Rare Earth Industry on the Upswing as China Continues to Tighten Supply of Rare Earth Metals

23.04.2012 | Marketwired

Five Star Equities Provides Stock Research on Molycorp, Inc. and Lynas Corp Ltd.

NEW YORK, 04/23/12 - Rare Earth stocks have been gaining attention this year as China's supply constraints have forced countries to file a complaint with the World Trade Organization. The increasingly high prices and tightening supply chain have been a major problem for the U.S. as the metal is crucial for manufacturing popular products such as disk drives, hybrid cars and mobile phones. Rare-earth specialists speculate Chinese domestic demand to catch up with supply around 2015 leaving the U.S. with a huge shortfall of the metal. Five Star Equities examines the outlook for companies in the Rare Earth Industry and provides equity research on Molycorp, Inc. (NYSE: MCP) and Lynas Corp Ltd. (PINKSHEETS: LYSCF).

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The U.S., EU, and Japan less than a month ago moved in on the WTO to challenge China's rare earth export policies. They complained that China is illegally choking off exports of rare earth metals in attempts to hold down prices for their domestic manufacturers and in turn force technology manufacturers to relocate facilities to China. China currently supplies 97 percent of the world's rare earth despite holding only 30 percent of global rare earth deposits.

In response to the complaint China has set up a rare earth industry association. Gan Yong, President of the Chinese Society of Rare Earths, will be president of the new association who claims the body will help to "form a reasonable price mechanism."

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Molycorp, Inc. recently announced that its proven and probable reserves of rare earth minerals at its Mountain Pass, California facility have increased by 36 percent, according to a new independent estimate. The updated estimate, based on the SEC's rigorous "Industry Guide 7" definition of proven and probable mineral reserves, expands Molycorp's reserves to 18.4 million short tons of rare earth ore, at an ore grade of 7.98% and a cut-off grade of 5%.

Lynas Corporation Limited, together with its subsidiaries, engages in the exploration and development of rare earths deposits and mineral resources. The company holds interest in the Mount Weld project, which includes rare earths oxide deposits located to the south of Laverton, Western Australia.

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