

PLATINUM'S VALUE PROPOSITION IN A MACRO-DRIVEN MARKET

Mr Edward Sterck, Director of Research, World Platinum Investment Council



While platinum's value has become increasingly intertwined with the broader influences shaping precious metals markets, underlying fundamentals remain supportive

Since the beginning of 2025, platinum has demonstrated a notably stronger correlation with gold, reflecting a market environment in which precious metals investors are responding to many of the same macroeconomic signals (figure 1). It is this relationship – not fundamentals – that is more likely to dominate the near-term investment case for platinum.

Uncertainty around the timing and extent of future interest-rate moves, ongoing questions over inflation's longer-term direction, and concerns surrounding rising sovereign debt burdens and currency debasement, particularly in the United States, have led to volatility in precious metals markets so far this year.

Figure 1: Platinum's correlation to the wider precious metals basket has realigned since 2025

2010-2024	Platinum	Gold	Silver	Palladium	Copper	Nickel	2025 - current	Platinum	Gold	Silver	Palladium	Copper	Nickel
Platinum	1.00	-0.15	0.60	-0.45	0.33	0.42	Platinum	1.00	0.95	0.97	0.96	0.75	0.64
Gold	-0.15	1.00	0.60	0.44	0.68	0.40	Gold	0.95	1.00	0.96	0.91	0.77	0.65
Silver	0.60	0.60	1.00	0.00	0.73	0.53	Silver	0.97	0.96	1.00	0.91	0.80	0.76
Palladium	-0.45	0.44	0.00	1.00	0.30	0.26	Palladium	0.96	0.91	0.91	1.00	0.64	0.49
Copper	0.33	0.68	0.73	0.30	1.00	0.77	Copper	0.75	0.77	0.80	0.64	1.00	0.76
Nickel	0.42	0.40	0.53	0.26	0.77	1.00	Nickel	0.64	0.65	0.76	0.49	0.76	1.00

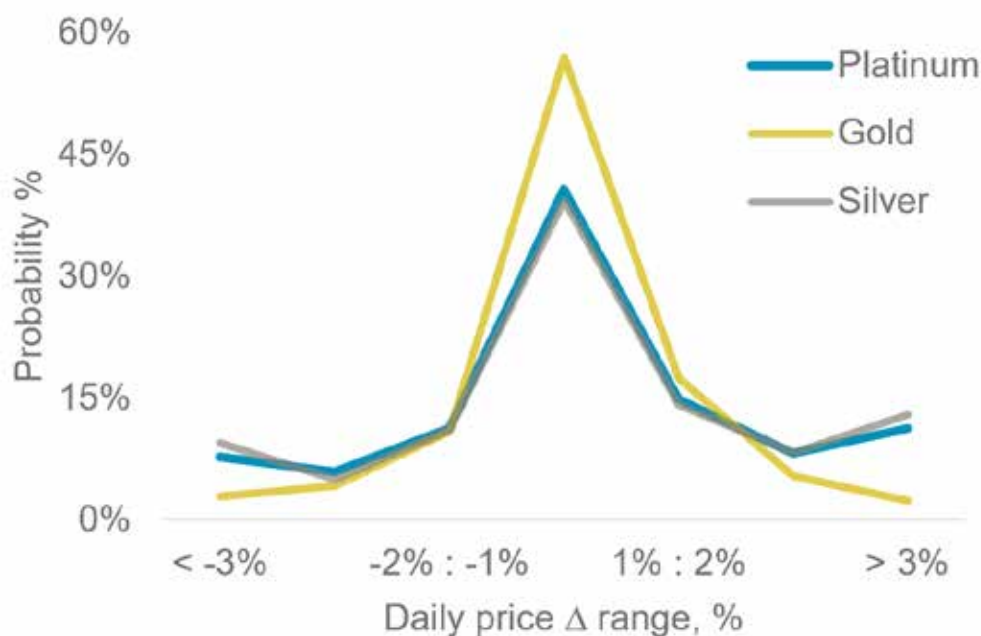
Source: Bloomberg, WPIC (analysis is based on week over week price correlation)

The geopolitical and macroeconomic landscape hampered platinum and the broader precious metals complex in the first half of 2026, and the platinum market recorded a surplus of 548 koz, principally due to investment outflows. For full year 2026, the surplus is expected to moderate to a forecast 265 koz as investment outflows reverse, resulting in the market returning to a deficit in the second half of the year. Platinum stands to benefit alongside gold should concerns around indebtedness and currency

debasement once again support the precious metals complex, with investors looking to physical assets as a hedge against inflation and US dollar weakness.

Our research suggests that, while gold unequivocally leads the 'debasement trade', silver and platinum offer higher-beta alternatives, and investors added exposure as the Au:Ag and Au:Pt ratios hit records in 2025. Since 2025, the platinum-gold beta has been 1.3x while the silver-gold beta has been 1.8x (figure 2).

Figure 2: Platinum and silver are high-beta proxies of gold with sharper price swings and greater upside skew



Source: Bloomberg, WPIC, N.B. since 2025

While macroeconomic drivers are the main factor in currently establishing platinum's value, its underlying market fundamentals continue to be constructive and are arguably the factor driving platinum's higher beta versus gold. Despite the platinum market surplus forecast for full year 2026, the investment case for platinum is reinforced by constrained supply and diverse and resilient demand. Beyond 2026, the platinum market is projected to return to deficit through 2030.

The projected 2026 surplus follows three consecutive years of significant deficit, including a revised 2025 deficit of more than 1.4 Moz, which have substantially depleted above ground inventories. Even after the forecast surplus, above ground stocks are expected to provide only around 3.4 months of global demand cover by the end of 2026, leaving the market dependent on historically lean inventory levels.

Meanwhile, platinum's demand outlook remains compelling. Of particular significance is the emergence of AI-related applications as a potentially significant source of demand. Indeed, our platinum industrial demand forecast for 2026 was recently upgraded by 7%, as platinum stands to benefit from the considerable investment in AI that is currently underway. China has earmarked almost US\$300 billion for AI infrastructure development through 2030, while US private-sector investment in AI infrastructure over

the same time period is estimated to approach US\$3 trillion. These commitments are creating entirely new demand pathways for platinum across advanced manufacturing and digital infrastructure.

Alongside AI, other demand drivers are providing support, including hydrogen technologies which continue to provide incremental new demand growth. Further, platinum's concentrated supply side and high value-in-use have seen it placed on a number of countries' critical minerals lists.



Mr Edward Sterck