

Press release

Hanau, January 25, 2018

Heraeus Precious Forecast: A stronger US dollar will weigh down gold and silver in 2018, while industrial demand will prop up the platinum group metals

For the first time, Heraeus Precious Metals is publishing its Precious Forecast in cooperation with the renowned consulting firm SFA Oxford.

Heraeus Precious Metals, the world's largest provider of industrial precious metals services, has published its new Precious Forecast for 2018. The report provides an overview of 2018 as well as background information regarding price developments for precious metals.

The full report can be downloaded here: www.herae.us/precious-forecast-en

The individual precious metals forecasts for 2018 at a glance:

The upturn in the price of gold will flatten: Gold gained 12% in 2017, but Heraeus expects a stronger US dollar to reverse gold's current upward trend over the course of the year. Other factors include reduced central bank liquidity as well as rising yields on government bonds. The political conflicts in Korea and the Middle East may nevertheless counteract this since gold remains a safe haven for investors. We expect trading to range between \$1,175 and \$1,375/oz.

The price of silver is connected to the developments in the price of gold: In 2017, industrial demand for silver grew slightly due in large part to the rapidly growing photovoltaic industry. This trend could continue in 2018, but it will not be sufficient to drive further growth. Without new interest from investors, the price of silver will echo developments in the price of gold. Lower prices are expected this year. The experts at Heraeus Precious Metals expect trading to range between \$15.25 and \$18.00/oz.

The price of platinum recovering: The market conditions for platinum will improve in 2018. Demand from the jewelry industry is expected to climb, while the drop in demand due to the automobile industry's diesel scandal will slow. We expect an average price between \$860 and \$1,050/oz.

The price of palladium will settle at its currently high level: Palladium has profited in recent years from strong growth in the automobile industry, which is responsible for 80% of demand. The removal of tax incentives in China, the industry's most important automobile market, as well as weaker

growth in US markets will restrain this growth considerably. Prices are expected to range from \$900 to \$1,170/oz.

Additional forecasts on developments for the platinum group metals rhodium, ruthenium and iridium are included in the full version of the forecast.

“If you want to avoid making bad decisions, you have to understand the market better than the other participants,” says Hans-Günter Ritter, Head of Global Trading at Heraeus. “The partnership with the renowned consulting firm SFA Oxford, which extends far beyond the production of this year’s forecast, allows Heraeus, which is already the world’s largest provider of precious metals services, to offer its customers even more extensive market insights and analysis.”

Overview of trading ranges:

Precious metal	Range
Gold	\$1,175 to \$1,375/oz.
Silver	\$15.25 to \$18/oz.
Platinum	\$860 to \$1,050/oz.
Palladium	\$900 to \$1,170/oz.
Rhodium	\$1,400 to \$2,100/oz.
Ruthenium	\$165 to \$275/oz.
Iridium	\$850 to \$1,100/oz.

About Heraeus Precious Metals

Heraeus Precious Metals (HPM) – a global business unit within the Heraeus group – is a world-wide leading provider of precious metals services and products. We combine all activities related to our comprehensive expertise in the precious metals loop – from trading to precious metals products to recycling. HPM is among the world’s largest refiners of platinum-group metals (PGMs) and an authority in industrial precious metals trading.

About Heraeus

Heraeus, the technology group headquartered in Hanau, Germany, was founded in 1851 and today is a globally leading, family-owned company. With technical expertise, a focus on innovation, operational excellence and entrepreneurial leadership, we constantly strive to improve our business performance.

We create high-quality solutions for our clients and strengthen their competitiveness in the long term by combining material expertise with technological know-how. Our ideas are focused on themes such as the environment, energy, health, mobility, and industrial applications. Our portfolio includes everything from components to coordinated material systems, and our products are used in a wide variety of industries, including the steel, electronics, chemical, automotive, and telecommunications industries.

In fiscal year 2016, Heraeus earned total revenues of €21.5 billion. With around 12,400 employees worldwide in more than 100 subsidiaries in 40 countries, the FORTUNE Global 500 company holds a leading position in its global markets. In 2016, Heraeus was named one of the Top 10 Family Businesses in Germany by the Foundation for Family Businesses.

