
Molybdenum and cobalt to join LME

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It is reported that molybdenum and cobalt are set to be traded on the London Metal Exchange, offering increased price protection for producers of the two metals. The LME board has approved the launch of molybdenum and cobalt contracts, to be traded alongside the likes of nickel, zinc and copper, for the second half of 2009.

LME said that the molybdenum and cobalt contracts would offer all the benefits of an exchange traded product, including price transparency and the ability to manage price risk.

Mr Martin Abbott CEO of LME said that the decision to include molybdenum and cobalt was spurred on by the turbulence of the minor metal markets. He added that “The announcement heralds another new area, minor metals, in which the exchange can provide transparent pricing and price risk management to market participants.”

He added that “Minor metals have been discussed by the exchange for some time, and fit with our core products as they are extracted with them. The volatility in these markets in recent times has highlighted the need for an exchange traded product, which the LME is best placed to provide.”

Mr Andrew Worland secretary of Moly Mines said that “It is a positive for all aspiring producers and development companies in the molybdenum industry. It will create more visibility for the commodity and probably provide financiers and investors with greater reputable base on which to make assumptions on molybdenum price forecasts.”

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