

Industrial Metals Fall On Demand Worries

NEW YORK (AP) — Industrial metals fell Monday on fears that a growing debt crisis in Europe and weak job growth in the United states would dampen demand at the world's factories.

Copper for September delivery fell 4.4 cents to settle at \$4.368 a pound, October platinum dropped \$5.10 to \$1,728.30 an ounce and September palladium lost \$11.50 to \$767.45 an ounce.

The value of industrial metals generally tracks economic growth. The raw materials are used to make everything from minivans to iPads. When growth slows, so does demand for copper, palladium and other metals.

Metals prices rose last week on optimism about global economic growth. They fell Monday on worries that big banks in Spain and Italy might be hit with losses related to bailouts for debt-ridden European countries including Greece.

Investors were also concerned that talks in Washington over raising the U.S. debt ceiling were getting bogged down. President Obama said there would be no deal on raising the debt limit if Republicans won't compromise, and he said he would not sign a short-term extension, raising the stakes on volatile negotiations ahead of an Aug. 2 deadline.

The worries over debt came after a federal jobs report Friday showing that U.S. employers pulled back hiring, raising the unemployment rate to 9.2 percent. Taken together, the new signs of uncertainty have cooled investor interest in metals, oil and other hard assets.

"We had a pretty significant turnaround in investor sentiment (last week), a lot of investor buying," said Catherine Virga, director of research at CPM Group in New York.

"That's kind of stalled out this week," Virga said. "You have contagion concerns in Europe, and the fact that no resolution is in sight for the U.S. budget talks."

Gold rose as investors sought out relatively stable places to park money. Gold for August delivery rose \$7.60 to settle at \$1,549.20 an ounce.

Silver fell 84.5 cents to \$35.698 an ounce. Silver is often traded as a precious metal like gold, but it also has industrial uses so its demand can move in line with metals like copper.

Grains and beans mostly fell.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Corn for December delivery lost 4.25 cents to settle at \$6.3275 a bushel. Wheat for September delivery fell 12 cents to settle at \$6.3925 a bushel and November soybeans rose 0.5 cents to \$13.47 a bushel.

Oil prices fell as traders assumed weaker economic growth and stagnant U.S. job creation would crimp demand for energy.

Crude oil for August delivery fell \$1.05 to settle at \$95.15 per barrel on the New York Mercantile Exchange.

In other Nymex contracts, heating oil fell 0.89 cent to settle at \$3.0875 per gallon, gasoline dropped 2.21 cents to \$3.0705 per gallon and natural gas rose 0.73 cents to \$4.277 per 1,000 cubic feet.

Source URL (retrieved on 08/01/2014 - 8:52pm):

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