

Mineral Industry Surveys

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PLATINUM-GROUP METALS IN AUGUST 2011

Engelhard's average August price of platinum increased slightly and prices of palladium and rhodium decreased by 4% and 5%, respectively, compared with average July prices. The average monthly price of ruthenium decreased slightly and that of iridium increased slightly during the same period. The platinum price dropped in the early part of the month and then increased steadily towards month's end, reaching \$1,892 per troy ounce, its highest price since mid-2008. The platinum price increase was partly driven by the increase in gold prices; the price of platinum was higher than the price of rhodium for several days for the first time since 2004. Gold prices were higher than those for platinum for several days during the month for the first time since late 2008. Palladium and rhodium prices decreased early in the month and did not recover. The palladium price drop was the result of profit-taking early in the month.

North American Palladium Ltd. (NAP) (Toronto, Ontario, Canada) produced 1,460 kilograms (kg) of palladium from its Lac des Iles Mine during the second quarter of 2011. The second quarter production included blending of underground ore with surface stockpiles and represented a 69% increase relative to production in the second quarter of 2010. The increased production was a result of increased tonnage mined, higher ore grades, and improved recovery. NAP expected to produce 4,510 to 4,820 kg of palladium during 2011. NAP continued with its mine expansion, and production from phase I of the new shaft was anticipated in the fourth quarter of 2012. Phase II construction was expected to be completed in 2015, and annual production was anticipated to be 7,780 kg of palladium (North American Palladium Ltd., 2011).

Impala Platinum Holdings Ltd. (Johannesburg, South Africa) produced 57,200 kg of platinum from its mines in South Africa

and Zimbabwe during the financial year ended June 30. Production was up by 6% compared with production during the 2010 financial year. Impala expected to reach an annual production of 62,200 kg of platinum by 2014 (Impala Platinum Holdings Ltd., 2011a).

The Zimbabwe Government rejected Impala's proposal to comply with the required surrender of 51% of the company's equity in its Zimbabwe operations to local blacks. The Zimbabwe Government threatened to revoke Impala's mining license if an acceptable agreement was not reached. Impala said that its mining operations in Zimbabwe would be severely hampered if they gave up 51% of the company's equity. No agreement was reached by month's end, and discussions were ongoing (Impala Platinum Holdings Ltd., 2011b).

At the end of August, platinum holdings in exchange-traded funds (ETFs) totaled 46,200 kg, which was 3% more than holdings at the end of July 2011. Palladium ETF holdings totaled 64,700 kg at the end of August, which was 5% less than holdings at the end of July 2011 (CPM Group, 2011, p. 24, 29).

References Cited

- CPM Group, 2011, Precious Metals Advisory: New York, NY, CPM Group, v. 24, no. 9, September 8, 35 p.
- Impala Platinum Holdings Ltd., 2011a, Implats delivers excellent financial results on the back of improved operational performance: Johannesburg, South Africa, Impala Platinum Holdings Ltd. news release, August 25, 3 p.
- Impala Platinum Holdings Ltd., 2011b, Zimbabwean indigenization and economic empowerment legislation: Johannesburg, South Africa, Impala Platinum Holdings Ltd. news release, August 23, 1 p.
- North American Palladium Ltd., 2011, North American Palladium announces second quarter 2011 results: Toronto, Ontario, Canada, North American Palladium Ltd. news release, August 10, 8 p.

TABLE 1
PLATINUM-GROUP METALS PRICES¹

(Dollars per troy ounce)

	Platinum	Palladium	Rhodium	Iridium	Ruthenium
<u>2010:</u>					
Low/date	1,482.00 Feb. 8	397.00 Feb. 5	2,120.00 Aug. ²	420.00 Jan. ²	170.00 Jan. ²
High/date	1,790.00 Nov. 9	800.00 Dec. 30 and 31	2,975.00 Apr. 15 and 16	780.00 Dec. ²	245.00 Apr.–Jun. ²
Average	1,615.56	530.61	2,459.07	642.15	198.45
<u>2011:</u>					
<u>July:</u>					
Low/date	1,716.00/1	756.00/1	1,950.00 ²	1,050.00 ²	180.00 ²
High/date	1,819.00/27	848.00/27	2,000.00 ²	1,060.00 ²	180.00 ²
Average	1,766.65	794.80	1,983.00	1,051.50	180.00
<u>August:</u>					
Low/date	1,715.00/5	726.00/8	1,850.00 ²	1,060.00 ²	175.00 ²
High/date	1,892.00/22 and 23	847.00/1	1,975.00 ²	1,060.00 ²	180.00 ²
Average	1,810.52	766.57	1,881.52	1,060.00	175.65
<u>January–August:</u>					
Low/date	1,677.00 Jun. 27	706.00 Mar. 15	1,850.00 Aug. ²	780.00 Jan. 3 and 4	175.00 Aug. ²
High/date	1,892.00 Aug. 22 and 23	851.00 Feb. 18	2,500.00 Jan. 31 and Feb. ²	1,075.00 Feb.–Mar. ²	180.00 Jan.–Aug. ²
Average	1,792.18	780.55	2,213.70	1,012.76	179.46

¹Quotes from Engelhard.

²Occurred 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)
2010	644	\$16,700	31,700	\$1,590,000	3,790	\$151,000	4,650	\$183,000	111,000	\$565,000	46	\$2,760
2011:												
May	72	4,160	2,450	138,000	260	11,900	245	8,230	3,030	45,300	(2)	12
June	179	9,830	3,450	197,000	407	18,300	348	15,700	3,370	70,200	--	--
July:												
Australia	--	--	--	--	--	--	--	--	17	842	--	--
Belgium	--	--	198	10,500	--	--	1	61	37	2,050	--	--
Bolivia	--	--	--	--	--	--	--	--	1,950	128	--	--
Brazil	--	--	--	--	--	--	(2)	5	76	3,480	--	--
Canada	(2)	17	--	--	--	--	22	1,040	395	11,200	--	--
China	--	--	--	--	--	--	--	--	12	363	--	--
Colombia	--	--	--	--	144	6,580	(2)	2	25	956	--	--
Czech Republic	--	--	--	--	--	--	3	154	1	89	--	--
France	--	--	--	--	--	--	(2)	7	33	1,720	--	--
Germany	--	--	197	8,100	26	1,130	142	5,240	4,260	14,200	--	--
Italy	--	--	262	14,700	(2)	4	(2)	26	--	--	--	--
Japan	--	--	--	--	21	632	1	37	191	7,760	--	--
Jordan	--	--	--	--	--	--	--	--	6	115	--	--
Korea, Republic of	--	--	--	--	--	--	2	66	53	2,250	--	--
Malaysia	--	--	--	--	--	--	--	--	36	1,060	--	--
Mexico	--	--	--	--	2	102	2	114	292	17,700	--	--
Norway	--	--	157	8,790	--	--	--	--	--	--	--	--
Philippines	--	--	--	--	--	--	--	--	3	180	--	--
Russia	17	945	--	--	--	--	--	--	--	--	--	--
Singapore	--	--	--	--	78	4,640	151	7,320	12	621	--	--
South Africa	--	--	851	47,700	98	5,660	--	--	--	--	--	--
Taiwan	--	--	--	--	--	--	--	--	3	209	--	--
United Kingdom	--	--	537	28,000	--	--	19	929	48	2,400	--	--
Other	--	--	--	--	(2)	10	(2)	53	12	273	--	--
Total	17	962	2,200	118,000	369	18,800	344	15,100	7,460	67,600	--	--
January–July	697	38,400	20,900	1,120,000	5,000 ³	115,000	2,770	123,000	46,900	409,000	501	29,400

-- Zero.

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

²Less than ½ unit.

³Includes revisions to previously published data.

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)
2010	64,400	\$990,000	6,310	\$122,000	3,530	\$65,900	76	\$612	14,100	\$82,500	12,800	\$914,000
2011:												
May	8,290	187,000	518	11,900	115	2,770	--	--	875	4,470	937	67,000
June	6,960	173,000	942	24,200	113	2,560	--	--	1,510	8,150	936	65,400
July:												
Belgium	205	4,790	--	--	--	--	--	--	--	--	92	5,830
Canada	147	4,650	72	2,190	--	--	--	--	--	--	--	--
Germany	44	786	16	323	1	36	--	--	309	1,490	86	4,320
Italy	12	300	1	25	--	--	--	--	--	--	33	2,250
Japan	230	2,050	13	43	--	--	--	--	14	63	--	--
Norway	377	9,160	--	--	--	--	--	--	--	--	7	395
Russia	1,570	39,000	311	7,850	--	--	--	--	--	--	66	4,100
South Africa	1,350	33,100	118	2,960	44	1,450	20	100	469	2,480	751	49,200
Switzerland	1,240	32,400	16	428	--	--	--	--	--	--	--	--
United Kingdom	18	429	131	4,220	269	1,720	--	--	154	1,210	29	1,880
Other	--	--	5	44	--	--	--	--	--	--	--	--
Total	5,190	127,000	682	18,100	314	3,200	20	100	946	5,240	1,070	67,900
January–July	42,200	1,020,000	6,920	159,000	1,430	30,000	40	200	8,880 ³	47,900	7,720	545,000

-- Zero.

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

²Unwrought and other forms.

³Includes revisions to previously published data.

Source: U.S. Census Bureau.

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

(Kilograms 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)
2010	16,900	\$775,000	38,200	\$1,100,000	38,100	\$419,000	3,720	\$36,800	2,320	\$136,000
2011:										
May	616	28,100	5,630	136,000	3,520	30,900	62	508	124	4,850
June	615	30,400	10,300	128,000	2,170	24,200	36	1,080	147	11,100
July:										
Australia	3	148	--	--	61	498	3	85	--	--
Austria	2	49	(4)	11	19	147	--	--	(4)	6
Belgium	1	16	--	--	(4)	8	--	--	--	--
Brazil	15	865	--	--	139	3,750	--	--	66	2,870
Canada	13	579	4	109	156	1,230	--	--	(4)	9
Chile	92	5,500	--	--	1	3	--	--	--	--
China	2	77	43	2,500	42	629	--	--	8	657
Denmark	--	--	--	--	10	152	--	--	--	--
France	10	351	--	--	33	338	1	42	--	--
Germany	93	5,260	802	14,400	317	1,360	--	--	--	--
Hong Kong	6	393	--	--	122	1,450	--	--	--	--
India	54	3,010	--	--	34	731	--	--	--	--
Ireland	9	496	--	--	4	25	1	6	--	--
Israel	4	73	--	--	153	1,100	(4)	9	--	--
Italy	16	882	27	880	57	1,040	--	--	229	6,030
Japan	202	7,450	149	4,840	243	4,980	(4)	4	15	798
Korea, Republic of	119	6,860	--	--	10	164	3	44	13	866
Laos	3	140	--	--	--	--	--	--	--	--
Mexico	45	1,470	--	--	5	30	--	--	--	--
Philippines	(4)	18	--	--	1	11	--	--	--	--
Romania	1	13	--	--	(4)	7	--	--	--	--
Saudi Arabia	--	--	--	--	11	253	--	--	--	--
Singapore	1	23	--	--	18	140	--	--	--	--
South Africa	--	--	124	2,700	--	--	--	--	--	--
Switzerland	26	1,530	308	7,780	24	241	--	--	--	--
Taiwan	7	226	--	--	138	1,710	(4)	4	--	--
Thailand	1	143	--	--	10	188	--	--	--	--
United Arab Emirates	30	1,160	1	24	1	14	--	--	--	--
United Kingdom	34	1,730	2,210	88,000	272	2,230	3	20	--	--
Other	3	74	--	--	50	398	--	--	--	--
Total	790	38,500	3,670	121,000	1,930	22,800	11	214	332	11,200
January–July	5,360	259,000	87,800	876,000	21,600	287,000	615	9,060	1,130	56,400

-- Zero.

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

²Unwrought and other forms.

³Gross weight.

⁴Less than ½ unit.

Source: U.S. Census Bureau.