

Metals Fall On Discouraging Jobs News

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Prices for copper and other metals fell Wednesday after discouraging reports about jobs and factory production renewed worries that demand could weaken for a wide variety of manufactured goods.

The disappointing reports came from the U.S., Europe and China, which is a huge importer of raw materials.

Investors sold off contracts as they awaited Friday's key government jobs report in hopes of getting more clarity about the U.S. economy. Analysts expect the report to show 163,000 new jobs in April, according to a survey by FactSet. The unemployment rate is expected to stay at 8.2 percent.

In the United States, payroll provider ADP said hiring slowed in April in private sector businesses. The Commerce Department said that orders for factory goods fell 1.5 percent in March, marking a turnaround from February. It was the steepest decline since March 2009.

Kingsview Financial analyst Matt Zeman said the price decline for metals appeared to be a "knee-jerk reaction" to the U.S. factory production data and jobs report.

In Europe, unemployment across the 17 countries that use the euro rose to 10.9 percent in March as the region continued to struggle with a massive government debt crisis that has slowed the economy.

And HSBC said that its manufacturing purchasing managers index for China rose to 49.1 in April from 48.3 in March. The index has remained below 50, the level indicating expansion, since October. Companies also reduced jobs at the sharpest rate in 37 months, HSBC said.

Most commodities were also hurt by a strong dollar. Commodities are priced in dollars so a stronger dollar makes them more expensive for buyers who use other currencies like the euro.

Copper for May delivery fell 5.45 cents to end at \$3.7855 per pound, June palladium declined \$11.60 to \$669.45 per ounce and July platinum dropped \$7.90 to \$1,564.40 an ounce.

Gold for June delivery fell \$8.40 to finish at \$1,654 an ounce and May silver ended down 28.5 cents at \$30.592 per ounce.

In July agricultural crop contracts, wheat fell 28.5 cents, or 4.4 percent, to finish at \$6.145 per bushel, corn dropped 17.5 cents, or 2.8 percent, to \$6.115 per bushel and soybeans ended down 18.5 cents, or 1.2 percent, at \$14.85 per bushel.

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Benchmark oil fell 94 cents to finish at \$105.22 per barrel on the New York Mercantile Exchange. Heating oil declined 3.46 cents to \$3.1425 per gallon, gasoline futures dropped 2.14 cents to \$3.0757 per gallon and natural gas fell 11.8 cents to \$2.253 per 1,000 cubic feet.

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