

Metals Prices Diverge In Hard-To-Read Economy

The Associated Press

Metals prices were tugged in opposite directions Tuesday by conflicting signals about the economy.

Caterpillar, the world's largest maker of bulldozers and other heavy equipment, tamped down metals prices when it said late Monday that slower economic growth would trim its earnings.

But traders were also digesting the latest report from the closely watched Standard & Poor's/Case-Shiller index, which reported Tuesday that housing prices rose for the third month in a row.

Copper and platinum rose slightly. Palladium and silver, which can be traded as an industrial metal, fell. The price of oil, which often mirrors industrial metals, slipped to its lowest point in nearly two months in New York trading.

In a note to clients, Barclays analyst Kevin Norrish said that metals prices were likely reflecting the signals of a weakening economy. Recent action by the Federal Reserve in the U.S. and other countries' central banks to jump-start growth won't be enough, he added.

"With global growth looking weaker, we doubt whether the steps taken recently in Europe, the U.S. or China add up to being a real 'game changer' for many commodities," Norrish wrote.

Prices for both industrial metals and precious metals jumped when the Fed announced Sept. 13 that it would engage in a new round of bond-buying meant to boost the economy.

Investors hoped the Fed action would help the economy and create a greater need for metals used in manufacturing and construction. Prices for precious metals went up in part because of fears that the Fed's bond-buying would lead to inflation. Some investors buy gold to protect themselves.

But prices for copper, palladium, platinum and silver have slipped since then. Gold, the exception, has been roughly flat, and Norrish predicted that those prices could pick up as the Asian festival season fuels buying from India and China.

On Tuesday, prices for industrial metals diverged. Copper for December delivery rose 2.7 cents to \$3.7585 per pound. December palladium fell \$4.65 to \$640.85 per ounce. October platinum rose \$9.80 to \$1,631.80 per ounce.

December silver was virtually flat, edging down 3.6 cents to \$33.948 per ounce. December gold was also virtually flat, rising \$1.80 to \$1,766.40 per ounce.

Metals Prices Diverge In Hard-To-Read Economy

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

Benchmark oil, which is used to price U.S. varieties of oil, dropped 56 cents to \$91.37 per barrel in New York. That's the lowest price since Aug. 2.

In other energy trading, Brent crude, which is used to price international varieties of oil, rose 64 cents to \$110.45 per barrel in London. Heating oil rose 1 cent to \$3.109 per gallon. Wholesale gasoline increased 4.95 cents to \$2.9671 per gallon. Natural gas gained 8.7 cents to end at \$2.9240 per 1,000 cubic feet.

Prices for key agricultural commodities were mixed. Wheat for December delivery slipped 5.5 cents to \$8.865 per bushel. December corn edged down 1 cent to \$7.4375 per bushel. November soybeans inched up 1.5 cents to \$16.115 per bushel.

Source URL (retrieved on 07/30/2014 - 2:37pm):

http://www.impomag.com/news/2012/09/metals-prices-diverge-hard-read-economy?qt-recent_content=1