



## PLATINUM COULD BE A BETTER INVESTMENT OPTION!

According to the World Bank report, within Precious Metals, Platinum's weight is 3.3% compared to Silver 18.9% and Gold 77.8%. Therefore, despite its lower weight in the precious metals group, evolutionary effects of the pandemic has derived sharp swings in energy & commodities prices. This has had affected commodity exporters and their respective country's fiscal & export revenues. Given platinum's scarcity, used in automotive sector, industrial and other commercial purposes. **Auto sector is single largest demand segment for platinum which drives around 30% of annual platinum demand, 20-25% industrial, 25-30% Jewellery & others. Most of the platinum's mining is done in South Africa, Russia, Canada, Zimbabwe & United States.**



**The platinum price was at around \$622.50/toz as of March 16, 2020. This has increased to \$1,036 as of Nov 15, 2021. This reflects the skyrocketing demand of Platinum compared to supply, after the discovery of Covid-19 pandemic pushed its prices by around 66%. This covid-19 acts as catalyst for creating momentum in platinum prices which was mainly due to supply disruptions which outpaced demand. However, after initial Covid shocks, overall stability in prices is yet to be restored.**

Semi-conductors have become essential component of electronics. Global semi-conductor/chip shortage accelerated Platinum prices in recent months. The demand of automotive sector, semi-conductor and Jewellery is likely to remain strong in 2022. In addition to this, resurgence of Covid-19 in the Europe, United States and other regions to further affect supply disruptions. Therefore, we believe, platinum could be a better investment option under ongoing scenario.

**The global financial and commodity markets have been affecting with the FED tapering. In addition to this, there are two factors includes a) covid cases b) US & China's economic growth, will determine the prices of platinum going forward.**

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