Heraeus

Precious Metals

PRECIOUS APPRAISAL

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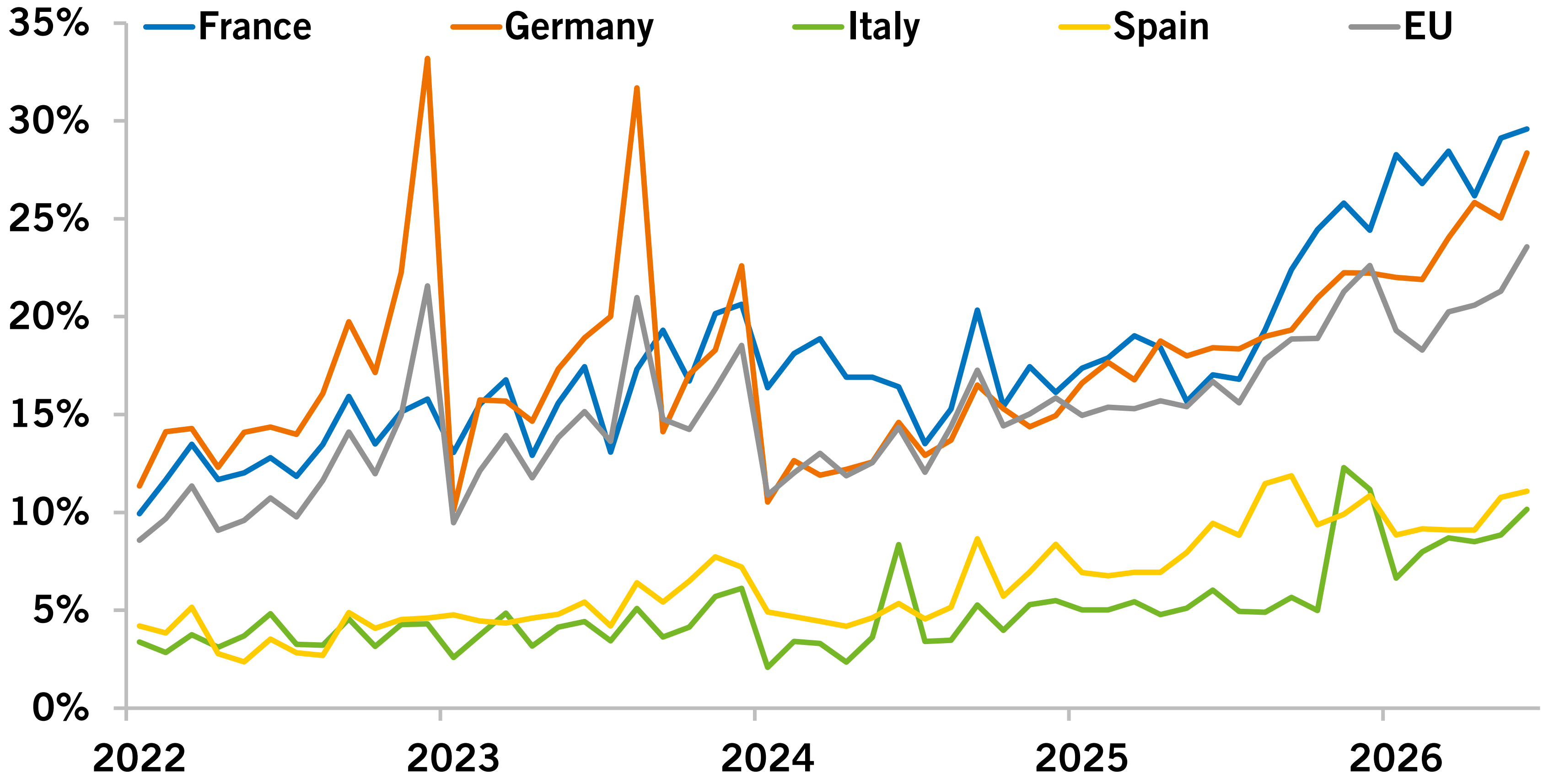
MARKET SPOTLIGHT

BEVs capture EU car market growth as hybrids cushion PGM demand

BEVs captured a growing share of the EU's expanding car market in H1'26. Total EU new car registrations rose by 5.7% year-on-year to 5.90 million units, while BEV registrations jumped lifting their market share to 20.7% from 15.6% in H1'25. The transition accelerated in June, when BEV registrations rose by 60.7% year-on-year, representing 23.6% of the market. By contrast, combined petrol and diesel registrations fell by 17.0% to 1.75 million units, reducing their market share to 29.7% from 37.8%.

Competition from Chinese manufacturers is reinforcing the transition by expanding the supply of lower-priced electrified vehicles. Cars made in China, including European models, represented 17% of EU BEV sales in Q1'26 despite additional duties, while Chinese manufacturers are increasing PHEV sales and localising production in Europe. Higher fuel prices caused by the US-Iran conflict may also have brought forward some BEV purchases. The IEA estimates that, at April prices, the annual fuel cost saving from driving a BEV in the EU was 35% greater than in 2025. Whether this provides a lasting boost to BEV demand remains to be seen. Cheaper fuel could weaken the immediate incentive, although concerns over future price shocks and energy security may have a more persistent influence.

BEV share of new car sales



Source: SFA (Oxford), ACEA

For PGM demand, the continued growth of hybrids offsets rising BEV sales. Combined HEV and PHEV registrations increased by nearly 362,000 units in H1'26, slightly more than the decline in petrol and diesel cars. As a result, registrations across these four principal catalysed powertrains were almost unchanged at 4.525 million units, compared with 4.522 million in H1'25. Hybrids still require autocatalysts, while intermittent engine operation and lower exhaust temperatures can require higher PGM loadings than petrol and diesel powertrains. The rapid growth of hybrids is therefore helping to preserve autocatalyst PGM demand even as conventional ICE vehicles lose market share.

Europe's transition is progressing unevenly across national markets. In H1'26, BEVs accounted for 28.2% of registrations in France and 24.8% in Germany, compared with only 8.5% in Italy and 9.8% in Spain. Italy and Spain are instead electrifying mainly through hybrids, with HEVs and PHEVs together representing around 59% of both markets. The EU is currently pursuing a fleet-wide emissions target of 93.6 g CO_2/km for 2025-2029. The EU-wide BEV share of 20.7% remains below the approximately 57% that Transport & Environment estimates would be required by 2030 under the current rules. If this target is undershot, PGM demand from the auto sector could remain higher for longer.

Across the EU, an increase of more than 320,000 total registrations produced almost no growth in the number of cars across the main autocatalyst-bearing categories. Stable volumes do not necessarily imply flat metal demand, as catalyst loadings differ by powertrain and the balance between petrol and diesel is changing. Chinese BEV competition and persistently high fuel prices could accelerate the transition, while hybrid growth and a lowering of oil prices could slow the loss of catalyst-bearing vehicles. If BEV adoption remains below the trajectory assumed in automotive PGM forecasts, European PGM demand would be stronger than those forecasts imply. **The key question is whether recent BEV growth is durable and sufficient to meet the EU's regulatory pathway.**

PRECIOUS METALS REVIEW

Gold

	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
$/oz	4,046	-0.78%	4,120	30/07/2026	3,996	29/07/2026
€/oz	3,512	-1.93%	3,602	27/07/2026	3,507	31/07/2026

Gold prices and bond yields rally after interest rates are held by the Federal Reserve. Although gold is still in the $3,950-$4,200/oz range in which it has traded for the past six weeks, it initially rallied modestly from close to the bottom of this range upon the Fed deciding to leave interest rates unchanged at 3.50% to 3.75%. It has since given back some of these gains as the dollar has strengthened. The Fed was split with three of the twelve voters on the Federal Open Market Committee (FOMC) voting for a rate hike, with the rest voting to leave rates unchanged. After the vote, the chairman Kevin Warsh reaffirmed the Fed’s intention to maintain price stability. Following this, the US 10-year and 30-year bond yields rallied to levels not seen since 2007, suggesting markets are expecting higher prices in the years to come regardless of Warsh’s rhetoric.

The next FOMC meeting is on 16 September, for which markets are predicting a roughly 60% chance of a rate hike. Until that meeting, economic data and geopolitical news are likely to be the main drivers of precious metal prices. As the US-Iran conflict continues with further US and Iranian strikes, the US Personal Consumption Expenditures (PCE) price index came in at 3.7%, slightly softer than 4.1% last month. This reduces the pressure slightly for rate hikes but with the Strait of Hormuz still closed, oil and energy prices are likely to remain high for some time, feeding through into higher prices but with a lag.

Chinese gold imports rose to a seasonally high level in June. Imports increased for a third consecutive month to 173 tonnes, up 6.6% from 163 tonnes in May and by 172% from 64 tonnes in June 2025. This was the highest monthly total since March 2024 and more than double the 2023-2025 average for June of 73 tonnes. First-half imports reached 865 tonnes, up 89% year-on-year from 457 tonnes in H1’25. Lower international prices and a stronger yuan improved the affordability of imported gold bullion, while banks appear to have used available import quotas to replenish inventories, supporting retail sales and gold savings products. Some of June’s strength may therefore reflect inventory management, but the rebound nonetheless shows that Chinese private-sector demand remains responsive to lower prices after strong buying has been seen throughout the first half of this year.

Newmont’s gold production declined in Q2’26, but the company remains on track to meet its full-year guidance. Attributable gold output was 1.29 moz, down 12.5% year-on-year from 1.48 moz and 1% quarter-on-quarter. Compared with Q1, production at Cadia was disrupted by seismic events and planned mining of lower grades at Ahafo South, Peñasquito and Yanacocha limited output. This was partly offset by higher output from Lihir, Boddington and Pueblo Viejo. Full-year guidance remains unchanged at 5.26 moz. Newmont also produced 7 moz of silver in Q2, down 22% quarter-on-quarter owing to lower co-product grades at Peñasquito, while full-year silver guidance remains at 32 moz. Newmont’s full-year guidance (~164 tonnes) is about 4.5% of total global mined gold supply (3,672 tonnes) from 2025 (source: World Gold Council).

PRECIOUS METALS REVIEW

Silver

	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
$/oz	57.48	-2.41%	59.81	27/07/2026	56.65	28/07/2026
€/oz	49.90	-3.54%	52.42	27/07/2026	49.70	28/07/2026

Hindustan Zinc's silver production was unchanged year-on-year in Q2'26, while guidance for the next 12 months has been increased. Refined silver production was 4.8 moz, flat from Q2'25 but 16% below the 5.7 moz produced in Q1'26. Meanwhile, mined metal production rose by 1% to a record 268 kt for the three months to June on improved grades. Hindustan Zinc expects saleable silver production of 21.6-22.2 moz in the 12 months to March 2027, around 8% higher than the 20.2 moz produced in the preceding 12 months. The Dariba hot-acid leaching project, designed to recover lead and silver from smelting waste, is scheduled for completion in Q3'26 and could support additional silver recovery as it ramps up. Hindustan Zinc recovers silver from its polymetallic zinc-lead ores and accounts for virtually all of India's domestically mined silver supply. The higher import duties and licensing restrictions introduced in May have tightened domestic availability and lifted local silver prices, which could support the company's realised prices and profitability.

Glencore's silver production edged higher in H1'26, although performance varied across its portfolio. Attributable silver output grew by 2% year-on-year to 9.31 moz from 9.10 moz. Silver production as a by-product of zinc mining rose by 5% to 5.31 moz, led by a 31% increase in Australian silver-in-concentrate output. Antamina's attributable silver production also grew by 4% to 2.72 moz, while yield from Glencore's other South American copper assets increased. These gains were partly offset by Collahuasi, where silver output fell by 22% to 858 koz, and Kidd, where production declined by 24% to 505 koz before the mine was sold on 1 June. Glencore does not provide standalone silver production guidance, and the Kidd disposal removes its contribution for the remainder of the year, but the first-half increase provides support to global mined silver supply which stood at 846.6 moz in 2025 (source: The Silver Institute).

PRECIOUS METALS REVIEW

Platinum

	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
$/oz	1,650	2.93%	1,665	30/07/2026	1,580	29/07/2026
€/oz	1,433	1.76%	1,443	30/07/2026	1,385	30/07/2026

African Rainbow Minerals (ARM) has approved the redevelopment of Bokoni, bringing one of South Africa's largest PGM resources back towards production. The ZAR15.2 billion brownfield project will refurbish the existing 60 kt/month concentrator and add a new 120 kt/month plant. The addition of the new concentrator comes after the project was suspended in 2025 as it was not producing sufficient volumes to be profitable. First production is targeted for late 2027, with steady-state output reached in 2032. At full production, Bokoni is expected to yield roughly 350 koz of 6E PGMs annually. The project is going to be mining the UG2 orebody and will produce around 120 koz of platinum when at steady state. ARM also approved a separate restart of the Nkomati nickel mine, where mining is scheduled to resume in October, which will add a further ~10 koz of platinum when at steady state. The investment demonstrates growing confidence that underinvestment and shaft depletion will tighten South African PGM supply, although Bokoni will provide little additional platinum before the end of the decade.

PRECIOUS METALS REVIEW

Palladium

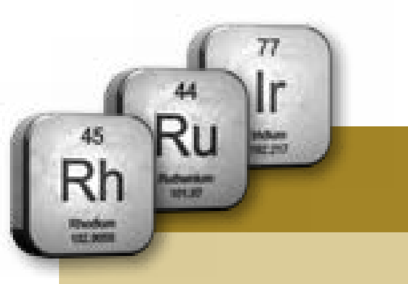
	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
$/oz	1,284	1.45%	1,321	31/07/2026	1,242	29/07/2026
€/oz	1,115	0.31%	1,146	31/07/2026	1,089	30/07/2026

Nornickel's palladium production declined in H1'26, but the company reiterated its full-year guidance. Output fell by 14% year-on-year in H1'26 to 1.20 moz from 1.40 moz, while Q2 production declined by 3% quarter-on-quarter to 590 koz. The first-half reduction reflected scheduled equipment repairs, restocking of work-in-progress material and a high prior-year base. Platinum production also fell by 16% year-on-year to 281 koz, although Q2 output rose by 7% to 145 koz as the platinum-to-palladium ratio in the processed feed shifted. Full-year guidance remains at 2.415-2.465 moz of palladium and 616-636 koz of platinum. If Nornickel meets guidance, it will produce around 40% of the 6.1 moz of global mined palladium supply and 13% of the 5.0 moz of global mined platinum supply forecast this year.

PGM prices continue to trade sideways with palladium gradually moving upwards. Palladium prices have risen above the support provided by the June lows of around $1,150/oz and have been trading in a range from just below $1,200/oz to just above 1,300/oz since the beginning of July. Similarly to palladium, platinum has also been trading in a range since early July, of between $1,550/oz and $1,680/oz, having moved slightly above its year-to-date low of $1,520/oz.

PRECIOUS METALS REVIEW

Rhodium, Ruthenium, Iridium



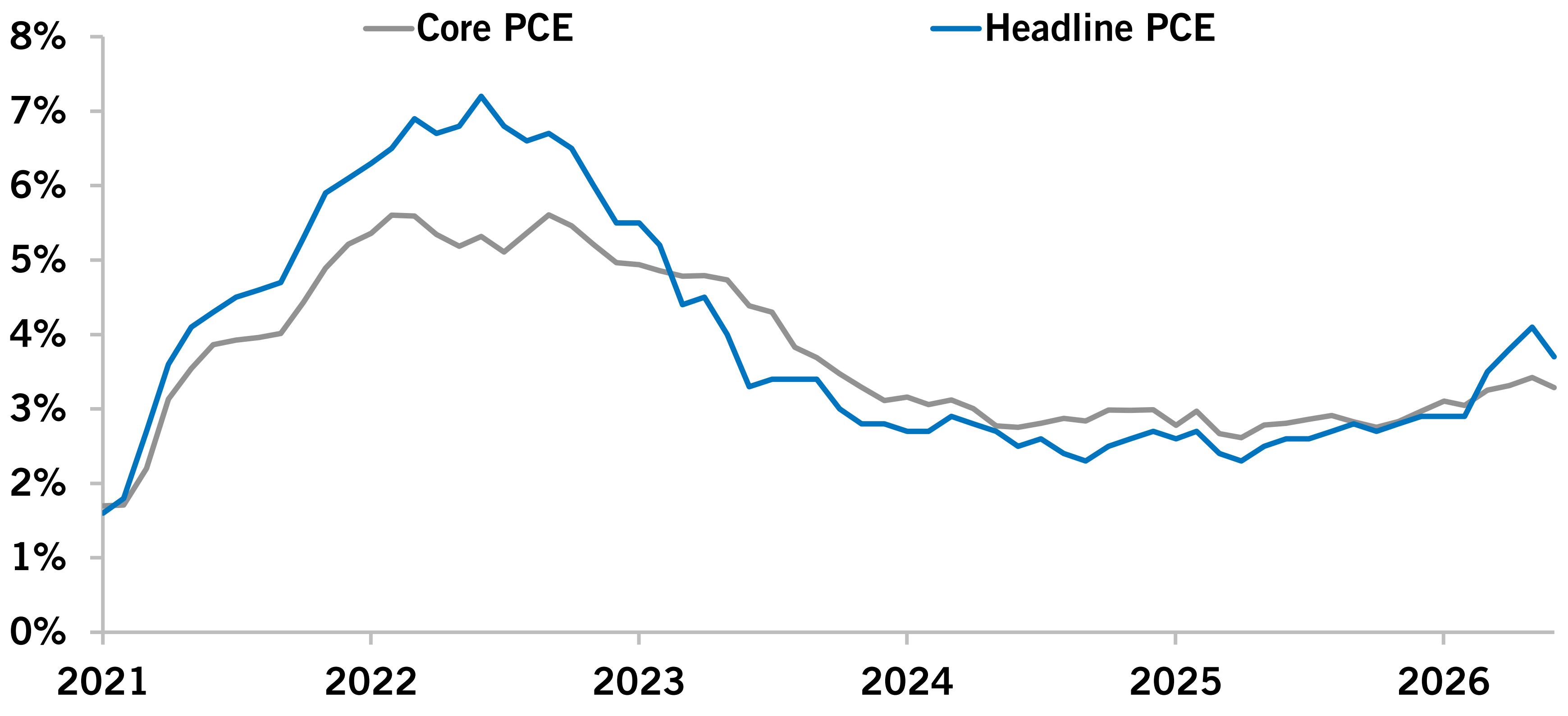
	RHODIUM	RUTHENIUM	IRIDIUM
Reporting Week	$8,650/oz	$1,745/oz	$8,300/oz
Previous Edition	$8,650/oz	$1,745/oz	$8,300/oz

Seagate’s transition from conventional PMR to HAMR continued in Q2’26 as strong datacentre demand lifted HDD shipments. Total capacity shipped reached 218 EB, up 34% year-on-year and 9% quarter-on-quarter from 199 EB in Q1, with approximately 90% going to datacentres (nearline). Heat-assisted magnetic recording (HAMR)-based products represented around 40% of Seagate’s nearline exabyte shipment run rate at the end of Q2. The latest generation, Mozaic 4+, can support up to 44 TB per drive, and is ramping up with cloud providers. Seagate’s management noted that perpendicular magnetic recording (PMR) had been pushed further than initially expected but reaffirmed that HAMR remains on track to reach 70% of nearline exabytes by June 2027. Conventional PMR media use ruthenium-based intermediate layers, whereas HAMR adopts iron-platinum recording media and contains no ruthenium. As the HAMR share increases, the transition will increasingly weaken the link between rising exabyte shipments and ruthenium demand.

The prices of each of the three small PGMs remained steady last week.

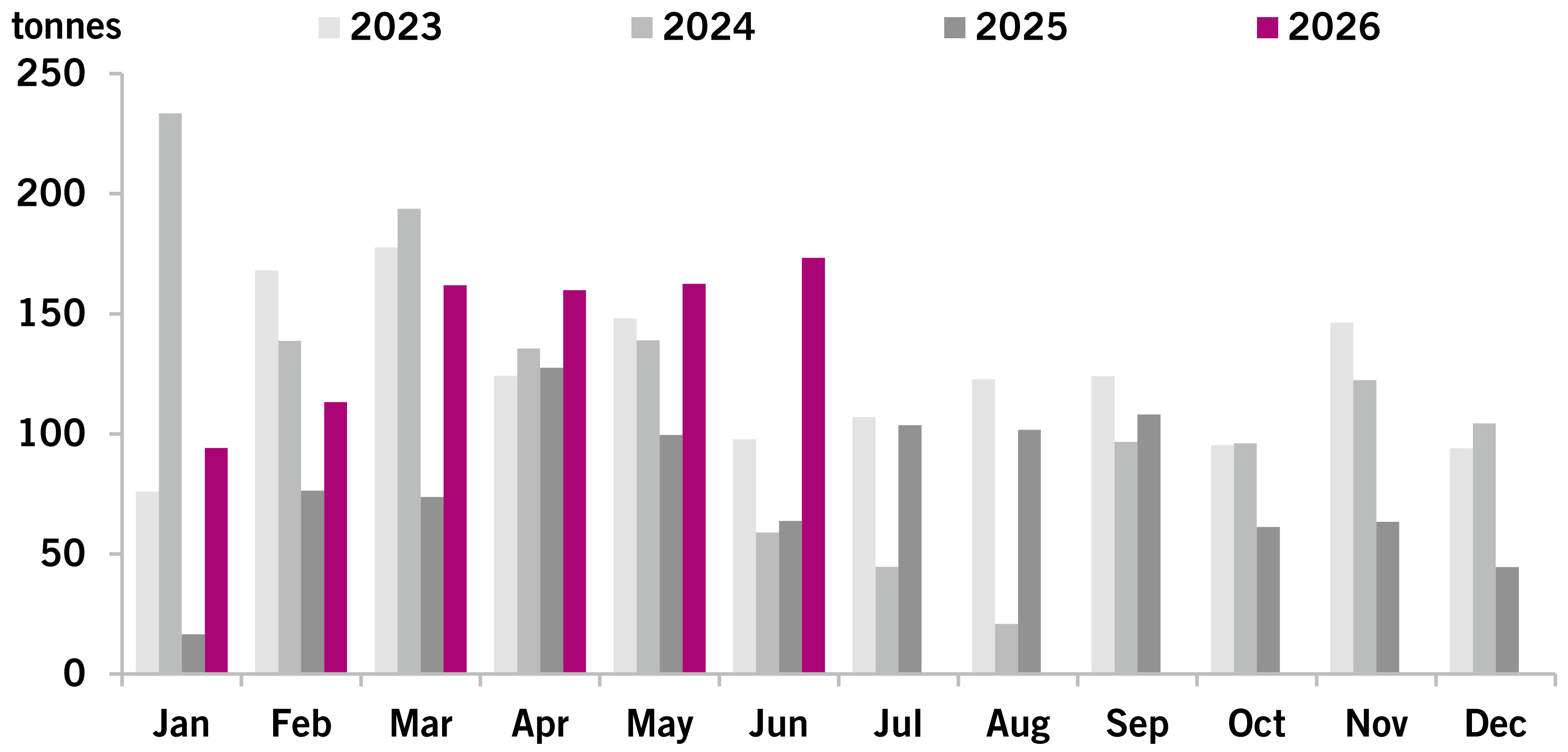
TRENDS AND INVESTMENTS

US core and headline PCE



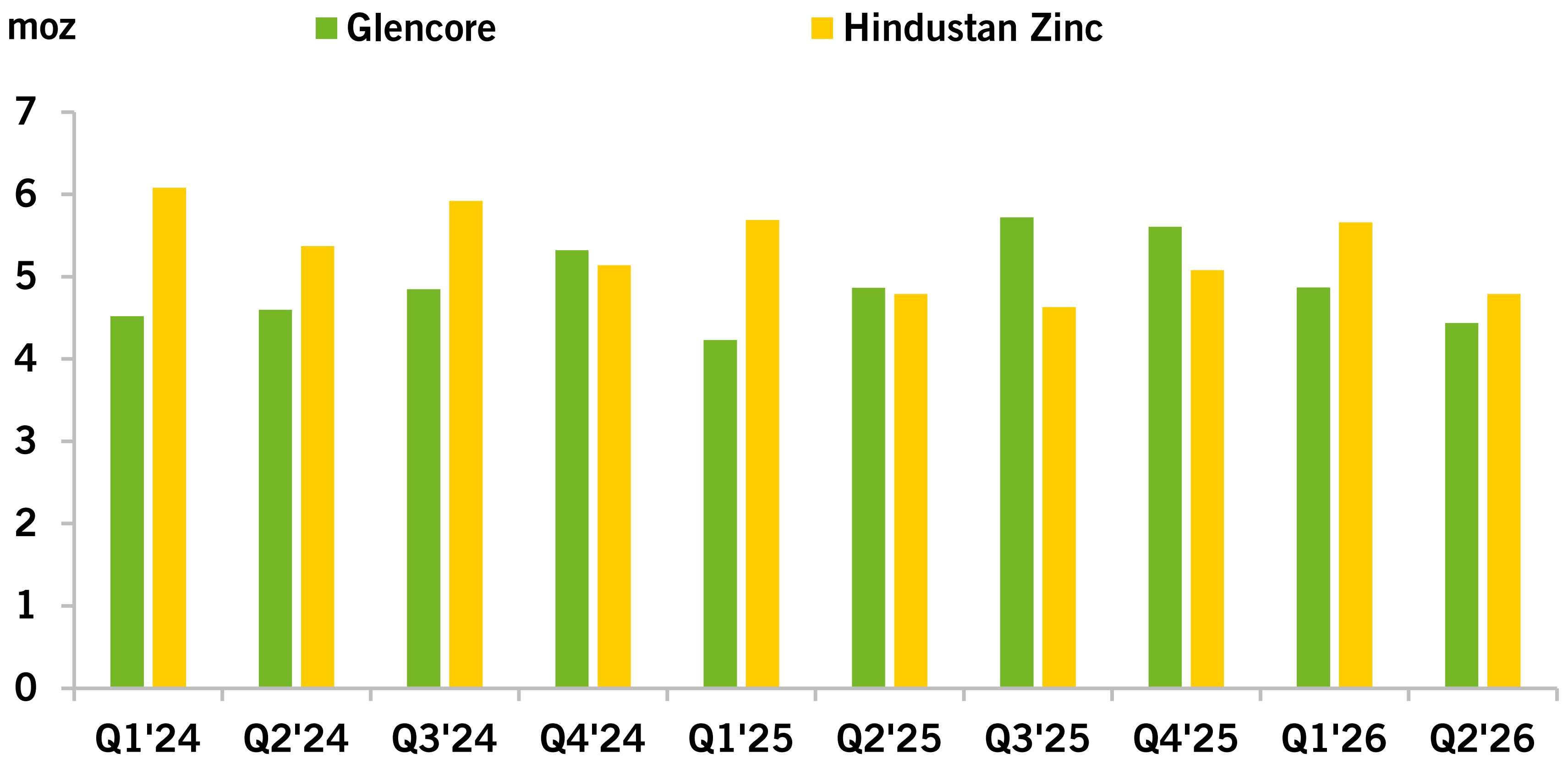
Source: SFA (Oxford), Bloomberg Finance LP

China gold imports



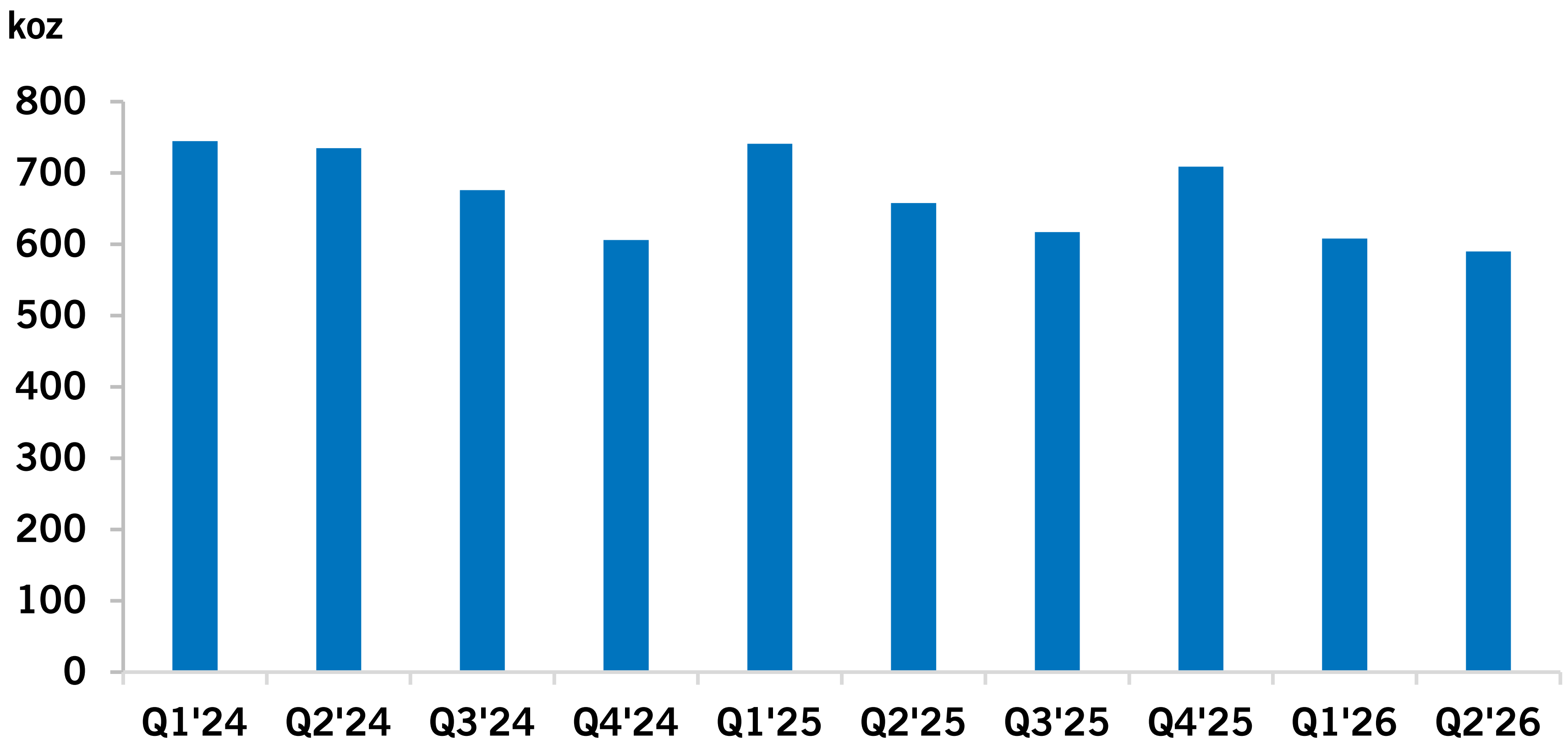
Source: SFA (Oxford), Bloomberg Finance LP

Glencore and Hindustan Zinc silver production



Source: SFA (Oxford), Glencore and Hindustan Zinc quarterly reports

Nornickel palladium production



Source: SFA (Oxford), Nornickel quarterly reports

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