

Platinum Prices Jump As Mine Dispute Spreads

The Associated Press

The price of platinum jumped nearly 3 percent Wednesday as protests spread at South African mines.

Workers at a mine run by Anglo American Platinum appeared to go on strike, demanding higher wages. The company denied that the workers were on strike, but said it shut down its mines in the town of Rustenberg for safety reasons.

It's the latest chapter in a battle that exploded about a month ago, when workers at a nearby mine run by Lonmin went on strike.

The movement has been violent, with dozens of miners killed. The majority of the world's platinum comes from South Africa, and the metal's price has climbed nearly 20 percent in the past month.

On Wednesday, platinum for October delivery rose \$42.60, or 2.7 percent, to \$1,649.60 per ounce.

The strike at Anglo Platinum is especially weighty because it is the largest platinum company in the world, said Erica Rannestad, a commodities analyst at CPM Group. Lonmin is the third-largest.

"If we're seeing that contagion spill over into Anglo, it could spill into other operations," she said.

Platinum prices were already primed to move up. Platinum is used in catalytic converters for vehicles, and recent car sales have been relatively strong.

Palladium, which is also used in catalytic converters, rose \$4.40, or 0.7 percent, to \$679.30 per ounce.

Prices for other metals were lethargic. December gold slipped \$1.20 to \$1,733.70 per ounce. December silver edged down 27.4 cents to \$33.292 per ounce. December copper fell 0.45 cent to \$3.6925 per pound.

Prices for key crops were mixed after the U.S. Department of Agriculture released its monthly report on worldwide crop supply and demand.

The price for corn fell, while prices for wheat and soybeans rose. Prices tend to rise when investors believe there will be increased demand for the crop, or because they worry that supply will be tight.

Prices for all three crops have risen dramatically since June because investors have worried that drought throughout the U.S. would curb supply.

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The USDA on Wednesday did slightly trim its prediction for the year's corn yield. But the price of corn fell, analysts said, because the ruin on the crops hasn't been as bad as some feared.

Also, farmers planted more corn this year than any since 1937, mitigating the drought's effect. And buyers, frustrated by the high corn prices, have also tamped down their demand.

December corn fell 8.25 cents, or 1.1 percent, to \$7.695 per bushel.

The USDA also predicted slightly lower soybean production. November soybeans rose 44.25 cents, or 2.6 percent, to \$17.457 per bushel. December wheat rose 6.25 cents to \$8.90 per bushel.

Energy commodities were mixed. Investors are hopeful that central banks, including the Federal Reserve in the U.S., will step in with more plans to heal the economy. But they also wonder how much the central banks can do.

Benchmark crude, used to price U.S. varieties of oil, fell 16 cents to \$97.01 per barrel. Brent crude, used to price international oil, increased 56 cents to \$115.33 per barrel.

Wholesale gasoline dropped 4.19 cents to \$3.0016 per gallon.

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