

Platinum Group Metals Face Rising Prices, Tightening Supplies and Uncertain Markets

NEW YORK, N.Y., March 14, 2018 (SEND2PRESS NEWSWIRE) – Platinum group metals (PGMs), namely, platinum, palladium, rhodium, iridium, ruthenium and osmium, are undergoing a period of market flux and in some cases, steep and rising prices, according to a new report published by Thintri, Inc. (www.thintri.com).



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The same materials are threatened in the longer term by competing materials and alternative technologies in some of their largest markets.

The report, "Platinum Group Metals: Issues and Opportunities," is a 2018 update of an earlier Thintri study. The report discusses the sourcing, production, applications and markets for PGM and opportunities in improved recycling and recovery as well as emerging alternative materials.

PGMs are critical components in the catalytic converters in motor vehicles, in disc drives, oil refineries, glass manufacturing, medical devices and implants such as pacemakers and dental crowns, and a host of other

applications. Some are also highly valued in jewelry and investment. PGMs are rare and generally quite costly.

Growing worldwide demand is fueled by a range of factors including accelerating motor vehicle sales in the developing world, a rising industrial sector in many regions and a growing consumer preference for white metals in jewelry. As demand exceeds available supplies, prices have risen accordingly. Furthermore, complex market forces have produced fluctuations in PGM prices, creating market confusion. For example, recently, palladium prices have occasionally exceeded that of platinum, an unusual situation for a metal that has traditionally been seen as a cheaper alternative to platinum.

Industry analyses indicate that known PGM reserves are probably sufficient for more than another 100 years at present rates of production and consumption. However, that figure drops to 10 – 15 years if rising demand, particularly from growing industrialization and automobile sales in emerging economies, is taken into account. Before PGM reserves are fully depleted, however, prices will rise dramatically as extraction becomes more difficult.

PGMs are subject to competing pressures, which will play out over the coming years. Platinum, palladium and rhodium are used in the catalytic converters found in virtually every internal combustion-based automobile. The rapid growth of auto purchases in emerging economies, Asia in particular, is placing pressure on PGM supplies and prices. On the other hand, the rapid emergence of fully-electric cars and a growing commitment by some nations and auto makers to establish electric car markets will have a serious long term negative effect on demand for the relevant PGMs. The continuing slump in the oil sector will also impede the major PGM markets, while at the same time, demand from industrial catalysts and the jewelry sector will track economic growth. The lesser PGMs, like osmium and ruthenium, will continue to occupy niche markets.

Things are further complicated by new technologies already on the market, and some approaching commercialization, that will alter the picture just as dramatically through cheaper alternative materials and improved recovery.

While some PGM applications, such as jewelry, investment and electronics, are relatively immune from substitution at this time, most PGM applications are vulnerable to replacement by nanotechnology-based solutions available at a fraction of the cost. Such alternatives will partly or completely replace the PGM content in critical applications like catalysts in the automotive, energy and industrial sectors.

Other new methods will eventually, in effect, bring new supplies to market through improved recovery. New techniques for recycling catalytic converters and similar products are able to recover far more PGM content than was possible earlier. In addition, once-inaccessible PGM content in copper and nickel mine waste and slag can now be exploited. The availability of literally mountains of mine waste and slag throughout western North America and other parts of the world will soon set off a “gold rush” to exploit those resources.

Today, platinum group metals are at an extraordinary intersection of market forces that will likely create a period of extraordinary volatility before things stabilize.

The Thintri market study, "Platinum Group Metals: Issues and Opportunities," analyzes PGM markets and provides forecasts out to 2022.

About Thintri, Inc.:

Founded in 1996, Thintri, Inc. (www.thintri.com), is a full-service consulting firm, based in New York and directed by J. Scott Moore, Ph.D.

Thintri's services include business intelligence, market research, technology transfer and technology assessment, and in-depth, off-the-shelf market studies on promising emerging technologies. Topics of focus have included medical and industrial imaging, optical networks, materials and coatings, semiconductor devices, manufacturing, industrial logistics, security, thermal management, energy, and a host of others.

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