
Ferrochrome prices at record levels - Merafe Resources

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Mining Weekly reported that, while the European benchmark third quarter ferrochrome prices scaled a new peak at USD 2.05 per pound, producer of the stainless steel ingredient Merafe Resources' share price fell on market expectations of a steeper hike.

Merafe Resources, which has a ferrochrome JV with Xstrata, said that the material's price had increased by 6.7% for the third quarter of 2008 to a record USD 2.05 per pound.

Mr Willem Venter analyst at Prescient Securities said that the drop in Merafe's share price could be because the market had been hoping for a bigger price increase. He added that "The market is in a physical deficit worldwide."

Merafe said on March 3rd 2009 that the price of ferrochrome was due for northward movement this year.

Mr Stuart Elliot finance and new business director of Merafe said that "We won't give you absolute prices forecasts, but what we can say is that the current contract price is at USD 1.21 per pound and the spot price is at USD 2 per pound and that that gap will be narrowing."

(Sourced from www.miningweekly.com)

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