

Mineral Industry Surveys

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PLATINUM-GROUP METALS IN AUGUST 2008

According to Platts Metals Week, the average August prices of platinum, palladium, and rhodium dropped by 22%, 26%, and 33%, respectively, as compared with the average prices in July. The average price of ruthenium dropped slightly and that of iridium, which had held steady for 18 months, rose slightly over the same time period. Platinum, palladium, and rhodium prices plummeted from the beginning of the month until mid-month as a result of several factors including a continuing wave of investor sales, a stronger dollar, and a further decline in automobile sales in North America as well as in China and India (Johnson Matthey plc, 2008b). Following the steep decline, prices of all three metals rose slightly from mid- to late-month. In the spring, platinum and rhodium had reached record-high prices, and palladium had reached its highest price in 7 years. Since then, average monthly prices of platinum, palladium and rhodium have plunged by 38%, 54%, and 57%, respectively, as a result of the global economic deterioration.

Investors sold large amounts of platinum and palladium from exchange-traded funds (ETFs). At the end of the month, the total amounts of metals held in ETFs was 8,900 kilograms (kg) of platinum and 20,500 kg of palladium, a drop of about 34% for platinum and 2% for palladium relative to amounts held in ETFs at the end of July. The drop was attributed to the recovery of the dollar, which led investors away from precious metals (Johnson Matthey plc, 2008a).

Xstrata plc (Zug, Switzerland), submitted an unsolicited takeover bid for Lonmin plc (London, United Kingdom), the third leading platinum producer in South Africa. The bid was rejected by Lonmin (Olson, 2008).

Wesizwe Platinum Ltd. (Johannesburg, South Africa), a black-owned company, has transformed itself from a platinum explorer to a platinum producer. Wesizwe completed a feasibility study on its Frischgewaagd-Ledig project 1 year ahead of schedule. Construction on the project is expected to begin soon and production is planned to begin in 2010. The Frischgewaagd-Ledig project is expected to produce 10,900 kilograms per year of platinum by 2016 and to have a mine life of 35 years (Macharia, 2008).

Eight fuel cells have been in operation at the Montana State University in Billings since November, providing electricity to several classrooms. The fuel cells are part of a test project of the Montana Palladium Research Initiative, which is testing four platinum and four palladium fuel cells to compare their power production. Platinum has traditionally been used in fuel cells and the project is testing palladium to determine whether it can be substituted for the more costly platinum in fuel cell membranes (Pickett, 2008).

References Cited

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- Macharia, James, 2008, Wesizwe evolves into platinum miner from explorer: Reuters, August 12, 1 p (Accessed August 27, 2008, at <http://uk.reuters.com/article/idUKLC49446620080812>.)
- Olson, Parry, 2008, Xstrata goes platinum: Forbes, August 6, 1 p.
- Pickett, Mary, 2008, Fuel cells at MSUB drawing attention: Billings, MT, Billings Gazette, August 15, 1 p.

TABLE 1
PLATINUM-GROUP METALS PRICES¹

(Dollars per troy ounce)

	Platinum	Palladium	Rhodium	Iridium	Ruthenium
2007:					
Low/date	1,122.00 Jan. 8	322.00 Aug. 22	5,550.00 Jan. ²	400.00 Jan. and Feb. ²	375.00 Jul. ²
High/date	1,547.00 Dec. 27	385.00 Apr. 20	6,850.00 Dec. ²	450.00 Feb.—Dec. ²	870.00 Feb. ²
Average	1,308.40	357.34	6,203.09	444.43	573.74
2008:					
July:					
Low/date	1,730.00/24	377.00/30	8,250.00/30	450.00 ²	300.00 ²
High/date	2,080.00/01	468.00 ²	9,825.00/07	450.00 ²	305.00 ²
Average	1,904.68	428.27	9,380.68	450.00	304.09
August:					
Low/date	1,328.00/19	283.00/19	3,950.00 ²	450.00 ²	300.00 ²
High/date	1,680.00/01	370.00/01	8,050.00/01	460.00 ²	305.00 ²
Average	1,492.52	318.29	6,245.24	451.90	302.62
Year-to-date:					
Low/date	1,328.00 Aug. 19	283.00 Aug. 19	3,950.00 Aug. ²	450.00 Jan.—Aug. ²	300.00 Jun.—Aug. ²
High/date	2,275.00 Mar. 4	585.00 Mar. 4	10,100.00 June 18	460.00 Aug. ²	440.00 Feb. and Mar. ²
Average	1,889.86	428.61	8,608.37	450.24	370.23

¹Quotes from Engelhard Industries.

²Occured multiple days in month(s) listed.

Source: Platts Metals Week.

TABLE 2
U.S. IMPORTS FOR CONSUMPTION OF PLATINUM METAL, BY COUNTRY¹

(Kilograms metal content, unless otherwise specified)

Period and country	Platinum grain and nuggets		Platinum sponge		Other unwrought platinum		Platinum, other		Platinum waste and scrap		Platinum coins	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		(thousands)		(thousands)		(thousands)		(thousands)		(thousands)		(thousands)
2007	621	\$20,100	65,900	\$2,620,000	3,940	\$145,000	10,200	\$330,000	206,000	\$504,000	58	\$964
2008:												
May	1	59	4,760	308,000	482	26,500	529	23,000	6,460	91,800	(2)	7
June [†]	1	66	3,420	203,000	167	8,190	598	27,900	4,700	53,000	6	255
July:												
Australia	--	--	--	--	--	--	78	5,040	--	--	(2)	21
Belgium	--	--	254	16,900	--	--	--	--	--	--	--	--
Bolivia	--	--	--	--	--	--	--	--	1,880 ³	183	--	--
Brazil	--	--	--	--	--	--	(2)	15	4,750 ³	4,990	--	--
Bulgaria	--	--	--	--	--	--	2	175	--	--	--	--
Canada	1	41	--	--	(2)	27	32	1,940	109	6,280	1	40
China	--	--	--	--	--	--	1	69	249 ³	2,020	--	--
Colombia	--	--	--	--	136	6,700	--	--	21	710	--	--
France	--	--	--	--	--	--	--	--	35	1,730	--	--
Germany	--	--	222	14,600	75	3,840	270 ³	8,020	337	28,100	--	--
Greece	--	--	--	--	--	--	--	--	2	218	--	--
Hong Kong	--	--	--	--	--	--	--	--	14	892	--	--
India	(2)	18	--	--	--	--	--	--	--	--	--	--
Indonesia	--	--	--	--	--	--	--	--	9	556	--	--
Israel	--	--	--	--	53	1,430	--	--	4	225	--	--
Italy	--	--	63	3,960	--	--	105	6,780	--	--	--	--
Japan	--	--	--	--	--	--	5 ³	53	150	12,300	--	--
Jordan	--	--	--	--	--	--	--	--	5 ³	60	--	--
Korea, Republic of	--	--	--	--	--	--	1	52	263	14,500	--	--
Mexico	--	--	--	--	4	202	--	--	665	26,300	--	--
Norway	--	--	93	6,000	--	--	--	--	--	--	--	--
Panama	--	--	--	--	--	--	--	--	5 ³	60	--	--
Philippines	--	--	--	--	--	--	--	--	10	300	--	--
Russia	--	--	66	4,350	49	3,210	--	--	--	--	--	--
South Africa	--	--	1,990	128,000	--	--	7 ³	154	--	--	--	--
Switzerland	--	--	--	--	--	--	1	73	--	--	--	--
Thailand	1	27	--	--	--	--	--	--	--	--	--	--
United Kingdom	--	--	1,170	70,700	2	101	88	5,220	1	60	--	--
Venezuela	--	--	--	--	--	--	--	--	940 ³	51	--	--
Total	2	87	3,860	245,000	319	15,500	590	27,600	9,450	99,400	1	61
Year to date	178	5,640	29,600	1,730,000	1,960	107,000	4,860	219,000	60,800	418,000	15	809

[†]Revised. -- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Less than ½ unit.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 3
U.S. IMPORTS FOR CONSUMPTION OF PLATINUM-GROUP METALS, BY COUNTRY¹

(Kilograms metal content, unless otherwise specified)

Period and country	Unwrought palladium		Palladium, other		Iridium ²		Osmium ²		Ruthenium ²		Rhodium ²	
	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)
2007	101,000	\$1,120,000	11,600	\$129,000	3,410	\$41,900	23	\$192	48,700	\$655,000	16,600	\$2,650,000
2008:												
May	7,760	108,000	98	1,320	119	1,660	8	56	3,480	31,900	1,130	285,000
June ^f	8,740	116,000	598	8,100	271	3,910	--	--	5,340	41,500	1,420	398,000
July:												
Belgium	32	470	--	--	--	--	--	--	30	318	4	1,370
Canada	9	122	--	--	--	--	--	--	--	--	--	--
Germany	59	819	16	165	5 ³	116	--	--	2,600	17,600	73	22,400
India	--	--	--	--	--	--	--	--	--	--	10	3,100
Italy	134	1,990	7	114	1 ³	4	--	--	463	4,490	16 ³	4,210
Japan	130 ³	938	7 ³	25	--	--	--	--	26	249	3	1,050
Netherlands	--	--	--	--	3 ³	14	--	--	--	--	--	--
Norway	572	7,900	--	--	--	--	--	--	--	--	3	946
Russia	2,950	43,000	--	--	--	--	--	--	32	338	92	28,500
South Africa	1,150	16,300	16	225	105	1,390	--	--	1,160	10,300	527	142,000
Switzerland	--	--	42 ³	720	--	--	--	--	--	--	--	--
United Kingdom	879	11,900	5	74	41	723	--	--	3	52	40 ³	9,960
Total	5,910	83,500	93	1,320	154	2,250	--	--	4,320	33,400	767	214,000
Year to date	58,700	787,000	3,720	59,700	1,420	20,800	11	101	28,500	279,000	8,040	1,840,000

^fRevised. -- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Unwrought and other forms.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 4
U.S. EXPORTS OF PLATINUM-GROUP METALS, BY COUNTRY¹

(Kilograms of metal content, unless otherwise specified)

Period and country	Platinum ²		Platinum waste and scrap		Palladium ²		Iridium, osmium, and ruthenium ^{2,3}		Rhodium ²	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		(thousands)		(thousands)		(thousands)		(thousands)		(thousands)
2007	28,900	\$763,000	54,400	\$924,000	41,800	\$298,000	8,190	\$145,000	2,210	\$401,000
2008:										
May	2,250	88,700	3,790	81,500	3,230	21,300	310	4,220	135	36,000
June	1,270	63,200	6,830	278,000	3,070	26,100	436	5,140	205	57,900
July:										
Argentina	61 ⁴	4,030	--	--	--	--	--	--	--	--
Australia	1 ⁴	59	1	23	46	641	--	--	--	--
Austria	11	169	--	--	--	--	--	--	--	--
Belgium	2 ⁴	27	9 ⁴	591	1	5	--	--	(5)	5
Bolivia	--	--	--	--	9	39	--	--	--	--
Canada	55	2,240	64	2,140	113	1,200	1 ⁴	47	1	120
China	1	46	--	--	39	488	16	155	--	--
Colombia	--	--	--	--	14	89	--	--	--	--
Cyprus	--	--	--	--	1	3	(5) ⁴	5	--	--
Czech Republic	--	--	--	--	4	66	--	--	--	--
Denmark	--	--	--	--	12	171	1	8	--	--
France	5 ⁴	84	--	--	19	211	--	--	--	--
Germany	243	11,300	3,310 ⁴	31,700	324	2,430	1	4	260	19,000
Hong Kong	1 ⁴	179	--	--	269 ⁴	1,060	--	--	--	--
Iceland	(5)	9	--	--	2	19	--	--	--	--
India	2	111	--	--	64 ⁴	93	--	--	(5)	16
Ireland	26	817	--	--	1 ⁴	18	1	6	--	--
Israel	(5)	11	--	--	204	790	--	--	--	--
Italy	168	10,300	--	--	91	1,040	5	69	--	--
Japan	165	9,970	312	21,500	93	484	63	611	70	21,700
Korea, Republic of	12 ⁴	277	--	--	16 ⁴	114	--	--	--	--
Malaysia	(5)	14	--	--	1 ⁴	10	--	--	--	--
Mexico	3 ⁴	69	--	--	16	124	10 ⁴	244	(5)	10
Monaco	--	--	--	--	1 ⁴	27	--	--	--	--
Morocco	--	--	--	--	5	33	--	--	--	--
Netherlands	(5) ⁴	47	--	--	2	12	--	--	--	--
New Zealand	(5) ⁴	12	--	--	8 ⁴	147	--	--	--	--
Norway	11 ⁴	236	--	--	11	204	--	--	--	--
Oman	--	--	--	--	1	4	--	--	--	--
Philippines	(5) ⁴	27	--	--	(5) ⁴	3	--	--	--	--
Saudi Arabia	--	--	--	--	9	124	--	--	--	--
Singapore	1 ⁴	42	--	--	7	87	308	3,120	--	--
South Africa	--	--	--	--	17 ⁴	21	--	--	--	--
Spain	--	--	--	--	18	87	--	--	--	--
Sweden	(5) ⁴	20	--	--	1	5	--	--	--	--
Switzerland	4 ⁴	149	--	--	26	336	--	--	--	--
Taiwan	31 ⁴	819	--	--	217	1,440	274	4,390	--	--
Thailand	(5) ⁴	87	--	--	12 ⁴	172	--	--	--	--
United Kingdom	63	2,560	1,100	67,400	295	1,890	44	619	--	--
Other	--	4	--	--	15 ⁴	128	--	--	--	--
Total	867	43,800	4,800	123,000	1,980	13,800	723	9,280	331	40,900
Year to date	8,490	373,000	38,400	892,000	18,200	146,000	3,340	43,000	1,750	278,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Unwrought and other forms.

³Gross weight.

⁴All or part of these data have been referred to the U.S. Census Bureau for verification.

⁵Less than ½ unit.

Source: U.S. Census Bureau.