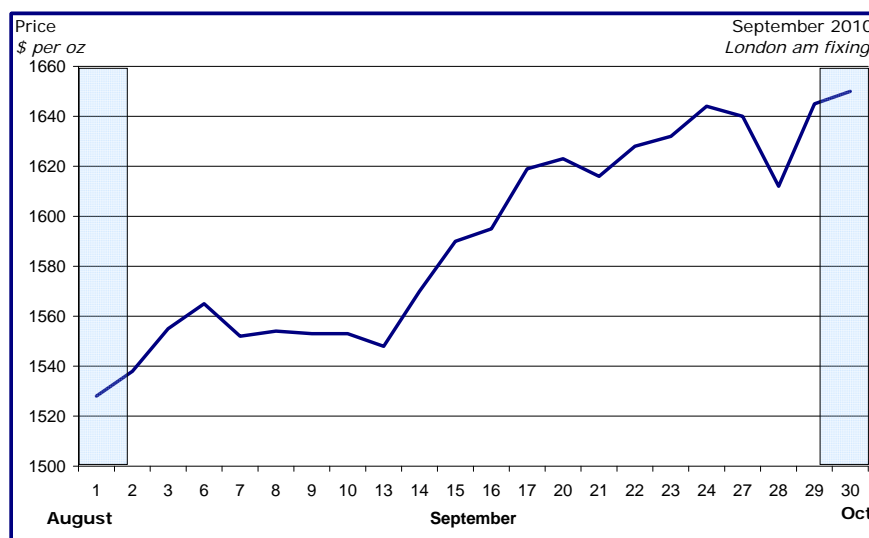


The Platinum Metals Report – September 2010

The pgm complex staged a remarkable rally for most of September, with a steadily rising platinum and palladium price which mirrored the rising gold price. A weaker dollar, South African supply concerns and steady industrial demand helped lift the pgms. While gold reached nominal all-time highs, platinum and palladium struggled to get close to \$1,700 and \$600 respectively, being subjected to downward pressure from speculative selling.

PLATINUM

Following a lacklustre performance in August, platinum started September strongly, with an opening fix of 1,528, up \$13 on the last August fix. From there, platinum continued to rise, reaching \$1,555 by the 3rd as investors returned to the market after the August holiday. A weaker dollar saw gold continue its upward trend, which helped lift the platinum price. As the dollar strengthened in the second week of September, there was a broad liquidation of pgms, softening the price. There was further mixed news from the automotive, with car production in Asia reportedly up but the European car industry continuing to be sluggish.



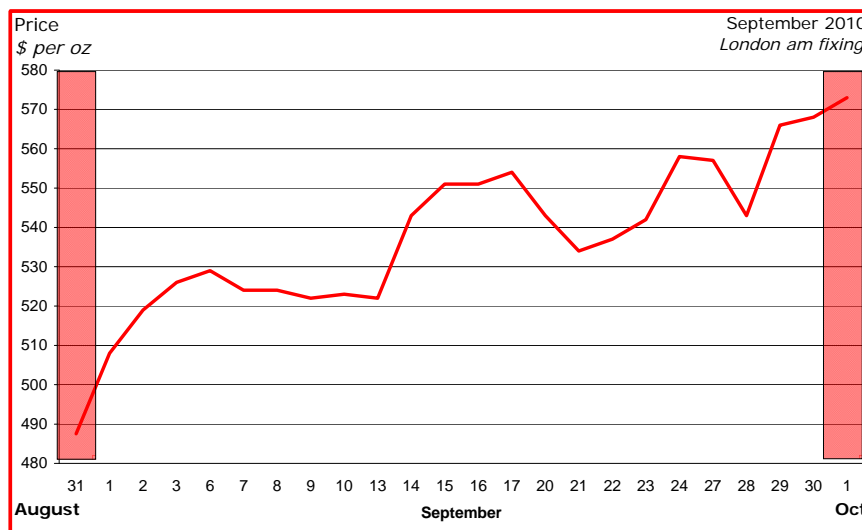
A strike at Northam Platinum, one of the second-tier producers, helped keep the price fairly firm into mid-September even as the dollar regained some strength over sovereign debt concerns in Europe. Following the rising gold price, which hit new records in mid-September, platinum pushed through \$1,600 on the 16th – the first time it had done so since June. The upward trend continued until 24th September, when the price reached \$1,644.

Platinum am Fixing Prices – September 2010			
	High	Low	Average
\$ per oz	1,650.00	1,528.00	1,591.36
£ per oz	1,048.45	995.75	1,022.60
€ per oz	1,238.95	1,197.50	1,217.95

A strengthening of the dollar saw liquidation across the commodity markets, the price falling back to \$1,612 on the 28th. This pause was short-lived, with platinum closing on a month high of \$1,650 as the dollar gave up recent gains and the gold price hit a new record. Platinum's gain of \$147 in the month of September was by far the highest this calendar year to date.

PALLADIUM

Although not quite emulating gold's record breaking performance, palladium reached its highest point for two and half years, as it too enjoyed investor attention in September. Palladium regained the \$500 level on the 1st and followed platinum on a rising trend throughout the month. Although the performance of palladium was a little more subdued than in recent months in comparison with its sister metal, the month end close of \$568 was an increase a full \$60 higher than at the start of the month.



After some early gains in the first week of September, palladium softened in response to the dollar's recovery. Following reports from Russian sources of their diminishing stocks of palladium, investment in the metal increased, driving up the price to beyond \$550, a five month high, by the middle of the month.

Palladium am Fixing Prices - September 2010			
	High	Low	Average
\$ per oz	568.00	508.00	538.36
£ per oz	357.70	331.05	345.93
€ per oz	424.85	398.10	412.02

Disinvestment of 20,000 oz from the US-held palladium ETF combined with negative market sentiment to see the price fall and lose most of its gains, before following gold on an upward trajectory, interrupted by a brief commodities dip on the 28th, to finish the month some 12% up on the end of August.

OTHER PLATINUM GROUP METALS

Rhodium regained some lost ground in September, gaining \$225 to reach \$2,350 on the 21st with strong Asian demand emerging. The price eased to close at \$2,300 suggesting resistance to a solid move higher from this level. Ruthenium lost \$15 to close at \$180 as demand softened. Iridium, meanwhile, remained becalmed at \$720.

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