



Publication of *Platinum & Palladium Survey 2005*

Platinum Deficit Eases in 2004 as High Prices Impact Jewellery Demand and Mine Production Rises

At briefings today in London, Johannesburg and Hong Kong, GFMS launched its Platinum & Palladium Survey 2005. This is the second major report on these markets by GFMS, the independent precious metals consultancy who are well known for their annual Gold Survey and World Silver Survey. The following details some of the highlights of the Platinum & Palladium Survey 2005.

Supplies of both metals continued to rise in 2004 as a result of higher mine production, mainly from South Africa. Together with increased contributions from the recycling of scrapped autocatalysts, total supply of platinum rose by almost 5% to 7.12M ounces whilst palladium increased by 6.75% to 7M ounces.

In 2004 demand for platinum slipped by almost 2% to 7.47M ounces after several years of successive annual gains. Although demand for autocatalysts continued to rise and the glass industry increased its offtake, these were overwhelmed by a significant contraction in platinum jewellery fabrication in China where demand slumped by over a third. The fall in China's demand for platinum jewellery came about as platinum prices surged, competition from white gold and palladium jewellery intensified and margin pressure continued throughout the value chain.

By contrast, demand for palladium, which had been falling in recent years, staged something of a recovery and rose by nearly 5% to 7.31M ounces. Again, this was a jewellery story and again the focus was China as high purity palladium jewellery appeared in stores for the first time. This accounted for all of palladium's gains in 2004. Industrial demand remained stable with a decline in autocatalyst being offset by modest advances in other areas.

Putting supply and demand together, platinum's long standing residual deficit contracted quite significantly in 2004 and GFMS expects this will revert to a surplus in 2005 as mine production grows again and jewellery demand remains pressured.

Turning to palladium. With identified supplies from above-ground stocks remaining heavy, GFMS have estimated a significant residual surplus for palladium in 2004 and expect this to persist during 2005.

For the remainder of 2005, GFMS are forecasting that platinum prices will trade in the range of US\$790 to US\$1,000 per ounce with palladium in the range of US\$170 to US\$240 per ounce.

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Platinum & Palladium Survey 2005 contains 88 pages of statistics, commentary and analysis on all aspects of world platinum & palladium supply/demand and on PGM prices in various currencies. The publication can be ordered from GFMS for £265 / US\$495 / €395 per copy. For orders and to receive further product information please contact Ms L. Perrard on: Tel: +44 (0)20 7478 1777, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: www.gfms.co.uk

Note to Editors about GFMS Limited:

GFMS Limited is the world's foremost precious metals consultancy, specialising in research into the global gold, silver, platinum and palladium markets. GFMS is based in London, UK, but has representation in Australia, China, India, Germany and Russia, and a vast range of contacts and associates across the world.

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