
Moly seen over USD 40 per pound in 2009

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BNamericas reported that Creston Moly's molybdenum prices are likely to top USD 40 per pound in 2009.

Mr Jonathan George CEO of Creston said that "Molybdenum is trading at around USD 33.85 per pound but we see it moving up into the USD 40 per pound range in 2009 because there is a stranglehold on molybdenum supply."

Chilean state copper commission Cochilco recently forecast molybdenum, which is not traded on spot markets, to average about USD 33 per pound this year. Molybdenum has stayed at roughly that level since 2007 after rebounding from around USD 23 per pound in 2006 following a high of some USD 37 per pound in 2005.

Mr George said that "Stainless steel demand is huge, particularly in the natural resources field for pipelines, natural gas, anything that requires anticorrosive material needs molybdenum in it. Once a lot more of these molybdenum projects get on line in 2011-12, then you'll probably see the price come back down to the USD 25 to USD 30 per pound range. But in the interim, there is a lot of potential molybdenum producers that just are not getting permits and that will not be online as quickly as they thought."

The El Creston deposit holds indicated resources of 92.9 million tonnes grading 0.08% molybdenum and 0.06% copper for 170 million pound molybdenum and 123 million pounds copper and holds additional inferred resources of 84.2 million tonnes grading 0.08% molybdenum and 0.05% copper for 141 million pounds molybdenum and 92.8 million pounds copper contained.

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