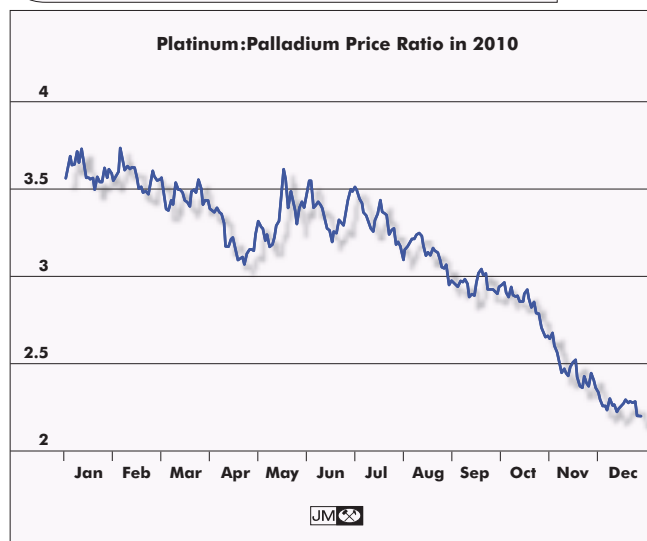


Net long speculative positions on NYMEX reached record levels for both platinum and palladium during 2010.

11 Platinum moved higher in early **November** as the Federal Reserve announced that it would pump \$600bn into the US economy by the end of June 2011. Although this second round of quantitative easing was widely anticipated, it did have the effect of depressing the dollar and raising commodity prices, particularly that of gold. The platinum price was also boosted by data showing increased US light truck sales, reported for October. Platinum reached its pinnacle of \$1,786 on 9th November, its highest level since 2008 and the high point of 2010. The steady march towards \$1,800 faltered as news emerged of the Chinese government's strategy to combat domestic inflation, which would ultimately mean raising interest rates further, thereby possibly slowing down consumption. Adding to the downward pressure was an announcement from the Chicago Mercantile Exchange that margins on precious metals would be raised, affecting platinum. Concerns over debt in peripheral eurozone economies also came to a head as it became clear that Ireland would seek emergency loans to save its stricken economy. The sovereign debt concerns that had lingered since the early part of 2010 came back in full force and platinum suffered its most severe downward correction since May, losing \$149 between 9th and 17th November.

12 With platinum stuck around \$1,650 in late November, the breakthrough came in early **December** when continuing tension and the threat of conflict between North and South Korea helped push up precious metal prices. A generally well-received aid package for Ireland, as well as plans to establish a procedure for bailing out debt-laden European economies,

Although platinum performed well in 2010, the price differential with palladium narrowed.

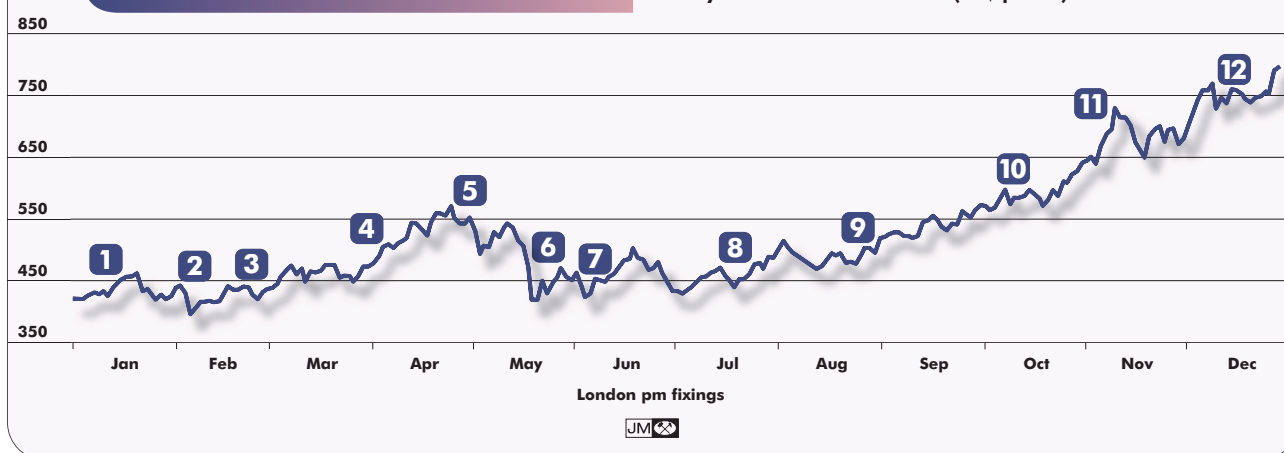


helped lift market sentiment. With platinum touching \$1,724 on 7th December, the price again dipped beneath \$1,700 as disappointing news on the Japanese and European auto industries and a strengthening dollar affected pgm. This strengthening came partly as a result of further concerns over European economic recovery after an announcement by Moody's credit rating agency that Spain's debt may be downgraded and also an increase in unemployment in the UK. Platinum's price exceeded the \$1,700 level once again mid-month following heavy demand from Asia. Amid thin trading in the run-up to the holiday period, platinum fixed ever higher, on an upward trend led by gold. The year-end exuberance reached its zenith when platinum fixed at \$1,755 on 30th December.

Platinum Prices in 2010 London am and pm fixings, \$ per oz				Palladium Prices in 2010 London am and pm fixings, \$ per oz				Rhodium Prices in 2010 Johnson Matthey Base Prices, \$ per oz			
	High	Low	Average		High	Low	Average		High	Low	Average
January	1,641.00	1,496.00	1,563.28	January	462.00	418.00	434.16	January	2,775.00	2,450.00	2,673.75
February	1,586.00	1,475.00	1,520.68	February	446.00	387.00	424.98	February	2,575.00	2,375.00	2,500.00
March	1,645.00	1,548.00	1,599.74	March	479.00	437.00	461.33	March	2,575.00	2,425.00	2,530.22
April	1,752.00	1,659.00	1,716.53	April	571.00	489.00	533.50	April	2,975.00	2,600.00	2,847.50
May	1,731.00	1,492.00	1,626.37	May	543.00	416.00	489.66	May	2,850.00	2,675.00	2,770.24
June	1,605.00	1,495.00	1,552.84	June	502.00	421.00	461.84	June	2,675.00	2,425.00	2,488.64
July	1,560.00	1,499.00	1,526.18	July	491.00	429.00	455.90	July	2,500.00	2,150.00	2,357.95
August	1,590.00	1,494.00	1,541.11	August	514.00	465.00	488.17	August	2,225.00	2,125.00	2,152.27
September	1,662.00	1,528.00	1,591.56	September	573.00	508.00	538.69	September	2,350.00	2,125.00	2,195.45
October	1,723.00	1,661.00	1,688.61	October	640.00	565.00	591.74	October	2,300.00	2,250.00	2,279.76
November	1,786.00	1,636.00	1,694.51	November	730.00	638.00	683.07	November	2,475.00	2,275.00	2,342.05
December	1,760.00	1,673.00	1,709.88	December	797.00	707.00	754.01	December	2,450.00	2,300.00	2,355.68
Annual	1,786.00	1,475.00	1,610.94	Annual	797.00	387.00	526.42	Annual	2,975.00	2,125.00	2,457.79

PALLADIUM

Daily Palladium Prices in 2010 (US\$ per oz)



Palladium was the star performer of the precious metals complex in 2010, almost doubling in price between its opening and closing fixes of the year and trading at levels last seen a decade ago. Palladium's average price in 2010 at \$526 was 99% higher than in 2009 and reflected robust supply-demand fundamentals, with resurgent demand from the recovering automotive sector, and a good deal of investment interest. The price averaged at its third highest ever level, beaten only in 2000 and 2001. Holdings of physically-backed ETFs and net long speculative positions, both of which reached record highs in 2010, helped provide further support to the price. As palladium followed the price of gold on an upward trend for much of the year, palladium's price appreciated relative to platinum, and it considerably outperformed its sister metal.

1 Palladium's price started the year at \$421 in the afternoon fix of 4th January, higher than the metal had traded at any time in 2009, and moved quickly upwards. Pent-up demand for the long-awaited US-based palladium ETF, launched in **January**, helped drive up the price in the opening days of 2010. Net investment inflows into the US palladium ETF were around 400,000 oz by 31st January and went on to reach 1.1 million ounces by year-end, bringing the cumulative amount of palladium in ETF investments to 2.2 million ounces. Upbeat news on car sales from US, German and Chinese manufacturers also helped provide some support to the price in January.

2 Concerns about sovereign debt in the eurozone, which were to become a persistent feature of 2010, became widespread in late January as the extent of Greece's structural debt problems was made clear. Similar problems were to

plague the euro in the months to come as the economies of Ireland, Spain and Portugal, as well as non-euro economies such as Hungary, underwent scrutiny. A common feature of these successive debt crises was a weakening of the euro and a consequent strengthening of the US dollar, which generally had the effect of softening commodity prices. This was evident in early February when, in the wake of Greece's structural reforms, the euro reached a seven-month low against the dollar and palladium tumbled to its lowest price of 2010, fixing at \$395 on 5th **February**.

3 With thin trading conditions around the Chinese New Year holiday in mid-February, palladium's price held up reasonably well. It continued to be influenced by fluctuations in the US dollar, rather than supply-demand fundamentals, throughout February and **March**. A tightening of the US Federal discount rate on 17th February provided some support to the dollar, and led to a consequent dip in palladium's price and that of commodities in general. The confident response to Greece's bond offer in early March and a weaker dollar lent some support to palladium, which reached a two-year high of \$475 on 8th **March**.

4 Palladium's price remained subdued throughout March, and additions to physically-backed ETFs slowed compared with the earlier part of the year. Towards the end of the month, comments that US interest rates would remain unchanged, together with a weakening of the dollar, helped precious metal commodities embark on the first of their two major rallies of 2010. This first rally was relatively short-lived and saw palladium gain \$123, or 27%, from 25th March to 26th **April**. The second, much longer rally saw palladium track gold on an upward trend between mid-July and mid-December and increase by

almost \$300, or 60%. In addition to speculative interest and a weaker dollar, supply concerns helped support the price of palladium during both March and April. The failure of Lonmin's No. 1 furnace on 30th March had persistent knock-on effects on the processing pipeline which were reflected in rising pgm prices.

5 Throughout April, palladium strengthened and generally outperformed platinum, reaching a thirteen-month high of \$571 on 26th April. Much of this was due to speculative investments as NYMEX palladium positions approached 1.7 million ounces. With promising fundamentals for both platinum and palladium as signs of automotive and industrial recovery became clearer, investors continued to see palladium as undervalued and bought into the rising price. After its peak on 26th, some profit-taking in funds occurred, leading palladium to retreat briefly below \$500. A weakening of the dollar saw palladium make some gains in the first two weeks of **May**, regaining the \$500 level and peaking again at \$543 on 13th May as increased Japanese auto sales were reported.

6 A precipitous drop in price was experienced in the week of 17th May as fragile confidence in the global economic recovery was replaced by a low-risk mentality exacerbated by proposals to restrict short selling in Germany. Amid a crisis of confidence in the European economic recovery, palladium lost 19% of its value between 17th and 21st May, but did not breach the \$400 'floor' established since February. Platinum, on the other hand, lost just 12% of its value during this seven-day price correction; however palladium had risen much more than platinum since the start of 2010. Interestingly, speculative futures positions proved to be more sticky for palladium: although there was a sell-off in the futures markets, positions on NYMEX only reduced by 17% between 18th and 25th May, half that for platinum. As with platinum, there was some net palladium ETF buying during the price correction.

7 Palladium made a modest recovery in late May and early **June**, but failed to regain the \$500 level. Palladium did not consistently trade above \$500 again until September. Some support for palladium's price came from industrial buyers, as well as a more confident outlook for the US economy – with improved new homes sales and car sales up 20% year-on-year. However, countering this optimistic sentiment was a stubbornly high level of US unemployment, warnings on the fragile state of Japan's economy from its new government, and continuing concerns about European economies such as Hungary.

8 **July** saw the start of the long trend upwards for palladium that was to continue for the remainder of the year. Announcements on increased car production in China and South America helped lift the price as did some solid physical demand. Although palladium ETF holdings reached a two-month low in July, the middle of the month saw a re-emergence of speculative investor interest which helped lift the price. At around this time, the palladium price began to outperform that of platinum in periods of rising prices, while palladium prices generally fell by more than platinum during dips. All this was against a backdrop of rising gold and other commodity prices, which mostly continued for the remainder of the year. The price ratio between platinum and palladium decreased from around 3.4 in July to around 2.3 in December. Although palladium got off to a good start in **August**, with investor interest pushing the price through the \$500 level for the first time in three months, the price suffered as downgraded Chinese car sales projections added to negative sentiment.

9 After a subdued performance throughout much of June, and some recovery in July and August, palladium regained the \$500 level on 1st **September** and remained on a rising trend throughout the month – gaining 16% compared with the close of August. The palladium price strengthened as increases in car sales were reported for Asian markets, primarily for gasoline cars, while both platinum and palladium made gains after a strike began at Northam Platinum. By the end of September, spot prices of palladium were reaching levels not seen for two and a half years. This reflected a great deal of speculative interest in palladium and perhaps some early pricing-in of possible future supply shortfalls from Russia.

10 A weak US dollar continued to give support to the commodities sector in general, and precious metals in particular, throughout **October**. Proposals from the US Federal Open Market Committee on the second round of quantitative easing saw the dollar weaken and commodities make gains mid-month. Later resurgence in the US dollar did not appear to affect palladium in the same way as it did gold and platinum – palladium continued to experience a high level of demand, while concerns over Russian supplies caught the attention of speculative investors. Even as gold reached nominal record highs, palladium continued to outperform the other precious metals, reaching new nine-year highs and testing the \$600 level. The launch of a precious metals basket ETF (GLTR) in October, comprising physically-backed gold, silver, platinum and palladium in a single vehicle, helped boost market

sentiment for investment, although it had a relatively small impact on net new palladium or platinum demand between its launch and the end of 2010. Despite Northam Platinum returning to work in October following a strike, longer-term supply concerns and concerns over escalating wage inflation had the effect of raising palladium's price. A statement from Norilsk Nickel, the world's largest supplier of palladium, that Russian state stocks of the metal would likely 'be finished' next year appeared to lend support to the metal as supply shortages became widely anticipated. The Chinese interest rate rise was largely shrugged off by palladium and the price consolidated its upward move towards the end of the month as the NYMEX net long position reached near-record levels of 1.8 million ounces with fund purchasing dominating the market.

11 Fresh nine-year highs above \$700 were seen in the second week of **November** and, although platinum also reached new highs, palladium continued to outperform its sister metal in relative terms amid rapidly rising prices for precious metal commodities. Chinese inflation and eurozone sovereign debt concerns contributed to a fall in palladium's price after its high of \$730 on the 9th. The general flight from risk in the commodities sector sent palladium into a steep decline around the 11th and 12th as news of Ireland's sovereign debt crisis reached markets. The prevailing negative sentiment in the market helped drag palladium down, even as supply-demand fundamentals remained strong, although there was some profit-taking in speculative positions.

12 Palladium continued to outperform platinum throughout **December**, supported by good year-on-year production data from the auto sector and investor interest. Like platinum, palladium had a solid start to December, reaching \$769 on the 7th before consolidating at around \$750. Driving palladium's price was eurozone uncertainty and continuing interest in palladium ETF investments, boosted by the launch of another ETF, the White Metals ETF (WITE), consisting of physically-backed fixed weights of silver, platinum and palladium. As with the GLTR ETF, the launch generated some positive sentiment, but the overall effect on investment demand was limited, with GLTR and WITE collectively responsible for just 5% of the increase in palladium ETF demand between their launches and year-end. As the Christmas holiday approached, palladium experienced some of the year-end exuberance seen across the wider commodities sector as it tested the \$800 level, reaching prices not seen since 2001. Palladium finally ended 2010 at \$797 – up \$376, or 89% in dollar terms.

OTHER PGM

Rhodium prices softened overall during 2010, from an opening Johnson Matthey base price of \$2,550 in January to \$2,425 by the end of December. Highs of \$2,975 were experienced along the way – levels last seen in 2008. Rhodium was not set below \$2,125 during 2010 and, on average, traded some 54% higher in 2010 than in 2009, reflecting a robust recovery in demand from the automotive and glass sectors.

Continuing its upward trend from late 2009, rhodium strengthened into **January**, reaching \$2,775 by the 18th. Thereafter, with offers dominating the market, the price slid, reaching \$2,450 at the start of **February**. After benefiting from the rising gold price in early February, negative sentiment surrounding eurozone debt caused commodity prices to soften, with rhodium falling to \$2,375 on the 9th. With physical demand re-emerging at this level, the price was lifted to \$2,575 on the 24th, where it remained until 5th **March**.

The price drifted once again in March, picking up only towards the end of the month. With modest buying demand and an upward trend across the precious metals complex, the price pushed towards \$2,600, a level which was finally reached on 1st **April**. Rhodium moved higher throughout April, gaining more than \$300 in the month, to reach its high for the year of \$2,975 on the 16th. Driving this price rise was strong industrial demand, as well as some speculative fund buying. Despite increased automotive sales, supply concerns and a buoyant commodities sector, rhodium failed to break through the \$3,000 level. The rhodium price drifted downwards during **May**, but did not suffer the major price correction seen for platinum and palladium – illustrating the relative lack of liquidity of rhodium and its absence from most investment portfolios.

Light selling continued into **June**, bringing the price back to \$2,425 by the 11th. However, there was no large-scale liquidation and the price recovered to \$2,500 by month-end as demand from Asia picked up. The price declined again in **July** with sustained selling pressure and a lack of buying interest. This continued in thin trading during **August** where, under downward pressure on commodities, rhodium reached its low for 2010 of \$2,125 on 13th August and was becalmed at that level until 20th **September**. Rhodium then regained some lost ground in September with solid Asian demand emerging, although it struggled to push beyond \$2,300.

Although platinum and palladium were both buoyant in **October**, the rhodium price fell on the 7th to \$2,250, but Asian industrial demand prevented further sliding, and the price

picked up to \$2,300 in the second half of the month, only to lose \$25 by month-end. The rhodium market was quiet in the early days of **November**; the price was initially unchanged at the JM Base Price of \$2,275, but rose on the back of industrial demand and the general positive sentiment that affected the precious metal complex in the first half of that month. The price then rose steeply with news of increased Chinese car sales. An increase in offers put rhodium under some further pressure in the remainder of the month; however, a move downwards helped stimulate buying in Asia, which was balanced by selling in Europe and helped keep prices fairly stable. Rhodium benefited from renewed buying interest from the Far East in **December** with good two-way business in Europe and Asia and upbeat sentiment in the precious metal commodities sector as a whole, leading rhodium to end the year at \$2,425, down \$125 in the year.

Ruthenium started **January** at the Johnson Matthey Base Price of \$160, which was to be the low for the year, unchanged since November 2009. Purchases by the electronics sector helped lift the price through January and into **February**. Despite solid demand from the electronics sector, ruthenium remained at \$190 throughout **March** and until early **April** when the price pushed through \$200 and reached the high for the year of \$245 on 11th **May** with strong physical demand. The price remained at this level until 9th **June**, when it eased in \$5 increments to begin **August** at \$200. In the quiet trading conditions of August and into **September**, demand scaled back and ruthenium fell still further, going into **October** at \$180. As solid industrial demand slid further, ruthenium spent **November** at \$175, before gaining \$5 to end **December** at \$180.

Iridium performed well during 2010, starting the year at the Johnson Matthey Base Price of \$425 and ending it at \$780 as buying demand from the electrochemical and electronics sector drove the price to a 30-year high. The price movements in **February** through to **June**, the first for many months, reflected strong purchasing by the Chinese chlor-alkali industry as old technology was replaced, as well as by manufacturers of iridium crucibles used in the production of LEDs. Iridium crucible manufacture expanded suddenly and rapidly during 2010, driving up demand. The small size of the iridium market helped amplify movements in the price as industrial buyers built their stocks of working metal in response to technology changes. While industrial demand was very strong, there was very little speculative investment in iridium. The price reached a plateau between **July** and **October**, with relatively subdued demand becalming the price at \$720. Demand picked up again towards the end of the year, raising the price to \$780.

