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## **Molybdenum prices rising continuously for 2 weeks**

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Molybdenum prices have risen continuously for the last 2 weeks. Dealers' price of molybdenum oxide has risen to a level of USD 8.80 per lb of Mo as its higher side and approached USD 9.00. The market prices of molybdenum have turned to a basic tone to recover.

Spot price of molybdenum oxide prevailed in the middle of April had fallen to the lowest level of USD 7.70 per lb of Mo by which is going to bottom out. On the end September of 2008 when a crisis of the financial markets emerged suddenly price of molybdenum oxide was kept on a very high level of USD 33.50 per lb of Mo but thereafter, started to fall continuously for the last 7 months. The recent movements of price for molybdenum oxide suggested that funds speculated substantially in molybdenum.

Molybdenum prices are at last in the mood to bottom out but the present aspect is the first lowest and the parties concerned have different opinions in relation to a possibility of the second lowest. However, the price level of USD 7 to USD 8 per lb of Mo for molybdenum oxide is not payable for production cost at major mines and it has been viewed that the cost to produce molybdenum even at medium and small mines in Huludao district of China has to be higher than USD 10 per lb of Mo and the level of USD 7 to USD 8 is not profitable for these Chinese mines.

On the opportunity of stockpiling copper by China, copper price has rebounded from the late part of March in the international market and turned to a basic tone to recover. In the same case as that of copper, China has been positively importing molybdenum from the western markets since the beginning of 2009 and these active imports of molybdenum by China have now put an impact on molybdenum prices.

According to the customs-statistics released in China, a balance on the quantities of molybdenum exported and imported by China in January to March quarter of 2009 was as per the table attached hereto. Namely, China imported 7.69 million lbs on Mo content base of molybdenum in January to March quarter, which included 6.1 million lbs. of Mo in molybdenum oxide as shared approximately 80% of the whole import.

(Sourced from Tex report)

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