

# The gold rush for palladium is on

## Gold bugs bet on palladium

We have all heard of the spectacular rise in the price of gold and have been astounded as it blasted through \$2,000, setting all-time highs. But what other precious metal has left gold in its (gold) dust?

Hint – it's one of the PGMs (that's Platinum-Group Metals) and no, it's not platinum. PGMs are named because of their affiliation to platinum, but except for (possibly) iridium, most investors have never really heard of them. Ruthenium? Rhodium? Osmium? Also PGMs.

OK, just give up – the mystery metal is palladium (symbol Pd, atomic number 46). And this is going to surprise you!

Palladium is primarily mined in Russia and South Africa, although it can always be found wherever other PGMs are mined, including Montana and Ontario, and may also be affiliated with nickel mining. It is a soft, silvery-white metal. It can be rolled out as thin as 1/250,000 of an inch and is used in electronics, dentistry and jewelry, and transportation.

**Palladium's price growth has been double the growth of the price of gold – 2 year chart**



You can see it – **palladium's price growth has been double the growth of the price of gold**. That's because demand continues to grow with global supply unable to keep up. This decade, **production of palladium has been less than demand for eight consecutive years**.

Palladium is primarily a transportation metal, but not how you think. People think exotic or precious metals and they automatically think electric vehicles (EVs). Palladium is already in your car or SUV, but not for electronics. It's in your catalytic converter.

It's in your catalytic converter. The automotive sector currently consumes as much as 80% of global production of palladium, of which approximately 70+% comes from Russia and South Africa. As the world continues to demand cleaner air, regulations on exhaust emissions are tightening and auto manufacturers are going to have to use more of the metal.

Even with increasing EV sales, the demand for palladium is not expected to decrease. The design of current catalytic converters cannot simply replace palladium with more readily available platinum as they would have to be redesigned to accommodate the different chemistry of platinum. Diesel-powered vehicles can use platinum in the catalytic converters, but gasoline powered vehicles are currently restricted to palladium. Research indicates that a number of technological advances are required before platinum can replace palladium in the exhaust system. **The growing market for hybrid cars is going to see global demand for palladium continue to outstrip supply.** In addition, speculators and ETFs are also playing in the space, causing price volatility and supporting the metal's price trending higher.

So, **the bull market for palladium is expected to continue.** Mineral exploration companies targeting PGMs will be able to capitalize on the current market excitement, making this a great time to invest in well managed, properly capitalized companies. And especially given the predominance of Russia (not particularly friendly to the western world) and South Africa, any PGM exploration company in friendly and PGM-rich countries is going to have a lot of market attention.

Check out the InvestorChannel Palladium Watchlist that

identifies 20 palladium capital markets we are following  
([click here](#)).