



Publication of *Platinum & Palladium Survey 2009*

Institutional Investors' Rush to PGMs in Early 2008 Replaced by the Summer's Mass Exodus but Year-end Support Emerges from Boom in Retail Investment

GFMS' latest report on the PGMs market, *Platinum & Palladium Survey 2009*, was launched today in London and Johannesburg. The report comments on how activity within the PGMs various investment arenas greatly fluctuated over the course of the year, and along with developments in platinum and palladium's fundamental backdrop, played a substantial role in influencing prices.

GFMS' survey identifies three key periods to investment last year. The first was the surge that drove the price of platinum to an all time high above \$2,200 and that of palladium to its highest level since 2001. One example cited for evidence of this boom were the robust inflows into both the platinum and palladium exchange traded funds (ETFs) over this period. The consultancy feels that interest was sparked by the general supportive background of record gold prices, strong investor inflows into the broader commodities complex, soaring energy prices and a weak dollar and, perhaps more importantly and of specific relevance to the PGMs, by the power crisis in South Africa, which erupted in January.

The second phase highlighted by the report was the mass exodus from July through to September. GFMS believe much was due to the global economic downturn and the troubles that spelled for the automotive industry and thus the demand for PGMs in autocatalysts. Much of the selling was reported to have taken place in the over-the-counter (OTC) and futures markets. Platinum also witnessed a steep fall in its ETF holdings, while palladium ETFs in contrast were steady to increasing over the whole of the year.

The last stage covered the final third of the year when retail investment took off. According to GFMS' statistics, the greatest change for platinum on the demand side last year was the boom in this area of investment, much of which occurred in Japan, with the global total jumping from slight net disinvestment in 2007 to over 450,000 ounces of net investment in 2008. The scale of interest in palladium was much smaller, with GFMS estimating this at little over 80,000 ounces, much of which took place in the United States. This interest GFMS ascribe mainly to the deepening financial crisis and the appeal of precious metals as a store of wealth.

Going forward, GFMS expect platinum and palladium to find a degree of support from investor bargain hunting on the back of the potential for autocatalyst demand to recover, especially in emerging markets. Uncertainty over the global economy and financial system was also thought likely to aid interest in gold, with activity in the latter again spilling over into PGMs as precious metals continue to appeal as a safe haven.

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Platinum & Palladium Survey 2009 contains 84 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 £375 / US\$595 / €440 per copy. For orders and to receive further product information please contact Elena Patimova
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