

PLATINUM PERSPECTIVES

Platinum ETF selling after c.50% price increase, offset by strength in bar and coin, jewellery, and exchange stocks

Platinum markets are dynamic, and the strong YTD price increase has led to some selling by exchange traded fund (ETF) investors. In our view, ETF outflows are unlikely to materially narrow the substantial platinum market deficit forecast in our May 2025 *Platinum Quarterly* since, 1) Chinese jewellery and bar and coin investment demand has been stronger than anticipated through H1 2025 and 2) tariff risks have led to a re-accumulation of metal into NYMEX exchange stocks.

Over the past two years, above ground platinum stocks have reduced by ~38% due to market deficits. WPIC has always acknowledged that ETFs can act as a source of platinum supply, but only if the price incentivises selling. We estimate that the weighted average cost of accumulated ETF holdings is US\$1,100/oz ([link](#)). Accordingly, being in the third consecutive year of forecast deficit with further market tightening, it was unsurprising that a ~50% increase in platinum prices to ~US\$1,400/oz led to some investors taking profits. Net ETF sell-downs reached 137 koz as of 7 August 2025, largely driven by net sales of 231 koz in July. Before platinum prices had gathered momentum from late May 2025, our last *Platinum Quarterly* (PQ [link](#)) had forecast net growth in ETF holdings of 100 koz which relative to YTD sell-downs suggests there is some downside risk to the projected 2025f platinum market deficit of 966 koz. Despite likely downward revisions to forecast ETF demand, we do not expect these to materially reduce the 2025f platinum market deficit in our next *Platinum Quarterly* on 10 Sept 2025 since Chinese demand is proving stronger than expected and platinum stocks held on exchange remain elevated.

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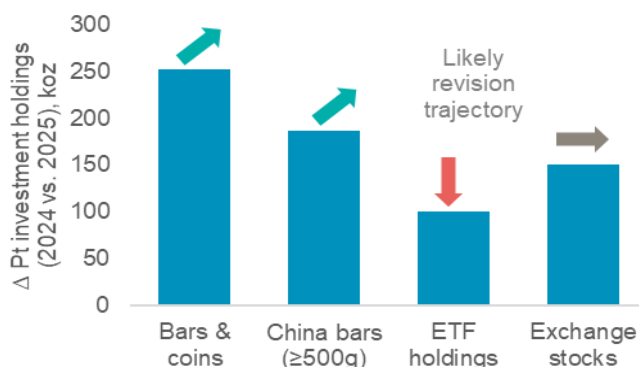
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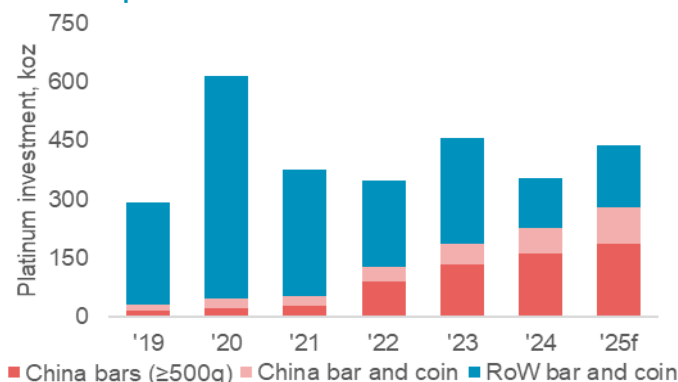
12 August 2025

Fig 1. Investment ounces, in aggregate, face downward revisions in 2025 due to ETF selling



Source: Metals Focus 2025f, WPIC research

Fig 2. China has grown to become the largest single market for platinum bar and coin investment demand



Source: Metals Focus 2019-2025f, WPIC research

During Shanghai Platinum Week in July discussions during site visits to Yueheng, Jin Zheng Long and Better Gold revealed that all of their YTD platinum investment product volumes had risen substantially. Similarly, platinum jewellery fabricator, Darunfa, confirmed strong order growth. The site visits also revealed that in addition to year-on-year sales growth, there was also greater competition with around 20 new bar & coin fabricators and 15 new jewellery fabricators. On the ground insights are aligned with increased Chinese platinum imports (Q2: +26% y/y) and SGE volumes. Fabricators reported that demand slowed in June/July alongside higher prices. Nevertheless, we believe there is upside risk to previous Chinese investment and jewellery demand forecasts for 2025. Platinum stocks held on exchange reverted to accumulation following the announcement of copper tariffs under Section 232, with YTD growth of ~240 koz exceeding our published estimate for 150 koz of inflows in 2025f. **In aggregate, upside risks from China and exchange stocks offset ETF risks to support platinum's compelling investment case with a third consecutive year of substantial deficits.**

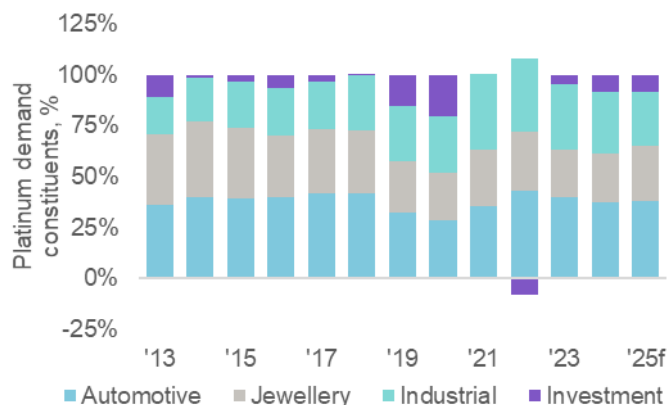
The ~50% increase in platinum prices YTD has incentivised some investors to sell ETF holdings and take profits but this has been insufficient to alleviate ongoing market tightness.

Platinum markets are expected to record a third consecutive year of a material deficit, requiring above ground stocks to again fulfil shortfalls.

Platinum's attraction as an investment asset arises from:

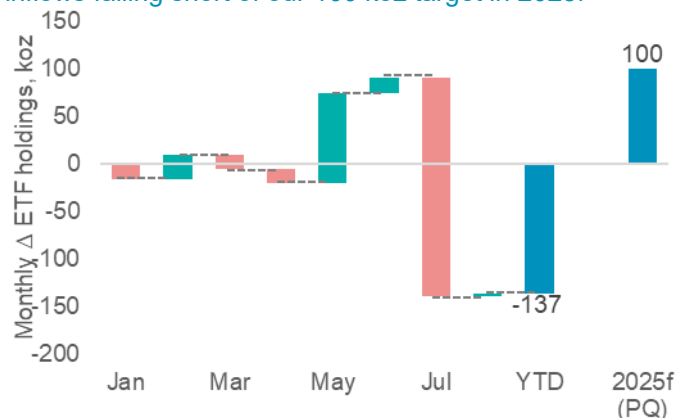
- WPIC research indicates that the platinum market entered a period of consecutive supply deficits from 2023 and these are expected to fully deplete above ground stocks by 2029f
- Platinum supply remains challenged, both in terms of primary mining and secondary recycling supply
- Although US tariffs present some downside risks to demand, these are likely offset by tailwinds to jewellery demand and Chinese investment demand
- Elevated lease rates and OTC London backwardation highlight tight market conditions
- The platinum price remains historically undervalued and significantly below the price of gold

Figure 3: Platinum investment demand has ranged from -8% to 20% of total platinum demand since 2013, making it more volatile than other demand constituents



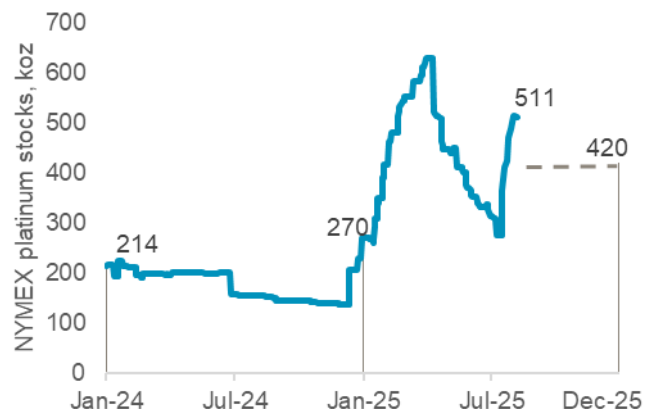
Source: SFA (Oxford) 2013 – 2018, Metals Focus (2018 – 2025f), WPIC research

Figure 5: ETF disposals in July were likely due to profit taking and further profit taking risks projected annual inflows falling short of our 100 koz target in 2025f



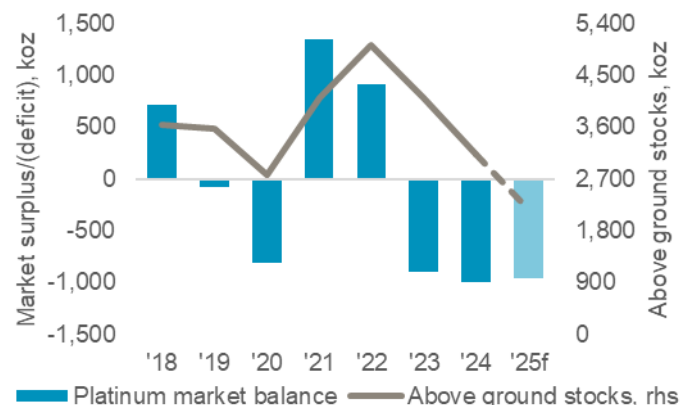
Source: Bloomberg, WPIC Research

Figure 7: NYMEX stocks have been volatile due to the spectre of tariffs and are currently above our 420 koz target for year-end (i.e. 150 koz build)



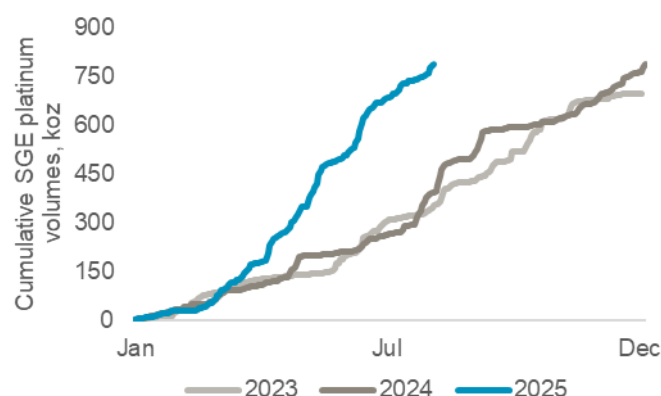
Source: Bloomberg, WPIC

Figure 4: Three consecutive platinum market deficits are forecast to reduce above ground stocks by ~55% from 2022 to end 2025f



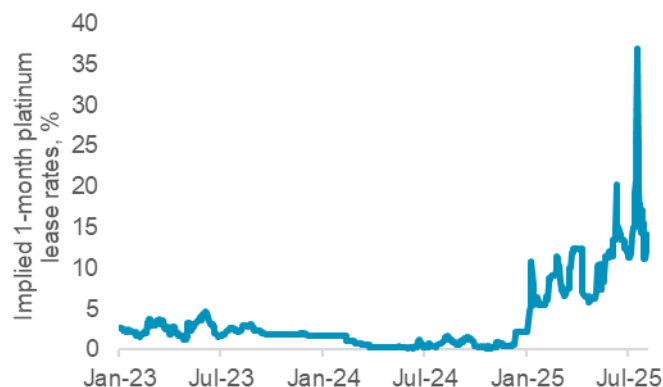
Source: SFA (Oxford) 2018, Metals Focus (2018 – 2025f), WPIC research

Figure 6: Cumulative SGE platinum volumes in 2025 have already reached the level recorded for the full year in each of 2023 and 2024



Source: Bloomberg, WPIC research

Figure 8: Platinum lease rates have trended higher through 2025 highlighting limited metal availability



Source: Bloomberg, WPIC Research

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