
Molybdenum prices fall to lower level than USD 20 per pound

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It is reported that owing to suspension of molybdenum purchases for long period and financial situation at consumers, molybdenum prices have fallen suddenly to a large extent on the end of last week.

Namely, the market price of molybdenum oxide has fallen by 30% compared with that in the week before last. An anticipation of the steep fall for molybdenum prices is already whirling in the market from the middle of last week. The prices as of the end of last week were in the range of USD 18 per pound of Mo as a higher side and USD 16 as lower side for molybdenum oxide having fallen to a lower level than USD 20 per pound of Mo and USD 40 per kilogram of Mo for ferromolybdenum.

A basic tone to move price of molybdenum oxide in 2008 has been continued on a high level. Accordingly, a steep fall of molybdenum prices arisen on the end of October 2008 has put a considerable shock on the molybdenum industry of the world. This sharp fall of molybdenum prices is thought to accelerate the mind at consumers, which holds back their new purchases of molybdenum products with an aim to lower its book values as the countermeasures for settlement of accounts to be closed on the end of December 2008 or on the end of March 2003.

The prices of USD16 to USD 18 per pound of Mo for molybdenum oxide were the lowest ones since April to June quarter of 2004. The market price of molybdenum oxide was maintained on a comparatively high level at USD 32 to USD 33 per pound of Mo but has suddenly fallen to a large extent in the last one week and this steep fall of price for molybdenum oxide is due to the offensive taken for disposals of molybdenum stocks at discounted prices. Many of major molybdenum producers said that they have rather planned to decrease their molybdenum production than to increase it and the fundamentals on supply and demand of molybdenum have been viewed to be on a firm tone.

However, molybdenum prices have suddenly fallen to a considerable extent at present and this aspect is due to the actions taken by steel mills, which have decided to reduce their steel production and extremely held back to purchase molybdenum. Consequently, new purchases of molybdenum products have been suspended and stockiest were in a hurry to dispose of their molybdenum cargoes even at discounted prices. The stockiest concerned are converters and traders.

(Sourced from Tex Reports)

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