



## Changing metal markets

### Gallium prices up

For some weeks now Gallium prices have been in a steady uptrend. In fact this is not much of a surprise. As reported earlier in the year numerous producers have cut capacities or even shut down factories because of economic losses. Although demand is picking up producers are cautious about increasing their capacities at this point in time. They still have in mind previous overcapacities driving down price levels from over 1,000 to below 200 USD/kg in just a few years. The Argus market analysts expect the current uptrend to be sustainable into at least 2017.

### Rare Earths in a waiting position

Minmetals, one of China's leading rare earths producers has announced a cut in production in numerous factories due to economic losses. Although prices for some of the rare earth elements are showing some uptrend these days. Indeed higher prices have been reported for Cerium and Lanthanum, both dominantly being used by the catalyst industry. And the same applies for so-called magnet metals praseodymium and terbium.

### Outlook Rare Earths

Roskill Information Services have published the 16th edition of their Rare Earths report on global industries for supply and demand. In the short- to mid-term growth will be driven by catalysts and magnets. But despite growth in catalysts the needed elements cerium and lanthanum will remain in substantial surplus. It is, however, a different situation with the magnet metals, where demand is going to outstrip supply.

The increasing popularity of electric vehicles will lead to a significant growth in demand for neodymium, praseodymium and dysprosium. Terbium could also benefit from this as similar to Dysprosium does it contribute to increase the temperature stability in permanent magnets. For Europium, however, Roskill does expect a further downtrend as new phosphors will continue to use less Europium in their formulations.

### Rhenium at a crossroads

For some time now prices for Rhenium have shown a continuous downtrend. However, this indeed applies for the spot market only which has been faced with some over-supply, mainly coming from secondary material. But due to a lack of profitability some of these factories have been closed what should help the market settle down. In fact the big consumers usually cover most of their Rhenium demands in long-term agreements with the producers of primary material. In the long term, however, there is no doubt that the expected growth in aircraft industry will lead to a significant growth in demand for this metal.