

State Palladium Stockpile Nears Depletion

By [The Moscow Times](#)

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LONDON — Norilsk Nickel, the world's biggest producer of autocatalyst metal palladium, said Friday that it expected Russian state stocks of the white metal to be "finished" next year.

"This year will be the last year when any substantial quantity from this stock has any chance to enter the market," deputy CEO for sales and distribution Viktor Sprogis said at a briefing.

"That is why we expect that next year this stock is finished." Officially levels of Russian metals stocks are a state secret.

Palladium prices have risen to nine-year highs in recent weeks amid speculation that supply would fail to keep pace with a recovery in demand, particularly from U.S. and Chinese carmakers, this year and next.

The metal hit a peak of \$602.50 an ounce Thursday, its strongest level since mid-2001.

Sprogis said the outlook for the palladium market is "very, very positive."

Sales of metal from Russian palladium stockpiles have been a key component in overall supply for years. Metals refiner Johnson Matthey estimated in a report earlier this year that such sales amounted to 960,000 ounces in 2009.

Without these sales, the palladium market would have been in a deficit of some 200,000 ounces, according to Johnson Matthey data, rather than in the surplus they actually recorded.

Norilsk Nickel will prepare and present a 15- to 20-year strategy to its board by the end of 2010, the company said Friday on its web site. The miner also said it planned to invest \$1.2 billion to \$1.3 billion a year to 2025 in its northern Russian mines to boost nickel and copper production.

United Company RusAl, a Norilsk shareholder, has criticized management for not having a defined long-term strategy.

(Bloomberg)

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