Penchant for Platinum?

Posted on 20 June 2025 by Evie Soemardi

While gold and silver have dominated headlines with strong year-to-date performances, platinum has quietly surged into focus. The metal has climbed an impressive 45% this year, with a 23.5% rise just this month alone. At the end of May, platinum traded at AUD $1,624 and now sits at AUD $1978. With gold currently trading at AUD $5,187 and silver at AUD $56.27, investor enthusiasm across the precious metals space is well-founded—and platinum may be the one to watch next.

What is platinum?

Like gold, platinum is a Noble Metal and sits beside it on the Periodic Table. It boasts a melting point of 1,768°C (compared to gold at 1,064°C), exceptional resistance to corrosion, remarkable chemical stability, and is the most ductile of all pure metals. Its utility spans far beyond bullion, with critical industrial applications in the automotive sector, catalytic converters, laboratory equipment, glass manufacturing, dental instruments, electrical contacts, and thermometers. Because of this, platinum is highly sensitive to economic cycles—more so than even silver—and consequently, is the most volatile of the three major investment metals.

Another key factor in its volatility is the size of the market. Above-ground gold is valued at approximately USD $23.1 trillion, silver at USD $340.6 billion, and platinum at just USD $3.84 billion. That means even modest flows of capital into platinum can have an outsized impact on price. While this can generate strong gains during bullish conditions, it also increases downside risk in a correction. The price swings cut both ways.

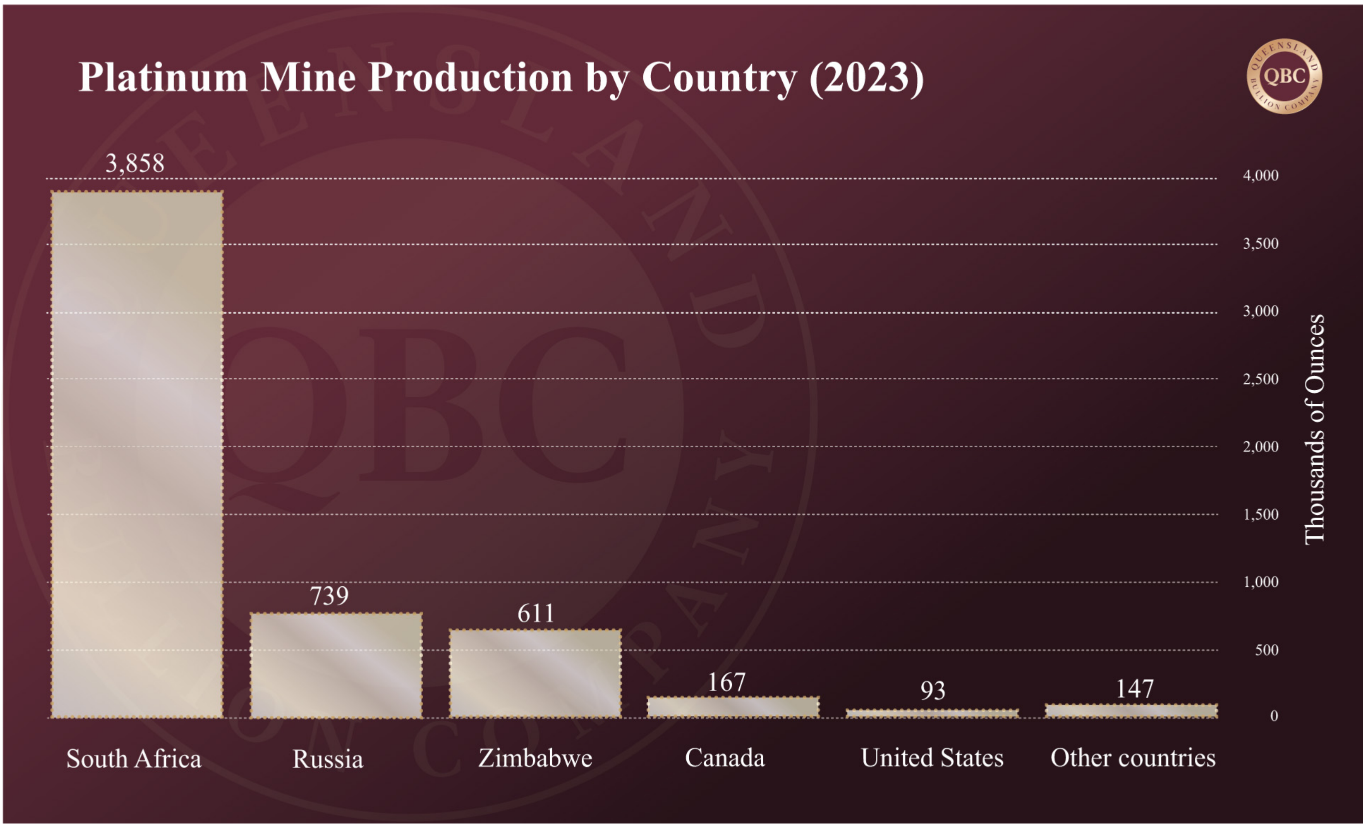
Platinum is not a monetary metal

Unlike gold and silver—which have served as stores of value for more than 5,000 years—platinum has a far shorter monetary history. Though first referenced in Europe in 1557, it was not truly understood until the 18th century. Today, only 8% of platinum demand comes from investment, with 67% tied to industrial use and 24% to jewellery. This makes it more exposed to production cycles and commodity flows than sentiment-driven safe haven demand.

The platinum deficit

For the past three years, global demand for platinum has outpaced mine supply, tightening the market considerably. Over the past two years alone, the shortfall has totalled nearly one million ounces. This tightening is one of the key reasons platinum is now entering what appears to be the early stages of a bull run.

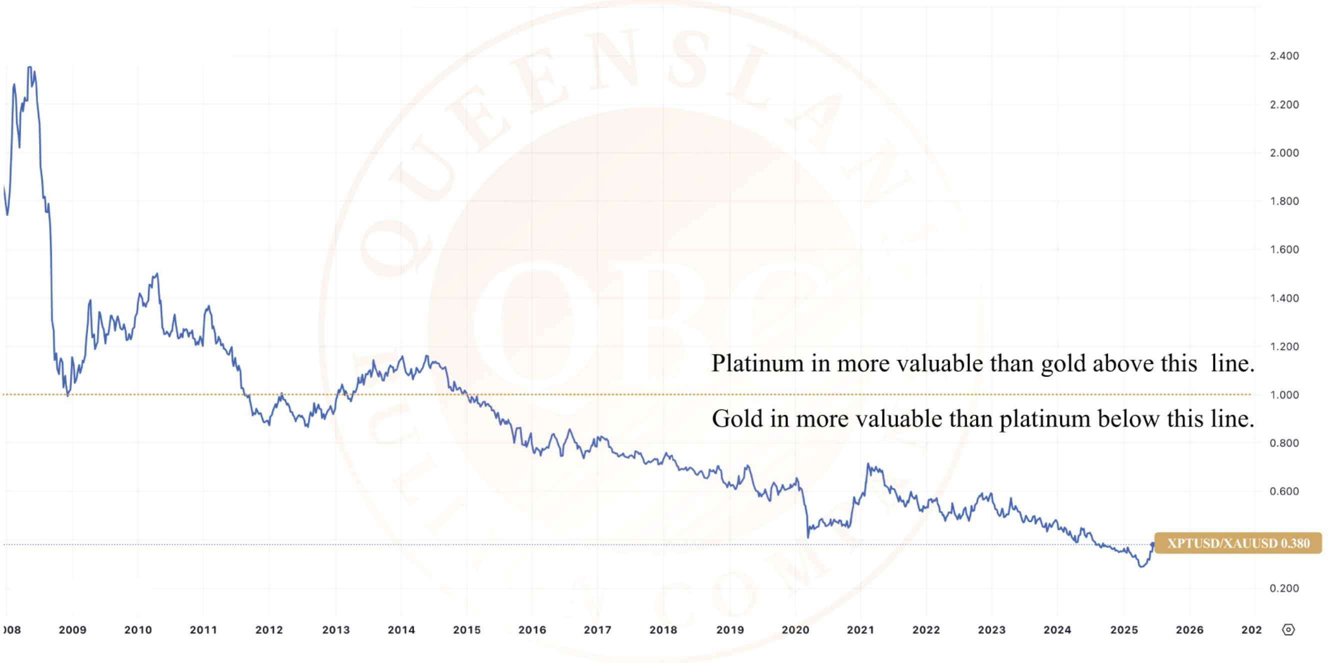
The causes of this deficit, however, are complex. Roughly 90% of global platinum supply comes from just four nations: South Africa, Russia, the United States, and Canada. As shown in the chart below, the BRICS-aligned countries dominate global reserves, exposing platinum to a unique mix of geopolitical risks. Sanctions against Russia have strained supply chains, while South Africa faces persistent challenges—rolling blackouts, labour unrest, rising costs, declining ore quality, and underinvestment. The result is a squeeze on supply just as demand begins to recover.



What this means for the price of platinum

Platinum holds a distinct place in any diversified metals portfolio. While gold offers long-term security and silver provides disproportional upside in a bull market, platinum straddles the middle ground. It shares gold's density and storeability, but historically was twice the price of gold. Today, the gold-to-platinum ratio stands at 1:2.6, highlighting a major reversal in valuation. Platinum is also thirty times more rare than gold—yet trades at a steep discount.

Platinum to Gold Ratio in American Markets



With deficits mounting and supply chains under pressure, platinum may represent one of the most undervalued opportunities in the market today. For investors with an established position in gold and silver, and the appetite for a higher-risk, higher-reward play, platinum deserves serious consideration.