

---

# Chronimet and Comsup Commodities reveal mystery of Armenia's

By John Helmer

Caucasus Environmental NGO Network (CENN) - 30/11/2007

---

German miner Chronimet and America's Comsup Commodities reveal mystery of Armenia's molybdenum mines.

Molybdenum is a metal that doesn't lose its cool.

Used in a variety of alloys for steel, it remains rigid at 3,000 degrees Fahrenheit, and doesn't melt until 4,730 degrees F, a point at which everything but four other natural elements have vaporized and disappeared.

The biggest source of demand for molybdenum alloys is in stainless steel production, and as this also consumes nickel, the price of molybdenum usually moves in parallel with nickel. If nickel and stainless steel prices are rising, so is molybdenum. When they decline, moly follows them down.

At least, that's the theory.

The reality since mid-May is that nickel has been falling in price from a peak just short of US\$25 per pound. At the same time, molybdenum jumped to \$32/lb in May, then \$35/lb in June. It remained at that price until mid-October, when it fell back a dollar.

Another theory is that--since molybdenum is a vital ingredient in the manufacture of high-pressure oil and gas pipes, along with containment vessels for new-generation nuclear reactors--its price will correlate with rising demand for oil, gas, and uranium. They should drive moly pricing, even if nickel and stainless steel fail. And there's more - although the global supply of molybdenum ore may be plentiful, the capacity to roast the concentrate into metal is quite constricted. On the way to the moly roaster, therefore, the market is sensitive to the possibility of shortages.

For the full text go to:

<http://www.mineweb.com/mineweb/view/mineweb/en/page36?oid=39070&sn=Detail>

T +995 32 75 19 03/04

F +995 32 75 19 05

info@cenn.org

<http://www.cenn.org>

---