MARKET OUTLOOK

In the medium term, we expect platinum to remain in a deficit while palladium and rhodium move to more balanced markets.

Demand

The most significant demand-side factor is likely to be the automotive market, which faces short-term uncertainty from economic conditions as well as longer-term technological and societal change.

Forecasts for vehicle production in the next few years vary among market analysts, with some citing the positive impact of an acceleration in the global economy, while others expect some payback from what they see as artificially high US and Chinese sales in 2025.

Further out, there is greater consensus: light-vehicle sales and production will rise to meet higher demand from larger, wealthier societies, but the pace of growth will moderate relative to GDP growth compared with historical trends. If instead the pre-2020 relationship between GDP growth and auto sales growth reasserted itself there would be considerable upside.

In terms of drivetrain, for the next 10 years, most of those new vehicles will continue to have ICEs and hence will need PGM catalysts. This includes all types of hybrid vehicles.

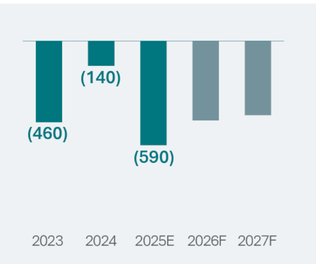
It is highly likely the share of BEVs, that do not use PGM catalysts, will rise further, but the pace of this shift is uncertain. In the US, the new administration has eliminated subsidies and rolled back other pro-BEV regulations. In Europe, the EU announced plans to withdraw the 2035 ICE vehicle phase-out date. Even in China, where BEVs have a high-market share, the latest semi-official roadmap still envisages a sizeable role for ICE vehicles out to 2040.

As such, longer-term analyst BEV projections continue to be revised lower, importantly most severely in regions where catalysts are heavily PGM loaded. This raises the likelihood of more PGM-positive outcomes than previously anticipated.

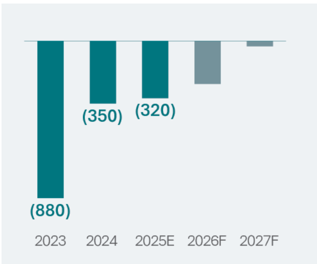
Higher PGM prices will encourage efforts to thrift loadings per catalyst, but this will be constrained by more widespread effective emissions monitoring and the tightening of the next generation of emissions standards.

Heavy-duty vehicle PGM demand should increase given rising truck sales and slower electrification.

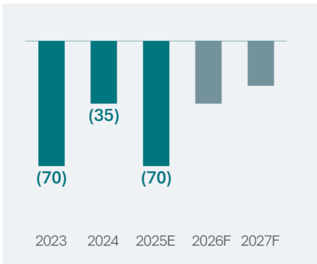
Platinum
Ongoing deficit



Palladium
Shift to surplus delayed again



Rhodium
Deficit market



Industrial PGM demand is likely to rise further, given a strong correlation to global GDP. Tariffs pose a downside risk but may create opportunities if countries seek to build domestic industrial capacity. Higher prices will have an impact, but with all PGMs rising similarly, opportunities for substitution will be limited and thrifting is unlikely to be rapid or significant in most sectors.

The hydrogen economy is set to be a broad demand sector with strong growth. Various challenges such as less favourable US policy and high electricity costs are present, though China is making considerable progress.

Jewellery demand has upside potential. Despite recent price gains, platinum remains considerably more affordable than gold, raising the possibility of taking share from white gold and competing with yellow gold in China.

Supply

On the supply side, PGM mine production will struggle as the impact of planned cuts and reduced capital expenditure continues to take their toll. Recent PGM basket price increases will delay some closures but are unlikely to radically change the outlook, given a cautious approach to new investment from miners and long lead times.

Russian output is likely to fall in 2026, given lower guidance from Norilsk Nickel, with some upside potential further out from Russian Platinum's new mine scheduled to begin operations in late 2026. In terms of flows, current restrictions on Russian sales could be tightened or eased, but given metal still flows relatively freely, if it is the latter the impact should be modest.

PGM recycling, mostly from spent autocatalysts, is expected to rise in coming years from current depressed levels. Higher PGM prices will help tease out metal but with various issues inhibiting growth, structural volumes are likely to remain well below previous peaks.

PGM prices primarily reflect supply/demand fundamentals but are also influenced by inventories, how tightly they are held, and macro-economic trends. PGMs are critical minerals in several countries – in a world of complex geopolitics – and a hard asset when investors fear inflation. Such factors played a role in the large price gains seen in 2025, and will continue to do so.

Key uncertainties

- The outlook for global auto production and hence PGM automotive demand is uncertain, given demand-side issues such as impact of the Middle East conflict and technological change. Growing BEV penetration poses a long-term challenge to PGM demand, particularly palladium and rhodium. However, there are major opportunities over the same period from hydrogen and fuel-cell demand
- Investment demand in platinum and palladium has been unusually volatile over the past year and moving in both directions. Over the long-run, however, it has typically been positive
- Changes in reported and unreported inventories had a major impact on PGM prices in recent years, not usually captured by supply and demand balances. These can be triggered by trade and other geopolitical issues
- The ongoing conflict between Russia and Ukraine means further restrictions might be imposed on Russian PGMs, although an end to the war could pose alternative risks
- Recycling flows are potentially high and likely to increase, but forecasts have repeatedly proven too optimistic and may again disappoint.