

# Metal Bulletin

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## European FeV price surge on renewed supply concerns, spot demand flurry

The European ferro-vanadium market surged earlier this week, amid a flurry of spot purchasing interest and renewed supply concerns.

Spot prices for European ferro-vanadium increased to \$69-71.20 per kg on June 6, delivered duty-paid in Europe, up 4.82% from \$66.25-67.50 per kg on June 1, according to Metal Bulletin's mid-week assessment.

Spot market buying interest picked up considerably this week following last week's price rebound, with both traders and consumers scrambling to restock material before any further price run-up.

Prices have continued to climb with each passing day, with many participants refusing to offer below the current Metal Bulletin high mark, market participants said.

"I sold at \$69 at the start of the week to test the market, and all of the sudden I got flooded by inquiries. Everyone trying to get back in before it goes up even further," a supplier source told Metal Bulletin.

"They might be too late because, at this point, I'm not offering under \$72," he added.

While a surge in spot inquiries has played a minor role in the rapid ascent of ferro-vanadium prices, unexpected tight supply has served as the primary factor for the price run.

"European stocks are at a very low level right now, so available material is hard to

**Ferro-vanadium basis 78% min, free delivered duty paid, consumer plant, 1st grade Western Europe, \$ per kg V**

	Price	Change
<b>06/06/18</b>	70.10	—
<b>STLM</b>	68.75	1.96%
<b>STLY</b>	26.10	168.58%
<b>Monthly Averages</b>		
<b>May 18</b>	66.28	5.76%
<b>Apr 18</b>	69.35	1.09%
<b>Mar 18</b>	69.51	0.85%

**Vanadium pentoxide min 98%, in-warehouse Rotterdam \$ per lb V2O5**

	Price	Change
<b>01/06/18</b>	14.25	—
<b>STLM</b>	15.13	-5.79%
<b>STLY</b>	5.33	167.61%
<b>Monthly Averages</b>		
<b>May 18</b>	14.56	-2.10%
<b>Apr 18</b>	15.54	-8.29%
	<b>Price</b>	<b>Change</b>
<b>Mar 18</b>	15.03	-5.19%

right now, so available material is hard to come by," a second supplier source said.

"A lot of traders were liquidating on the downturn, and now most of them are all dried up on inventory," a third supplier source agreed.

Since traders have run their inventories low, replacement material has been hard to come by due to considerably reduced availability of Chinese material.

"The offers from China have basically all dried up, so nothing is really coming from there. Without that, traders can't replace material, so the market is suddenly looking very tight," the third supplier source said.

The abrupt disappearance of offers from Chinese exporters has been attributed to low levels of Chinese feedstock as well as the renewed presence of environmental inspectors in China.

"Chinese inspectors are now out and there is no real availability to be shipped from China until mid-July, meaning it will arrive in Europe in August. This is going to keep availability in Europe very tight," a fourth supplier source explained.

Meanwhile, the European vanadium pentoxide market began to firm last week, with availability similarly running thin due to a lack of offers from Chinese exporters.

European V2O5 prices firmed to \$14-14.50 per lb on June 1, up 15 cents on the low from \$13.85-14.50 per lb the previous week, according to Metal Bulletin's latest assessment.

"We saw a lot of Chinese exporters pull offers entirely last week, so this market will be one to watch over the next few weeks. We could see prices start to bounce back without that material," a supplier source stated.

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