



ABC PLATINUM

Janie Simpson, Managing Director, ABC Bullion, gives her view of the platinum investment market

Trading since 1972, the Australian Bullion Company (ABC Bullion) is Australasia's largest independent bullion dealer and the only independent bullion dealer in Australia to have full London Bullion Market Association (LBMA) membership.

ABC Bullion provides investors with a wide range of investment-grade precious metals products, and at the end of 2020 it launched a new range of platinum bullion bars – the first platinum minted bar range from an Australian dealer. Eligible bars in the range meet the good delivery requirements of the London Platinum and Palladium Market (LPPM).

What made ABC Bullion decide to launch its own range of platinum bullion bars?

While the platinum market is small relative to other precious metals, we understood that both our investors and the Australian precious metals sector were increasingly drawn to the unique investment case for platinum with its potential upside. This sentiment inspired us to increase our range so we could enable these markets to meet their investment goals.

Now in its second year, how has the range performed?

We've been thrilled with the performance of our platinum range of minted tablets, with growth increasing month on month. Having this large range

has also brought new clients to ABC Bullion who are interested in diversifying their precious metals exposure.

At present most of the demand for platinum that ABC Bullion is experiencing is from the domestic and New Zealand markets. In addition, there is a small, but growing interest coming from Southeast Asia.

We have quite an extensive range now. Our full range of platinum bullion products came on stream in 2021 and we offer two sizes in the ABC Bullion Platinum CombiBars™, plus five different sized platinum minted tablets ranging from 1 troy oz through to 1kg.

The choice available means we are able to meet the needs of different investors, with the CombiBars™ being popular with those who like their fractional nature and flexibility. The more serious investor prefers the large 1kg platinum bullion bars.



How does ABC view the investment case for platinum?

The market understands that platinum is trading at a discount when compared to gold right now. Because of this, we've noticed that investors are keen to access platinum while it's trading for less than gold per ounce.

Complimenting this, our clients are also aware that the demand for platinum is not only increasing from the investment sector, but that its industrial demand drivers are also expected to increase consumption of platinum in the future. This expected demand increase, up against a relatively static supply, points to future demand balances or deficits.

The inelasticity of platinum supply is a characteristic which adds to the long-term investment upside potential that investors see in this metal.

In your opinion, are more investors now considering platinum as an investment asset or precious metal?

Investors familiar with precious metals investing understand the unique properties platinum can offer. As seen with our clients, investing in platinum is about benefiting from platinum's duality: it's both a precious metal and an industrial metal.

Furthermore, investors are using platinum to diversify their precious metal portfolio to gain exposure to different aspects of the global market. As investors better understand how platinum's role is crucial to technology, they see platinum as a way of investing in the future.

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Do your investors appreciate the link between platinum and hydrogen?

Globally, investors are already discussing platinum's link to decarbonisation through its use in both electrolyzers to make green hydrogen as well as in fuel cells. Investors are seeing how these applications could create significant new markets, benefiting platinum demand.

Awareness of platinum and its connection to hydrogen is only beginning to gain traction in Australia. That said, with the world's first purpose-built liquid hydrogen cargo vessel arriving in Sydney this week, which is an important development in establishing international markets for hydrogen, we expect platinum to pique investor interest even further as Australia's potential role in the hydrogen economy is explored in earnest.

Platinum's numerous properties as a noble metal mean we expect more people to become curious about having exposure to this precious metal, especially because platinum's investment case is intertwined with technologies that are likely to become crucial to achieving net zero goals.



Janie Simpson, Managing Director, ABC Bullion



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