
General Moly sees molybdenum market to rebound

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Reuters reported that US miner General Moly Inc sees the molybdenum market poised for a rebound with a pick up in demand growth and limited new supply sending prices to a peak in 2012.

Mr Bruce Hansen CEO of General Moly said that demand for the minor metal should increase as low inventories get replenished, China turns net importer and consumers start to increase purchases.

Mr Hansen told the New York Society of Securities Analysts recently that on the supply side, limited growth of copper mines with molybdenum as a by product and disciplined output cuts at both primary and by product molybdenum mines following sharp declines in global demand should help support prices.

He added that "Moly inventories have remained low and are projected to remain relatively low going forward, partly because there are no new primary Moly mines currently in development. And we've seen the Chinese, who historically have been net exporters, turn net importers after shutting some high cost operations and buying Western Moly oxide production."

General Moly sees only a small 0.4% annual growth rate from 2008 to 2013 for copper in the Americas, where much of the by product molybdenum is mined. About 40% of molybdenum demand comes from the energy sector and General Moly thinks it will continue to be a robust growth area for the metal.

General Moly's Liberty mine, also in Nevada, was previously mined and is now in the pre feasibility study stage. Liberty can produce 20 million pounds of Moly and 18 million pounds of copper by product a year. Its operating costs come to USD 6.0 per pounds of molybdenum, with reserves of 500 million pounds.

(Sourced from www.reuters.com)

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