

Mineral Industry Surveys

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PLATINUM-GROUP METALS IN FEBRUARY 2009

According to Platts Metals Week, the average February prices of platinum and palladium rose by 9%, and that of rhodium rose by 3%, compared with the average prices in January. The average monthly price of iridium fell slightly, and that of ruthenium dropped by 12% over the same time period. February marked the first rise in average monthly rhodium price in 7 months, and the eleventh consecutive drop in average monthly ruthenium price. Prices of platinum, palladium, and rhodium increased in mid-month partly in response to reports of a possible strike by the South African National Union of Mineworkers to protest planned layoffs by mining companies (Reuters, 2009). Year-on-year average monthly prices of rhodium and ruthenium were particularly hard hit. For rhodium, the average February 2009 price was 86% lower than the average February 2008 price. The average February price for ruthenium was 82% lower in 2009 compared with that in 2008. The precipitous drop in ruthenium price was mainly a result of lack of buying interest, whereas rhodium's price drop was the result of several factors including destocking by auto companies in fall 2008, when the metal prices began to drop.

Stillwater Mining Co. (Billings, MT) produced 15,500 kilograms (kg) of platinum-group metals (PGMs) in 2008, a 7% decline from production in 2007. Production at the Stillwater Mine for 2008 was 10,900 kg of PGMs, and production at the East Boulder Mine was 4,700 kg of PGMs. The lower production was the result of several factors including a reduction in work force and restructuring of operations in response to lower metal prices, as well as lower ore grade at the Stillwater Mine. Fourth quarter 2008 production totaled 3,850 kg of PGMs, a 6% decrease relative to production in the same quarter of 2007. Fourth quarter 2008 production included 2,870 kg of PGMs at the Stillwater Mine and 980 kg of PGMs at the East Boulder Mine. Production for 2009 was expected to be about 15,400 kg of PGMs, including increased production at the Stillwater Mine of 11,500 kg of PGMs, and reduced production at the East Boulder Mine of 3,900 kg of PGMs relative to 2008 production levels. The quantity of recycled material in 2008 was 12,400 kg of PGMs, a 7% increase from the quantity recycled in 2007. The quantity of material available for recycling dropped in the fourth quarter as a result of decreased metal prices

(Stillwater Mining Co., 2009, p. 1, 4). North American Palladium Ltd. (Toronto, Ontario, Canada) produced 6,600 kg of palladium in 2008, a 26% drop relative to 2007 production, as a result of their Lac des Isles Mine being placed on care-and-maintenance in October in response to lower metal prices (North American Palladium Ltd., 2009).

Anglo Platinum Ltd. (Johannesburg, South Africa) planned to decrease its workforce by 10,000 workers by the end of 2009 as a result of lower metal prices and falling demand in the world automobile industry. Anglo Platinum planned to lay off 8,000 mostly contract workers, and an estimated additional 2,000 staff members who were retiring would not be replaced (Creamer, 2009). Lonmin plc (London, United Kingdom) planned to cut 5,500 jobs at its Marikana and Limpopo Mines as a result of the economic downturn (Johnson Matthey Plc, 2009). Mvelaphanda Resources Ltd. (Sandton, South Africa), founded a decade ago to boost black ownership in mining companies in South Africa, planned to close as a result of the global credit crisis. Mvelaphanda planned to close after distributing its 63% stake in Northam Platinum Holdings Ltd. to shareholders (Derby, 2009).

South Africa's Government delayed imposing royalties on the mining industry for 10 months in an attempt to save jobs in response to the economic downturn. The royalties were postponed until March 1, 2010 (Cohen and Seria, 2009).

Investor interest in both platinum and palladium increased in the past few months. At the end of February 2009, exchange-traded fund (ETF) holdings of platinum totaled 11,900 kg, and that of palladium totaled 24,500 kg. The ETF holdings represented an increase of 7% for platinum and 56% for palladium relative to holdings in February 2008 (CPM Group, 2009, p. 20, 25).

References Cited

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TABLE 1
PLATINUM-GROUP METALS PRICES¹

(Dollars per troy ounce)

	Platinum	Palladium	Rhodium	Iridium	Ruthenium
2008:					
Low/date	760.00 Oct. 27	167.00 Dec. 5	1,000.00 Nov. ²	400.00 Dec. 2	120.00 Dec. 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	1,578.26	355.12	6,533.57	448.34	324.60
2009:					
January:					
Low/date	920.00/15	182.00/14 and 15	1,050.00/14 and 15	420.00 ²	85.00 ²
High/date	1,000.00/7	205.00/7	1,300.00/7	430.00 ²	100.00/2
Average	951.24	190.05	1,149.29	424.76	89.05
February:					
Low/date	965.00/4	195.00 ²	1,150.00 ²	420.00 ²	75.00 ²
High/date	1,091.00/20	219.00 ²	1,200.00 ²	420.00 ²	85.00 ²
Average	1,037.26	207.63	1,178.95	420.00	78.42
Year-to-date:					
Low/date	920.00/ Jan. 15	182.00 Jan. ²	1,050.00 Jan. ²	420.00 Jan. and Feb. ²	75.00 Feb. ²
High/date	1,091.00 Feb. 20	219.00 Feb. ²	1,300.00 Jan. 7	430.00 Jan. ²	100.00 Jan. 2
Average	994.25	198.84	1,164.12	422.38	83.73

¹Quotes from Engelhard Industries.

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 (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)
2008:												
November	18	\$845	2,370	\$46,300	176	\$4,700	431	\$9,600	7,700	\$39,600	--	--
December	2	60	1,850	50,200	728	18,900	455	9,140	4,760	5,910	1	\$59
Year	212	7,210	45,700	2,330,000	4,040	177,000	7,180	282,000	92,200	593,000	734	22,400
2009:												
January:												
Australia	--	--	--	--	--	--	--	--	17	640	2	31
Belgium	--	--	187	5,540	--	--	--	--	--	--	--	--
Brazil	--	--	120	3,980	--	--	1	14	32	430	--	--
Bulgaria	--	--	--	--	--	--	1	31	--	--	--	--
Canada	1	23	--	--	--	--	6	200	32	1,230	(2)	17
Chile	--	--	--	--	--	--	--	--	472	13,400	--	--
China	--	--	--	--	--	--	2	102	--	--	--	--
Colombia	--	--	--	--	58	1,420	--	--	5	62	--	--
Germany	--	--	7	237	36	1,110	263	4,330	71	2,050	--	--
Hong Kong	--	--	--	--	--	--	--	--	233 ³	569	--	--
Ireland	--	--	--	--	--	--	(2)	10	--	--	--	--
Israel	--	--	--	--	11	294	--	--	5	90	--	--
Italy	--	--	69	2,030	--	--	84	2,540	--	--	--	--
Japan	--	--	--	--	3	103	--	--	542	16,000	--	--
Korea, Republic of	--	--	--	--	--	--	(2)	5	14	350	--	--
Mexico	--	--	--	--	3	100	2	38	53	826	--	--
Nigeria	--	--	--	--	--	--	--	--	1	3	--	--
Norway	--	--	71	1,810	--	--	--	--	--	--	--	--
Philippines	--	--	--	--	--	--	--	--	4	140	--	--
Russia	--	--	77	2,160	20	577	--	--	--	--	--	--
Singapore	--	--	--	--	--	--	--	--	72	2,630	--	--
South Africa	--	--	838	23,900	--	--	70	1,940	--	--	--	--
Switzerland	--	--	(2)	21	171	4,860	250	7,560	--	--	--	--
Taiwan	--	--	--	--	--	--	--	--	11 ³	63	--	--
Turkey	--	--	--	--	--	--	--	--	1	20	--	--
United Kingdom	--	--	2,110	66,200	--	--	35	1,330	--	--	--	--
Venezuela	--	--	--	--	--	--	--	--	989 ³	23	--	--
Total	1	23	3,480	106,000	302	8,460	713	18,100	2,550	38,500	2	48

-- 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 (thousands)	Value (thousands)										
2008:												
November	31,700	\$253,000	729	\$5,300	292	\$4,020	--	--	5,800	\$35,800	1,030	\$65,000
December	4,660	28,700	1,030	6,200	40	558	--	--	5,490	32,100	754	31,800
Year	114,000	1,270,000	6,810	85,500	2,550	36,600	11	\$101	49,800	426,000	12,600	2,470,000
2009:												
January:												
Belgium	10	59	--	--	--	--	--	--	--	--	39	1,420
Canada	--	--	49	490	--	--	--	--	--	--	--	--
Germany	1	3	9	95	18	270	--	--	492	1,240	58	1,960
India	--	--	--	--	--	--	--	--	--	--	4	143
Italy	183	1,090	13	102	--	--	--	--	--	--	21	584
Japan	90	336	22 ³	171	--	--	--	--	53	208	6	221
Mexico	--	--	(4)	2	--	--	--	--	--	--	--	--
Norway	109	571	--	--	--	--	--	--	--	--	12	430
Russia	825	4,890	560	3,300	--	--	--	--	--	--	31	1,140
South Africa	1,060	5,800	16	88	39	525	--	--	617	2,270	553	20,200
Switzerland	--	--	174	1,260	--	--	--	--	--	--	--	--
United Kingdom	1,290	7,190	3 ³	51	11	169	--	--	141	388	18	615
Total	3,560	19,900	846	5,560	68	963	--	--	1,300	4,100	741	26,700

-- 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.

⁴Less than 1/2 unit.

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 (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)
2008:										
November	2,390	\$60,400	3,980	\$59,500	1,510	\$8,780	608	\$4,910	46	\$3,060
December	1,980	50,400	3,890	37,000	962	7,360	330	3,410	44	2,130
Year	15,600	570,000	54,700	1,190,000	26,400	197,000	6,450	80,600	1,980	302,000
2009:										
January:										
Australia	2	95	--	--	31	289	--	--	--	--
Austria	2	42	--	--	--	--	15	378	--	--
Belgium	(4)	5	4	93	1	7	--	--	--	--
Canada	13	365	58	1,740	142	1,060	--	--	(4) ⁵	59
China	(4)	9	--	--	7	86	--	--	8	435
Colombia	--	--	--	--	6	96	--	--	--	--
Costa Rica	--	--	--	--	--	--	7	32	--	--
Czech Republic	--	--	--	--	22	19	--	--	--	--
Denmark	--	--	--	--	1 ⁵	32	--	--	--	--
France	12	216	--	--	33	245	--	--	--	--
Germany	456	12,800	970 ⁵	6,420	157	1,070	51	703	--	--
Hong Kong	3 ⁵	369	--	--	63	593	--	--	--	--
India	(4)	21	--	--	18	116	--	--	(4) ⁵	30
Ireland	11	330	--	--	2 ⁵	12	3	16	--	--
Israel	1	24	--	--	156	316	--	--	--	--
Italy	(4) ⁵	59	--	--	60	799	--	--	8	293
Japan	274	8,900	75	1,800	74	432	--	--	5	165
Korea, Republic of	7	171	--	--	92	353	(4)	4	--	--
Mexico	6	240	--	--	62	132	28	773	--	--
Norway	10	152	--	--	2	41	--	--	--	--
Singapore	--	--	--	--	2 ⁵	16	--	--	--	--
South Africa	(4) ⁵	6	--	--	2	26	--	--	--	--
Spain	--	--	--	--	3	20	--	--	--	--
Sweden	1	47	--	--	(4) ⁵	3	--	--	--	--
Switzerland	176	4,240	124	1,480	3,470	20,800	(4)	5	--	--
Taiwan	3	48	--	--	6	45	78	333	--	--
United Kingdom	50	1,420	1,800 ⁵	32,200	287	2,380	6	48	--	--
Other	39 ⁵	1,200	--	--	31 ⁵	215	--	--	2 ⁵	373
Total	1,070	30,700	3,030	43,700	4,730	29,200	188	2,290	23	1,350

-- 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.

⁵All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.