

# PRECIOUS APPRAISAL



# MARKET SPOTLIGHT

## Trump's tariffs could torpedo new car sales in the US

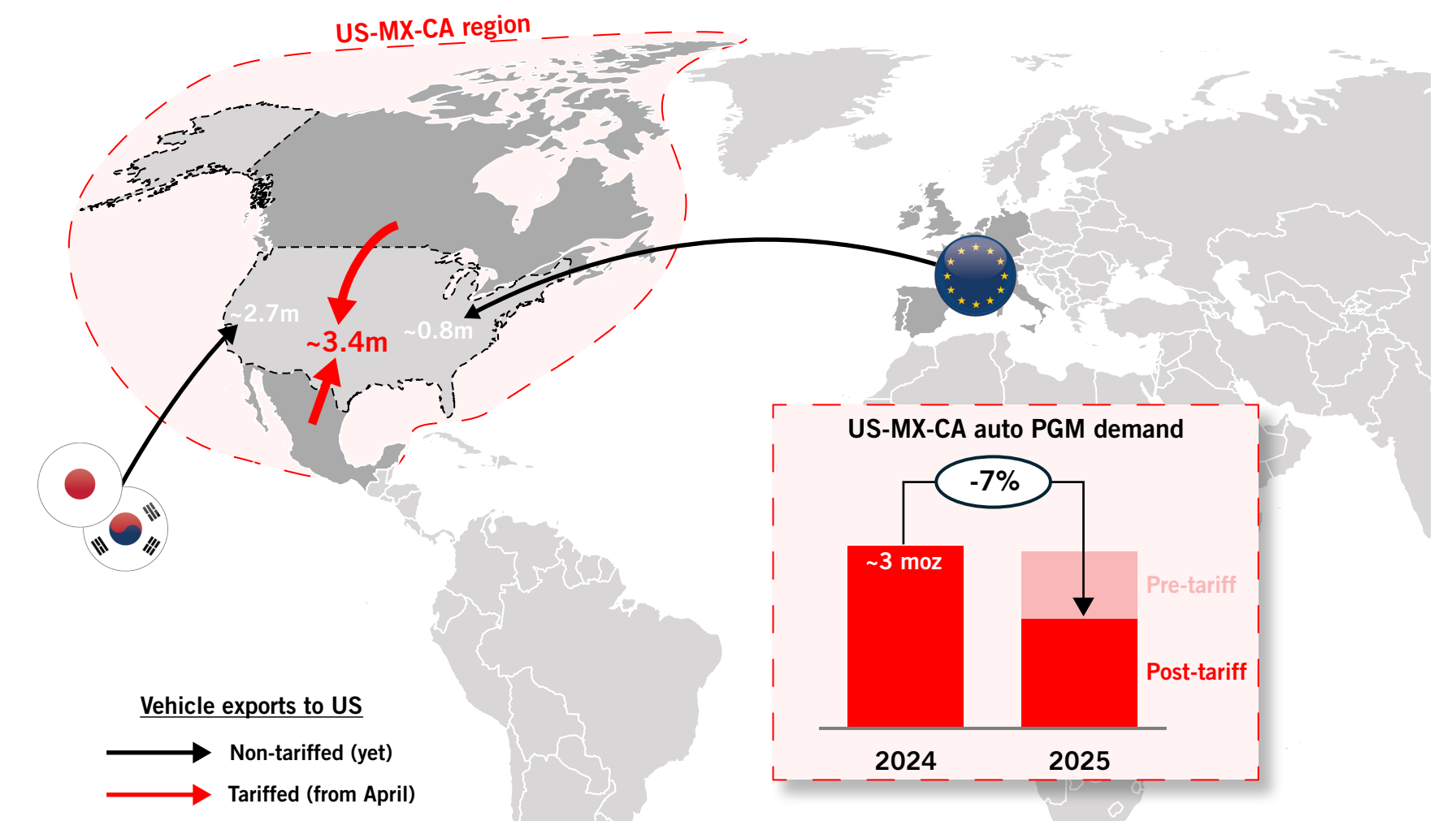
**Scattergun tariff execution risks hitting the US auto industry.** Automakers have developed a complex supply chain that spans Canada, the US and Mexico, and the threat of tariffs risks upending that. Automakers move parts across borders multiple times as well as the finished vehicles for sale in the US. However, the situation is highly fluid. The proposed tariff regime changed three times last week alone. The result of this is that automotive OEMs with vehicles compliant with Trump's 2020 USMCA trade deal rules-of-origin are currently exempt until 4 April. The end-goal is to locate more vehicle production in the US, but this is easier said than done.

**The scope of potential fallout covers nearly half of US light-vehicle sales.** Approximately 45% of vehicles sold in the US are imported, and about half of those are imported from either Mexico or Canada. The risk is that these vehicles will soon be subject to 25% import tariffs on finished vehicles, plus additional duties on components that cross the borders during the manufacturing process. Not currently at immediate risk of tariffs, but potentially in the firing line, are car imports from Japan, Korea and Western Europe which combined represent ~3 million vehicles in a 16-million-unit market.

**The true impact is likely to be more moderate.** Hitting the auto industry with tariffs would lead to both higher manufacturing costs and potentially the added cost of reorganising supply chains, which are likely to be passed on to consumers. With the affordability of new cars already an issue (more than 17% of all auto loan payment in the US are now >\$1,000 per month), vehicle sales in the US could underperform expectations as a result. Sales were predicted to return to a 'normal' level this year of ~16 million new vehicles but could see a reduction of approximately 1 million units as a result of Mexico-Canada tariffs.

**The result would be a drag on PGM demand.** Assuming a negative impact of 1 million vehicle sales this year as a result of import tariffs on Mexico and Canada, North American PGM autocatalyst demand could see a ~200 koz hit on a 3E basis (Pt + Pd + Rh). The palladium market is forecast to see a larger surplus year-on-year in 2025, and a cut to demand would add to that. Total North American (US + Canada + Mexico) autocatalyst PGM demand was forecast to reach just over 3 moz 3E in 2025, but with the impact of tariffs it could fall to 2.8 moz, flipping the market into decline year-on-year, versus what was a stable demand outlook pre-tariff.

US automotive imports & PGM demand impact from tariffs

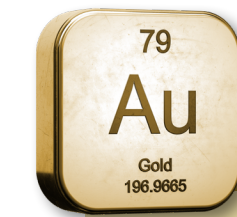


Source: SFA (Oxford)

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# PRECIOUS METALS REVIEW

## Gold



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	2,914	2.29%	2,930	07/03/2025	2,859	03/03/2025
€/oz	2,684	-2.00%	2,778	04/03/2025	2,672	07/03/2025

**Central bank buying slows as former front-runners fade.** Central bank purchases in January were down 60% year-on-year to 18.5 tonnes (source: World Gold Council). The slowdown also reflects a thinning pack of buyers. Only 11 central banks bought gold in January – the lowest monthly count since January 2021. By comparison, on average more than 20 banks purchased gold per month in 2024, with the lowest monthly count at 17. Poland, the dominant player in 2024, added 89 tonnes to its reserves. However, in January this year Poland ranked only fourth, buying just 3.1 tonnes – less than half its monthly average for 2024. Poland’s gold buying is tied to a clear objective: increasing gold reserves to 20% of total currency reserves. Based on current reserves and gold prices, Poland would need to purchase less than 50 tonnes in 2025 to hit that target – an achievable amount given last year’s total. It is still early in the year but unless other central banks step in with fresh purchases, overall central bank gold demand in 2025 is on track to fall short of 2024 levels, which were ~1,000 tonnes.

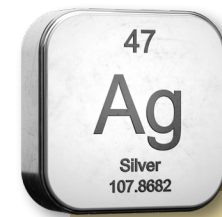
Gold found support at around \$2,840/oz at the end of February. The gold price then rebounded rallying last week as high as \$2,930/oz. This region proved to be an area of resistance which will need to be overcome for gold to challenge its record high.



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# PRECIOUS METALS REVIEW

## Silver



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	32.21	3.82%	32.77	06/03/2025	31.17	03/03/2025
€/oz	29.67	-0.54%	30.41	03/03/2025	29.64	07/03/2025

**Slowing solar demand in China is offset by TOPCon dominance.** Solar PV capacity additions in China are expected to decline in 2025 to between 215 GW and 255 GW (source: China Photovoltaic Industry Association, CPIA). This would mark the first annual fall in new capacity since 2019. In 2024, China added 277 GW of solar capacity to its grid, exceeding CPIA's forecast that had set an upper boundary of 260 GW. Notably, installations have surpassed CPIA's upper-end outlook for the past three years by an average of 35%.

As the global leader in solar installations, China also drives global photovoltaic silver demand, estimated at 232 moz in 2024 (source: The Silver Institute). However, a slowdown in China's solar expansion does not directly translate into an equivalent plateau for silver demand, thanks to an established shift in cell technology.

TOPCon cells, which require 130-135 mg of silver per cell, consume significantly more silver than PERC cells, which typically require around 85 mg per cell (source: SolarNPlus). These more efficient TOPCon cells increased their share of China's PV market from 23% in 2023 to 60% by the end of 2024 (source: CPIA). Assuming a 60/40 split between TOPCon and PERC in 2025, and listed silver loadings per cell, 255 GW of new Chinese capacity would translate into an estimated 171.8 moz of silver demand, based on installation location.

This would see TOPCon dominate PV silver demand (114.4 moz). Globally, TOPCon's share is forecast to exceed 84% by 2029 (source: Trend Force). Combined with the potential replacement of older cells alongside new installations, this technology shift reinforces upside to PV silver demand, even as installation growth slows in China, the sector's largest market.

The price of silver echoed that of gold last week as it similarly climbed steadily throughout the week, gaining 3.8%. Silver closed at \$32.21/oz on Friday.

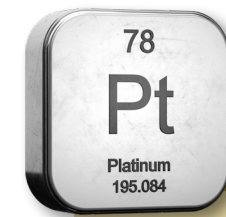
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# PRECIOUS METALS REVIEW

## Platinum



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	964	2.21%	978	06/03/2025	949	03/03/2025
€/oz	887	-2.14%	922	03/03/2025	887	07/03/2025

**South African PGM producers continue belt-tightening.** Following the release of the major PGM producer results to the end of 2024, the strain put on southern African operations is clear. Implats is expecting its fiscal year 2025 CAPEX to be approximately 50% lower year-on-year, driven by restructuring, project completions and a reduction in expansion CAPEX. Anglo American Platinum has flagged lower sustaining capital spend in 2025, with a focus on key areas including the Mogalakwena underground extension. With a lower PGM basket price over the last 12 months, compounded by cost inflation across all South African producers, restructuring plus cuts to capital spending have been widespread. Northam Platinum, however, is continuing to invest in its mines more strongly. CAPEX spend for this fiscal year (to June) has been revised slightly higher to ZAR4.6 billion from ZAR4.3 billion, which is mostly directed towards growth projects at Zondereinde and Eland. Further cuts to CAPEX could lead producers to start harvesting strategies at higher-cost or shorter-life areas, as was done at Lonmin in the previous down-cycle. This potentially brings forward shaft closures for areas that are already nearing end-of-life, rather than materially cut short the life of a mine with significant resources remaining.

The platinum price rose by 2.21% last week to \$964/oz, as the rand strengthened against the dollar amid US tariff fallout. Despite this increase, platinum still underperformed compared to the other major precious metals.

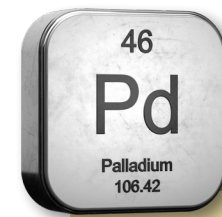
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## Palladium



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	947	2.67%	962	05/03/2025	929	03/03/2025
€/oz	871	-1.79%	909	03/03/2025	866	07/03/2025

**EU eases emissions targets for automakers, supporting short-term palladium demand.** The European Commission has granted carmakers three years, rather than one, to meet 2025 fleet emissions targets – providing the industry with greater flexibility and further reinforcing the role of hybrids as a crucial bridging technology. This extension does not remove the long-term regulatory pressure that bans sales of pure ICE vehicles by 2035, but it eases the immediate urgency for mass BEV adoption. This is particularly supportive for HEVs, whose market share has steadily risen from just over 32% in 2022 to 38% in 2024, while BEVs only crept up from 12.1% to 13.6% as some countries have reduced or removed incentives.

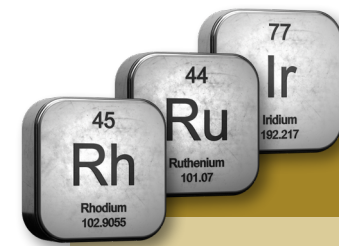
**Car costs are key.** HEVs cost significantly less upfront than BEVs, averaging €36,000 compared to €49,000 (source: Jato Dynamics), while also offering lower running costs than traditional ICE vehicles. Volkswagen’s ID.1, a BEV expected to cost ~€20,000, will compete with HEV prices but will not become available until 2027. At present, for price-sensitive consumers grappling with high interest rates and cost-of-living pressures, HEVs continue to offer the most affordable option. Western European autocatalyst palladium demand is currently forecast to fall. However, there is upside risk to palladium demand in 2025 as automakers prioritise hybrids to balance compliance and affordability.

Palladium also rose last week, closing at \$947/oz.



# PRECIOUS METALS REVIEW

## Rhodium, Ruthenium, Iridium



	RHODIUM	RUTHENIUM	IRIDIUM
Reporting Week	\$5,950/oz	\$530/oz	\$4,850/oz
Previous Edition	\$5,150/oz	\$530/oz	\$4,850/oz

**Hope for hydrogen in emerging markets.** Emerging economies' commitment to hydrogen-powered heavy-duty vehicles is adding to fuel cell PGM demand, even as developed markets falter. In India, Tata Motors has launched a 24-month trial of 16 hydrogen-powered trucks. Meanwhile in Egypt, MCV has secured a multi-year supply of 50 fuel cells to manufacture buses. In contrast, hydrogen mobility rollouts in California, Poland and Germany have stalled, with infrastructure shortfalls and policy drift dampening demand. This shift signals a potential geographical axis of future fuel cell demand, with developing markets increasingly driving adoption.

**India has ambitious plans.** The country aims to develop 5 million tonnes per annum of green hydrogen production capacity by 2030. A \$22.3 billion green hydrogen hub capable of producing 1,500 tonnes of hydrogen and 7,500 tonnes of derivatives daily was recently announced (source: National Thermal Power Corporation). Moreover, GAIL, India's leading natural gas company, has recently expanded a partnership with Accelera to explore further opportunities for hydrogen production, potentially developing GAIL's commissioned green hydrogen plant which utilises Accelera's 10 MW PEM electrolyser system. By contrast, in Australia Fortescue has just cancelled its deal with US-based Plug Power, abandoning plans to source PEM electrolysers for its Queensland green hydrogen project. However, overall it is still early days, with many challenges to overcome. Considerable investment is needed to develop the hydrogen economy and add to PGM demand.

**The price of rhodium climbed by more than 15% this week to \$5,950/oz.** It's the largest price movement since late-2023, when rhodium spiked to \$6,000/oz, before falling just as fast back below \$5,000/oz. Last week there was also some activity in rhodium-backed ETFs. The Invest fund (South Africa-based) added nearly 1 koz to its physical rhodium holdings. Total rhodium ETF holdings are now at 11,024 ounces, the most since September 2023. Despite the increase in holdings, ETFs make up a much smaller portion of the rhodium market than for platinum or palladium. Total rhodium ETF holdings are equivalent to 2% of 2025 forecast primary supply, whereas platinum and palladium holdings represent 60% and 12% respectively.

The ruthenium and iridium prices were steady last week.

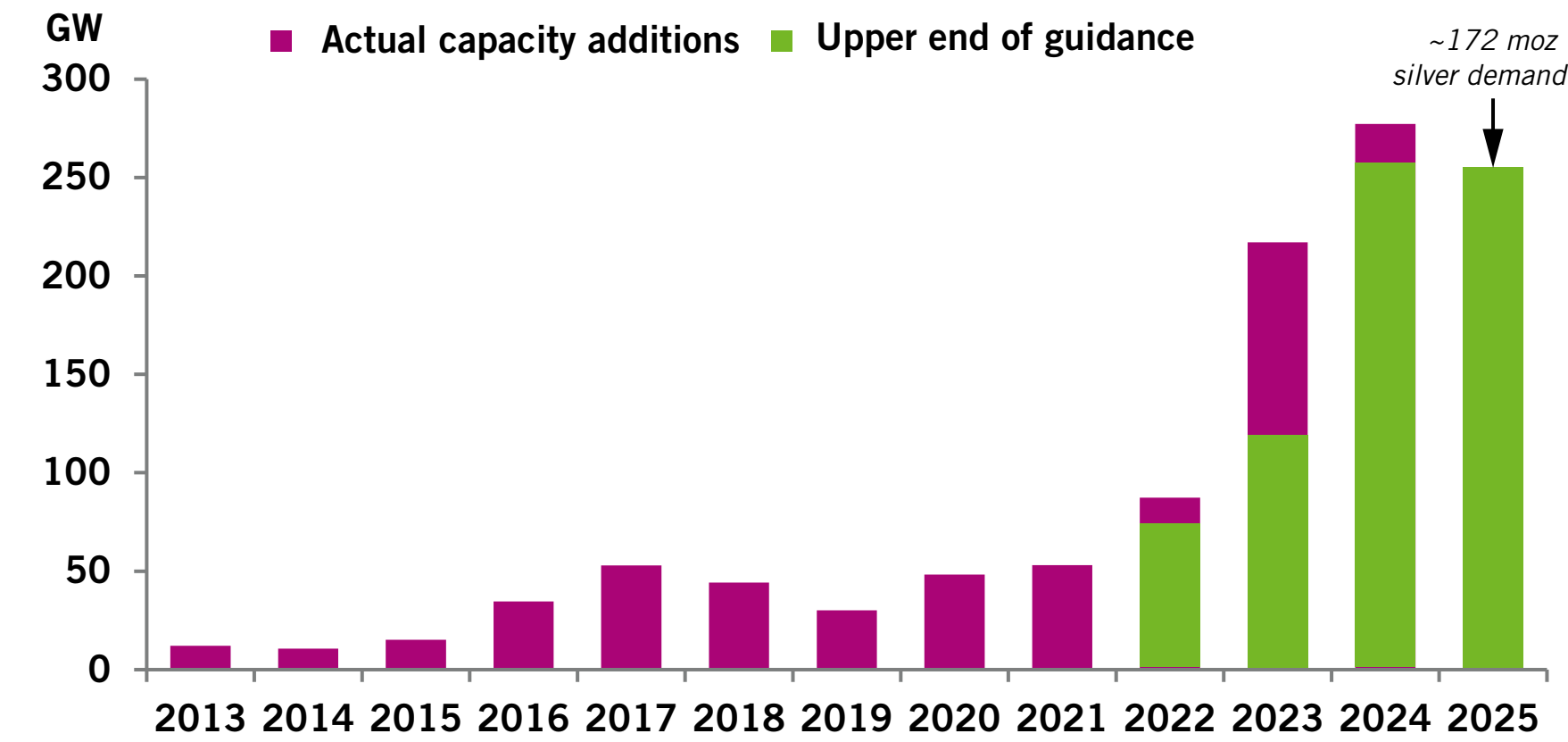
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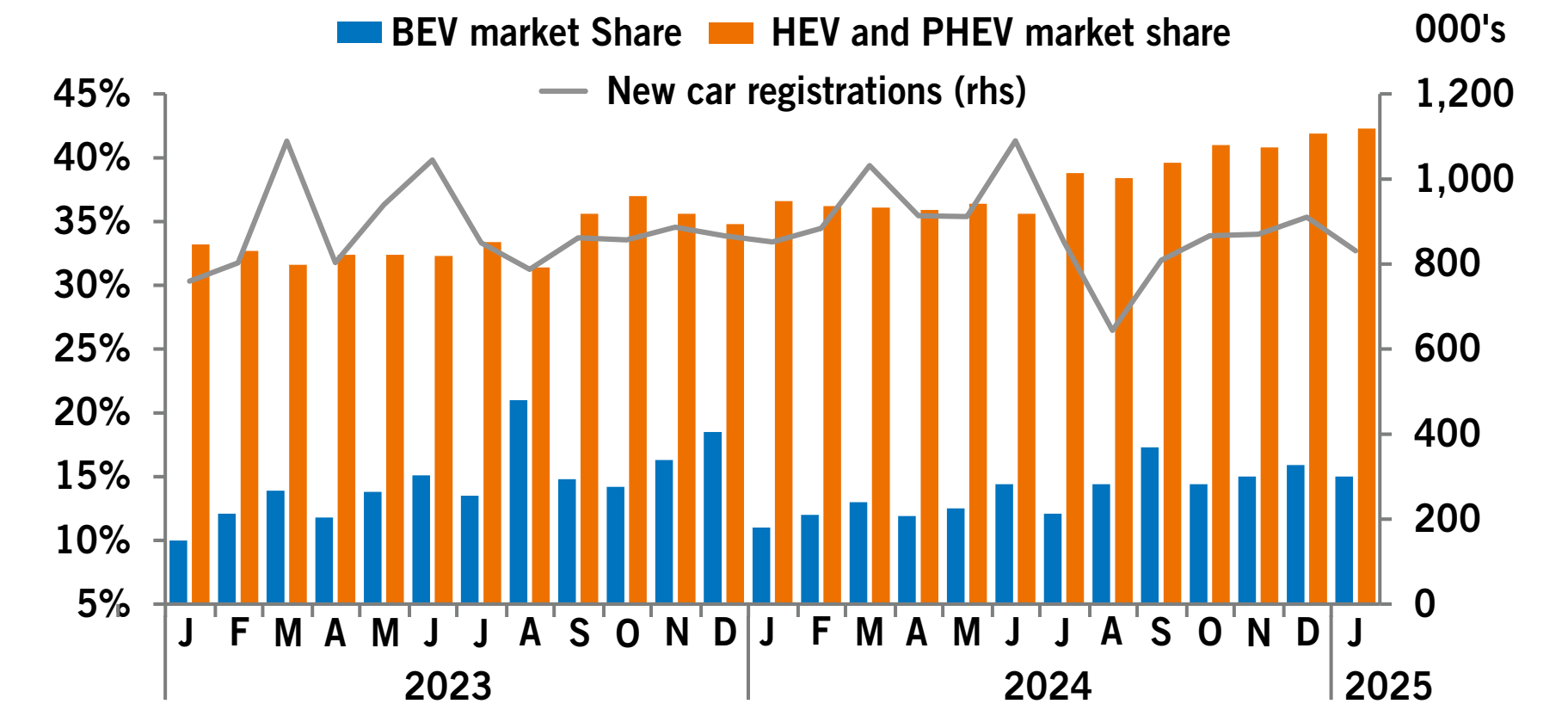
# TRENDS AND INVESTMENTS

## Chinese solar PV capacity additions



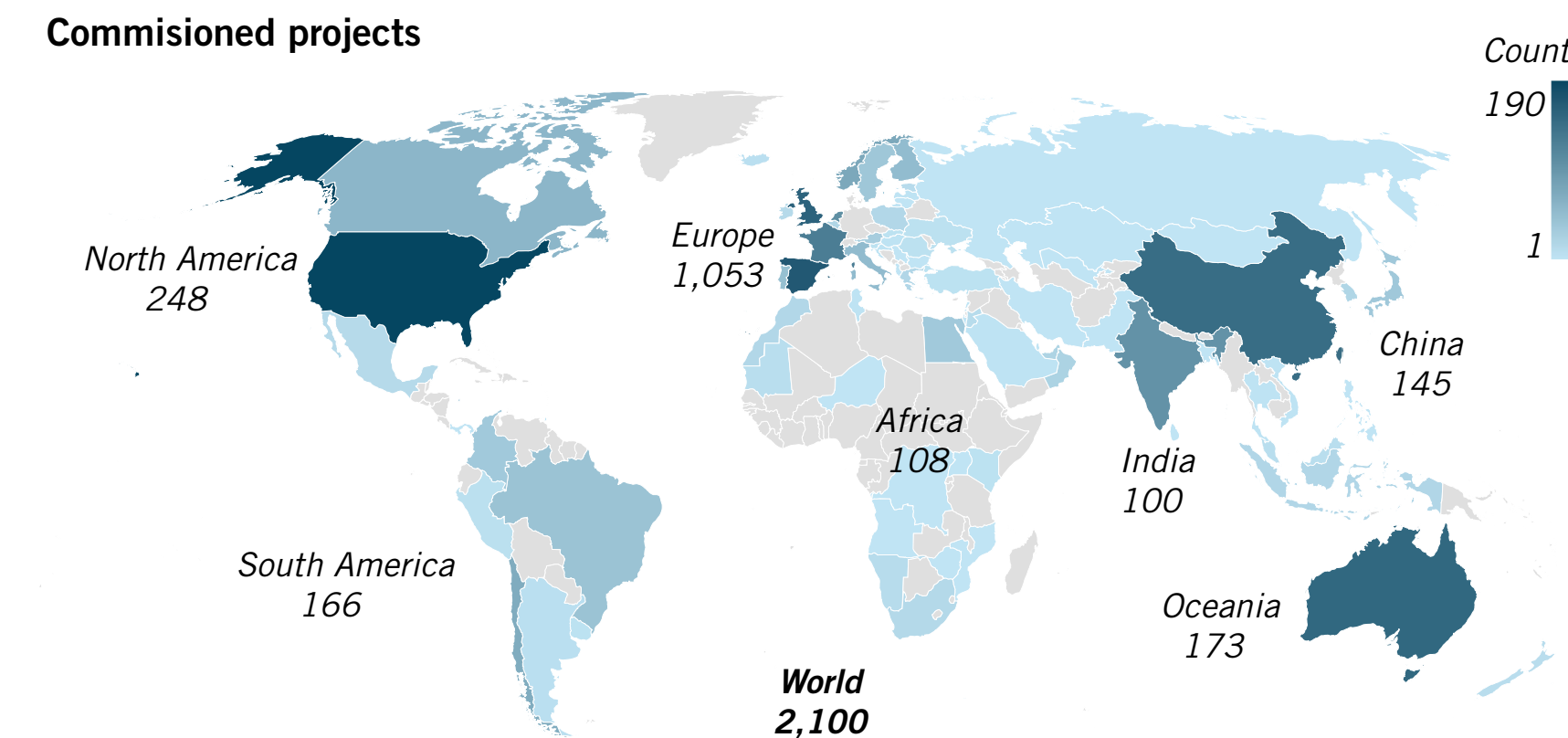
Source: SFA (Oxford), China National Energy Agency

## EU new car registrations



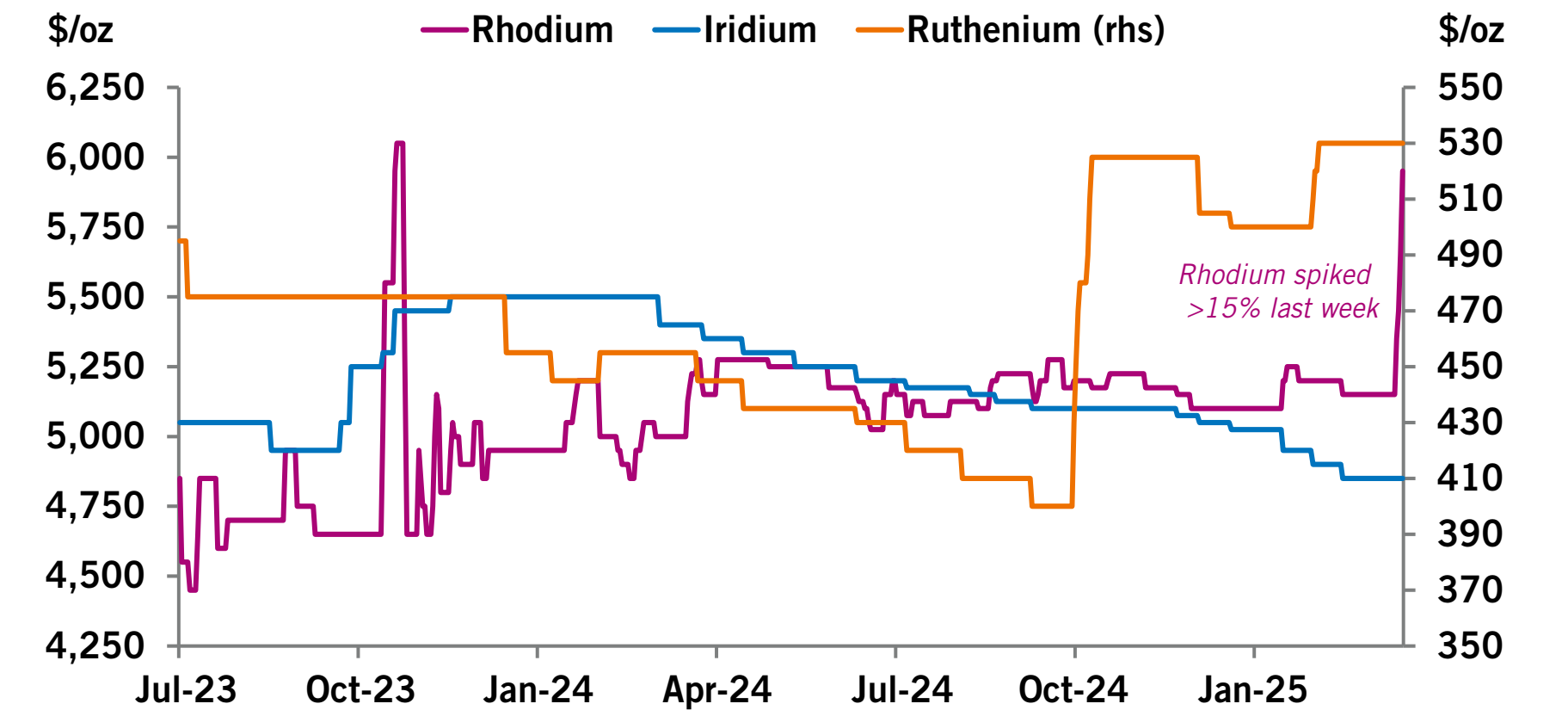
Source: SFA (Oxford), ACEA

## Distribution of H<sub>2</sub> electrolysis projects



Source: SFA (Oxford), IEA

## Small PGM prices



Source: SFA (Oxford), Heraeus



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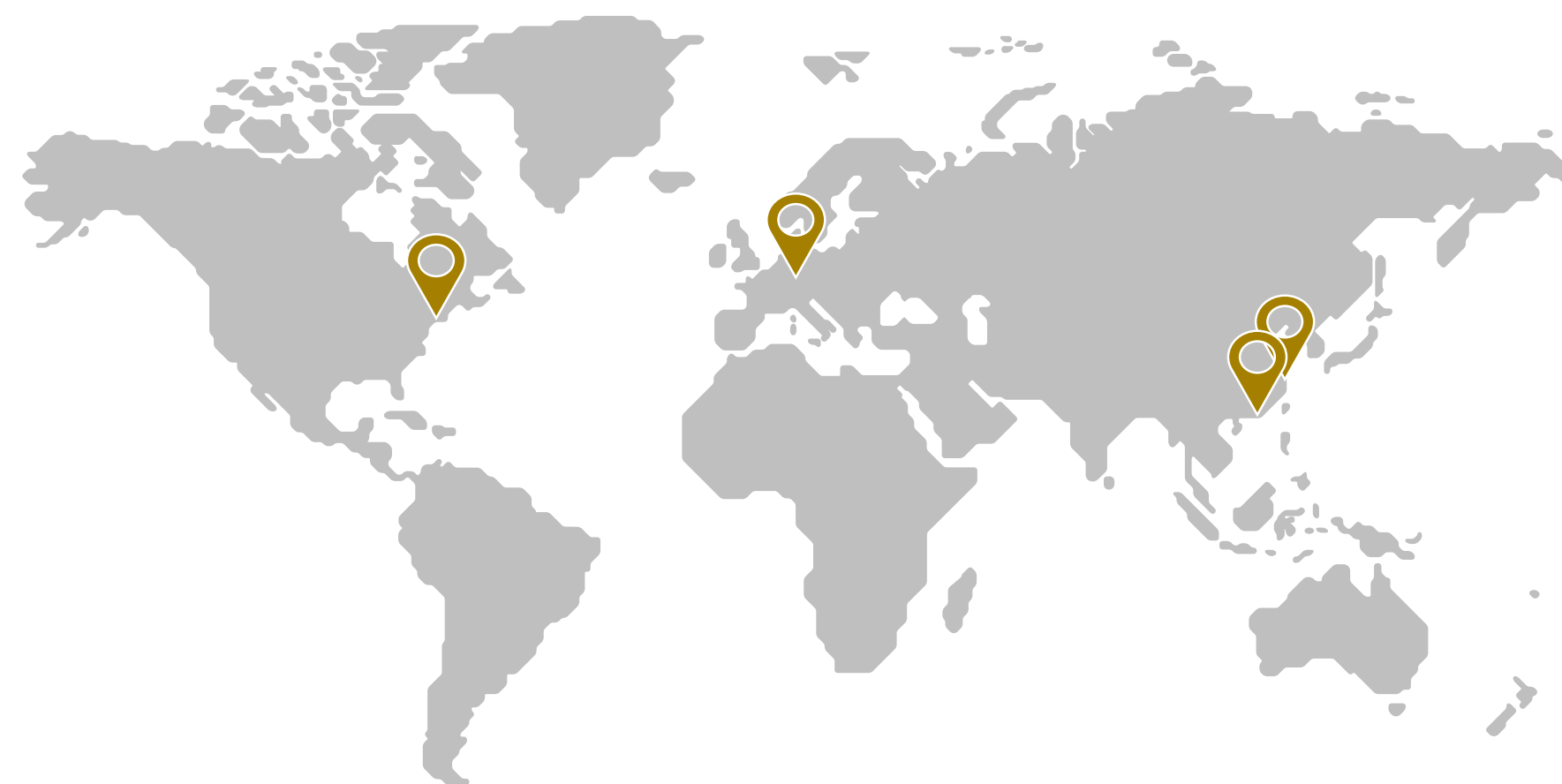
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