



PLATINUM RENAISSANCE

Recovery of platinum jewellery demand in the major China market is more than a result of pent-up, post-COVID demand

Platinum jewellery demand in China is expected to grow by 13 per cent in 2021, the first increase the country has seen since 2013. That this represents a rise in demand when compared not only to the relatively low base of 2020 – a year of pandemic-induced economic turbulence – but also 2019, is especially notable, with platinum jewellery demand forecast to climb to a three-year high of 926 koz next year.

Of course, China's economy is already showing strong signs of recovery as its government successfully contains the spread of the COVID-19 virus. Consumer confidence and spending is gradually improving, and in November the China online retail event known as Singles' Day saw record-breaking sales, worth over US\$74 billion – nearly doubling last year's figure. Similarly, the recovery in platinum jewellery demand in China that began in quarter three, when platinum for jewellery fabrication rose by 14 per cent year-on-year, is expected to continue into the final quarter, a period that usually benefits from strong seasonality, as projections point to a 10 per cent increase year-on-year.

Recent gains are partially attributable to pent-up demand, including in the bridal sector which has been especially impacted by restrictions on gatherings and travelling; the number of marriage

registrations fell by 17.3 per cent in the first nine months of 2020. In addition, platinum's low price in the first quarter of this year and travel restrictions between Hong Kong and mainland China prompted manufacturers to increase stocks, production levels and product choices. This was opportune, as it provided retailers, looking for ways to compensate for lower sales of gold jewellery due to the high gold price, with an appealing alternative for consumers.

Major retailers implemented promotions and sold more platinum jewellery. These widespread promotional campaigns also resulted in similar, consumer-driven programmes at small and medium-sized retailers.



An even more fundamental shift is occurring as an increasing number of showrooms re-introduce platinum jewellery lines with renewed market and product innovation efforts. Of note, one of the leading manufacturers has developed and introduced a 95 per cent pure electroformed product known as 5D Hard Platinum. The hollow structures that can be achieved allow manufacturers to sell bigger and lighter pieces, which are attracting considerable consumer interest.

Global recovery

Indications are that the rise in platinum jewellery demand forecast for 2021 is predicated on a market

renaissance in China that is seeing momentum grow.

A recovery in the Chinese platinum jewellery market is significant; it still accounts for the largest proportion of all platinum jewellery demand. Overall, total platinum jewellery demand for 2021 is set to recover from 2020 levels, increasing by 13 per cent to 2,072 koz, with all regions seeing double digit growth. China is expected to account for 45 per cent of total platinum jewellery demand next year.

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