

PRECIOUS APPRAISAL



MARKET SPOTLIGHT

The compass points north for South African PGM supply

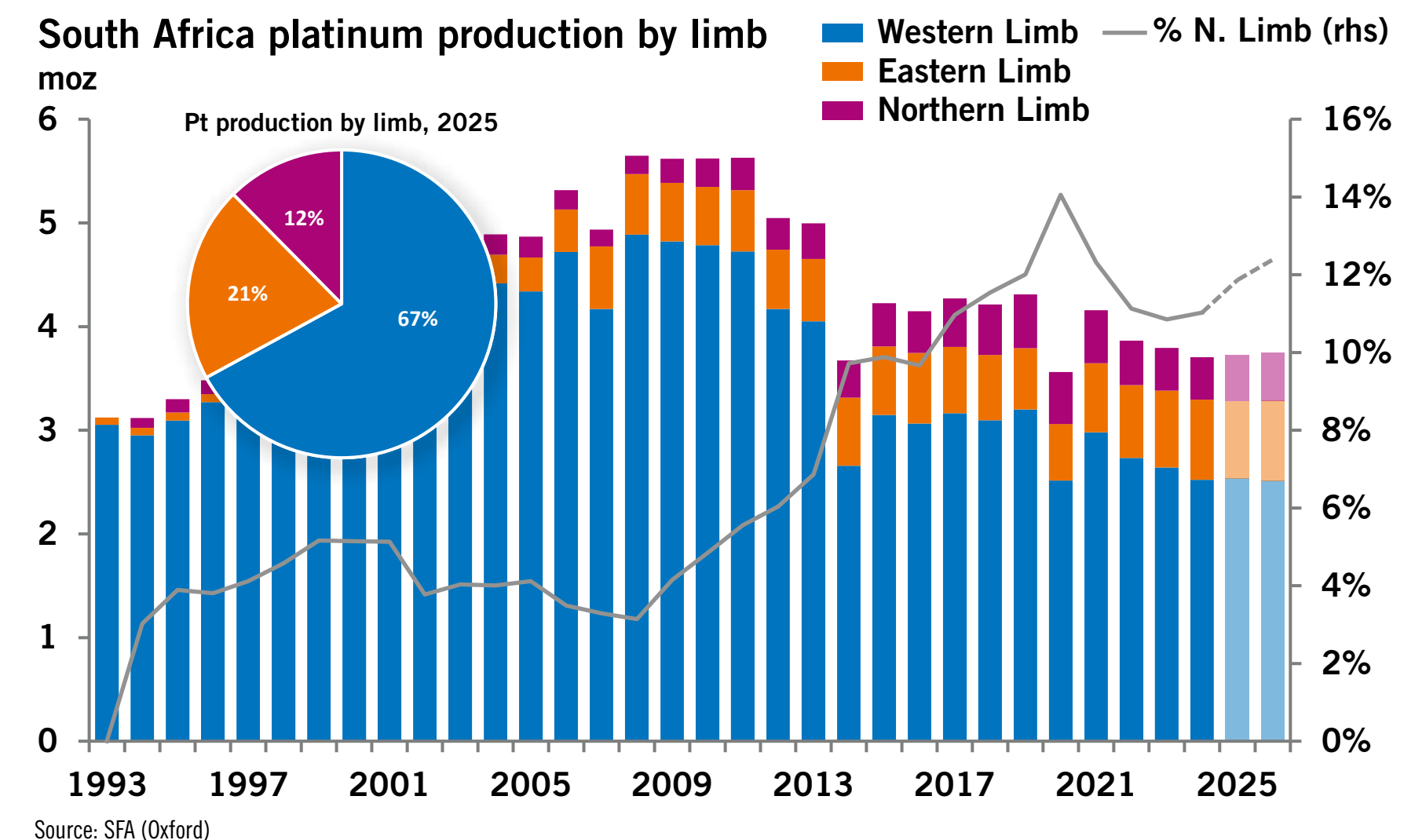
South African platinum mines are distributed into three primary areas: the Western, Eastern and Northern Limbs of the Bushveld Complex, the geological formation that hosts PGM-bearing ore. The west and east is where older mines are mainly situated. The Northern Limb currently hosts one active mine (Mogalakwena) and two notable projects that could significantly add to South African production in the future. Currently, the Western Limb is the most productive area and is expected to produce ~70% of South Africa’s primary supply in 2025. However, the portion of South African production from the Northern Limb has been growing, and this is forecast to continue.

Mogalakwena is currently the sole producing mine on the Northern Limb. It is the largest PGM mine in South Africa and is forecast to produce ~900 koz of 3E PGMs this year. The mine sits in the lower half of the global PGM cost curve and as outlined in Anglo American Platinum’s Capital Markets Day presentation in late March, should continue to see costs fall thanks to an expectation of higher grades and a mass pull reduction strategy that effectively increases the grade of PGM concentrates produced. This translates to a lower volume of material to be processed for the same amount of PGMs produced, and theoretically lower costs. Mogalakwena’s platinum production is forecast to rise by 2% year-on-year in 2025 to 415 koz, while palladium production is expected to grow by 4% year-on-year to more than 450 koz.

The Platreef project is due to start production later this year. The project is split into three phases, the first planned to start this year with later stages to follow. Phase 1 is forecast to ramp up to produce ~50 koz each of platinum and palladium. Phases 2 and 3 have scope to significantly increase production numbers. Like Mogalakwena, Platreef is more palladium-rich than other mines, and also has a higher base-metal content (copper + nickel). Currently, there is not enough available processing capacity to deal with Platreef base metals at full scale.

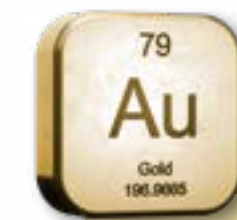
Other options also exist. The Waterberg project is also under development but is at an earlier stage and will not enter production for some time. At full capacity the mine could produce ~340 koz 3E PGMs, again with a bias towards palladium.

Palladium-rich nature of Northern Limb mines could play against them as demand declines. As Northern Limb production becomes a larger part of the South African PGM supply mix, the Pt-Pd production ratio will rise. This is expected to occur in an environment in which demand for palladium is likely to underperform demand for platinum as BEV market share continues to rise. However, if the platinum price or base metal prices are sufficiently high and costs competitive enough, these projects could continue to advance.



PRECIOUS METALS REVIEW

Gold



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	3,022	-2.01%	3,168	03/04/2025	3,017	04/04/2025
€/oz	2,744	-3.72%	2,911	01/04/2025	2,742	04/04/2025

Are gold flows to the US done? The fears of tariffs that drove 26.5 moz of gold from London to COMEX vaults in the US since November have effectively been quelled following the official confirmation that bullion is excluded from the reciprocal tariff regime the US implemented on ‘Liberation Day’ last week. Following the announcements from The White House, the premium on front-month CME gold contracts over the London spot price fell by two-thirds. The silver EFP premium also contracted significantly. It is possible we may now see metal begin to flow back to London as trade normalises for gold, as the perceived risk that it may be subject to US import duties dissipates. Still, other drivers, such as hedging against inflation (which JPMorgan sees being boosted by these tariffs), could see a continuation of the trend on a smaller scale. There is also scope for the breadth of the tariffs to be widened at some point in the future. Given the volatility in tariff application by this administration, the risk of this is non-zero.

Initially buoyed by the pre-tariff frenzy, the gold price rose to a new all-time high (again) last week of \$3,168/oz. However, as reality set in and a market-wide sell-off began, gold also fell, dropping as low as \$3,054/oz on Thursday before buying came in on the US open to recover some losses. Friday saw further selling, although the gold price performed better than many other assets, finishing European trading at \$3,022/oz. If it has been a case of buy the rumour, sell the fact on tariffs, then the gold price may struggle. However, if investors feel the need to add to their exposure to gold a return to its high may not take long.

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PRECIOUS METALS REVIEW

Silver



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	29.71	-12.70%	34.47	31/03/2025	29.37	04/04/2025
€/oz	26.98	-14.22%	31.84	31/03/2025	26.79	04/04/2025

Economic slowdown could dent the silver price. Recent economic data suggest a complex scenario for silver demand and pricing. Over the last 11 weeks, the US 10-year note yield has fallen by nearly 80 basis points, while 1- and 3-month annualised inflation metrics have risen above 4%. This combination of falling yields and rising inflation points towards stagflation, which typically results in lower consumer confidence and reduced consumption. The latest Michigan consumer inflation expectations have increased, while consumer confidence has declined, reinforcing the stagflation narrative. This environment could lead to lower silver demand, as consumers may cut back on discretionary spending and industrial activity declines. The most recent US Manufacturing PMI for March 2025 fell to 49.8 from 52.7 in February, indicating a contraction in manufacturing activity. The spread between manufacturing PMI inventory and new orders has widened to extreme levels, indicating a strong build in unsold goods, usually seen only during times of recession.

This decline in manufacturing output and new orders growth stalling suggest that industrial demand for silver, which is heavily tied to manufacturing, could be negatively impacted. Silver tends to underperform during recessions and with the rising risk of a recession in the US amplified by the new tariff regime, it is possible that silver may not outperform gold this year.

Silver was the worst performing precious metal last week, witnessing the largest single-week drawdown since September 2020. By Friday's close it was 12.7% lower at \$29.71/oz.

PRECIOUS METALS REVIEW

Platinum



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	922	-6.40%	1,002	31/03/2025	920	04/04/2025
€/oz	837	-7.99%	927	31/03/2025	837	04/04/2025

Platinum and other PGMs will not be subject to new US tariffs. Included in a long list of products excluded from the new US reciprocal tariff regime are the platinum-group metals, meaning they will not be subject to import tariffs – a virtue of their designation as ‘critical minerals’ in US legislation. Platinum will avoid the 31% tariffs imposed on South African goods from 5 April. In 2024, US platinum imports from South Africa jumped by 50% to over 1 moz. The exemptions also include palladium, rhodium and the small PGMs.

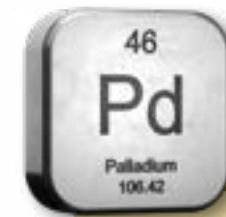
Platinum jewellery demand outlook is mixed. In China, the market faced a decline in Q4’24 due to weak consumer confidence and high gold prices, yet platinum fabrication saw a 7% year-on-year increase versus an average 12% decline over the first nine months of the year (source: Platinum Guild International). In volume terms, platinum jewellery demand is expected to struggle this year. In China, it is forecast to fall to 375 koz,

though this has been revised slightly higher against the forecast at the end of last year. If the gold price remains persistently high, and the premium over platinum holds, platinum could gain some sales. Chow Tai Fook, China’s largest jewellery retailer, currently lists 27 platinum products on its website, compared to 1,777 products for gold, highlighting the disparity in offerings in each metal. Outside China, platinum demand for jewellery has grown at a healthy 4% p.a. over the last decade, with US demand being quite strong over the last few years. Globally, platinum jewellery demand is forecast to fall to just over 1 moz this year. However, the 3% decline in demand expected year-on-year in 2025 is the smallest in eight years.

The platinum price fell more than 6% last week to \$922/oz. There is a region of support from \$900/oz to \$850/oz which could put a floor under the price.

PRECIOUS METALS REVIEW

Palladium



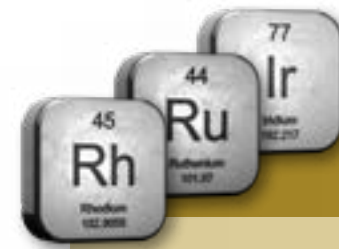
	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	918	-5.89%	997	01/04/2025	914	04/04/2025
€/oz	833	-7.58%	924	01/04/2025	829	04/04/2025

US auto sales saw a boost from pre-tariff buying, as customers put the ‘pedal to the metal’ to avoid more costly cars before last week. Mexican-built models from Nissan, Ford and GM experienced significant sales growth, indicating that cost-conscious buyers were eager to avoid potential price hikes. According to Wards Intelligence, US new vehicle sales in Q1’25 reached approximately 3.91 million units, marking a 4.8% increase from the previous year. Cox Automotive noted that the potential for higher inflation due to new tariffs could hinder new vehicle sales in 2025 and now expects annual new car sales to be lower than previous estimates, while used-vehicle sales expectations for 2025 have increased by ~200,000 units. Both adjustments present a downside risk for US automotive palladium demand this year. Higher second-hand car sales could also impact secondary palladium supply. As fewer vehicles are scrapped, fewer ounces of palladium are recycled. Following the surge in Q1, lower monthly sales are expected over the coming months, which translates to lower palladium demand, and could be negative for prices.

Following the tariff announcements last week, palladium was caught up in a market-wide sell-off. The price dropped by almost 6% week-on-week, erasing all of the gains made in March. By Friday’s close, palladium was trading at \$918/oz, with support at \$900/oz.

PRECIOUS METALS REVIEW

Rhodium, Ruthenium, Iridium



	RHODIUM	RUTHENIUM	IRIDIUM
Reporting Week	\$5,875/oz	\$670/oz	\$4,850/oz
Previous Edition	\$6,100/oz	\$670/oz	\$4,850/oz

Heraeus adds another hydrogen collaboration to its portfolio. Heraeus Precious Metals and Freudenberg e-Power Systems have announced a strategic technology partnership to drive the market ramp-up of fuel cell mobility. The partnership will combine Heraeus’s precious metals PEM electrocatalyst technology with Freudenberg’s expertise in heavy-duty hydrogen fuel cell mobility. Heavy-duty FCEVs in Europe currently capture only a small portion of the overall heavy-duty market, but have scope to grow with backing from the EU. In the US, uncertain market conditions could be a major factor in holding back heavy-duty FCEV adoption in one of the world’s major truck markets. Global FCEV vehicle sales (light- + heavy-duty) fell by more than 20% in 2024 to 12,866 units. Hydrogen fuel cell demand for PGMs is also relatively small at present. 2025 could be a pivotal year in the hydrogen mobility sector, and partnerships similar to the one between Heraeus and Freudenberg that aim to improve technology offerings to consumers could help to boost uptake worldwide.

The rhodium price declined by 4% last week, while ruthenium and iridium remained stable.

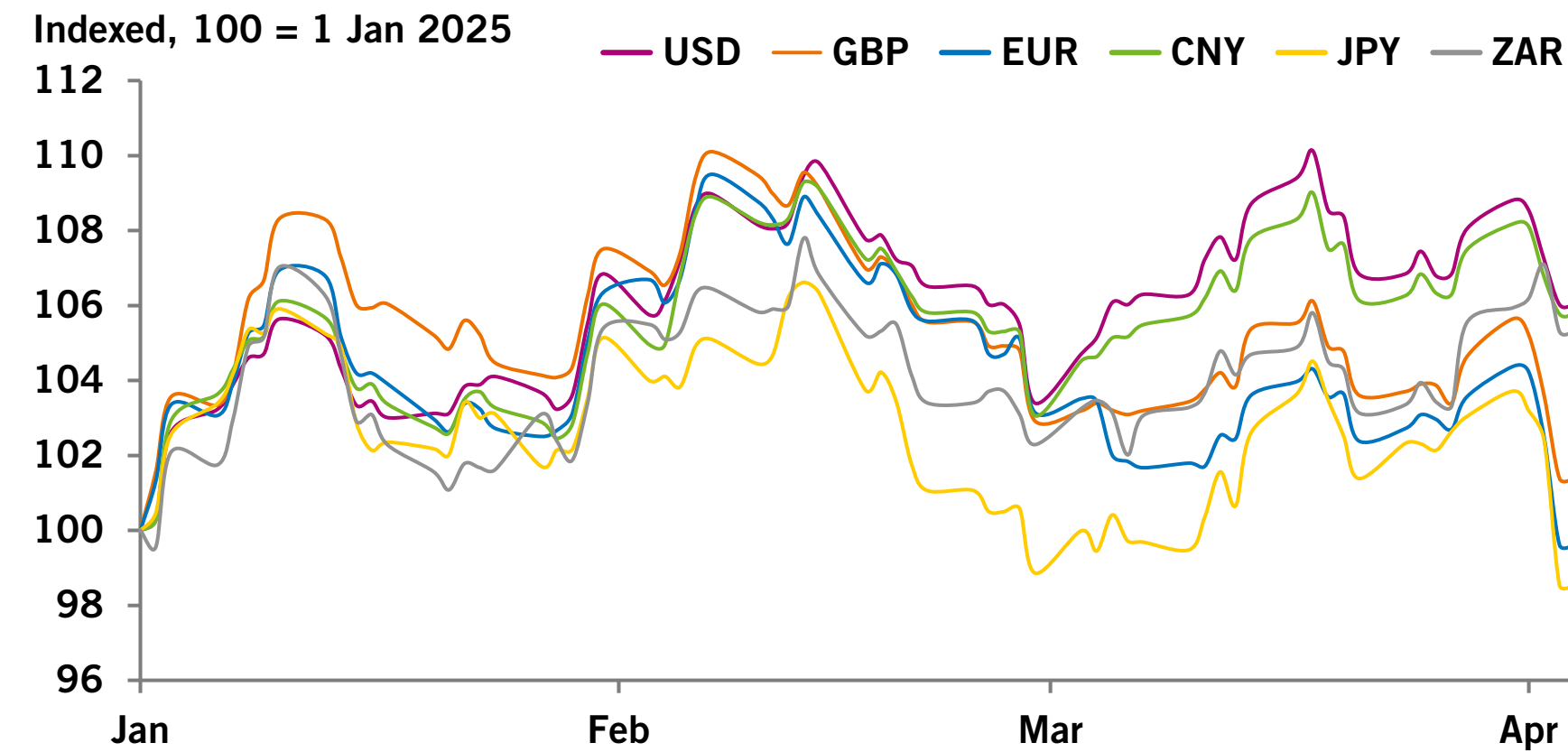
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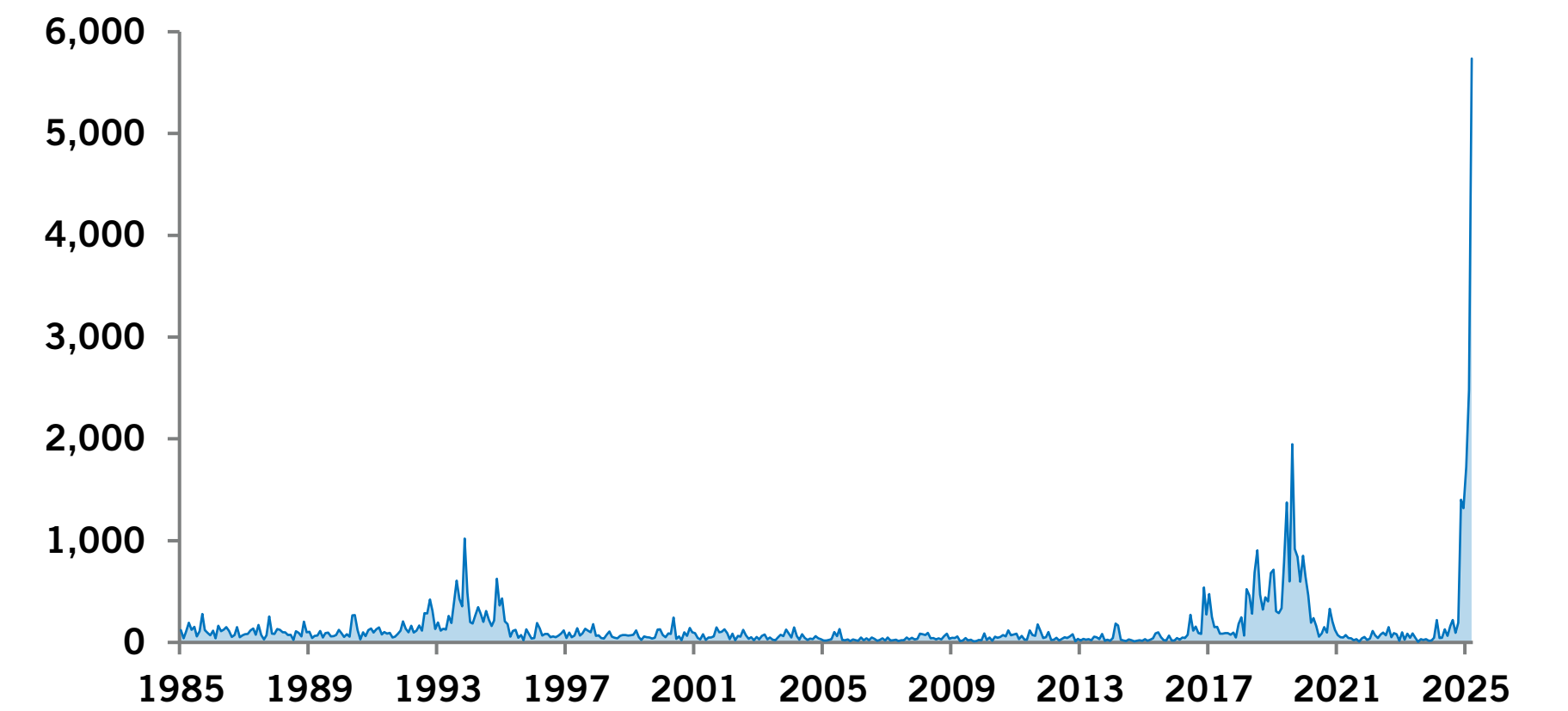
TRENDS AND INVESTMENTS

Platinum price indexed in different currencies



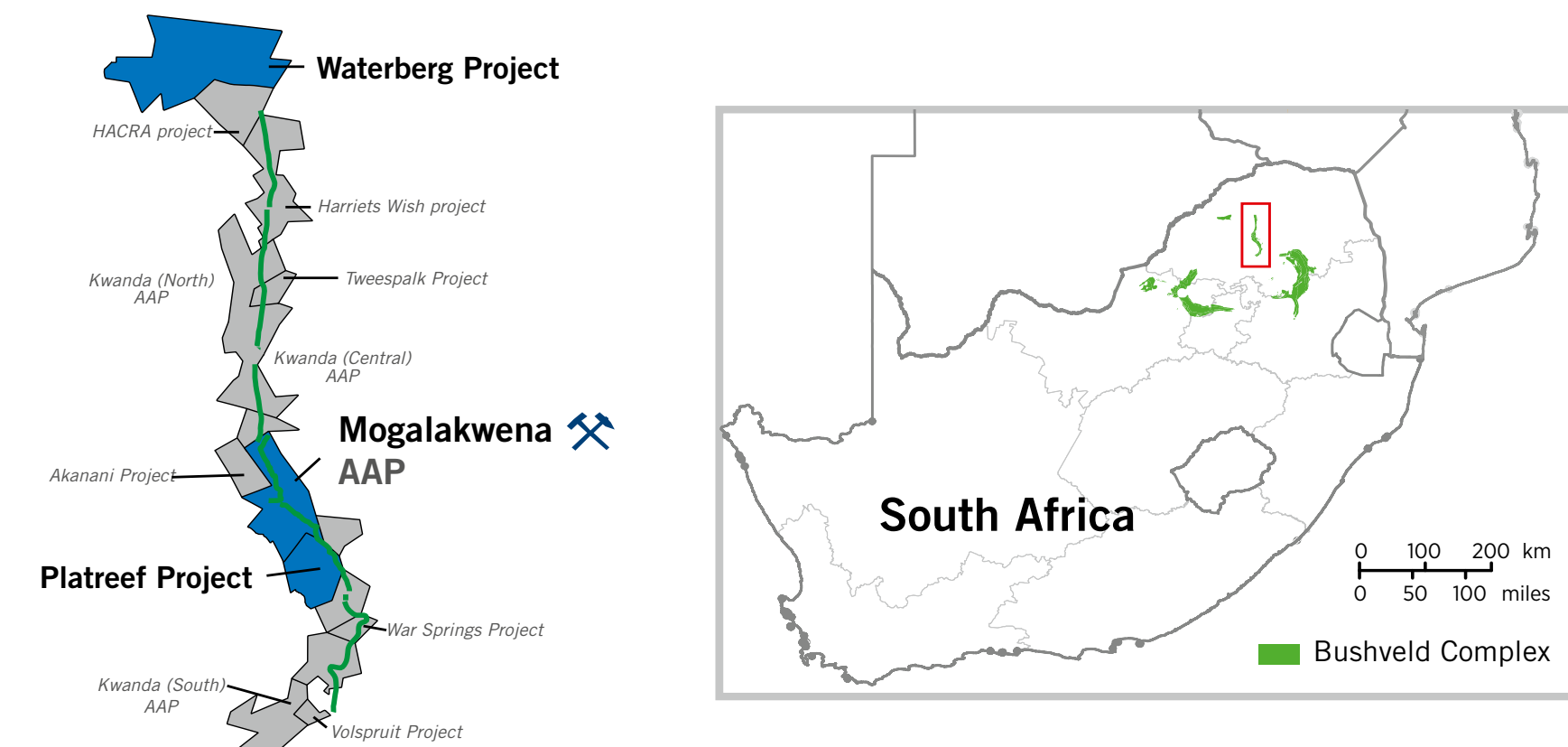
Source: SFA (Oxford), Bloomberg

US trade policy uncertainty index



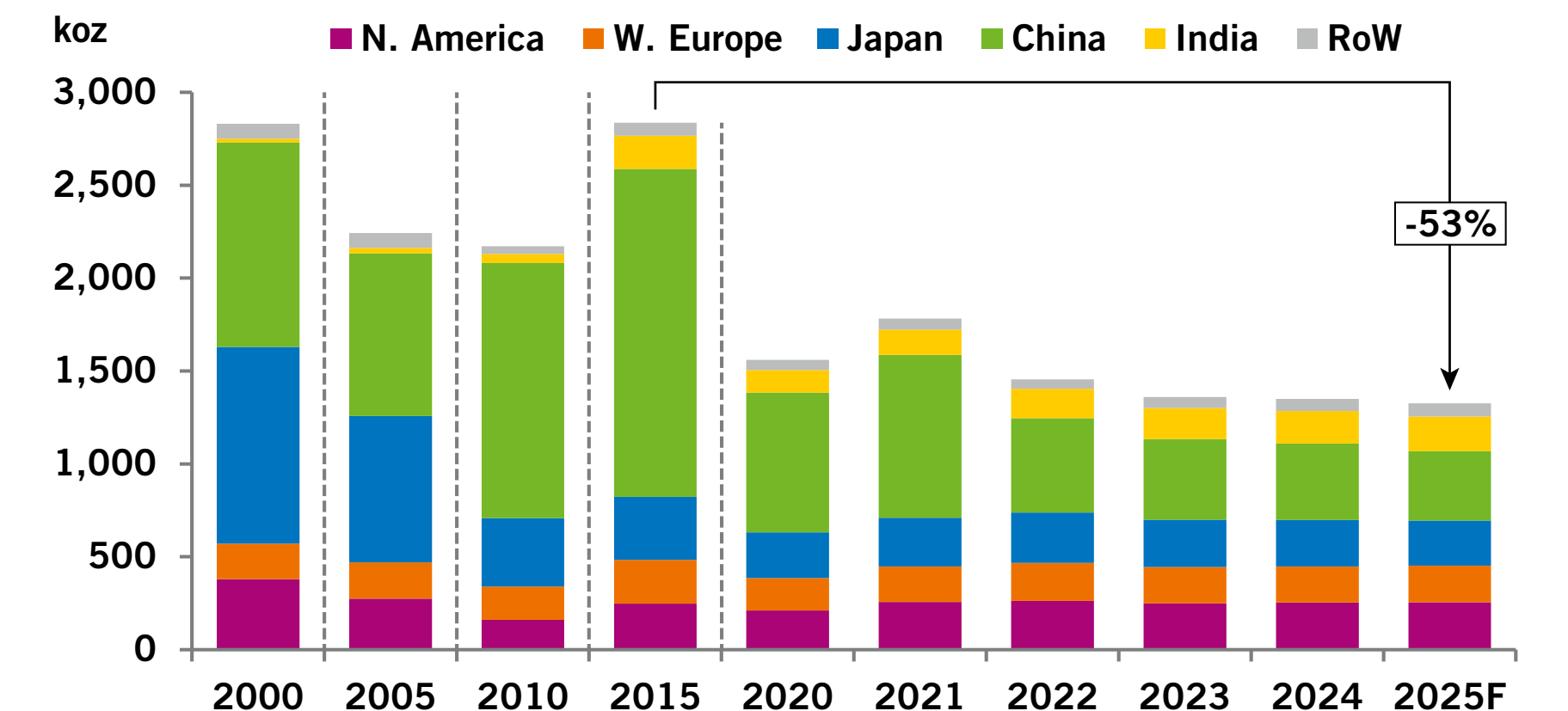
Source: "Measuring Economic Policy Uncertainty" by Scott Baker, Nicholas Bloom and Steven J. Davis at www.PolicyUncertainty.com.

The Northern Limb of the Bushveld Complex



Source: SFA (Oxford). Note: AAP = Anglo American Platinum

Global platinum jewellery demand



Source: SFA (Oxford)

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Heraeus Precious Metals is globally leading in the precious metals industry. The company is part of the Heraeus Group and covers the value chain from trading to precious metals products to refining and recycling. It has extensive expertise in all platinum group metals as well as gold and silver.

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