

Platinum Outshines Palladium on Prospect of Europe Diesel Demand  
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By Luzi Ann Javier

(Bloomberg) -- After living in its cousins' shadows all year, platinum is starting to shine.

The precious metal, used to curb pollution from diesel- fueled vehicles, had the biggest three-day gain in almost 11 months. The metal rallied after Association des Constructeurs Europeens D'Automobiles said car registrations in Europe climbed 5.8 percent in November. Traders also are returning to platinum as they seek bargains after the metal's discount to palladium reached the widest since 2001.

"Car sales are one of the strongest indicators of consumption of raw materials," said Peter Thomas, a senior vice president at Zaner Group in Chicago, citing the one to two ounces of platinum or palladium that goes into each vehicle.

"You've also got a lot of window dressing going on," with traders selling palladium to book their gains for the year, and buying platinum, he said.

Palladium, used mostly in pollution-control devices for gasoline engines, has led gains in precious metals this year by climbing 48 percent. It surpassed the price of platinum in September for the first time since 2001. Gold has gained 9.9 percent in 2017, while silver increased 1.4 percent.

Supply of platinum will trail consumption by 275,000 ounces in 2018, after being largely balanced this year, the World Platinum Investment Council forecast in November. Mine closures in the second half of this year will have a larger impact on production next year, it said.

Platinum for January delivery advanced 2.7 percent to settle at \$913.20 an ounce at 1:05 p.m. on the New York Mercantile Exchange, helping wipe out this year's losses. That takes gains since the close on Wednesday to 4.3 percent, the biggest three-day gain since Jan. 24. The metal's discount to palladium narrowed to \$98.85 an ounce, down from \$147.50 on Thursday, which was the most in 16 years.

Other precious metals:

- \* Palladium futures for March delivery slipped 0.3 percent to \$1,012.05 an ounce on Nymex
- \* Gold futures for February delivery rose 0.6 percent to \$1,265.50 an ounce on the Comex in New York
- \* Silver futures also gained on Comex

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