

## Press release

09.01.2017

### **Heraeus precious metals forecast for 2017:**

#### **Gold and silver to see comeback, platinum under pressure, palladium to defend high price level**

Heraeus Metal Management publishes precious metals forecast for the year 2017

Heraeus, one of the world's largest precious metals dealers, expects rising prices for the precious metals gold and silver in 2017, while platinum remains threatened by excess supply. Demand is high for palladium, which must defend its high price level in the year ahead. These are the results of the new precious metals forecast from Heraeus Metal Management. The full report can be accessed here: [www.heraeus.com/PreciousMetalsForecast](http://www.heraeus.com/PreciousMetalsForecast)

**Guarded optimism about developments in the price of gold:** The Heraeus Metal Management experts expect trading to range between \$1,060 and \$1,300 per ounce. The gold market is at the beginning of the year under the influence of a strong US dollar, which in turn benefits from expectations of rising interest rates. Important elections in France and Germany, along with uncertainty about the policies of US President-elect Donald Trump, could lead to fluctuations during the year.

**Strong demand is aiding an upswing in the price of silver:** Rising global demand for bars, coins and jewelry, along with industrial demand from for example in the photovoltaics sector, are boosting the price of silver. Heraeus Metal Management is predicting prices ranging from \$15 to \$23 per ounce.

The emissions scandal as well as discussions about the future of the combustion engine could influence the price of platinum during the year. In Europe, diesel vehicles have already dropped below 50% of all new registrations. The jewelry industry, the second important pillar of demand, has also perceptibly sagged. Heraeus Metal Management therefore anticipates an average price of \$950 per ounce and prices ranging from \$820 to \$1,050 per ounce.

**Palladium** has definitely increased in value during the past year and must now defend its high price level in the year ahead. Prices are expected to range from \$585 to \$850 per ounce, with an average value of \$725 per ounce. The significant driver is the increased demand from China and the US for gasoline engine catalysts. The gross demand for palladium reached in 2016 about 250 tons (approx. 8 million ounces). About 220 tons (approx. 7 million ounces) came from primary production of the mines. The

difference is largely made up by recycling catalytic converters, supplying about 60 tons (approx. 1.8 million ounces) of palladium.

Additional forecasts on developments for the precious metals rhodium, ruthenium and iridium are included in the full version of the Precious Metals Forecast from Heraeus Metal Management.

Overview of trading ranges:

Precious metal	Range
Gold	\$1,060 to \$1,300/oz.
Silver	\$15 to \$23/oz.
Platinum	\$820 to \$1,050/oz.
Palladium	\$585 to \$850/oz.
Rhodium	\$700 to \$950/oz.
Ruthenium	\$30 to \$45/oz.
Iridium	\$625 to \$800/oz.

The Global Business Unit Heraeus Metal Management (HMM) brings together Heraeus' many years of expertise in the areas of precious metal recycling, trading, and services under one roof. With offices in New York, Hong Kong, Shanghai and Hanau, Heraeus Precious Metals Trading is active in every relevant time zone around the world. With its longstanding experience, it is among the leading names in international precious metals trading and a reliable partner for integrated precious metals management.

Heraeus, the technology group headquartered in Hanau, Germany, is a leading international family-owned company formed in 1851. With expertise, a focus on innovations, operational excellence and an entrepreneurial leadership, we strive to continuously improve the businesses of our customers around the world. We create high-quality solutions for our customers and strengthen their long-term competitiveness by combining material expertise with technological know-how. Our ideas are focused on important issues such as the environment, energy, health, mobility and industrial applications. Our portfolio ranges from components to coordinated material systems which are used in a wide variety of industries, including the steel, electronics, chemical, automotive and telecommunications industries. In the 2015 financial year, Heraeus generated revenues without precious metals of €1.9 bn and a total revenue of €12.9 bn. With approximately 12,500 employees worldwide in more than 100 subsidiaries in 38 countries, Heraeus holds a leading position in its global markets. In 2016, the Foundation for Family Businesses named Heraeus as one of the "Top 10 Family Businesses" in Germany.

**For additional information, please contact:**

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