

PLATINUM GROUP METALS (PGMS)

South Africa's dominance & potential investment avenues

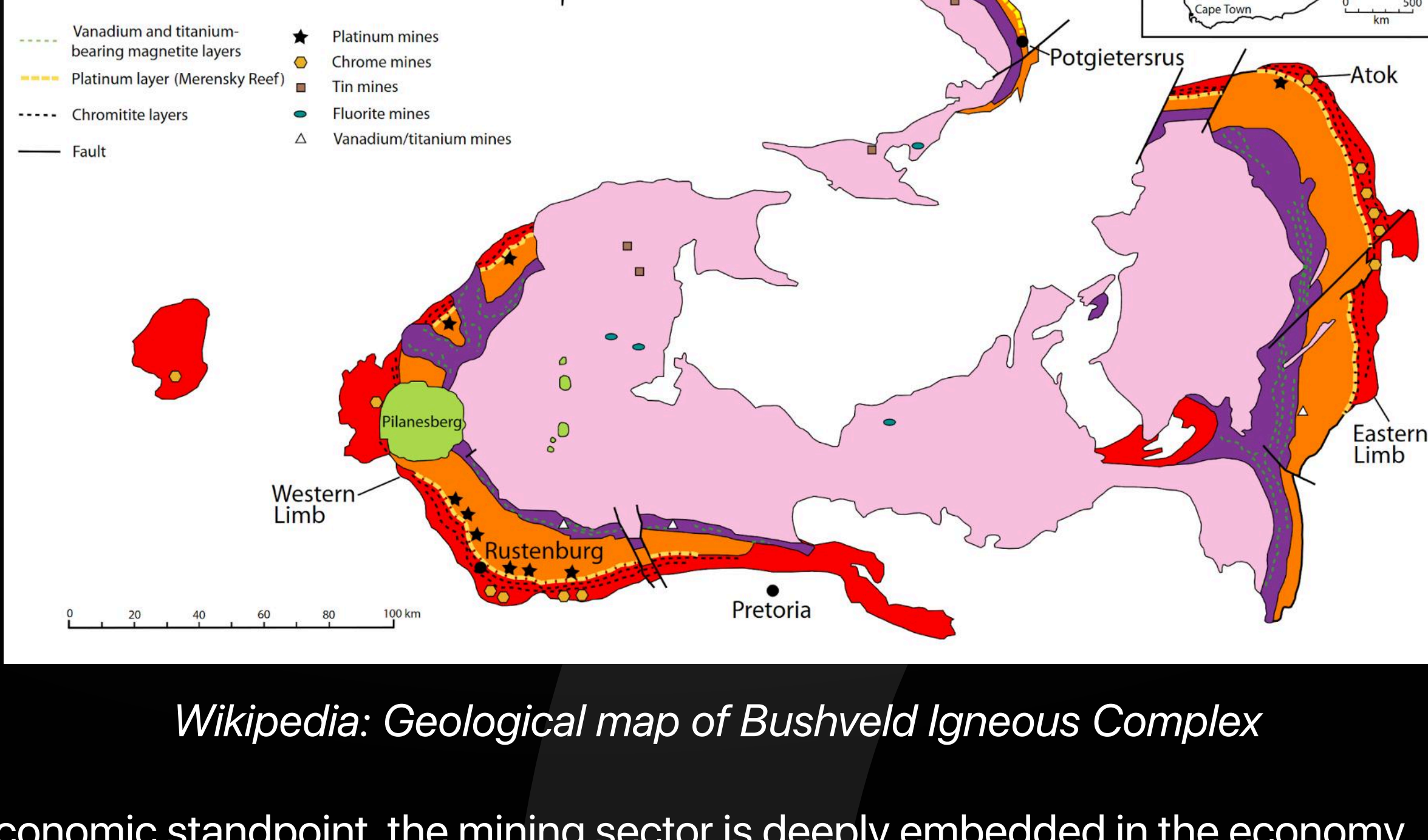
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Platinum group metals (PGMs), which include platinum, palladium, rhodium, ruthenium, iridium, and osmium, are rare and chemically strong metals prized for their unmatched catalytic performance, high melting points, and corrosion resistance. With platinum being nearly 15 times rarer than gold, their scarcity highlights both their strategic industrial value and investment appeal. Roughly 70% – 80% of PGM demand is driven by the automotive sector, where they play vital roles in catalytic converters: platinum for diesel engines, palladium for petrol engines, and rhodium for reducing nitrogen dioxide emissions. While electric vehicle adoption poses a long-term challenge, hybrid vehicles and tightening emissions regulations continue to sustain near-term demand. Beyond transport, PGMs are central to the hydrogen economy. Platinum powers fuel cells and electrolyzers, palladium aids hydrogen storage, and iridium enhances electrolyser durability. Their importance extends to advanced tech and healthcare, from ruthenium in hard drives to platinum in chemotherapy and implants.

SOUTH AFRICA, THE PGM EPICENTER

South Africa remains the global epicentre of PGM production, anchored by the Bushveld Igneous Complex, which holds approximately 90% of the world’s platinum reserves and produces over 80% of global rhodium supply. This geological dominance gives the country significant leverage in shaping global supply dynamics and pricing trends.



Wikipedia: Geological map of Bushveld Igneous Complex

From an economic standpoint, the mining sector is deeply embedded in the economy, contributing about 6% to GDP and supporting around 600 000 jobs, refining, logistics, and

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downstream industries. However, despite this strategic advantage, the sector faces operational challenges. Many deposits lie at depths exceeding 2 km, making extraction costly and safety-intensive. Additionally, load-shedding, along with rail and port inefficiencies, continues to affect mining consistency and export capacity.

MAJOR JSE-LISTED PGM COMPANIES

The PGM sector is led by large mining companies that manage everything from mining to refining, with operations both locally and overseas:

COMPANY (TICKER)	KEY ASSETS	STRATEGIC FOCUS	COMMENT
Valterra Platinum (VAL)	Mogalakwena, Amandelbult (SA), Unki (Zim)	Pure-play PGMs, hydrogen integration	Aims to be more agile in responding to platinum demand from green hydrogen technology and automobiles
Impala Platinum (IMP)	Impala Rustenburg, Marula (SA), Lac des Iles (CAN)	Balanced Pt/Pd/Rh portfolio, cost control	Offers diversified PGM exposure and Canadian operational hedge
Sibanye-Stillwater (SSW)	Kroondal, Rustenburg (SA), Stillwater (USA)	Diversified precious metals, recycling expansion	Strong economic drive, global footprint helps hedge SA operational risks
Northam Platinum (NPH)	Zondereinde, Booyssendal (SA)	Organic growth	Positioned for cost control and margin stability due to soft PGM prices

Table: Leading JSE-listed PGM producers

PLATINUM PRICE OUTLOOK (2025 - 2026)

Platinum has gained over 42% year-to-date (YTD), trading around the \$1,280/oz level as of mid-2025. This strong performance reflects renewed investor interest, tightening supply, and broader macroeconomic themes such as currency weakness and safe-haven flows.

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Tradingview: Platinum price movement for 2025

Supply Dynamics: Platinum supply remains constrained, especially in South Africa, where operations face ongoing challenges. Johnson Matthey forecasts a significant 529 000 oz supply deficit for 2025, one of the largest in recent years, while above-ground inventories continue to decline, adding further upward pressure on prices.

Analyst Forecast Range: Analysts broadly expect platinum prices to range between **\$900 and \$1,300/oz** through 2025 - 2026, with the outlook hinging on how effectively rising demand from the clean energy sector, particularly hydrogen technologies, can offset declines in traditional uses like automotive catalysts. The bullish scenario is driven by accelerated adoption of fuel cell and green hydrogen applications, along with tighter supply conditions, while the bearish view factors in risks such as reduced auto demand due to EV adoption, slower industrial activity, and the potential liquidation of above-ground inventories.

KEY TAKEAWAYS:

- Platinum is currently outperforming broader commodities and gold on a YTD basis.
- Supply risks from South Africa remain a key catalyst.
- The hydrogen sector’s expansion could create long-term demand.

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