

Platinum & Palladium 2015 Outlook

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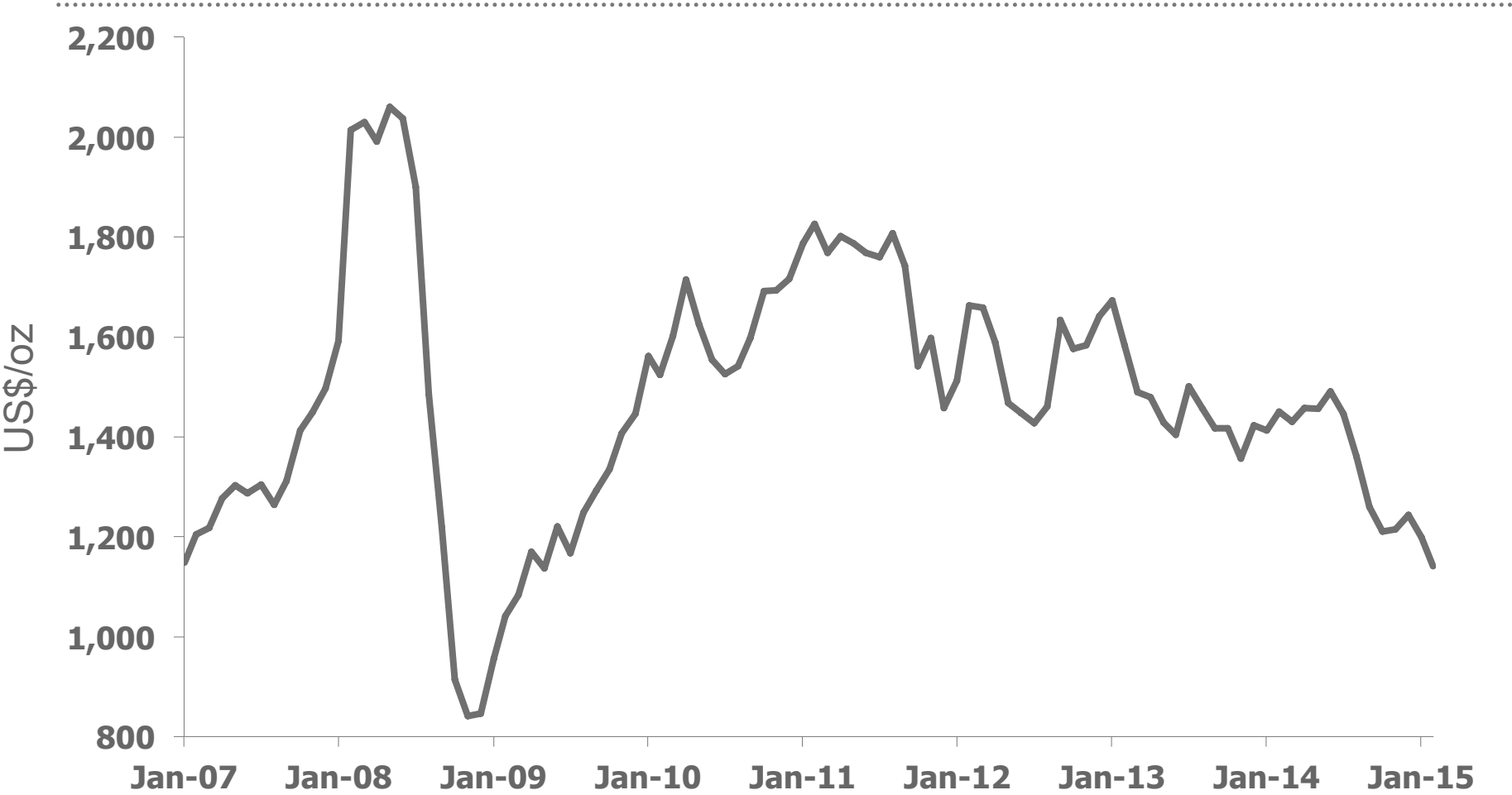
PLATINUM & PALLADIUM 2015 OUTLOOK

- Economic Assumptions
- Platinum
- Palladium

ECONOMIC ASSUMPTIONS

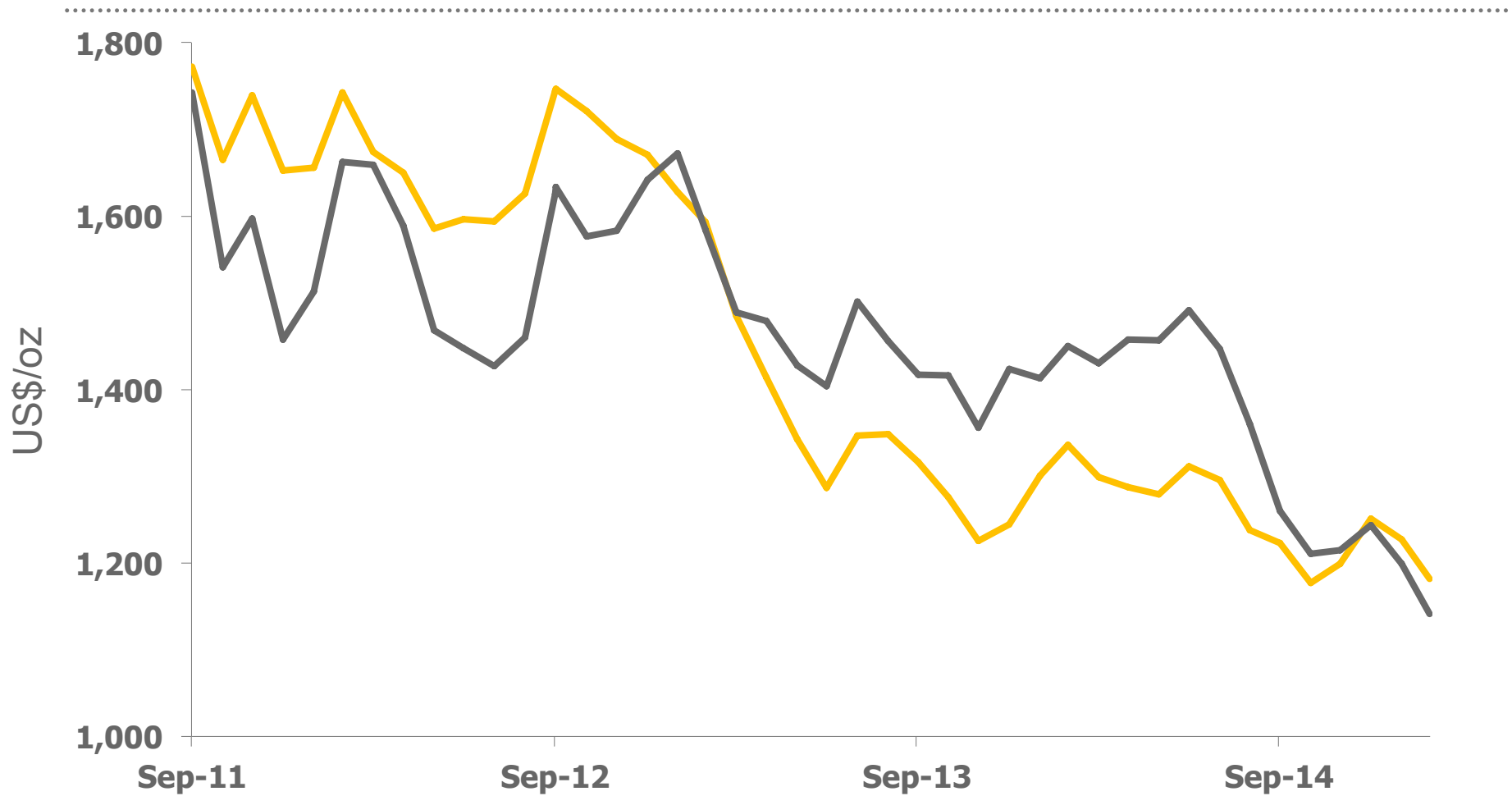
- Moderate slowdown in global GDP growth:
 - US the major exception
 - Eurozone and Japan both soft but no recession
 - China moving towards 6% rate of growth
 - EMs generally 'underperforming'
- Tighter monetary policy in US but Fed very cautious about raising rates
- ECB engages in large-scale QE
- Continued appreciation of the USD against most currencies
- Inflation to stay at trivial levels in 2015; deflation threat in Europe/Japan
- Commodity prices in general remain depressed
- US stock market to be more volatile but still trend up, this year at least
- No 'systemically important' financial or political crises

PLATINUM PRICE: MONTHLY AVERAGES JAN-07 TO MAR-15*



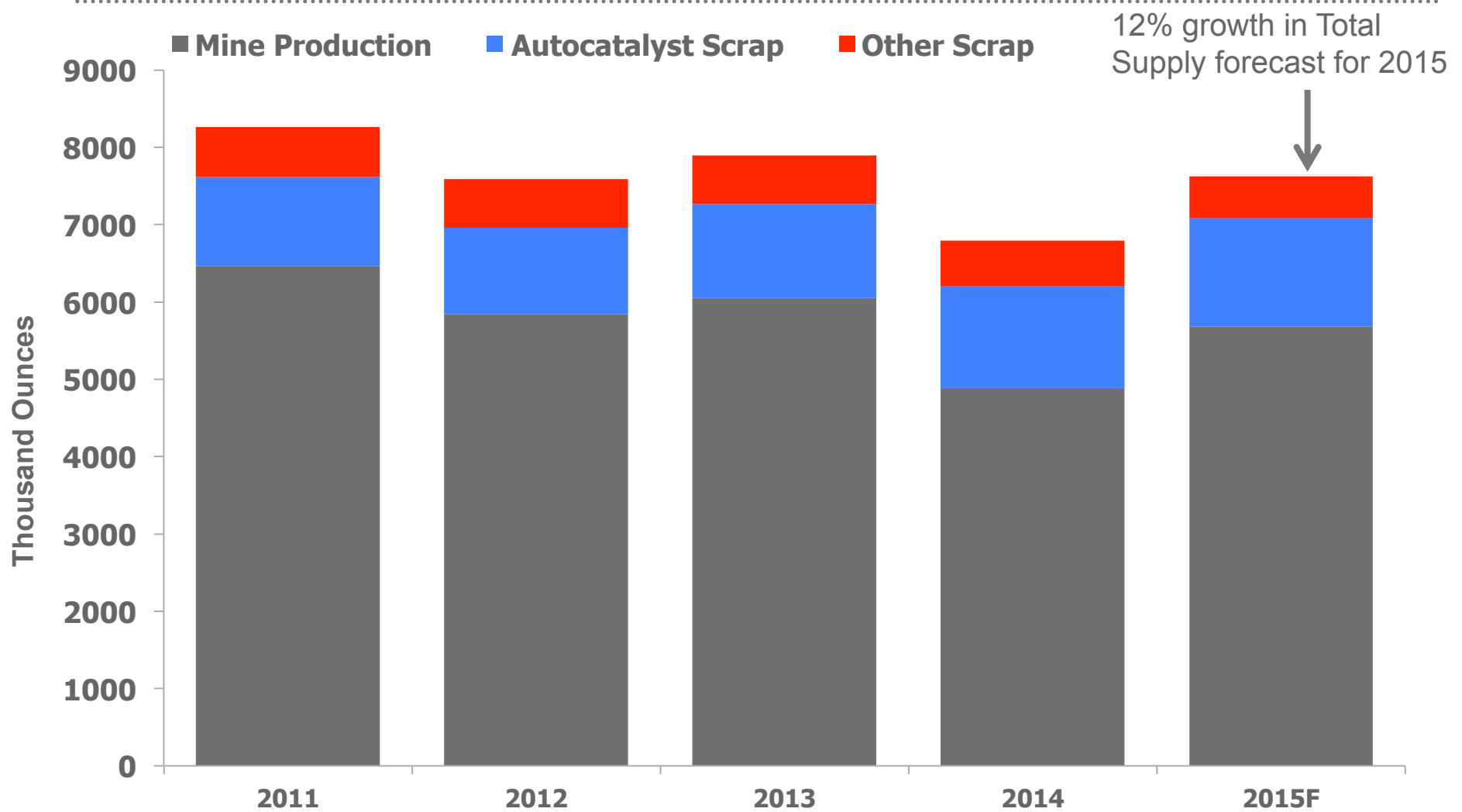
*Mar-15 monthly average to 20/03/15
Source: LPPM

GOLD & PLATINUM: MONTHLY AVERAGES SEP-11 TO MAR-15*



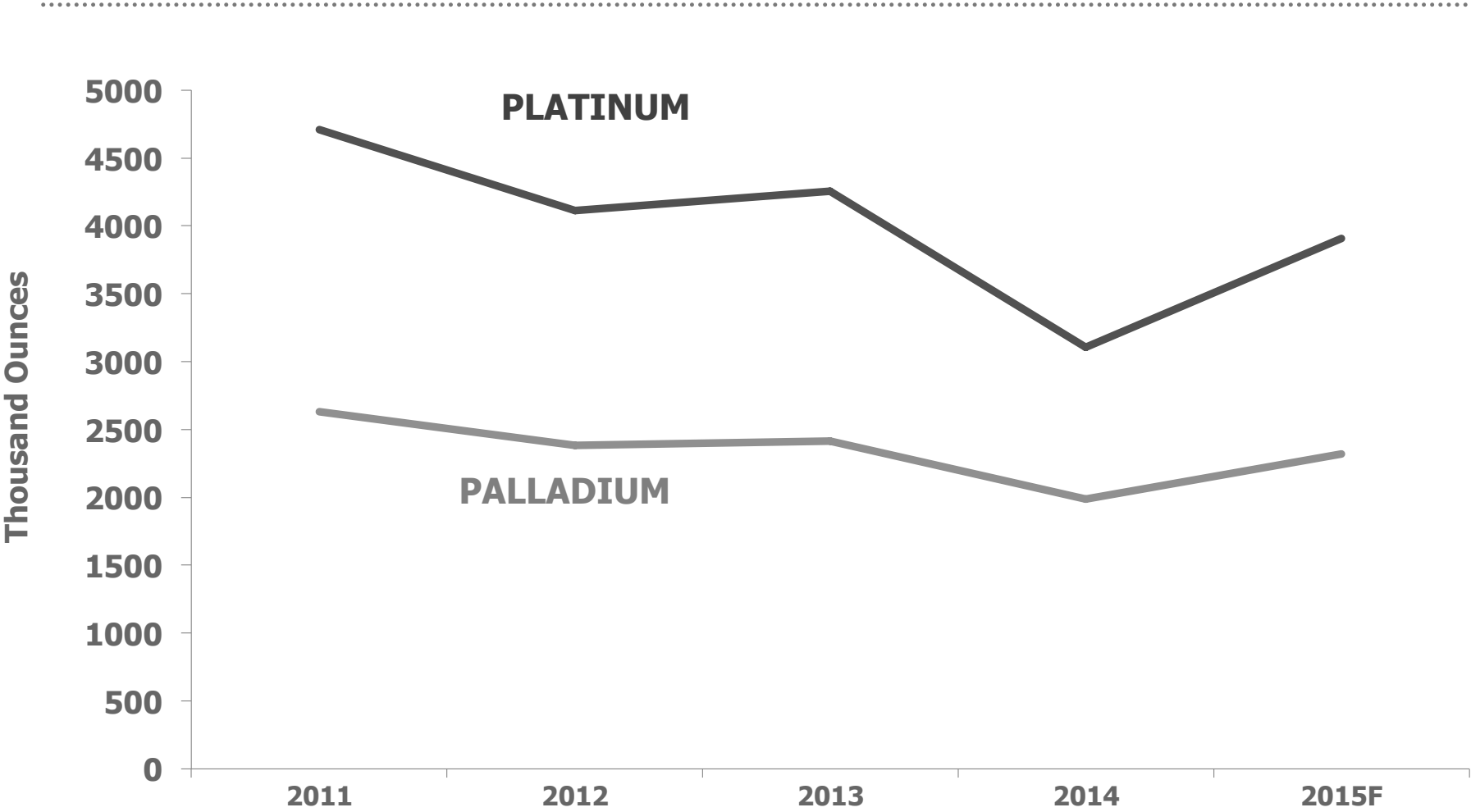
* Mar-15 monthly averages to 20/03/15
Source: LBMA; LPPM

GLOBAL PLATINUM SUPPLY: 2011-2015F



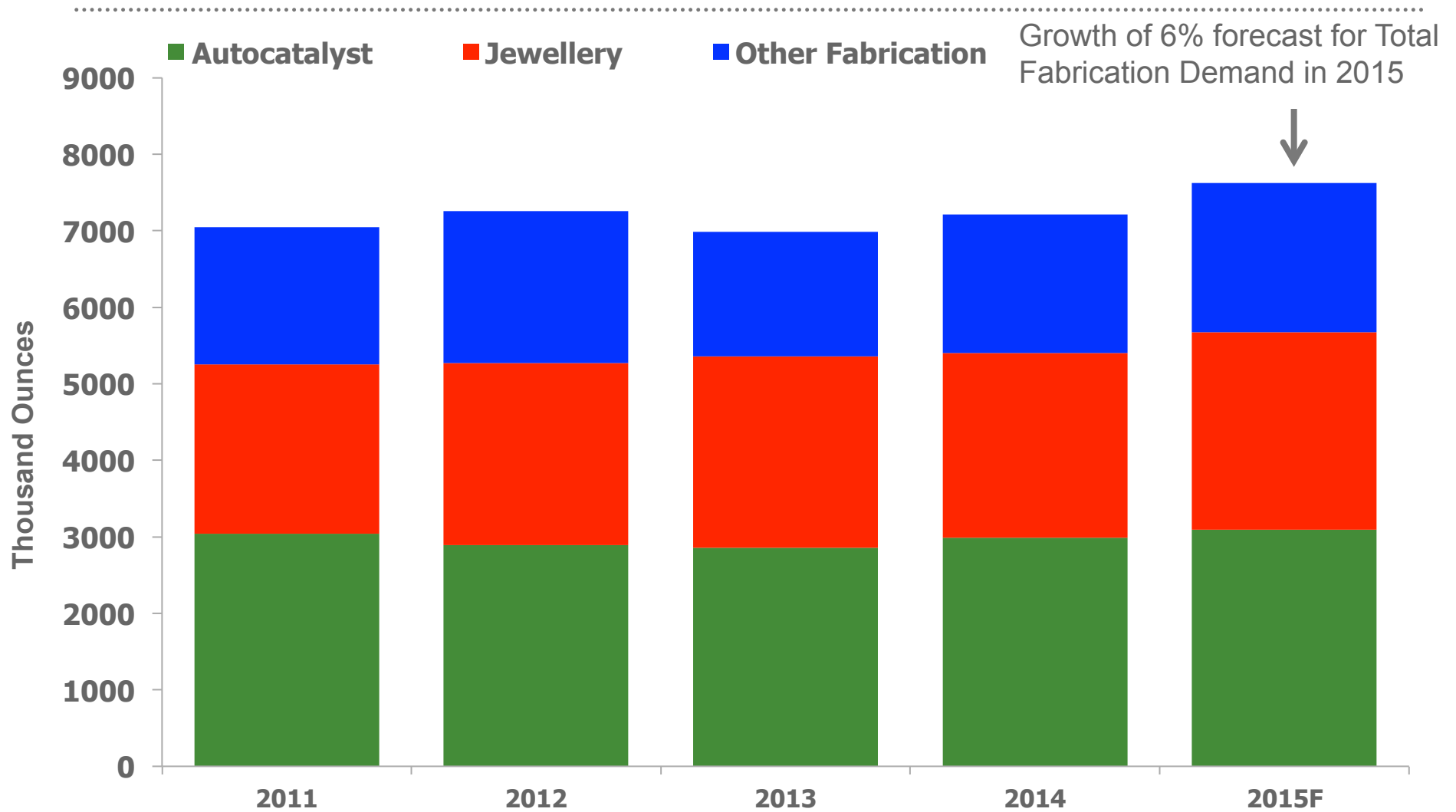
Source: Metals Focus; Precious Metals Insights

SOUTH AFRICAN PLATINUM & PALLADIUM MINE PRODUCTION



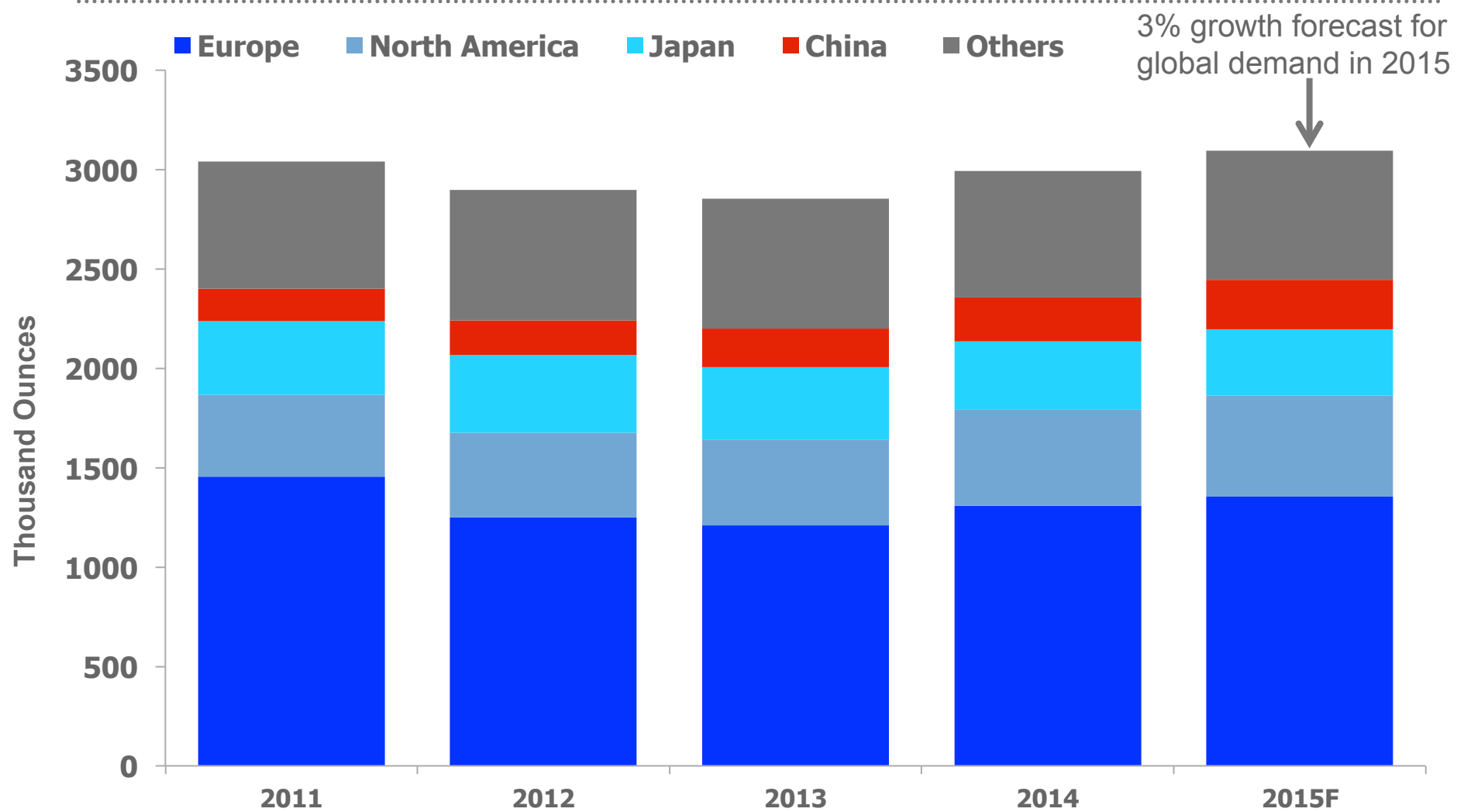
Source: Metals Focus; Precious Metals Insights

GLOBAL PLATINUM FABRICATION DEMAND: 2011-2015F



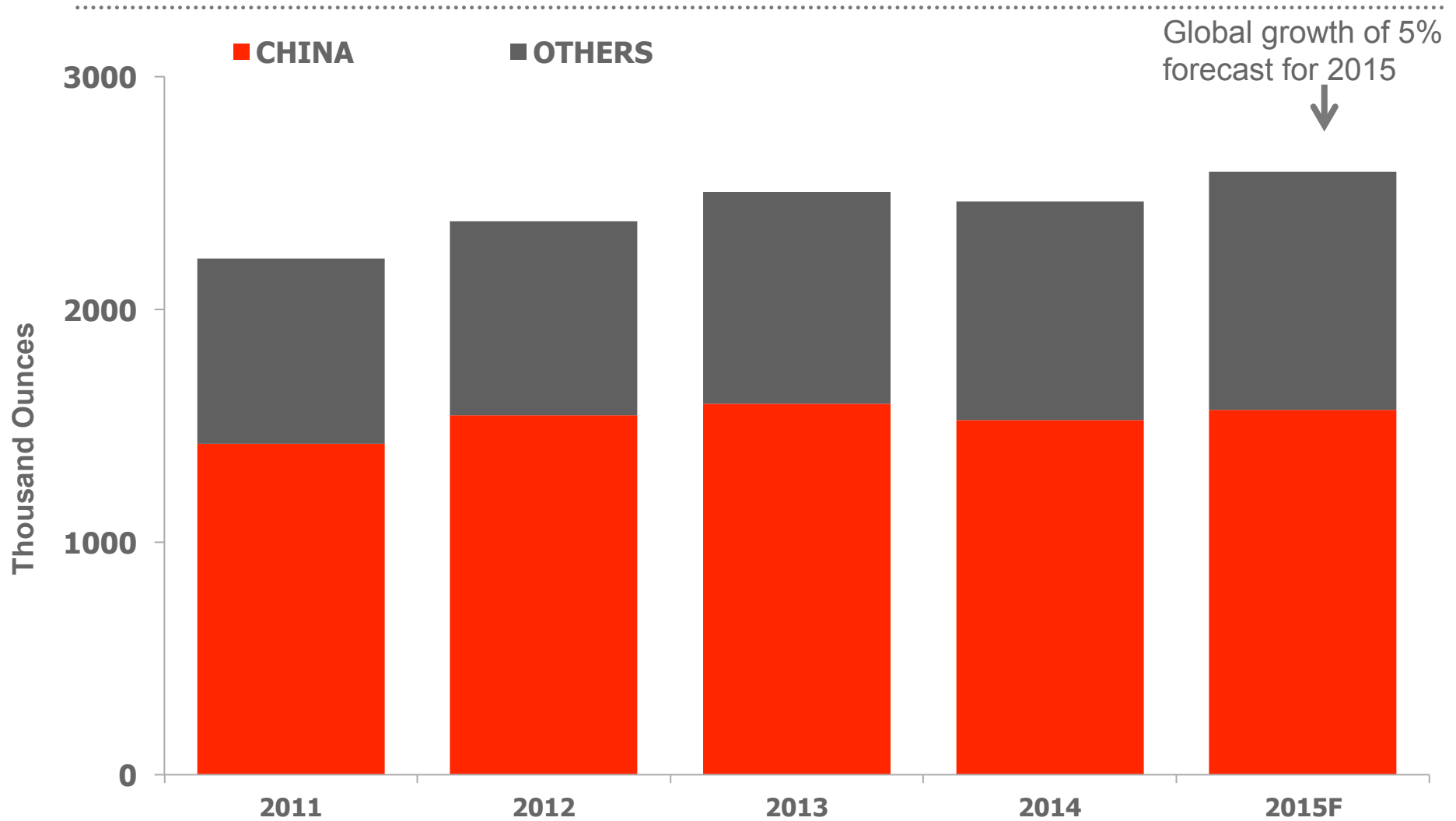
Source: Metals Focus; Precious Metals Insights

PLATINUM AUTOCATALYST DEMAND: 2011-2015F



Source: Metals Focus; Precious Metals Insights

PLATINUM JEWELLERY DEMAND: 2011-2015F



Source: Metals Focus; Precious Metals Insights

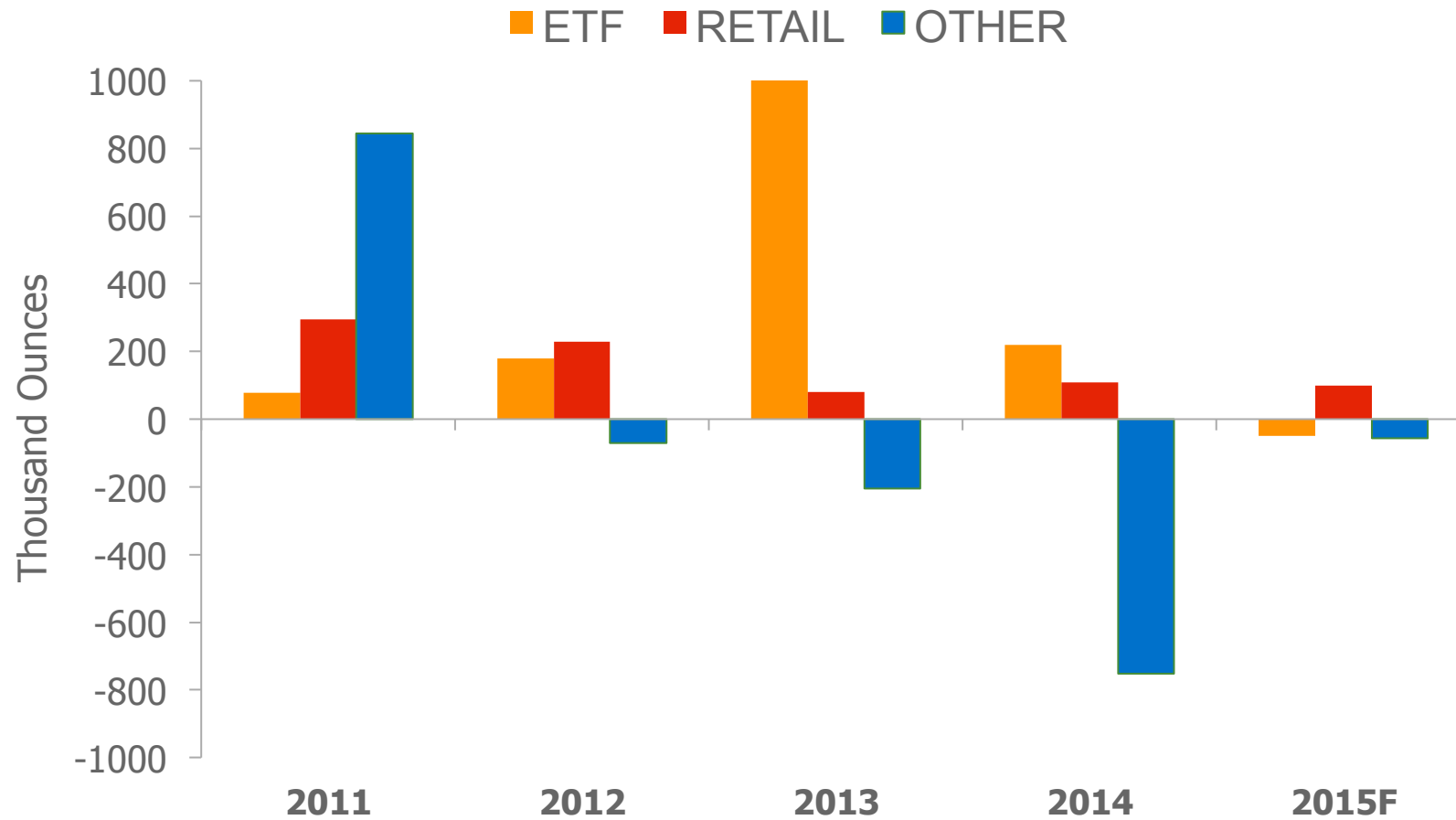
PLATINUM MARKET BULLION SURPLUS / DEFICIT*



*Surplus / Deficit = Mine Production plus Scrap minus Fabrication Demand (excluding retail investment)

Source: Metals Focus; Precious Metals Insights

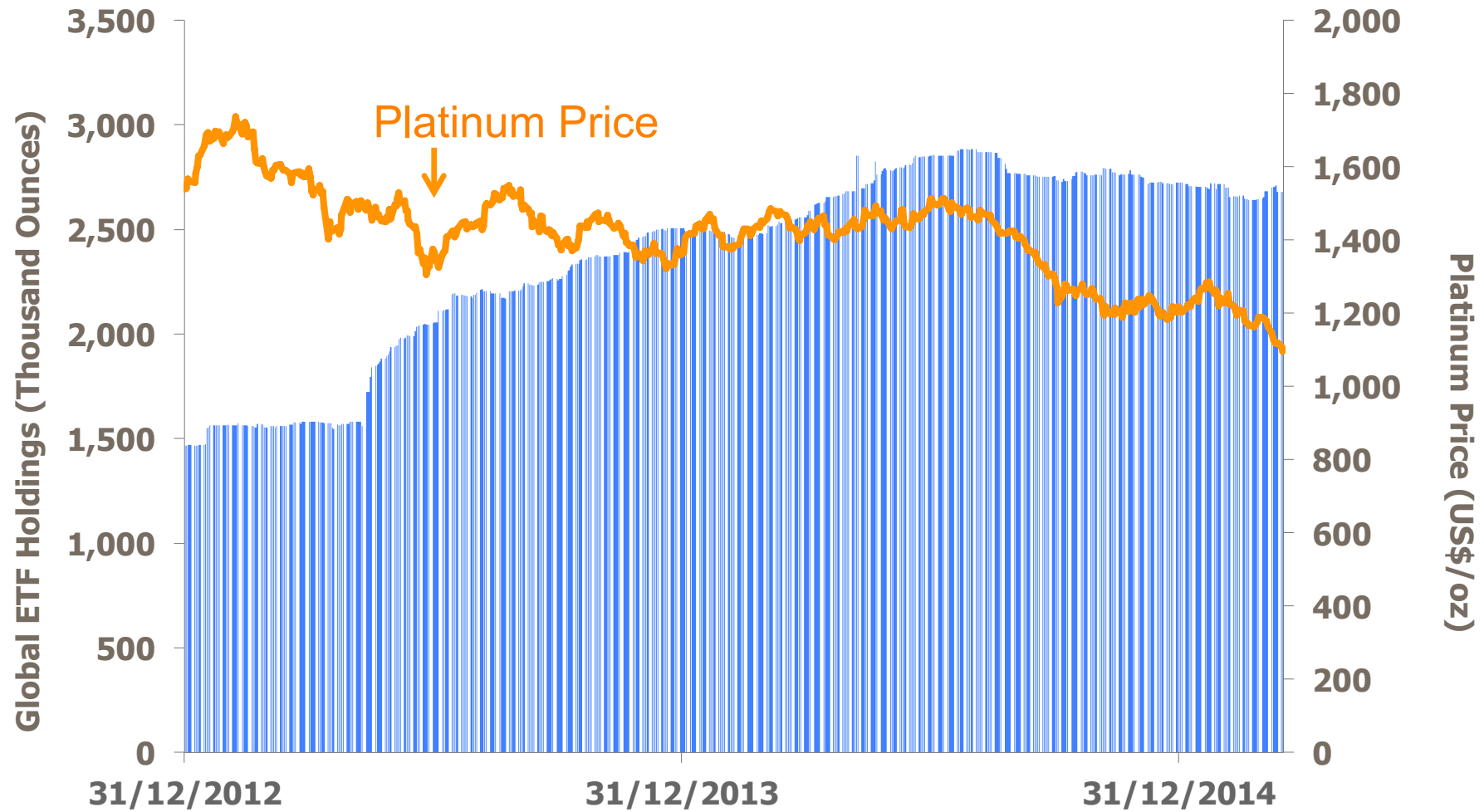
PLATINUM STOCKS CHANGE: ANNUAL BY SOURCE



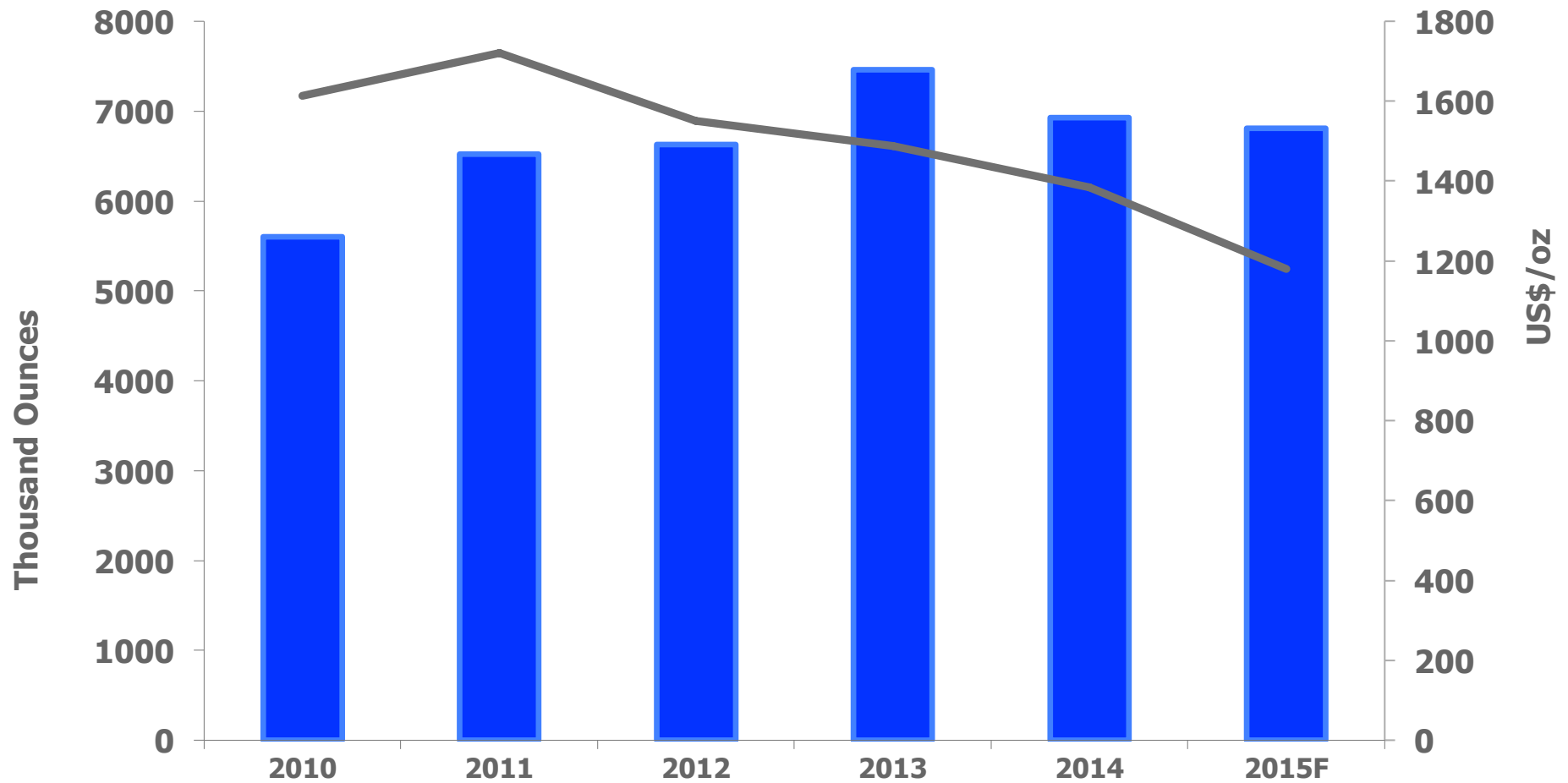
Source: Metals Focus; Precious Metals Insights

GLOBAL ETF HOLDINGS & PLATINUM PRICE

(daily, 31/12/2012 to 17/03/2015)



PLATINUM ABOVE-GROUND BULLION STOCKS*

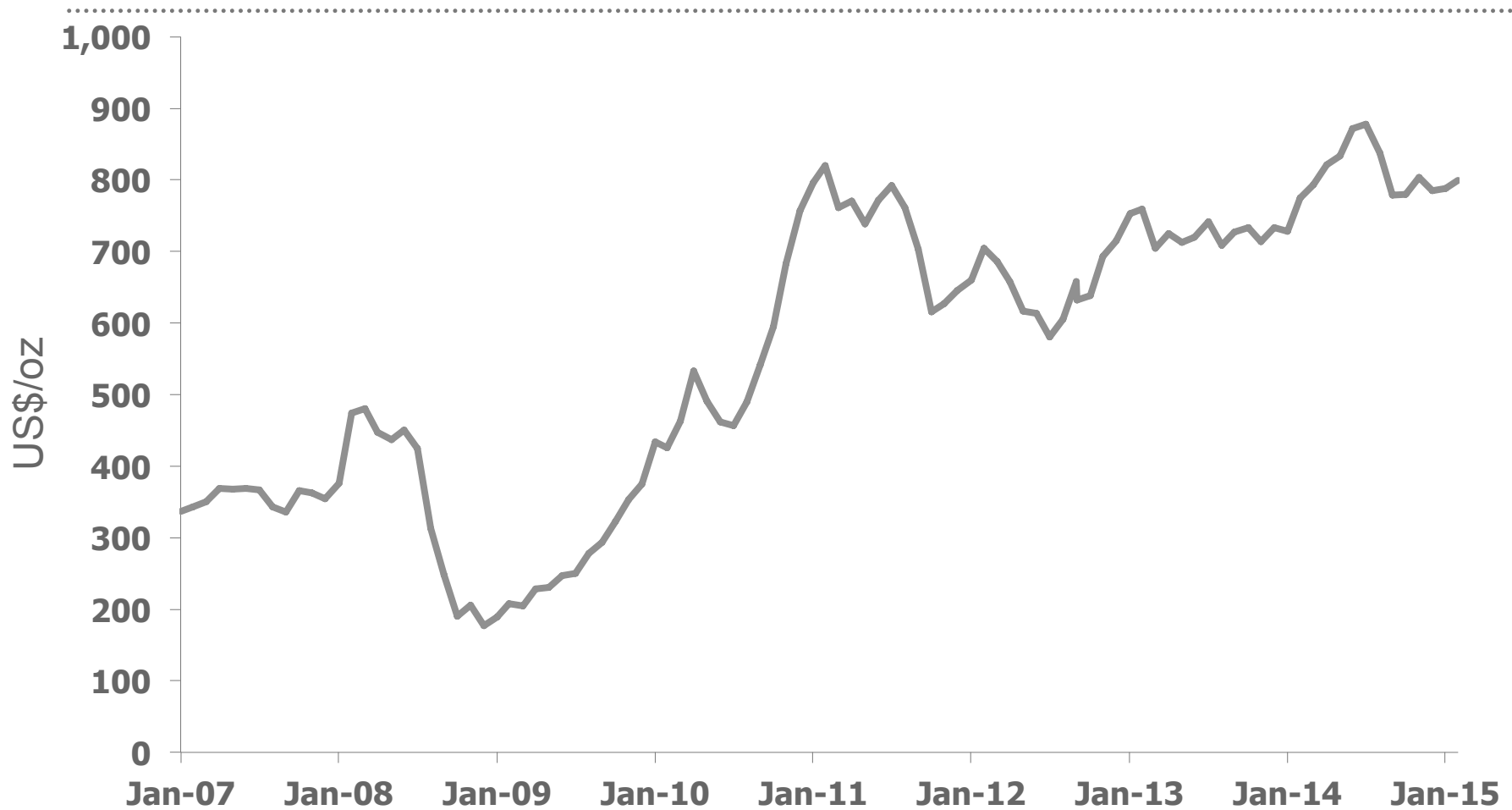


* Excludes retail investors' holdings of bars and coins
Source: Metals Focus; Precious Metals Insights

PLATINUM SUMMARY

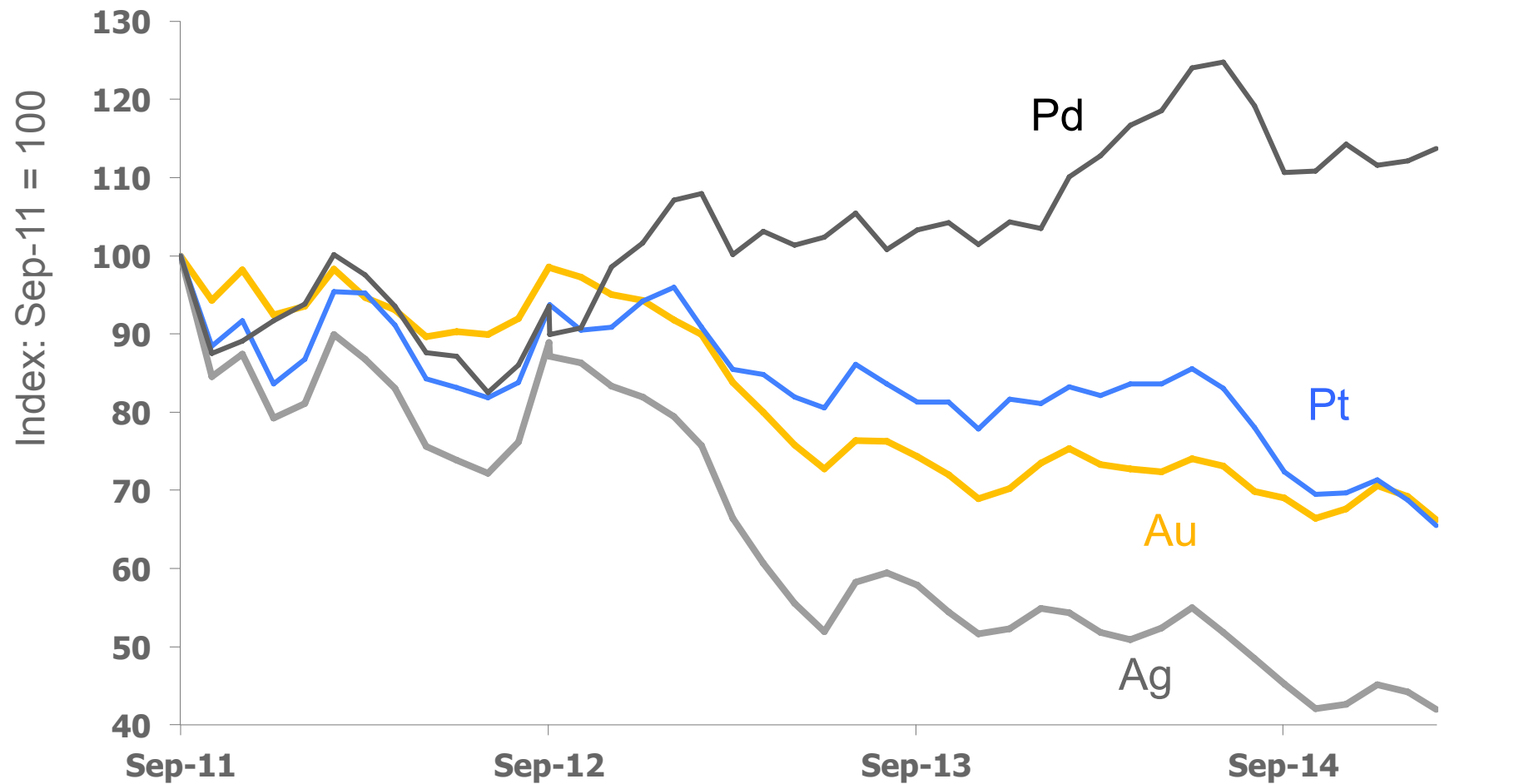
- 12% rise in supply from mine production plus scrap expected in 2015.
- Fabrication demand forecast to rise by 6%.
- Market to be in a fundamental 'deficit' again this year but at a far lower level compared to 2014's strike-affected figure.
- Besides less supportive supply/demand backdrop, platinum having to contend with a much reduced level of investor interest plus the negative impact of lower gold prices.
- Platinum would be vulnerable to any softening in demand this year for diesel passenger cars in Europe and Pt jewellery in China.
- Although any disruption to South African supply unlikely to be as severe as last year's the market is currently under-pricing this risk.
- Precious Metals Insights forecasts average price of \$1,180 in 2015, with trading range of \$1,300-\$1,080. Outlook for the platinum price should brighten towards end-year and more so in 2016.

PALLADIUM PRICE: MONTHLY AVERAGES JAN-07 TO MAR-15*



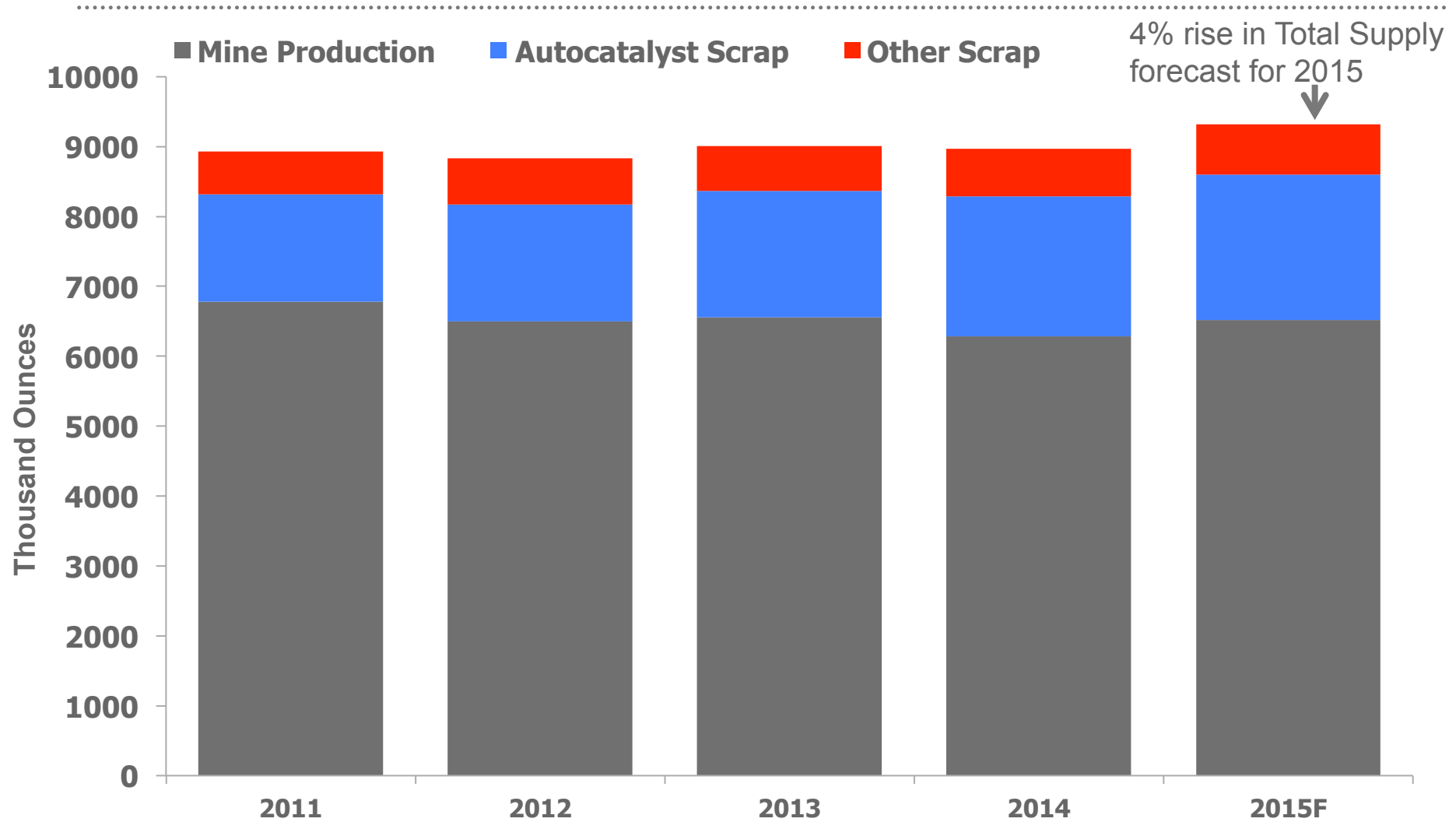
* Mar-15 monthly average to 20/03/15
Source: LPPM

PRECIOUS METALS PRICES (Indexed to Sep-11 = 100)*



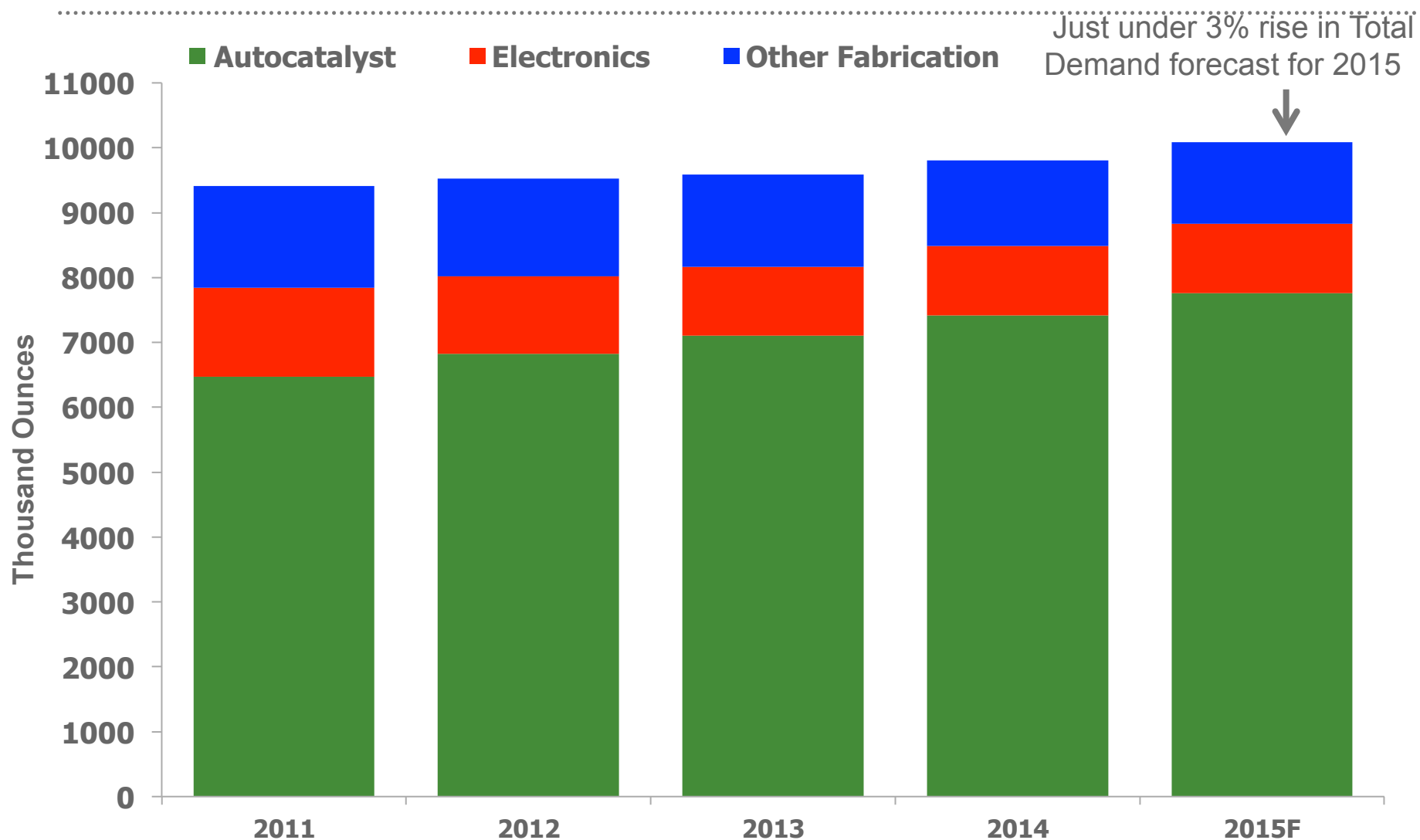
* Based on monthly averages; Mar-15 is average to 20/03/15
Source: LPPM; LBMA; Precious Metals Insights

GLOBAL PALLADIUM SUPPLY: 2011-2015F



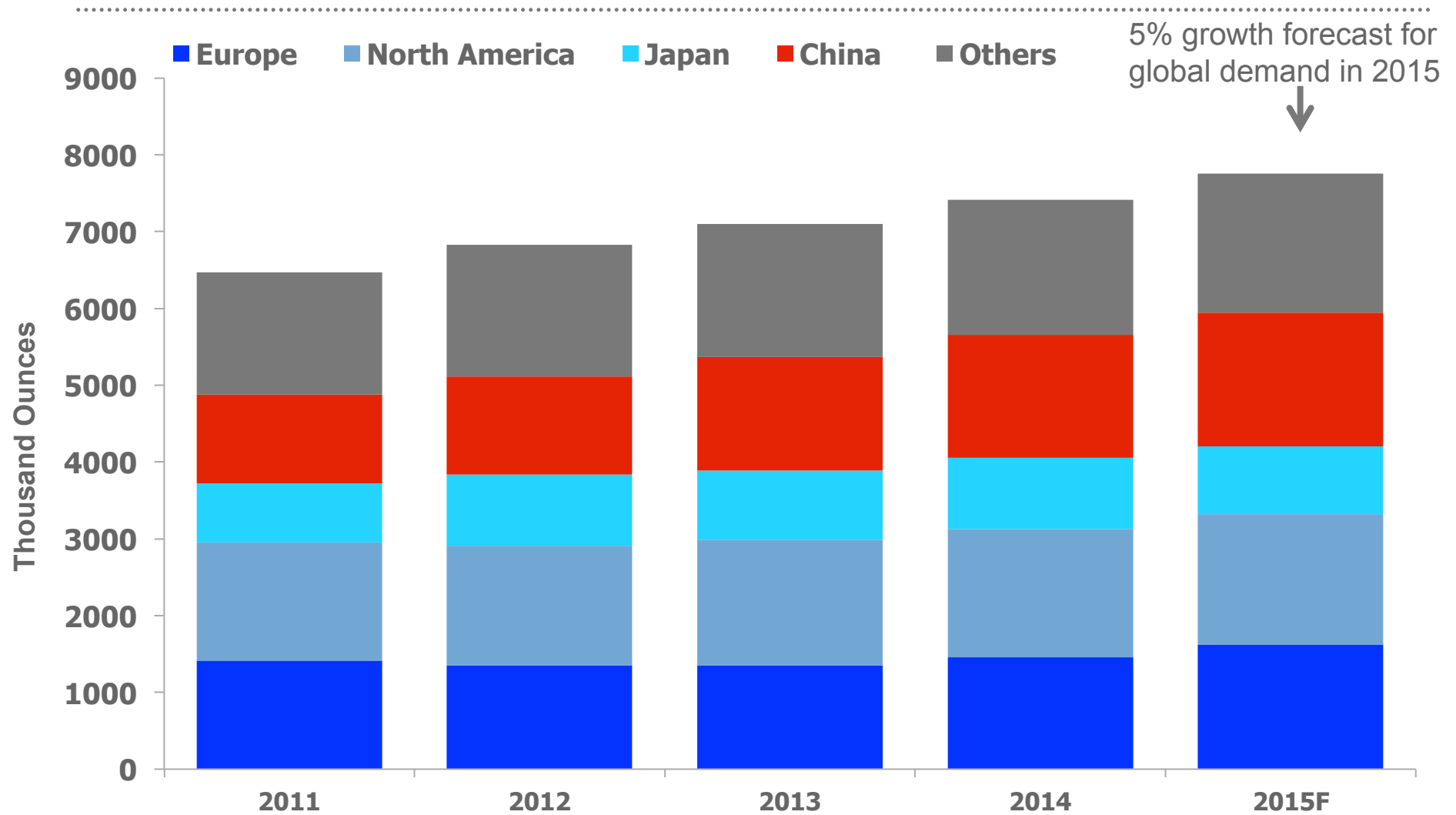
Source: Metals Focus; Precious Metals Insights

GLOBAL PALLADIUM FABRICATION DEMAND: 2011-2015F



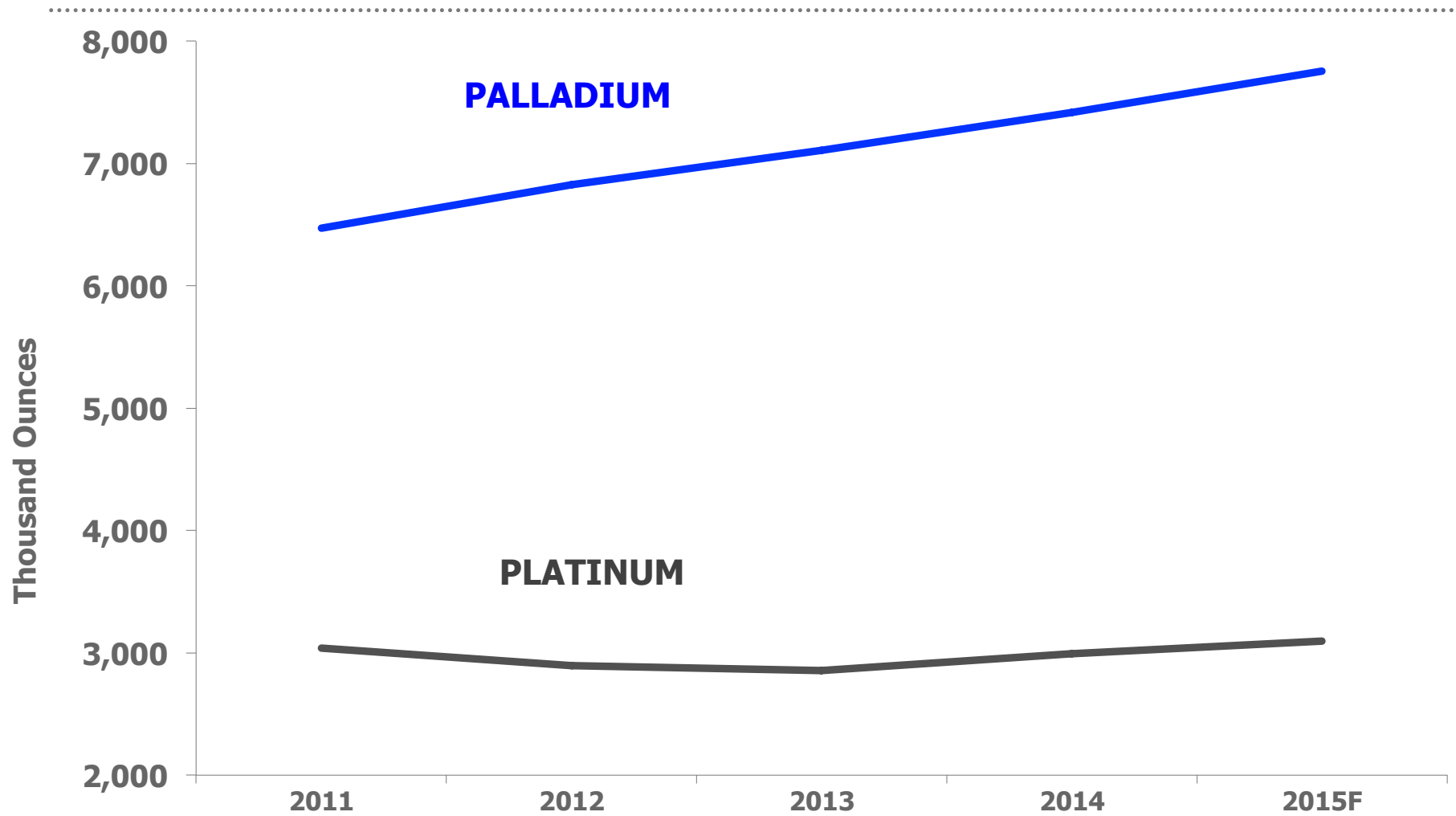
Source: Metals Focus; Precious Metals Insights

PALLADIUM AUTOCATALYST DEMAND: 2011-2015F

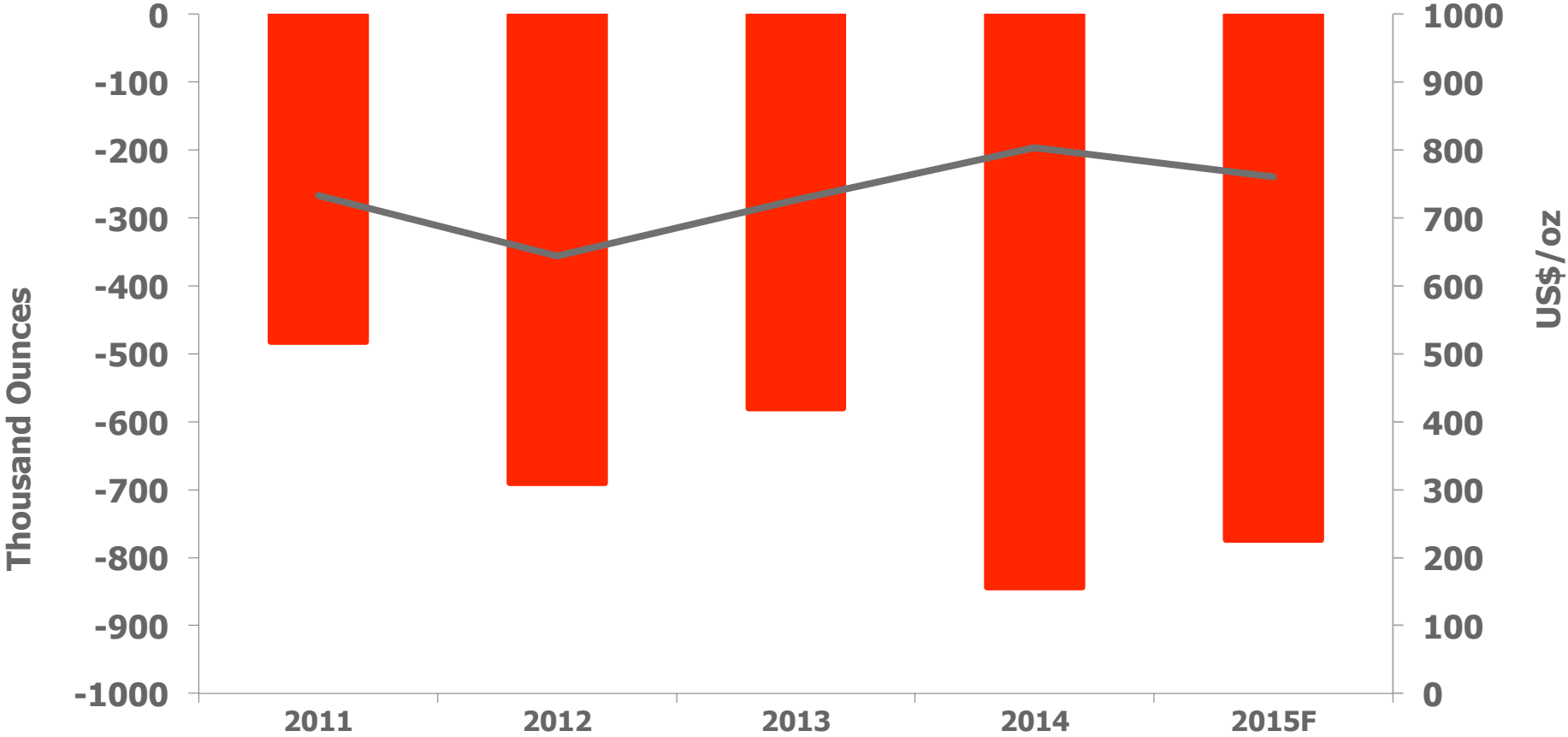


Source: Metals Focus; Precious Metals Insights

PLATINUM & PALLADIUM AUTOCATALYST DEMAND



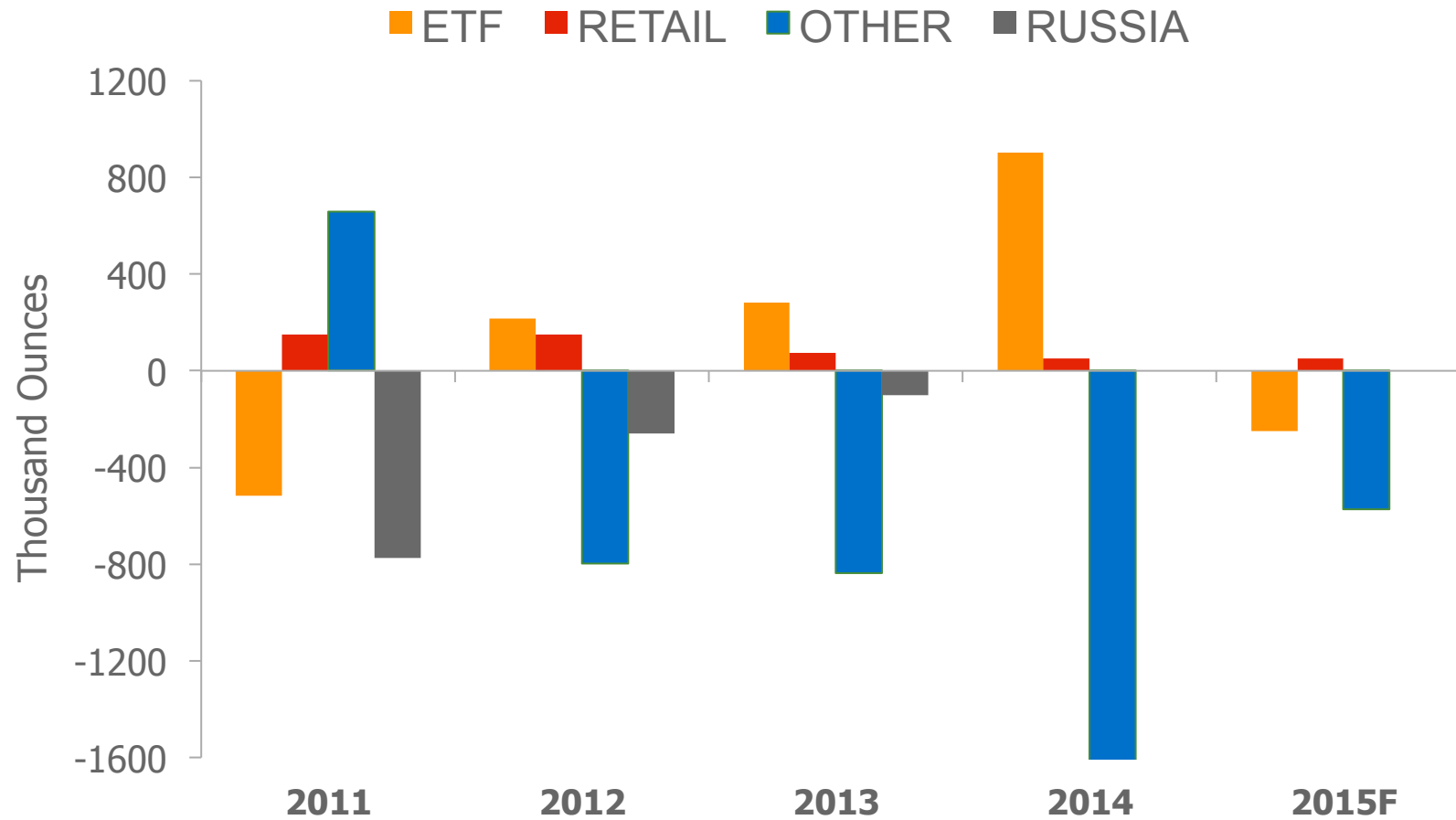
PALLADIUM MARKET BULLION DEFICIT*



*Surplus / Deficit = Mine Production plus Scrap minus Fabrication Demand (excluding retail investment)

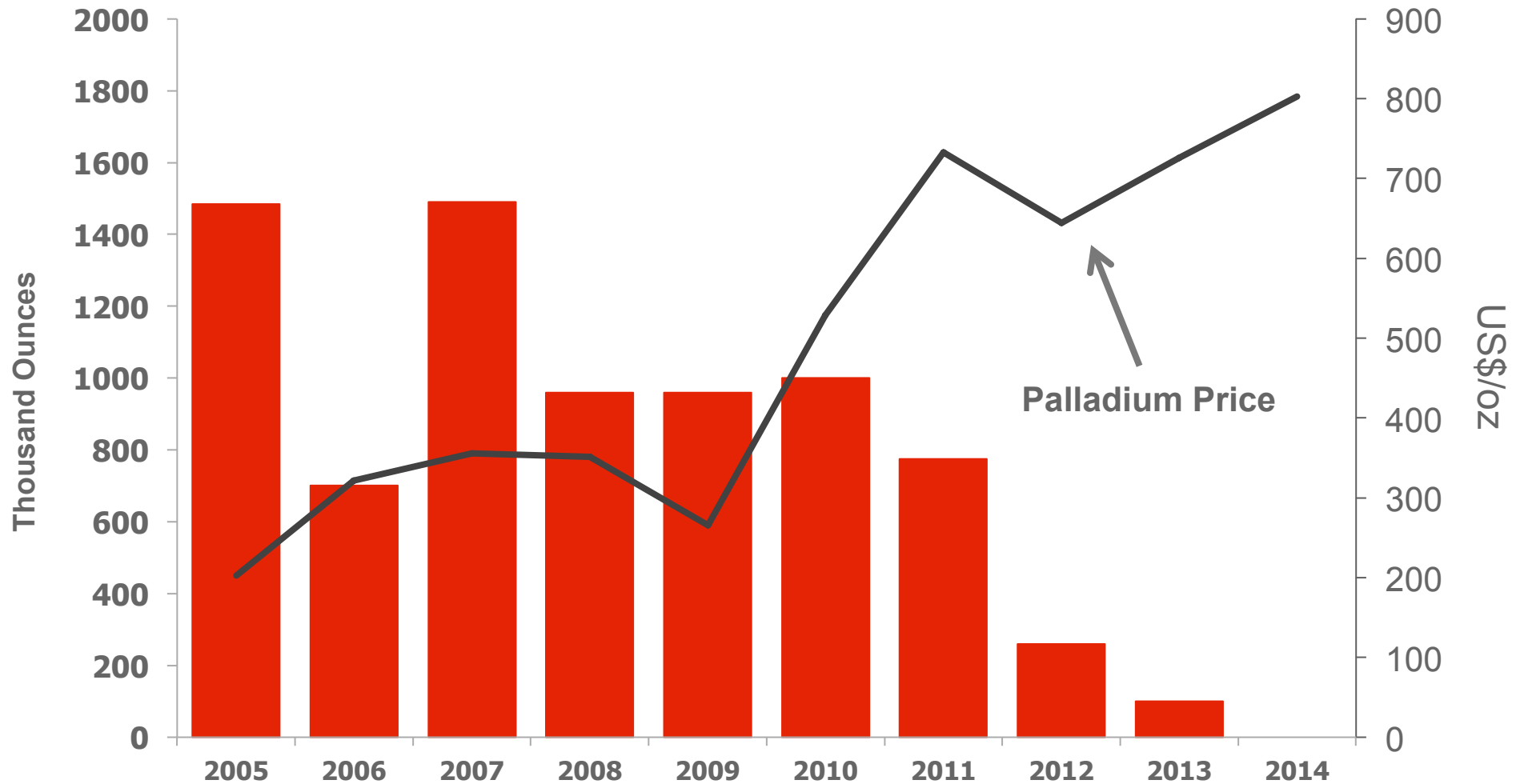
Source: Metals Focus; Precious Metals Insights

PALLADIUM STOCK CHANGES: ANNUAL BY SOURCE



Source: Metals Focus; Precious Metals Insights

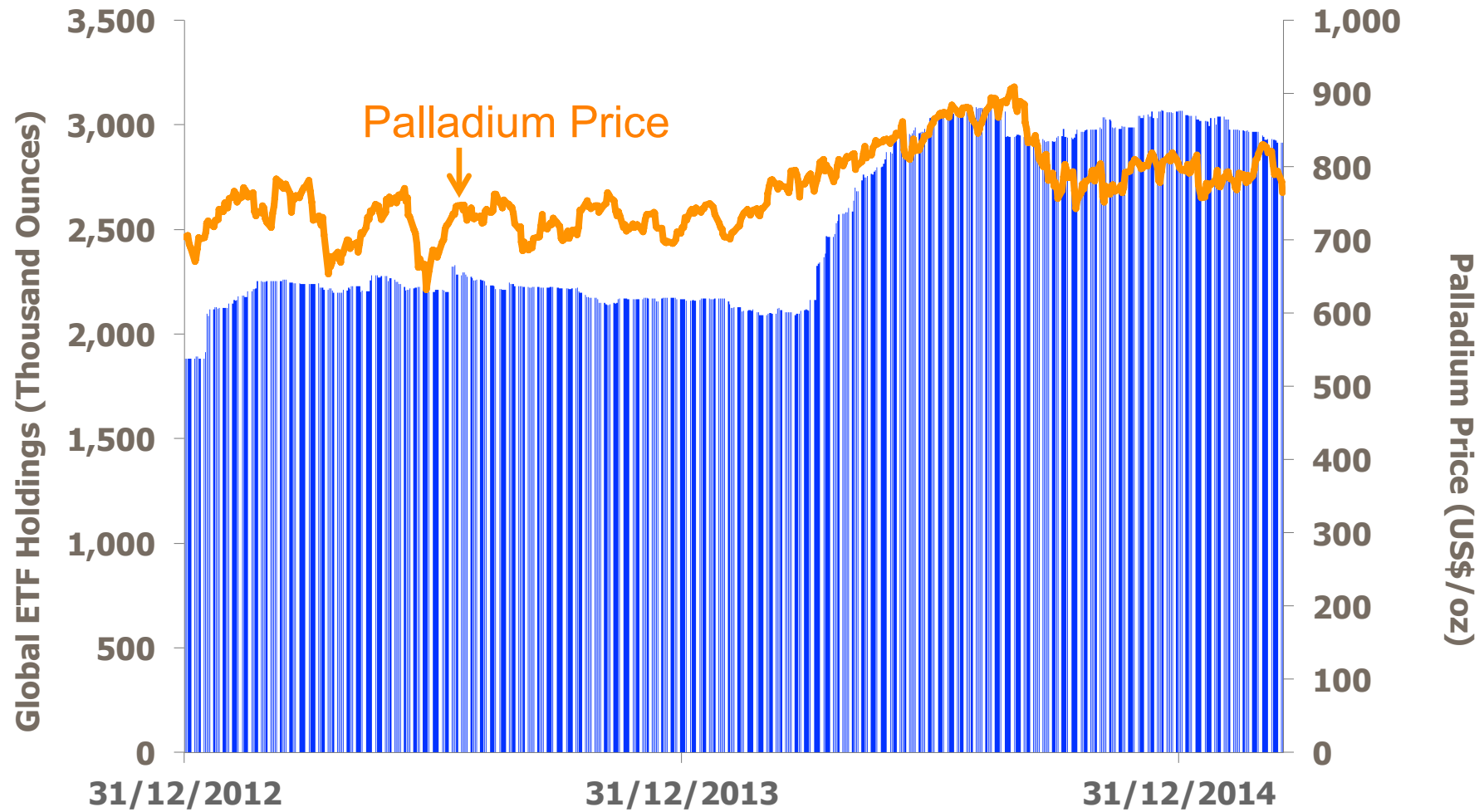
RUSSIAN STATE STOCK SALES: 2005-2014



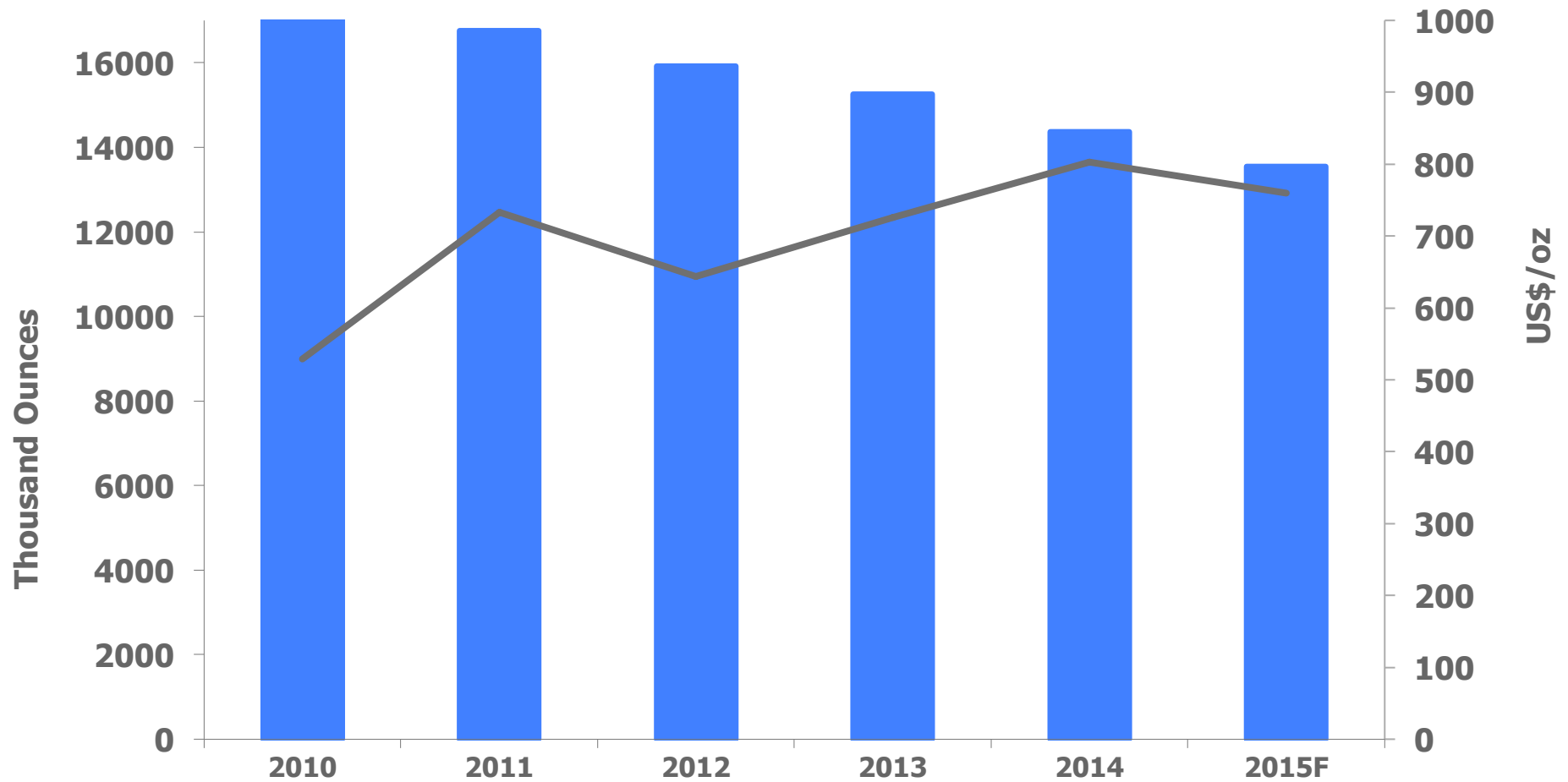
Source: Johnson Matthey; Metals Focus; Precious Metals Insights

GLOBAL ETF HOLDINGS & PALLADIUM PRICE

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PALLADIUM ABOVE-GROUND BULLION STOCKS*



* Excludes retail investors' holdings of bars and coins
Source: Metals Focus; Precious Metals Insights

PALLADIUM SUMMARY

- Supply set to grow by some 4% in 2015 due to the rebound in South African mine production and higher autocatalyst recycling.
- Fabrication demand forecast to grow by just under 3% in 2015, driven by a 5% increase in the use of palladium in autocatalysts.
- Comparing supply from mines plus recycling with fabrication demand (excluding bars and coins) the palladium market bullion 'deficit' will decline but continue to be substantial at just over 770,000 oz in 2014.
- Investor sentiment towards palladium less positive than it was as evidenced by year-to-date profit taking in ETFs. Spectre of Russian stocks mobilisation has re-emerged and some doubts about China/US auto demand growth this year.
- Precious Metals Insights forecasts a range of \$700-\$830 this year, with an average price of \$760. Longer-term price outlook remains very positive because of sizeable annual 'deficits' that are eroding above-ground stocks.

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