

NEWS LETTER

FOR INVESTORS

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Summer slump – but not everywhere

Market tendencies

Whereas many technology metals are in kind of a summer mode the turnaround of most rare earths has continued. The reasons are multifaceted. On the one hand the Governmental measures start to showing first results. On the other hand spot supply has further tightened. Apart from this, prices of the electronic metals Indium, Gallium and Germanium in particular have stagnated. Ground-breaking impulses are lacking in order to get these markets move as well.

After a price rally in the second quarter, prices for Selenium have witnessed some significant losses in the past few weeks.

Rhenium sends some positive signals

Usually long-term contracts give some guarantee for price stability and availability. In particular this applies for the aviation industry as being the main consumer for Rhenium. However, tight spot supply has recently caused prices to increase for prompt availability. According the market analysts from Argus demand for new catalysts plus some non-contracted demand for high-temperature alloys for aerospace pushed up prices.

Upward trend for rare earths continues

Prices for most rare earths kept rising over the last few months. This applies particularly for so-called magnet metals Neodymium, Praseodymium, Terbium and lately also Dysprosium. The use of rare earth bearing components in hybrid and electric vehicles has brought renewed interest to this industry. But there are multiple factors having an impact on prices. Like the on-going environmental inspections that have caused some factories to suspend production. Or the fact that suppliers withheld sales in anticipation of a new round of national stockpile! But it leaves some uncertainty whether or not this development will be sustainable.

Rare earths resources

The ongoing price rise over the past 6 months has also gained some attraction from mining deposits outside of China. At least since the 2011 hype more and more deposits from all over the world became known to the public. However, the massive price decrease in the following years forced mining companies to cease their activities. In the meantime this market has taken a sounding. Recently the Australian Alkane has announced to start production by the end of 2019. However, this project has yet to prove its performance and efficiency.

