
Noranda outlook for Q3 of 2009

Saturday, 14 Nov, 2009

The Noranda Income Fund reported a net loss of USD 1.3 million for the Q3 of 2009 compared to net earnings of USD 10.2 million in the same quarter a year ago.

Recent leading indicators, such as the ISM Purchasing Managers survey, point to the start of an economic recovery in the North American and global economy. This has been confirmed with a significant improvement in the demand and the prices for our products. Part of the rebound has been due to the impact of government programs such as the Cash for Clunkers car trade in incentives. In addition, the supply pipeline is restocking after having been virtually depleted during the H1 of 2009.

The steel industry, which is the major consumer of zinc in the US has seen a steady improvement in operating rates. While some short term weakness may occur at year end, our customers are cautiously optimistic for moderate growth during 2010. Sulphuric acid demand continues to be supported by improved contract and spot sales and by the strike at Vale Inco Sudbury operations.

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