

# THE INVESTMENT CASE FOR PLATINUM IN CHINA

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World Platinum Investment Council  
For Anglo American Platinum

Shanghai

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Weibin Deng, Head of China



# THE WPIC EXISTS TO DEVELOP THE GLOBAL PLATINUM INVESTMENT MARKET

<b>Background, members</b>	Launched in Nov 2014	Angloplat, Impala, Lonmin, Northam, RB Plats, Sibanye Stillwater
<b>Mission, strategy</b>	Stimulate and sustain demand for physical platinum investment	Deliver actionable insights to investors. Partnerships to develop platinum investment products
<b>Actionable insights; Supply demand and thematic to meet investor needs</b>	Competition law constraints: data & forecasts independent purchased. Quarterly, annual and thematic; objective and reliable	Sustained headwinds: falling price, diesel reputation & demand travails. Keep growing fund manager group fully informed of developments
<b>Product partnerships: to increase the number and appeal of platinum investment products</b>	Partner with investment product issuers / producers to meet their target audience product and insight needs using WPIC expert collateral	Strong partner suite in place: high value brands, established investors, strong investment potentials. Good sales despite market headwinds
<b>China: a major Investment growth area</b>	Established Shanghai office in 2017 – all WPIC activities	Past investor and partner expertise enhances WPIC impact in China
<b>Retail investor focus: in US and China</b>	Retail investment case compelling but low exposure to Pt investment	Partnerships enhance distribution of WPIC insights to more investors



# CHINA: A GREEN FIELD OPPORTUNITY FOR PLATINUM INVESTMENT

## HUGE POTENTIAL BUT LOTS OF CHALLENGES

- WPIC has made a long-term commitment in China, and continuingly partnered with capable institutions to tackle the challenges and unlock the humongous potential for platinum investment market.
- Nobody would have believed China could grow to be the biggest gold investment market in the world 10 years ago. Platinum has the potential given its intrinsic value and rareness.
- WPIC believes Chinese investors could be educated and convinced by platinum investment. A small portion of asset reallocation from gold investors would make a huge difference to platinum;
- WPIC China Strategy include growing publicity of platinum and visibility of WPIC research, and partnering capable organizations to improve the market infrastructure and resolve the availability and accessibility of investment products;

**China Gold Market Demand 2017**

Sector	Tons	Mio Oz	YoY Growth
Jewelry	696.50	22.40	10%
Bars	276.39	8.89	7%
Coins	26.00	0.84	-17%
Industrial & Others	90.18	2.90	20%
<b>Total</b>	<b>1,089.07</b>	<b>35.02</b>	<b>9%</b>

Note: Source World Gold Council and CGA, the table only presents physical gold being loaded out of SGE vaults and excludes vaulted gold being invested via banks.

**Platinum: Facts and Challenges**

Key Facts	Au	Pt	Ag
Value Added Tax	X	✓	✓
Jewelry	✓	✓	✓
Listed Futures	✓	X	✓
2-way listed Spot Contract	✓	X	✓
Coins	✓	X	✓
Investment Bars	✓	X	✓
Physical souvenirs	✓	X	✓
Cash-settled Investments	✓	✓	✓
Listed ETF	✓	X	✓
Accumulation plan	✓	X	✓



# FOCUSING ON COMMUNICATION TO PROMOTE PUBLICITY AND VISIBILITY FOR PLATINUM INVESTMENT

- We are the leading and most active organization in China providing in-depth analysis and comprehensive content on the global platinum market, being frequently quoted by Chinese social and news media;
- WPIC China publishes research reports, investment content and platinum market updates on its Chinese social media frequently (Wechat & Weibo), and keeps active interaction with followers;
- Our unique understanding in platinum has attracted invitations for presentations in various PGM industrial and precious metal investment conferences in China;





# DEVELOPING PRODUCT PARTNERSHIPS TO OFFER A RANGE OF INVESTMENT PRODUCTS IN PLATINUM

- Our first partner, Shenzhen Hengfu Gold Co.: launched Pt bars in July 2018, more Pt products to follow;
- Taiyuan Precious Metals Co, a subsidiary of China National Offshore Oil Co. (CNOOC) partnered with WPIC and developed a series of Pt bars in Oct 2018;
- Finalizing a partnership agreement with major 'big-four' bank, supporting its marketing of existing platinum products and developing new ones in the future;
- Partnership is under discussion with Shanghai Gold Exchange for developing various new contracts with 2-way liquidity, potentially accessible by international investors;
- Continuing discussion with China Gold Coin Co. for new platinum coins; Expecting a new Pt coin to be launched in 2019;
- Exploring opportunities for a platinum ETF on the HK Exchange in 2019, targeting the domestic investors when ETF Connect is open between HK and China;
- Convinced China Sports Management to include platinum into licensed souvenir products for Winter Olympic Games Beijing 2022;





# WPIC MANAGEMENT AND CONTACT

<b>Paul Wilson</b>	<b>Chief Executive Officer</b>
<b>Trevor Raymond</b>	<b>Director of Research</b>
<b>Sally Singer</b>	<b>Director, Investor Development</b>
<b>David Crawford</b>	<b>Director of Product Partnerships</b>
<b>Weiben Deng</b>	<b>Head of China</b>
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