

Reverse of the 2021 American Eagle platinum 1oz bullion coin.
Picture credit: the US Mint



The 2021 platinum bullion American Eagle 1 oz coin has achieved the second highest sales on record, with sales of 75,000 oz as at the end of May. This exceeds last year's sales of 56,500 oz - which were noteworthy for being the highest level for 21 years - by almost 33 per cent. The record for sales of 1 oz platinum bullion American Eagles was set at 133,002 oz in 1998.

This year's American Eagle platinum bullion programme commenced with an initial mintage of 35,000 oz in March, with a further 40,000 oz minted two months later. The US Mint has not announced whether its 2021 mintage for platinum Eagles is to be capped at 75,000, or if it intends to issue more of these coins.

In 2021, the platinum price has so far outperformed that of gold. Platinum is being viewed more widely as not only an undervalued precious metal, but also one that has the potential to support a higher value due to the strong global economic recovery that is increasing platinum's use in industrial applications. While the prices of other industrial metals that also benefit from this recovery have already increased materially, platinum's delayed response is seen by some investors as an opportunity.

Several sovereign mints are struggling to meet the high consumer demand for gold and silver coins, but the additional platinum Eagles will

NEW HEIGHTS FOR PLATINUM EAGLES

Investor demand for platinum bars and coins remains buoyant as recent sales figures from the US Mint demonstrate

certainly help to meet the strong investor demand for platinum. The 1 oz platinum American Eagle platinum coin is available for purchase from a network of dealers authorised by the US Mint; they cannot be purchased directly by the public from the mint itself.

Bar and coin outlook

Last year, pandemic-related factors saw record-breaking global demand for platinum bars and coins, which reached 586 koz, the third highest total on record. This was despite the fact that, due to extremely strong retail demand, platinum bars and coins were completely sold out in North America by April 2020, and stocks were only slowly replenished from July 2020.



Obverse of the 2021 American Eagle platinum 1oz bullion coin.
Picture credit: the US Mint

In 2021, global demand for platinum bars and coins is expected to reach 436 koz, a 26 per cent, or 150 koz, reduction on the exceptional prior year. This forecast, made earlier in the year, takes into consideration the material, year-on-year increase in the platinum price in the first quarter of 2021 of 30 per cent, which led to some profit taking in Japan.

It also includes the expectation that the US Mint would produce only 35,000 platinum Eagles as they had stated, rather than the 75,000 now issued. Investor enthusiasm for platinum appears more buoyant than the forecast originally anticipated, as does the interest shown in the market by providers of platinum investment products.

Demand for precious metals as a hedge against global risk remains elevated, while platinum is attracting investors recognising its industrial uses and the upside emanating from the boost to consumption that fiscal stimulus programmes around the world are generating.

Platinum investment demand, for bars and coins as well as physically backed platinum ETFs, is being enhanced further by platinum's constrained supply, growth in automotive usage and platinum's strategic role in applications core to establishing the hydrogen economy.

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