
CRU sees nickel price dropping 8pct by 2009 end

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Research group CRU said that nickel, heading for its worst week in two months, will decline 8% by the end of 2009 as demand weakens.

Nickel for three month delivery on the London Metal Exchange fell by 5.9% this week to USD 16,325 a tonne, the worst performance since the week ending September 4th 2009. Prices may drop to USD 15,000 by the end of the year.

Ms Maartje Collignon analyst at CRU said that "The price reflects the reappearance of demand weakness in the market, both in the western world and in Asia. People are concerned that China might export some of the nickel surpluses they have in the country now."

She said that prices may average USD 16,000 a tonne in the first half of 2010 before rising slightly in the second half as demand from the steel industry strengthens. Supply will continue to outpace demand next year.

(Sourced from www.bloomberg.net)

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