
Chinese traders back to buy moly from Japan and S Korea

Friday, 06 Feb, 2009

Platts reported that Chinese traders are back in the market after the Lunar New Year holidays and are looking for molybdenum products from Japan and South Korea. As per report, before the holidays, some 4,000 tonnes of molybdenum products were said to have been shipped to China from North and South America. But after the break the Chinese have started buying in large lots of 80 to 100 tonnes from Japan and South Korea.

China, which is usually an exporter of molybdenum, shipping out 1,012 tonnes of molybdenum oxide and 458 tonnes of ferromolybdenum to Japan in 2008, has seen its appetite grow since the beginning of the year. The main reason behind this robust demand is China National Petroleum Corporation's construction of an 8,717 kilometer Central Asia China natural gas pipe line.

According to the International Molybdenum Association's January newsletter, CNPC is seeking 10,000 tonnes of molybdenum or 2% to 3% of the annual global demand.

South Korean and Japanese sources said that they were not approached directly by CNPC, but by Chinese traders looking to buy molybdenum powder for other buyers. Neither demand from the construction sector nor buying in anticipation of higher prices is driving Chinese appetite for molybdenum.

While moly oxide powder was being offered to Chinese buyers at over USD 9.40 per pound on a CIF basis, no deals were heard at that price as others were offering lower. A trade was said done at less than USD 9.35 per pound CIF.

(Sourced from www.platts.com)

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