Minor metals market players worried on euro debt

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Reuters reported that many minor metals traded lower over the past week as traders cited worries over European sovereign debt and a possible slowdown in the pace of economic growth in top consumer China.

One trader said that the European debt situation is weighing heavy on the world markets. It's summer; it's quiet. It's everything all in one really. It's going to be a long summer.

Data pointed to a slowdown in the pace of manufacturing activity in China, the world's top metals consumer, as gradual policy tightening took a toll on new orders. Meanwhile, concerns over sovereign debt levels have shaken financial markets in recent weeks, causing a sharp depreciation in currencies such as the euro.

Another minor metals trader said that "I'm not so worried about a summer lull. I'm more concerned about China cooling and European debt problems that are impacting markets at the moment."

Among individual metals, tantalite prices are being watched closely with traders pointing to a lack of material from non conflict countries. Tantalite, which is used to make tantalum metal for aerospace and computer manufacturing, fell to around USD 49 per lb from about USD 50 per lb last week.

The trader said that there is no tantalite legally coming from conflict zones like the Democratic Republic of Congo and Talison is still reported as unlikely to open mines in Australia before the tantalite price reaches USD 100 per lb. Users of tantalite for super alloys are said to be nervous of buying the metal unless certified non conflict zone in origin.

Talison Minerals said recently that it planned to reactivate its Wodgina mine in mid 2010. Talison spokesman said that there were no announcements and none expected in the near future. Among other minor metals, antimony grade 99.65, used as a fire proofing ingredient declined to about USD 8,700 per tonne from USD 9,000 per tonne last week.

The toxic metal has fallen back in recent weeks after soaring to an all time high at USD 9,550 per tonne in early May after China cracked down on production.

Traders are desperately trying to decipher the ultimate impact of the move by China, the world's top producer. One trader said that in China, the antimony business has been very sluggish. Prices are sliding down, so most buyers are just waiting and watching.

Traders said that 3 week transport strike in top producer South Africa had helped steady prices in recent weeks but with the dispute now over prices could decline. Business is quite quiet. We expect prices to drift down a little now the strike has ended. 3 month cobalt used as a battery material was quoted at USD 36,800 per tonnes to USD 39,700 per tonnes versus a trade at USD 39,400 per tonne on June 1st 2010.

They said that demand is steady globally. Even the Chinese are picking up some metal. 3 month futures on molybdenum used to make steel, were quoted at USD 31,000 per tonne to USD 33,000 per tonne from a trade at USD 39,200 per tonne on April 14th 2010.

(Sourced from www.reuters.com)