
China increases Molybdenum imports in April

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The imports of molybdenum into China in April of 2009 were known and still indicated the high level. The total quantity of main three molybdenum products imported by China in January to April of 2009 came to 21,975 tonnes, corresponding to 27.2 million pounds on Mo content base. For a reference, China imported 2,160 tonnes in material of molybdenum products, corresponding to 2.4 million pounds on Mo content base, in January to April of 2008.

The monthly quantities of molybdenum oxide imported by China in January to April of 2009 were January: 1,337 tonnes, February: 3,535 tonnes, March: 6,438 tonnes and April: 6,301 tonnes, having suddenly increased from March, and a scale in imports of molybdenum oxide into China enlarged by approximately 10 times in comparison with the exports of molybdenum products.

The world consumption of molybdenum in 2009 is estimated to decrease by 15 to 20% as compared to that in 2008 but, as regards the temporary demand for molybdenum from China, various opinions have been seen. However, it is no doubt that China had endeavored to purchase molybdenum at the lowest possible prices in the middle of April, when market price of molybdenum oxide had fallen to a level of USD 7.50 to USD 7.70 per pound of Mo.

China has replaced domestic production of molybdenum with the products imported from overseas sources until the first half of 2009 but, in expectation of these matters which stainless steel production in China will recover more and molybdenum prices are anticipated to rise further, there is a big probability that China will continue to import molybdenum. Therefore, market price of molybdenum oxide is thought to rise to US\$13 per lb. of Mo as a target.

According to the settlement of accounts released recently by Antofagasta, the effects of molybdenum credit in copper production were in full year 2008: 59.2 US Cents per pounds of Mo, in January to March 2008: 83.2 US Cents and in January to March 2009: 20.4 US cents. Molybdenum credit was very useful to reduce the cost for copper production in the past years but this contribution to the cost for copper production has currently fallen to a large extent. Nevertheless, molybdenum credit is still an indispensable factor for copper mines. Many of the parties concerned have a view that, on the opportunity of a rebound in copper price, the quantity of molybdenum to be recovered as by product will increase again.

(Sourced from TEX Report Limited)

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