



WPIC forecasts platinum market deficit of 556 koz in 2023

The World Platinum Investment Council is [forecasting](#) that the platinum market will move to a deficit in 2023 after two years of surpluses. The forecast deficit of 556 koz in 2023 comes after a 776 koz surplus in 2022. The swing into deficit reflects demand growth of 24% to 7,985 koz against supply growth of 3% to 7,428 koz. Automotive demand set to rise 10% to 3,246 koz on increased platinum for palladium substitution and higher loadings to meet tighter emissions regulations, particularly in China. Industrial demand is expected to grow by 12% to 2,505 koz, which includes a 55% growth in demand from the glass industry to 737 koz.

The International Copper Association (ICA), whose members include the major producers of refined copper, [released](#) its roadmap to reach net zero in Scope 1 and Scope 2 emissions by 2050, and a 60-70% reduction in Scope 3 emissions. Refined copper production emitted an estimated 97 million tonnes of CO₂ equivalent in 2018, representing 2% of mines and metal sector emissions. Emissions reductions will have to be achieved against a backdrop of projected doubling of copper demand from present levels to 50 million tonnes per annum by 2050. To meet these targets, it is estimated that investments of at least \$110 billion are required in the period to 2050, which comes in addition to the estimated \$460 billion required between 2020 to 2050 to expand copper production capacity to meet the growth in demand.

First Quantum Minerals [announced](#) that it had finalised a Draft Concession Agreement with the Government of Panamá on the future of the Cobre Panamá copper mine. The proposed concession contract will have an initial 20-year term. It includes an immediate payment of \$375 million plus an additional \$20 million to cover taxes and royalties up to the year end 2022. From this year, the company will make an annual minimum contribution of \$375 million in government income, comprised of corporate taxes, withholding taxes and a profit-based mineral royalty of 12 to 16 percent, with downside protections.

Spot platinum (USD, 12 months to 10 March 2023)



Note: PLTMLNPM = LME Platinum PM Fix USD

Source: Bloomberg

Metal prices

Metal	Price USD (10 March)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1861.25	1.1%	2.6%	104.9%	93.2%
Silver	20.09	-4.7%	-16.1%	96.0%	77.4%
Palladium	1389	-4.3%	-21.7%	73.3%	47.4%
Platinum	953	-2.6%	-7.6%	100.5%	86.6%
Cobalt	34056.6	1.9%	-21.2%	65.8%	38.9%
Copper	8755	-2.1%	4.4%	106.1%	84.0%
Nickel	22675	-7.1%	-25.5%	91.7%	49.5%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY
Notes. All performance data to 3 March 2023. Past performance is not an indicator of future performance and the value of an investment may fall as well as rise. Investors take on currency risk when taking unhedged exposure to commodities.

The week ahead

13 March	Eurozone: Jan Retail Sales; Germany: Jan Industrial Orders; US: Jan Factory Orders
14 March	China: Feb FX reserves, Feb Imports/Exports; US: Chicago PMI, Consumer Confidence
15 March	Canada: BoC Rate Decision; Eurozone: Q4 GDP Revised; Germany: Jan Industrial Output
16 March	China: Feb CPI; US: Initial Jobless Claims
17 March	Germany: Jan CPI Final; UK: Jan GDP Estimate; US: Feb Non-Farm Payrolls

Further reading

- Bloomberg [Tesla, GM Follow Own Shareholders With Push Into Lithium Miners](#)
- Bloomberg [Battery Metal Projects Catch Eye of Pension Funds and Carmakers](#)
- Bloomberg [China Solar Firm Says US Should End Tariffs For Its Own Good](#)
- Reuters [BHP eyes copper, nickel projects as it bypasses lithium](#)
- Reuters [Tesla taps Asian partners to address 4680 battery concerns](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as 13 March 2023

Source: Bloomberg

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