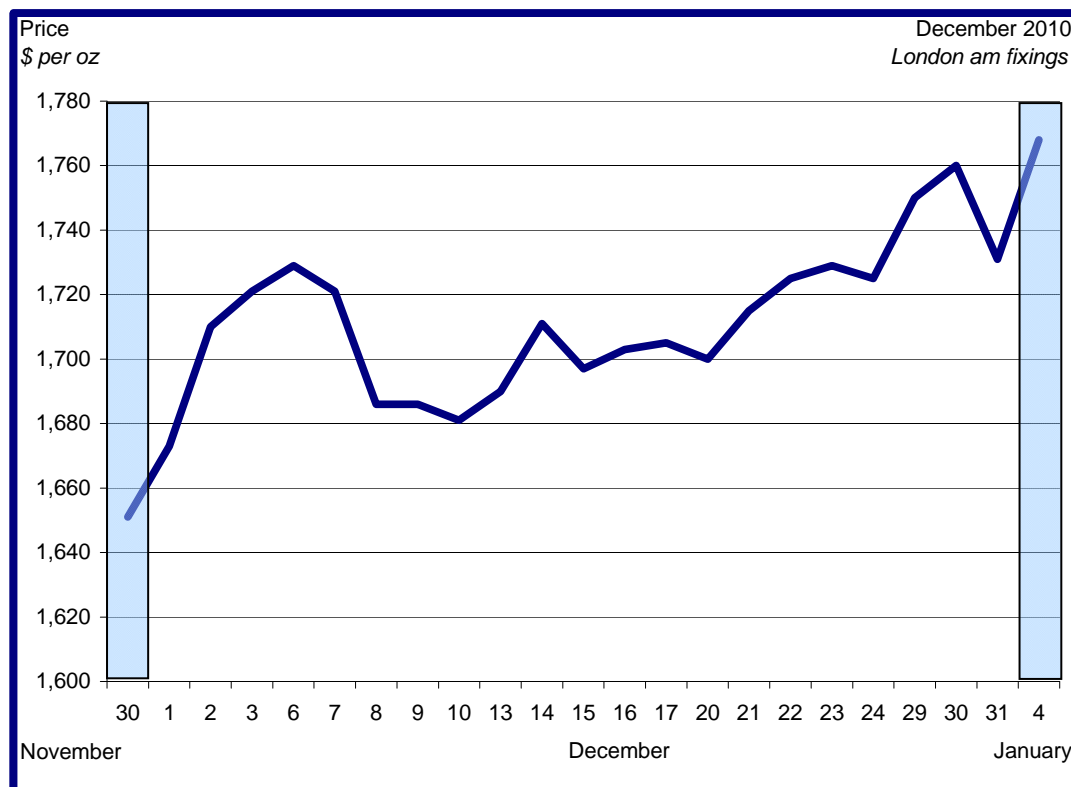


The Platinum Metals Report – December 2010

The Eurozone debt crisis continued to affect the PGM market in December; even as a \$113 billion aid package was agreed for Ireland, attention turned to high levels of sovereign debt in Portugal and Spain, dragging down the Euro and prompting a flight to precious metal commodities and also the US dollar, with precious metal prices and the dollar strengthening in the first week of December. Profit taking in speculative holdings of platinum and palladium led to a softening of prices in the second week of the month, before recovering mid-month as comments by the Chairman of the US Federal Reserve were widely interpreted that a third round of dollar 'quantitative easing' could take place, thus weakening the dollar. Commodities strengthened as a Chinese interest rate hike failed to materialise, while platinum and palladium continued to benefit from strong demand and inflationary pressure in China. Both platinum and palladium rallied as the Christmas holiday approached, with the exuberance continuing almost to the year's end: platinum and palladium fixed at month-highs of \$1,760 and \$797 respectively on the 30th. With a slight price dip on the 31st, platinum ended 2010 at \$1,731, some 16% higher than it started the year. Palladium finished the year at \$791, up 88% on the start of 2010 and at its highest level in a decade.

PLATINUM

Platinum rose steadily higher in the first week of December, helped by gold's rising price and a flight to safety from the Eurozone. Continuing tensions in the Korean peninsula also helped push up precious metal prices, with platinum's price touching \$1,729 on the 6th. Thereafter, platinum dipped beneath \$1,700 as disappointing news on the Japanese and European auto industry and a stronger dollar affected pgms.

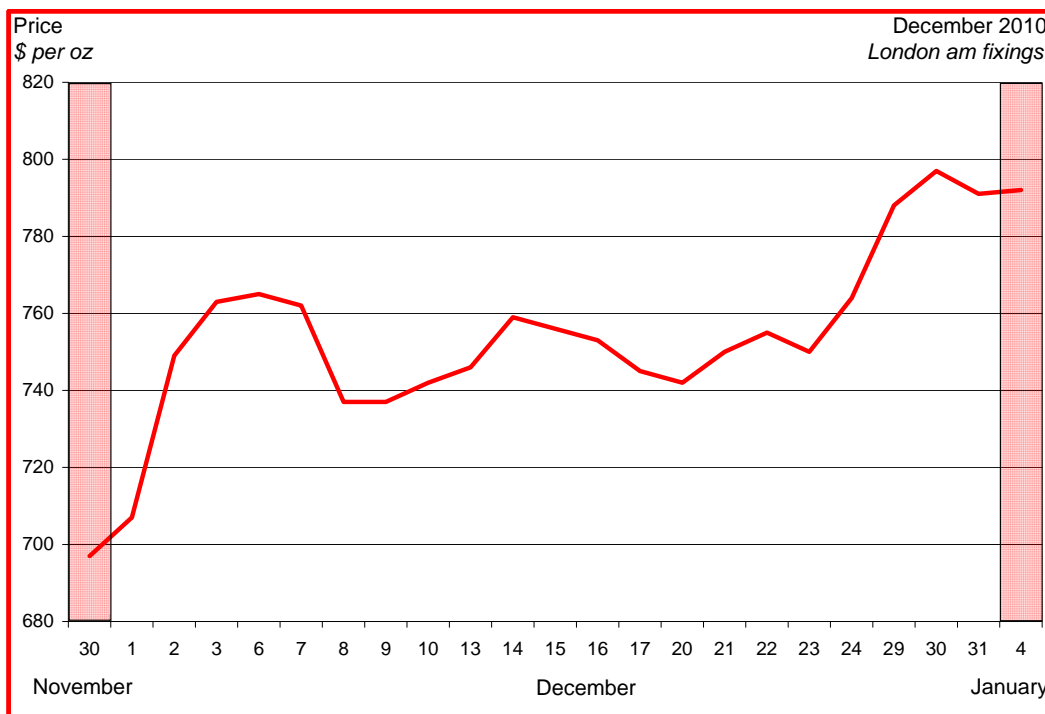


Solid industrial demand, a weaker dollar and a surging gold market provided strength to platinum on 10th December, with the price edging higher before losing its gains on the back of a rising dollar. This dollar strengthening came partly as a result of further concerns over European economic recovery after an announcement by Moody's credit rating agency that Spain's debt may be downgraded and an increase in unemployment in the UK. Platinum's price exceeded the \$1,700 level once again mid-month following strong demand from Asia. Amid thin trading in the run-up to Christmas, platinum fixed ever higher, reaching \$1,725 on the 24th before rising sharply to \$1,750 on the next available fix on the 29th. This year-end exuberance reached its pinnacle on 30th December, with the price reaching a month high of \$1,760, finally closing 2010 at \$1,731 as trading returned to normal, some \$58 higher than at the start of December.

Platinum am Fixing Prices – December 2010			
	High	Low	Average
\$ per oz	1,760.00	1,673.00	1,711.81
£ per oz	1,137.85	1,062.60	1,095.90
€ per oz	1,331.80	1,268.70	1,293.65

PALLADIUM

Palladium reached its highest levels for nine and a half years as strong demand fundamentals from the auto sector and the higher gold price set palladium on an upwards trajectory for much of the month. Palladium continued to outperform platinum throughout December, supported by strong market sentiment from investors who continue to regard palladium as undervalued. The early part of December saw palladium make gains on the back of Eurozone uncertainty and continuing interest in palladium ETF investments, boosted by the launch of a new physically backed White Metals ETF, which consists of physically-backed fixed weights of silver, platinum and palladium.



Investor interest and strong auto demand shielded palladium from the price falls seen in other metals mid-month, with palladium remaining above \$740. Palladium made a bid for the \$800 level in the run-up to the Christmas break, fixing at a month-high of \$797 on the 30th December, a level not seen since 2001. The morning fix on the 31st saw palladium soften to \$791, up \$84 in the month of December.

Palladium am Fixing Prices - December 2010			
	<i>High</i>	<i>Low</i>	<i>Average</i>
<i>\$ per oz</i>	797.00	707.00	755.14
<i>£ per oz</i>	514.05	452.20	483.45
<i>€ per oz</i>	601.75	540.95	570.65

OTHER PLATINUM GROUP METALS

Rhodium benefited by renewed buying interest from the Far East, gaining \$125 to close at \$2,425 after touching a month high of \$2,450 amid good two-way business in Europe and Asia. Ruthenium gained \$5oz to reach \$180oz, with iridium up by \$15oz to \$780oz.

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