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The Shaky Market for PGMs and Their Uncertain Future

By Jonathan Ingalls

Why are platinum group metals (PGMs) like platinum, palladium, and rhodium so critical? They're the heart of catalytic converters, the car parts that scrub harmful pollutants from exhaust fumes, thanks to their unique ability to handle intense heat and spark chemical reactions. But what's shaking up their market? South Africa, pumping out 70% of global platinum and 40% of palladium, keeps hitting snags like worker strikes, blackouts, and mines running low on quality ore. Russia, supplying nearly 40% of the world's palladium, isn't helping either, with trade issues linked to Ukraine throwing a wrench in the works. The result? Prices are all over the place—palladium rocketed to \$3,000 an ounce in 2022, then nosedived below \$900 in 2025. This wild ride is leaving the catalytic converter industry on edge, unsure of what's coming next.

Catalytic converters account for the lion's share

of PGM demand, with palladium and rhodium being especially critical for gasoline engines and platinum often used in diesel systems. Each converter contains just a small amount of these metals, but with millions of vehicles produced yearly, the need adds up fast. Roughly 80% of palladium and 50% of platinum globally go to this use. The rise of electric vehicles (EVs) threatens to slash this demand. By 2030, EVs could make up 30-40% of new car sales, shrinking the market for PGMs. While some hope platinum could find a new role in hydrogen fuel cells, but this technology is still in development. Recycling old converters from scrapped cars helps, supplying about 25% of PGMs, but it's not enough to stabilize prices. Rhodium, for example, spiked to \$30,000 an ounce in 2021 as automakers scrambled for supply, only to drop over 70% by 2025 when demand eased, showing how volatile this market can be.

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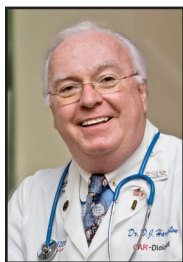
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Economic pressures and changing regulations make things even trickier for the PGM market tied to catalytic converters. Central banks raise interest rates to fight inflation, often pushing down metal prices. At the same time, stricter emissions rules have forced automakers to use more palladium and rhodium to meet tough standards. Some of the latest regulations increased palladium use by 10% in 2023 alone. But these same rules are speeding up the switch to EVs. Catalytic converter demand may significantly diminish in the next decade. This tension fuels price swings, with platinum bouncing between \$800 and \$1,200 an ounce since 2023, driven partly by traders betting on short-term shortages or long-term declines. Automakers, stuck in the middle, face rising costs and supply risks, sometimes redesigning converters to use less palladium.

The future of PGMs in catalytic converters hinges on how fast the world moves away from

gas-powered cars and whether new uses for these metals emerge. If hydrogen fuel cells take off, platinum might stay relevant. Palladium and rhodium which are so heavily tied to catalytic converters face a more uncertain future. Palladium demand in converters could drop as EV sales grow or supply could remain tight if South Africa's mining woes continue or if Russia's exports don't recover due to sanctions. Other potential uses, like platinum in medical devices or rhodium in electronics won't likely match the scale of catalytic converters. For now, automakers, parts suppliers, and investors are caught on a rollercoaster, with catalytic converters at the heart of both today's demand and tomorrow's uncertainty. To stay up to date, sign up for our monthly newsletter and weekly market watch at bit.ly/recoretrading or scan the QR code.



Who Moved My Cheese?

By D.J. Harrington

Numerous studies have been made in the past to see how people handle change and curves in their lives. Some were silly! Others, enlightening! Along with people, animals and insects have also played a major role in some of those studies. Consider the caterpillar. Some time ago, a French entomologist did a study of caterpillars that forced an army of caterpillars to walk nose to tail around the rim of a flowerpot to see what would happen. Their goal was to find the food. However, the food wasn't located on the rim of the flowerpot. Would even one caterpillar step from the formation on the rim and head for the food located down inside the flowerpot? Or would they all

continue walking until starvation occurred? The study revealed that not one caterpillar stepped out of line for food. Now let's discuss this cheese and mice study.

A study involving mice and their favorite food source, cheese, was completed too. The idea was to discover at what lengths would they go to find the cheese. This study about mice was brought to life in a small book that some of you may have already read. Last week, I found my copy of the book, *Who Moved My Cheese?* Written by Dr. Spencer Johnson about change, he described some Americans who aren't ready for any change. When I say it's a small book, it really is! It's

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Converter Chronicles



FAQ

Do you offer a pick-up service? Yes we do, also you can drop off with on-site buying.

How soon do I get paid? Immediately, we offer 100% of the graded/coded value. Next we analyze with our cutting-edge technology and efficient process to get you an assay return.

Why offer assay? To ensure the customer is getting full value for their catalytic converters.

Can I take a tour? Yes, our warehouse is open from 7:30am - 4:00pm or call to schedule.

Do you send out up to date market prices? Yes, if you're not already receiving our monthly email market watch visit our web site or contact us by phone or email.



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Who Moved My Cheese? *continued from page 2*

measured a little over a quarter inch and is an easy and quick read. For a small book, it's power-packed with an amazing description of ways to deal with change in our lives and work and how to maneuver through the maze caused by both. Dr. Johnson uses these small rodents to get his point across, and the result gleamed from reading the book can prompt constructive changes in your life.

Dr. Johnson names his characters within the book as each mouse reveals specific tenacity or lack of it. Cheese is inserted in a specific place of the maze as each of the hungry mice are placed inside. With the smell of cheese in the air, the mice travelled through the maze, making turns, hitting roadblocks, stopping to smell the air and reassessing, trampling over other mice, making directional changes and hitting walls until they eventually find success. The mice are rewarded for their efforts and have their fill of the cheese. They are satisfied that their hard work had rewards. They do this same activity for several days always finding the food in the same place. They've gotten faster at finding the cheese because they have memorized the correct pathway to the cheese. That is, until one day when the cheese is moved!

As the cheese and mice are loaded into the maze, the hunt begins again. They quickly remember the exact location and directions to the cheese and are ready to eat. They're in a rush and hungry. As the mice continue the same pathway as before, they don't have to think which direction to take. They already know the way and are expecting to see the cheese in the original location. SURPRISE! The cheese is gone! They can smell it, but it's not there. They want it and need it, but it's not there! Their pathway has changed without them being aware of it. Perhaps they thought the test lab forgot to place the cheese in the right spot. The hungry mice were removed from their maze.

The next day, the mice were again released into the maze to find the cheese only to be disappointed a second time. Eventually, one courageous mouse steps from the line and decides to go on his own to find the cheese because his nose tells him that he

must look somewhere else. He certainly can smell it, but he can't see it yet. He backtracked his steps and took another route toward the new location of the cheese. It took him a while, but the courageous mouse does find some cheese, and he's rewarded with a large hunk of cheese for one. What happened to the others you ask? Some mice never changed their direction, so they eventually starved to death. Those that decided to find another food source lived because they eventually changed their pathways to success. They were willing to make any changes necessary to survive. It's sad that some of the mice perished.

However, to me, it's sadder that lots of recyclers behave in a similar way just as the mice did. Our habit patterns and way of thinking become deeply established, and it seems easier and more comfortable to follow past or present directions than to accept new directional changes. Folks, if a mouse knows when he needs to make a change, shouldn't we be able to recognize change is needed too?

It's difficult for some to understand that only a small group of people will understand about life and about living abundantly and successfully. Like a mouse, hoping its friends will show them the way to success, some people wait passively for success to hit them. Let's not wait for others to change our directions. After this year's convention, I think all of us need to read this very short book. The book only works when everyone within your organization knows the story behind Who Moved My Cheese. May I suggest that you purchase a copy for every member of your team and use this book as a learning tool so your entire team can adapt and accept change as they see it happen within your business. Even our association can change when enough people within it want to see change.

After you've read, Who Moved My Cheese, make 2025 the best year ever by taking charge of your business. I would love to hear how the Who Moved My Cheese? book has helped you and your team. See you next month and thank you for reading my column.

WE ARE GOING

DIGITAL

**We're streamlining how we stay in touch-
and we want you in the loop!**

**To continue to receiving our newsletter
- Scan the QR code.**





Organized and Optimized: Updating How We Stay in Touch

By Becca Skowrya

At Recore, we're always looking for ways to improve and evolve. As our industry moves fast, staying connected and informed has never been more important. That's why we're streamlining the way we communicate - making it easier to share updates, market trends, and important info with the yards and partners we work with every day.

As part of this effort, we're refreshing our contact list, reviewing our internal systems, and putting tools in place that allow for more timely, efficient outreach. It's not a major change- just a smarter, more flexible way to stay in touch in a fast-paced world.

Keeping information flowing smoothly helps everyone. It means quicker updates, more relevant insights, and less time spent chasing down details. Whether it's news about

market shifts or reminders about processes, our goal is to get the right information to the right people, faster.

This is part of a broader mindset we've embraced- one focused on staying organized and ready for whatever comes next. It's not about fixing what isn't working. It's about sharpening what already is.

You may start to notice small changes in how we communicate- more frequent updates and easier ways to connect. The full rollout of this project will be completed sometime this summer, but in the meantime, you can scan the QR code to make sure you're in the loop!

In an industry that moves as quickly as ours, staying organized and optimized helps us all stay a step ahead.

**LET'S STAY
ORGANIZED
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Laughter is the Best Medicine



You Can Take It With You!

As Mr. Smith was on his death bed, he attempted to formulate a plan that would allow him to take at least some of his considerable wealth with him.

He called for the three men he trusted most, his lawyer, his doctor, and his clergyman.

Mr Smith told them, "I'm going to give you each \$30,000 in cash before I die.

At my funeral, I want you each to place the money in my coffin so I can try to take it with me."

All three agreed to do this and were given the money.

At the funeral, each approached the coffin in turn and placed an envelope inside.

While riding in the limousine back from the cemetery, the clergyman said, "I have to confess something to you fellows.

Brother Smith was a good churchman all his life, and I know he would have wanted me to do this.

The church needed a new baptistery very badly, and I took \$10,000 of the money he gave me and bought one. I only put \$20,000 in the coffin."

The doctor then said, "Well, since we're confiding in one another, I might as well tell you that I didn't put the full \$30,000 in the coffin either.

Smith had a disease that could have been diagnosed sooner if I had this very new machine, but the machine cost \$20,000 and I couldn't afford it then.

I used \$20,000 of the money he gave to buy the machine so that I might be able to save another patient.

I know that Smith would have wanted me to do that."

The lawyer then said, "I'm ashamed of both of you. When I put my envelope into that coffin, it held my personal cheque for the full \$30,000."

Golf Balls?

A man entered the bus with both of his front pants pockets full of golf balls and sat down next to a beautiful blonde.



The puzzled blonde kept looking at him and his bulging pockets.

Finally, after many such glances from her, he said, "It's golf balls".

Nevertheless, the blonde continued to look at him thoughtfully and finally, not being able to contain her curiosity any longer, asked

"Does it hurt as much as tennis elbow?"

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