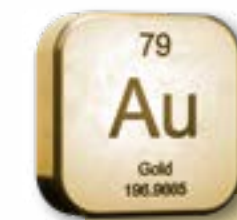


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# PRECIOUS METALS REVIEW

## Gold



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	2,081	2.08%	2,082	01/03/2024	2,025	28/02/2024
€/oz	1,921	2.04%	1,922	01/03/2024	1,867	26/02/2024

**China's enthusiasm for gold could wane as the year progresses.** Gold consumption was strong over the Chinese New Year. Gold and silver jewellery sales grew by 24% year-on-year during the festival (source: China Ministry of Commerce), and gold imports from Hong Kong totalled 76.9 tonnes in January, the most since July 2018 as retailers stocked up – all of this during a time of strength in the yuan gold price. The outlook for the rest of the year is not so robust. Consensus GDP forecasts for the Chinese economy in 2024 have been declining since the middle of last year. Current consensus stands at a growth rate of 4.6% year-on-year for 2024, down from 5% year-on-year that was predicted in Q2'23. This relative sluggishness could crimp demand for gold jewellery as consumers may rein in spending in response. The year 2023 was a strong one for both jewellery and bar and coin demand. For jewellery, the rebound from multiple lockdowns in 2022 was positive, and poor performance in Chinese stocks and real estate likely drove more buyers into bar and coin investment as gold outperformed.

**The high gold price has not yet acted as a deterrent to demand in 2024.** However, if the gold price remains strong in yuan terms while consumer confidence declines as we move into the year, it could become a headwind as consumers revert to the traditional habit of primarily purchasing gold when the price drops. Thus, Chinese gold jewellery demand could be in the order of 650 tonnes this year, representing a potential contraction of 3% year-on-year.

The gold price rose rapidly towards the end of Friday's trading session, and booked record high closes in both dollar and euro pricing. Given gold moved into overbought territory on this rally, a correction lower is possible. A reversion to the previous upward trend would return gold to around \$2,050/oz.

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# PRECIOUS METALS REVIEW

## Silver



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	23.10	0.73%	23.14	01/03/2024	22.28	28/02/2024
€/oz	21.33	0.70%	21.40	28/02/2024	20.47	28/02/2024

**China's PV installations' slowdown will not tarnish silver demand this year.**

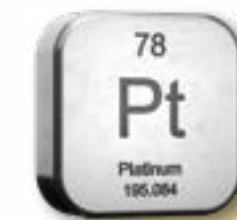
The China Photovoltaic Industry Association has forecast that China's PV installed capacity will increase by 190-220 GW in 2024, which would represent almost no growth year-on-year, from 217 GW of new capacity installed last year. Nonetheless, installations of 190 GW (lower end of forecast) would be 117% greater than in 2022. A lack of land availability and regional grid capacity contributes to the less optimistic forecast for this year. Despite this, growth in silver PV demand is expected to outpace China's installation rate thanks to rapid scaling up of TOPCon-type solar panels. These panels have, on average, higher loadings of silver paste per GW than PERC-type panels which have been the most-produced panel type since 2019. The PV industry is estimated to account for >30% of industrial silver demand in 2024, and could grow to more than 200 moz for the first time owing to increased average panel loadings and expected growth outside of China, particularly in the US and India.

The silver price followed gold higher late on Friday, recovering the losses from earlier in the week, ending the week just under 0.75% higher at \$23.10/oz.

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# PRECIOUS METALS REVIEW

## Platinum



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	884	-2.35%	900	26/02/2024	869	01/03/2024
€/oz	816	-2.34%	831	26/02/2024	804	01/03/2024

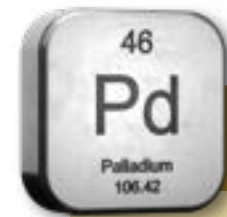
**Fuel cell mobility could be good for platinum demand, but numbers are still small.** Honda is launching a new fuel cell-electric hybrid vehicle in California this year. Its new drivetrain combination could help fuel cell mobility, a sector that has been almost squeezed out by BEVs in the consumer sector. The new car will have a dual electric drive with a standard plug-in electric connection to back up the fuel cell. Home charging improves the usability of FCEVs in California since Shell has recently announced it will close all of its public hydrogen fuelling stations. To date, FCEV sales have been relatively small-scale. In the US, 3,000 fuel cell cars were sold last year, and the 25,000th cumulative sale is forecast to come in 2025 at current selling rates. The picture is brighter in China, where fuel cell passenger car sales were double those in the US in 2023, though as a proportion of BEV sales numbers were smaller. Platinum demand from FCEVs is forecast to be around 30 koz. Future demand upside rests with the commercial sector, where R&D is attracting more capital. Most major heavy-duty truck manufacturers are working towards FCEV powertrain trucks. By the end of the decade, FCEV mobility will have a much larger part to play in platinum demand.

Platinum continued to consolidate below \$900/oz last week, closing at \$884/oz.

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# PRECIOUS METALS REVIEW

## Palladium



	CLOSE	WEEKLY CHANGE	HIGH	DATE	LOW	DATE
\$/oz	959	-3.22%	976	27/02/2024	911	28/02/2024
€/oz	886	-3.31%	899	27/02/2024	843	28/02/2024

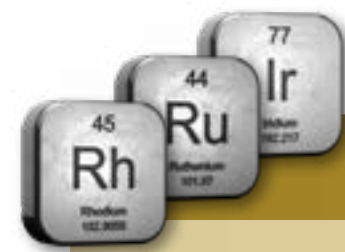
**The EU automotive market got off to a good start in 2024.** The European car market grew by 12.1% year-on-year in January to 851,690 units (source: ACEA), with growth in all ICE-powertrain sectors, excluding diesel. In growth terms, BEVs took the top spot, surging by 29% year-on-year to 92,741 units and representing a 10.9% market share. The strong EU growth is partially related to a low base from January 2023. Western European automotive palladium demand is forecast to be resilient this year, remaining stable at around 1.1 moz as vehicle production is forecast to grow slightly, with some offset demand from a greater share of BEV sales. A more immediate threat to palladium demand could be a renewed BEV price war on the horizon, initiated by Chinese OEM BYD that has launched a new 73,000 yuan (~€9,400 or \$10,200) BEV. A rise in discounts from other OEMs in reaction to this could support BEV volumes over the next 3-6 months, which would not be supportive for the palladium price. Palladium’s main use is as an automotive metal and though the fundamentals are relatively tight, the price seems to be trading primarily on negative sentiment at present.

Palladium sunk lower again last week, though it still retains its small premium over the platinum price for now.

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# PRECIOUS METALS REVIEW

## Rhodium, Ruthenium, Iridium



	RHODIUM	RUTHENIUM	IRIDIUM
Reporting Week	\$5,000/oz	\$455/oz	\$5,400/oz
Previous Edition	\$5,050/oz	\$455/oz	\$5,500/oz

**The rhodium and iridium prices dropped last week.** For iridium this was the first significant movement in the price since mid-November 2023. It is too early to tell whether the change in direction for the price is the start of a new trend lower for iridium. Trends do tend to persist in the small PGMs, but given that the iridium market appears to be fairly tight this year, the movement lower could be relatively shallow.

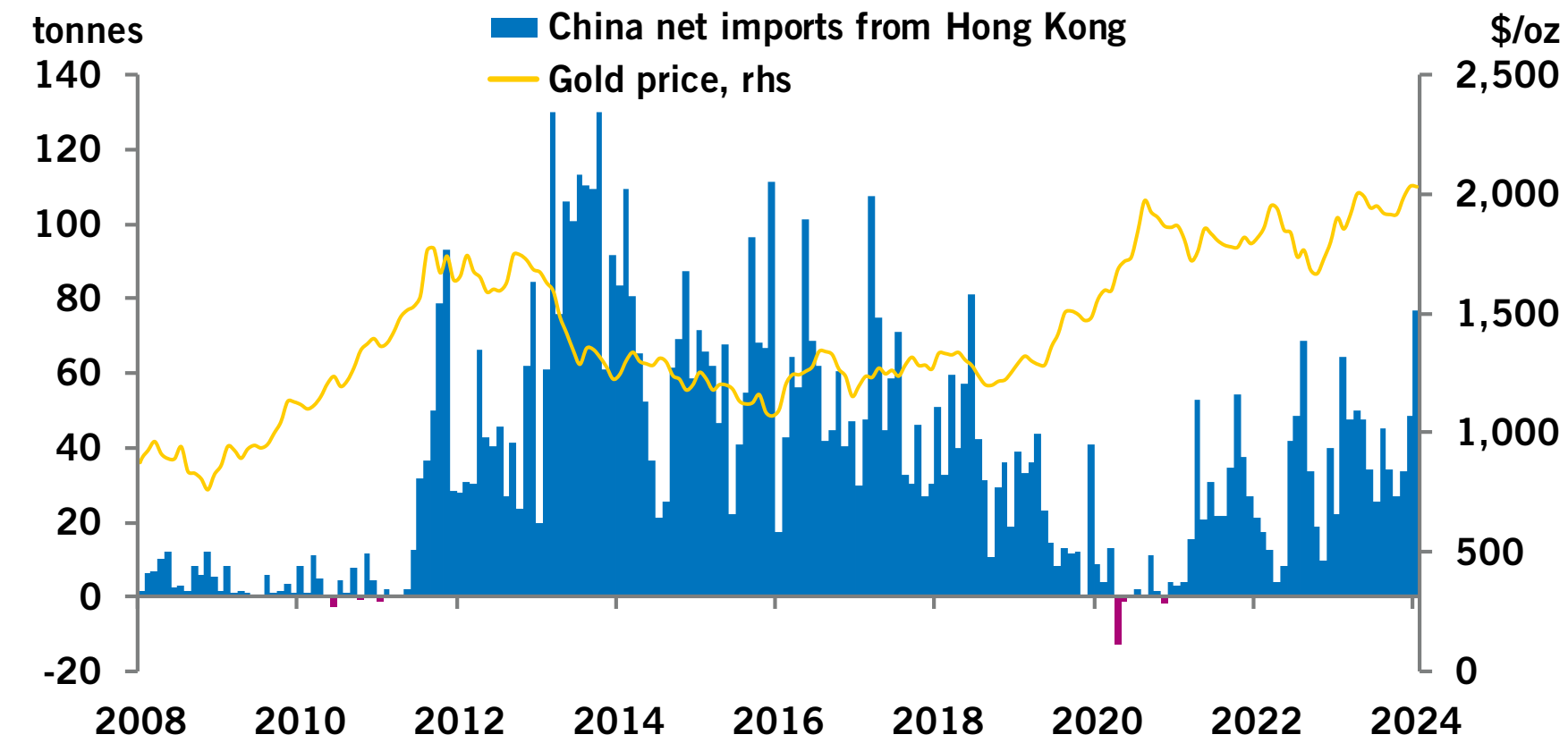
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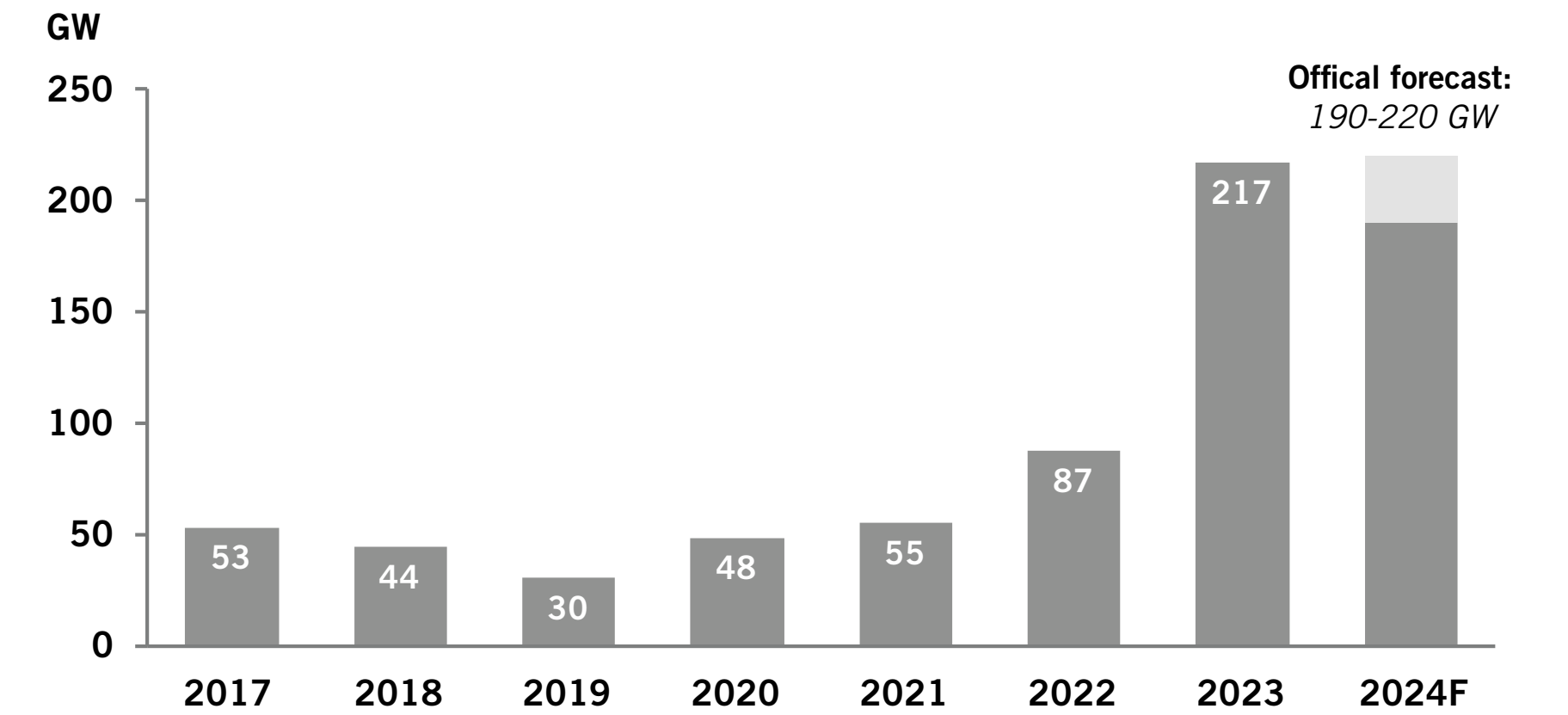
# TRENDS AND INVESTMENTS

## Gold imports by China via Hong Kong



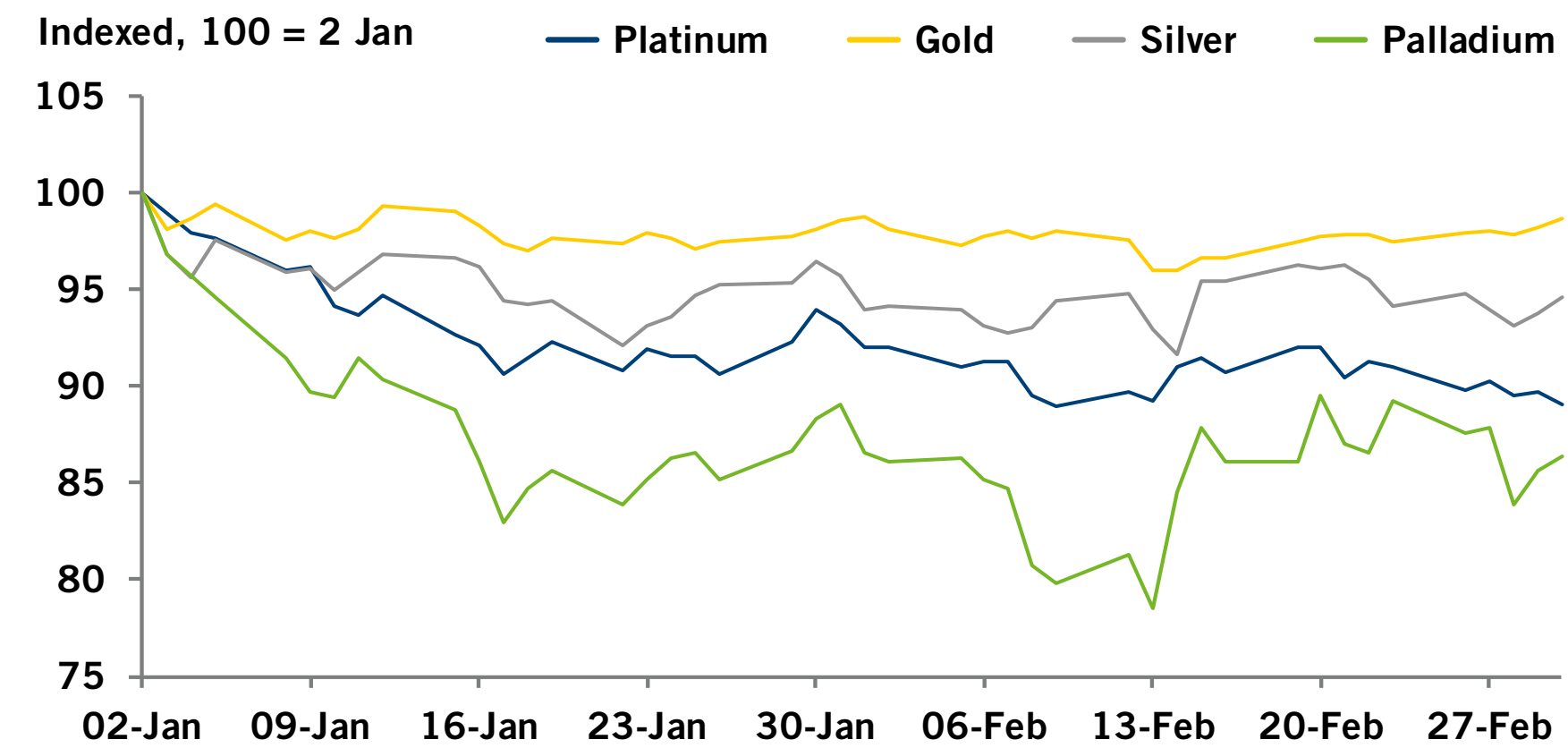
Source: SFA (Oxford), Bloomberg

## China PV capacity additions



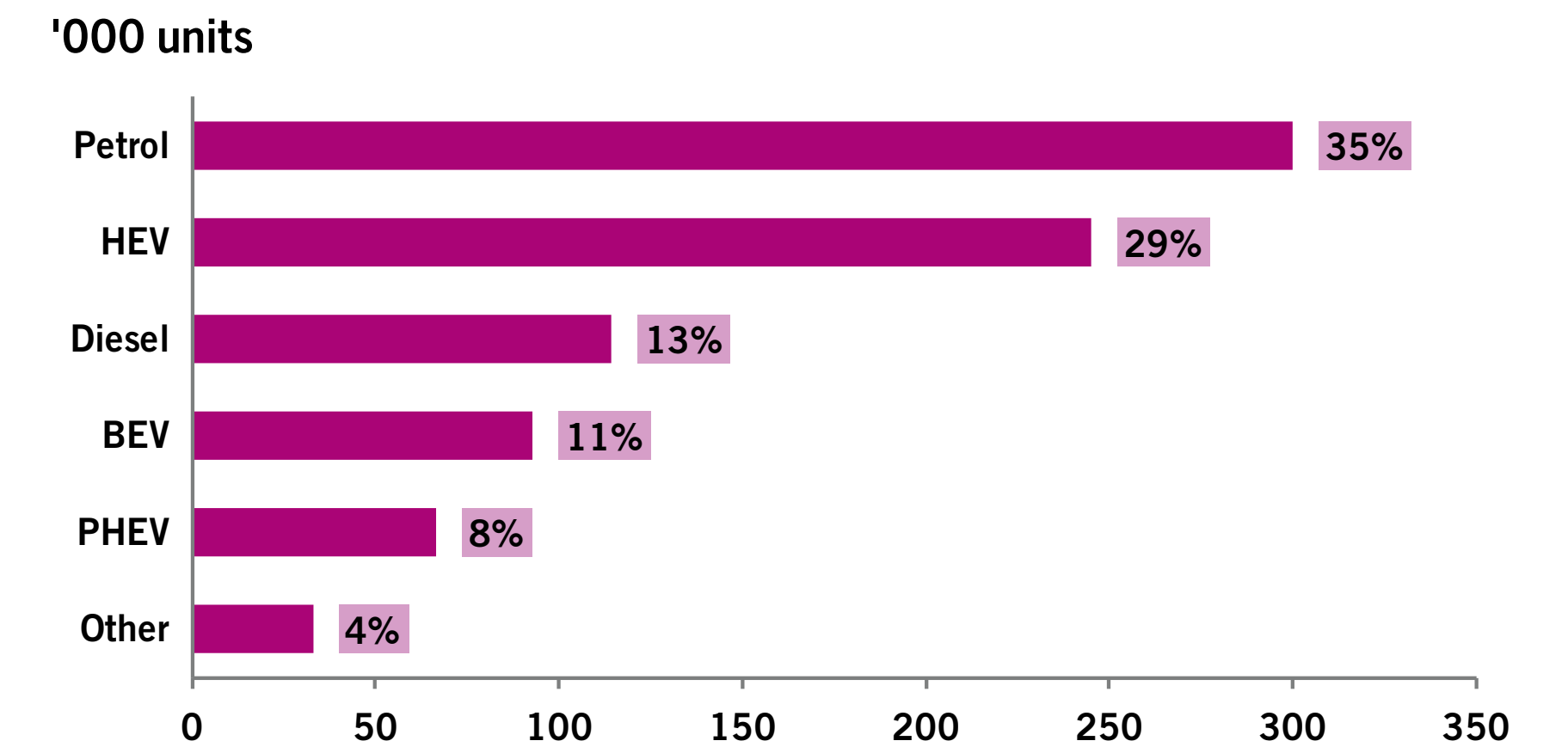
Source: SFA (Oxford), China Photovoltaic Industry Association

## Precious metals price performance, YTD



Source: SFA (Oxford), Heraeus

## European Union car sales & market share, January



Source: SFA (Oxford), ACEA

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### Heraeus Precious Metals

Europe, Middle East, Africa & other regions

Phone: +49 6181 35 2750

[tradinghu@heraeus.com](mailto:tradinghu@heraeus.com)

South East Asia

Phone: +852 2773 1733

[tradinghk@heraeus.com](mailto:tradinghk@heraeus.com)

USA

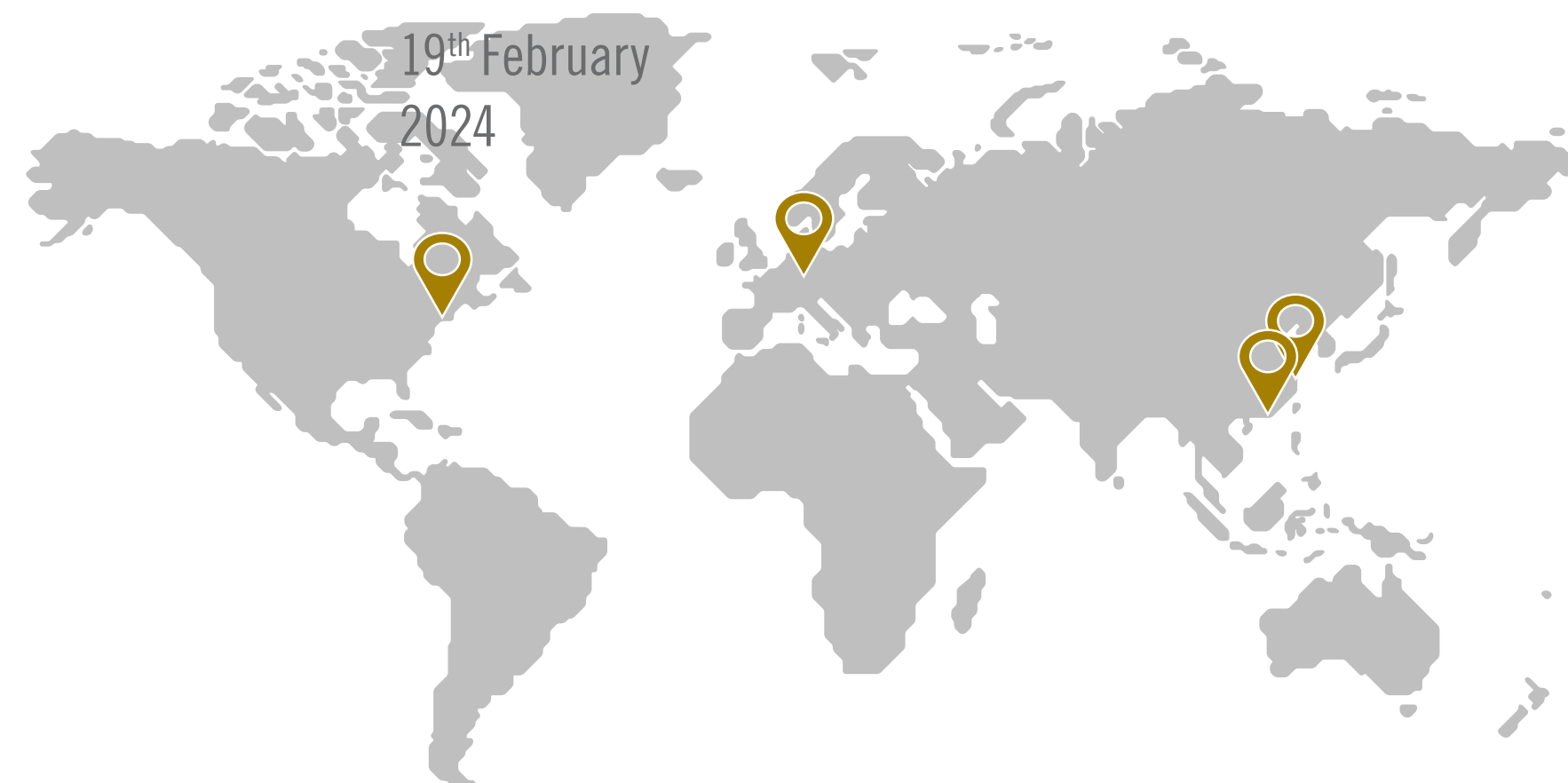
Phone: +1 212 752 2180

[tradingny@heraeus.com](mailto:tradingny@heraeus.com)

China

Phone: +86 21 3357 5658

[tradingsh@heraeus.com](mailto:tradingsh@heraeus.com)



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#### SFA (Oxford) Ltd

United Kingdom

Phone: +44 1865 784366

[www.sfa-oxford.com](http://www.sfa-oxford.com)

The Oxford Science Park,  
Oxford, United Kingdom, OX4 4GA



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