

Metals Fall On Economic Uncertainty

Christopher Leonard, AP Business Writer

Copper and platinum prices fell Thursday after the government reported that claims for unemployment benefits remained high last week.

Prices of industrial metals are closely tied to economic growth. Signs of weakness in the economy, such as high levels of unemployment claims, tend to push their prices lower. Copper in particular is used a raw material in many kinds of manufactured goods.

Copper for December delivery fell 8.65 cents, or 2.5 percent, to end at \$3.307 a pound. January platinum fell \$22, or 1.4 percent, to finish at \$1,532.40 an ounce. December palladium dropped \$17, or nearly 3 percent, to \$594.10 an ounce.

The U.S. Department of Labor reported that 404,000 people applied for unemployment benefits last week. The number is higher than expected in a healthy economy. New unemployment applications must drop below 375,000 to signal sustainable job growth.

The price of copper has been steadily sinking since Sept. 8, when it closed at \$4.14 a pound. The metal's price has been dragged down by worries that the European debt crisis could escalate and slow global economic growth.

Copper had a minor rally this month, rising from \$3.04 in early October. Many traders are worried the gain won't hold, said Catherine Virga, an analyst with CPM Group in New York.

"Some people thought the prices got a little ahead of themselves," Virga said.

In other trading, December wheat dropped 8.75 cents, or 1.4 percent, to finish at \$6.18 per bushel. December corn fell 2.5 cents, or less than 1 percent, to end at \$6.3825 per bushel.

Precious metals also fell. Gold for December delivery dropped \$14.10, or less than 1 percent, to \$1,668.50 an ounce. December silver fell 1.122 cents, or 3.4 percent, to close at \$31.667.

Oil prices fell. Benchmark oil lost \$1.34 to end at \$84.23 per barrel on the New York Mercantile Exchange.

Heating oil rose 3.67 cents to finish at \$2.9714 per gallon, gasoline futures gained 0.88 cents to \$2.7575 per gallon and natural gas rose 4.2 cents to \$3.531 per 1,000 cubic feet.

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