

Platinum edges out gold in sheen

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A steep hike in the prices of gold has resulted in a spurt in demand for platinum jewellery in India. Platinum being a rare commodity as compared to the yellow metal, is seen as an aspirational metal and is not bought so much for its investment value as for its style factor.

"It (platinum) is an absolutely fashionable metal," said Mr Vijay Jain, CEO, Orora Jewellers. "With the increase in gold prices, platinum prices are almost at par with that of gold. It is fast gaining prominence due to its class and rarity," he said adding that Delhi, Mumbai and Bengaluru are seeing a great demand along with smaller towns in the west and north too showing interest.

According to Ridhi Siddhi Bullion Ltd (RSBL), the price of 10 grams of platinum in Mumbai on Friday was at ₹30,000 as compared to ₹28,000 for gold. The jewellery industry is expecting the demand for platinum jewellery to grow by a whopping 40 per cent going forward.

"Platinum is considered the rich man's metal, usually costing more than gold. But today the tables have turned. When the global crisis worsened in 2011, the prices of gold even surpassed that of platinum as investors preferred the

Platinum, Gold prices converge

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safety of the yellow metal to other riskier asset classes," noted Mr Karan Vasa, associate vice-president, RSBL.

"Relative to gold, platinum has a unique property that it does not tarnish or wear out. Also due to its rarity, platinum is considered as a symbol of prestige," he added.

RSBL is currently focusing on Mumbai for platinum jewellery sales. However, it expects the next major demand coming from Delhi. "Platinum is the new business for most of the retail jewellers in India," said Mr Colin Shah, the managing director, Kama Schatcher, a jewellery manufacturer.

However, he added that shortage of stocks and longer lead times for replenishment are few of the challenges for retailers.

Platinum is traditionally seen as an industrial metal rather than as a precious metal and roughly 60-70 per cent of its consumption in India goes into industrial use.