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HD **NO HOLIDAY SPELL FOR METALS**  
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With zinc leading the charge, most have recovered in price NORTHERN hemisphere metals sentiment seems to be holding up even as the Europeans head off for their favourite Adriatic haunts or rented Tuscan villas, usually a time for commodities to go into snooze mode.

The good manufacturing numbers out of **China** helped and metals ripped away on Thursday. Friday was considerably less frenetic. Aluminium signalled it may have been overbought and **copper** shed \$US49 to close at \$US7120 a tonne — still, not too bad considering where the red one has been this year. Nickel did well ending at \$US19,200 a tonne (especially as stocks rose yet again to an all-time warehouse record of 312,156 tonnes), **lead** firmed and tin made a three-week high of \$US22,475 a tonne.

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But it was zinc that showed the rest of the complex a clean pair of heels. On Friday it nearly reached a three-year high, flirting around \$US2400 a tonne before subsiding to close at \$US2390. It should be noted that contracts on the Shanghai Futures Exchange are going through at \$US278 a tonne lower than the last reported **Chinese** price for delivered zinc metal, indicating sufficient inventories on the mainland.

But we're certainly at a position far better than many would have expected a few months ago. Of the base metals, only **copper** is down on its January 1 level (and by only 2.6 per cent), tin and **lead** are pretty well back where they began the year, but aluminium is up 12.5 per cent, zinc 16.2 per cent and nickel a whopping 37.8 per cent.

No wonder the nickel star Sirius Resources (SIR) saw its capital raising heavily oversubscribed, the **company** walking away with \$189 **million**. Segue Resources (SEG), with its Plumridge nickel, also in the hot Fraser Range district, will bank \$2m and send back the other \$1m it was offered. On the **gold** front, GBM Resources (GBZ) rustled up \$1.14m to keep the momentum going.

Speaking of **gold**, the doom merchants were out again on news **Chinese** buying had fallen dramatically, which sent the price well below the \$US1300 an ounce mark. But the jeering was still echoing in our ears on Friday, when the metal suddenly put on \$US18 to close at \$US1311.

Deutsche Bank, which has been rather mixed on **gold**, put out an intriguing note at the end of the week wondering who was behind the demand for **gold** of late.

"We are not sure where it came from," the Deutsche note continued. In recent months, the bank now believes, the obvious candidates — the central banks, as well as India and **China**'s rapacious consumers — appear not to have been involved. After all, the latest figures from the **China Gold Association** suggest demand fell by 20 per cent in the first half of the year and **Chinese** domestic **gold** production grew by 10 per cent over the same period.

"Also, someone has been buying up goldmining stocks in a meaningful way since the start of 2014." Can you hear the plot thickening? And, concludes Deutsche, "it would strike us as odd, therefore, if the sudden disappearance of long-term demand was more than just a temporary respite".

Hallelujah! The **gold** conspiracy crowd may just have a new member.

Scandium play soars INTEREST does seem to be switching back to the junior end as the majors struggle with various problems from the **iron ore** glut to unwanted **operations**. Anglo American's first-half results out last week were fairly unimpressive and the **company**, along with partner BHP Billiton (BHP), is now selling their manganese assets.

The ripper of the week, by contrast, came from a **company** capitalised at just \$30m. Shares of Platina Resources (PGM) closed the previous week at 5.2c. Then came Monday's announcement that Inner Mongolia Honfine Zirconium Industry Co had signed a heads of agreement to take 15 tonnes of scandium from the junior's Owendale project in NSW.

Regular Pure Speculation readers have been well-informed on scandium, the rare-earth used in many applications from golf clubs to Russian fighter jets, and of which only about 10 tonnes a year is at present produced. Late last year we noted that PGM had increased its scandium resource to 5700 tonnes. Scandium prices over the past four years have ranged between \$US1400 and \$US3700 a kilogram (and the metal is complemented at Owendale by a large platinum resource, useful considering the problems the South African producers are facing and the Russian miners may confront in the unlikely event of Europe getting up the gumption to impose some meaningful sanctions). Anyway, Platina's shares gained 76.9 per cent on the news. Then, three days later, they rose a further 27.8 per cent and on Friday they were up another 100 per cent to close at 23c.

Meanwhile the former scandium frontrunner Metallica Minerals (MLM) continues to look for an offtake deal while it also pursues mineral sands and Jervois **Mining** (JRV) announced retesting of samples from its scandium deposit showed higher grades.

Pencil in graphite GRAPHITE gets everyone very excitable, too. Buxton Resources (BUX) and junior partner Montezuma **Mining** (MZM) got good price jumps on drilling results from the Yalbra project in Western Australia while Talga Resources (TLG) became the first Australian player to make a **sale** of the wonder material, graphene. Its Swedish graphite needs little work to process to graphene, while all the others will require complex processing.

Still no news of the rumoured Glencore takeover bid for Syrah Resources (SYR) — well, we did tell you not to hold your breath.

And we received this email from an industrial mineral consultant: "As far as I can make out, the actual Western graphite producers aren't exactly exploring in any way like the juniors as they have quite sufficient resources. Even Imerys hasn't made a sound about graphite which may say something." The Paris-based Imerys is one of the world's biggest graphite processors.

New player THIS week's minerals defector is Parker Resources (PKR) whose main purpose in life was a farm-in opportunity at a WA **gold** project. Soon, though, it will be known as Ensurance after buying on online insurance brokerage outfit.

But, for once, this is offset by a new resources entrant. Bisan (BSN), which has been interested in cotton and turning plastics into diesel, has acquired a **stake** in — wait for it — a graphite project. This one's in Botswana. BSN stock was up 45 per cent on the news. The party roars on.

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