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## RIO PLATINUM ACCOUNT GBP

The RIO Platinum Account GBP produced a 1.76% gain during August, a more than reasonable return on the back of the 2.13% gain filed during July. The investment has produced 76.13% since its launch in March 2016 and as such is one of the top performing physical platinum investments in the world, in terms of absolute return in Sterling over the period specified.

Platinum is a very scarce metal, in fact it is more than 20 times rarer than gold. This rare metal is a vital component in fuel-cell batteries and thus could be a key component in the electric cars of the future, making up for declines in traditional car manufacturing and a slowing jewellery market.

Looking forward, additional demand will come from the fact that Platinum is a key component in small satellites; this is one sector which is witnessing growth from both government and industry. Another positive, which could drive the metal far higher, would be if we were to witness a change from manufacturing, for example, should those currently using palladium in petrol vehicles decide to use platinum instead given that the latter is now far more expensive in comparison. This looks likely, but our analysts have forecast that this change could take two or more years to materialise.

An interesting trend which I have been following is the fact that the market is beginning to witness a building interest in platinum investment; such demand is becoming more widespread which is good news for the metal in the future.

Another factor which could see periods of sharp upturn in the metals value is the fact that 75% of platinum is mined in South Africa. These mines have often been negatively affected by disputes over pay and working conditions, lack of power and water, and the instability of the Rand. Any disruption in supply would send prices higher.

For several years, South African platinum miners have been losing money. The decrease in the value of the Rand compared with other world currencies, coupled with strong demand for palladium and rhodium, have put them back into profit recently. These days, they are known as Platinum Group Metals (PGM) producers, rather than platinum miners because of the importance of palladium and rhodium in the mining process.

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