

Mineral Industry Surveys

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PLATINUM-GROUP METALS IN MAY 2012

Engelhard's average May prices for platinum, palladium, and rhodium decreased by 7%, 5%, and 3%, respectively, compared with average April prices. The average monthly iridium and ruthenium prices remained unchanged during the same period. The platinum price began May at \$1,569 per troy ounce and ended the month at \$1,413 per troy ounce, its lowest level since early January. Prices for palladium and rhodium decreased from the beginning to the end of May, corresponding with forecasts of slower growth in China and the United States, and concern that the poor economic conditions in Europe, owing to the debt crisis, would reduce automobile sales and lower platinum-group metal (PGM) demand. PGM are used in automobile catalytic converters to decrease harmful emissions. Increased availability of scrap on the market also exerted downward pressure on the rhodium price. Platinum prices were lower than those for gold for the eighth straight month and higher than those for rhodium for the fifth straight month.

North American Palladium Ltd. (NAP) (Toronto, Ontario, Canada) produced 1,300 kilograms (kg) of palladium during the first quarter of 2012 at its Lac des Iles Mine, which was a 36% increase from production in the first quarter of 2011, owing to increased mining and processing of ore and an increase in average ore grade from blending higher grade underground ore with lower grade surface ore. NAP continued with mine expansion activities and remained on schedule to commission a new shaft in the fourth quarter of 2012 and to increase underground production in early 2013. The underground mining rate was planned to increase from 3,500 metric tons per day (t/d) in early 2013 to 5,500 t/d by 2015. NAP entered into an option agreement to purchase 100% of Houston Lake Mining Inc.'s (Val Caron, Ontario) Tib Lake platinum property, which is a group of 20 claims, 15 kilometers northwest of NAP's Lac des Iles Mine in Ontario (North American Palladium Ltd., 2012, p. 21).

Eastern Platinum Ltd. (Vancouver, British Columbia, Canada) suspended funding for the development of the Mareesburg Mine and Kennedy's Vale concentrator in South Africa, citing weak and volatile global economic conditions and low PGM prices.

The open pit mine had been planned to be commissioned in the first quarter of 2013. The overall project was 30% complete and could be rapidly restarted if economic conditions improve (Eastern Platinum Ltd., 2012).

The South African mining industry, which has been faced with higher electricity costs and labor costs during the past several years, was facing a potential increase in mining tax. A mining study submitted to South Africa's ruling African National Congress advised against resource nationalism in that country but proposed a 50% tax on profits of mining companies (Stoddard, 2012). About 75% of the world's annual platinum production comes from South Africa.

The Republic of Korea planned to build a town of 150 houses and 10 commercial buildings whose energy requirements would be met by fuel cells powered by hydrogen from exhaust emissions from powerplants and from the manufacture of petrochemicals. Construction and installation of the fuel cells was to begin in August, and the town was expected to be completed by yearend. Fuel cells produce electricity by combining hydrogen with oxygen over a platinum catalyst and generate no harmful emissions (Johnson Matthey plc, 2012).

References Cited

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- Johnson Matthey plc, 2012, Korea to build "hydrogen town": London, United Kingdom, Johnson Matthey plc news release, May 29. (Accessed June 5, 2012, at <http://www.platinum.matthey.com/media-room/news-room/korea-to-build-hydrogen-town/801374827.html>.)
- North American Palladium Ltd., 2012, Management's discussion and analysis and consolidated financial statements for the three months ended March 31, 2012: Toronto, Ontario, Canada, North American Palladium Ltd., 46 p. (Accessed June 7, 2012, at <http://www.napalladium.com/Theme/NAP/files/Q1%202012%20MDA%20and%20FS-Final.pdf>.)
- Stoddard, Ed, 2012, Analysis—World's platinum lies on African political faultlines: New York, NY, Reuters Group plc, May 10. (Accessed June 5, 2012, at <http://www.reuters.com/article/2012/05/10/us-platinum-risks-idUSBRE8490NR20120510>.)

TABLE 1
PLATINUM-GROUP METALS PRICES¹

(Dollars per troy ounce)

	Platinum	Palladium	Rhodium	Iridium	Ruthenium
2011:					
Low/date	1,356.00 Dec. 29	553.00 Oct. 5	1,400.00 Dec. ²	780.00 Jan. 3 and 4	110.00 Dec. ²
High/date	1,892.00 Aug. 22 and 23	851.00 Feb. 18	2,500.00 Jan. 31 and Feb. ²	1,085.00 Sep.–Dec. ²	180.00 Jan.–Aug. ²
Average	1,724.51	738.51	2,024.35	1,035.87	165.85
2012:					
April:					
Low/date	1,554.00/24	640.00/5	1,375.00 ²	1,075.00 ²	115.00 ²
High/date	1,664.00/3	684.00/30	1,400.00/2 and 3	1,075.00 ²	120.00/2
Average	1,590.85	660.65	1,384.25	1,075.00	115.25
May:					
Low/date	1,405.00/30	595.00/25	1,250.00/31	1,075.00 ²	115.00 ²
High/date	1,569.00/1	684.00/1	1,390.00 ²	1,075.00 ²	115.00 ²
Average	1,474.45	624.68	1,348.86	1,075.00	115.00
January–May:					
Low/date	1,405.00 May 30	595.00 May 25	1,250.00 May 31	1,075.00 Feb.–May ²	110.00 Jan. ²
High/date	1,731.00 Feb. 29	727.00 Feb. 29	1,540.00 Feb. 14 and 15	1,085.00 Jan.–Feb. ²	130.00 Feb.–Mar. ²
Average	1,579.98	669.31	1,423.84	1,077.80	119.05

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)
2011	1,230	\$65,700	35,800	\$1,910,000	7,160	\$211,000	4,660	\$206,000	78,900	\$832,000	1,200	\$66,300
2012:												
February	142	6,590	1,550	79,800	245	10,800	543	24,600	2,310	88,300	57	2,890
March	250	12,400	3,700	196,000	416	19,200	312	12,500	5,890	97,100	117	6,440
April:												
Australia	--	--	--	--	--	--	--	--	37	1,430	(2)	8
Austria	--	--	--	--	--	--	4	126	--	--	--	--
Belgium	--	--	48	2,580	--	--	(2)	5	--	--	--	--
Brazil	--	--	--	--	--	--	--	--	33	910	--	--
Canada	2	53	(2)	10	--	--	10	490	3,620	3,620	33	1,800
Chile	--	--	--	--	--	--	--	--	2	169	--	--
China	--	--	--	--	1	48	2	102	32	685	--	--
Colombia	--	--	--	--	84	3,640	9	413	33	1,050	--	--
Czech Republic	--	--	--	--	--	--	2	97	(2)	25	--	--
France	--	--	--	--	--	--	(2)	5	83	3,850	--	--
Germany	--	--	182	9,670	180	7,290	225	6,370	406	20,600	--	--
Indonesia	--	--	--	--	--	--	--	--	4	191	--	--
Israel	--	--	--	--	--	--	--	--	7	258	--	--
Italy	--	--	300	15,900	--	--	20	1,060	80	2,610	--	--
Japan	--	--	--	--	5	90	3	120	164	6,570	--	--
Korea, Republic of	--	--	90	4,730	--	--	(2)	12	5	240	--	--
Malaysia	--	--	--	--	--	--	--	--	43	1,070	--	--
Mexico	--	--	--	--	--	--	--	--	213	1,480	--	--
Norway	--	--	240	12,700	--	--	--	--	--	--	--	--
Peru	--	--	--	--	--	--	--	--	4	145	--	--
Philippines	--	--	--	--	--	--	--	--	6	181	--	--
Poland	--	--	--	--	41	2,140	--	--	--	--	--	--
Russia	16	825	--	--	--	--	--	--	--	--	(2)	6
Singapore	--	--	8	387	78	4,740	--	--	21	676	--	--
South Africa	--	--	1,170	61,300	--	--	--	--	--	--	--	--
Switzerland	--	--	1	37	31	1,690	--	--	--	--	--	--
Taiwan	--	--	--	--	--	--	--	--	86	4,540	--	--
Thailand	--	--	--	--	--	--	--	--	30	1,730	--	--
United Kingdom	--	--	371	19,500	(2)	3	39	1,890	76	3,280	5	336
Other	--	--	--	--	--	--	(2)	7	7	203	--	--
Total	18	878	2,410	127,000	420	19,600	316	10,700	4,990	55,500	38	2,150
January–April	500	24,300	10,000	512,000	1,390	62,400	1,610	64,400	14,800	307,000	333	17,300

-- Zero.

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

²Less than ½ unit.

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)
2011	87,000	\$1,890,000	11,900	\$268,000	2,880	\$59,400	48	\$261	13,200	\$69,300	13,100	\$844,000
2012:												
February	7,030	151,000	1,040	22,200	75	2,470	--	--	1,580	5,140	859	39,400
March	8,050	182,000	985 [†]	22,900	347 [†]	10,900	--	--	1,710	6,600	932 [†]	43,500
April:												
Austria	--	--	71	1,050	--	--	--	--	--	--	--	--
Belgium	--	--	58	1,280	--	--	--	--	--	--	5	413
Canada	172	4,860	183	5,070	--	--	--	--	--	--	--	--
Germany	81	1,320	16	361	20	747	--	--	31	147	29	1,340
Italy	40	865	13	296	--	--	--	--	--	--	14	680
Japan	28	880	21	81	1	38	--	--	23	104	2	87
Korea, Republic of	110	2,330	--	--	--	--	--	--	--	--	--	--
Norway	175	3,570	8	179	--	--	--	--	--	--	--	--
Poland	21	436	--	--	--	--	--	--	--	--	--	--
Russia	1,490	32,300	315	6,580	1	9	--	--	--	--	90	3,970
South Africa	1,380	30,400	24	536	22	755	--	--	284	1,080	896	41,500
Switzerland	--	--	8	165	--	--	--	--	--	--	--	--
United Kingdom	1,370	31,300	22	330	6	222	--	--	181	710	70	3,050
Total	4,870	108,000	739	15,900	50	1,770	--	--	519	2,040	1,110	51,100
January–April	22,300	489,000	3,750	84,100	536	17,400	--	--	4,690	16,400	4,610	213,000

[†]Revised. -- Zero.

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

²Unwrought and other forms.

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)
2011	11,300	\$552,000	118,000	\$1,440,000	32,000	\$416,000	1,150	\$18,000	1,370	\$71,700
2012:										
February	856	43,100	3,500	72,000	3,030	39,200	68	649	152	6,700
March	1,330	60,800	2,640	69,500	4,530	65,900	173	2,290	21	1,130
April:										
Australia	4	157	--	--	41	520	2	22	--	--
Austria	4	102	--	--	3	13	--	--	--	--
Belgium	2	41	2	145	3	33	--	--	--	--
Brazil	(4)	11	--	--	5	96	--	--	1	47
Canada	10	426	4	158	896	7,500	--	--	(4)	--
China	5	122	20	1,000	204	3,060	7	155	12	671
France	8	215	--	--	68	501	3	29	--	--
Germany	86	4,440	418	6,180	343	6,650	--	--	--	--
Hong Kong	6	265	--	--	70	1,120	13	311	2	104
India	1	57	--	--	12	102	--	--	--	--
Ireland	9	310	--	--	14	91	1	8	--	--
Israel	2	29	--	--	150	645	--	--	3	284
Italy	6	210	52	1,590	56	521	--	--	4	114
Japan	195	8,720	143	3,910	278	1,350	1	30	--	--
Korea, Republic of	2	101	--	--	(4)	11	72	463	--	--
Malaysia	1	15	--	--	(4)	7	--	--	--	--
Mexico	16	638	--	--	177	1,050	--	--	--	--
Netherlands	(4)	9	--	--	2	27	--	--	--	--
New Zealand	(4)	10	--	--	37	116	--	--	--	--
Norway	1	23	--	--	2	40	--	--	--	--
Saudi Arabia	--	--	--	--	14	224	--	--	--	--
Singapore	(4)	3	--	--	2	31	--	--	--	--
South Africa	--	--	56	2,330	4	44	--	--	--	--
Sweden	2	39	--	--	(4)	3	--	--	--	--
Switzerland	(4)	16	290	7,010	16	102	--	--	--	--
Taiwan	5	181	--	--	131	2,290	4	26	--	--
Thailand	(4)	22	--	--	4	41	--	--	--	--
United Kingdom	70	2,910	1,680	51,100	56	1,070	3	37	--	--
Other	(4)	130	--	--	52	325	2	20	--	--
Total	435	19,200	2,660	73,400	2,640	27,600	109	1,100	22	1,220
January–April	3,110	143,000	17,400	285,000	12,300	161,000	390	4,460	229	11,500

-- 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.