

Palladium Production Behind Demand

By [The Moscow Times](#)

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Palladium production could lag behind demand through 2015, as Russia, the world's biggest producer, stops sales from state inventories next year, according to Norilsk Nickel.

Russia sold about 800,000 ounces from state reserves last year, and will probably do the same amount this year, according to London-based research company GFMS. Government stockpiles held by state repository Gokhran are a state secret. Norilsk is the world's biggest producer.

"If there are any palladium deliveries from Russia in 2011 at all, these will be the remains of the stockpiles and much less than estimated by GFMS," Norilsk deputy chief executive Viktor Sprogis said last week. "No supplies are expected in 2012."

Stockpiles held by investors and consumers will serve to fill the gap between the supply and demand through 2015, he said. Norilsk forecasts a "balanced" platinum market this year, he said. Platinum is mined with palladium. Both metals are used in auto catalysts to reduce harmful auto emissions and in jewelry.

Palladium for immediate delivery rose 0.2 percent to \$717.75 an ounce midday Friday in London. The metal is down 11 percent this year. "We expect sustainable price growth rather than 'price bubbles' or significant volatility," Sprogis said.

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