

# THE AMLON RESOURCE

THE SOURCE FOR RECOVERY, RECLAMATION, & ENVIRONMENTAL MANAGEMENT

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## Molybdenum Monetary Momentum Measures

Go ahead: say that ten times fast! We dare you! Okay, perhaps there are better, more confusing tongue-twisters that exist but take a moment to ponder something that's really confusing: molybdenum pricing. Why? Recent publications by the International Molybdenum Association and Roskill Reports both indicate global use of molybdenum is seen rising 6% per annum through 2019. That's a healthy rate of increased demand – due to greater use in transportation, power generation, building and construction. Further, it has been reported that under-investment in molybdenum projects for 2009-2010 will have supply consequences from now to as far ahead as 2015. Given this, how could increases in demand coupled with supply constraints have led to the recent molybdenum price erosion we now observe?

Iron ore demand and steel production in the world's largest steel market, China, remain strong with YoY growth rates of nearly 14%. However, China has swung from being a net importer of moly oxide to a net exporter of late. This is attributed to China bringing on-stream new domestic mines and supply sources which have outpaced even their own robust growth in demand. Hence, China appears poised to buy less on the global market even if that market is rapidly expanding. Further, the Chinese domestic price differs from the global market and has been relatively stagnant for molybdenum. Hence, the absence of Chinese buyers appears to have led to the recent decline in molybdenum pricing, and there appears to be no cause for any near-term change despite a recently tightened Chinese export quota.

Refiners should be largely pleased with this potential situation: fresh molybdenum-containing hydroprocessing catalysts should therefore cost less. Price differences between fresh and regenerated or rejuvenated catalysts will likely diminish thereby lowering the economic incentive to risk a second cycle performance. And hydrotreating catalyst budgets may possibly remain favorable – at least for the near future, anyway (whew!).

Spent catalyst asset values can also be expected to shrink in this environment. However, the key will be to shift ones' focus to recycling costs in order to lower the risks from potentially declining metal values. Amlon Resources understands these opportunities and is here to help: we specialize in offering refiners the ideal combination of low cost, high value, and minimum risk catalyst recycling solutions. Call the people who know metals and their markets – call Amlon Resources today!

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## METALS ANALYSIS

1. The James Webb Space Telescope, now 4 years behind schedule and ~\$6.2 billion over budget, is slated to have mirrors made from what metallic element (provided Congress does not cancel this project)?
2. Which metal oxide, when fired through solid state sintering, is used to make ceramic knives that can demonstrate a Mohs hardness scale of ~8.5? FYI Mohs index of hardened steel is 6-6.5, while diamond is 10.
3. The U.S. Bullion Depository in Fort Knox, KY presently holds 147.3 million ounces of gold (Au) in the form of 27.5 pound gold bars. Guess what the United States' book value is for that gold, per ounce?
4. The NFL's Lombardi trophy is 22" tall, 7 lbs, takes approximately 4 months and 72 man-hours to create, and is made of what metal?

Beryllium, Zirconium, \$42.22/ounce, Sterling Silver



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