
Chinese demand may support global platinum prices

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Interfax-China quoted Johnson Matthey industry report strong jewelry demand from Asian countries, especially China, will support global platinum prices in the coming months, although the economic slowdown will reduce platinum consumption in 2009 to a level below that of 2008.

JM, a specialist chemical company focused on precious metals, fine chemicals and process technology, said in its Platinum 2009 report that platinum consumption will slide in 2009 due to the sluggish automobile industry and the scale back in the number of new chemical projects.

JM said that jewelry consumption from China was strong during the first quarter of 2009 on the back of lower platinum prices. But the company is uncertain whether China's demand in the first quarter will continue throughout 2009. That said, China's platinum jewelry consumption will easily counter the drop expected in North America and Europe.

It predicted that the world's platinum prices will range between USD 950 per ounce and USD 1,350 per ounce for the next six months.

Global platinum consumption in 2008 dropped by 5% YoY to 197.4 tonnes while worldwide supply dropped by 9.55% on an annual basis to 185.7 tonnes which meant that the platinum market had a deficit of 11.7 tonnes in 2008.

The report said the world's platinum markets will generally see a shortage in 2009, but market fundamentals will be more balanced than in the previous year, due to increased production and a larger slide in consumption.

(Sourced from Interfax-China)

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