Industrial Metals Higher On Mixed Economic News

Sandy Shore, AP Business Writer

Prices are higher for industrial metals as positive signs emerged from a batch of global economic news.

Copper for December delivery gained 2.75 cents to finish at $3.7855 per pound. Platinum, palladium and silver also rose.

The new reports showed that U.S. manufacturing activity improved, overall U.S. construction spending dropped and China's manufacturing activity remained anemic.

The Institute for Supply Management, a trade group of purchasing managers, said its index of factory activity increased to 51.5 in September. A reading of 50 or higher indicates growth. The index had been below 50 from June through August.

Separately, U.S. builders spent more on home construction in August but overall construction spending fell 0.7 percent because of a fewer commercial projects such as office buildings and shopping centers, the Commerce Department said.

Meanwhile, China's manufacturing activity in September improved from the previous month but remained below the 50 reading that indicates growth. China is struggling through its worst economic downturn since 2008 which worries investors because it is a huge importer of raw materials like copper, oil and soybeans.

January platinum rose $16.50 to finish at $1,685.80 an ounce and December palladium increased $4.80 to $645.60 an ounce. December silver gained 37.5 cents to $34.952 per ounce.

In other trading, the price of gold rose after Chairman Ben Bernanke defended the Fed's most recent stimulus measures in a speech to the Economic Club of Indiana. He said the central bank needs to push borrowing rates lower because the economy isn't growing fast enough to reduce high unemployment.

The government's next job report is scheduled to be released Friday.

Investors often buy gold as a hedge against inflation and volatility in currencies. December gold gained $9.40 to finish at $1,783.30 per ounce.

Energy prices were mostly higher. Benchmark oil rose 29 cents to end at $92.48 per barrel, heating oil fell 2.34 cents to $3.1358 per gallon and wholesale gasoline was unchanged at $2.9201 per gallon. Natural gas gained 16 cents, or 4.8 percent, to $3.48 per gallon.

In agricultural futures, wheat for December delivery fell 18.25 cents to finish at $8.8425 per bushel, December corn increased 0.5 cent to $7.5675 per bushel and November soybeans fell 40.75 cents to $15.6025 per bushel.

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