

Post US Election – What Will the Impact be on PGMs and Converter Prices?

Becky Berube, United Catalyst Corporation

“I am going to wait to sell converters until after the election.” The most common comment heard by our sales force amongst independent automotive recyclers. Hoarding converters has become prevalent with some since the sharp decline in PGM prices over the past several years. With other commodities like steel, aluminum, and copper remaining stronger, and part sales remaining robust, there is no pull on the purse strings to give up the nest egg of scrap catalytic converters in the hope that they will appreciate in the future.

We do not see the same strategy with publicly traded or PE-backed scrap metal and automotive recycling firms that continually sell all commodities into the market to bolster monthly revenue and earnings.

So why did platinum and palladium spike just before the election?

Just before the election, palladium prices had surged over 20%, exceeding \$1,200, driven by supply concerns tied to potential G7 sanctions on Russian palladium and the recent production cut of 200 koz. from Sibanye Stillwater in Montana. The market’s reaction to the brief talk of sanctions was overblown, leading to a swift correction.

The day after the US Election, I asked several precious metal experts the impact of the US Election on PGM prices in the short to long term. Here is what they had to say.

Dr. Jonathan Butler, Head of Business Development and Strategy, Mitsubishi Corporation International (Europe)



The election was very decisive, so the market reaction happened much quicker than many of us expected, resulting in a dollar rally, higher yields, and a sharp drop in USD-denominated commodity prices. This, combined with last night’s Fed rate decision, has completely reversed the Pd rally for now.

In the longer term, from a macro perspective, President Trump’s plans for increasing tariffs are quite inflationary – along with curbs on immigration, these policies will likely lead to higher inflation and eventually higher interest rates. The resulting stronger dollar, as the U.S. economy outperforms, will put further downward pressure on USD-PGM prices.

However, the prospects for industrial demand for PGMs are quite positive – President Trump’s “drill, baby, drill” policies will obviously support the oil and gas sectors and ultimately increase PGM use in petrochemicals/oil refining and through accelerated growth across the broader economy. As for auto demand, I think it’s a mixed picture: on one hand, Trump will try to stimulate the U.S. auto industry (via protection and other measures), and economic growth should lift auto sales; on the other hand, he is likely to oppose tougher emissions mandates (as he did in his first term). Although Elon Musk has become very close to Trump during the campaign, I wonder what it will mean for EV policy – I don’t believe Trump is personally a fan of EVs and has been on record opposing EV mandates, but whether this creates space for hybrids remains to be seen.

So, will this be a “golden age” for PGMs or not? I sense that there are more positives here than negatives from a demand perspective, but it’s the macroeconomy that will ultimately determine prices – and the stronger dollar and higher-yield environment may continue to weigh on the precious metals complex.

Wilma Swarts, Director of PGM Research, Metals Focus



Although it’s still early days, the Republicans’ increased legislative influence could foster optimism around demand, particularly with the potential for extended internal combustion engine use at the expense of electric vehicle penetration. This shift may place upward pressure on platinum group metal prices. However, a potential rollback of commitments to tighter emissions standards, as seen previously with EPA regulations, could dampen PGM demand. Higher PGM prices, in turn, could stimulate increased scrap supply, as many of the recyclers you mentioned were waiting to see the election outcome.

Dr. Sandeep Kaler, Market Strategy Analyst SFA (Oxford) Limited



It is tricky to predict the exact outcome for PGMs, but I think it is a slight positive compared to a Democratic win. We may see ‘stronger for longer’ PGM demand from the U.S.

Trump is notably less pro-EV than Harris, despite Elon Musk’s endorsement. However, I think it will be very difficult to completely reverse four years of EV support, especially since Republican states have been significant beneficiaries of the IRA and funding for EV and battery factories. What we will likely see is a slowdown in EV adoption if the \$7,500 consumer credit and other benefits are revoked. Ultimately, this is good for ICE and the ‘legacy’ automakers – GM, Stellantis, and Ford who have built their core businesses on ICE and have recently been pressured to switch their portfolios to include more EVs.ac

For the autocatalyst recycling market, numerous factors come into play. Support for the auto industry could drive up vehicle sales and be positive for recycling. However, any supply chain disruptions resulting from tariffs and trade negotiations could counteract this. Trump has also been noted for his inflationary policies – the impact of higher interest rates on auto loans could lead people to hold onto their vehicles for longer or opt for a secondhand purchase, potentially suppressing recycling volumes for longer.

Palladium prices have seen a very sharp decline over the past few days; this is the correction I predicted. The talk of sanctions was relatively short-lived, and the rally was an overreaction from the market.

Joseph Brooks, Opinion-Editorial



And here we go; we’ve got our result. Pollsters weren’t even close, again. Now you have some certainty? Maybe.

Equities are surging alongside the dollar, yields are up; gold and silver are taking a hit, while crypto is also moving to all-time highs.

Oil is also lower, as Trump is perceived as wanting to increase production. It's interesting that PGMs are down, likely due to speculative moves based on gold and silver declines. Cheaper fuel should benefit the ICE, but it's still early days. The "buy the rumor, sell the fact" trade is currently in play. Remember, this is why you hedge.

Trump's focus on U.S. drilling and tariffs on foreign vehicles should be good for PGMs in the medium to long term. Once we get past today's knee-jerk selling, we should start building a stronger base on ICE demand. For what it's worth, the flip side is that the G7 likely won't impose any embargoes on Russian PGMs. However, the first point should take precedence, as PGM prices were stronger the last time we had access to Russian PGMs.

Most economists believe Trump's tariff plan will significantly increase inflation; one school of thought is that central banks may stock up on gold as a hedge against the dollar. Time will tell.

From the author:

Historically, PGM prices are relatively moderate compared to their peaks over the past two decades. Between 2014 and 2024, platinum prices decreased by approximately 29%, while palladium rose by about 25%, and rhodium saw a significant increase of around 298%.

Commodity sales are an important source of cash flow for businesses in today's economy. Take advantage of dollar cost averaging by selling continuously into the market year over year. But if you have an appetite for speculation, treat your PGMs like any other investment by putting them into a tradeable form (troy ounces) with a reputable company in a pool account which can be valued as an asset until a future sale.

For daily updates on the PGM markets, subscribe to the United Catalyst Corporation daily e-newsletter, the 60-Second Report, click the link below or scan the QR code. To learn more about recycling converters on assay or the United Ecosystem Bid Tool, you can also call an Account Executive at 864-824-2003 or email a specialist at sales@unitedcatalystcorporation.com

Becky Berube has served the recycling community for over thirty years. Based in Greenville, South Carolina as President of United Catalyst Corporation, she writes a monthly educational column for the industry, and serves on several ARA and ReMa committees. She is a newly appointed Advisor on the US Industry Trade Advisory Committee on Critical Minerals. She was a recipient of a 2023 South Carolina Women in Business Award and is a mentor in the Women in PGMs program. Additionally, Becky serves as an At-Large Director of the ReMa Southeast Board, Co-Chair of the IPMI Preventing Auto Catalyst Theft Committee, and is on the Board of Directors of the International Precious Metals Institute (IPMI), where she is a past President.



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