Metal Prices Fall After Big October Rally

NEW YORK (AP) — Metals prices started the week lower as investors sold contracts to reap gains from this months' rally.

Gold and silver fell Monday, as did industrial metals like copper and palladium. The price of copper shot up 15 percent last week and gold jumped nearly 7 percent.

Metal prices rose sharply last week after European finance officials announced a plan to shore up banks and indebted nations there. The bailout is expected to increase inflation, which makes precious metals like gold more valuable. It is also expected to foster economic growth, which drives up the price of industrial raw materials like copper.

Traders sold contracts Monday to lock in the profits from October's rally, said George Gero, vice president at RBC Global Futures in New York. "It's the last day of the month: Traders want to even out," Gero said.

Some investors were also spooked by the news that securities firm MF Global Holdings Ltd. will declare bankruptcy. The large securities company had deals signed with many traders who will lose money after the bankruptcy. Those traders might have to sell big quantities of gold, silver and other commodities to cover their losses, Gero said. That stoked worries that there might be a shortage of buyers in the future, depressing prices.

Copper for December delivery fell 7.4 cents Monday, or 2 percent, to settle at $3.632 a pound. December palladium fell $17.20 to close at $651.15 an ounce. January platinum lost $44.20 to finish at $1,607.60 an ounce.

December Gold fell $22, or 1.3 percent, to settle at $1,725.20 per ounce. December silver fell 9.34 cents to close at $34.354 an ounce.

In other trading, crop prices also fell. December wheat fell 16.25 cents to finish at $6.2825 per bushel. December corn fell 8 cents to end at $6.47 per bushel. November soybeans fell 8.75 cents to finish at $12.1725 a bushel.

Oil prices fell. Benchmark oil lost 13 cents to end at $93.19 per barrel on the New York Mercantile Exchange.

Heating oil fell 0.81 cents to finish at $3.0583 per gallon, gasoline futures dropped 4.04 cents to close at $2.6057 per gallon and natural gas gained 1.4 cents to close at $4.056 per 1,000 cubic feet.

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